

GARDEN GROVE CITY COUNCIL

RESOLUTION NO.

A RESOLUTION OF CITY COUNCIL OF THE CITY OF GARDEN GROVE APPROVING THE RELOCATION PLAN FOR THE SYCAMORE COURT AFFORDABLE HOUSING PROJECT WITH ACQUISITION AND REHABILITATION IMPLEMENTED BY THE DEVELOPER, 10632 BOLSA AVENUE, LP, AND MAKING CERTAIN OTHER FINDINGS IN CONNECTION THEREWITH

WHEREAS, the City of Garden Grove is a California municipal corporation ("City") and its legislative body is the City Council of the City of Garden Grove ("City Council");

WHEREAS, City is a participating jurisdiction with the United States Department of Housing and Urban Development ("HUD") that has received funds ("HOME Funds") from HUD under Title II of the Cranston Gonzalez National Affordable Housing Act (42 U.S.C. 12701 12839) and the HOME Program regulations codified at 24 CFR Part 92 ("HOME Program");

WHEREAS, 10632 Bolsa Avenue, LP is a California limited partnership, of which Mariman & Co., a California corporation is a co-general partner, and is referred to as the "Developer" herein;

WHEREAS, Mariman & Co. has entered into an agreement to purchase two (2) parcels of real property located at 10632 Bolsa Avenue in the City, which parcels are currently improved with seventy-eight (78) residential units in six (6) two story buildings ("Sycamore Court");

WHEREAS, the City and Developer are negotiating the terms of that certain *HOME Investment Partnership Affordable Housing and Loan Agreement (Sycamore Court Housing Project)* ("HOME Agreement"), and capitalized terms used in this Resolution are as defined in therein;

WHEREAS, if after separate consideration and discretionary action by the City Council, the HOME Agreement is approved, in connection with Developer and City's implementation of the HOME Agreement, the City will make the \$1.2M City Loan to Developer sourced from HOME Funds to facilitate Developer's acquisition, substantial rehabilitation and continued operation of Sycamore Court as affordable rental housing to be made available to and occupied by qualified and eligible very low income households and lower income households at an affordable rent ("Project");

WHEREAS, in addition to the City Loan (if the HOME Agreement is approved in the City Council's sole, separate discretion), Developer intends to undertake and complete the Project using multiple funding sources, which as of the date of preparation of the Relocation Plan described in this Resolution include: (i) Developer applied for and has received an allocation of 4% low income housing tax credits from the California Tax Credit Allocation Committee; (ii) Developer applied for and received a bond allocation from the California Debt Limit Allocation Committee for issuance of

multifamily housing revenue bonds to be issued by the California Public Financing Authority, the proceeds of which will be the institutional financing for the Project; (iii) Developer has applied to HUD under the federal Multifamily Assisted Housing Reform and Affordability Act of 1997 for renewal of the existing "mark-to-market" Section 8 housing assistance payment contract for 31 project-based vouchers at the Project, which application is pending with HUD; (iv) tax credit equity will be provided by the tax credit investor; and (v) the \$1.2M City Loan (together, "Project Funding Sources");

WHEREAS, due to the Project Funding Sources, when completed the Project will be subject to new income restrictions, occupancy and other affordable housing covenants, including that every tenant must qualify as a low income or very low income household, with annual gross income at or below sixty percent (60%) of the Area Median Income (AMI) for Orange County for the Low Income units and at or below fifty percent (50%) AMI for the Very Low Income units;

WHEREAS, due to the Project Funding Sources, in particular HOME Funds, the following relocation laws and regulations apply to implementation of the Project: (i) the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. 4201–4655, and the implementing regulations in 49 CFR Part 24, (ii) HOME Program and HOME Regulations, in particular Section 92.353, and (iii) the California Relocation Assistance Act, Government Code Section 7260, *et seq.* and the implementing regulations in Title 25, Section 6000, *et seq.* of the California Code of Regulations (together, "Relocation Law");

WHEREAS, the City and Developer have caused to be prepared a "Relocation Plan" in accordance with the applicable requirements of the Relocation Law, which plan will be administered by Laurin Associates, a division of Raney Planning and Management, an experienced professional relocation consultant ("Laurin") and overseen by City representatives;

WHEREAS, under the Relocation Law, specifically Section 6038 of the State guidelines, and in planning for implementation of the Project, copies of the draft Relocation Plan were delivered to the current tenant households at Sycamore Court at least 30 days prior to the plan being presented to the City Council and general notice thereof was provided in a manner designed to reach the occupants at Sycamore Court and the community, including: (i) posting of the Notice of Availability of the Relocation Plan ("Notice") on the City's official website; (ii) adding general info about the Notice on the "scroll" of the GG public access TV channel 3; (iii) posting the Notice at City Hall; (iv) posting the Notice at the City's main library; (v) posting the Notice at the Sycamore Court onsite manager's office, and (vi) complete copies of the Relocation Plan were provided to all households at Sycamore Court and copies were made available to the public at the front desk of the City Clerk's office and at the Sycamore Court onsite manager's office, all for not less than the past 30 days, which encouraged citizen participation in the relocation process;

WHEREAS, the Relocation Plan presents, among other provisions, the plans for and relating to the temporary relocation of the lawful and eligible occupant households at Sycamore Court;

WHEREAS, prior to the Relocation Plan being made available to the tenants and the public generally, Laurin caused to be prepared and issued to all tenant households at Sycamore Court letters called General Information Notices;

WHEREAS, before or during the 30-day review period, all tenant households were provided a Notice of Non Displacement letter because the Developer does not intend to displace permanently, and City is informed and believes that no tenants will be permanently displaced, because the Project involves substantial rehabilitation and temporary relocation that will occur in phases as the rehabilitation proceeds, so in compliance with the Relocation Law and as described in the Relocation Plan temporary relocation assistance and benefits will be administered by Laurin and paid for by Developer;

WHEREAS, as described in the Relocation Plan, due to the scope of rehabilitation work for the Project and the concern for each tenant's health, safety, and welfare, on a phased basis, the tenant households will be required to temporarily vacate their unit, which under the Relocation Law means displacement of twelve (12) months or less but here tenants will be displaced from their apartment unit for only about seven (7) days and thus well within the timeframe for temporary relocation;

WHEREAS, the City and Developer intend to comply with the Relocation Law, in particular Section 92.353 of the HOME Program regulations that provides as follows:

"(a) [the City as] the participating jurisdiction ... has taken all reasonable steps to minimize the displacement of persons ... as a result of [this] [P]roject assisted with HOME [F]unds. To the extent feasible, residential tenants must be provided a reasonable opportunity to lease and occupy a suitable, decent, safe, sanitary, and affordable dwelling unit in the building/complex upon completion of the project.

(b) Temporary relocation. ... residential tenants ... will not be required to move permanently but [will be] relocate[d] temporarily for the [P]roject ...[and will be] provided:

(1) Reimbursement for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including the cost of moving to and from the temporarily occupied housing and any increase in monthly rent/utility costs.

(2) Appropriate advisory services, including reasonable advance written notice of:

(i) The date and approximate duration of the temporary relocation;

- (ii) The location of the suitable, decent, safe, and sanitary dwelling to be made available for the temporary period;
- (iii) The terms and conditions under which the tenant may lease and occupy a suitable, decent, safe, and sanitary dwelling in the building/complex upon completion of the project; and
- (iv) The provisions of paragraph (b)(1) of this section.”

WHEREAS, in the event after this Relocation Plan is approved one or more tenant households are determined to be over-income or otherwise become or be deemed permanently displaced, then each such over-income household or other permanently displaced tenant will be provided permanent relocation assistance based upon the applicable requirements of the Relocation Law, and, if any of the above-described protections for households temporarily displaced fail, then a household may be determined to be permanently displaced and the applicable relocation assistance and benefits for permanent displacement will be provided;

WHEREAS, under the HOME Agreement, if approved by the City Council, Developer will assume all financial and administrative responsibilities to carry out the Relocation Plan and to pay for the relocation assistance and benefits to the tenant households at Sycamore Court; and

WHEREAS, by this Resolution, the City Council desires to approve the Relocation Plan and authorize the City Manager and his designees, to carry out the Relocation Plan, which authorization includes processing and payment of relocation claims, with payments made by Developer.

NOW, THEREFORE, BE IT RESOLVED by the City Council as the legislative body of the City of Garden Grove as follows:

Section 1. The foregoing recitals are a substantive part of this Resolution and fully incorporated herein.

Section 2. The City Council approves the Relocation Plan, attached hereto as Attachment 1, and fully incorporated by this reference, and authorizes the implementation of the Relocation Plan.

Section 3. In furtherance of such approval and authorization, the City Manager and his designees are authorized take all necessary actions and execute all documents necessary or appropriate to carry out the Relocation Plan. The City Manager is further authorized to the extent necessary during the implementation of the Relocation Plan to accept, process, and approve relocation claims, to provide interpretations and waivers, if necessary, to cause issuance of warrants related to the implementation plan, including consulting, legal, and other administrative costs incurred in connection therewith, and to administer obligations, responsibilities and duties to be performed under the Relocation Plan.

Section 4. A copy of the final, approved Relocation Plan shall be placed on file in the City Clerk's official records.

Section 5. The City Clerk shall certify to the adoption of this Resolution.

ATTACHMENT 1

Append full copy of Relocation Plan