

Central Services
Joan Araujo, Director

Engineering Services
Anastasia Seims, Director

Roads & Transportation
Anitha Balan, Director

Water & Sanitation
Vacant, Director

Watershed Protection
Jeff Palmer, Director

September 10, 2024

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, California 93009

Subject: **Approval of, and Authorization for the Public Works Agency Director (Director) or Designee to Sign, a Lease Agreement (Agreement) with Elms Manor Corporation, a California Stock Corporation, for a Licensed Residential Care Facility for the Elderly Located at 67 E. Barnett Street in the City of Ventura for Ventura County Behavioral Health With Monthly Rent of \$35,000; Find that the Project is Categorically Exempt from CEQA; Authorization for the Director to Approve Minor Modifications to the Agreement; Supervisorial District No. 1.**

Recommendations:

1. Approve and authorize the Public Works Agency Director or designee to sign the attached Lease Agreement (Agreement) with Elms Manor Corporation, a California stock corporation, for the licensed Residential Care Facility for the Elderly located at 67 E. Barnett Street, Ventura, for Ventura County Behavioral Health (VCBH) with monthly rent of \$35,000.
2. Find that your Board's approval of the project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15301 as an action solely to lease existing facilities, and that no exceptions set forth in CEQA Guidelines section 15300.2 preclude use of this exemption.
3. Authorize the Director to approve minor modifications to the Agreement provided that any such modification is consistent with the original purpose of the Agreement, does not result in additional costs to the County of Ventura and is reviewed and approved as to form by the County Counsel's Office.



Fiscal/Mandates Impact:

MHSA Budget Unit #3260-3273 (CSS Adult Services)

Mandatory:	No
Source of Funding:	Proposition 63 Mental Health Services Act (MHSA)
Funding Match Required:	No
Impact on Other Departments:	None

	<u>FY 2024-25</u>	<u>FY 2025-26</u>
Summary of Revenue and Total Costs		
Revenue:	\$ 385,000	\$ 70,000
Costs:		
Direct	\$ 385,000	\$ 70,000
Indirect – Agency/Dept.	\$ 0	\$ 0
Indirect – County CAP	\$ 0	\$ 0
Total Costs	\$ 385,000	\$ 70,000
Net Costs	\$ 0	\$ 0
Recovered Indirect Costs	\$ 0	\$ 0

Current Fiscal Year (FY) Budget Projections:

<u>FY 2024-25 Adopted Budget for MHSA Budget Unit #3260-3273</u>				
	Adopted Budget	Adjusted Budget	Projected Budget	Estimated Savings/(Deficit)
Appropriations	\$72,040,338	\$72,040,338	\$72,040,338	\$0
Revenue	\$66,221,885	\$66,221,885	\$66,221,885	\$0
Net Cost	\$5,818,453	\$5,818,453	\$5,818,453	\$0

Sufficient appropriations and revenue are included in the FY 2024-25 adopted budget for MHSA Budget Unit #3260-3273 (CSS Adult Services).

Discussion:

Ventura County Behavioral Health (VCBH) contracts with various licensed Residential Care Facilities for the Elderly (RCFE) for senior adults over the age of 59 and Adult Residential Facilities (ARF) for clients between the ages of 18 and 59. RCFEs and ARFs



are licensed by the state to provide 24-hour care for disabled adults and are located throughout the County. Client residents at RCFEs and ARFs cannot safely live independently in the community but are not so ill as to require skilled nursing. VCBH clients placed at licensed RCFEs and ARFs agree to assign their Supplemental Security Income (SSI) payments to the RCFEs and ARFs in exchange for augmented room and board services, including 24-hour care, medication management, all meals and transportation as well as social, wellness, recovery, and recreational opportunities. VCBH also pays the RCFEs and ARFs a monthly per client rate to the RCFE and ARF operators to augment the SSI payments. In addition, VCBH case managers provide supplemental supportive services to clients placed at RCFEs and ARFs.

Statewide, licensed RCFEs and ARFs serving extremely low-income people with mental illness are closing at an alarming rate. Since the COVID-19 pandemic, closure rates have been exacerbated. In 2010, VCBH had contracts with 16 RCFEs/ARFs, but now has only six such contracts. The preservation of this type of housing with an advanced level of care is essential to meeting the needs of an extremely vulnerable segment of the population and to curb the cycle of homelessness.

In July of 2024, the long-time owner/operator of the Elms Manor Corporation's RCFE offered to lease to VCBH the property located at 67 East Barnett Street in Ventura; see Vicinity and Location Maps, Exhibits 1 and 2. VCBH agreed to continue to operate the facility as an RCFE until a contract with a new operator could be established by VCBH. Fortunately, VCBH client residents at the Elms Manor Corporation's RCFE do not have to be relocated as the transition from the old operator to the new will be seamless. VCBH would have a separate contract with Turning Point Foundation (TPF) to continue operating of the facility as an RCFE. Turning Point Foundation would operate under Elms Manor Corporation's existing license for a period of no more than sixty (60) days after which TPF would then receive its operating license from Community Care Licensing, the state agency that oversees RCFEs. VCBH requests approval for Public Works to lease the RCFE facility from The Elms Manor Corporation.

The salient terms of the proposed Agreement are as follows:

LESSOR:	Elms Manor Corporation, a California stock corporation
PREMISES:	The entirety of Assessor's Parcel Number 069-0-131-250, improved as a 54-bed residential care facility for the elderly (RCFE) consisting of approximately 12,415 square feet of area ("Residence"), commonly known and referred to as 67 E. Barnett Street, Ventura, California (collectively, the "Premises").



RENT: Rent shall be \$35,000 per month, modified gross, for the 12-month term. This rent reflects a rate of \$2.82 per square foot per month which Real Estate Services has determined to be representative of fair market rent for such space in Ventura.

SECURITY DEPOSIT: An amount equal to \$35,000, which is equal to one month's rent shall be deposited by County with Lessor upon execution of this Lease.

REPAIRS AND MAINTENANCE: County shall maintain the Premises and shall provide, at its sole cost, all maintenance, repair, and replacement required to be performed in connection therewith.

UTILITIES: County shall pay for all utilities serving the Premises, including water, sewer, gas, electricity, telephone, and trash service and shall make payments directly to the utility company furnishing same.

JANITORIAL: County shall provide its own janitorial service to the Premises.

TERM: The term of the Agreement shall be 12 months, commencing on September 1, 2024, and terminating on August 31, 2025.

OPTION TO EXTEND: County shall have one (1), twelve-month option to extend the term of the Agreement at the same monthly rental rate.

OPTION TO PURCHASE: County shall have an exclusive option to purchase ("Option to Purchase") the Premises for \$3,400,000. County's Option to Purchase the Premises expires on August 31, 2026.

Your Board's approval of the project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15301 as an action to lease existing facilities. Staff has also determined that no unusual circumstances or other facts set forth in CEQA Guidelines section 15300.2(c) preclude use of this categorical exemption.



Strategic Plan:

This item contributes to the Board of Supervisors (Board's) 2024-2027 strategic priority to provide:

- I. Healthy, safe, and resilient communities through
 1. Providing equitable and timely access to quality healthcare, mental health, and public health services.

This letter and the Agreement have been reviewed by Ventura County Behavioral Health, the County Executive Office, the Auditor-Controller's Office, and County Counsel.

If you have any questions regarding fiscal or discussion portions of this letter, please contact Loretta Denering, at 805-973-5186. If you have questions regarding the Agreement, please contact George Andrade, Manager of the Real Estate Services Division, at 805-654-2402, or the undersigned at 805-654-2084.

Sincerely,



Joan Araujo
Director, Central Services

Attachments:

- Exhibit 1 – Vicinity Map
- Exhibit 2 – Location Map
- Exhibit 3 – Lease Agreement

