

Central Services  
Joan Araujo, Director

Engineering Services  
Christopher Cooper, Director

Roads & Transportation  
Chris Hooke, Acting Director

Water & Sanitation  
Joseph Pope, Director

Watershed Protection  
Glenn Shephard, Director

May 18, 2021

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

**Subject:**      **Approval of, and Authorization for the Director of the Public Works Agency, or Designee, to Sign, a Lease with Channel Islands Holding Company, LLC, a California Limited Liability Company, for a Property Located at 50 Oak Street, in the City of Camarillo, for use as an Adult Residential Facility with Monthly Rent Starting at \$17,598.75; Supervisorial District No. 3.**

**Recommendation:**

Approve and authorize the Director of the Public Works Agency, or designee, to sign the attached Lease Agreement (Exhibit 1) with Channel Islands Holding Company, LLC, a California limited liability company, for the property located at 50 Oak Street, in the City of Camarillo, for use by Ventura County Behavioral Health.

**Fiscal/Mandates Impact:**

Mandatory: No

Source of Funding: Tobacco Settlement and 1991 Realignment (Trust N510-717C)

Funding Match Required: No

Impact on Other Departments: Yes



<b>Summary of Revenue and Total Costs:</b>	<b><u>FY 2020-21</u></b>	<b><u>FY 2021-22</u></b>
Revenue:	\$ 17,599	\$ 211,713
Costs: Direct	\$ 17,599	\$ 211,713
Indirect – Agency/Dept.	\$	\$
Indirect – County CAP	\$	\$
Total Costs	<u>\$ 17,599</u>	<u>\$ 211,713</u>
Net Cost	\$	\$
Recovered Indirect Costs (Department & County CAP)	\$	\$

**CURRENT FISCAL YEAR OPERATING BUDGET PROJECTIONS:**

<b>FY 2020-21 Operating Budget Projection for Ventura County Behavioral Department – Unit 3203</b>				
	Adopted Budget	Adjusted Budget	Projected Budget	Estimated Savings/(Deficit)
Appropriations	\$ 20,383,848	\$24,538,599	\$23,414,579	\$1,124,020
Revenue	\$ 19,080,840	\$22,480,840	\$22,120,868	(\$359,972)
Net Cost	\$ 1,303,008	\$2,057,759	\$1,293,711	\$764,048

There are sufficient appropriations available in the FY 2020-21 adjusted budget.

**Discussion:**

Ventura County Behavioral Health (VCBH) contracts with various adult residential facilities (ARFs) throughout the county, including certain facilities for clients over the age of 59. All ARFs are licensed by the state to provide 24-hour care for disabled adults. Client residents at ARFs cannot safely live independently in the community but are not so ill as to require skilled nursing. VCBH clients placed at licensed ARFs agree to assign their federal Supplemental Security Income (SSI) payments to the ARFs in exchange for augmented room and board services, including but not limited to 24-hour care, medication management, all meals and transportation as well as social, wellness, recovery and recreational opportunities. VCBH also pays the ARFs a monthly per client rate to ARF operators to augment the SSI payments. In addition, VCBH case managers provide supportive services to clients placed at ARFs.

Statewide, licensed ARFs that serve extremely low-income people with mental illness are closing at an alarming rate. The closure rate has been exacerbated by the COVID-19



pandemic. Eighty percent (80%) of ARFs in California are family-run businesses that operate without significant profit. In 2010, VCBH had contracts with 16 ARFs, but it 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 curbing the cycle of homelessness.

In January of 2021, Pacific West Care Homes, LLC (Pacific), the long-time owner and operator of Hickory House, an ARF for clients over 59 years old at 50 Oak Street in Camarillo (Property), sold the business and the Property to Channel Islands Holding Company, LLC (Channel Islands). Pacific agreed to continue operating Hickory House as an ARF for clients over 59 years of age until a contract with a new operator could be established by VCBH. This was fortunate since VCBH's client residents did not have to be relocated as a result of the sale. VCBH proposes to lease the Property from Channel Islands and contract with Turning Point Foundation (Turning Point) to continue the ARF for clients over 59 years of age at the Property. Before your Board today are two Board letters presenting this proposed ARF facility involving Channel Islands and Turning Point which would begin on June 1, 2021. This Board letter seeks authorization to lease the Property from Channel Islands, and the second Board letter seeks authorization to enter into an agreement with Turning Point to operate a licensed 36-bed ARF for residents over 59 years old that will be renamed Oak Place at the Property.

### **Lease Terms:**

Your Board is requested to approve the proposed Lease Agreement (Lease) (Exhibit 1) for 7,125 square feet of residential space for an ARF for residents aged 59 or older located at 50 Oak Street, in Camarillo and depicted in the attached Location Map (Exhibit 2).

The salient terms of the proposed Lease are as follows:

<b><u>LESSOR:</u></b>	Channel Islands Holding Company, LLC, a California limited liability company.
<b><u>PREMISES:</u></b>	7,125 square feet of residential space in the two-story building, commonly known and referred to as 50 Oak Street, Camarillo.
<b><u>TERM:</u></b>	The term of this Lease shall be one hundred twenty (120) months, commencing on June 1, 2021 and terminating on May 31, 2031.
<b><u>RENT:</u></b>	Rent shall be \$17,598.75 per month for the first 12 months of the term. The rent will increase annually thereafter by 3%, throughout the remaining term of the Lease.



UTILITIES: County shall pay for all separately metered utilities serving the Premises.

MODIFICATIONS  
BY LESSOR:

Lessor agrees to install, at Lessor's own cost and expense, but not to exceed two hundred thousand dollars (\$200,000.00), the following: new paint, new flooring, electrical upgrades, new heating units and landscaping.

FIRE  
PROTECTION:

Lessor shall be responsible for service, repair and maintenance of all fire protection equipment including smoke and carbon monoxide alarms, fire extinguishers, automatic fire sprinklers system and manual fire alarm system.

ADA  
COMPLIANCE:

To the extent the Premises is determined to be in non-compliance, with non-compliance determined on an occupied basis, with the Occupational Safety and Health Act of 1970, or any related accessibility legislation including, but not limited to, California Civil Code section 55.51 et seq., the Americans with Disabilities Act, the Fair Housing Act and the California Fair Employment and Housing Act, then Lessor shall make all installations, modifications or improvements required as a result of such non-compliance.

OPTION  
TO EXTEND:

County shall have one (1), five (5)-year Option to Extend the Lease at the then fair market value.

This board letter has been reviewed by the County Executive Office, Auditor-Controller's Office, County Counsel, and VCBH. In conformance with section 25351 of the Government Code, prior notice of the proposed lease transaction was provided to the City of Camarillo.



If you have any questions regarding the fiscal or discussion portions of this letter, please contact VCBH Director Sevet Johnson or HCA Assistant Chief Financial Officer Narcisa Egan at (805) 981-1881. If you have questions regarding the Lease Agreement, please contact Chuck Alvarez, Manager of the Real Estate Services Division, at (805) 654-2402, or the undersigned at (805) 654-2084.

Respectfully,



Joan Araujo  
Director, Central Services

Attachments:

Exhibit 1 – Lease Agreement  
Exhibit 2 – Location Map

