



## Colusa, Sutter and Yolo Regional Child Support Agency Leadership Advisory Committee

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To: RCSA Leadership Advisory Committee  
From: Natalie Dillon, Regional Director  
Subject: Yuba City Office Move (Agenda Item #8)  
Date: February 24, 2021

The Yuba City location of the Regional Child Support Agency (RCSA) is located at 543 Garden Hwy # A, Yuba City, CA, also known as Holly Oak Square. The Child Support program has been at this location since 1990 and currently occupies 5,500 square feet. There is a subset of Health and Human Service Department (HHSD) functions located in this same strip center, adjacent to Child Support. However, the Sutter HHSD plans to relocate the majority of their service delivery to a property Sutter County is working to acquire at 850 Gray, Yuba City. The acquisition, build out and move to 850 Gray location are probably several years out. Many years ago, Child Support was included in the plans to move to 850 Gray, but as space planning needs evolved, that is no longer the case. HSSD has negotiated a five-year lease extension (after two years, HHSD can provide one year's notice to terminate the lease early without penalty) through December 2025 for their existing space at Holly Oak Square. The price per square foot in the new HSSD lease starts at \$1.30 in 2021, ending at \$1.407 in 2025.

Sutter County contracted for a Facilities Master Plan, and as a part of that effort, evaluated the various owned and leased properties county programs occupy. The leased property at Holly Oak Square was graded subpar, and given a rating of D+. A "D" rating in this context means building systems are near the end of life span, there is significant deferred maintenance issues, the function of the department is impacted and renovation or relocation is recommended.

In 2019, working with the CAO's office and General Services, Child Support explored leasing commercial space in a more centralized location, with improved amenities and found a property located at 860 Plaza Way, Yuba City. The initial listed price per square foot of the new property was \$1 per square foot. The property, Class D, was not move-in ready so additional costs would have been incurred as tenant improvements, which had not been fully negotiated with the owner. Child Support had budgeted money to cover the costs of the build out and relocation in 2019, which are no longer available having returned to the state. While exploring 860 Plaza, we were asked to consider moving to county owned space. Also in coordination with the CAO's office and General Services, we explored vacant county owned space at 463 2<sup>nd</sup> Street, Yuba City. There are several county departments located here, though a few of which have or are relocating to other, more preferred, space. The County owned space at 463 2<sup>nd</sup> Street needs considerable repair including a new roof, significant upgrades for ADA compliance and likely modifications to HVAC and elevator systems. This building was also rated D+ as part of the facilities



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assessment. It was determined to not be tenable space for Child Support. While evaluating the county owned space, the leased space option at 860 Plaza sold to a new owner who is now occupying the space.

The Child Support lease at Holly Oak Square expired on October 1, 2018, making it a month to month arrangement. During the term of the lease, the cost was adjusted annually based on the Consumer Price Index (CPI). In 2020, the landlord increased the monthly cost per square foot at \$1.36. The current location of Child Support is not proximate to the new County Service Center to be located at 850 Gray or the Sutter Superior Court (a partner with whom Child Support works closely).

Given our commitment to continue to have physical locations within each of the three county jurisdictions, staff identifies four options for consideration:

1. Status Quo – occupy existing space at Holly Oak Square, on a month to month lease, with likely increasing cost per square foot. This option is not recommended as the owner could lease the space to another tenant and provide 30 days’ notice to vacate. Furthermore, costs will continue to increase for subpar space.
2. Negotiate with existing landlord at Holly Oak Square to stay, including renovations and upgrades. Negotiations with the landlord are possible. As noted above, HHSD recently did so, and negotiated some improvements. However the location is not ideal, especially with HHSD’s plans to relocate.
3. Work with Sutter County to reserve space at 850 Gray Street for Child Support. With the pandemic and changes to employee work patterns, locations and space needs, there may be an opportunity to reconsider moving Child Support to 850 Gray. If this is the chosen option, negotiation with the existing landlord will be necessary for the next several years until the build out is complete.
4. Work with a broker to secure and lease new space in Yuba City, using Yolo County contracting, etc. Now that we are a Regional Child Support Agency, and we will be transitioning the allocation and contracts to Yolo County, we could use this opportunity to enter a new lease negotiated by Yolo, located in Yuba City for Child Support Services.

Staff recommends option #4 – Although there are aspects of #3 that are appealing, specifically that we would be in a county owned space, and close to HHSD and other county services. We would be part of the development and could customize our space. The downside is that it is likely several years out, and as the space needs of HHSD or other county departments evolve over time, the Child Support program may be forced to reduce its footprint or find space elsewhere.

As noted previously, the Child Support program had budgeted move related costs. That money is no longer available to us. Furthermore, the Colusa, Sutter and Yolo Counties Child Support programs experienced an allocation reduction in 2020/21. At this time, that reduction is not anticipated to be restored in 2021/22 to our counties based on the Governor’s Budget. Staff has had multiple conversations with the California Department of Child Support Services (DCSS) Chief Budget Officer and



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our Regional Administrator (RA) about the need to relocate the Yuba City office and our likely need for a midyear reallocation/budget augmentation from DCSS. Clearly, economic conditions at the State and County are dynamic, there are no guarantees the State will be able to provide us with the additional requested funds. Dependent on the direction from the LAC and subsequent negotiations, staff will continue to work with DCSS to secure the funds for improved space and relocation.

