



County of El Dorado

Chief Administrative Office


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August 18, 2022

TO: Honorable Board of Supervisors

FROM: Don Ashton 
Chief Administrative Officer

SUBJECT: Pierroz Road Facility - Possible Timeline Consideration (Legistar 22-1279, Item 19 on August 23, 2022)

Last week I updated the Board that pursuant to Board direction on April 25, 2022, staff are pursuing negotiations on 471 Pierroz Road for a Navigation Center project. Specifically, the Board directed staff to pursue the potential lease or sale of the property at 471 Pierroz Road to operate as a long-term Navigation Center. While staff did everything possible to implement the Navigation Center at Perks Court as quickly as possible and prior to the fire season, the timeline was simply too aggressive.

On August 17, 2022, staff sent a Letter of Intent to the property's negotiator, which is the normal process to begin negotiations and the same process that was used to begin negotiations with the owners of the hotels on upper Broadway, outlining a sixty-day contingency period, with the option to extend this period up to sixty additional days. The contingency period would not begin until the Board has approved a Purchase and Sale Agreement for the property. During this contingency period staff would conduct inspections and evaluations of the property and determine if the Pierroz property is a feasible site for the Navigation Center. Also, during the contingency period, staff would work with Volunteers of America, the County's contracted Navigation Center operator, to determine the required improvements necessary to open a Navigation Center at Pierroz Road.

Based upon initial review of the property's specifications, it may be possible to open a Navigation Center facility in a portion of the facility while further building improvements are made on other areas of the facility. In a best-case scenario, parts of the Pierroz Road facility might be able to operate as a Navigation Center as early as March 2023, which is around the same time the Perks Court property is expected to be operational. However, as delays are typical with building acquisitions and improvements, it is more likely that a portion of the Pierroz Road facility could be operational in early Summer 2023.

The Board should keep in mind that due to the costs of the Perks Court property being higher than originally anticipated, the County cannot pursue the Perks Court and Pierroz Road properties with current homeless funding. Current estimated costs of \$4.2 million for the construction of the Perks Court facility will exhaust available homeless funding and require a contribution of other County ARPA funding to complete the project. The current asking price of Pierroz Road is \$1.6 million. Cost estimates for the tenant improvements necessary to convert the structure to a long-term Navigation Center are unknown at this time and would likely be determined during the due diligence phase of exploring the Pierroz Road property.

Based on this information, staff from my office, HHSA and County Counsel met to discuss how to best move forward and identified the following options for consideration by the Board:

1. Approve the construction of the Perks Court facility and pause the pursuit of any long-term Navigation Center projects until additional funding is identified. HHSA estimates it will take approximately 7 to 12 months before additional funding from the State is available. Under this scenario the Perks Court short-term Navigation Center would be operational around between January and March of 2023.
2. Pause the construction of the Perks Court facility for approximately three months, so staff can explore the feasibility and timeline of a Navigation Center at Pierroz Road. If it is determined to be feasible, at least a portion of the Pierroz Road facility would likely be functional by July 2023. If Pierroz is not feasible, this would cause a three-month delay, and Perks Court would open around July 2023.
3. Discontinue the development of the Perks Court short-term Navigation Center and use current homeless funding for a Navigation Center at Pierroz Road, with the goal of prioritizing ways for portions of the facility to be operating as a Navigation Center before July 2023.

The most fiscally conservative approach is for the Board to approve Option 2, pausing the construction of the Perks Court facility to allow time to explore the feasibility of the Pierroz Road location, recognizing this would delay the implementation of the sprung structure facility at Perks Court.

A closed session item to discuss any further information we receive from the Pierroz Road property owner in response to our Letter of Intent has been scheduled for the August 23, 2022, Board meeting.

If you have any questions or need additional information, please let me know.

c. Daniel Del Monte
Laura Schwartz
David Livingston
Kim Dawson