

# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Jacky Morales-Ferrand

**SUBJECT:** SEE BELOW

**DATE:** December 9, 2016

Approved

*D. D. S. L.*

Date

*12/9/16*

## INFORMATION

**SUBJECT: UPDATE ON THE RESERVE APARTMENTS RELOCATION EFFORTS**

### BACKGROUND

On February 23, 2016, the City Council approved the private redevelopment of The Reserve Apartments on Winchester Boulevard in District 1. The 216-unit complex is scheduled to be demolished in the spring 2017, and 640 new units with neighborhood-serving retail will be built in their place.

In April 2016, the property owner, Greystar, initiated a process to provide relocation assistance to all residents of The Reserve and additional financial benefits for households meeting certain qualifications. Everyone who was a resident at the property as of April 12, 2016, is eligible to be evaluated to receive financial assistance and all residents can benefit from relocation assistance in finding a new apartment. A number of tenants moved in after April 12, 2016, and they signed an acknowledgement that they are aware of the property closure and that they are not entitled to relocation payments. Greystar engaged Overland, Pacific & Cutler (OPC Services), a relocation assistance firm, to administer the qualification of residents for relocation payments and to interact with all residents on all matters related to their relocation.

The relocation benefits can be broken down into three categories: all tenants, low-income tenants, and tenants of a special population. Following is a summary of the relocation benefits offered to these groups of tenants:

#### *All Tenants*

- Early termination of the lease with 30 days' notice without penalty
- Full return of security deposit
- Access to relocation specialist for assistance in locating a new residence

***Low-income Tenants***

Additional relocation assistance offered to tenants at or below 80% of the Area Median Income. For example, a one-person household income cannot exceed \$59,400; or \$76,400 for a three-person household:

- Three months of current rent
- The opportunity to rent a similar-sized apartment at nearby rent-controlled Park Kiely Apartments (depending on availability) at the same rent, including deposit transfer

***Special Populations***

Additional relocation assistance offered to tenants with special circumstances, including any or all of the following: seniors (62+), persons with disabilities, and families with at least one dependent child living at the property:

- \$3,000 additional for each household

**ANALYSIS**

Extensive efforts have been made to communicate with the residents of The Reserve Apartments. Written notification of impending property closure with information on the relocation benefits program was mailed and affixed to front doors of all apartments on April 12, 2016. All residents have been provided a monthly update on the relocation process through the same means. Attempts have been made to reach each household by phone, email, and personal visits. Outreach will continue until the last resident finds a new home. Greystar and OPC are tracking the detailed status of each resident.

While this transition has been challenging for many people involved in the process, the Greystar team has been responsive to City requests and has made adjustments to make the relocation process as smooth as possible.

***As of November 21, 2016:***

- 90 households have contacted the relocation specialist;
- 55 households have moved out;
- Relocation payments made to date plus pending relocation payments made to a total of 24 qualifying households totals \$169,944;
- 88 households have not yet responded to outreach or asked for assistance;
- 5 income-qualifying households have taken advantage of the offer to move to Park Kiely at the same rent with others exploring this option.

Greystar began communicating with residents in April 2016. At that time, 205 units were occupied. After receiving information related to the relocation benefits available, some tenants self-determined they would not income-qualify for benefits, did not engage the relocation specialist, but moved out of their apartments on their own.

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The Housing Department is actively working with Greystar and OPC to identify housing choices for the remaining tenants at the Reserve Apartments. Outreach has been made to landlords of rent-controlled properties to let OPC know if they have vacant units available to tenants. Staff will continue to identify affordable housing options for the remaining tenants throughout the coming months.

**Next Steps**

The following are critical dates in the relocation process:

- On November 28, 2016, all tenants were issued an official Notice of Termination of Tenancy via Registered Mail
- All residents must move on or before April 1, 2017

Over the coming months there will be ongoing communication and support, including identifying rental opportunities based on residents' needs and preferences.

/s/

JACKY MORALES-FERRAND  
Director, Department of Housing

For questions, please contact Rachel VanderVeen, Rental Rights and Referrals Program Administrator, at (408) 535-8231.