

Project HomeKey- Application/Award



Mike Dent, Director
Child Support, Collections, Housing and Community Services
October 27, 2020



Two Items for Consideration Prior to 11:00am Public Hearing

- **SR20-3504**- Resolution authorizing submittal of HomeKey application to California State Department of Housing and Community Development's HomeKey Program
- **SR20-3508**- Resolution authorizing acceptance of \$2,797,750 HomeKey Program Grant from HCD



Background:

- July 16th- HCD released NOFA.
- HomeKey-\$600 million available to local public entities
- Purchase and rehabilitate housing, including hotels and motels.
- Convert buildings into interim and/or permanent, long-term housing.
- Inquired with local motels on interest to participate in a HomeKey sale.
- Submitted two applications August 13th
- Applications totaled \$5.9 Million.



Background: (continued)

- October 9th notified of \$2,797,750 funding award for purchase and rehabilitation of Coach N Four Motel.
 - \$2,269,750 for capital expenditures (includes \$519,750 for immediate ADA rehabilitation)
 - \$528,000 for two years of operating subsidies.
 - Nevada County Housing Development Corp. (AMI Housing) committing an additional \$172,000 in HEAP funding towards project.
- October 20th secured sales agreement for motel for Board consideration.

Property Details:

- Built in 1950's
- +/- 1.13 acres of land
- Zoned: NC Flex
- 17-unit motel
- 2-unit duplex in rear
- 22-units of potential housing
- 1,600 sq ft storage building in rear
- High calls for police services
- Long-term tenants
- Solid, but tired structures
- Potential quality of life improvements to the neighborhood



Site Plan – Project Homekey Acquisition plus Rehabilitation

- Short Term:
 - Purchase and operate as interim (17-units)
 - 24/7 onsite management and navigation services through NCHDC/AMI's rapid rehousing program for two years
 - Integrated effort to house seniors, families and/or veterans with HOME Team and Housing Resource Team
- Long Term:
 - Convert units into permanent housing (22-units) starting in 2023
 - Future operations funded by CoC and/or PLHA



- **Questions on Application and Funding Award**
- **Consideration of Resolutions:**
 - Authorization to Apply for Project HomeKey Program (SR 20-3504)
 - Authorize Acceptance of Project HomeKey Grant Award (SR 20-3508)

Project HomeKey- Public Hearing on Purchase of 628 South Auburn Street Grass Valley



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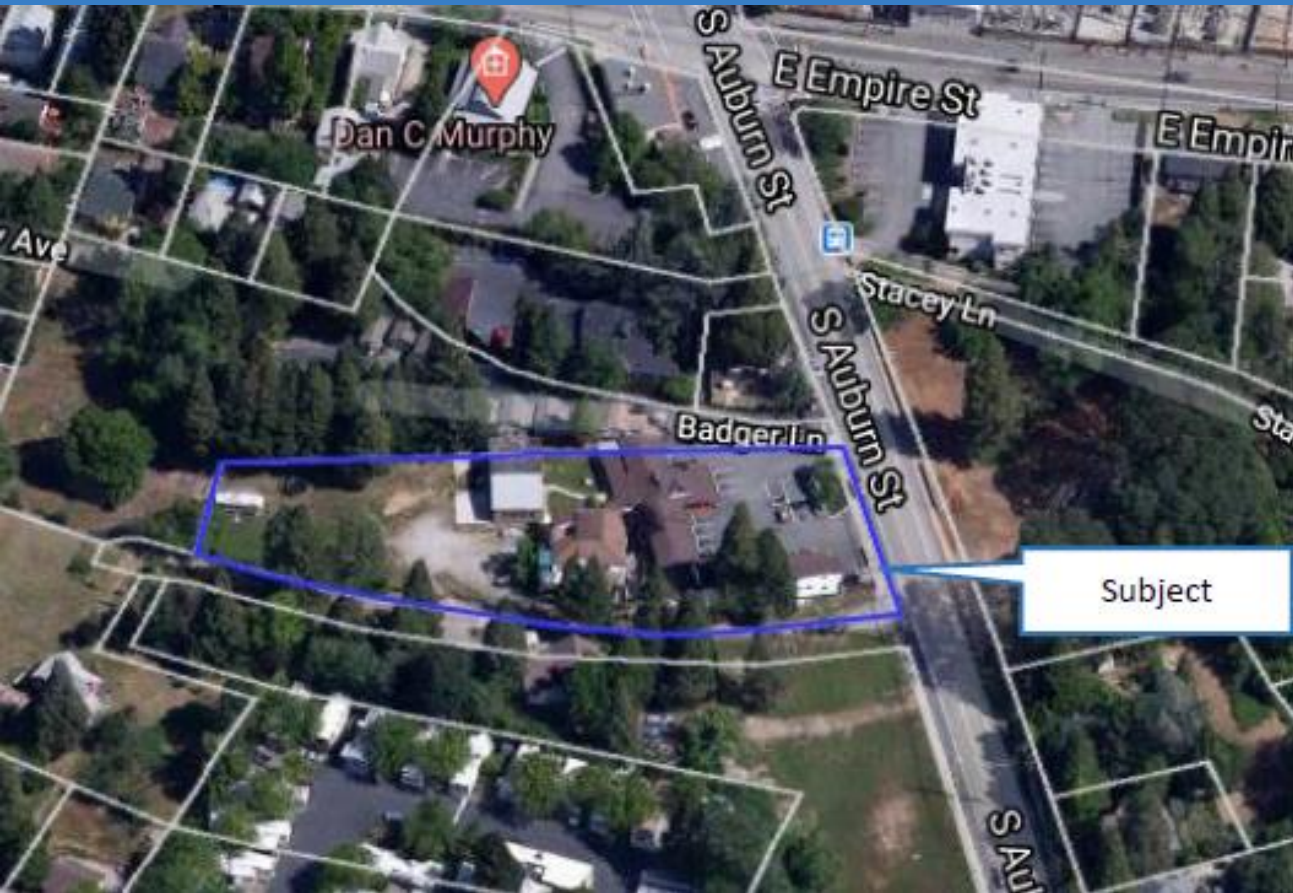


11:00am Public Hearing

HomeKey Project Purchase

- **SR20-3532**- Public Hearing to consider purchase of real property APN# 029-241-028-000; +/- 1.13 acres located at 628 South Auburn Street, Grass Valley CA 95945
- **SR20-3500**- Consider Resolution approving the Purchase Agreement between County of Nevada and Ron Pitamber, dba Heritage Hotel Group for real property with Project HomeKey funds
- **SR20-3501**- If above items are approved- Resolution approving Amendment 1 between County of Nevada and NCHDC (AMI Housing) for community-based housing services





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Signage and entrance along S. Auburn Street



Motel



Southern wing of the motel



Interior of Room 7

Owner History

- Evidence of first operation in 1956
- Several past owners
- Pitamber Irrevocable Family Trust purchased 2007 for \$900,000



Condition and Appraisal

- Solid construction- Cinder block first floor with traditional stick-build second floor
- Several remodels in past
- Evidence of deferred maintenance needed
- Fair condition overall
- CA Dept of General Services appraised at \$1,335,000



Negotiated Price

- \$1,750,000 for the 22-unit property
- Property sold “As is”
- Seller will help with rehousing guests- Some have established occupancy rights
- Cost per “door” to purchase is \$79,545
- State allows for up to \$100,000 per door.
- Comps: Piety Hill Cottages (\$1.2M) and 626 S. Auburn (\$1.3M)
- Per State directive, escrow must close by November 11th

- **Public Comment on Purchase**
- **Questions surrounding Purchase**
- **Consideration of Resolutions:**
 - Approval of Purchase (SR 20-3500)
 - If SR 20-3500 is approved, Consider approving modification to NCHDC/AMI Contract (SR 20-3501)

SR 20-3500- Amendment #1 to Nevada County Housing Development Corporation Contract

- Increase the maximum Contract Amount to \$1,318,970 for FY 20/21
- HomeKey site operations (year 1) - \$338,696
- HomeKey ADA renovation and rehabilitation – up to - \$519,750
- NCHDC contribution towards long term permanent housing conversion - \$170,000 in HEAP funding allocated by Nevada County Continuum of Care





FRONT ELEVATION



Better Together
NEVADA COUNTY