



**MEMORANDUM
FACILITIES MANAGEMENT
REAL ESTATE SERVICES
DIVISION
County of Placer**

TO: Honorable Board of Supervisors **DATE:** January 11, 2022
FROM: Steve Newsom, Director of Facilities Management
BY: Janet Triplett, Senior Project Manager
SUBJECT: Real Estate Services Division / Purchase and Sale Agreement / Hospitality
Roseville, LLC / 110 North Sunrise Avenue, Roseville CA

ACTION REQUESTED

1. Adopt a Resolution to approve the Purchase and Sale Agreement (PSA) for the real property acquisition of the 1.68-acre parcel improved with a 73,181± square foot, four-story, 85-room hotel building located at 110 North Sunrise Avenue, Roseville CA, described as APN 013-213-001-000, (Property) from Roseville Hospitality, LLC for \$16,700,000 anticipated to be funded entirely by California's Project Homekey 2.0 Program and other state and federal funding sources, and authorize the Director of Facilities Management, or designee, to take all necessary actions to implement the PSA, and to assign rights to purchase the Property to the County's selected housing operator, AMI Housing, Inc. (AMI Housing) subject to a deed restriction requiring this Property to be operated for the services and for the duration as required by the Round 2 Homekey Program and other funding sources.

BACKGROUND

On December 14, 2021, your Board adopted Resolution No. 2021-399 authorizing the Director of Health and Humans Services (HHS) to submit a grant application to California Housing and Community Development (HCD) for a Homekey Round 2 Project. On this date, your Board also adopted a Resolution approving the contract with Advocates for Mentally Ill Housing, Inc. (AMIH) for the acquisition, renovation, and operation of permanent supportive housing to be funded by a Homekey 2 Program grant, if awarded. On December 21, 2021, HHS submitted the grant application to acquire, renovate and operate the Property.

Facilities Management staff has supported HHS in the identification and evaluation of the Property owned by Hospitality Roseville, LLC (Seller). On November 15, 2021, a non-binding Letter of Intent (LOI) with the Seller was executed. The LOI established a purchase price of \$16,700,000 which was supported by a recent appraisal. Staff have performed an evaluation of the Property's physical condition and have determined it to be readily adapted to accommodate housing consistent with the Homekey Round 2 Project.

Real Estate Services has successfully negotiated a PSA with the following key terms:

- 1) Purchase Price - \$16,700,000
- 2) Refundable Deposit - \$50,000 paid within 10-days of the fully executed PSA.
- 3) Contingency Period – County to have 180 days Contingency Period to:

- a. Evaluate the Property physical, title, and environmental condition
 - b. Confirm fiscal feasibility and obtain all authorization of funds to purchase the Property including Homekey Round 2 Project funding
 - c. Assignment of the PSA to AMI Housing prior to Escrow close. AMI Housing will take title of the Property, subject to a deed restriction requiring this Property to be operated for the services and for the duration as required by Project Homekey and other funding sources.
- 4) Escrow and Title Fees - County shall pay all recording fees related to the purchase, and Seller shall pay any transfer taxes. Seller and County shall each pay one-half of the cost of a CLTA Standard Coverage Policy and the escrow fees. Each party is responsible for its own legal and professional fees.
 - 5) Close of Escrow – Close of Escrow will be no later than 10 days after approval of the Contingencies, unless otherwise extended by mutual agreement of the parties.

To proceed with the acquisition of the Property, it is necessary that your Board adopt a Resolution approving the PSA on file with the Clerk of the Board and authorizing the Director of Facilities Management, or designee, to execute and implement the PSA, and to assign rights to purchase the Property to the County's selected housing operator, AMI Housing.

ENVIRONMENTAL IMPACT

Your Board's actions to approve the proposed acquisition and related documents and agreements, and to approve any budget amendments, (collectively, the "Actions") are each Categorically Exempt from environmental review pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15301. This section provides an exemption for activities where there is no expansion of use beyond that is previously existing. Additionally, on a separate and independent basis, the Actions are each exempt from environmental review pursuant to CEQA Guidelines Section 15061(b)(3) because it can be determined with certainty that there is no possibility that approval of the Actions will result in a direct or a reasonably foreseeable indirect significant impact on the environment.

Future operation of the property for permanent supportive housing funded by Homekey Round 2 Projects is exempt from CEQA: AB 140 (2021) which establishes a statutory exemption from the California Environmental Quality Act (CEQA) (Health & Saf. Code, § 50675.1.4). The project will comply with all the applicable requirements to comply with the CEQA exemption. AB 140 also provides for a land-use exemption independent of the CEQA exemption. The project shall be deemed consistent in conformity with applicable local plan, standard, or requirement and shall not be subject to a conditional use permit.

FISCAL IMPACT

The total acquisition cost to acquire the Property is \$16,752,000 which includes the Purchase Price (\$16,700,000) and costs for estimated title, escrow and closing costs, appraisal and

Honorable Board of Supervisors

January 11, 2022

Real Estate Services Division / Purchase and Sale Agreement / Hospitality Roseville, LLC / 110
North Sunrise Avenue, Roseville CA
Page 3

property reports, and staff and counsel time. The majority of the Purchase Price will be paid utilizing California's homeless housing initiative Homekey Round 2 funding, and if necessary, the balance of the purchase price will be paid with other state and federal funds. No County General Funds are required.

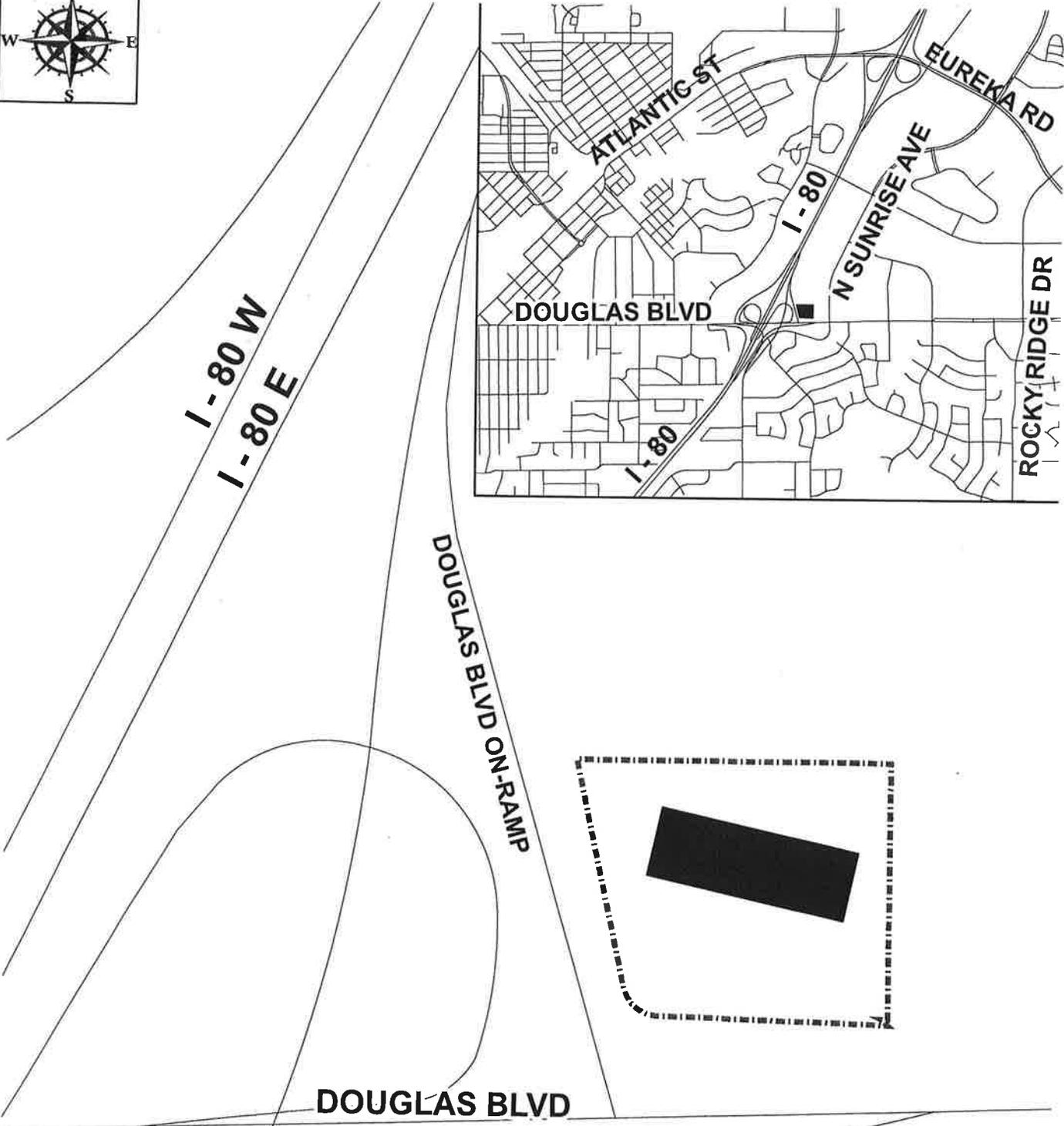
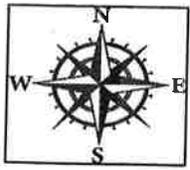
ATTACHMENTS

Attachment A – Property Map

Attachment B – Resolution

On file with the Clerk of the Board: Purchase and Sale Agreement - 110 North Sunrise Avenue
Roseville, CA

Attachment A



LEGEND

-  HOTEL
-  APN 013-213-001-000

Before the Board of Supervisors County of Placer, State of California

In the matter of:

Resolution approving the Purchase and Sale Agreement for the real property acquisition of the 1.68-acre parcel improved with a 73,181± square foot, four story, 85-room hotel building located at 110 North Sunrise Avenue, Roseville CA, described as APN 013-213-001-000, from Roseville Hospitality, LLC for \$16,700,000 and authorizing the Director of Facilities Management, or designee, to take all necessary actions to implement the PSA, and to assign rights to purchase the Property to the County's selected housing operator, AMI Housing, Inc. subject to a deed restriction requiring this Property to be operated for the services and for the duration as required by the Round 2 Homekey Program and other funding sources.

Resolution No.: _____

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held _____, by the following vote:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chair, Board of Supervisors

Attest:

Clerk of said Board

WHEREAS, Roseville Hospitality, LLC owns a 1.68-acre parcel improved with a 73,181± square foot, four-story, 85-room hotel building located at 110 North Sunrise Avenue, Roseville CA, described as APN 013-213-001-000 (Property); and

WHEREAS, the California Department of Housing and Community Development (HCD) issued a Notice of Funding Availability, dated September 9, 2021, for Round 2 of the Homekey

Program to provide funding toward the acquisition, renovation and operation of permanent supportive housing sites; and

WHEREAS, the County has determined that the acquisition of the Property would benefit the County in its efforts to provide and maintain housing consistent with the grant funds, if awarded; and

WHEREAS, the County has applied for HCD's Round 2 Homekey Program funding along with other state and federal funding sources to acquire, renovate and operate the Property; and

WHEREAS, the County has a contract with AMI Housing to acquire, renovate and operate permanent supportive housing to be funded by Round 2 Homekey Program, if awarded; and

WHEREAS, the County has negotiated a Purchase and Sale Agreement (PSA) with Roseville Hospitality, LLC to acquire the Property for a purchase price of \$16,700,000.

BE IT RESOLVED by the Board of Supervisors, County of Placer, State of California that the PSA for the real property acquisition of the Property from Roseville Hospitality, LLC for \$16,700,000 is approved and the Director of Facilities Management, or designee, is authorized to take all necessary actions to implement the PSA, and to assign rights to purchase the Property to the County's selected housing operator, AMI Housing, Inc. subject to a deed restriction requiring this Property to be operated for the services and for the duration as required by the Round 2 Homekey Program and other funding sources.