

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

March 10, 2026

FROM

TERRY THOMPSON, Director, Real Estate Services Department

DIANE RUNDLES, Assistant Executive Officer, Community Development and Housing Department

SUBJECT

Acquisition of Improved Real Property in Fontana and Approval of Multi-City Memorandum of Understanding for the West End Regional Navigation Center

RECOMMENDATION(S)

1. Find that the acquisition of approximately 1.65 acres of land, improved with a building of approximately 35,347 square feet of building area, located at 11109 Jasmine Street, in the City of Fontana, (Assessor's Parcel Number 0238-111-53-0000), is an exempt project under the California Environmental Quality Act Guidelines, Title 14, Section 15301 - Existing Facilities and Section 15061 (b)(3) Common Sense Exemption.
2. Authorize the acquisition of approximately 1.65 acres of land, improved with a building of approximately 35,347 square feet of building area, located at 11109 Jasmine Street, in the City of Fontana, (Assessor's Parcel Number 0238-111-53-0000), from the City of Fontana, for the purchase price of: a) a base price of \$11,664,510, plus an independent consideration payment of \$100, b) applicable due diligence, title and escrow costs, and c) an improvement reimbursement amount to the City of Fontana of all third party costs and expenses incurred by the City in connection with certain pre-development costs including but not limited to the design, permitting, and procurement, in addition to the costs of construction and installation of certain improvements which includes a \$2,000,000 construction deposit, provided that such reimbursement shall not exceed the amount of the construction bid including pre-development costs approved in writing by the County.
3. Approve **Purchase and Sale Agreement No. 26-134** and Joint Escrow Instructions between the County and the City of Fontana to acquire said property in Recommendation No. 2.
4. Approve the **Memorandum of Understanding No. 26-135**, including non-standard terms, between the County and the Cities of Chino, Fontana, Montclair, Ontario, Rancho Cucamonga, Rialto, and Upland, establishing annual city and County contributions for the operating costs of the West End Regional Navigation Center for an initial 10-year term.
5. Authorize the Chief Executive Officer to execute the Memorandum of Understanding referenced in Recommendation No. 4, and to execute amendments thereto, subject to County Counsel review, provided that any such amendment shall not increase County's contribution by more than \$200,000 annually.
6. Authorize the Director of the Real Estate Services Department to execute an acceptance certificate to affix to the Grant Deed to accept the property referenced in Recommendation No. 2, escrow instructions, closing date extension, and any non-substantive closing

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documents necessary to complete this transaction, or to exercise County’s due diligence termination right, subject to County Counsel review.

7. Authorize the Chief Executive Officer to exercise County’s pre-development period termination right and authorize the Chief Executive Officer as the County’s Representative under the Agreement with respect to the matters regarding the construction of the improvements, which designee shall have authority and responsibility to act on behalf of County for such matters.
8. Direct the Director of Community Development and Housing Department to transmit the Memorandum of Understanding and any amendments to the Memorandum of Understanding as referenced in Recommendation Nos. 4 and 5, to the Clerk of the Board of Supervisors within 30 days of execution.
9. Approve Capital Improvement Program Project CIP 26-063, in the amount of \$20,000,000, for the Community Development and Housing acquisition of approximately 1.65 acres of land, improved with a building of approximately 35,347 square feet of building area, located at 11109 Jasmine Street, in the City of Fontana.
10. Authorize the Auditor-Controller/Treasurer/Tax Collector to post the necessary budget adjustments, as detailed in the Financial Impact section (Four votes required).
11. Direct the Real Estate Services Department to file a 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.

Provide for the Safety, Health, and Social Service Needs of County Residents.

FINANCIAL IMPACT

Approval of this item may require the use of additional Discretionary General Funding. The final purchase price, consisting of the base price and the improvement reimbursement, has not yet been fully determined. To date, \$11,664,510 has been identified as costs associated with the purchase of the land and building. Additional costs related to Recommendation No. 2.c remain under development and will be presented to the Board of Supervisors (Board) for consideration once finalized.

At this time, \$20,000,000 has been allocated toward the anticipated acquisition. Identified funding sources include \$11,000,000 from the Supporting Vulnerable Populations Reserve, \$5,000,000 from the Homelessness and Housing Incentive Program (HHIP), and \$4,000,000 from HOME Investment Partnerships American Rescue Plan Program funds. Should the final purchase price, and associated costs exceed the funding identified above, any resulting in the funding gap may require additional Discretionary General Funding. In that event, the Community Development and Housing Department (CDH) and the Real Estate Services Department (RESD) will bring a future Recommendation to the Board for consideration.

CDH and RESD request the following adjustments to their respective 2025-26 budgets. Note that no budget adjustment is needed to commit the HHIP funding.

Cost Center/Fund	Commitment Item/GL	Description	Action	Amount	WBSE
6210002501	55305030	Operating Transfer Out	Increase	\$4,000,000	-

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6210002501	53003205	Public Assistance	Decrease	\$4,000,000	-
1161161000	55305030	Operating Transfer Out	Increase	\$11,000,000	-
1000	37008587	Fund Balance Committed Supporting Vulnerable Populations Reserve	Decrease	\$11,000,000	-
7700003105	40909975	Operating Transfers In	Increase	\$20,000,000	94.10.0006
7700003105	54304030	Structures and Improvements to Structures	Increase	\$20,000,000	94.10.0006

BACKGROUND INFORMATION

CDH administers and invests Federal, State, and local resources to expand housing options, implement community development priorities, and strengthen the County's homelessness response system through partnerships with cities, nonprofit developers, service providers, and other County departments. Over the past year, CDH has brought forward multiple Board items supporting this work, including actions to acquire, preserve, rehabilitate, and operate housing and facility assets that serve vulnerable County residents and advance the Countywide Vision.

Consistent with these efforts, CDH seeks approval to acquire and redevelop a commercial property in Fontana into a 200-bed regional navigation center serving unsheltered individuals throughout the West End region of the County, including individuals residing in participating partner cities (Project). This adaptive reuse project represents a significant opportunity to enhance the County's homeless services infrastructure.

In support of this Project, the City of Fontana (City) acquired the Property in May 2025. The County and City have since been working collaboratively to negotiate a Purchase and Sale Agreement and Joint Escrow Instructions (PSA) that includes provisions allowing the parties to jointly renovate the Property and eventually transfer ownership and operational responsibilities to the County, with the ultimate goal of serving local at-need individuals to the benefit of both the City and the County.

Concurrently with the PSA negotiations, the County began negotiating a multi-city MOU between itself and the Cities of Chino, Chino Hills, Fontana, Montclair, Rancho Cucamonga, Upland, Ontario, and Rialto (collectively, the "Cities") for the operational costs. The MOU establishes annual payments by the participating Cities to support a portion of the County's operating expenses for the West End Regional Navigation Center and reflects the shared regional commitment to coordinated solutions that reduce unsheltered homelessness and improve system outcomes.

However, negotiations with the City of Chino Hills (Chino Hills) have resulted in a request for revisions to their terms under the MOU. The County intends to proceed with execution of the MOU with the remaining participating Cities and continue discussions with Chino Hills. Accordingly, delegated authority is being requested for the Chief Executive Officer (CEO) to

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execute amendments to the MOU, subject to County Counsel review, provided that any such amendments do not increase the County's contribution by more than \$200,000 annually. Once revised terms are mutually agreed upon, a written amendment to the MOU will be prepared and executed to memorialize those agreed-upon changes..

The MOU contains the following non-standard terms:

1. The MOU's initial term is for 10 years unless terminated earlier by mutual agreement of the parties. The MOU shall automatically renew for one additional five-year term unless any party provides written notice of non-renewal prior to the expiration of the initial term.
 - The County standard contract term is five years.
 - Potential Impact: The MOU will be in place for 10 years and automatically renews unless mutually terminated.
2. The MOU may be terminated with the written agreement of at least six city parties and the County.
 - The County standard contract reserves the right to term for convenience with 30 days' notice.
 - Potential Impact: The MOU will not be able to be terminated at the County's convenience.
3. The MOU states that the County shall obtain and maintain appropriate policies of insurance or self-insurance for the operation of the West End Regional Navigation Center.
 - The County insurance terms are provided in County Policy No. 11-07SP.
 - Potential Impact: The County must insure the Regional Navigation Center.
4. The MOU states that the County shall indemnify, defend, and hold harmless the city parties from any claims caused by the negligent or wrongful act of the County in the performances of the services or in connection with the West End Regional Navigation Center or its operation.
 - The County standard indemnification terms are provided in County Policy No. 11-07.
 - Potential Impact: The County will indemnify, defend and hold the City Parties harmless for the operation of the Regional Navigation Center.

Upon approval by the Board and execution of the PSA, the parties will open escrow and enter a 60-day Due Diligence Period contemporaneous with a 120-day Pre-Development Period to develop, finalize, and obtain approvals for plans and specifications for the renovation of the Property. Additionally, during the Pre-Development Period, the City will obtain a Construction Bid to be approved in writing by the County. The County-approved Construction Bid will include the Construction Costs and Pre-Development Costs. After the City notifies the County of the Construction Contract Award Date, and the County has reviewed and approved plans and bids, the County will within 15 business days submit a non-refundable \$2,000,000 Construction Deposit to escrow. A one-year Construction Period will commence following the end of the Pre-Development Period, during which time the City will award the Construction Contract, as agreed by the City and County.

The final Purchase Price, which will comprise of the Base Price and the Improvement Reimbursement (which includes the Construction Bid inclusive of Pre-Development Costs approved in writing by the County during the Pre-Development Period plus any costs incurred

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by the City due to any change orders approved in writing by the County during the Construction Period, less Construction Deposit), will be submitted by the County to escrow no later than the day before the Close of Escrow, which takes place 10 business days following the Construction Period.

Approval of this item will also authorize the Director of RESD to execute non-substantive closing documents necessary to complete this transaction, or to exercise County's due diligence termination right, subject to County Counsel review. Such documents may include amended escrow instructions, property disclosures, notices (such as a termination notice), title objections, and settlement statements. 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. Additionally, the CEO, will serve as the County's Representative under the Agreement for matters related to the construction of the improvements.

Department of Public Works-Environmental Management Division staff has reviewed the recommended action pursuant to the California Environmental Quality Act (CEQA) and has determined it be categorically exempt from further environmental review in accordance with Section 15301-Existing Facilities, and Section 15061(b)(3) – Common Sense Exemption of the CEQA guidelines that the activity will not result in a significant effect the environment.

PROCUREMENT

The County can purchase this Property pursuant to Government Code Section 25350 by publishing a notice of the intention of the Board to make the purchase in the County once a week for three successive weeks in compliance with Government Code Section 6063. The required notice was published on February 13, 2026, February 20, 2026, and February 27, 2026, in the County Legal Reporter.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (John Tubbs II, and Suzanne Bryant, Deputies County Counsel, 387-5455) on March 2, 2026; Community Development and Housing (Diane Rundles, Assistant Executive Officer, 387-4717) on March 2, 2026; Auditor-Controller/Treasurer/Tax Collector (Charlene Huang, Auditor-Controller Manager, 382-7022) on March 3, 2026; Purchasing (Ariel Gill, Supervising Buyer, 387-2070) on February 26, 2026; Risk Management (Stephanie Pacheco, Staff Analyst II, 386-9039) on February 25, 2026; and County Finance and Administration (Paul Garcia, Administrative Analyst, 386-8393, and Yael Verduzco, Principal Administrative Analyst, 387-5285) on March 2, 2026.

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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: March 10, 2026



cc: RESD - Thompson w/agree
Contractor - c/o RESD w/agree
File - w/agree
MBA 03/11/2026