

Stanislaus Regional Housing Authority

Alpine ■ Amador ■ Calaveras ■ Inyo ■ Mariposa ■ Mono ■ Stanislaus ■ Tuolumne Counties

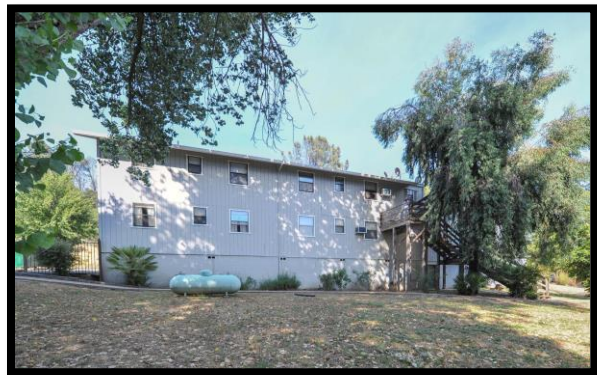
DATE: December 13, 2018
TO: Board of Commissioners
FROM: Barbara S. Kauss, Executive Director
SUBJECT: **Action Item # 7-** Consider Approving the purchase of 241 Hospital Road, Sonora, California; APN 056-150-023
PREPARED BY: Jim Kruse, Deputy Director/Clerk of the Board
RESOLUTION NO: 18-19-14

RECOMMENDTION:

Staff recommends approval to purchase 241 Hospital Road, Sonora, CA; APN 056-150-23-00 for the purchase price of \$700,000.00 (Seven-Hundred Thousand Dollars and No Cents), accept approximately \$302,000 in Tuolumne County HEAP funding, and approval for the Executive Director to secure financing for approximately \$533,000.

Background

In summer of 2017 the Housing Authority was approached by the Tuolumne County Housing Program Coordinator with a property that had come to their attention. The property, which is located at 241 Hospital Road, Sonora, CA, is a small apartment complex consisting of 10 units. The apartments are on a quiet street with a large green space area behind the building. The parcel size is half an acre. There are four studios and six one-bedroom apartments. The studios range in size, but most are approximately 450 square feet. The one-bedroom units are approximately 600 square feet. The size and location of the units are ideal for the proposed use.





Tuolumne County would like utilize the apartment complex to provide affordable housing for its behavioral health program participants. Two of the ten units would be reserved as permanent supportive housing for people with a mental illness who are experiencing homelessness. Rents for these two units will be affordable to extremely low-income tenants earning at or below 30% of the area median income. These two units are currently vacant and will remain vacant during escrow so that they can be utilized immediately to help address homelessness in Tuolumne County.

The other units, as they become vacant over time, will be offered to local nonprofit agencies such as the Amador Tuolumne Community Action Agency (ATCAA), Sierra HOPE, and the Center for a Nonviolent Community (CNVC) to master lease for their clients participating in programs such as the Emergency Solutions Grant Program and the Rapid Rehousing Program. Letters of support from ATCAA, CNVC and Sierra HOPE are attached. Many nonprofit agencies have funding to assist clients who are either homeless or in danger of becoming homeless but have difficulty locating appropriate rental housing. Master leasing is a common practice for nonprofits who need access to housing for clients. If a nonprofit does not wish to master lease an available unit, it will be rented at a rate affordable to households earning at or below 60% of the area median income.

The original asking price was \$749,000. The Housing Authority researched comparable properties in the area and determined that a \$700,000 offer was appropriate. The offer was accepted by the broker and contingent upon the Housing Authority Board of Commissars approval. If approved the funding sources for the project will include \$302,411 in Tuolumne County Homeless Emergency Aid Program (HEAP) funds and bank financing.

FISCAL IMPACT

The Land Purchase Prices of \$700,000 with an estimated \$135,000 in rehabilitation costs. Funding for the project will consist of \$302,411 in Tuolumne County (HEAP) funds and bank financing of approximately \$533,000.

ATTACHMENTS

1. Listing Brochure

241 Hospital Road Sonora California

10 Units Apartments



Presented By: Kameron S. Izadjou

Broker, DRE Lic. 01041696

Golden Gate Properties

Mobile: (415) 454-9999

Office: (415) 234-8727

Kameron@GoldenGateProperties.com

www.GoldenGateProperties.com

Offered at: \$749,000





Sonora: Named for Sonora, Mexico, the present-day county seat of Tuolumne County was settled by Mexican miners during the early gold rush days in 1848. After it was incorporated in 1851, it became a town of superlatives: biggest, richest, rowdiest, roughest and toughest. The big gold strikes eventually diminished, but by then, Sonora had evolved into an important commercial and transportation center.

It is the only incorporated city in all of Tuolumne County. The historic past is evident in Sonora today in the form of the many preserved mid-1800s and turn of-the century Victorian residences and buildings. Present-day Sonora is still bustling with eclectic shops, excellent dining venues, wine tasting and a pervasive aura of hospitality.





The information set forth herein has been received by us from sources we believe to be reliable. We do not warrant its accuracy or completeness.

Tuolumne County

Located 2 ½ hours east of the San Francisco Bay Area, is a pristine, scenic expanse reaching from the foothills into the Sierra Nevada Mountains. Gold was discovered in Tuolumne County in 1848, setting off the major gold rush of 1849.

Although relatively small, 2235 square miles, Tuolumne County is a region of great contrasts. In the west, pasture lands are at a modest 300 feet in elevation, but to the east the mountain terrain stretches for the sky, up to 9628 feet at the Sonora Pass on Highway 108 and 9941 feet at Tioga Pass on Highway 120 in Yosemite National Park. The Stanislaus National Forest, Yosemite National Park, and other surrounding areas provide incredible natural vistas and settings for hiking, water skiing, horseback riding, rafting, camping, snowmobiling, boating, snow skiing, fishing and other outdoor activities. But that is not all -- manmade attractions abound, as well. Seven restored historic hotels, four golf courses, numerous gourmet restaurants, five wineries, train rides, casino, seven museums, two state historic parks, five live theaters and many charming bed-and-breakfasts are among the many other attributes that make the county a true year round vacation destination.

For a list of Tuolumne County's major employers follow this link:

<http://www.labormarketinfo.edd.ca.gov/majorer/countymajorer.asp?CountyCode=000109>

Tuolumne County

Employment & Industrial Demographics



POPULATION	2015	2020 (EST.)
Tuolumne County	54,696	55,185
Tuolumne County Trade Area	145,875	146,954

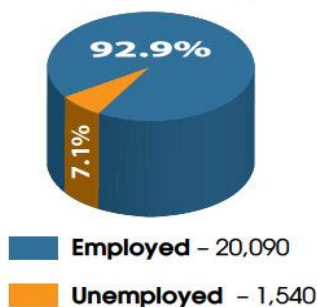
TOTAL HOUSEHOLDS	2015	2020 (EST.)
Tuolumne County	14,448	14,654
Tuolumne County Trade Area	57,291	57,779

AVERAGE HOUSEHOLD INCOME	2015	2020 (EST.)
Tuolumne County	\$62,986	\$70,833
Tuolumne County Trade Area	\$67,909	\$76,379

MEDIAN HOME VALUE	2015	2020 (EST.)
Tuolumne County	\$210,025	\$224,575
Tuolumne County Trade Area	\$216,804	\$224,350

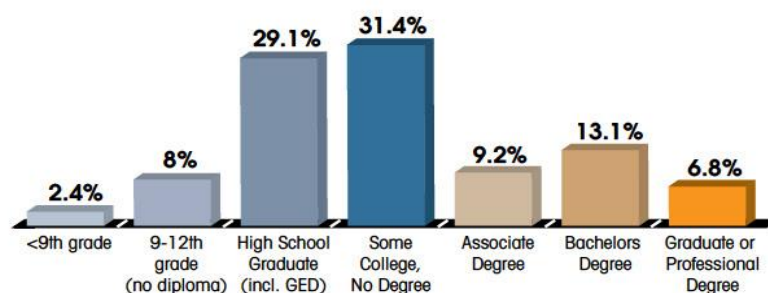
EMPLOYMENT/UNEMPLOYMENT

(AVERAGE 2015)



EDUCATIONAL ATTAINMENT

POPULATION AGE 25+



LOCAL/REGIONAL COLLEGES & UNIVERSITIES

Miles from Tuolumne County

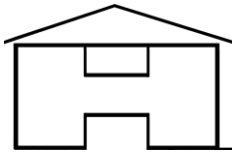
Columbia College	0.0
UC Merced	28.7
Merced College	29.1
Modesto Junior College	33.2
California State University - Stanislaus	36.3
Madera Community College	69.0
DeVry University	87.5
Clovis Community College	91.3
California State University - Fresno	93.7
ITT Technical Institute	95.6
UC Berkeley	108.0
Stanford University	115.0

INDUSTRY EMPLOYMENT & LABOR FORCE by Annual Average

Farm	60
Mining and Logging	140
Construction	560
Manufacturing – Durable Goods	650
Manufacturing – Nondurable Goods	150
Wholesale Trade	180
Retail Trade	2,470
Transportation, Warehousing & Utilities	240
Information	210
Financial Activities	510
Professional & Business Services	920
Educational & Health Services	3,040
Leisure & Hospitality	2,150
Other Services	530
Government	5,430

241 Hospital Road Sonora, CA 95370
Financial Overview

Current		Pro-forma
Scheduled Rent	\$68,400	\$78,045
Vacancy Factor 3%	-\$1,368	-\$2,341
Laundry Income Approx.	\$1,450	\$1,450
Effective Gross Income	\$68,482	\$77,154
Annual Expenses		
Property Taxes (New 1.1%)	\$8,239	\$8,239
Property Management,	\$6,000	\$6,000
Insurance	\$1,192	\$1,192
Utilities	\$7,545	\$7,545
Repairs, Approx.	\$1,500	\$1,500
TOTAL ANNUAL EXPENSE	\$24,476	\$24,476
Net Annual Income	\$44,006	\$52,678
Cap Rate	5.875	7.033
Price per Sq. Ft.	\$120	
Price per Unit	\$74,900	



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RESOLUTION NO.18-19-14

RESOLUTION APPROVING THE PURCHASE OF 241 HOSPITAL ROAD, SONORA, CALIFORNIA APN 056-150-023

WHEREAS, the Housing Authority of the County of Stanislaus desires to increase the number of affordable housing units in the county and,

WHEREAS, Tuolumne County has committed \$302,411 in Homeless Emergency Aid Program (HEAP) funds towards the purchase of said property and

WHEREAS, the purchase of the property would allow the Housing Authority to acquire additional affordable housing units; and

WHEREAS, property will increase affordable housing in Tuolumne County by providing 10 additional affordable units and would meet an unmet community need and further the Housing Authority's mission;

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the Housing Authority of the County of Stanislaus, that

1. The Executive Director is authorized to purchase 241 Hospital Road, Sonora, California APN 056-150-23-00 for the sale price of \$700,000 (Seven-Hundred Thousand and No Cents).
2. The Executive Director is authorized to accept any Community Development Block Grant (CDBG), Homeless Emergency Aid Program (HEAP), or HOME Investment Partnership (HOME) funding or any other County provided project funding.
3. The Executive Director is authorized, after legal review, to enter into a loan agreement to include rehabilitation cost for the property.
4. This Resolution shall take effect immediately.

DULY AND REGULARLY ADOPTED by the Board of Commissioners of the Housing Authority of the County of Stanislaus this 13th day of December 2018.

On motion of _____, seconded by _____, and on the following roll call vote:

AYES:

NAYS:

ABSTAIN:

ABSENT:

Attest: _____
Secretary

Approved: _____
Chairperson

