



**Contra  
Costa  
County**

To: Board of Supervisors  
From: Brian M. Balbas, Public Works Director/Chief Engineer  
Date: December 15, 2020

Subject: Approve Third Amendment to Lease and Federal Lease Rider for Community Services Bureau - 5050 Hartnett Ave., Richmond.

**RECOMMENDATION(S):**

APPROVE and AUTHORIZE the Public Works Director, or designee, to execute a third amendment to a lease dated July 10, 2012, between the County and the City of Richmond for the City-owned property located at 5050 Hartnett Avenue in Richmond (the Lease) to extend the term of the Lease through September 30, 2035, and a rider to the Lease that is mandated by the United States Department of Health and Human Services (HHS) to acknowledge a federal interest in the Lease through September 30, 2035.

**FISCAL IMPACT:**

100% Community Services Budget Unit 0588 (Federal – Health & Human Services – Administration for Children and Families & California Department of Education funding)

**BACKGROUND:**

The County's Employment and Human Services Department, through the Community Services Bureau (CSB), has been leasing the premises at 5050 Hartnett Avenue in Richmond since 1991 for the Crescent Park Head Start operation.

In 2018, the CSB applied for and received a federal grant in the amount of \$314,224.76 to

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY  
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD  
COMMITTEE

Action of Board On: **12/15/2020** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

**VOTE OF SUPERVISORS**

AYE: John Gioia, District I Supervisor  
Candace Andersen, District II Supervisor  
Diane Burgis, District III Supervisor  
Karen Mitchoff, District IV Supervisor  
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: December 15, 2020

David Twa, County Administrator and Clerk of the Board of Supervisors

By: June McHuen, Deputy

Contact: Stacey Sinclair, 925.  
957-2464

reroof the building. Using federal grant funds in excess of \$300,000 to improve a leased

### BACKGROUND: (CONT'D)

property triggered the need for a federal lease rider. The rider enables HHS/ACF to recover the remaining value of the improvements in the event that the lease is terminated sooner than 15 years after the federal investment in the property. The federal interest in the leasehold at this site will continue for a period of 15 years to fully amortize the entire grant amount. The lease amendment extends the term of the lease to correspond to the term of the federal interest.

The amendment to lease will ensure CSB's occupation of the premises for the 15-year period and eliminate the need to pay back any remaining value left on the improvement.

### CONSEQUENCE OF NEGATIVE ACTION:

Not authorizing the amendment to lease for the continued operation of Head Start at this location would require relocating to another suitable location to provide childcare services to the community at an additional expense.

### ATTACHMENTS

Lease Amendment

Lease Rider