

RESOLUTION NO. 82-080

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
ON DATE OF

October 26, 1982

AMENDING AGENCY BUDGET TO APPROPRIATE
\$64,500 FOR RELOCATION ASSISTANCE TO
REGIS HOTEL RESIDENTS

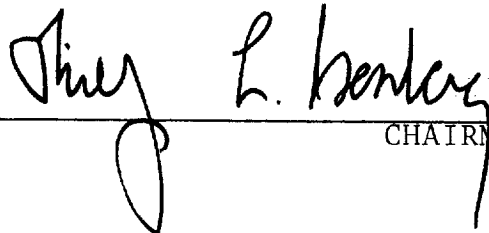
BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE
CITY OF SACRAMENTO:

Section 1. The Relocation Assistance to Regis Hotel Residents, as outlined in the attached Relocation Plan, is hereby approved.

Section 2. The Executive Director is authorized to enter into a relocation agreement, in form attached hereto, with the owner and operator of the Regis Hotel, containing the provisions outlined in the attached report.

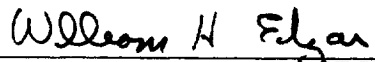
Section 3. The Agency Budget for 1982 is hereby amended by appropriating \$64,500 from the Unappropriated Tax Increment Funds, Project 8 Fund Balance, to the Technical Services Division, Services and Supplies, Relocation, 2300.

Section 4. The City Planning and Building Department staff is directed to establish an interim notification process as outlined in the attached report for future conversions that require relocation assistance.



CHAIRMAN

ATTEST:



SECRETARY

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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

October 18, 1982

Redevelopment Agency of
the City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: Relocation of Residents from the Regis Hotel,
11th and K Streets

SUMMARY

This report is to outline a relocation assistance program for the 52 residents of the Regis Hotel and recommends a notification process be established by the City Building and Planning Departments for future projects that require relocation assistance.

BACKGROUND

This report and recommendation were prepared upon receipt of a letter from the Regis Hotel manager's attorney, requesting assistance from the Sacramento Housing and Redevelopment Agency (SHRA) in handling problems related to displacement of the Regis Hotel tenants and the notification of a conversion to office space by the City Planning staff. The hotel manager, Mr. Inder Patel, has been given notice to vacate the premises by December 20, 1982. The hotel will be closed and remodeling will begin on conversion of the hotel into an office complex. Mr. Patel is planning to issue a 60-day notice to the hotel residents on October 1, 1982. The City Planning Commission approved the conversion to office space on March 25, 1982.

On July 6, 1982, the City Council adopted a Relocation Program for persons displaced by private activities in redevelopment project areas, as a pilot program for a one-year period commencing on July 1, 1982, in the Alkali Flat Project Area. A total of \$20,000 of CDBG funds have been allocated for this program. In the above report, it was recommended that the relocation budgets for the large-scale conversion projects from hotels to other uses be handled on a case-by-case basis in other downtown redevelopment project areas.

In the past, City Council has approved providing relocation assistance to other downtown hotels: The Clunie Hotel, cited by the City

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Building Department to be substandard and unsafe for occupancy in March of 1980 (total cost: \$58,127), and the Mark Twain Hotel, vacated by private developer in May of 1982, to construct new office building (total cost: \$52,079).

The following outlines the Hotel Regis' existing conditions, the availability of replacement housing and estimated costs and staff to implement this program:

EXISTING SITUATION

Total number of rooms (includes one three-room apartment as manager's residence)	51
Total number of residents	52

TYPES OF OCCUPANTS

Elderly couples	2
Women	6
Men	43
Family (manager)	1
Total	52

RESIDENT'S SOURCE OF INCOME AND AVERAGE AMOUNT PER MONTH

38 - Elderly on pensions (SS/SSI/VA)	\$500.00
8 - General Assistance	\$200.00
6 - Employed	Amount unknown

PRESENT MONTHLY RENTS

Rooms with baths	20 units	\$140.00 per month
Rooms without baths	31 units	\$125.00 per month

LENGTH OF OCCUPANCY

Majority of residents: 6 months and over.

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RELOCATION PLAN

The relocation assistance for the Regis Hotel residents will be the same as for the Mark Twain Hotel residents.

1st month's rent up to	\$175.00
Rent differential per month x 11 months	40.00
Security deposits	100.00
Utility deposits (SMUD, PG&E, telephone)	203.00
Furniture allowance	300.00

ELIGIBLE/INELIGIBLE RESIDENTS

Eligibility for relocation assistance to commence at the time of vacate notice and continue until the end of sixty days, or until last person has been successfully relocated.

Any tenant who was not a resident on the date of vacate notice will be deemed ineligible.

RELOCATION COSTS

1st month's rent up to \$175.00 x 51	\$ 8,925.00
Rent differential up to \$40.00/month x 11 months x 51	22,440.00
Security deposits at \$100.00 x 40 (estimated need)	4,000.00
Utilities (SMUD, \$50; PG&E, \$60; tele- phone, \$70; installation, \$23) at \$203.00 x 40 (estimated need)	8,120.00
Furniture allowance of \$300.00 x 40 (estimated need)	12,000.00
Total	<u>\$55,485.00</u>

STAFF REQUIRED TO RELOCATE RESIDENTS

Relocation Administrator	1
Relocation Specialists (Housing Aides)	3
Clerk Typist	1
Social Service worker from Welfare, part- time (confirm assistance)	1
Sacramento Social Security person, part- time (confirm assistance)	1

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TECHNICAL AND ADMINISTRATIVE COSTS

1 - Relocation Administrator at \$119.28 per day x 10 days	\$1,192.80
3 - Relocation Specialists at \$56.00 per day x 3 x 10 days	1,680.00
1 - Clerk Typist at \$56.00 per day x 10 days	560.00
Employee benefits and indirect costs	<u>3,548.00</u>
Total	\$6,980.80

COMPARISON OF REPLACEMENT HOUSING RENTS

Hotels (rent range)	\$120.00 to \$150.00
Private rentals - studios and 1-bedroom	\$155.00 to \$175.00
Conventional elderly public housing	30% of adj. gross income

AVAILABILITY OF REPLACEMENT HOUSING RENTALS

Based on recent experience with the hotel vacancy during the Mark Twain relocation, it is felt there will be sufficient hotel accommodations for those wishing to relocate to another hotel; however, the remaining hotels are not comparable to the Regis. Therefore, the replacement units will need to rely on private rental market and public housing units. A "hold" on elderly downtown public housing will need to be placed immediately, once the vacate notice is issued.

PROPOSED RELOCATION AGREEMENT

Agency to enter into an agreement with owner and lessee whereby owner and lessee agree to: (1) close re-renting any rooms after vacate notice; (2) provide Agency with a list of residents registered at hotel on date of vacate notice; (3) full cooperation and assistance from lessee with Agency, in order to carry out relocation assistance, i.e., use of telephone, transmitting messages to tenants, etc.; (4) provide lobby/office space and telephone service to Relocation Staff during the last ten days of relocation assistance program.

Upon execution of an agreement with owners and lessees of hotel, eligibility for assistance to Regis Hotel to commence at issuance of 60-day vacate notice. Actual assistance to commence 10 days prior to last day of vacate.

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NOTIFICATION PROCESS

Agency staff estimates perhaps one or more conversions may take place in the next year, during the update of the Downtown Redevelopment Plans. In keeping with the case-by-case approach noted earlier in this report, staff recommends the following interim process be established for future conversions that require relocation assistance:

1. City Planning and Building Department staffs, upon approval of any permits for demolition, conversion, or any type of action that would necessitate the relocation of residents currently being housed in downtown hotels, will notify the City Council of such action with a recommendation to refer the matter to the Agency.
2. City Council would review the matter and, if they so desire, request a report and recommendation from the Agency.

FINANCIAL DATA

The estimated cost for implementing the relocation plan as outlined above is as follows:

A. Relocation payments	\$55,485.00
B. Technical and administrative costs	6,981.00
C. Other costs	768.00
D. Contingency - 20%	1,249.00
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Total	\$64,483.00
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The recommended funding source is unappropriated Project 8 Tax Increment funds.

VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of October 18, 1982, the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached resolution. The votes were as follows:

AYES: Angelides, Dickinson, Knepprath, Luevano, A. Miller, B. Miller
Teramoto

ABSENT: Walton, Fisher

NOES: None

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RECOMMENDATION

The staff recommends adoption of the attached resolution (1) approving the Regis Hotel Relocation Plan; (2) authorizing the Executive Director to enter into a relocation agreement with the owner and operator of Regis Hotel; (3) authorizing the payment of up to \$64,500, to cover relocation and other costs associated with the Regis Hotel; and (4) requesting the City Council to direct the Planning and Building Departments to establish an interim notification process to the SHRA for future displacement projects that require relocation assistance.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Executive Director

WHE/MRE:cmh

TRANSMITTAL TO COUNCIL:

WALTER J. SLIPE
City Manager

Contact Person: Leo T. Goto

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AGREEMENT

THIS AGREEMENT, made this _____ day of October, 1982, by and between UNDERWOOD-WIESE COMPANY, A California general partnership (hereinafter "Owner"), PATEL INDRAVADAN HASMAKHLAL (hereinafter "Operator"), and the REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO, a public body, corporate and politic (hereinafter "Agency").

WHEREAS, Owner is the owner of record of those premises (hereinafter "premises) commonly known as the Regis Hotel, 1106 11th Street, Sacramento, California, and more particularly described as set forth in Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, Operator is currently operating the premises on behalf of Owner as residential hotels; and

WHEREAS, Owner is desirous of terminating the operation of the premises as residential hotels and demolishing all improvements thereon; and

WHEREAS, Owner has served or caused to be served notices of termination of tenancy upon all tenants of the premises to be effective November 30, 1982; and

WHEREAS, Agency has determined that a majority of the present tenants upon the premises are elderly and will incur difficulties in locating new residences upon the vacation of the premises; and

WHEREAS, Agency has determined that it is in the public interest for it to provide certain assistance and benefits to tenants meeting certain qualifications; and

WHEREAS, the parties desire to provide for the orderly and efficient delivery of such assistance and benefits.

NOW, THEREFORE, the parties hereto, in consideration of the mutual promises given hereunder, agree and covenant as follows:

1. Effective immediately upon the execution hereof, Owner and Operator will cease any re-rental or re-occupancy on any basis of any unit vacant as of the date hereof or which shall hereafter become vacant.

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2. Owner and Operator may pursue the various possessory remedies available to them under Chapter 4 of Title 3 of Part 3 of the California Code of Civil Procedure relating to actions for unlawful detainer, forcible entry, and forcible detainer; Provided that neither Owner nor Operator shall seek or request or cause to be sought or requested the service of any writ of possession or writ of restitution of the premises as to any portion of the premises prior to November 30, 1982.

3. Owner and Operator shall forthwith make available to Agency all records within their knowledge or possession pertaining to the current occupancy of the premises including but not limited to the current hotel registers and any other records which would tend to verify the length of occupancy of the various tenants of the premises.

4. Owner and Operator shall make available to Agency office space suitable for not less than three (3) persons conveniently located in or adjacent to the amin lobbies of the hotels operated upon the premises for the period from and including November 15, 1982 to and including November 30, 1982 or the last day of occupancy of the last legal occupant of the premises, the earlier thereof. Said space shall be made available to Agency without cost or charge and shall include the provision of local telephone service.

5. Agency shall make available to the tenants of the premises such staffing and other consultation services upon the premises as is reasonably necessary, in the judgment of the Agency, to accomplish the purposes of the relocation assistance program established by Agency for the benefit of the occupants of the premises.

6. The obligations undertaken by Owner and Operator by means of this Agreement shall constitute the full extent of the duties and responsibilities required of them by the City of Sacramento and/or the Redevelopment Agency of the City of Sacramento and all departments of each entity with regard to the relocation of the occupants of the premises herein described.

IN WITNESS WHEREOF, this Agreement is executed as of the date first above written.

AGENCY: REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

By _____
Executive Director

OWNER: UNDERWOOD-WIESE COMPANY, a California general partnership

By _____
Partner

OPERATOR: PATEL INDRAVADAN HASMUKHLAL
