RESPONSE TO GRAND JURY REPORT

Report Title: Humboldt County Facilities: Owning vs. Leasing

Report Date: April 30, 2024

Response by: Humboldt County Board of Supervisors

FINDINGS

The county agrees with the Findings numbered 1-4 and Finding 6.

The county partially agrees with Finding 5.

RECOMMENDATIONS

Recommendations numbered 1 through 3 are in the process of being implemented.

Date: August 13, 2024 Signed: _____
Rex Bohn, First District Supervisor & Chair of the Board

Number of pages attached: 5

COUNTY OF HUMBOLDT

COUNTY ADMINISTRATIVE OFFICE

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INTEROFFICE MEMORANDUM

TO: BOARD OF SUPERVISORS

FROM: COUNTY ADMINISTRATIVE OFFICE

SUBJECT: RESPONSE TO 2023-24 GRAND JURY REPORT "HUMBOLDT COUNTY FACILITIES: OWNING VS. LEASING?"

DATE: AUGUST 13, 2024

In the Grand Jury Report, "*Humboldt County Facilities: Owning vs. Leasing"* the Grand Jury has requested that the Board of Supervisors respond to Findings 1 through 6 and Recommendations 1 through 3. The County Administrative Office is proposing the following response as detailed below.

FINDINGS

Finding 1: *County of Humboldt facilities in Eureka are widely dispersed, with some departments occupying multiple buildings in multiple locations. This dispersion can result in less efficient county operations. (R1))*

Response: Agree.

Finding 2: *County of Humboldt facilities in Eureka are widely dispersed, with some departments occupying multiple buildings in multiple locations. This dispersion can result in unnecessarily increased difficulty for citizens who are conducting business with the county. (R1)*

Response: Agree.

Finding 3: *The County of Humboldt Facilities Master Plan from 2020 calls for consolidation of facilities throughout the County. However, the County has yet to meet most of these consolidation goals, which results in continued inefficient operations. (R1)*

Response: Agree.

While the county agrees with this finding, it should be noted that the county has completed the Garberville Campus, collocating the Sheriff's Office and Humboldt County Public Library's Garberville facilities. Additionally, the District Attorney's Victim Witness and CAST teams have been relocated to the Humboldt County Courthouse. Plans are currently underway to co-locate "One Stop Permitting" services and it is hopeful that will occur this fiscal year. The county has also purchased parcels near the courthouse to begin steps in the co-location of additional county services.

The Center at McKinleyville has also been operational since 2022 and serves as a one-stop location for services, information and activities for community members in the McKinleyville area. The Center is a project of McKinleyville Family Resource Center, Open Door Community Health Centers, Cal Poly Humboldt's Department of Social Work, the North Coast Regional Department of Child Support Services, Trinidad Rancheria Tribal Social Services and the Humboldt County Department of Health & Human Services (DHHS). Though many staff placed at The Center are DHHS and Child Support Services employees, The Center is not just a county facility. Responsibilities for the facility are shared between service providers operating out of The Center, including the county. The Center is an example of creatively utilizing community partnerships and available funds to consolidate services to better serve the residents of Humboldt County.

Additionally, a new Public Health Laboratory is expected to be built in the next few years, after a multi-year search ended when the county found and purchased land less than two miles up the street from the existing location. The property consists of two lots on I St. in Eureka which are located next to each other and across the street from Behavioral Health's main campus. The existing lab at Public Health's main location is currently split into three separate areas of the 90-year-old building at 529 I St., making it difficult to add services and do upgrades. The new location will make it possible to modernize and consolidate into an efficient, single facility.

Finding 4: *Leasing facilities in the long-term is more costly than owning them. Leasing results in additional unnecessary expenses for the County of Humboldt. (R2, R3)*

Response: Agree.

Finding 5: *Consolidation using currently leased buildings is not a viable option. Until consolidation is achieved, operations will continue to be inefficient, and residents will continue to be inconvenienced. (R1)*

Response: Partially agree.

The county agrees that until consolidation is achieved, operations are less efficient, however, consolidating both currently leased and owned buildings will further the county's goals outlined in the 2020 Facilities Master Plan to co-locate county services. Collocating services will allow the county to provide more convenient and efficient services for the public.

In the coming year, the North Coast Regional Department of Child Support Services Eureka location will be moving from their leased building, located at 2420 Sixth St., to the Humboldt County Courthouse, which is a county-owned facility. This departure will provide opportunities to explore needed movement to begin the planning and collocation of services. One area to be explored is the relocation of the Planning & Building Department, Department of Public Works' Land Use Division and the Department of Health & Human Services' Environmental Health Division to create a One-Stop Permitting location at 2420 Sixth St. in Eureka. The consolidation of permitting services has been a long term customer service and facilities goal of the county.

While the 2420 Sixth St. location is a leased facility, the movement of One Stop Permitting programs or other county programs will create additional program movement and allow the county to begin the planning and design of the county's consolidation need identified in the 2020 Facilities Master Plan – Department of Health & Human Services buildings.

Finding 6: *The current budget situation that the County finds itself in is one of limited resources. Without existing funding, the County would have to use other avenues such as bonds to acquire and/or develop property. (R2, R3)*

Response: Agree.

RECOMMENDATIONS

Recommendation 1: *By no later than March 31, 2025, the County of Humboldt update the Facilities Master Plan to incorporate achievable implementation goals. (F1, F2, F3, F5)*

This recommendation is in the process of being implemented.

On Oct. 20, 2020, the Board of Supervisors adopted the County of Humboldt 2020 Facilities Master Plan (FMP). This document was created to form a framework of goals and priorities by which future major facilities projects should be assessed, as well as to identify a select number of key projects of need for further discussion and action. The Board of Supervisors agrees that there has been considerable change in the landscape of FMP-related projects since that time. Construction cost volatility, local real estate market dynamics and changing programmatic requirements suggest the need for a reevaluation of the previously adopted document and its future direction. As such, on Sept. 12, 2023, the Board of Supervisors created a working group to provide valuable guidance on the strategic direction of the FMP. This working group will present their findings to the Board of Supervisors later this fiscal year.

Additionally, the Humboldt County Department of Public Works is currently working on revisions to the Facilities Master Plan and anticipates the revised document will be presented to the Humboldt County Board of Supervisors by March 31, 2025.

Recommendation 2: *By no later than July 1, 2025, the County of Humboldt evaluate funding alternatives, including but not limited to conducting a study into the practicality of floating a bond issue to fund future*

purchases. For funding recommendations see the wording below Recommendation #3. (F4, F5, F6)

This recommendation is in the process of being implemented.

On July 23, 2024, the Board of Supervisors approved a resolution extending the draw period of the 2020 Interim Period Lease Financing (IPLF) Program by three years and added additional collateral to increase the county's borrowing capacity from $40 million to $60 million. This IPLF program will fund additional capital projects, including property acquisitions. There is other dedicated project funding included in the AI. Other than funds dedicated for property acquisition, most of these are dedicated to deferred maintenance projects.

Funds have also been secure to begin the planning and design for new construction at the Public Defender's current office location and a recent property acquisition located at 1017 Fourth St. that sits next to the Public Defender's current facility.

Additionally, a large part of Humboldt County's Department of Health & Human Services' (DHHS) funding comes through its Social Services Branch. The California Department of Social Services prohibits claiming land purchase cost, or direct leasing of county-owned property. If the county were to purchase land, DHHS would partner with the County Administrative Office and the Department of Public Works to use its funding allocations to support county-owned facilities within its regulations.

Due to the county's current financial conditions, the country's priority is focused on reestablishing fiscal stewardship and sustainability in order to be better prepared to consider floating a bond issue. Funding a study into the feasibility of floating a bond issue to fund future purchases may be explored if deemed necessary by the Board of Supervisors, however the Department of Public Works is not aware of any grants available to conduct a bond study specifically for county facilities. General obligation bonds must be approved by voters and actions related to placing measures before voters are generally paid for by the General Fund. However, the County Administrative Office and Department of Public Works will continue to explore options to fund these efforts as well as future property acquisitions, new construction and address facilities maintenance needs and bring these options to the Board of Supervisors as viable options become available. It should be noted that Assembly Constitutional Amendment (ACA) 10 will be on the ballot in November and, if passed, would establish a 55% voting threshold for bond measures to finance public infrastructure and housing, among other projects.

Recommendation 3: *As funding becomes available, the County of Humboldt continue to accelerate their pursuit of consolidation by purchasing rather than leasing facilities. (F4, F5)*

Funding Recommendation: The Humboldt County Civil Grand Jury recommends that the Humboldt County Board of Supervisors fund the expenses listed in R2 with existing appropriations in the current fiscal year. If current appropriations are not sufficient, the Grand Jury recommends that the Board of Supervisors, at its next earliest opportunity, pursue additional funding from an appropriate agency, including state or federal agencies.

This recommendation is in the process of being implemented.

It should be noted that the County of Humboldt's facility consolidation goals are also focused on remodeling existing county-owned facilities and making Americans with Disability Act (ADA) modifications so that services may be consolidated to better serve residents in buildings the county currently owns. The Humboldt County Courthouse Fourth St. ADA Modification Project and Auditor-Controller's Office Modernization and ADA Compliance Project were recently completed, and the Humboldt County Courthouse Restrooms ADA Modification Project and Courthouse Reroofing Project are currently underway. Investing in county-owned facilities furthers the goals outlined in the Facilities Master Plan to streamline services and improve the quality of life for both residents and county employees.

The county will continue to prioritize purchasing facilities and land, as well as remodeling, reconfiguring and selling existing county-owned facilities, in order to pursue greater co-location of county services and research funding opportunities to do so.