



**Contra
Costa
County**

To: Board of Supervisors
From: Brian M. Balbas, Public Works Director/Chief Engineer
Date: January 7, 2020

Subject: APPROVE an Exclusive Negotiating Rights Agreement with Overaa Investments, LLC, related to 2555 El Portal Drive, San Pablo.

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Public Works Director, or designee, to execute an Exclusive Negotiating Rights Agreement between the County and Overaa Investments, LLC and the living trusts of members of the Overaa family (Overaa), the owner of the building located at 2555 El Portal Drive in San Pablo, to enable the County to determine the feasibility of rehabilitating the building for use by the County to provide supportive housing and support services to qualifying individuals through the creation of 55-60 micro housing units in the building.

FISCAL IMPACT:

No fiscal impact.

BACKGROUND:

Proposed Negotiations

Overaa owns the real property located at 2555 El Portal Drive in San Pablo, California, consisting of approximately 1.84 acres. The property is improved with an approximately

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/07/2020** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Diane Burgis, District III Supervisor
Karen Mitchoff, District IV Supervisor
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

David Twa, County Administrator and Clerk of the Board of Supervisors

By: Stacey M. Boyd, Deputy

Contact: Julin Perez, 925.
957-2460

cc:

25,610 square-foot, two-story building that is currently vacant. Other improvements to the property include a parking lot and landscaping.

Overaa and the County desire to work together to determine the feasibility of rehabilitating the building for use by the County to provide supportive housing and support services for qualifying individuals. The parties intend to determine if it is feasible to undertake the rehabilitation of the building, the construction of 55-60 studio apartments and certain other rooms in the building, the restriping of the parking lot, and replanting and irrigating the landscape on the property. If the rehabilitation project is feasible, the parties would then endeavor to negotiate a lease or a lease-purchase agreement under which the County would acquire the use of the property.

During the term of the exclusive negotiating agreement, the parties will perform due diligence. As part of the due diligence, the parties will work together to identify multiple lease, or lease-purchase, structures to present to the Contra Costa County Board of Supervisors for consideration. The different structures will reflect the effect of the County having the use of the property over varying lengths of time. Once a feasibility determination is made and the structure of the transaction is determined, the parties will negotiate the final terms of a lease or lease-purchase agreement.

BACKGROUND: (CONT'D)

Grant Funds

The Health Services Department has received a grant from the U.S. Department of Housing and Urban Development in an amount not to exceed \$966,573. The grant is expected to be renewed annually. If the project is determined to be feasible, Health Services intends to allocate the grant proceeds to the Contra Costa County Continuum of Care Program to provide permanent supportive housing and support services for High Utilizers of Multiple Systems individuals.

CONSEQUENCE OF NEGATIVE ACTION:

The ability of the Contra Costa County Continuum of Care Program to provide permanent supportive housing and support services for High Utilizers of Multiple Systems individuals could be delayed.