



**Sacramento
Housing &
Redevelopment
Agency**

**REPORT TO COUNCIL AND
REDEVELOPMENT AGENCY**

15

City of Sacramento

915 I Street, Sacramento, CA 95814-2671

www.CityofSacramento.org

Public Hearing

November 10, 2009

**Honorable Mayor and Members of the City Council
Honorable Chair and Members of the Redevelopment Agency Board**

**Title: Approval of Funding For Operating Assistance, Tenant Relocation
And Predevelopment Activities for Kelsey Village**

Location/Council District: 2830 Stockton Boulevard; Oak Park Redevelopment
Project Area; Council District 5

Recommendation: Adopt 1) a **City Council Resolution** a) authorizing amendment of the Agency budget to allocate \$192,000 in Mental Health Services Act funds to Kelsey Village, and b) authorizing the Executive Director or her designee to execute contracts as needed for continued operation of Kelsey Village; 2) a **City Council Resolution** approving the Relocation Plan for tenants at Kelsey Village; 3) a **Redevelopment Agency Resolution** a) authorizing amendment of the 2009 Agency budget to allocate \$250,000 in Stockton Boulevard Low/Moderate Housing Tax Increment funds for relocation activities; and b) authorizing the Executive Director or her designee to execute contracts as needed to carry out relocation activities; and 4) a **Redevelopment Agency Resolution** a) authorizing amendment of the 2009 Agency budget to allocate \$80,000 from Stockton Boulevard Low/Moderate Housing Tax Increment funds for pre-development activities needed for a potential Kelsey Village redevelopment project, and b) authorizing the Executive Director or her designee to execute contracts as needed to carry out predevelopment studies for a potential Kelsey Village redevelopment project.

Contact: Christine Weichert, Assistant Director, Housing and Community Development, 440-1353; Diane Luther, Assistant Director, 440-1362

Presenters: Diane Luther, Assistant Director

Department: Sacramento Housing and Redevelopment Agency

Approval of Funding and Relocation Plan for Kelsey Village

Description/Analysis

Issue: Kelsey Village is a 22-unit Single Room Occupancy (SRO) development owned by the Housing Authority of the City of Sacramento (Housing Authority). Transitional Living and Community Support (TLCS) currently manages Kelsey Village. The complex is restricted to individuals who are formerly homeless and have psychiatric disabilities. Currently, there are 14 individuals residing at Kelsey Village.

Operating costs at Kelsey Village are high due to expenses associated with residents with significant psychiatric disabilities. Historically the property has received an operating subsidy from the County Department of Mental Health (DMH). Recent elimination of the County's operating subsidy has resulted in a significant operating deficit.

The complex is also in need of substantial rehabilitation, including roof replacement, sewer line repair and HVAC. No funds are currently available for these improvements.

In addition to the physical and operational uses associated with the property, the Agency completed an Asset Repositioning Study in 2007 as part of a proactive strategy to align SHRA operations to the realities of the HUD funding environment. HUD now requires housing authorities to identify and dispose of poor performing assets as part of the repositioning plan.

Within the next six months staff intends to develop a recommendation to recapitalize and rehabilitate the property, resolve operating subsidy issues and investigate disposing of the site. In preparation for the renovations, staff also recommends approval of a Relocation Plan for the current tenants. To allow the project to stay open for up to six months, staff recommends allocating \$192,000 in local Mental Health Services Act (MHSA) funds for operating assistance.

Staff also recommends approval of pre-development funding to conduct third party studies and reports, hire a financial consultant to explore funding alternatives, and provide ongoing maintenance and security for the property.

Relocation Plan

California Redevelopment Law requires the creation and adoption of a relocation plan, which outlines relocation procedures and tenants' rights, whenever redevelopment activities result in the displacement of residents. This report recommends approval and adoption of the Relocation Plan (Plan) for Kelsey Village, (see Exhibit A of the City Council Resolution). The Plan was produced by Overland, Pacific & Cutler, Inc. and conforms to State statutes and regulations governing relocation. The Plan anticipates the permanent displacement of 14 households. Tenants

Approval of Funding and Relocation Plan for Kelsey Village

received relocation information including their rights as tenants at a meeting held on September 25, 2009. The Relocation Plan thirty-day public review period requirement has been met. Relocation of all residential tenants is projected to be accomplished within 90 days of Plan approval.

Policy Considerations: The actions contained in this report are consistent with the adopted 2005-2009 Oak Park Redevelopment Implementation Plan.

Environmental Considerations:

California Environmental Quality Act (CEQA) The Project is exempt from environmental review under CEQA Guidelines Section 15301 (operation of existing facilities) and 15262 (planning activities).

Sustainability Considerations: The Kelsey Village Project has been reviewed for consistency with the goals, policies and targets of the Sustainability Master Plan and the 2030 General Plan. If approved, the contents of this report will advance the following goals, policies and targets: (1) Goal Number One – Energy Independence, by significantly reducing the use of fossil fuels and by replacing or renovating obsolete energy or resource inefficient infrastructure; and (2) Goal Number Five - Public Health and Nutrition, by creating “Healthy Urban Environments” through restorative redevelopment.

Other: The National Environmental Policy Act (NEPA) does not apply.

Committee/Commission Action: *Sacramento Housing and Redevelopment Commission Action:* At its meeting on October 21, 2009, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES: Burruss, Chan, Dean, Fowler, Gore, Morgan, Otto, Rosa, Shah, Stivers

NOES: None

ABSENT: Morton

Rationale for Recommendation: Without a permanent source of funding to operate the facility or rehabilitation financing, the Housing Authority does not have the required resources to continue to operate Kelsey Village. By adopting the Relocation Plan, the Agency will be in compliance with California Redevelopment Law. The Relocation Plan ensures that all eligible, displaced tenants receive fair and reasonable

Approval of Funding and Relocation Plan for Kelsey Village

relocation payments and assistance. Relocation services will consider individual household needs to be close to public transportation and agencies, medical facilities, community and social services, parks, and shopping. Relocation benefits may offer eligible tenants a replacement housing opportunity for a higher quality affordable unit. Best efforts will be made to find comparable replacement housing with case management being available. Stockton Boulevard between 3rd and 4th Avenues is a vital site in the Oak Park Redevelopment Project Area. A new renovation project will be designed to achieve goals in the Oak Park Redevelopment Plan.

Financial Considerations: This report recommends approval of allocations of up to \$192,000 of MHSA funds for continued operations for Kelsey Village for up to six months; \$80,000 in Stockton Boulevard Low/Moderate Housing Tax Increment funds (TI) for pre-development activities leading to the redevelopment of the property; and \$250,000 in Stockton Boulevard Low/Moderate Housing Tax Increment funds (TI) for relocation of existing tenants.

M/WBE Considerations: There are no federal funds involved; therefore, M/WBE considerations do not apply.

Respectfully Submitted by: 
LA SHELLE DOZIER
Executive Director

Recommendation Approved:


RAY KERRIDGE
City Manager

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Kelsey Village Background Information

The 22-unit Kelsey Village property was originally known as the San Carlos Motel and was purchased by the Housing Authority of the City of Sacramento in 1979 with Downtown Tax Increment Replacement Housing funds. The former motor motel was constructed in the early 1960's before the Highway 99 expressway was built and became obsolete when the highway opened. Surrounding land uses include commercial buildings, a surface parking lot and single family residential homes.

The property was purchased by the Housing Authority at the request of Sacramento County to provide an "independent living" facility for mentally disabled adults, pursuant to a statewide movement to close State mental institutions. Minor rehabilitation was required to convert the property to its new use. The property was leased to the Sacramento County Division of Mental Health (DMH), and sub-let to Turning Point Community Programs.

In 1992, Volunteers of America began providing property management and services to the residents and renamed the property Halcyon Place. In 1993 the Agency received a \$10 million Shelter plus Care award, including Project Based Section 8 Vouchers under an Annual Contributions Contract (ACC) for Halcyon Place. The ten-year contract began in 1996, and it was renewed in 2006. The ACC helps pay for building operations, but not services, which were funded by DMH.

In addition to the operating assistance from HUD, SHRA provided \$470,000 in funds for rehabilitation of the property in 1994. Rehabilitation work included installing a community kitchen including appliances, renovating the community room, making the facility ADA accessible, addressing termite issues, landscaping, stabilizing the stairways and balconies, replacing shower stalls, removing dry rot, installing an electronic security gate, and installing a new roof.

The use of Tax Increment funds to rehabilitate the complex in 1994 required that a thirty-year regulatory agreement be placed on the property. The Agreement, which expires in 2025, requires that units be rented at an "Affordable Rent to Low- or Moderate-Income persons." Sale of the property by the Housing Authority is permissible so long as the transferee agrees to be bound by the terms of the Regulatory Agreement.

In 2009, service funds were reduced by Sacramento County due to revenue shortfalls, and management of the property was temporarily taken over again by Transitional Living and Community Support (TLCS). The property was renamed Kelsey Village.

Approval of Funding and Relocation Plan for Kelsey Village

Currently Kelsey Village is running an operating deficit of nearly \$32,000 per month. Rental (ACC) income is inadequate for the high cost of maintaining a small, older property. Estimates for the cost of rehabilitation run up to \$2.75 million depending on unit configurations. Major rehabilitation issues include the roof, replacing all HVAC units, sewer line repair, dry rot, termite repair, and lack of kitchens in the living units.

Additionally, in 2005 HUD issued regulatory changes requiring housing authorities to transition from a centralized to a de-centralized asset based management model of operations. In 2007, the Agency completed an Asset Repositioning Study as part of a proactive strategy to align SHRA operations to the realities of the HUD funding environment. HUD's mandate requires housing authorities to identify and dispose of poor performing assets. Disposing of Kelsey Village would be consistent with the Agency adopted repositioning plan.

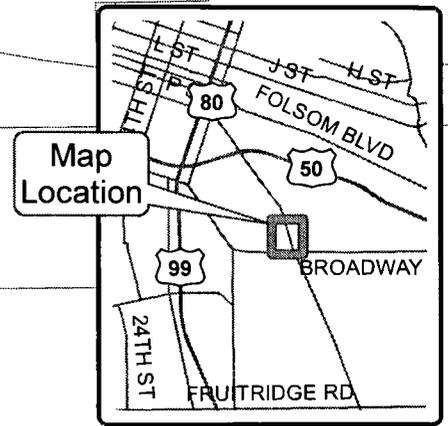
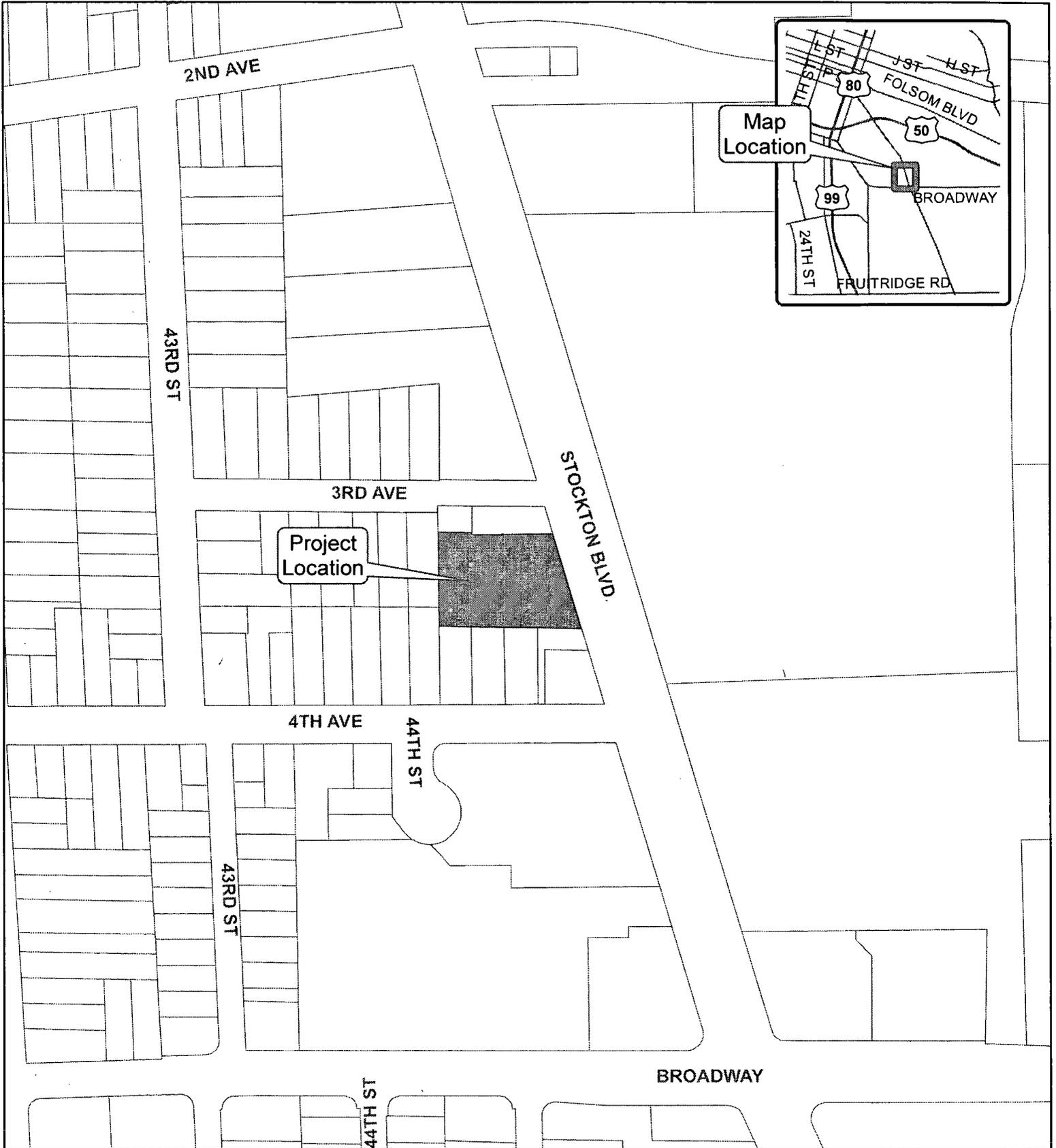
Due to the lack of funds available for continued operations of the property, need for rehabilitation and possible disposition, staff is recommending relocating the current tenants and pursuing a new affordable housing project for the property. Staff intends to develop a new recommendation within the next six months.

Many of the relocated tenants will be eligible for tenant-based Shelter plus Care vouchers administered by Sacramento County. Tenants who are unable to access Shelter plus Care will receive rental assistance housing payments for 42 months. The amount of each rental assistance payment will be based on each household's specific need. All displaced households will receive a 90 day notice to vacate before they are required to move and will be compensated for moving expenses.

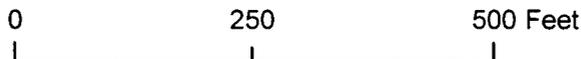
Staff will return with a recommendation for a new or rehabilitated affordable housing project at the site. Financing options that will be explored include programs such as Low Income Housing Tax Credits and the HUD Section 811 Program.



Kelsey Village



2830 Stockton Blvd



SHRA GIS
October 29, 2009

Approval of Funding and Relocation Plan for Kelsey Village

RESOLUTION NO. 2009 -

Adopted by the Sacramento City Council

on date of

**APPROVAL OF OPERATING ASSISTANCE AT KELSEY VILLAGE LOCATED
AT 2830 STOCKTON BOULEVARD; AMENDMENT OF 2009 AGENCY
BUDGET**

BACKGROUND

- A. The Property was originally named the San Carlos Motel and was purchased by the Housing Authority of the City of Sacramento in 1979. The Property was leased to the Sacramento County Division of Mental Health (DMH) shortly thereafter.
- B. In 1993 the Housing Authority received a \$10 million Shelter plus Care (S+C) award including a \$1,045,440 Project Based Section 8 contract authority from HUD under an Annual Contributions Contract (ACC). The effective date was October 1, 1995. The ten-year term of the contract began about October 1996 when lease-up occurred. In 2006 the contract was extended for another ten years.
- C. In addition to the operating assistance from HUD, SHRA provided \$470,000 in funding for rehabilitation in 1994 as indicated in HACS Resolution 94-012 and RACS Resolution 94-057. The Agency recorded a 30-year regulatory agreement on the property on October 12, 1995. Sale of the property by the Housing Authority is permissible so long as the transferee agrees to be bound by the terms of the regulatory agreement.
- D. Without a permanent source of funding in place to operate the facility and without a current source of financing to rehabilitate the facility, the Housing Authority does not have the required resources to continue to operate Kelsey Village. Permanent relocation of the tenants is the best option at this time.
- E. Additional operating assistance for the project over a six month period is required during the time that tenants are relocated.
- F. Operating assistance for a permanent supportive housing project for formerly homeless individuals with a severe mental illness is an allowable activity through the Mental Health Services Act Program (MHSA).
- G. Operating assistance as described herein is in furtherance of the Oak Park Redevelopment Plan. Operating assistance for the property does

Approval of Funding and Relocation Plan for Kelsey Village

not commit the Agency to proceed with a development project and no specific project is currently contemplated. Operating assistance 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, operating assistance for 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 Executive Director, or her designee, is authorized to amend the Agency budget to transfer \$192,000 in Mental Health Services Act Program (MHSA) funds to the Kelsey Village Project to provide operating assistance for up to six months.
- Section 3. The Executive Director, or her designee, is authorized to execute contracts as needed to provide operating assistance for up to six months for the Kelsey Village Project.

Approval of Funding and Relocation Plan for Kelsey Village

RESOLUTION NO. 2009 -

Adopted by the Sacramento City Council

on date of

**APPROVAL OF THE RELOCATION PLAN FOR ELIGIBLE TENANTS AT
KELSEY VILLAGE LOCATED AT 2830 STOCKTON BOULEVARD**

BACKGROUND

- A. The Property was originally named the San Carlos Motel and was purchased by the Housing Authority of the City of Sacramento in 1979. The Property was leased to the Sacramento County Division of Mental Health (DMH) shortly thereafter.
- B. In 1993 the Housing Authority received a \$10 million Shelter plus Care (S+C) award including a \$1,045,440 Project Based Section 8 contract authority from HUD. The effective date was October 1, 1995. The ten-year term of the contract began about October 1996 when lease-up occurred. In 2006 the contract was extended for another ten years.
- C. In addition to the operating assistance from HUD, SHRA provided \$470,000 in funding for rehabilitation in 1994 as indicated in HACS Resolution 94-012 and RACS Resolution 94-057. The Agency recorded a 30-year regulatory agreement on the property on October 12, 1995. Sale of the property by the Housing Authority is permissible so long as the transferee agrees to be bound by the terms of the regulatory agreement.
- D. Without a permanent source of funding in place to operate the facility and without a current source of financing to rehabilitate the facility, the Housing Authority does not have the required resources to continue to operate Kelsey Village.
- E. A Relocation Plan for the permanent relocation of tenants from the property has been prepared by Overland, Pacific & Cutler, a copy of which is attached as Exhibit A. Relocation information was provided on September 25, 2009 at a tenant meeting.
- F. The Relocation Plan conforms to statutes and regulations established by California Relocation Assistance Law.
- G. Relocation and pre-development activities as described herein is in furtherance of the Oak Park Redevelopment Plan. Pre-development activities for the property do not commit the Agency to proceed with a development project and no specific project is currently contemplated.

Approval of Funding and Relocation Plan for Kelsey Village

Pre-development activities do 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 Kelsey Village located at 2830 Stockton Boulevard is approved.

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Exhibit A: Relocation Plan



**RELOCATION ASSISTANCE PLAN
FOR
KELSEY VILLAGE**

Sacramento, California

**PREPARED FOR
SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY**

**BY
OVERLAND, PACIFIC & CUTLER, INC.
8950 CAL CENTER DRIVE, SUITE 102
SACRAMENTO, CA 95826
(916) 857-1520**

October 2, 2009

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INTRODUCTION

Sacramento Housing and Redevelopment Agency (SHRA), acting as the City Housing Authority and Redevelopment Agency, is proposing to close Kelsey Village and permanently relocate the tenants (Project). Kelsey Village is a permanent supportive housing program for single persons with disabilities and is located at the former San Carlos Motel, an antiquated and obsolete motel at 2830 Stockton Boulevard in the Oak Park Redevelopment Project Area. The property was acquired by the City Housing Authority in 1979 and today consists of 22 motel rooms with bathrooms, a dining facility, community room, and staff offices. Shortly after the property was acquired, the Housing Authority leased it to the County Division of Mental Health who in turn, subleased it to a service provider for housing for the mentally ill.

In 1993, SHRA was awarded a federal HUD grant under the Shelter Plus Care Section 8 Moderate Rehabilitation Single Room Occupancy Program for Homeless Individuals. The grant provided project based Section 8 assistance for 22 occupants. The City Housing Authority administers the Section 8 Housing Assistance Payments contract. Following significant rehabilitation of the housing units and upgrading of the common areas, the program opened in 1996. Kelsey Village currently has 14 tenants in residence, all of whom suffer from mental disabilities to varying degrees. The County Division of Mental Health contracts with Transitional Living and Community Support (TLCS) to provide on-site case management services, food preparation and security services. TLCS also contracts with the Housing Authority to operate the facility and uses rental income to pay for maintenance, utilities, janitorial services and furnishings.

Despite the previous rehabilitation, the facility continues to require extensive repairs. This is due in large part to its obsolescence. The buildings cannot be maintained as a residential facility without major investments to the building exteriors and interiors. Unfortunately, the rental income generated from tenant rents and the Section 8 subsidies are insufficient to engage in significant repairs. In addition, the rental income has been insufficient to cover the increasing cost to operate the facility. Kelsey Village is currently operating at a significant deficit and this trend is expected to continue and grow worse in the future. SHRA is, therefore, proposing to close Kelsey Village and explore various options to finance the substantial rehabilitation and modernization the buildings require.

SHRA has contracted with Overland Pacific & Cutler (OPC), an experienced acquisition and relocation firm to prepare this Relocation Plan (Plan) and provide all subsequently required relocation assistance.

In compliance with statutory requirements, the Plan has been prepared to evaluate the present circumstances and replacement housing requirements for the current Project occupants. This Plan presents the demographic information for tenants, any special needs they require, a survey of available rental housing and an estimated budget. It should be pointed out here that some tenants may be unable to live independently due to the severity of their mental disabilities. In those cases, OPC and SHRA will work with TLCS and the Division of Mental Health to place these individuals in appropriate housing or supportive housing programs that enable each person to function at his/her maximum ability.

SHRA is working with the Division of Mental Health to secure Shelter Plus Care Tenant Based Housing Vouchers administered by the County Department of Human Assistance. The Department of Human Assistance has agreed to provide the vouchers based on availability. These vouchers operate much like the Section 8 program and require that the tenant pay 30 percent of income for rent. The Shelter Plus Care voucher pays the balance of the rent to the landlord. The housing subsidies can last indefinitely and are funded by HUD through the Stewart B. McKinney Act Continuum of Care programs for the homeless. Ability to access Shelter Plus Care vouchers for at least some of the tenants will significantly reduce the relocation budget identified on page 15 of the Plan. Therefore, this budget is based on a range from an estimated maximum that assumes all tenants will be able to live in unsubsidized market rate rental housing to at least four tenants being able to access Shelter Plus Care Tenant Based Vouchers.

In order to ensure that Kelsey Village tenants are able to transition effectively from a supportive environment where TLCS staff is on-site 24 hours per day to a more independent living environment, all tenants will be provided ongoing case management services once they leave their current housing. A case plan for each tenant will be developed by TLCS and the Division of Mental Health. The scope and intensity of the case management services will be designed to facilitate independent living to the maximum extent possible.

The Project site is located in the southeastern area of the City of Sacramento, east of the I-80 Capital City Freeway and is generally bounded by 43rd Street to the west, 3rd Avenue to the north, Stockton Boulevard to the east and 2nd Avenue to the south, as illustrated on the Project Site Maps shown in **Attachment 1**.

RELOCATION PLAN

This Relocation Plan has been prepared in accordance with the provisions established by the US Code Title 42, Chapter 61 and its implementing regulations at 49 Code of Federal Regulations Part 24 “Uniform Relocation Assistance and Real Property Acquisition Policies Act for Federal and Federally-Assisted Programs” commonly known as the Uniform Relocation Act or URA, HUD Relocation Guidelines at HUD Handbook 1378, and the California Relocation Assistance and Real Property Acquisition Guidelines, Title 25, California Code of Regulations, Chapter 6, Section 6000 et seq. (the “Guidelines”) for residential and commercial displacements.

No displacement activities will take place prior to the required reviews and approval of this Plan. In order to attain its overall development goals for the Project, it is the SHRA’s intention to provide a fair and equitable relocation program for all eligible Project displacees.

A. METHODOLOGY AND ASSESSMENT OF NEEDS

To obtain information necessary for the preparation of this Plan, personal interviews were conducted with the Project occupants in September 2009. At the time of the interviews, 16 of the 22 units were occupied. OPC was successful in interviewing 11 of the 16 occupied households. In addition to the personal interviews with the tenants several conversations were held with the TLSC case worker on-site and County personnel with intimate knowledge of the Kelsey Village population. As this Plan was being prepared, SHRA has been advised that two tenants, who had previously made plans to move to other housing, have in fact moved. They moved following issuance of the General Information Notice and therefore are not eligible for relocation assistance and benefits. There are now 14 tenants in residence as stated in the Introduction.

Inquiries made of the residential occupants included household size and composition, ages of occupants, rental and income information, length and type of occupancy, ethnicity, language first spoken in the home, disabilities/health problems, and preferences related to replacement housing and location. The descriptive data in this Plan concerning residents are based solely on anecdotal responses of the tenants and supporting information provided by the on-site staff and County mental health professionals.

B. FIELD SURVEY DATA - ASSESSMENT OF NEEDS

The survey of the 11 respondent households on the Project site resulted in the information stated in **Table 1**, below, which shows some of the household characteristics and needs. The table also includes information gathered about the five non-responsive tenants.

Composition Adults/Children	Current Monthly Rent	Current Bedrooms	Bedrooms Needed	Income Category	Elderly/ Disabled*	Language
1/0	\$262	room + bath	studio	EL	no/no	English
1/0	\$262	room + bath	studio	EL	no/yes	English
1/0	\$262	room + bath	studio	EL	no/no	English
1/0	\$262	room + bath	studio	EL	no/no	English
1/0	\$262	room + bath	studio	EL	no/yes	English
1/0	\$287	room + bath	studio	EL	no/no	English
1/0	\$226	room + bath	studio	EL	no/no	English
1/0	\$255	room + bath	studio	EL	no/no	English
1/0	\$268	room + bath	studio	EL	no/yes	English
1/0	\$262	room + bath	studio	EL	no/yes	English
1/0	\$291	room + bath	studio	EL	no/no	English
1/0	\$262	room + bath	studio	EL	no/yes	English
1/0	\$277	room + bath	studio	EL	yes/yes	English
1/0	\$268	room + bath	studio	EL	no/yes	English
1/0	\$262	room + bath	studio	EL	no/yes	English
1/0	\$355	room + bath	studio	unknown	yes/yes	English

*Disabled as to the level of dependency. (Two tenants moved during preparation of this Plan.)

All tenants qualify as extremely low income (less than 30% of area median income) and require certain amount of professional involvement to help them cope with everyday life. The tenants who are described as disabled for the purpose of this Plan, however, are the ones who themselves or their mental health case workers declared as unfit to function independently in society. All tenants consider English their primary household language and their ethnic mix is 75% Caucasian or White and 25% African-American or Black. There are no children residing at Kelsey Village and all tenants enjoy private room accommodations.

The table in **Attachment 2** shows the most current income limits for the “extremely low”, “very low”, “lower”, and “moderate” income categories as established for the year 2009 by HUD/California HCD for Sacramento County.

C. PROJECT OCCUPANCY/OVERCROWDING

For purposes of determining whether overcrowding conditions exist, an occupancy standard of two persons per sleeping room plus one person in a non-sleeping room was adopted. This standard generally allows for up to three persons in a one-bedroom unit, five persons in a two-bedroom unit, seven persons in a three-bedroom unit, and nine persons in a four-bedroom unit. Based on the adopted Occupancy Standard, there are no overcrowded units and the replacement units will be studio or bachelor-type apartments.

D. REPLACEMENT HOUSING RESOURCES

One of the primary purposes of a relocation plan is to demonstrate the availability of comparable, affordable, decent, safe and sanitary housing prior to the displacement of residential occupants. In order to adequately relocate the Project households and projecting that all current tenants will move to market housing, 14 studio apartment units will be required. For inclusionary purposes the research of larger units affordably priced and assisted living facilities in the area was also performed and the survey results are included. It is the SHRA’s intent, however, to consider the replacement units to be market rate studio apartments for the purpose of calculating the Project benefits and will diligently work to ensure all tenants requiring assisted living will be provided needed care.

A housing survey was made in September 2009 to identify available comparable, decent, safe and sanitary units available for rent in close proximity to the Project site. Based on the results of that survey, it appears that comparable replacement dwelling units will be available during the relocation period to meet the potential needs of all tenants to be displaced. **Table 2**, following, outlines the resource study and shows the number of available units and their corresponding rents. Assisted living units were provided by the Division of Mental Health affiliates which all charge a uniform monthly rate. These facilities have between four and 27 rooms and may be age and gender restricted.

Table 2: Availability and Cost of Replacement Housing		
Bedroom Size	Studio or Larger	Assisted Living Units
# Found (# Needed)	22 (7)	15 (9)
Rent Range	\$530-\$795	n/a
Median Market Rent	\$603	\$961

In addition to the County affiliates providing assisted living accommodations presented in **Table 2**, earlier, the research also identified four Sunrise Senior Living apartments currently available with monthly rents between \$3,000 and \$4,500 with additional fees for medication management and depending on the level of care. Based on the displacement units and income levels of the Kelsey Village tenants, private apartments, such as Sunrise Senior Living, do not appear to be comparable.

E. CONCURRENT RESIDENTIAL DISPLACEMENT

There are no current public projects in the City of Sacramento which would compete with the Project for available replacement housing units on the market. The Berry Hotel relocation requiring units for mentally disabled individuals is in its final stages with only one tenant remaining. The available units are sufficient to absorb Kelsey Village tenants as well as the one remaining Berry Hotel tenant.

F. TEMPORARY HOUSING

No need for temporary housing is anticipated.

G. PROGRAM ASSURANCES AND STANDARDS

Adequate funds are available to relocate all permanently displaced households. Relocation assistance services will be provided to ensure that displacement does not result in different or separate treatment of households based on race, nationality, color, religion, national origin, sex, marital status, familial status, disability or any other basis protected by the federal Fair Housing Amendments Act, the Americans with Disabilities Act, Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, the California Fair Employment &

Housing Act, and the Unruh Act, as well as any other arbitrary or unlawful discrimination. No one will be permanently displaced without 90 days advance written notice and unless “comparable” replacement housing can be made available. Generally, a comparable replacement dwelling must satisfy the following criteria:

- (a) *The unit is decent, safe and sanitary - electrical, plumbing and heating systems in good repair - no major, observable hazards or defects. The unit is adequate in size and is comparable to the acquired dwelling with respect to number of rooms, habitable living space and type and quality of construction, but not lesser in rooms or living space as necessary to accommodate the displaced person. The unit is functionally equivalent, including principle features.*
- (b) *The unit is located in an area not subjected to unreasonable adverse environmental conditions from either natural, or man-made sources, and not generally less desirable with respect to public utilities, transportation, public and commercial facilities, including schools and municipal services and reasonably accessible to the displaced person's place of employment.*
- (c) *The unit is available both on the private market and to all persons regardless of race, color, sex, marital status, religion or, national origin.*
- (d) *The monthly rental rate is within the financial means of the displaced residential tenant*

H. RELOCATION ASSISTANCE PROGRAM

OPC staff is available to assist the displaced households with questions about relocation and/or assistance in relocating. Relocation staff can be contacted at (916) 857-1520 from 8:00 a.m. to 5:00 p.m. Monday through Friday. A comprehensive relocation assistance program, with technical and advisory assistance, will be provided to the households being displaced. Close personal contact will be maintained with the households. Specific activities will include:

1. Distribute appropriate written information concerning the SHRA's relocation program, including the Informational Statement included as **Attachment 3**;
2. Fully inform eligible Project occupants of the nature of, and procedures for, obtaining relocation assistance and benefits;

3. Determine the needs of each displacee eligible for assistance, including any special needs of the elderly and disabled;
4. Provide an adequate number of referrals to comparable, decent, safe and sanitary housing units, including special facilities needed for the elderly or disabled, within a reasonable time prior to displacement, and assure that no residential occupant is required to move without a minimum of 90 days written notice to vacate;
5. Provide assistance that does not result in different or separate treatment due to race, color, religion, national origin, sex, marital status or other arbitrary circumstances;
6. Supply information concerning federal and state programs and other governmental programs providing assistance to displaced persons;
7. Assist each eligible residential occupant to complete applications for benefits;
8. Make benefit determinations and payments in accordance with federal and SHRA adopted relocation guidelines;
9. Inform all persons subject to displacement of the SHRA's policies with regard to eviction and property management; and
10. Establish and maintain a formal grievance procedure for use by displaced persons seeking administrative review of the SHRA's decisions with respect to relocation assistance.

I. CITIZEN PARTICIPATION/PLAN REVIEW

This Plan will be made available to the Project tenants and to the public for a 30 day review period. Comments to the Plan, if any, will be included as a Plan addendum (**Attachment 5**) prior to submission to the SHRA for final approval.

J. RELOCATION BENEFIT CATEGORIES

It is anticipated that 14 residential tenant households will be permanently displaced by the proposed Project. Tenant occupants will be eligible for Rental Assistance and Moving Expense Payments. Relocation benefits will be paid upon submission of required claim forms and documentation in accordance with approved procedures. Last resort housing payments will be made in a lump sum or installments. The SHRA will provide appropriate benefits for the displaced households as required by the above laws and requirements.

Residential Moving Expense Payments

All residential occupants to be relocated will be eligible to receive a payment for moving expenses. Moving expense payments will be made based upon the actual cost of a professional move or a fixed payment based on a room-count schedule.

a. Actual Cost (Professional Move)

Displacees may elect to have a licensed professional mover perform the move. The actual cost of the moving services, based on at least two acceptable bids, will be compensated by the SHRA in the form of a direct payment to the moving company upon presentation of an invoice. Transportation costs are limited to a distance of 50 miles in either case. In addition to the actual move, costs associated with utility re-connections (i.e., gas, water, electricity, telephone, and cable, if any), are eligible for reimbursement.

b. Fixed Payment (based on Room Count Schedule)

An occupant may elect to receive a fixed payment for moving expenses which is based on the number of rooms occupied in the displacement dwelling. In this case, the person to be relocated takes full responsibility for the move. The fixed payment includes all utility connections as described in (a), above. At a minimum, the fixed schedule payment for single occupancy efficiency units, furnished with the tenants own personal property, is \$625 including all utility connections at the replacement location. The current schedule for fixed moving payments is set forth in **Table 3**, following:

Table 3: Schedule of Fixed Moving Payments (effective 8-22-08)	
Unfurnished Dwelling	
One room	\$625
Two rooms	\$800
Three rooms	\$1,000
Four rooms	\$1,175
Five rooms	\$1,425
Six rooms	\$1,650
Seven rooms	\$1,900
Eight rooms	\$2,150
each additional room	\$225
Furnished Dwelling	
First Room	\$400
Each additional room	\$65

Rental Assistance For Tenant Occupants

To be eligible to receive the rental assistance benefits, the displaced tenant household has to rent or purchase and occupy a decent, safe, and sanitary replacement dwelling within one year from the date they move from the displacement dwelling.

Based upon the available data regarding Project displacees, the displaced household may qualify for and may be eligible to apply for relocation benefits under URA provisions.

Under URA, rental assistance payment amounts are equal to 42 times the difference between the base monthly rent and the lesser of:

- (i) The monthly rent and estimated average monthly cost of utilities for a comparable replacement dwelling; or
- (ii) The monthly rent and estimated average monthly cost of utilities for the decent, safe, and sanitary replacement dwelling actually occupied by the displaced person.

The base monthly rent for the displacement dwelling is the lesser of:

(i) The average monthly cost for rent and utilities at the displacement dwelling for a reasonable period prior to displacement, as determined by the SHRA. For owner-occupants or households, which paid little or no rent, fair market rent will be used as a substitute for actual rent; or

(ii) Thirty percent (30%) of the displaced person’s average, monthly gross household income if the amount is classified as “low income” by the U. S. Department of Housing and Urban Development’s (HUD) Annual Survey of Income Limits for the Public Housing and Section 8 Programs. HUD’s Survey is shown as **Attachment 2**. If a displacee refuses to provide appropriate evidence of income or is a dependent, the base monthly rent shall be determined to be the average monthly cost for rent and utilities at the displacement dwelling; or

(iii) The total of the amount designated for shelter and utilities if receiving a welfare assistance payment from a program that designated the amounts for shelter and utilities.

Table 4, following, portrays the benefits determination under the URA:

Table 4: Example Computation of URA Rental Assistance Payments		
1. Old Rent	\$650	Old Rent and Utilities
or		
2. Ability to Pay	\$700	30% of the Gross Household Income (If Low Income)
3. Lesser of lines 1 or 2	\$650	Base Monthly Rental
Subtracted From:		
4. Actual New Rent	\$750	Actual New Rent and Utilities
or		
5. Comparable Rent	\$775	Determined by SHRA (includes utilities)
6. Lesser of lines 4 or 5	\$750	
7. Yields Monthly Need:	\$100	Subtract line 3 from line 6
Rental Assistance	\$4,200	Multiply line 7 by 42 months

Last Resort Housing Payments

There is adequate “comparable replacement housing” available to meet the needs of the Project occupants, according to the housing survey. However, a combination of factors,

including the income levels of the tenants, Project rents, and the higher cost of replacement dwellings, will create the need for last resort housing

A displaced person is entitled to Last Resort Housing assistance when, in a single residential case, the computed total of rental assistance eligibility exceeds \$5,250. This type of situation is likely to develop among low-income or large families or in environments where project area rents are particularly low, or where property values for the displacement dwellings are significantly lower than the comparable replacement dwellings.

Down Payment Assistance Payment to Tenants who Purchase

The displaced households may opt to apply the entire benefit amount for which they are eligible toward the purchase of a replacement unit (Guidelines 49 CFR 24.402(b) and HUD Handbook 1378).

A displaced household, who chooses to utilize up to the full amount of their rental assistance eligibility (including any Last Resort benefits) to purchase a home, will have the funds deposited in an open escrow account, provided that the entire amount is used for the down payment and eligible, incidental costs associated with the purchase of a decent, safe, and sanitary replacement home. A provision shall be made in the escrow arrangements for the prompt return of the SHRA's funds, in the event escrow should fail to close within a reasonable period of time.

Final determination about the type of relocation benefits and assistance for which the household is eligible will be determined upon verification of the household's occupants and income.

K. PAYMENT OF RELOCATION BENEFITS

Relocation benefit payments will be made expeditiously. Claims and supporting documentation for relocation benefits must be filed with the SHRA within 18 months from the date the claimant moves from the displacement property. Procedures for preparing and filing of claims and processing and delivering of payments are included as **Attachment 4**.

No household will be displaced until "comparable" housing is provided. Relocation staff will inspect replacement units selected by displaces to verify that they meet all the standards of decent, safe, and sanitary as defined in Section 24.2 (a) (8) of the Uniform Act.

L. EVICTION POLICY

The SHRA recognizes that eviction is permissible only as a last resort and that relocation records must be documented to reflect the specific circumstances surrounding any eviction.

1. Eviction will cause the forfeiture of a displacee's right to relocation assistance or benefits. Relocation records will be documented to reflect the specific circumstances surrounding any eviction action.
2. Eviction may be undertaken for one, or more of the following reasons:
 - (a) Failure to pay rent, except in those cases where the failure to pay is due to the owner's failure to keep the premises in habitable condition; is the result of harassment or retaliatory action; or, is the result of discontinuation, or a substantial interruption of services;
 - (b) Performance of a dangerous, and/or illegal act in the unit;
 - (c) A material breach of the rental agreement, and failure upon notification to correct said breach within 30 days of Notice;
 - (d) Maintenance of a nuisance, and failure to abate such nuisance upon notification within a reasonable time following Notice;
 - (e) Refusal to accept one of a reasonable number of offers of replacement dwellings; and/or,
 - (f) A requirement under State, or local law or emergency circumstances that cannot be prevented by reasonable efforts on the part of the SHRA.

M. APPEALS POLICY

The appeals policy will follow the standards described in section 24.10 of the Uniform Act and the Grievance Procedures adopted by the SHRA. Briefly stated, the displaced household will have the right to ask for review when there is a complaint regarding any of its rights to

relocation and relocation assistance, such as a determination as to eligibility, the amount of payment, or the failure to provide a comparable replacement housing referral.

N. IMMIGRATION STATUS

Federal legislation (PL105-117) prohibits the payment of relocation assistance benefits under the Uniform Act to any alien not lawfully present in the United States unless such ineligibility would result in an exceptional and extremely unusual hardship to the alien's spouse, parent, or child any of whom is a citizen or an alien admitted for permanent residence. Exceptional and extremely unusual hardship is defined as significant and demonstrable adverse impact on the health or safety, continued existence of the family unit, and any other impact determined by the SHRA to negatively affect the alien's spouse, parent or child. The SHRA may elect to authorize the payment of relocation assistance benefits to any otherwise eligible displacee from non-federally authorized reimbursable funds.

In order to track and account for relocation assistance and benefit payments, relocation staff will be required to seek immigration status information from each displacee 18 years and older by having them self-certify as to their legal status.

O. PROJECTED DATES OF DISPLACEMENT

All displaced occupants will receive a 90 day notice to vacate before they are required to move. The earliest these notices are expected to be issued is November 2009.

P. ESTIMATED RELOCATION COSTS

The estimate of total relocation payments for 14 displaced households including a 10% contingency is **\$225,200**. This amount assumes that all tenants will move to market rate rental housing. However, SHRA has received a commitment that the Department of Human Assistance will provide Shelter Plus Care Tenant Based Vouchers for Kelsey Village tenants based on availability. Assuming that only four vouchers will be made available during the displacement period from November 2009 through February 2010, the estimated relocation budget is **\$173,000**. This estimated relocation budget does not include relocation administrative services or provision for any other services necessary for the implementation of the Plan and Project.

TABLE OF ATTACHMENTS

- Attachment 1:** Project Site Map
- Attachment 2:** HCD Income Category Limits for Sacramento County
- Attachment 3:** Residential Informational Brochure
- Attachment 4:** Procedures for Payment of Relocation Claims
- Attachment 5:** Public Review and Comments

ATTACHMENT 1: PROJECT SITE MAPS

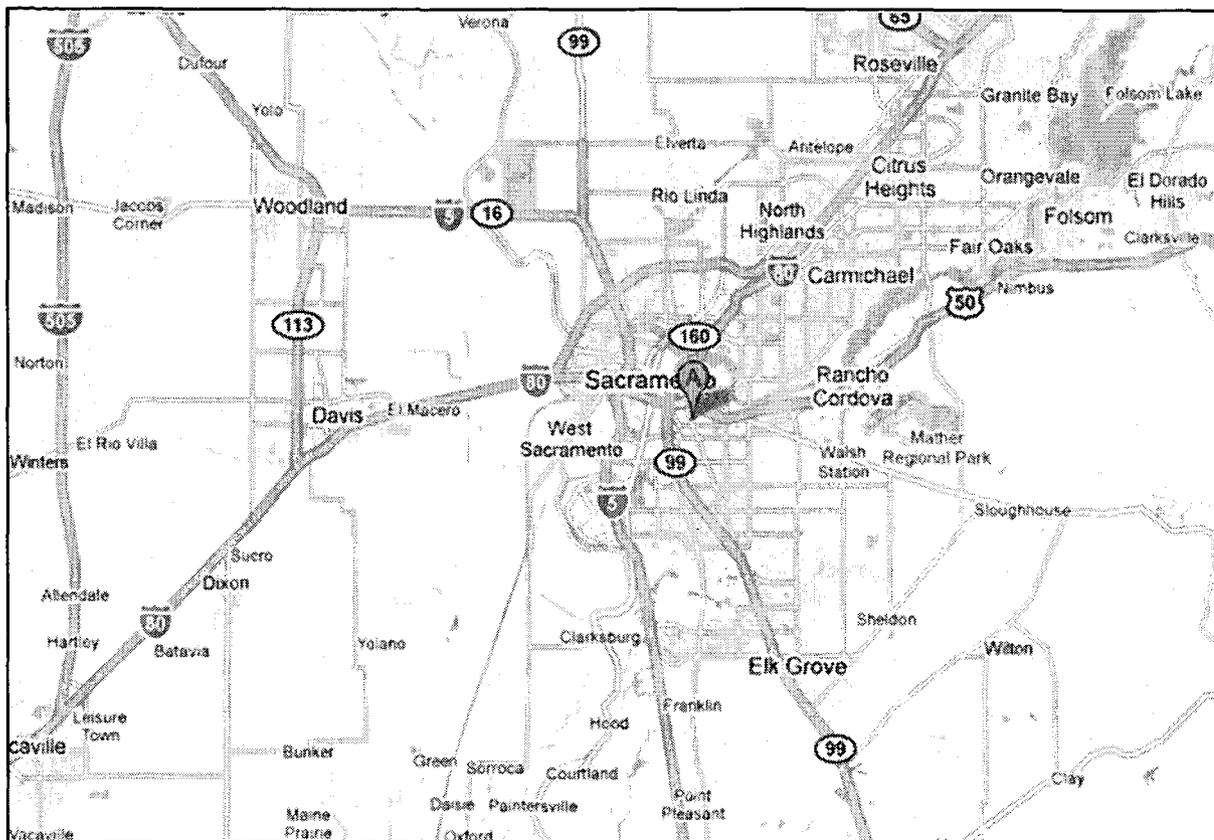


Figure 1: Regional Project Setting

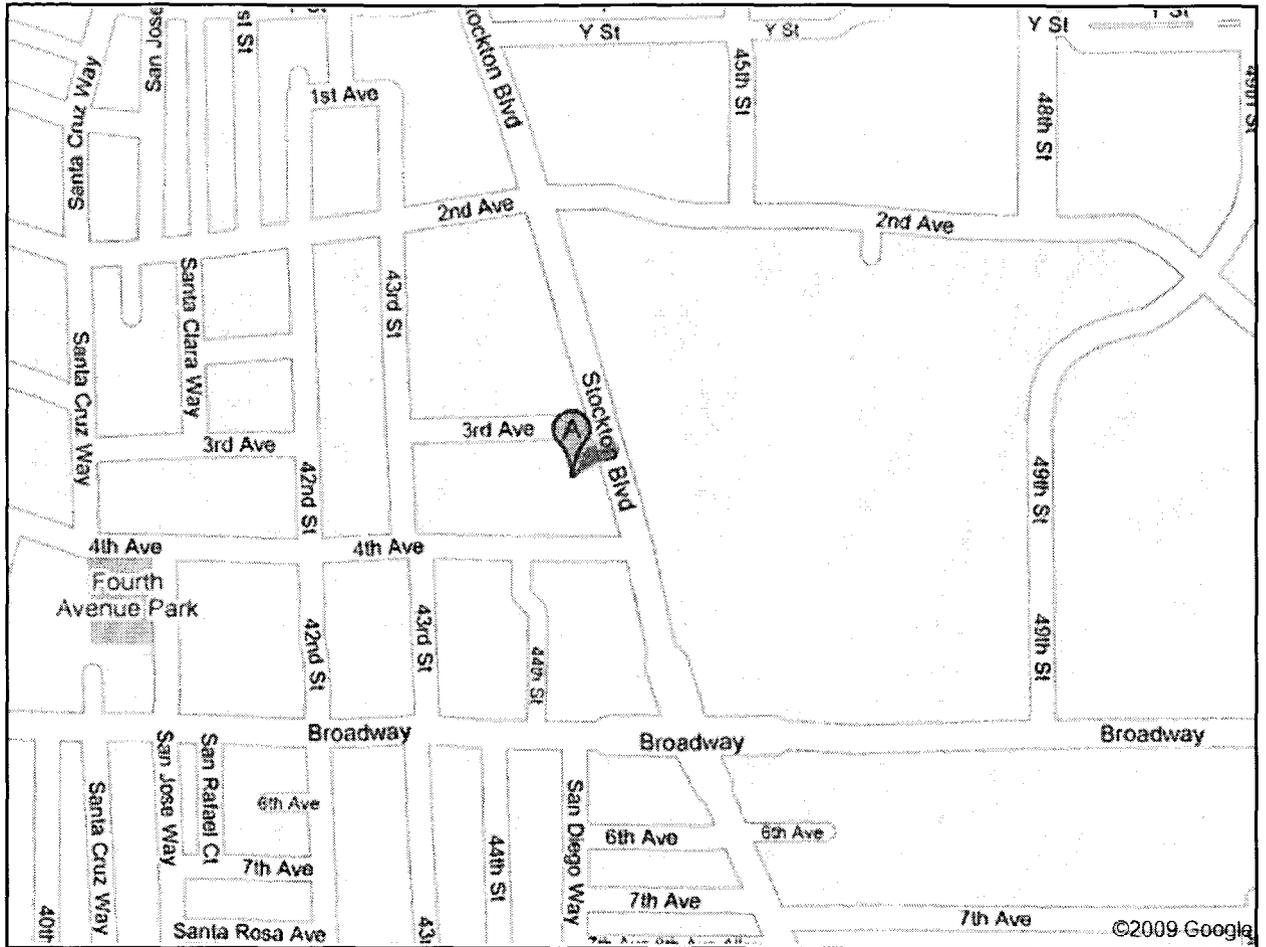


Figure 2: Project Site Location

**ATTACHMENT 2:
HUD ANNUAL INCOME LIMITATIONS - SACRAMENTO COUNTY**

The following figures are approved by the U. S. Department of Housing and Urban Development (HUD) for use in the **County of Sacramento** to define and determine housing eligibility by income level.

Area Median: \$72,800				
Family Size	Extremely Low	Very Low	Lower	Moderate
1 Person	15,300	25,500	40,800	61,150
2 Person	17,500	29,100	46,600	69,900
3 Person	19,650	32,750	52,450	78,600
4 Person	21,850	36,400	58,250	87,350
5 Person	23,600	39,300	62,900	94,350
6 Person	25,350	42,200	67,550	101,350
7 Person	27,100	45,150	72,250	108,300
8 Person	28,850	48,050	76,900	115,300

Figures are per the Department of Housing and Community Development (California), Division of Housing Policy Development, **April 2, 2009**.

**ATTACHMENT 3:
RESIDENTIAL INFORMATIONAL BROCHURE**

Displacing Agency:
Sacramento Housing and Redevelopment Agency

Project Name:
Kelsey Village

Displacing Agency Representative:



Overland, Pacific & Cutler, Inc.
8950 Cal Center Drive, Suite 102
Sacramento, CA 95826
Phone: (916) 857-1520

Informational Statement Content:

1. General Information
2. Assistance In Locating A Replacement Dwelling
3. Moving Benefits
4. Replacement Housing Payment - Tenants And Certain Others
5. Section 8 Tenants
6. Replacement Housing Payment – Homeowners
7. Qualification For And Filing Of Relocation Claims
8. Last Resort Housing Assistance
9. Rental Agreement
10. Evictions
11. Appeal Procedures – Grievance
12. Tax Status of Relocation Benefits
13. Legal Presence Requirement
14. Non-Discrimination and Fair Housing
15. Additional Information And Assistance Available

Spanish speaking representatives are available. Si necesita esta información en español, por favor llame a su representante.

Informational Statement for Families and Individuals

(Federal)

1. GENERAL INFORMATION

The dwelling in which you now live is in a project area to be improved by, or financed through, the Displacing Agency using federal funds. If and when the project proceeds, and it is necessary for you to move from your dwelling, you may be eligible for certain benefits. You will be notified in a timely manner as to the date by which you must move. Please read this information, as it will be helpful to you in determining your eligibility and the amount of the relocation benefits you may receive under the federal law. We suggest you save this informational statement for reference.

The Displacing Agency has retained the professional firm of **Overland, Pacific & Cutler, Inc. (OPC)** to provide relocation assistance to you. The firm is available to explain the program and benefits. Their address and telephone number is listed on the cover.

PLEASE DO NOT MOVE PREMATURELY. THIS IS NOT A NOTICE TO VACATE YOUR DWELLING. However, if you desire to move sooner than required, you must contact your representative with Overland, Pacific & Cutler, Inc., so you will not jeopardize any benefits. This is a general informational brochure only, and is not intended to give a detailed description of either the law or regulations pertaining to the Displacing Agency's relocation assistance program.

Please continue to pay your rent to your current landlord, otherwise you may be evicted and jeopardize the relocation benefits to which you may be entitled to receive. Once the Displacing Agency acquires the property, you will also be required to pay rent to the Displacing Agency.

2. ASSISTANCE IN LOCATING A REPLACEMENT DWELLING

The Displacing Agency, through its representatives, will assist you in locating a comparable replacement dwelling by providing referrals to appropriate and available housing units. You are encouraged to actively seek such housing yourself.

When a suitable replacement dwelling unit has been found, your relocation consultant will carry out an inspection and advise you as to whether the dwelling unit meets decent, safe and sanitary housing requirements. A decent, safe and sanitary housing unit provides adequate space for its occupants, proper weatherproofing and sound heating, electrical and plumbing systems. Your new dwelling must pass inspection before relocation assistance payments can be authorized.

3. MOVING BENEFITS

If you must move as a result of displacement by the Displacing Agency, you will receive a payment to assist in moving your personal property. The actual, reasonable and necessary expenses for moving your household belongings may be determined based on the following methods:

- A Fixed Moving Payment based on the number of rooms you occupy (see below); **or**
- A payment for your Actual Reasonable Moving and Related Expenses based on at least two written estimates and receipted bills; **or**
- A combination of both.

For example, you may choose a Self Move, receiving a payment based on the Fixed Residential Moving Cost Schedule shown below, plus contract with a professional mover to transport your grand piano and /or other items that require special handling. In this case, there may be an adjustment in the number of rooms which qualify under the Fixed Residential Moving Cost Schedule.

- A. **Fixed Moving Payment (Self Move)**
 A Fixed Moving Payment is based upon the number of rooms you occupy and whether or not you own your own furniture. The payment is based upon a schedule approved by the Displacing Agency, and ranges, for example, from \$400.00 for one furnished room to \$2,150.00 for eight rooms in an unfurnished dwelling. (For details see the table). Your relocation representative will inform you of the amount you are eligible to receive, if you choose this type of payment.

Fixed Moving Schedule CALIFORNIA Effective 8-22-2008	
Occupant Owns Furniture:	
1 room	\$625
2 rooms	\$800
3 rooms	\$1,000
4 rooms	\$1,175
5 rooms	\$1,425
6 rooms	\$1,650
7 rooms	\$1,900
8 rooms	\$2,150
Each additional room	\$225
Occupant does NOT Own Furniture:	
1 room	\$400
Each additional room	\$65

If you select a fixed payment, you will be responsible for arranging for your own move, and the Displacing Agency will assume no liability for any loss or damage of your personal property. A fixed payment also includes utility hook-up, credit check and other related moving fees.

- B. **Actual Moving Expense (Commercial Move)**

If you wish to engage the services of a licensed commercial mover and have the Displacing Agency pay the bill, you may claim the ACTUAL cost of moving your personal property up to 50 miles. Your relocation representative will inform you of the number of competitive moving bids (if any) which may be required, and assist you in developing a “mover” scope of services for Displacing Agency approval.

4. REPLACEMENT HOUSING PAYMENT – 90-DAY OCCUPANTS

Tenants and homeowner-occupants may be eligible for a payment up to \$5,250.00 to assist in renting or purchasing a comparable replacement dwelling. In order to qualify, you must either be a tenant who has occupied your present dwelling for at least 90 days immediately prior to the initiation of negotiations or an owner who has occupied your dwelling between 90 and 180 days immediately prior to the initiation of negotiations.

- A. **Rental Assistance.** If you wish to rent your replacement dwelling, your rental assistance benefits will be based upon the difference over a forty-two (42) month period between the rent you must pay for a comparable replacement dwelling and the lesser of your current rent or thirty percent (30%) of your monthly household income if your total gross income is classified as “low income” by the U. S. Department of Housing and Urban Development’s (HUD) Annual Survey of Income Limits for Public Housing and Section 8 Programs. You will be required to provide your relocation representative with monthly rent and household income verification prior to the determination of your eligibility for this payment.

- OR -

- B. **Down-payment Assistance.** If you qualify, and wish to purchase a home as a replacement dwelling, you can apply up to the total amount of your rental assistance payment towards the down-payment and non-recurring incidental expenses. Your relocation representative will clarify procedures necessary to apply for this payment.

5. SECTION 8 TENANTS

When you do move, you may be eligible to transfer your Section 8 eligibility to a replacement site. In such cases, a comparable replacement dwelling will be determined based on your family composition at the time of displacement and the current housing program criteria. This may not be the size of the unit you currently occupy. Your relocation representative will provide counseling and other advisory services along with moving benefits.

6. REPLACEMENT HOUSING PAYMENT - HOMEOWNERS

- A. If you own and occupy a dwelling to be purchased by the Displacing Agency for **at least 180 days** prior to the initiation of negotiation, you may be eligible to receive a payment of up to \$22,500.00 to assist you in purchasing a comparable replacement unit. This payment is intended to cover the following items:
1. **Purchase Price Differential** - An amount which, when added to the amount for which the Displacing Agency purchased your property, equals the lesser of the actual cost of your replacement dwelling; **or** the amount determined by the Displacing Agency as necessary to purchase a comparable replacement dwelling. Your relocation representative will explain both methods to you.
 2. **Mortgage Interest Differential** - The amount which covers the increased interest costs, if any, required to finance a replacement dwelling. Your relocation representative will explain limiting conditions.
 3. **Incidental Expenses** - Those one time incidental costs related to purchasing a replacement unit, such as escrow fees, recording fees, and credit report fees. Recurring expenses such as prepaid taxes and insurance premiums are not compensable.
- B. **Rental Assistance Option** - If you are an owner-occupant and choose to rent rather than purchase a replacement dwelling, you may be eligible for a rental assistance payment of up to the amount that could have been received under the Purchase Price Differential, explained above. The payment will be based on the difference between the fair market rent of the dwelling you occupy and the rent you must pay for a comparable replacement dwelling.

If you receive a rental assistance payment, as described above, and later decide to purchase a replacement dwelling, you may apply for a payment equal to the amount you would have received, if you had initially purchased a comparable replacement dwelling, less the amount you have already received as a rental assistance payment.

7. QUALIFICATION FOR, AND FILING OF, RELOCATION CLAIMS

To qualify for a Replacement Housing Payment, you must rent or purchase and occupy a comparable replacement unit **within one year from the following**:

- For a tenant, the date you move from the displacement dwelling.
- For an owner-occupant, the latter of
 - a. The date you receive final payment for the displacement dwelling, or, in the case of condemnation, the date the full amount of estimated just compensation is deposited in court;
 - or**
 - b. The date the Displacing Agency fulfills its obligation to make available comparable replacement dwellings.

All claims for relocation benefits must be filed with the Displacing Agency **within eighteen (18) months** from the date on which you receive final payment for your property, or the date, on which you move, whichever is later.

8. LAST RESORT HOUSING ASSISTANCE

If comparable replacement dwellings are not available when you are required to move, or if replacement housing is not available within the monetary limits described above, the Displacing Agency will provide Last Resort Housing assistance to enable you to rent or purchase a replacement dwelling on a timely basis. Last Resort Housing assistance is based on the individual circumstances of the displaced person. Your relocation representative will explain the process for determining whether or not you qualify for Last Resort assistance.

If you are a tenant, and you choose to purchase rather than rent a comparable replacement dwelling, the entire amount of your rental assistance and Last Resort eligibility must be applied toward the down-payment and eligible incidental expenses of the home you intend to purchase.

9. RENTAL AGREEMENT

As a result of the Displacing Agency's action to purchase the property where you live, you may become a tenant of the Displacing Agency. If this occurs, you will be asked to sign a rental agreement which will specify the monthly rent to be paid, when rent payments are due, where they are to be paid and other pertinent information.

10. EVICTIONS

Eviction for cause must conform to applicable State and local law. Any person who occupies the real property and is not in unlawful occupancy on the date of initiation of negotiations, is presumed to be entitled to relocation benefits, unless the Displacing Agency determines that:

- The person received an eviction notice prior to the initiation of negotiations and, as a result, was later evicted; or
- The person is evicted after the initiation of negotiations for serious or repeated violation of material terms of the lease; and
- The eviction was not undertaken for the purpose of evading relocation assistance regulations.

Except for the causes of eviction set forth above, no person lawfully occupying property to be purchased by the Displacing Agency will be required to move without having been provided with at least 90 days written notice from the Displacing Agency.

11. APPEAL PROCEDURES - GRIEVANCE

Any person aggrieved by a determination as to eligibility for a relocation payment, or the amount of a payment, may have the claim reviewed or reconsidered in accordance with the Displacing Agency's appeals procedure. Complete details on appeal procedures are available upon request from the Displacing Agency.

12. TAX STATUS OF RELOCATION BENEFITS

California Government Code Section 7269 indicates no relocation payment received shall be considered as income for the purposes of the Personal Income Tax Law, Part 10 (commencing with Section 170 01) of Division 2 of the Revenue and Taxation Code, or the Bank and Corporation Tax law, Part 11 (commencing with Section 23001) of Division 2 of the Revenue and Taxation Code. Furthermore, federal regulations (49 CFR Part 24, Section 24.209) also indicate that no payment received under this part (Part 24) shall be considered as income for the purpose of the Internal Revenue Code of 1954, which has been redesignated as the Internal Revenue Code of 1986. The preceding statement is not tendered as legal advice in regard to tax consequences, and displacees should consult with their own tax advisor or legal counsel to determine the current status of such payments.

(IRS Circular 230 disclosure: To ensure compliance with requirements imposed by the IRS, we inform you that any tax advice contained in this communication (including any attachments) was not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code or (ii) promoting marketing or recommending to another party any matters addressed herein).

13. LAWFUL PRESENCE REQUIREMENT

In order to be eligible to receive relocation benefits in federally-funded relocation projects, all members of the household to be displaced must provide information regarding their lawful presence in the United States. Any member of the household who is not lawfully present in the United States or declines to provide this information may be denied relocation benefits, unless such ineligibility would result in an exceptional and extremely unusual hardship to the alien's spouse, parent, or child, any of whom is a citizen or an alien admitted

for permanent residence. Exceptional and extremely unusual hardship is defined as significant and demonstrable adverse impact on the health or safety, continued existence of the family unit, and any other impact determined by the Displacing Agency to negatively affect the alien's spouse, parent or child. Relocation benefits will be prorated to reflect the number of household members with certified lawful presence in the US.

14. NON-DISCRIMINATION AND FAIR HOUSING

No person shall on the grounds of race, color, national origin or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under the Displacing Agency's relocation assistance program pursuant to Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, and other applicable state and federal anti-discrimination and fair housing laws. You may file a complaint if you believe you have been subjected to discrimination. For details contact the Displacing Agency.

15. ADDITIONAL INFORMATION AND ASSISTANCE AVAILABLE

Those responsible for providing you with relocation assistance hope to assist you in every way possible to minimize the hardships involved in relocating to a new home. Your cooperation will be helpful and greatly appreciated. If you have any questions at any time during the process, please do not hesitate to contact your relocation representative at Overland, Pacific & Cutler.

**ATTACHMENT 4:
RELOCATION PAYMENT POLICY REGARDING PROCEDURES
FOR PAYMENT OF RELOCATION CLAIMS**

Claims and supporting documentation for relocation benefits must be filed with the SHRA within 18 months from the date the claimant moves from Kelsey Village.

The procedure for the preparation and filing of claims and the processing and delivery of payments will be as follows:

1. Claimant(s) will provide all necessary documentation to substantiate eligibility for assistance.
2. Assistance amounts will be determined in accordance with the provisions of the Uniform Act.
3. Required claim forms will be prepared by relocation personnel in conjunction with claimant(s). Signed claims and supporting documentation will be submitted by relocation personnel to the SHRA.
4. The SHRA will review and approve claims for payment or request additional information.
5. The SHRA will issue benefit checks which will be delivered to the Claimants by relocation staff, unless circumstances dictate otherwise.
6. Final payments will be issued after confirmation that the Project area premises have been completely vacated and actual residency at replacement unit is verified.
7. Receipts of payment will be obtained and maintained in the relocation case file.

**ATTACHMENT 5:
PUBLIC REVIEW AND COMMENTS**

Approval of Funding and Relocation Plan for Kelsey Village

RESOLUTION NO. 2009 -

Adopted by the Redevelopment Agency of the City of Sacramento

on date of

**APPROVAL OF RELOCATION PLAN FUNDING FOR ELIGIBLE TENANTS AT
KELSEY VILLAGE LOCATED AT 2830 STOCKTON BOULEVARD**

BACKGROUND

- A. The Property was originally named the San Carlos Motel and was purchased by the Housing Authority of the City of Sacramento in 1979. The Property was leased to the Sacramento County Division of Mental Health (DMH) shortly thereafter.
- B. In 1993 the Housing Authority received a \$10 million Shelter plus Care (S+C) award including a \$1,045,440 Project Based Section 8 contract authority from HUD. The effective date was October 1, 1995. The ten-year term of the contract began about October 1996 when lease-up occurred. In 2006 the contract was extended for another ten years.
- C. In addition to the operating assistance from HUD, SHRA provided \$470,000 in funding for rehabilitation in 1994 as indicated in HACS Resolution 94-012 and RACS Resolution 94-057. The Agency recorded a 30-year regulatory agreement on the property on October 12, 1995. Sale of the property by the Housing Authority is permissible so long as the transferee agrees to be bound by the terms of the regulatory agreement.
- D. Without a permanent source of funding in place to operate the facility and without a current source of financing to rehabilitate the facility, the Housing Authority does not have the required resources to continue to operate Kelsey Village.
- E. A Relocation Plan for the permanent relocation of tenants from the property has been prepared by Overland, Pacific & Cutler, a copy of which is attached as Exhibit A. Relocation information was provided to tenants at a meeting on September 25, 2009.
- F. The Relocation Plan conforms to statutes and regulations established by California Relocation Assistance Law.
- G. Relocation activities as described herein are in furtherance of the Oak Park Redevelopment Plan. Relocation activities for the property do not commit the Agency to proceed with a development project and no specific project is currently contemplated. Relocation activities do not limit the

Approval of Funding and Relocation Plan for Kelsey Village

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 REDEVELOPMENT AGENCY 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 Executive Director, or her designee, is authorized to amend the Agency Budget to transfer up to \$250,000 from the Stockton Boulevard Low/Moderate Housing Tax Increment funds to the Kelsey Village Project to carry out relocation activities.
- Section 3. The Executive Director, or her designee, is authorized to execute contracts as needed to carry out relocation activities for the Kelsey Village Project.

Approval of Funding and Relocation Plan for Kelsey Village

RESOLUTION NO. 2009 -

Adopted by the Redevelopment Agency of the City of Sacramento

on date of

APPROVAL OF PREDEVELOPMENT ACTIVITIES FOR THE KELSEY VILLAGE PROJECT LOCATED AT 2830 STOCKTON BOULEVARD

BACKGROUND

- A. The Property was originally named the San Carlos Motel and was purchased by the Housing Authority of the City of Sacramento in 1979. The Property was leased to the Sacramento County Division of Mental Health (DMH) shortly thereafter.
- B. In 1993 the Housing Authority received a \$10 million Shelter plus Care (S+C) award including a \$1,045,440 Project Based Section 8 contract authority from HUD. The effective date was October 1, 1995. The ten-year term of the contract began about October 1996 when lease-up occurred. In 2006 the contract was extended for another ten years.
- C. In addition to the operating assistance from HUD, SHRA provided \$470,000 in funding for rehabilitation in 1994 as indicated in HACS Resolution 94-012 and RACS Resolution 94-057. The Agency recorded a 30-year regulatory agreement on the property on October 12, 1995. Sale of the property by the Housing Authority is permissible so long as the transferee agrees to be bound by the terms of the regulatory agreement.
- D. Without a permanent source of funding in place to operate the facility and without a current source of financing to rehabilitate the facility, the Housing Authority does not have the required resources to continue to operate Kelsey Village.
- E. Pre-development activities as described herein are in furtherance of the Oak Park Redevelopment Plan. Pre-development activities for the property do not commit the Agency to proceed with a development project and no specific project is currently contemplated. Pre-development activities do 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

Approval of Funding and Relocation Plan for Kelsey Village

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 REDEVELOPMENT AGENCY 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 Executive Director, or her designee, is authorized to amend the Agency Budget to transfer up to \$80,000 from the Stockton Boulevard Low/Moderate Housing Tax Increment funds to the Kelsey Village Project to carry out pre-development activities.
- Section 3. The Executive Director, or her designee, is authorized to execute contracts as needed to carry out predevelopment studies for a potential Kelsey Village redevelopment project.