



City of Fontana

8353 Sierra Avenue
Fontana, CA 92335

Action Report

City Council Meeting

File #: 25-0584

Agenda #: I.

Agenda Date: 10/28/2025

Category: Consent Calendar

FROM:

Development Services

SUBJECT:

Purchase and Sale Agreement- Fontana Motor Lodge

RECOMMENDATION:

1. Approve a Purchase & Sale Agreement for the purchase of building and associated land located at 16390 Foothill Boulevard, Fontana, CA 92335 specifically described as APN's 0190-081-36 and 0190-081-37 in the amount of \$7,500,000 plus escrow costs and related acquisition fees.
2. Authorize the purchase of that certain Real Property specifically described as APN's 0190-081-36 and 0190-081-37 comprised of approximately 2.3 acres ("Property") from Ramesh and Radha Patel Revocable Living Trust.
3. Authorize the City Manager to execute the Purchase and Sale Agreement and any other documents necessary or appropriate to facilitate said purchase on behalf of the City of Fontana.

COUNCIL GOALS:

- Provide a diverse range of housing types and levels of affordability while addressing homelessness in the community by promoting diverse range of housing projects and levels of affordability.
- Provide a diverse range of housing types and levels of affordability while addressing homelessness in the community by address Homelessness through proactive programs, including the efforts of the COAST and MET teams.
- Concentrate on Inter-governmental relations by pursuing financial participation from county, state, and federal governments.

DISCUSSION:

The City of Fontana has identified Homelessness and Homeless prevention as a top priority. The Property, if purchased, will serve as a transitional housing for the homeless. The acquisition consists of two parcels with a gross area of approximately 2.3 acres, including a 58 room motel known as the Fontana Motor Lodge.

The City and the Seller have negotiated a Purchase Agreement with the following proposed deal-points:

- The City of Fontana would acquire the property for the price of \$7,500,000.
- The City of Fontana and Seller, Ramesh and Radha Patel Revocable Living Trust, will equally split any/all escrow fees as appropriate.
- The City will have up to 90 days from the opening of escrow to complete its due diligence on

the subject property to confirm the suitability and condition of the property for the city's intended use.

- Staff anticipates closing escrow on the transaction within 30 days of approval of the Feasibility Period.

The property is proposed to be acquired subject to an existing lease, which is scheduled to end six months after the close of escrow but may be extended by the city in 90-day increments at the city's election. During this period, the tenant will pay the city \$15,000 per month, taking all responsibility for the operation of the facility. During the lease period, staff will define an operational plan for the facility designed to have a net zero impact on the city's general fund.

Upon confirmation of an operational plan that requires no additional funding from the city for annual operating costs, the lease will be terminated, and the units will be converted to transitional housing to be occupied by those experiencing homelessness or those that are at risk of becoming homeless.

FISCAL IMPACT:

The fiscal impact associated with the approval of this item is estimated to be \$11,400,000 (including escrow costs, acquisition fees, and design of the renovation improvements). The necessary budget adjustments will be included in the FY 25-26 First Quarter Budget Report Fund 601.

MOTION:

Approve staff recommendation.