



Policy Title:	Leases: Negotiations, Maintenance, and Repair
Policy #:	01-003-0050
Effective Date:	03/ /2025
Approved by:	SCCCMH Board
Functional Area:	Administration and Facilities Management
Responsible Leader:	Kim Prowse, Contract Administrator
Policy Owner:	Jennifer O'Dell, Administrative Coordinator, Provider Network Management
Applies to:	SCCCMH Board Members, SCCCMH Staff, Direct Operated Programs, Contracted Network Providers

Purpose: To meet state and federal requirements for leasing standards as well as contract requirements with providers related to maintenance and repairs of leased spaces, whether by SCCCMH or the provider(s).

I. Policy Statement

It is the policy of St. Clair County Community Mental Health (SCCCMH) to have reasonable, fair, and adequate lease agreements.

II. 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 sale prices 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.
- 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.

III. Procedures, Definitions, and Other Resources

A. Procedures

Responsibilities

Position	Responsibilities
Lease Manager or Contract Manager and designees	<ol style="list-style-type: none"> 1. Negotiate leases and present to Chief Executive Officer and other contract parties for approval. 2. Facilitate process for lease closings and clerical administration of lease documents.
Chief Executive Officer	Give final approval for all leases.
Facilities Department	Complete maintenance requests as required by lease documents and policy.

Actions – Lease Negotiation and Renewal

Action Number	Responsible Stakeholder	Details
1.0	Lease Manager/ Designee	<ol style="list-style-type: none"> 1. Review the lease file to determine if there are any outstanding issues. 2. Obtain appropriate standard language of lease and any attachments that would be required. 3. Prepare a proposed version of the lease package to present to the leaseholder for review when necessary (if

Action Number	Responsible Stakeholder	Details
		<p>not necessary, skip to Step #5).</p> <ol style="list-style-type: none"> 4. Ensure the leaseholder reviews the proposed lease package, provides final feedback, and returns the lease package. 5. Present lease package to Leadership Team as necessary. 6. Prepare two (2) final leases to present to the Chief Executive Officer. If the lease will be e-signed, one electronic copy will be sent to the Chief Executive Officer.
2.0	Chief Executive Officer	<ol style="list-style-type: none"> 7. Approve the lease by signing two duplicate original (2) final lease documents. If e-signing, one (1) electronic copy will be signed. 8. Return both lease documents 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
3.0	Lease Manager/ Contract Management Designee	<ol style="list-style-type: none"> 9. Prepare cover letter for both lease original documents to be sent out for lessor signature with a standard copy (c:) to: <ol style="list-style-type: none"> a. Lease Manager b. Facilities Supervisor c. Finance Supervisor d. Lease File 10. Ensure the leaseholder signs both original lease documents and returns one original to SCCCMH 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. Forward a copy of the lease to the facility, if applicable.
4.0	Contract Management Technician	<ol style="list-style-type: none"> 12. File the signed lease and update 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.

Actions – Maintenance and Repair Requests

Action Number	Responsible Stakeholder	Details
1.0	Requestor	1. Submit a request to the Facilities Supervisor using one of the following processes: <ol style="list-style-type: none"> a. Forward request to designated building representatives who in turn submits an electronic Help Desk request; or b. Forward form #0073 Maintenance/Repair Request to the Facilities Supervisor for group homes only. c. Forward 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. Call Facilities Department at extension 2222 if immediate assistance is needed.
2.0	Facilities Supervisor	2. Assign facility staff to complete work, if not already assigned. 3. Convert all email or verbal requests into an electronic Help Desk request.
3.0	Facilities Staff Completing the Work	4. Update the electronic Help Desk request with progress notes and/or to close out the request.

B. Related Policies

N/A

C. Definitions

N/A

D. Forms

[#0073 Maintenance/Repair Request](#)

E. Other Resources (i.e., training, secondary contact information, exhibits, etc.)

[Exhibit A: General Lease Management File Maintenance Duties](#)

F. References

N/A

IV. History

- Initial Approval Date: 01/1988
- Last Revision Date: 12/2022 BY: Abbey Brown
- Last Reviewed Date: 02/2025 BY: Jennifer O’Dell
- Non-Substantive Revisions: 02/2025
- Key Words: lease, repairs, maintenance, contract, property