

Acquisition of Nimitz Motel (555 Lewelling Boulevard)

for Conversion to Homeless Navigation Center/Shelter & Permanent Supportive Housing

> City Council March 21, 2022

What's Been Happening

February 2021

- Homeless/Short Term and Long Term -Navigation Center & Housing Presentation to Council
- Council directed staff to find properties

April 2021

 Hired TRI Commercial Real Estate Services to conduct property searches

April 2021 - Present

- · Weekly meetings with realtor
- Regular staff meetings to review properties
- Research/consultation

What's Been Happening

Fall 2021

- Began negotiations with Nimitz Motel
- Memorandum of Understanding with Eden Housing,
 Inc. & Building Futures with Women and Children
- State Project Homekey 2.0 Request for Proposals

November 2021

City initiated formal appraisal

December 2021

- Appraisal completed (\$5.8 million)
- City offer \$5.8 million

January-February 2022

- Owner counter \$6.15 million
- Drafting of Purchase Agreement







Project Team

City

- Recreation & Human Services Department
- Community Development Department/Housing Division
- City Attorney's Office

Nonprofit Services Provider

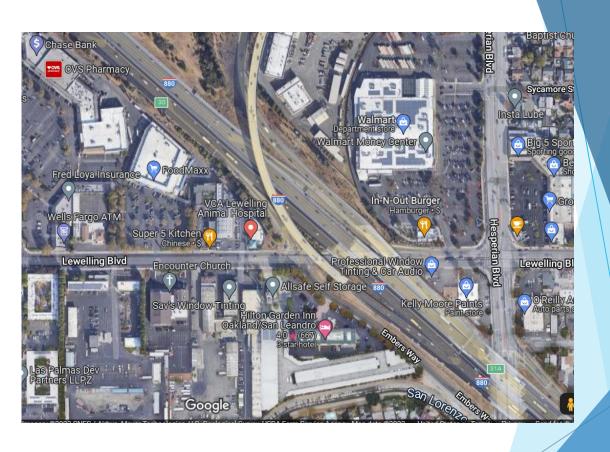
Building Futures with Women and Children

Nonprofit Developer

Eden Housing, Inc.

Realtor

TRI Commercial Real Estate Services



Nimitz Motel

33 studio units

Ground floor office & retail

On-parking

On-site laundry

Proximity to encampments

Opportunity to achieve City priority for both short-term navigation center/shelter & long-term homeless housing

Purchase Agreement Summary

- Seller: Parshotam, Inc.
- Purchase Price: \$6.15 million
 - Appraised value: \$5.8 million
 - Estimated \$85K closing costs
- Initial City Deposit: \$184,500
 - Non-refundable on July 30, 2022
- City has 3 30 day extensions\
 - \$75,000 non-refundable after 2nd extension exercised
- Due diligence work has begun
 - Phase I environmental, building needs assessment, relocation plan

Proposed Plan for Nimitz Motel (for Project Homekey)

Phase 1 (Interim)

- Purchase the motel
- BFWC & City operate the motel for 1.5 to 3 years as a navigation center and shelter

Phase 2 (Permanent)

- Work with Eden to secure public financing to convert to permanent supportive housing for the homeless
- Work with BFWC to find stable public operating funding for the center/shelter
- Find new permanent location for the center
- Eden Housing develops & operates the motel as permanent supportive housing

Available **Funding** Sources for **Nimitz** Motel Acquisiton & Conversion

City Sources

- City Affordable Housing Trust Fund
- City Low Mod Housing Fund/former Redevelopment
- City General Fund (\$1.6 mil for operations/services)
- State Permanent Local Housing Allocation
- State Homeless Housing, Assistance and Prevention (HHAP)
- Federal
 - \$750K American Rescue Plan Act (ARPA)
 - HUD Community Development Block Grant & HOME

State (approx. \$5.5 million to \$7.5 million)

 Project Homekey acquisition/renovations/operations/relocation

Public Outreach Plan

April-December 2022

 Ongoing community engagement including neighborhood near the motel

April/May 2022

 City-wide Community Meeting on Project Homekey proposal/Navigation Center

May 2, 2022

 Council public hearing to review FY22-23 HUD Annual Action Plan including CDBG & HOME funding for navigation center

July 2022

Public presentation to Council on Project Homekey application status

April 18,2022

- City Council -review resolution to submit Project Homekey application
 - More details on project costs and City funding sources at this meeting

Next Steps/ Key Dates

May 2,2022

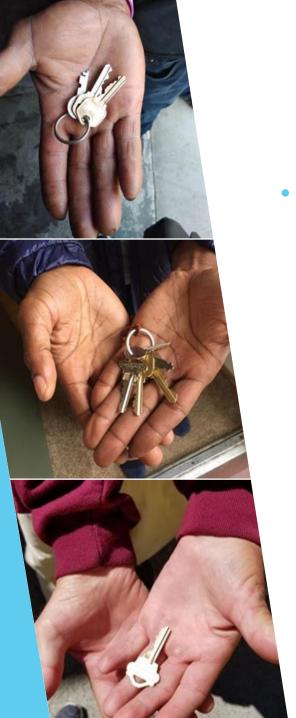
- Project Homekey Round 2 deadline
- Highly competitive

June 2022

State announces approval/denial of Project Homekey applications

Fall/Winter 2022

- State releases Project Homekey Round 3 Request for Proposals (RFP)
- Round 3 = City alternative plan if Round 2 is denied



Staff Recommends

 City Council Approve and Authorize Execution of Purchase Agreement for the Nimitz Motel Property