COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

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Fourth District

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Fifth District

DATE: September 9, 2025 **12**

TO: Board of Supervisors

SUBJECT

GENERAL SERVICES – APPROVE THIRD AMENDMENT TO LEASE AGREEMENT FOR THE HEALTH AND HUMAN SERVICES AGENCY, 1250 MORENA BOULEVARD, SAN DIEGO AND NOTICE OF EXEMPTION (DISTRICT: 4)

OVERVIEW

The Health and Human Services Agency (HHSA) has operated the North Central Behavioral Health Center, located at 1250 Morena Boulevard in San Diego since 1988. HHSA, through its Behavioral Health Services Department, provides mental health and substance use disorder services to San Diego County residents of all ages. The current lease, approved by the Board of Supervisors (Board) on June 15, 2004 (17), and amended on March 23, 2010 (13), expired on June 30, 2025. The lease went into holdover as additional time was needed to negotiate an amendment. The holdover has allowed the County of San Diego to continue occupancy on a month-to-month basis.

Staff from the Department of General Services have negotiated a lease amendment that will extend the term by three years, with two consecutive options of one year each. Today's request is for Board approval of the third amendment to the lease agreement.

RECOMMENDATIONS
CHIEF ADMINISTRATIVE OFFICER

1. Find that the proposed lease amendment is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines section 15301.

2. Approve and authorize the Director, Department of General Services, to execute the proposed lease amendment for the premises located at 1250 Morena Boulevard, San Diego.

EQUITY IMPACT STATEMENT

It is anticipated that the proposed lease amendment for the Health and Human Services Agency will have a positive impact on the community by ensuring access for all through a fully optimized health and social service delivery system.

SUSTAINABILITY IMPACT STATEMENT

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Implementing effective sustainability objectives is crucial to ensuring safe and healthy communities and contributing to the overall success of the region. The approval of the lease amendment is appropriate as it supports the County's Strategic Initiative of Sustainability to ensure the capability to respond to immediate needs for individuals, families, and the region.

FISCAL IMPACT
Funds for this request are included in the Fiscal Year (FY) 2025-26 Operational Plan for the Health and Human Services Agency (HHSA). If approved, this request will result in estimated costs and revenue of $527,880 in FY 2025-26 based on an amendment commencement date of July 1, 2025. Fiscal Year 2026-27 costs are estimated at $544,520, which includes a 3% rent adjustment to go into effect July 1, 2026. Funds for the remaining contract term and for each option year (if exercised) will be included in future years' operational plans for HHSA. The funding source is existing Mental Health Realignment. There will be no change in General Funds cost and no additional staff years.

BUSINESS IMPACT STATEMENT
N/A

ADVISORY BOARD STATEMENT
N/A

BACKGROUND
The Health and Human Services Agency's (HHSA) North Central Behavioral Clinic and Case Management Office has been operating out of 16,000 square feet of leased space located at 1250 Morena Boulevard in San Diego since 1988. The clinic offers outpatient treatment, rehabilitation, and recovery services that include screening and assessment, medication management, crisis intervention, group and individual short-term therapy for people who are experiencing persistent, severe mental illness or a mental health crisis. Case management services include assistance securing housing and financial aid, obtaining medical and psychiatric treatment, and providing linkage with other community services including education, employment and social programs. The location is highly desirable as it is centrally located and easily accessed via public transportation.

The current lease, approved by the Board of Supervisors (Board) on June 15, 2004 (17), and amended on March 23, 2010 (13), expired on June 30, 2025, and HHSA has a need to continue operating from this site. The lease went into holdover, which has permitted the County of San Diego to continue occupancy on a month-to-month basis and negotiate a lease amendment. Staff from the Department of General Services have negotiated a lease amendment that will extend the term by three years, with two consecutive options of one year each.

Details of the proposed Third Amendment to lease are as follows:

LEASE PROVISION	EXISTING LEASE	PROPOSED LEASE AMENDMENT

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LESSOR	William T. Fiedler, Trustee U/T/D 5/8/2007, as to an undivided 50% interest, and Jeannie M. Needham, Trustee U/T/D 4/17/2007, as to an undivided 25% interest, and William T. Fiedler, Trustee U/T/D 9/1/2006, fbo:(i) Brooke A. Fiedler (Melling), as to an undivided 8.333% interest, (ii) John W. Fiedler, as to an undivided 8.333% interest, and (iii) Kelly L. Fiedler (Masek), as to an undivided 8.333% interest, all dba Savannah Office Complex	No change
PREMISES	Approximately 16,000 square feet	No change
TERM	21 years	3 years
OPTIONS TO EXTEND	None remaining	Two, one-year options
RENT ADJUSTMENTS	Adjustment based on consumer price index	3% annually
EARLY TERMINATION	Any time upon 180 days written notice with penalty to reimburse Lessor for refurbishments and unamortized leasing commissions.	No change except refurbishments are fully amortized
UTILITIES	Lessor pays	County pays
MAINTENANCE	Lessor pays	No change
CUSTODIAL	Lessor pays	No change
MONTHLY OCCUPANCY COST	*Thru June 30, 2025*	*Costs for year 22 of Term*
Rent	$36,225 ($2.26/square foot)	$40,640 ($2.54/square foot)
Utilities	-	$3,350 ($0.21/square foot)
Maintenance	-	-
Custodial	-	-
TOTAL OCCUPANCY COST PER MONTH	**$36,225 ($2.26/square foot)**	**$43,990 ($2.75/square foot)**

HHSA's clinic operations and case management at 1250 Morena Boulevard is just one site in which HHSA Behavioral Health Services (BHS) delivers services to clients throughout the County. BHS programs, and the administrative staff needed to support those programs, are housed in multiple County facilities. BHS is currently conducting a comprehensive evaluation of the requirements of all their facilities in order to right-size operations. In response to that evaluation, staff is planning to return to the Board prior to the end of this year to request approval of one or more lease amendment(s) to amend and/or substantially reduce the County's footprint within the

building(s), including the premises located at 3255 Camino Del Rio South, San Diego, which is occupied by BHS administration. At that time, staff may also request one or more approval(s) in principle to initiate site searches for facilities to replace lease sites that no longer meet BHS operational needs.

ENVIRONMENTAL STATEMENT
The proposed lease amendment is categorically exempt from environmental review pursuant to Section 15301 of the California Environmental Quality Act Guidelines because it involves amending an existing lease for use of an existing building, involving negligible or no expansion of the existing use. Additionally, no exceptions listed in CEQA Guidelines Section 15300.2 apply to the proposed action. See Attachment A for Notice of Exemption.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN
Today's proposed action to approve the lease amendment for the Health and Human Services Agency supports the Community Initiative in the County of San Diego's 2025-2030 Strategic Plan by providing services that support safe communities.

Respectfully submitted,



EBONY N. SHELTON
Chief Administrative Officer

ATTACHMENT
Attachment A: Notice of Exemption