



# CITY COUNCIL STAFF REPORT

DATE: JANUARY 16, 2016 NEW BUSINESS

SUBJECT: PROVIDE DIRECTION TO STAFF REGARDING POTENTIAL ACQUISITION OF BUILDING LOCATED AT 441 S. CALLE ENCILIA (APN 508-094-015) FOR USE BY ENTITIES PROVIDING SERVICES TO HOMELESS INDIVIDUALS AND FAMILIES.

FROM: David H. Ready, City Manager

BY: Community & Economic Development Department

---

## SUMMARY

Guidance from the City Council is requested in the allocation of staff resources. A building in moderate state of disrepair is available to the City at a greatly reduced price. In order to consider using the structure for offices and provision of services to homeless persons, an investment of staff time and consulting services would be necessary to thoroughly investigate the facility, assess the structural and cosmetic improvements needed, identify a full range of funding opportunities, and negotiate a purchase agreement. Before expending the staff time necessary to investigate this potential acquisition and rehabilitation project, Staff would like to ascertain the interest of City Council members in such an undertaking.

## RECOMMENDATION:

1. Direct staff to initiate investigation, concept development, and full cost estimates for acquisition, renovation, and maintenance of the subject property.
2. Authorize the City Manager or his designee to enter into negotiations to acquire the subject property. (Staff would return to the City Council for approval prior to execution of a Purchase and Sale Agreement.)

## STAFF ANALYSIS:

The recently-created Homelessness Task Force has identified a need for a centrally-located facility from which agencies and non-profit organizations can provide services to homeless persons and those in danger of becoming homeless.

Eisenhower Medical Services owns a building located at 441 S. Calle Encilia and has offered it for sale to the City at a greatly reduced price. Despite the attractive offer, such an acquisition would carry a price for renovation, maintenance, and operation of the building, and these costs should be fully investigated before action is taken. The proposed use would also require public hearings for a Conditional Use Permit, and no measure has been taken of neighborhood receptivity to the concept.

The building was constructed in 1978, and has been vacant for at least five years. During this time, it has been vandalized fairly extensively. The owner reports that the electrical system has been stripped, but that the air conditioners and roof are relatively new. The building does not meet current standards for accessibility; the parking lot is deteriorated; and the landscaping is dead. The assessed valuation of the building is approximately \$1.5 million, and it is about 10,000 square feet in size, situated on a .92 acre parcel. The parcel belongs to an Agua Caliente Band of Cahuilla Indians allottee, and the land is leased from the allottee.

A considered investigation of this opportunity would involve:

- A condition inventory survey by qualified professionals
- Working with various agencies and non-profit organizations to identify appropriate building users and their needs
- Identification of all work required to bring the structure into compliance with building and accessibility codes, and to subdivide the building into tenant spaces for various users
- A detailed cost estimate of the necessary renovation work
- Identification of costs to secure the premises and to maintain the property until such time as construction work would begin
- Identification of ongoing building lease, maintenance, and operations costs
- Researching funding opportunities including grants, charitable fund-raising, and City monies
- Negotiation of the price and terms of purchase and of the lease of the underlying property.

FISCAL IMPACT:

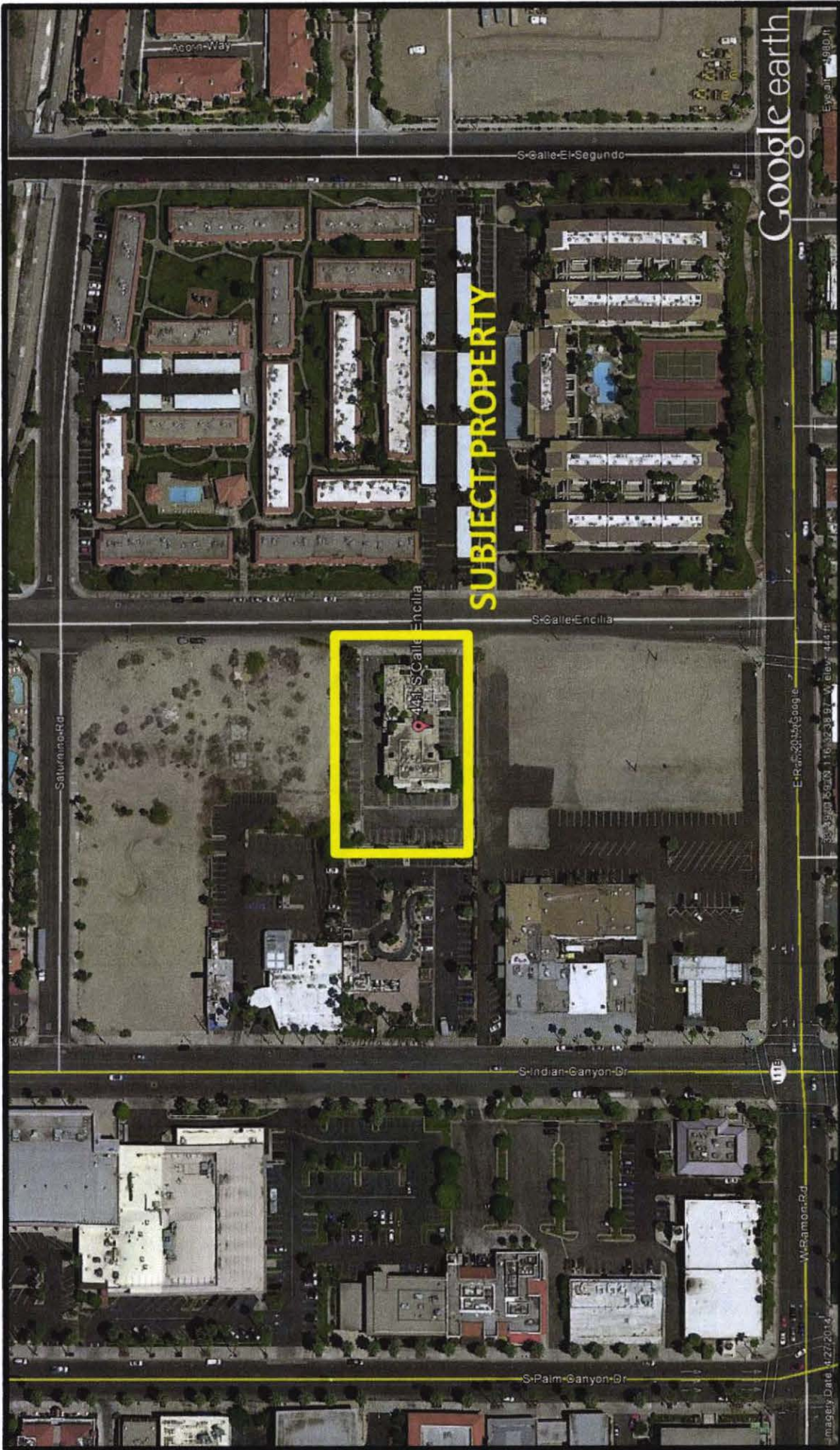
The cost of this investigation is likely to be \$15,000 to 25,000 for the professional services needed to perform the condition inventory survey, prepare conceptual floor plans, and develop cost estimates. No money has been budgeted in the current fiscal year for this work; an appropriation of unobligated General Fund reserves would be required.

  
\_\_\_\_\_  
Lauri Aylaian, Director of Community & Economic Development

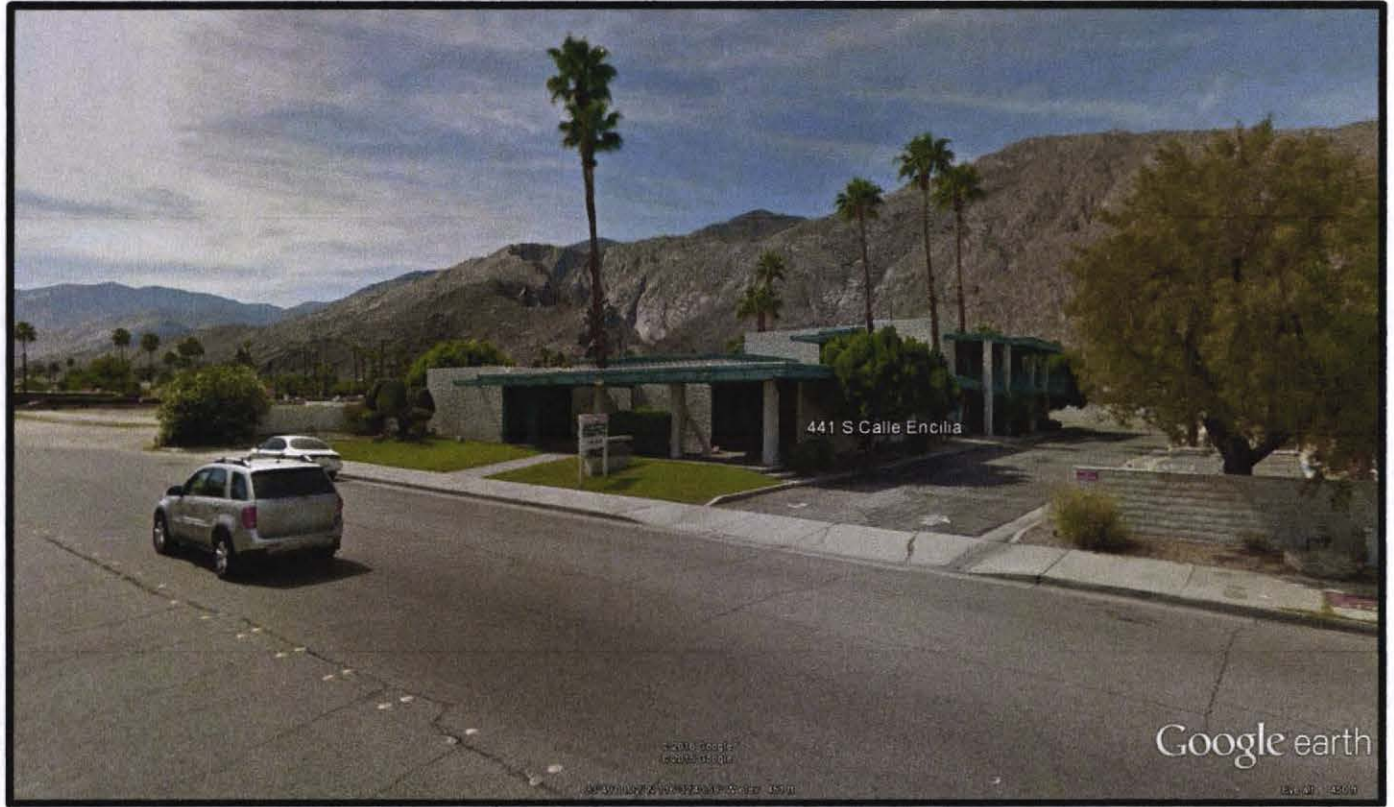
  
\_\_\_\_\_  
David H. Ready, City Manager

Attachments:

1. Site Plan
2. Interior and Exterior Photos

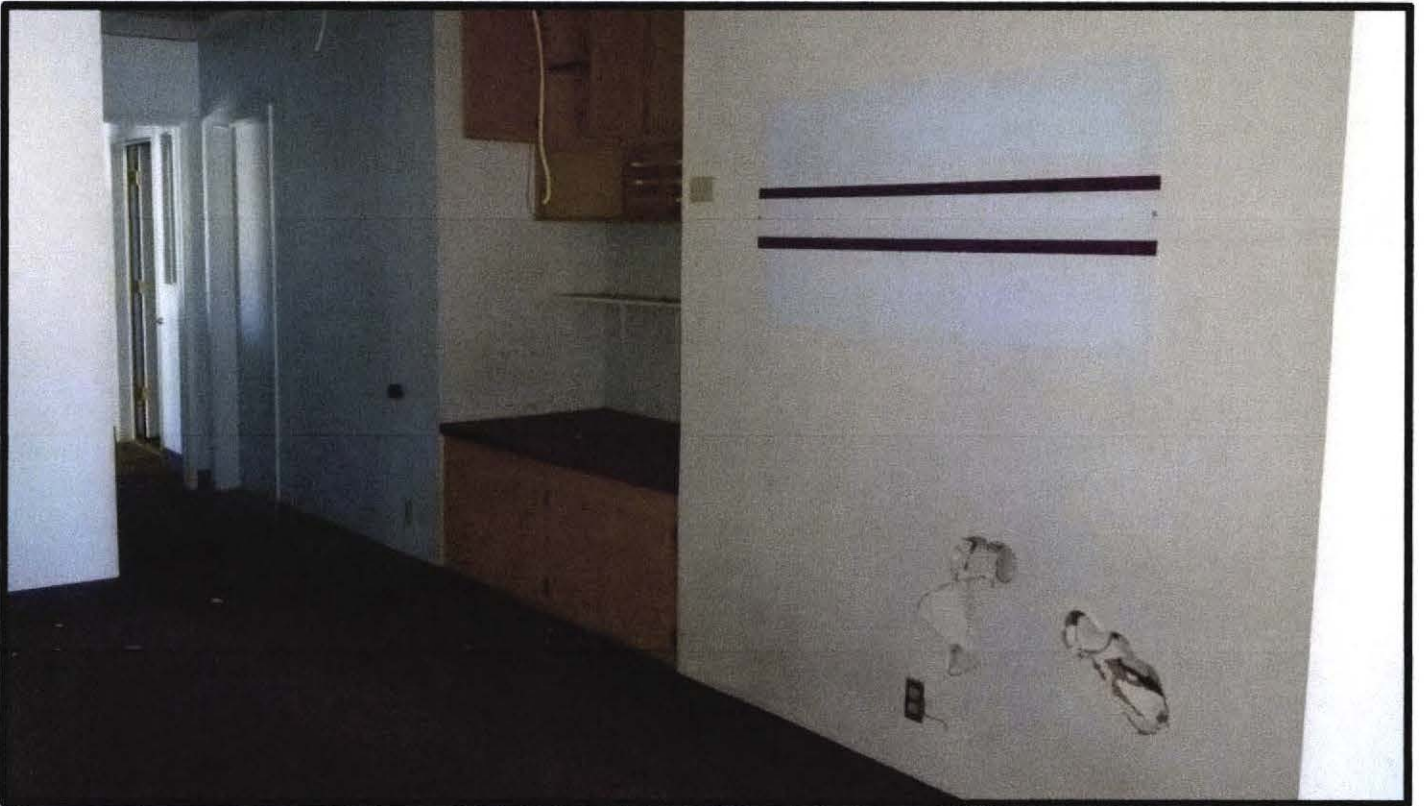
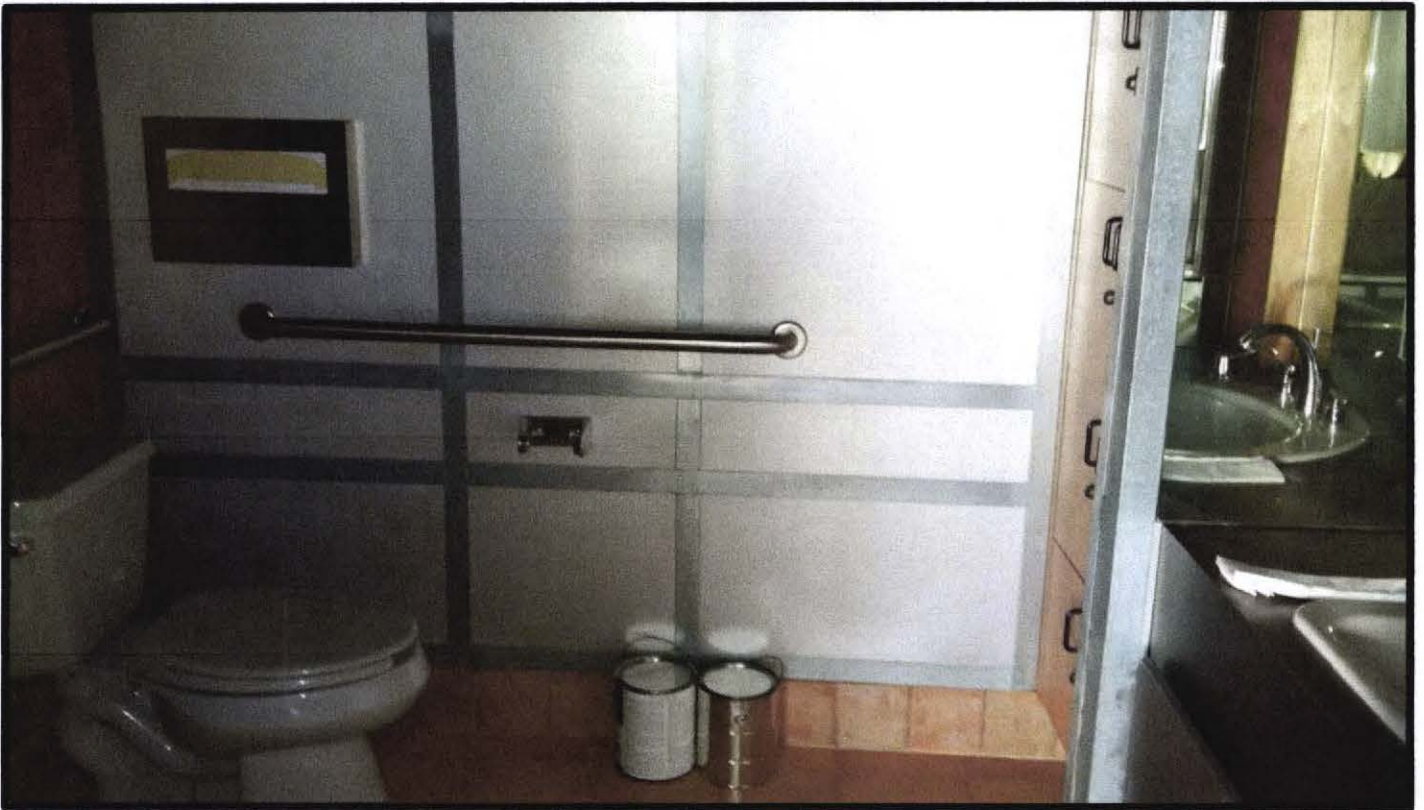


**441 S. Calle Encilia, Palm Springs, California**  
**City Council Discussion – 13 January 2016**  
**Potential Acquisition – Site Plan**



**441 S. Calle Encilia – Exterior Conditions**





**441 S. Calle Encilia – Interior Conditions**