

ST. CLAIR COMMUNITY MENTAL HEALTH AUTHORITY

BOARD POLICY

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I. APPLICATION:

- ☒ SCCCMA Board
- ☐ SCCCMA Providers & Subcontractors
- ☒ Direct-Operated Programs
- ☐ Community Agency Contractors
- ☒ Residential Programs
- ☐ Specialized Foster Care

II. POLICY STATEMENT:

It shall be the policy of the St. Clair County Community Mental Health Authority (SCCCMHA) to have reasonable, fair and adequate lease agreements.

III. DEFINITIONS:

None Available.

IV. STANDARDS:

- A. Updated appraisals are at either party's discretion although subject to the Board's approval. If the Board does not accept an appraisal, the board may obtain a separate appraisal.
- B. Fair Market Value (FMV) will be established based upon the purchase price (or State Equalized Value [SEV] taking into account recent sales price of comparable properties) or an appraisal completed by an independent licensed appraisal company or licensed and/or certified individual, whichever is lower and in the best interest of the Authority. If two independent appraisals are completed and have different results, the two appraisers together will determine the final appraisal amount. If the two cannot agree, then an independent appraiser, as a mediator, will determine the FMV.
- C. Fair Market Value (FMV) for newly constructed facilities, will be determined at the end of construction with an "as if completed appraisal."
- D. Lease Terms for all leases will be for a five (5) year duration, although exceptions may be made.
- E. "Option to Extend" leases may be written with an option to extend for an additional period of time, noting a maximum number of option periods available beyond the initial lease term.

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- F. Rent for residential facilities shall be monthly lease payments established by a market rent study conducted by an independent licensed appraisal company with the purpose of developing an opinion of the fair market rent of the properties.
- G. Rent for commercial facilities, shall be monthly lease payments established by applying a cost per square foot against the facility's square footage and shall be consistent with fair market rent of similar properties. Annual increases will be calculated based on the Consumer Price Index.
- H. The Authority has the right to own property, including homes that may house individuals receiving services.
- I. The Authority will continue to lease homes and/or property if the cost to lease is less than the cost to own or if other financial considerations determine that leasing is in the Authority's best interest.

V. **PROCEDURES:**

A. **Lease Negotiation/Renewal**

Lease Manager/Designee

1. Reviews the lease file to determine if there are any outstanding issues.
2. Obtains appropriate standard language of lease and any attachments that would be required.
3. Prepares a proposed version of the lease package to present to the leaseholder for review when necessary (if not, skip to Step #5).
4. Ensures the leaseholder reviews the proposed lease package, provides final feedback, and returns.
5. Presents lease package to Leadership Team as necessary.
6. Prepares two (2) final leases to present to the Chief Executive Officer. In the event the lease is going to be e-signed one electronic copy will be sent to the Chief Executive Officer.

Chief Executive Officer

7. Approves the lease by signing two (2) final leases. If e-signing, one (1) electronic copy will be signed.
8. Returns both leases to the Lease Manager, unless the document is e-signed, then one (1) copy will be returned to the lease manager via Contract Insight Alerts

Lease Manager/Contract Management Designee

9. Prepares cover letter for both leases to be sent out for lessor signature with a standard copy (c:) to:

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- a. Lease Manager
- b. Facilities Supervisor
- c. Finance Supervisor
- d. Lease File

10. Ensures the leaseholder signs both leases and returns one original to SCCCMHA Administration Contract Management. In the event the lease is e-signed, one (1) copy will be sent to leaseholder to sign electronically. Once signed, the contract management software will alert Contract Manager the signature process has been successfully completed.
11. Forwards a copy of the lease to the facility, if applicable.

Contract Management Technician

12. Files the signed lease and updates electronic contract management database, as applicable. If the lease has been e-signed, one (1) hard copy will be saved in the lease file and one (1) electronic copy will be saved in the electronic contract file.

B. Maintenance/Repair Requests

Requestor

1. Submits a request to the Facilities Supervisor using one (1) of the following processes:
 - a. Forwards request to designated building representatives who in turn submits an electronic Help Desk request; or
 - b. Forwards a Maintenance/Repair request form to the Facilities Supervisor for group homes only.
 - c. Forwards an email request to Facilities Supervisor if request is from a group home or is of a more urgent nature (e.g. spills on carpet or furniture fabric that should be attended to quickly).
 - d. Calls Facilities Department at extension 2222 if immediate assistance is needed.

Facilities Supervisor

2. Assigns facility staff to complete work, if not already assigned.
3. Converts all email or verbal requests into an electronic Help Desk request.

Facilities Staff Completing the Work

4. Updates the electronic Help Desk request with progress notes and/or to close out the request.

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VI. REFERENCES:

None Available.

VII. EXHIBITS:

A. General Lease Management File Maintenance Duties

VIII. REVISION HISTORY:

Dates issued 01/88, 11/92, 07/98, 06/00, 07/02, 08/04, 08/06, 08/08, 08/10, 05/12, 09/13, 09/14, 01/17, 07/18, 09/19, 11/20, 12/21, 2/22, 12/22.

GENERAL LEASE MANAGEMENT FILE MAINTENANCE DUTIES

1. Maintain standard language.
2. Maintains “Master List” of all Leases.
3. Maintains the following files for all Leases:
 - a. Lease - includes all original signed leases, amendments, if applicable and attachments if applicable.
 - b. Subleases - includes all original signed subleases or copies with letter of those sent out for signature, which should be removed and destroyed when original is returned.
 - c. Appraisals and other information supporting property value.
 - d. Maintenance and Landlord Correspondence (actual maintenance requests and work orders are tracked by Facilities Department utilizing a software tool).
 - e. General Correspondence (Internal).
 - f. Special Issues/Projects.

There should be a set of these files for every lease. Any exceptions to this process should be noted (e.g., “This file does not contain sublease”).