



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 8/27/2019

Agenda Placement: 10B

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Steven Lederer - Director of Public Works
Public Works

REPORT BY: Liz Habkirk, Deputy Dir. of PW-Gen Services - 259-8321

SUBJECT: Bid Selection Committee Recommendations for acceptance of bids for 2344 Old Sonoma Road

RECOMMENDATION

County Executive Officer and Director of Public Works request adoption of a resolution taking the following actions:

1. Accepting a bid from Caritas Related, LLC, (Caritas) as the highest responsive bidder as found by the designated Bid Selection Committee, in the amount of \$7.5 million and a commitment to construct a minimum of 25 affordable housing units onsite, for the purchase of 2344 Old Sonoma Road (Property) and authorizing the sale of the Property to Caritas at that price;
2. Authorizing the Chair of the Board to execute a purchase and sale agreement and grant deed for conveyance of the Property to Caritas on terms and conditions consistent with the Resolution of Intent and at the respective bid/purchase prices accepted above;
3. Authorizing the Director of Public Works or designee to negotiate and execute any agreements or documents necessary to facilitate the purchaser's research and investigation of the Property during the due diligence period; and
4. Authorizing the County Executive Officer (CEO) or designee, for a period of 120 calendar days from the date that the Chair of the Board executes the Purchase Agreement with Caritas, to take any other steps and to sign any other documents that are necessary to consummate the sale of the Property to Caritas including without limitation the execution of escrow documents and delivery of the County's grant deed to the purchaser and/or to an escrow holder agreed to by the CEO's office.

EXECUTIVE SUMMARY

The proposed resolution will accept the \$7.5 million bid made by Caritas Related, LLC (Caritas) as the highest responsive bidder, for the purchase of County surplus property located at 2344 Old Sonoma Road (Property) and will authorize the Chair of the Board and County staff to execute various purchase and sale, escrow, and leaseback documents necessary for consummation of the sale of the Property to the designated bidder. In compliance with

the terms of the RFP, Caritas will also commit to the construction of a minimum of twenty-five (25) affordable housing units or at least 15% of the total number of residential units contained in a future development on the site, whichever is greater.

PROCEDURAL REQUIREMENTS

1. Staff reports.
2. Public comments.
3. Motion, second, discussion and vote on the item.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	Revenue will be received from the proceeds of the sale.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The property has been declared surplus. Sale of the property will result in revenue that may be used towards the financing of the new Jail project.
Is the general fund affected?	Yes
Future fiscal impact:	None. Sale of the property will be complete in the current fiscal year.
Consequences if not approved:	The County will not have the benefit of the revenues received from the sale of a surplus property and would need to determine whether to reissue an RFP for a new sale process.

Additional Information:

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: A Final Environmental Impact Report ("EIR") has been certified for the HHSA Campus Project (State Clearinghouse # 2011112008) in compliance with CEQA, the State CEQA Guidelines, and local procedures for implementing CEQA. The proposed surplus sale of the HHSA campus was analyzed in the EIR and Addendum thereto. Additionally, sale of the existing HHSA campus as surplus property would qualify for a Class 12 categorical exemption. (see Class 12 -"Surplus Government Property Sales" at 14 CCR Section 15312.)

The EIR and Addendum are on file and are available for review in the Planning, Building, and Environmental Services department or by visiting <https://www.countyofnapa.org/784/Napa-HHSA-Campus-Final-EIR>.

BACKGROUND AND DISCUSSION

The County has owned and operated the property located at 2344 Old Sonoma Road ("Property") in Napa (APN 004-291-015-000) for more than fifty years as a health and human services campus, and for other uses for many decades. These County services were moved to a new location in 2016 and the property has sat mostly vacant since that time. Final health and human services programs vacated the site in December 2017. Following Board direction, staff complied with all requirements of Government Code section 54222, the Surplus Land Act

("Act") without successful sale of the property and subsequently entered into additional direct negotiations with the City of Napa. However, the City ultimately declined to proceed with purchase of the property.

On May 7, 2019, staff presented the Board of Supervisors with various options to proceed with the sale of the property and received Board direction to issue a request for proposals process and public offering pursuant to Government Code section 25526 et seq. On May 21, 2019 staff presented Resolution 2019-65 which would allow the County to sell the property through a public offering with the minimum bid price being set at \$7,500,000 and a minimum of 15% affordable housing would be required to be built on-site if the site is ultimately developed for residential purposes.

Subsequently, during development of the Request for Proposals (RFP), staff identified that in order to appropriately meet the goals of the Board pertaining to encouraging affordable housing and incentivizing bidders to develop affordable housing units above the regulatory requirements, a new amended and restated resolution was necessary. On June 18, 2019, the Board approved amended the restated Resolution 2019-82 which explicitly outlined requirements for bidders to agree to a covenant on the Property which would bind them to constructing a minimum of 25 affordable housing units or 15% of the total number of residential units contained in a future development, whichever is greater. Also included in the amended resolution was the process to present a combined bid amount that would include at least the minimum sale price of \$7,500,000 in cash as well as a credit of \$45,000 per affordable housing unit above the minimum 25 unit requirement.

On August 9, 2019, the County received one timely sealed bid package for purchase of the Property. As specified in the Board resolution, a Bid Selection Committee designated by the County Executive Office convened on August 9, 2019, opened the sealed bid and reviewed the materials. The bid was found to be responsive to the requirements of the RFP. The initial written bid was: \$7.5 million and at least 25 affordable housing units, or a minimum of 15% of the total number of residential units, by Caritas Related, LLC. The bidder presented a deposit of \$250,000 in the form of Cashier's Checks made payable to Placer Title Company (the escrow holder).

Pursuant to the Board's resolution, and as required by the Government Code, oral overbids in increments of five percent above the highest bid were then invited. The single qualified bidder did not make an oral overbid.

Thus, the Director of Public Works and CEO recommend and request the Board to adopt the resolution accepting the bid from Caritas Related, LLC as the highest responsive bidder and authorizing the sale of the Property to Caritas Related, LLC.

SUPPORTING DOCUMENTS

A . Resolution

CEO Recommendation: Approve

Reviewed By: Leigh Sharp