



EXCLUSIVE NEGOTIATING AGREEMENT (ENA) WITH  
MERCY HOUSING RELATED TO THE DISPOSITION AND  
DEVELOPMENT OF 1762 DALE ROAD

COMMUNITY DEVELOPMENT

CITY COUNCIL

JULY 8, 2025

TIFFANY CHEW, ECONOMIC DEVELOPMENT AND HOUSING MANAGER





GRAND AVE

## 1762 DALE ROAD

- 2.17 acres
- Arrow Highway Specific Plan
- Housing Element Site
- Previously Senior Assisted Living

# BACKGROUND

- July 2023 – City acquires 1762 Dale Road
- October 2023 – Community meeting
- February 2024 – City Council discusses development scenarios
- August 2024 – City Council directs staff to seek development proposals for 1) transitional housing, and 2) permanent supportive housing
- December 2024 – City Council reviews Mercy Housing proposal and directs staff to proceed to an ENA

# EXCLUSIVE NEGOTIATING AGREEMENT (ENA)

## INITIAL TERM – 120 DAYS

- Mercy deposits \$50,000 toward purchase
- Development concept review with parking plan
- Develop public engagement plan
- Determine specific type of affordable housing and range
- Identify development and operations financing
- Extensions up to 120 days if needed
- **Begin Working Group with City, Mercy, and two City Council members**
- **Initial term concludes with City Council approval of development concept and affordable housing types**

# EXCLUSIVE NEGOTIATING AGREEMENT (ENA)

## REMAINDER TERM – 270 DAYS

- Negotiate and complete “conveyance documents”
- Implement public engagement plan
- Finalize project pro forma and financing
- Start application for land entitlements and CEQA
- Extensions up to 360 days if needed
- **If ENA termination occurs, City pays \$350,000 liquidated damages to Mercy**
- **ENA concludes with City Council approval of land entitlements, CEQA, and conveyance documents**



# PROJECT DESCRIPTION

- 65–70 units of affordable housing for special needs and lower-income households
- Approximately one parking space per unit
- On-site supportive services and shared community space for residents

# PUBLIC NOTICE

1. Properties around 1762 Dale were noticed of the July 8, 2025 City Council meeting
2. Project Website Updates

# RECOMMENDATION

1. Approve the Exclusive Negotiating Agreement (ENA) with Mercy Housing