



CITY COUNCIL AGENDA REPORT

MEETING DATE: 9/1/2020

DEPARTMENT: Community Development

SUBJECT:

THE RELOCATION PLAN FOR THE MOUNTAIN VIEW AFFORDABLE HOUSING COMMUNITY LOCATED AT 24551 RAYMOND WAY

RECOMMENDED ACTION(S):

Adopt a resolution entitled “A Resolution of the City Council of the City of Lake Forest, California, Approving the Relocation Plan for Mountain View Affordable Housing Community Located at 24551 Raymond Way (Portion of APN 617-441-02).”

EXECUTIVE SUMMARY:

At its meeting of August 18, 2020, the City Council approved the necessary entitlements to allow National Community Renaissance (“National CORE”) to construct the Mountain View Affordable Housing Community project, a 71-unit apartment complex (“Project”). The Project site is located near the northeast corner of El Toro Road and Raymond Way on a parcel that includes two existing office buildings addressed 24551 Raymond Way and 23591 El Toro Road. The Project includes the demolition of the existing office building at 24551 Raymond Way and the construction of a new building consisting of three and four-stories. Due to the demolition of the office building, the current tenants will need to be permanently relocated.

National CORE applied for various sources of affordable housing funding from federal, state, county, and city government specifically set aside for affordable housing. The City’s commitment is memorialized through an Affordable Housing Agreement and funds in the amount of \$3.7 million. Based on California law, when state and/or local funds are provided to a project which would lead to the displacement of people from their homes and/or business, the City must approve a Relocation Plan prepared by the applicant. The draft Mountain View Apartment Project Relocation Plan (“Relocation Plan”) was prepared in conformance with applicable provisions of the California Relocation Assistance Law and Relocation Guidelines and the Uniform Relocation and Real Property Acquisition Policies Act of 1970 (“URA”).

The Relocation Plan includes a description of the needs and the characteristics of the displaced businesses, available relocation resources, and the National CORE's Relocation Program to aid each affected person. National CORE must provide relocation benefits in accordance with federal and state statutes. Each business is eligible for a relocation payment to cover the reasonable costs of moving. This can be based on the actual reasonable cost of moving and related expenses or be a fixed payment in lieu of moving and related expenses. The total estimated cost for relocation-related payments for the Project, including a 10% contingency, is \$738,000. National CORE is responsible for making the relocation payments.

The Relocation Plan has been reviewed by the City Attorney's office and found to be in compliance with all state and federal regulations pertinent to relocation. Staff recommends that the City Council adopt a Resolution approving the Relocation Plan for the Mountain View Affordable Housing Community.

BACKGROUND:

On September 17, 2019, the City Council approved a funding commitment of \$3.7 million to National CORE for site acquisition for the development of an affordable housing project, subject to execution of an Affordable Housing Agreement including the terms and conditions presented to the Council. On August 18, 2020, the City Council approved a resolution for an Affordable Housing Agreement, and approved General Plan Amendment 12-19-5328, held first reading for Zone Change 12-19-5329, approved Revocation of Site Development Permits 12-13-3114, 10-13-3614, and 11-17-5106, Tentative Parcel Map 2020-138, Site Development Permit 12-19-5327, and Minor Planned Sign Program 04-20-5349 to subdivide a parcel and develop the Mountain View Affordable Housing Community. The project is located at 24551 Raymond Way and will include 71 affordable rental units. An existing office building will be demolished in order to construct the project. The current tenants within the office building will need to be relocated in accordance with state regulations.

National CORE anticipates funding for the Project will come from multiple financing sources, including housing in lieu fees from the City of Lake Forest, project-based Section 8 assistance from the County of Orange, Special Needs Housing Program ("SNHP") funds, Multifamily Housing Program ("MHP") funds, No Place Like Home funds, 4% tax credits and the Developer's predevelopment funds. As state and local funds will be used to finance the Project, state law requires that the City ensure that the Relocation Plan complies with all

requirements set forth in California Code of Regulations 25CCR 6038 and approves the Relocation Plan.

DISCUSSION:

Construction of the new apartment community will necessitate the demolition of the existing office building located at 24551 Raymond Way. The existing office building at 23591 El Toro Road will remain. Due to the necessary demolition of the existing office building, the current businesses in the office building will need to be permanently relocated. There are currently 16 businesses located within the building.

Based on California law, when state/local funds are provided to a project which would lead to the displacement of people from their homes and/or business, the Project applicant must prepare a Relocation Plan. The Relocation Plan accomplishes the following objectives (Attachment 1):

- Assesses the needs and characteristics of the displaced population;
- Identifies available relocation resources; and
- Sets forth a Relocation Program to aid each affected person.

National CORE engaged OPC, a firm specializing in facilitating commercial and residential relocation to prepare and administer a Relocation Plan. The Relocation Plan consists of two principal constituents: Advisory Assistance and Financial Assistance. The plan is designed to minimize hardship, be responsive to unique project circumstances, maintain personal contact with all affected individuals, consistently apply all regulatory criteria to formulate eligibility and benefit determinations, and conform to all applicable requirements.

National CORE was required to notify the office occupants of the Relocation Plan. Interviews with the operating businesses were conducted in November 2019 and again in July 2020. There are 16 non-residential occupants on the Project site with operating businesses. These known businesses who remain on the Project site consist of professional and medical service uses and one sportswear company office. Since there would not be special replacement site requirements for the businesses, other than the appropriate zoning and adequate space and parking, the businesses should be able to relocate into alternate office space in the area. Of the business owners interviewed, almost all indicated a desire to remain within Lake Forest or within five miles of the Project site.

National CORE owns the adjacent office building at 23591 El Toro Road where there are vacant and available tenant spaces. These tenant spaces will be

offered to each of the displacees. Additionally, National CORE will provide relocation benefits in accordance with California Relocations Assistance Law and the Relocation Assistance and Real Property Acquisition Guidelines adopted by the Department of Housing and Community Development. In accordance with these regulations, relocation benefits for eligible businesses include compensation for actual reasonable and necessary moving expenses or an in-lieu fixed payment. These benefits are available for up to 18 months after displacement, subject to necessary documentation. The total estimated cost for relocation-related payments for the Project, including a 10% contingency, is \$738,000. National CORE is responsible for making the relocation payments to the office tenants.

The Relocation Plan has been reviewed by the City Attorney's office and found to be in compliance with all state and federal regulations pertinent to relocation. Staff recommends that the City Council adopt a Resolution approving the Mountain View Affordable Housing Community Relocation Plan (Attachment 2). Approval of the Relocation Plan would authorize National CORE to implement the Relocation Plan. With implementation of the plan and the issuance of the applicable permits, National CORE could begin demolition of the existing building on the site for the Project.

FISCAL IMPACT:

There is no fiscal impact associated with the recommended action.

ATTACHMENTS:

1. Draft Relocation Plan
2. Resolution No. 2020-XX

Submitted By: Gayle Ackerman, Director of Community Development
Approved By: Debra Rose, City Manager