

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

June 10, 2025

FROM

TERRY W. THOMPSON, Director, Real Estate Services Department

CARRIE HARMON, Director, Community Development and Housing Department

SUBJECT

Acquisition of Improved Real Property in San Bernardino

RECOMMENDATION(S)

1. Find that the acquisition of approximately 0.84 acres of real property improved with an approximately 15,525 square foot two-story hotel, located at 1386 E. Highland Avenue, in San Bernardino (Assessor's Parcel Number 0150-471-11-0000 and 0150-471-12-0000) is an exempt project under the California Environmental Quality Act Guidelines, Section 15326 – Acquisition of Housing for Housing Assistance Program (Class 26).
 2. Approve Capital Improvement Program Project No. 25-237 to acquire approximately 0.84 acres of real property improved with an approximately 15,525 square foot two-story hotel, located at 1386 E. Highland Avenue, in San Bernardino, (Assessor's Parcel Number 0150-471-11-0000 and 0150-471-12-0000) for the purchase price of \$7,300,000, independent consideration of \$100, escrow expenses and other fees of approximately \$15,000, due diligence inspection costs of approximately \$35,000, and administrative costs of approximately \$20,000, for a total not to exceed amount of \$7,370,100.
 3. Authorize the acquisition of approximately 0.84 acres of real property improved with an approximately 15,525 square foot two-story hotel, located at 1386 E. Highland Avenue, in San Bernardino, (Assessor's Parcel Number 0150-471-11-0000 and 0150-471-12-0000) for the purchase price of \$7,300,000, independent consideration of \$100, escrow expenses and other fees of approximately \$15,000, due diligence inspection costs of approximately \$35,000, and administrative costs of approximately \$20,000 for a total not to exceed amount of \$7,370,100, in accordance with Government Code Section 25350.
 4. Approve Purchase and Sale **Agreement No. 25-425** and Joint Escrow Instructions with Sahkar Hospitality Group, a California corporation, to acquire said improved property in Recommendation No. 3.
 5. Authorize the Director of the Real Estate Services Department to execute escrow instructions and any other non-substantive documents necessary to complete this transaction, subject to County Counsel review.
 6. Authorize the Auditor-Controller/Treasurer/Tax Collector to post budget adjustments to the 2024-25 budget as detailed in the Financial Impact Section (Four votes required).
 7. Direct the Real Estate Services Department to file the Notice of Exemption in accordance with the California Environmental Quality Act.
- (Presenter: Terry W. Thompson, Director, 387-5000)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Improve County Government Operations.

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Operate in a Fiscally Responsible and Business-Like Manner.

FINANCIAL IMPACT

Approval of this item will not result in the use of additional Discretionary General Funding (Net County Cost). The total cost not to exceed \$7,370,100 will be funded by the Encampment Resolution Funding (ERF) Round 3 and Round 4 state grants (\$3,300,000) and the use of the Supporting Vulnerable Populations General Fund Reserve (\$4,070,100).

The following adjustments are requested for the 2024-25 budget:

Fund Center/Fund	Commitment /GL Account	Description	Action	Amount	Funded Program
6210002499	53003205	Public Assistance	Decrease	\$3,300,000	-
6210002499	55305030	Operating Transfers Out	Increase	\$3,300,000	-
1161161000	55305030	Operating Transfers Out	Increase	\$4,070,100	-
1000	37008587	Fund Balance Committed Supporting Vulnerable Populations Reserve	Decrease	\$4,070,100	-
7700003105	54304030	Structures and Improvements to Structures	Increase	\$7,370,100	94.10.0013
7700003105	40909975	Operating Transfers In	Increase	\$7,370,100	94.10.0013

BACKGROUND INFORMATION

The County is pursuing a strategy to expand its emergency shelter beds and other forms of interim and permanent housing to address homelessness. As part of the strategy, CDH is identifying areas that are under-resourced in sheltering options and looking for opportunities to rapidly increase shelter beds and housing through various capital improvement program projects.

The City of San Bernardino (City) has an unsheltered homeless count of 977 individuals, per the 2024 Point-In-Time Homeless Count, which is almost 30% of the countywide unsheltered count. The City has been identified as an under-resourced area that needs additional shelter beds to address the large unhoused population. CDH has been evaluating project opportunities within the City to address this need. Concurrently, OHS has been engaged in the intensive outreach and engagement of homeless individuals and families residing in encampments along the I-210 corridor in the cities of Highland and San Bernardino.

CDH identified the Days Inn by Wyndham San Bernardino Hotel owned by Sahkar Hospitality Group, an approximately 15,525-square foot, two-story building with 50 units located at 1386 E. Highland Avenue, in San Bernardino, (Assessor's Parcel Number 0150-471-11-0000 and 0150-471-12-0000 (Property) as viable for conversion to permanent housing. The Property is located within two miles of the downtown San Bernardino area and is conveniently located near County resources and various homeless service organizations. Future plans include essential

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rehabilitation to facilitate the property's conversion into permanent housing, ensuring the facility complies with all applicable health, safety standards. The strategic acquisition of the Property will support a joint effort between the Cities of Highland and San Bernardino, the County, and Yuhaaviatam of San Manuel Nation to address large-scale homeless encampments along the I-210 corridor and increase access to permanent housing for eligible individuals with disabilities. The Yuhaaviatam of San Manuel Nation plans to engage in environmental restoration activities associated with the rehabilitation of former encampment sites.

RESD negotiated a purchase price of \$7,300,000 for the Property, which was determined by RESD to be within the fair market value range based on assessment of current market conditions and evaluation of market data. Additional acquisition costs include independent consideration of \$100, escrow expenses and other fees of approximately \$15,000; due diligence inspection costs of approximately \$35,000; and administrative cost of approximately \$20,000 for a total not to exceed cost of \$7,370,100.

The operation of the Property will be supported by Encampment Resolution Funding from the California Department of Housing and Community Development accepted by the Board of Supervisors on March 11, 2025 (Item No. 28). The acquisition of this Property will enable the County to deploy operational funding under its direct oversight allowing for a higher level of services, support, and security.

Approval of this item will also authorize the Director of RESD to execute escrow documents, including escrow instructions, property disclosures, notices (such as due diligence notice), title objections, settlement statements, and other non-substantive documents necessary to complete this transaction, subject to County Counsel review. The Director of RESD will not be authorized to execute any documents that would bind the County to any actions not contemplated by, or arising from, the transaction that is the subject of these recommendations.

The project to acquire the Property was reviewed pursuant to the California Environmental Quality Act and determined to be categorically exempt under Section 15326 – Acquisition of Housing for Housing Assistance Program (Class 26). Class 26 consists of actions by a redevelopment agency, housing authority, or other public agency to implement an adopted Housing Assistance Plan by acquiring an interest in housing units. The housing units may be either in existence or possess all required permits for construction when the agency makes its final decision to acquire the units.

PROCUREMENT

The Property may be acquired pursuant to Government Code Section 25350 and RESD has complied with the publication requirements of Government Code Section 6063.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Agnes Cheng, and Suzanne Bryant, Deputies County Counsel, 387-5455) on May 23, 2025; Community Development and Housing (Evan Miles, Deputy Director, 382-3986) on May 22, 2025; Office of Homeless Services (Marcus Dillard, Chief of Homeless Services, 501-0610) on May 21, 2025; Auditor-Controller/Treasurer/Tax Collector (Charlene Huang, Auditor-Controller Manager, 382-7022) on May 22, 2025; Purchasing (Dylan Newton, Buyer III, 387-3377) on May 19, 2025; Finance (Paul Garcia, Administrative Analyst, 386-8392, Yael Verduzco, 387-5285, and Amanda Trussell, Principal Administrative Analysts, 387-4773) on May 21, 2025; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on May 30, 2025.

(NA: 501-6726)

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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Curt Hagman
Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: June 10, 2025



cc: RESD - Thompson w/agree
Contractor - c/o RESD w/agree
File - w/agree
MBA 06/24/2025