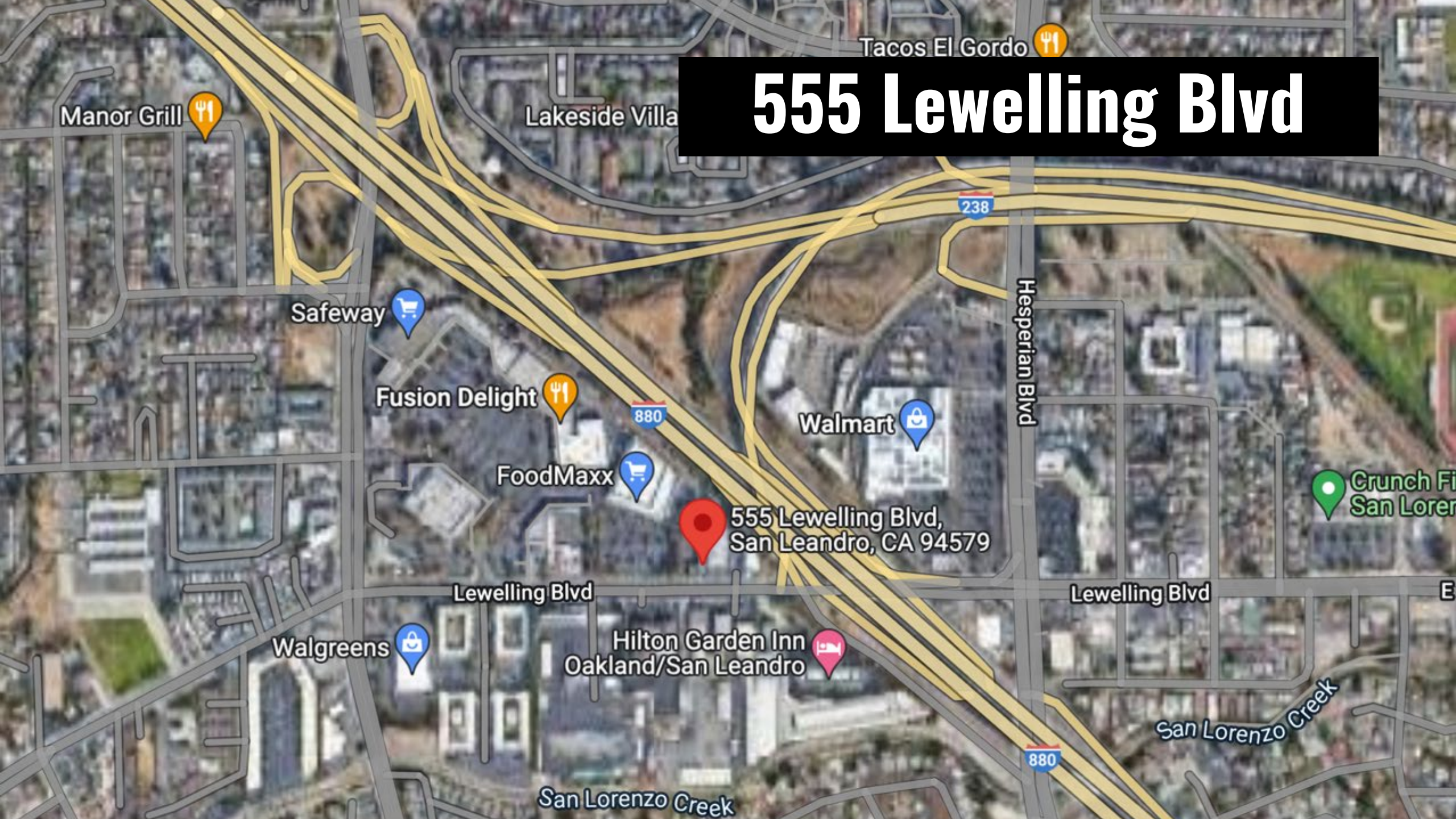




# Nimitz Motel | 555 Lewelling – Purchase & Sale Agreement Extension City Council

# 555 Lewelling Blvd



Manor Grill

Lakeside Villa

Tacos El Gordo

Safeway

Fusion Delight

FoodMaxx

Walmart

555 Lewelling Blvd,  
San Leandro, CA 94579

Walgreens

Hilton Garden Inn  
Oakland/San Leandro

Lewelling Blvd

Lewelling Blvd

Hesperian Blvd

Crunch Fitness  
San Lorenzo

San Lorenzo Creek

San Lorenzo Creek

# Current Use

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555 Lewelling Blvd. is currently operated as the Nimitz Motel

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The building has 33 studio lodging units

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Motel currently has ground floor office and restaurant.

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Motel includes on-site parking and laundry facilities.

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In addition to being near grocery stores and other amenities, the site is also close to local encampments.

# Opportunity in San Leandro to Address Homelessness

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February 2021 - City Council provided direction to find site(s) for short-term navigation center/shelter and permanent supportive housing

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Fall 2021 - City found an interested seller at 555 Lewelling Blvd (Nimitz Motel) and formed a project team of City and nonprofit staff

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March 2022 - Council approved a purchase & sale agreement (\$6.15 mil sales price) with the seller

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May 2022 - City submitted Homekey 2.0 application submission to the State, but was denied in Summer 2022.

# Sustaining Momentum

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October 2022 - Council approved a purchase and sale agreement extension until March of 2023

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Staff has been actively working to address the issues flagged by the State for the rejected Homekey 2.0 application

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Staff has recruited an expanded and experienced project team to apply for the next State funding round (Homekey 3.0)

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Project team has been developing enhanced partnerships, project timeline and operating/development agreements

# Our Updated Team

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**City** – Both Community Development (Housing) and Human Services remain actively to provide overall leadership and direction

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**Andrew Hening** – An experienced, outside project manager to support the application process. Andrew has worked on five previous Homekey projects in Marin and Sonoma counties.

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**Building Futures** – Building Futures will continue to serve as the service provider for the navigation center/shelter.

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**Housing Consortium of the East Bay (HCEB)** – HCEB will provide property management services for the navigation center/shelter.

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**Allied Housing** – Allied will serve as the developer for both the navigation center/shelter, as well as the long-term permanent housing opportunity.

# Nimitz Motel/ Homekey Development Vision

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Proposal: Acquire motel and renovate into interim nav center/shelter for up to about 5 years. Long-term, the entire site would be demolished and redeveloped into a new, higher density permanent supportive housing development. The interim nav center/shelter would be moved to a new location within the 5 years.

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Convert some of the existing motel rooms into office spaces/meeting areas for services with remaining rooms (approx 29-30) converted into non-congregate shelter/housing units.

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Project design is currently being re-assessed. An architect has been hired to refine the proposed project renovations and budget for Homekey 3.0 application.

# Purchase & Sale Agreement Extension Terms

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1) Sales price remains at \$6.15 million plus an estimated \$85,000 in closing costs;

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2) extension to July 1, 2023 with closing by August 30, 2023 and City to release \$75,000 (non-refundable) from initial \$184,500 escrow deposit to seller towards purchase price;

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3) Extension Option 1 – if exercised, closing will extend to September 30, 2023 and City to deposit an additional \$50,000 (non-refundable); and

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4) Extension Option 2 – if exercised, closing will extend to October 30, 2023, but no additional deposit required.

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City currently has approx \$2.95 mil in local, State and federal housing/homeless targeted funds allocated for acquisition.

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On February 22, Finance Committee recommended to City Council to allocate up to \$3.2 million in FY22-23 surplus General Fund for gap funding for motel acquisition.

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If awarded, Homekey may reimburse City for the gap funding.



# Next Steps

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Tonight, staff recommends Council approve Amendment #5 to the PSA

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Late March 2023 - Homekey 3.0 Request for Proposals (RFP) release

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April 6, 2023 – staff expected to request Council approval of State mandated resolution to apply for Homekey 3.0. Project scope and budget will be presented.

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Mid-late April 2023 – Submit Homekey 3.0 application to State

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Spring/Summer 2023 – City to consider allocating up to \$3.2 million in one-time City surplus General Funds as acquisition gap funding to purchase the motel

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Summer/Fall 2023 – State Homekey funding award announcement and motel acquisition completed

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Spring/Early Summer 2024 – interim nav center/shelter to open if approved for Homekey funding. Motel needs to be operational within 8 to 12 months of grant award.