

**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 Colton

RECOMMENDATION(S)

1. Find that the acquisition of approximately 1.53 acres of real property improved with two buildings consisting of a total of approximately 41,196 square feet, located at 1311 South Santo Antonio Drive in the City of Colton (commonly known as Assessor's Parcel Number 0275-181-50-0000) 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. 25-236 to acquire approximately 1.53 acres of real property improved with two buildings consisting of a total of approximately 41,196 square feet, located at 1311 South Santo Antonio Drive in the City of Colton (commonly known as Assessor's Parcel Number 0275-181-50-0000), for the purchase price of \$12,250,000, an independent consideration of \$100, escrow expenses and other fees of approximately \$20,000, due diligence inspection costs of approximately \$40,000, and administrative costs of approximately \$35,000, for a total not to exceed amount of \$12,345,100.
3. Authorize the acquisition of approximately 1.53 acres of real property improved with two buildings consisting of a total of approximately 41,196 square feet, located at 1311 South Santo Antonio Drive in the City of Colton (commonly known as Assessor's Parcel Number 0275-181-50-0000) for the purchase price of \$12,250,000, independent consideration of \$100, escrow expenses and other fees of approximately \$20,000, due diligence inspection costs of approximately \$40,000, and administrative costs of approximately \$35,000, for a total not to exceed amount of \$12,345,100, in accordance with Government Code Section 25350.
4. Approve Purchase and Sale **Agreement No. 25-426** and Joint Escrow Instructions with Red Tile Inn, Inc., 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)

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COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Improve County Government Operations.

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 \$12,345,100 will be funded by HOME Investment Partnerships American Rescue Plan Program, Housing and Homelessness Incentive Program, and use of the Supporting Vulnerable Populations General Fund Reserve.

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

Fund Center/Fund	Commitment/GL Account	Description	Action	Amount	Funded Program
6210002493	40408955	State – Grants	Increase	\$5,000,000	-
6210002493	55305030	Operating Transfers Out	Increase	\$5,000,000	-
6210002501	53003205	Public Assistance	Decrease	\$2,400,000	-
6210002501	55305030	Operating Transfers Out	Increase	\$2,400,000	-
1161161000	55305030	Operating Transfers Out	Increase	\$4,945,100	-
1000	37008587	Fund Balance Committed Supporting Vulnerable Populations Reserve	Decrease	\$4,945,100	-
7700003105	54304030	Structures and Improvements to Structures	Increase	\$12,345,100	94.10.0014
7700003105	40909975	Operating Transfers In	Increase	\$12,345,100	94.10.0014

BACKGROUND INFORMATION

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

CDH has identified Rodeway Inn and Suites owned by Red Tile Inn, Inc. (Seller) located at 1311 South Santo Antonio Drive in the City of Colton, a property with two buildings consisting of a total of approximately 41,196 square feet (Property), as viable for conversion to interim housing. The Property is located within four miles of the downtown San Bernardino area and is conveniently located near County resources and various homeless service organizations. The acquisition of the Property will help provide shelter for some of the unhoused population of the County.

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The purchase price of \$12,250,000, which is based on an appraisal procured by the Seller, was determined by RESD to be within the fair market value range based on an appraisal review including an assessment of current market conditions. Additional acquisition costs include independent consideration of \$100, escrow expenses and other fees of approximately \$20,000; due diligence inspection costs of approximately \$40,000; and administrative costs of approximately \$35,000 for a total not to exceed cost of \$12,345,100.

The operation of the Property will be supported by state Permanent Local Housing Allocation annual grant funds. Additional funding will be provided through the Cal-AIM program through Medi-Cal reimbursements and other sources provided by a contract operator.

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), which 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 (Carrie Harmon, Director, 382-3983) on May 20, 2025; Office of Homeless Services (Marcus Dillard, Chief of Homeless Services, 501-0610) on May 22, 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, 386-8393, 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