



# County of Santa Cruz

## HEALTH SERVICES AGENCY

P.O. BOX 962, 1080 EMELINE AVENUE  
SANTA CRUZ, CA 95061  
(831) 454-4066 FAX: (831) 454-4770

### HEALTH SERVICES AGENCY ADMINISTRATION

January 6, 2006

**AGENDA: January 24, 2006**

BOARD OF SUPERVISORS  
701 Ocean Street  
Santa Cruz, CA. 95060

### **SUBJECT: County Purchase of Wheelock House**

Dear Members of the Board:

On June 14, 2005 the Redevelopment Agency Board of Directors received a report on Wheelock House, a residential care home located at 102 Wheelock Road in Watsonville owned by Santa Cruz Community Counseling Center (SCCCC) through its property owning affiliate, CFCS, Inc.. In that report, the RDA Board was informed of the intent of the Health Services Agency (HSA), Mental Health Division to use the property as a treatment program within the mental health system of care. While the RDA Board has previously authorized RDA funding for SCCC, those funds have not been drawn. HSA, upon further evaluation, has determined that it would be in the County's best interests to own the property, as it is a valuable community resource. SCCC would continue to operate the program at that site. The purpose of this letter is to recommend that the County consider and declare its intent to purchase the property from SCCC on behalf of HSA.

### **Property Acquisition**

The County's acquisition of the Wheelock property would be similar to a number of other properties owned by the County, managed by **HSA**, and used for treatment and housing needs of adults with serious mental health disorders'. Retaining this property as a housing resource has been a priority for HSA Mental Health since the former board and care home was put up for sale several years ago. The location has proven successful as a residential care home, and completion of the final phase of improvements will ensure its usefulness for years to come.

As needs and funding sources change, it is critical that the resources available to serve the County's most vulnerable residents are flexible and able to adapt to changing circumstances. County ownership of this property will preserve an invaluable County resource that will provide maximum flexibility to the system of care. Because HSA already pays for the property costs through the mental health service agreement with SCCC, there is no increase in County costs associated with the purchase.

<sup>1</sup> County properties acquired through **HSA** include the El Dorado Residential Treatment Program, the El Dorado Partial Hospital, Front Street Residential Care Project, Community Connections Day Treatment and Rehabilitation Program, Paloma House as well as other facilities throughout the County.

2

As discussed in the June 14, 2005 report to the RDA Board on this project, SCCCC has completed initial improvements in order to transfer an existing treatment program from another leased location to the Wheelock House location. County ownership of the property would include HSA handling the Phase II Facility Improvements needed to better accommodate the treatment program. To initiate this process, HSA has been in contact with the General Services Department to discuss logistics. In addition, as part of the project, HSA would assume all property management responsibilities in partnership with General Services as defined by County policy.

The Planning Department has reviewed the property's zoning and has issued a determination that the County's intended use is consistent with the Santa Cruz County General Plan. Planning has also issued a determination that the County's purchase of the property and intended use does not change the current use and therefore is exempt from review under the California Environmental Quality Act (CEQA) as specified in CEQA Guidelines Section 15060(c).

HSA will work with the Real Property Division of Public Works, County Counsel and General Services in the acquisition of the property and continuation of improvements needed to allow this building to be used as a treatment facility.

HSA requests that your Board adopt the attached resolution of intention to purchase real property and set a public hearing for February 14, 2006 regarding the County's purchase of this property. On that date, HSA will request that your Board adopt a resolution consummating the purchase of the property and approving the purchase agreement for the property.

The purchase price for the property is \$925,000, which reflects the appraised value of the property and will enable CFSC, Inc. to extinguish the existing debt and cover their costs of owning and improving the property. HSA has discussed this project with Planning and it is suggested that RDA Housing Funds be used to finance the project, which would include an RDA acquisition loan of \$925,000 and an additional \$200,000 loan to cover facility improvements which are needed to allow for the building to be used as a treatment facility. To this end, as part of moving forward with this project on the February 14<sup>th</sup> agenda, Planning will bring to the RDA Board of Directors a proposal to fund this project.

### **Summary and Recommendation**

Wheelock House will serve as a permanent County resource and expand the housing opportunities available through the Mental Health Adult System of Care. The current property owner, CFSC, Inc. has requested the County consider acquiring the property, and County ownership will provide HSA with maximum flexibility to address current and future needs of some of the County's most vulnerable residents. The purchase of this property can be accomplished at no additional cost to the County general fund.

It is, therefore, RECOMMENDED that your Board:

1. Adopt the attached resolution of intention to purchase real property located at 102 Wheelock Road, Assessor's Parcel No. 109-271-07, and sets the matter for public hearing at 9:00am on February 14, 2006,
2. Direct the Clerk of the Board to publish the notice of public hearing in the manner prescribed by law, and

35

- 3. Direct the Health Services Agency to advertise the County's intent to purchase the property in the manner prescribed by law.

Sincerely,

  
 Rama K Khalsa, Ph.D.  
 Health Services Agency Director

RECOMMENDED:

  
 Susan A. Mauriello  
 County Administrative Officer

- cc:
- County Counsel
  - Auditor-Controller
  - Planning Department
  - Redevelopment Agency
  - General Services
  - HSA Administration
  - Santa Cruz Community Counseling Center
  - Local Mental Health Advisory Board

4

BEFORE THE BOARD OF SUPERVISORS  
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

RESOLUTION NO. \_\_\_\_\_

On the motion of Supervisor  
duly seconded by Supervisor  
the following resolution is adopted:

RESOLUTION ~~OF~~ INTENTION TO PURCHASE  
REAL PROPERTY THE PRICE OF WHICH IS OVER \$50,000.00

WHEREAS, the Co of Santa Cruz **has** need to acquire real property for a residential treatment program.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Board of Supervisors of the County of Santa ~~Cruz~~ hereby declares its intention to purchase real property pursuant to Government Code Section 25350, the purchase price of which is over \$50,000.00, to wit: Assessor's Parcel No. 109-271-07, in the County of Santa Cruz, being more particularly described in Exhibit "A" attached hereto, and by this reference made a part hereof.

BE IT FURTHER RESOLVED AND ORDERED that the name of the vendor **is** CFSC, Inc., a California Corporation and the purchase price shall be \$925,000.00, which **is** based on an independent appraisal.

BE IT FURTHER RESOLVED AND ORDERED that ~~this~~ Board shall meet for the morning agenda (which starts at 9:00 a.m.) **as** soon thereafter **as** the matter can be heard by the Board on Feb. 14, 2006 at the Board of Supervisors Chambers, 701 Ocean Street, Santa Cruz, California to consummate the purchase.

BE IT FURTHER RESOLVED AND ORDERED that the Clerk of the Board be **and** is hereby ordered to publish notices of intention to purchase said real property pursuant to Government Code Section 6063.

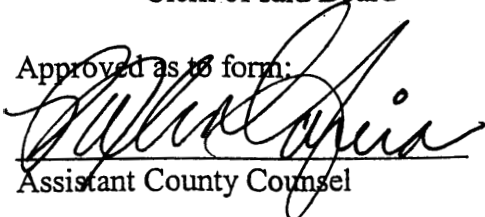
PASSED AND ADOPTED by the Board of Supervisors of **the County** of Santa Cruz, State of **California**, this \_\_\_\_ day of \_\_\_\_\_, 2006, by the following vote:

AYES: SUPERVISORS  
NOES: SUPERVISORS  
ABSENT: SUPERVISORS

\_\_\_\_\_  
Chairperson of said Board

ATTEST: \_\_\_\_\_  
Clerk of said Board

Approved as to form:

  
Assistant County Counsel

35

Distribution: County Counsel, Auditor-Controller, HSA, County Administrative Office