



DISCUSSION

City of San Bernardino Request for Council Action

Date: March 5, 2025

To: Honorable Mayor and City Council Members

From: Bill Gallardo, Interim City Manager;
Gabriel Elliott, Director of Community Development and Housing

Department: Community Development & Housing

Subject: **Exclusive Negotiating Agreement (ENA) with JHC Acquisitions LLC for the Development of Surplus Land Act Site 12 for Affordable Housing (Ward 6)**

Recommendation:

It is recommended that the Mayor and City Council of the City of San Bernardino, California, adopt Resolution No. 2025-262:

1. Approving the Exclusive Negotiating Agreement (ENA) between the City of San Bernardino and JHC Acquisitions LLC, an affiliate of Jamboree Housing Corporation, a California non-profit public benefit corporation, for the development of approximately 3.5 acres of city-owned surplus land, known as site 12, for affordable housing; and
2. Authorizing the City Manager, Deputy City Manager, or designee to execute the ENA, along with any subsequent amendments, extensions, and other necessary documents to complete the transaction.

Executive Summary

This agreement establishes a two-year period to finalize terms for a Disposition and Development Agreement (DDA) covering property transfer, project design, financing, construction, and operation. The proposed project includes 101 housing units, with approximately 8 units designated for individuals experiencing homelessness or at risk of experiencing homelessness and the remainder for families earning at or below 60% of the Area Median Income (AMI). Amenities will include a community room and kitchen, computer lounge, basketball court, swimming pool, and tot lot. The City plans to donate the property and contribute HUD-Federal HOME Investment Partnerships Program (HOME) funding, with an appraisal underway to assess the site's value.

Background

The City owns the properties located at 5th Street and Meridian Avenue, collectively known as Site 12. The site has been designated for disposal under the Surplus Land Act, meaning it is considered excess property that the City does not need for public use and may be made available for development or other purposes. The site includes the following Assessor's Parcel Numbers (APNs): 0142-522-08, 0142-522-09, 0142-522-11, 0142-522-12, 0142-522-13, 0142-522-14, 0142-522-15, 0142-522-16, 0142-522-17, 0142-522-25, 0142-522-35, 0142-522-36, 0142-522-37, 0142-522-38, 0142-522-41 and 0142-522-42.

On November 16, 2022, the City Council of the City of San Bernardino adopted Resolution No. 2022-234, which declared the Property surplus, pursuant to Government Code Section 54220 and issued Notices of Availability ("NOA") on February 27, 2024.

On July 10, 2024, the City selected Jamboree Housing Corporation, a California non-profit corporation, to partner with the City to develop approximately 3.5 acres of the Property for affordable housing ("Project").

On or about October 18, 2024, the California Department of Housing and Community Development (HCD) issued a letter to the City determining that the City had met all the requirements under the Surplus Land Act (SLA) for the purposes of disposing of the Property.

Discussion

Founded in 1990 and headquartered in Irvine, CA, JHC Acquisitions LLC, an affiliate of Jamboree Housing Corporation, is an award-winning nonprofit development company specializing in creating and operating housing with supportive services for working families, children, seniors, and people with special needs. As a recognized Community Housing Development Organization (CHDO) at the State level and in various California cities, Jamboree has an established track record of delivering high-quality developments that enhance communities.

JHC completed the following affordable housing developments in 2024:

Community Name	City	County	Completed	Units	Population	Affordability
The Foundation	Chico	Butte	2024	59	Families, Special Needs	30-60% AMI
Pelican Harbor	Huntington Beach	Orange	2024	43	Seniors, Special Needs	30%-60% AMI
WISEPlace	Santa Ana	Orange	2024	48	Special Needs	30% AMI
Rancho Las Bolsas	Temecula	Riverside	2024	55	Families, Special Needs	30-60% AMI
Crestview	Mountain View	Santa Clara	2024	49	TAY, Special Needs	30% AMI
Pavilion	San Jose	Santa Clara	2024	49	TAY, Special Needs	30% AMI

Iluma	Stanton	Orange	2024	72	Special Needs	30% AMI
Aurora Vista	Stanton	Orange	2024	21	Veterans, Special Needs	30% AMI
Clara Vista	Stanton	Orange	2024	60	Veterans, Special Needs	30% AMI
Estrella Springs	Santa Ana	Orange	2024	91	Veterans, Special Needs	30% AMI
River Rock	Sacramento	Sacramento	2024	88	Families, Special Needs	30-60% AMI

Their experience and expertise make them a valuable partner for the city in transforming blighted surplus city-owned properties located at 5th Street and Meridian Avenue, collectively known as Site 12, into a vibrant multifamily, affordable, and permanent supportive housing community. By partnering with JHC Acquisitions LLC, the city can effectively revitalize underutilized properties while expanding essential affordable housing opportunities to the community.

The purpose of the City and JHC Acquisitions LLC entering into the Exclusive Negotiating Agreement (ENA) is to establish a two-year period to negotiate the terms and conditions for developing a new multifamily, affordable, and permanent supportive housing community. These terms will be detailed in a future Disposition and Development Agreement (DDA). This includes discussion on the potential lease or acquisition of the property, financing, design, construction, operation, and maintenance of the proposed project.

The proposed project will consist of a 101-unit development that will be constructed in two phases. Phase 1 will consist of (2) one-bedroom units, (24) two-bedroom units, (25) three-bedroom units, and one unrestricted manager's unit. Phase 2 will consist of (2) one-bedroom units, (24) two-bedroom units, (24) three-bedroom units, and one unrestricted manager's unit. Approximately eight (8) units will be targeted for individuals experiencing homelessness or at risk of homelessness at or below 30% of the Area Median Income (AMI), complementing the city's SB HOPE Campus Navigation Center development and other initiatives aimed at addressing homelessness. The remaining 91 units will serve large families with incomes at or below 60% AMI. Surface parking will be provided at a ratio of approximately 1.5 stalls per unit. Proposed community amenities include a community room and kitchen, computer lounge, basketball court, swimming pool, and tot lot. The project will be constructed in two phases under the same entitlement.

The following are the key terms of the ENA with JHC Acquisitions LLC:

- **Agreement to Negotiate:** The City and the Developer agree to engage in exclusive, good-faith negotiations during the Negotiating Period to finalize a mutually acceptable Disposition and Development Agreement (DDA).

- **Negotiating Period:** The parties have a 730-day period (with a potential 120-day extension) to negotiate the Disposition and Development Agreement (DDA). The ENA terminates upon signing of the DDA or if no agreement is reached by the end of the period.
- **Disposition and Development Agreement (DDA):** The DDA is the final legal contract that will outline the specific terms of the development project, including property transfer, project design, development schedule, budgeting, operational procedures, maintenance, compliance with HOME Partnership Program, CEQA and NEPA, and other relevant details.
- **HOME Investment Partnerships Program (HOME):** The project must comply with HOME program rules and regulations, and the funds must be used for eligible activities such as acquisition, construction, and rehabilitation of affordable housing.
- **Environmental Review:** The project must comply with the California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) and undergo an environmental impact assessment to identify potential environmental impacts and implement mitigation measures to reduce or avoid significant impacts.
- **Financing Proposal:** The Developer must provide a detailed financial analysis, including development costs, operating expenses, and funding sources, to demonstrate the project's financial feasibility.
- **Development Documents:** The Developer must prepare detailed plans, drawings, and specifications for the project and obtain necessary permits and approvals from relevant agencies.
- **Due Diligence:** The Developer must conduct thorough investigations, including inspections, tests, and studies, to assess the Property's condition and suitability for development and to identify and mitigate potential risks and liabilities.
- **Community Engagement:** The City and Developer must engage with the community through public meetings, surveys, or other methods to seek input and address community concerns.

Upon completion of negotiations, staff will return at a later date to present a Disposition and Development Agreement (DDA) for the City Council's consideration and approval. As part of the DDA, staff intends to recommend that the Mayor and City Council support the project by donating the Site 12 properties, comprising 16 individual parcels, to Jamboree for the development of affordable housing. Additionally, staff will also propose allocating HUD-Federal HOME Reinvestment Program (HOME) funding for the project and will present a HOME Funding Commitment Agreement for approval. An appraisal of the site's value is currently underway, and the findings will be included in the official recommendation presented to the Council for consideration. This initiative reflects the City's commitment to addressing housing needs through sustainable partnerships and strategic investments.

2021-2025 Strategic Targets and Goals

Approving the ENA aligns with Key Strategic Target and Goal No. 3: Improved Quality of Life. Partnering with JHC Acquisitions LLC to develop affordable housing will reduce

the number of blighted city-owned properties while providing essential affordable housing opportunities to the community.

Fiscal Impact

There is no impact to the General Fund and no additional funding is being requested with this item.

Conclusion

It is recommended that the Mayor and City Council of the City of San Bernardino, California, adopt Resolution No. 2025-262:

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Attachments

Attachment 1	Resolution No. 2022-234: Resolution to declare 42 city-owned properties as surplus land
Attachment 2	Resolution No. 2025-262
Attachment 3	Resolution No. 2025-262; Exhibit A
Attachment 4	Resolution No. 2025-262; Exhibit B
Attachment 5	Powerpoint Presentation

Ward:

Sixth Ward

Synopsis of Previous Council Actions:

On November 16, 2022, the Mayor and City Council adopted Resolution #2022-234, which declared the Property surplus, pursuant to Government Code Section 54220