



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Leslye Krutko

**SUBJECT:** SEE BELOW

**DATE:** February 1, 2010

Approved

Date

2-11-10

**COUNCIL DISTRICT:** 2

**SNI:** Edenvale/Great Oaks

**SUBJECT: RELOCATION IMPACT STATEMENT AND LAST RESORT HOUSING PLAN FOR UNITY CARE'S PROPERTIES AT 109 AND 115 ROUNDTABLE DRIVE**

## RECOMMENDATION

It is recommended that the City Council adopt a resolution approving the Relocation Impact Statement and Last Resort Housing Plan for Unity Care's properties at 109 and 115 Roundtable Drive.

## OUTCOME

The City Council's approval of the recommended actions will facilitate the relocation of the existing tenants at the Unity Care properties so that the building rehabilitation can be completed and Unity Care tenants and the resident manager can occupy the site.

## BACKGROUND

In October 2006, the Unity Care Group submitted a Notice of Funding Availability (NOFA) application requesting \$1,700,000 from the City's Housing Trust Fund for the acquisition and rehabilitation of a property located within the Roundtable Strong Neighborhood Initiative area in San Jose. The requested \$1,700,000 included \$1,500,000 for acquisition and \$200,000 for renovation of the property. The project, which will provide affordable housing for low-income youth aging out of foster care, met the NOFA's specific criteria calling for the development of affordable units for extremely low-income households with special needs. The Housing Department subsequently recommended that the City Council approve the Unity Care Group's funding request.

On December 12, 2006, the City Council adopted the Housing Department's recommendation to provide a funding commitment of up to \$1,700,000 in Housing Trust Funds to the Unity Care Group for the acquisition and rehabilitation of property to be used to provide affordable housing for low-income youth aging out of foster care. On June 6, 2007, the City Council approved the

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Housing Department's recommendation to increase the grant amount by \$425,000 from \$1,700,000 to \$2,125,000 for the two four-plex properties located at 115 and 109 Roundtable Drive. This action was required to reflect a real estate appraisal value that came in \$150,000 higher than the \$1,500,000 purchase price originally anticipated, and to increase the amount available for relocation and reconstruction from \$200,000 to \$475,000. The approved project commitment of \$2,125,000 was funded by \$1,555,000 in Housing Trust Funds and \$570,000 in Low and Moderate Income Housing Funds (20% Fund).

The properties are located in the Edenvale/Great Oaks SNI area and in the Roundtable neighborhood, which is a Project Alliance target area. As a result, all improvements to the properties, especially in areas that front the street, will contribute to the City's neighborhood improvement goals under Project Alliance. The exterior improvements that will be made on these two buildings will enhance the positive impact that Project Alliance's improvements on other properties in the neighborhood have provided.

### **ANALYSIS**

Because the properties were acquired with public funds, the existing tenants are entitled to permanent relocation benefits. After Unity Care took possession of the site, the Housing Department completed a revised assessment of the relocation and building relocation needs and determined that the City did not have sufficient funds to complete both the relocation and all of the construction work needed to rehabilitate the buildings. The project was put on hold while Housing Department staff and Unity Care worked to identify additional funding.

In April 2009, representatives from Youthbuild informed the City that it had received a \$700,000 grant from the U.S Department of Labor to provide a range of construction services. Youthbuild is a division of the San Jose Conservation Corp; a non-profit organization that provides opportunities for disadvantaged young men and women to obtain an education and gain job skills. Subsequently, staff arranged a meeting with Youthbuild and Unity Care to determine if the construction work on Unity Care's Roundtable properties would be a good fit for Youthbuild. By having Youthbuild perform the work at very little cost, the limited funds available for construction would be maximized. Unity Care and Youthbuild agreed to collaborate on the project. The Housing Department will assign a Housing Rehabilitation Inspector to work closely with the Youthbuild staff to ensure the construction meets all Housing and code standards.

With the agreement reached between the two agencies, the Housing Department commissioned its relocation consultant Associated Right-of-Way Services (ARWS) to update the preliminary relocation budget completed by City staff and produce a Relocation Impact Statement and Last Resort Housing Plan ("Relocation Plan") suitable for publication. The Draft Relocation Plan is now complete and the budget has been revised. Since the time the original relocation budget was developed, the rental market has changed substantially in accordance with the economic climate. Comparable rents used to determine relocation costs have dropped to the point where the relocation budget can now be lowered from \$285,000 to \$125,000.

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With the labor cost savings provided by Youthbuild, and the reduced relocation costs associated previously mentioned, the project can now proceed within the existing budget approved by City Council. The Relocation Plan is posted on the Housing Department's website at [www.sjhousing.org](http://www.sjhousing.org) on the Publications page on January 14, 2010. Copies of the Relocation Plan have also been provided to the existing tenants at the Roundtable properties.

Per the State Health and Safety Code, City Council is required to approve the Relocation Plan after it has been posted for a "reasonable period." [How long or when was it posted?] The Housing Department is recommending that City Council adopt the Relocation Plan so that staff can direct ARWS to proceed with the relocation.

### **EVALUATION AND FOLLOW-UP**

This memo will not require any follow-up from staff.

### **PUBLIC OUTREACH/INTEREST**

- Criterion 1: Requires Council action on the use of public funds equal to \$1 million or greater. (Required: Website Posting)
- Criterion 2: Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. (Required: E-mail and Website Posting)
- Criterion 3: Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. (Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)

This item does not meet the criteria listed above as the funding commitment was previously approved by City Council. As mentioned, the Housing Department has posted a copy of the Draft Relocation Plan on its website.

### **COORDINATION**

This report has been prepared by the Housing Department in coordination with the City Attorney's Office.

### **FISCAL/POLICY ALIGNMENT**

This recommendation is consistent with the Housing Department's *Five-Year Investment Plan for Fiscal Years 2007/08-2011/12* in increasing the supply of affordable housing, and with the City's *Consolidated Plan* in providing family units for very low- and extremely low-income households.

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**COST SUMMARY/IMPLICATIONS**

There are no cost implications. Funding was previously approved by the City Council.

**CEQA**

CEQA: Exempt, File No. PP06-199



LESLYE KRUTKO

Director of Housing

For questions please contact Leslye Krutko, Director of Housing, at 408-535-3851