



COUNTY of VENTURA

COUNTY EXECUTIVE OFFICE

Sevet Johnson, PsyD
County Executive Officer

Mike Pettit
Assistant County Executive Officer

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County Chief Financial Officer

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Officer/
Human Resources Director
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June 6, 2023

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, CA 93009

Subject: Adoption of Resolution Determining that the County-Owned Property Located at 1400 Vanguard Drive in the City of Oxnard (Property) is Exempt Surplus Land; Selection of Cabrillo Economic Development Corporation (CEDC) as the Successful Proposer for the Vanguard Drive Permanent Supportive Housing/Recuperative Care Project (Project); Approval of, and Authorization for the County Executive Officer or Designee (CEO) to Execute, an Exclusive Negotiating Agreement (ENA) with CEDC for the Project; Authorization for the CEO to Negotiate a Memorandum of Understanding with Gold Coast Health Plan Regarding Recuperative Care Beds as Part of the Project; Authorization for the CEO to Negotiate a Memorandum of Understanding with the City of Oxnard Regarding the Project; Authorization for the CEO or Designee to Approve Minor Modifications to the ENA; Supervisorial District 5.

Fiscal/Mandates Impact:

Mandatory: No

Source of Funding: State of California and General Fund

Match Required: No

Impact on Other Departments: None

The CEO will return to the board to request appropriations and revenue for the \$10 million in State of California and County funding.

Recommendations:

1. Adopt the attached Resolution determining that the County-owned property located at 1400 Vanguard Drive, City of Oxnard, is exempt surplus land pursuant to Government Code section 54221(f)(1)(A) of the Surplus Land Act.
2. Select Cabrillo Economic Development Corporation (CEDC) as the successful proposer for the Vanguard Drive Permanent Supportive Housing/Recuperative Care Project (Project).

3. Authorize the County Executive Officer or designee (CEO) to execute the attached Exclusive Negotiating Agreement (ENA) (Exhibit 1) with CEDC, and to implement the County's obligations under the ENA and to take any related actions.
4. Authorize the CEO to negotiate a Memorandum of Understanding (MOU) with Gold Coast Health Plan regarding funding for the design and construction, and use, of 75 recuperative care beds as part of the Project and return to your Board for approval of the MOU.
5. Authorize the CEO to negotiate an MOU with the City of Oxnard regarding the Project and return to your Board for approval of the MOU.
6. Authorize the CEO or designee to approve minor modifications to the ENA provided that any such modification is consistent with the original purpose of the ENA, does not result in additional costs to County of Ventura and is reviewed and approved as to form by the County Counsel's Office.

Discussion:

In October 2022, the County of Ventura (County), led by the County Executive Office (CEO), released a Request for Proposal (RFP) to solicit proposals from development/operating partners to convert and operate two County-owned parcels into a Permanent Supportive Housing (PSH)/Recuperative Care project (Project). The property is located at 1400 Vanguard Drive in the City of Oxnard in the 5th District and includes an approximately 78,000 square foot building on 7 acres. Previously, the building was occupied by the County's Human Services Agency (HSA). Due to deteriorating building conditions and a flooding event in October 2021, HSA discontinued its use of the site and vacated the property. Accordingly, the County strategized to reimagine its purpose and use of the building and property. Staff determined that the most appropriate and beneficial public use would be to remodel the building for PSH and Recuperative Care so that it increases the County's capacity to serve vulnerable, underserved communities.

After the release of the RFP in October 2022 (Exhibit 2), CEO led a site tour of the property and posted a frequently asked questions document to answer the variety of questions asked by potential proposers. The County received five proposals from the following organizations:

- Alliant Strategic Development
- Cabrillo Economic Development Corporation
- Adeis Real Estate Group/LSA Capital
- Many Mansions
- Holos Communities

After an initial review, the evaluation team, comprised of staff members from CEO Budget and Finance, CEO Community Development, the Healthcare Agency, and the City of Oxnard, shortlisted the proposers to Cabrillo Economic Development Corporation, Adeis Real Estate Group/LSA Capital, and Many Mansions. These finalists were required to prepare written responses to questions and participate in an interview with the evaluation team. Following this process, CEO is recommending that your Board select Cabrillo Economic Development Corporation (CEDC), a 501(c)(3) nonprofit corporation, as the development team to partner with the County on the Project, if ultimately approved by your Board. In operation for over 40 years, CEDC's mission is to provide comprehensive housing services and community economic development activities that facilitate self-sufficiency for those most lacking in opportunity in Ventura and Santa Barbara counties.

The Project is strategic for several reasons. According to the 2022 point in time homeless count, 2,238 individuals in Ventura County experienced homelessness on a single night in February 2022. There are nearly 5,000 individuals in the County's Homeless Management Information System, a more accurate reflection of the actual need of persons experiencing homelessness countywide. Recent survey results show 629 chronically homeless adults need permanent supportive housing (PSH) countywide. Currently, Project Roomkey is providing temporary non-congregate sheltering through motel vouchers to 320 unhoused residents who are linked to case management through local homeless service providers; however, these clients need to transition to PSH or other permanent housing over the next several years. The Vanguard Project would provide the critical housing that is needed for this community. In addition, the Project would provide 75 beds of recuperative care, which offers a safe and supportive place to recover for individuals who are exiting an inpatient hospital or skilled nursing facility stay, and who are experiencing homelessness or are at risk of homelessness. The Project would also provide a health clinic to serve the residents of the Project and surrounding community, to be operated by the County Health Care Agency (HCA).

Project Scope

The proposed Project's scope includes:

Phase I (Adaptive Reuse of the Existing Building Only):

- 63 units of PSH alongside space for supportive services to be operated by CEDC.
- 8,000 – 10,000 square foot, federally qualified health center for the Oxnard area to be operated by HCA.
- 75 bed Recuperative Care Unit to be operated by a provider under contract with HCA.
- Flexible space, which could include workforce development services.

Phase II (New Buildings to be Built on Parking Lot):

- 260 additional PSH units.
- Development of Phase 2 would commence in several years.

Project Funding

The proposed Project funding plan includes:

Phase I

- Estimated budget of approximately \$43 million.
- CEDC is applying for a Super Notice of Availability of Funding (NOFA) State grant that would be used to fund the development of the PSH units. The application is due by July 12, 2023.
- County/Partner funding as follows:
 - \$7.5 million in State funding obtained by Senator Limon and Assemblymember Bennett;
 - \$2.5 million from County General Fund; and
 - Funding from the Gold Coast Health Plan for Recuperative Care.

Phase II

- Costs and funding to be determined.

Project Schedule

The proposed Project schedule includes:

- Phase I targeted completion by Fall 2025.
- Phase II development would commence in several years.

Exclusive Negotiating Agreement

We recommend that your Board select CEDC as the successful proposer for the Vanguard Project and authorize the CEO to enter into the attached Exclusive Negotiating Agreement (ENA) with CEDC (Exhibit 1). If approved, during the term of the ENA, CEDC would refine the architectural design, continue to evaluate the physical condition of the property for the suitability of the Project, refine the Project budget and development schedule, prepare the above-referenced State SuperNOFA grant application, and identify other possible funding sources. CEDC and County would also negotiate the long-term ground lease and all other agreements regarding the development, maintenance, use, and operation of the Project facilities (Project Agreements) which would be presented to your Board for consideration and approval.

During the term of the ENA, CEDC would also retain a qualified consultant to conduct environmental review of the proposed Project pursuant to the California Environmental Quality Act (CEQA) and prepare all required CEQA documentation. As the CEQA lead agency for the Project, the County and its staff would ensure the completeness and adequacy of this CEQA review, and the resulting CEQA document would be presented to your Board for review and approval. As specified in the ENA, the County has not and would not commit to proceeding with the proposed Project until completion of this CEQA review which would help inform the County's decisions about whether to proceed with the Project and in what form, including with respect to potential mitigation measures that may be incorporated into the Project as needed.

Finally, the ENA provides that, should CEDC fulfill its obligations under the ENA but County terminates the agreement or chooses not to pursue the Project, the County would reimburse CEDC for its pre-development costs of up to \$175,000.

Surplus Lands Act Resolution

For County to enter into the ENA with CEDC, County must comply with the Surplus Land Act by declaring the Property "exempt surplus land" through your Board's adoption of the attached Resolution.

Negotiation of MOU with Gold Coast Health Plan

The CEO's Office has been in communication with Gold Coast Health Plan, the County's managed care provider for Medi-Cal members, regarding its desire to fund the capital and operational costs of the recuperative care component of the Project. The CEO's Office seeks approval to negotiate an MOU with Gold Coast to define this contribution and return to your Board for approval of the MOU.

Negotiation of MOU with Oxnard

We also recommend that your Board authorize the CEO to negotiate a MOU with the City of Oxnard to formalize the benefits the City would receive from the Project, address the City's requests as feasible, and address other issues such as public outreach and Project implementation. These benefits the City would receive include:

- Prioritizing City of Oxnard residents for the PSH units and Recuperative Care beds;
- City participation in a shared community outreach plan with the County and CEDC to ensure that City residents and businesses are informed throughout the development process;
- A new full-service health clinic serving the community; and
- No cost to the City of Oxnard for this project.

Should the CEO successfully negotiate an MOU with the City, it would be presented to your Board for review and approval.

This letter has been reviewed by the County Executive Office, the Auditor-Controller's Office and County Counsel. If you have any questions, please contact Clay McCarter at (805) 654-2535.

Sincerely,



Dr. Sevet Johnson, PsyD
County Executive Officer

Attachments:

Resolution

Exhibit 1 – Exclusive Negotiation Agreement

Exhibit 2 – Request for Proposals