



Legislation Text

File #: 23-244, **Version:** 1

Adopt a Resolution to Approve a Residential Anti-Displacement and Relocation Assistance Plan for the Proposed Interim Navigation Center/Shelter Project at the Nimitz Motel Located at 555 Lewelling Blvd

COUNCIL PRIORITY

- Housing and Homelessness
- Race and Equity Initiatives

SUMMARY

Because the City will use State and federal funds to acquire the Nimitz Motel located at 555 Lewelling Blvd for the purposes of developing an interim navigation center/shelter and future conversion to permanent supportive housing for the unhoused, the City must comply with applicable State and federal relocation regulations and guidelines for noticing and assistance. The City has determined two (2) households may be permanently displaced and are eligible for relocation assistance.

RECOMMENDATIONS

Staff recommends that the City Council adopt a Resolution to approve a Residential Anti-Displacement and Relocation Assistance Plan (Relocation Plan) for the proposed acquisition and rehabilitation of the Nimitz Motel into an interim navigation center/shelter.

BACKGROUND

The City entered into a purchase and sale agreement to purchase the Nimitz Motel in March 2022. Because the motel is active and has regular customers, the City understood that relocation requirements would apply and hired Autotemp, an experienced acquisition and relocation firm, to ensure that the City complies with State and federal relocation requirements.

Two households in the motel are eligible for residential relocation assistance. One of the households is the on-site manager for the Nimitz Motel. Autotemp sent both households mandatory General Information Notices in late March 2022. There are also two businesses operating at the motel: a restaurant and a tailor shop, the latter is owned by the motel owner. Both businesses are not eligible for relocation assistance, but staff will bring forward to the City Council later in 2023 recommendations to assist the restaurant.

Analysis

If the City Council approves this Final Relocation Plan, Autotemp will issue a minimum Ninety (90)-day Notice-to-Vacate. This notice will be issued on or about June 15, 2023 for the two households subject to displacement.

A comprehensive relocation assistance program, with technical and advisory assistance, will be provided by Autotemp to the households being displaced. Close contact will be maintained with each household. Specific activities include:

- 1) Fully inform eligible project occupants of the nature of, and procedures for, obtaining relocation assistance and benefits along with the distribution of an informational statement;
- 2) Determine the needs of each residential displacee eligible for assistance;
- 3) Provide assistance that does not result in different or separate treatment due to race, color, religion, national origin, sex, sexual orientation, marital status or other protected category;
- 4) Assist each eligible person to complete applications for benefits;
- 5) Make relocation benefit payments in accordance with the guidelines, where applicable;
- 6) Inform all persons subject to displacement of the City's and/or Developer's policies with regard to eviction and property management; and,
- 7) Establish and maintain a formal grievance procedure for use by displaced persons seeking administrative review of the Developer's decisions with respect to relocation assistance.

Because of the nature of a permanent displacement, the following services will be provided to the two displaced households, in addition to those outlined above:

- 1) Timely referrals to at least three comparable replacement units as defined above and, if necessary, transportation will be provided to inspect potential replacement units;
- 2) Provision of current and continuously updated information concerning replacement housing opportunities.

The anticipated budget in the Relocation Plan for relocation benefits including implementation services and oversight is as follows:

Permanent Relocation - 2 Households

Rental Assistance	\$ 90,000.00
Moving Assistance	\$ 4,000.00
Relocation Services	\$ 16,500.00
<u>Contingency</u>	<u>\$ 11,500.00</u>
Total	\$ 122,000.00

Previous Actions

- February 9, 2021 - City Council Work Session on proposal for a new navigation center and supportive housing for the homeless.
- March 21, 2022 - City Council approved a purchase and sale agreement for acquisition of the

Nimitz Motel at 555 Lewelling Blvd.

- April 18, 2022 - City Council approved submittal of application to State Project Homekey 2.0 Round.
- July 18, 2022 - Staff presentation on Project Homekey 2.0 application.
- October 17, 2022 - City Council approved PSA extension to March 15, 2023.
- March 6, 2023 - City Council approved PSA extension to August 30, 2023 (with options to extend until October 30, 2023).

Applicable General Plan Policies

- **Goal 58: Special Needs Populations** - Proactively address the special housing needs of the community, including seniors, disabled individuals, single parents, large families, and the homeless.
 - Action 58.09-B Transitional/Permanent Supportive Housing - Continue to provide financial support to develop and operate supportive and transitional housing facilities, including those located in nearby communities that are accessible to persons who are homeless or at risk of homelessness in San Leandro
 - Policy 58.11 Service Enriched Housing - Promote social services and programs in affordable housing projects that assist lower-income households in obtaining the financial resources needed to increase and stabilize their housing choices in the City.

Environmental Review

Acquisition of the Nimitz Motel, triggering the relocation process, is categorically exempt under CEQA Section 15326. Because federal funding will be used, the acquisition is also subject to the National Environmental Policy Act (NEPA). City staff is currently completing necessary environmental review and processing under NEPA. That process will be complete prior to final approval of the acquisition of the Nimitz Motel.

Summary of Public Outreach Efforts

In accordance with State relocation requirements, the City made a copy of the Draft Relocation Plan available at the Permit Center kiosk in City Hall for a 30 day public comment period from May 2, 2023 through June 4, 2023. Staff delivered copies of the Draft Relocation Plan to both eligible households for their review/comment during the 30 day public review period on May 2.

Legal Analysis

The City Attorney's Office reviewed and approved as to form the staff report, resolution, and the purchase and sale agreement, including all amendments.

Financial Impacts

The total costs to relocate the two (2) eligible households is \$122,000. There are sufficient federal Community Development Block Grant and/or HOME Program funds to pay the proposed costs. City

Council already approved over \$507,682 in federal CDBG funds in FY2022-2023 and FY2023-2024 for acquisition, rehabilitation and relocation expenses for the proposed navigation center at the Nimitz Motel. City Council also previously approved \$795,009 in available federal HOME funds via Alameda County for the navigation center. If the City is approved for State Homekey 3.0 funding, Homekey will fund up to 50% or \$61,000 of the total relocation costs. The City anticipates using a portion of available CDBG funds for all or half of the total relocation costs depending on whether it receives Homekey 3.0 funding.

This Council action will not impact the General Fund because there are federal discretionary funds available in the 2 Year FY2023-2025 adopted budget, along with potential State Homekey funding, to cover all relocation costs.

ATTACHMENT

Attachment A: Resolution to Approve a Residential Anti-Displacement and Relocation Assistance Plan for the Proposed Acquisition and Rehabilitation of the Nimitz Motel located at 555 Lewelling Blvd into an Interim Navigation Center/Shelter

- *Ex A1: Final Relocation Plan*

PREPARED BY: Tom Liao, Director, Community Development Department