



Mendocino County

Legislation Text

File #: 20-0981, **Version:** 1

To: Board of Supervisors

From: Executive Office

Meeting Date: October 20, 2020

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Item Type: Regular Agenda

Time Allocated for Item: 30 mins

Agenda Title:

Discussion and Possible Action Including Adoption of Resolution Authorizing the Purchase of Real Property located at 555 South Orchard Avenue, Ukiah, California (APN 002-340-3900), in the Amount of \$10,640,000, Approving the Agreement of Purchase and Sale for the Property, and Authorizing the Purchasing Agent or Designee to Sign and Execute Any and All Agreements, Amendments, and Other Documents Related to the Purchase of the Property
(Sponsor: Executive Office)

Recommended Action/Motion:

Adopt Resolution authorizing the purchase of real property located at 555 South Orchard Avenue, Ukiah, California (APN 002-340-3900), in the amount of \$10,640,000, approving the agreement of purchase and sale for the property, and authorizing the purchasing agent or designee to sign and execute any and all agreements, amendments, and other documents related to the purchase of the property; and authorize the Chair to sign same.

Previous Board/Board Committee Actions:

The Board approved the purchase at the September 22, 2020 meeting.

Summary of Request:

The property is a 56-room hotel, approximately 29,905 feet of gross building area situated on a 52,272 +/- square feet lot within the city limits of Ukiah.

This property is intended to be used as transitional and permanent housing for individuals and families who are homeless or at risk of becoming homeless. All rooms will remain in their initial configuration as studio-style units. While the initial purpose of the facility will be transitional housing, the County plans to upgrade at least 50% of the facility into permanent housing within ten years of acquisition

As the Board is aware, the County pursued funding from Project Homekey with the California Department of Housing and Community Development (HCD) to fund the acquisition of the property. The County received notice that Mendocino County's application had entered the award stage in early September. Project Homekey will fund \$9.6 million --\$8,325,500 for acquisition cost and \$1,344,000 for operating subsidy). The purchase

price for the property is \$10,640,000; costs of escrow are estimated to be \$8,814.86.

The acquisition and future operation of the property is exempt from review under the California Environmental Quality Act ("CEQA") under several statutory and regulatory provisions. Health and Safety Code section 50675.1.2 establishes a statutory exemption from CEQA for Homekey projects meeting the following requirements: none of the units are being acquired via eminent domain; the units will be in decent, safe, and sanitary condition at the time of their occupancy, where applicable; all contractors working on the projects will, as applicable, be required to comply with applicable Labor Code requirements; the projects will comply with applicable Public Contract Code provisions, the acquisitions are being paid for exclusively with public funds; the projects will provide housing units for individuals and families who are experiencing homelessness or who are at risk of homelessness; long-term covenants and restrictions require the units to be restricted to persons experiencing homelessness or who are at risk of homelessness, which may include lower income, and very low income households, for no fewer than 55 years will be recorded; and the projects do not increase the original footprint of the projects' structures by more than 10 percent, and an increase to the footprint of the original projects' structures, if any, are exclusively to support the conversion to housing for the designated population, including, but not limited to, both achieving compliance with local, state, and federal requirements and providing sufficient space for the provision of services and amenities. Based on review of these criteria, the acquisition and use of the property does or will meet the above requirements.

CEQA Guidelines section 15061(b)(3) is commonly referred to as the common sense exemption which provides that a project is exempt from CEQA where it can be seen with certainty that there is no possibility that the action will have a significant effect on the environment. The environmental impacts of the existing use of the property as transient hotel occupancy is generally similar to that of housing. The project is exempt under CEQA Guidelines section 15301 because it consists of the acquisition and operation and minor alteration of an existing structure, with negligible or no expansion of existing or former use. The project is exempt under CEQA Guidelines section 15326 as it is the acquisition of an interest in housing units.

Alternative Action/Motion:

Return to staff for alternative handling

Supervisory District: District 2

vote requirement: Majority

Supplemental Information Available Online At: n/a

Fiscal Details:

source of funding: \$8,325,500 from Project Homekey, **budgeted in current f/y:** No
the remaining from CARES Act

current f/y cost: \$10,640,000 purchase price plus fees **if no, please describe:** emergency funding
for a total of \$10,648,814.86 opportunity resulting from COVID-19

annual recurring cost: n/a **revenue agreement:** No

budget clarification: Disaster Recovery budget unit

Agreement/Resolution/Ordinance Approved by County Counsel: Yes

CEO Liaison: Executive Office

CEO Review: Yes

CEO Comments:

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Executed By: Atlas Pearson, Deputy Clerk I

Date: **OCTOBER 22, 2020**

Final Status: Adopted

Executed Item Type: Resolution Number: 20-150
Executed Item Type: Agreement Number: 20-146

