

RESOLUTION THE CITY COUNCIL OF THE CITY OF SAN LEANDRO

RESOLUTION NO. 2022-XXX

RESOLUTION OF THE CITY OF SAN LEANDRO CITY COUNCIL AUTHORIZING THE CITY MANAGER TO APPROVE AND EXECUTE AMENDMENT NO. 4 TO THE PURCHASE AND SALE AGREEMENT (PSA) FOR THE NIMITZ MOTEL LOCATED AT 555 LEWELLING BOULEVARD (APN: 412-1-4-1)

WHEREAS, the City of San Leandro ("City") desires to acquire and rehabilitate improved real property in the City in order to convert that property to permanent or interim housing for homeless persons within the City; and

WHEREAS, Parshotam Inc. ("Owner") is the owner of that certain real property located at 555 Lewelling Boulevard, San Leandro, California ("Property"), which is currently improved with a building that is used for the operation of the Nimitz Motel, and also includes a small restaurant and a billboard; and

WHEREAS, the City desires to acquire the Property, including the furniture, fixtures and equipment located therein, for conversion to a navigation center and temporary shelter for homeless persons within the City, and future conversion to permanent affordable supportive housing for homeless persons, pursuant to plans and specifications that are to be determined; and

WHEREAS, City staff and the Owner negotiated the terms and conditions of a Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate ("Purchase and Sale Agreement"), under which the City would agree to acquire the Property from the Owner for the purchase price of Six Million One Hundred Fifty Thousand Dollars (\$6,150,000); and

WHEREAS, the staff recommended purchase price of the Property under the Purchase Agreement is slightly higher than the appraised value of the Property, as determined by an appraisal of the Property conducted by CohnReznick, LLP, dated November 24, 2021; and

WHEREAS, the City Manager and Owner executed Amendment No.1 to extend the Agreement through August 29, 2022 and the City deposited an additional \$25,000 from its Affordable Housing Trust Fund to escrow; and

WHEREAS, the City Manager and Owner executed Amendment No.2 to extend the Agreement through September 28, 2022 and the City deposited an additional \$50,000 from its Affordable Housing Trust Fund to escrow; and

WHEREAS, the City Manager and Owner executed Amendment No.3 (which was the final extension allowed under the Purchase and Sale Agreement approved by City Council on March 21, 2022) to extend said Agreement through October 28, 2022 and the City's \$75,000 deposits for the prior amendments became non-refundable; and

WHEREAS, the City Council finds that the interests of the City's residents and the public health, safety and welfare will be best served by approving Amendment No. 4 to extend the existing Purchase and Sale Agreement through March 15, 2023 and acquiring the Property. A copy of Amendment No. 4 which has been provided to the City Council and is attached to this Resolution and incorporated herein.

NOW THEREFORE the City of San Leandro City Council **RESOLVES** as follows:

1. The City Council finds that the foregoing Recitals are true and correct and are incorporated into this Resolution.

2. The City Council approves Amendment No. 4 to the Purchase and Sale Agreement for the City's acquisition of the Property pursuant to the terms and conditions set forth in the original Purchase Agreement for an amount not to exceed Six Million One Hundred Fifty Thousand Dollars and no cents (\$6,150,000.00).

3. The City Council authorizes the City Manager (or her designee), on behalf of the City, to execute Amendment No. 4 to the Purchase and Sale Agreement substantially in the form that has been presented to the City Council, and to take such other actions as are necessary to carry out the City's obligations under the Purchase and Sale Agreement, including the execution of escrow instructions and closing documents, and to provide any relocation assistance that is required by law.

4. The City Manager and her designees are authorized and directed to close escrow for the acquisition of the Property if and when the conditions precedent to the acquisition of the Property, as set forth in the Purchase Agreement, have been satisfied. The City Council hereby approves and authorizes the City to disburse closing costs in an amount not to exceed Eighty-Five Thousand Dollars (\$85,000) for the acquisition of the Property.

5. The City's acquisition of the Property pursuant to the Purchase Agreement is exempt from the provisions of the California Environmental Quality Act ("CEQA"), pursuant to the Affordable Housing Exemption of Section 15194 of the CEQA Guidelines for a project consisting of the construction, conversion, or use of residential housing consisting of 100 or fewer units that are affordable to low-income households, and pursuant to the Class 1 Exemption of Section 15301 of the CEQA Guidelines for the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use. Staff of the City shall file a notice of exemption as required by Section 21152.1 of the Public Resources Code, pursuant to Section 15062 of the CEQA Guidelines.

Introduced by _____ and passed and adopted this 17th day of October 2022, by the following vote:

AYES:

NOES:

ABSENT:

ATTEST: _____
Kelly B. Clancy, Acting City Clerk