

RESOLUTION NO. 2009-098

Adopted by the Sacramento City Council

February 24, 2009

APPROVAL OF THE RELOCATION PLAN FOR ELIGIBLE TENANTS AT THE HOTEL BERRY LOCATED AT 729 L STREET

BACKGROUND

- A. In June 2007, the Redevelopment Agency approved an Owner Participation Agreement, a \$5 million Conditional Grant Agreement, a Residential and Non-Residential Regulatory Agreement and related documents to fund acquisition of the Hotel Berry, a downtown residential hotel, by a development partnership of The Trinity Housing Foundation and the AF Evans Company
- B. The Hotel Berry was purchased by The Trinity Housing Foundation on December 21, 2007. The Trinity/AF Evans Partnership received an award of more than \$13 million in Low Income Housing Tax Credits in July 2008.
- C. Due to the collapse in the tax credit market, the Trinity/AF Evans Partnership was unable to secure an investor for the tax credits and they returned the tax credits to the State Tax Credit Allocation Committee in November 2008. The Trinity/AF Evans Partnership has agreed to sell the Hotel Berry property to the Redevelopment Agency for \$1.00.
- D. In December 2007, Trinity/AF Evans entered into a management contract with the John Stewart Company (JSCO), a specialist in SRO property management.
- E. The property has a 50% vacancy rate, a substantial operating deficit and requires immediate substantive rehabilitation. Permanent relocation of the tenants is the best option at this time.
- F. A Relocation Plan for the permanent relocation of tenants from the property has been prepared by Overland, Pacific & Cutler, a copy of which is on file with the Agency Clerk. The Plan was distributed on January 12, 2009 at a tenant meeting.
- G. The Relocation Plan conforms to statutes and regulations established by California Relocation Assistance Law.
- H. Acquisition of the property as described herein is in furtherance of the Merged Downtown Sacramento Redevelopment Plan. Acquisition of the property does not commit the Agency to proceed with a development project and no specific project is currently contemplated. Land acquisition does not limit the choice of alternatives or mitigation measures available to the Agency for future proposed projects. Environmental review of the proposed project will be conducted once the scope of development of the property has been defined. Therefore, the acquisition of the

property does not constitute a project pursuant to CEQA Guidelines Section 15004(b)(2)(A). Tenant relocation and property management activities authorized for the property are exempt from further review pursuant to CEQA Guidelines Section 15301(d) and (l). National Environmental Policy Act (NEPA) does not apply.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. After due consideration of the evidence presented, the findings, including the environmental findings regarding this action as stated above, are approved.

Section 2. The Relocation Plan for the eligible tenants at the Hotel Berry located at 729 L Street is approved.

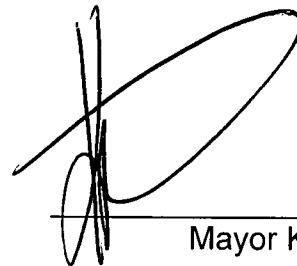
Adopted by the City of Sacramento City Council on February 24, 2009 by the following vote:

Ayes: Councilmembers Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters, and Mayor Johnson.

Noes: None.

Abstain: None.

Absent: None.



Mayor Kevin Johnson

Attest:



Shirley Concolino, City Clerk