



COUNTY OF HUMBOLDT

For the meeting of: 2/11/2020

File #: 20-141

To: Board of Supervisors

From: Public Works

Agenda Section: Consent

SUBJECT:

Cancellation of Contract, Release of Deposit and Cancellation of Escrow for the Commercial Property Purchase Agreement and All Amendments for the Purchase of 1017 4th Street, 1023 & 1025 4th Street, and 1031, 1035 & 1039 4th Street, Eureka, California

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve the Cancellation of Contract, Release of Deposit and Cancellation of Escrow Form;
2. Authorize the Director of Public Works to sign and date the Cancellation of Contract, Release of Deposit and Cancellation of Escrow Form;
3. Authorize staff to identify and locate former tenants to determine eligibility for relocation assistance benefits; and
4. Approve payment of relocation assistance benefits to eligible former tenants.

SOURCE OF FUNDING:

General Fund (1100); Liability Fund (3254)

DISCUSSION:

On Dec. 6, 2016, your Board authorized the Humboldt County Administrative Officer or designee to negotiate terms of purchase of real property at 1017 4th Street, 1023 & 1025 4th Street, and 1031, 1035 & 1039 4th Street, Eureka, California ("4th Street Properties"). The real properties would be used to provide a new building with parking. A contingency of the purchase required the real properties be vacant of any tenants or occupants, met the City of Eureka's General Plan, and your Board's adoption of the proposed Initial Study and Mitigated Negative Declaration in accordance with the California Environmental Quality Act (CEQA).

On Aug. 27, 2019, your Board approved publishing a Notice of Intention to Purchase Real Property with your Board to meet on Nov. 19, 2019, to consummate the purchase of the real properties.

On Sept. 17, 2019, the Eureka City Council passed Resolution No. 2019-49 determining that the county's acquisition and development in the 1000 block of Fourth Street conforms with the City of

Eureka 2040 General Plan.

On Nov. 5, 2019, your Board approved publishing an amended Notice of Intention to Purchase Real Property to change the consummation to purchase date from Nov. 19, 2019, to Dec. 10, 2019, to allow time for public input and Board adoption of the proposed Initial Study and Mitigated Negative Declaration.

On Dec. 10, 2019, your Board approved deferring the consummation to purchase date from Dec. 10, 2019, to a later date to address tenants and occupant issues residing at the 4th Street Properties.

On Dec. 20, 2019, your Board met in closed session for a conference with legal counsel pursuant to Government Code section 54956.9(d)(1) in the matter of *Martinson, et al. v. County of Humboldt, et al.* - case number CV190113 concerning the tenants and occupant residing at the 4th Street Properties. By majority vote, your Board decided to not move forward with the purchase of the 4th Street Properties.

Staff will continue to look for properties that fit into the county's long-term vision of creating a more centralized, campus-style facilities for county services.

Attached is a Cancellation of Contract, Release of Deposit and Cancellation of Escrow from Community Realty representing the owner of the real property for requested approval (Attachment No. 1 - Cancellation). This document will formally cancel the Commercial Property Purchase Agreement, the amendments, and escrow with the Title Company as a result your Board's decision to not purchase the properties.

In preparation for the purchase of the 4th Street Properties, the owners notified the tenants of the pending acquisitions. Staff have been informed that tenants from at least 8 units had vacated the premises prior to your Board's decision on Dec. 20, 2019, to not move forward with the purchase. These former tenants may be eligible for relocation assistance benefits such as reimbursement of actual moving expenses and replacement housing costs. In order to determine whether these former tenants are eligible, staff is requesting authority to identify and locate these former tenants and to pay for relocation assistance benefits to the eligible former tenants.

FINANCIAL IMPACT:

On July 30, 2019, your Board approved payment of a non-refundable deposit of Forty-Five Thousand Dollars (\$45,000) towards the purchase price of the 4th Street Properties.

Relocation assistance benefits for this situation include reimbursement of actual moving expenses, actual direct losses of tangible personal property as a result of moving, and replacement housing payment. Per the Relocation Assistance Act and Relocation Assistance and Real Property Guidelines, the maximum payment for replacement housing to cover additional rent is Five Thousand Two Hundred Fifty Dollars (\$5,250). Based on this amount and the number of units involved, staff estimates the total payment for relocation assistance benefits is Fifty Thousand Dollars (\$50,000).

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by enforcing laws and regulations to protect residents.

OTHER AGENCY INVOLVEMENT:

None

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Your Board could choose to not approve the Cancellation of Contract, Release of Deposit and Cancellation of Escrow Form; authorize the Director of Public Works to sign and date the Cancellation of Contract, Release of Deposit and Cancellation of Escrow Form; authorize staff to identify and locate former tenants to determine eligibility for relocation assistance benefits; and/or approve payment of relocation assistance benefits to eligible former tenants this is not recommended because this action is consistent with the Board's decision and to ensure that the former tenants were not harmed by the county's action.

ATTACHMENTS:

Attachment No. 1 - Cancellation

PREVIOUS ACTION/REFERRAL:

Board Order No.: C-5, J-1, C-15, C-22

Meeting of: 12/06/16, 8/27/19, 11/05/19, 12/10/19, 12/20/19

File No.: 19-1211, 19-1546, 19-1729