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San Diego Housing Commission (SDHC) Relocation Assistance Program for Residents of Plaza Hotel

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SDHC – Relocation Assistance for Plaza Hotel Residents Introduction

- Plaza Hotel:
 - 185-unit Single-Room Occupancy residence
 - 1037 Fourth Avenue Downtown San Diego
- The property owner, 1037 Fourth Avenue, LLC, plans to convert the property from its current residential use to a hostel-hotel concept that offers lower-cost hotel lodging.





SDHC – Relocation Assistance for Plaza Hotel Residents City SRO Ordinance

- The proposed change of use of the Plaza Hotel is subject to the City of San Diego's (City) SRO Hotel Regulations.
- SDHC administers the City's SRO Hotel Regulations.
- The City's SRO Hotel Regulations are intended to minimize the adverse impact on displaced SRO hotel residents and the housing supply.
- Applicants proposing the demolition or conversion of an SRO Hotel are required to pay relocation expenses to long-term tenants (residency of 90 days or more).
- Plaza Hotel is exempt from the replacement requirements of the City's SRO Regulations.





SDHC – Relocation Assistance for Plaza Hotel Residents

Notice to Residents

- February 1, 2019: The Property Owner issued to residents a 60-Day Notice to Terminate Tenancy.
- SDHC learned of the notice from residents who came to SDHC looking for replacement housing.
- On the advice of SDHC’s General Counsel, the Property Owner rescinded the 60-day notice and is working with SDHC staff on the proper process for moving forward with their planned conversion of Plaza Hotel.
- February 25, 2019: The Property Owner filed with SDHC an Application for SRO Demolition, Conversion or Rehabilitation.
- SDHC staff is reviewing the application.





SDHC – Relocation Assistance for Plaza Hotel Residents

Notice to Residents (Continued)

- Upon completion of staff's review of the application, SDHC will approve new notices that the Property Owner will re-issue to residents:
 - Relocation Assistance Notice – benefits to which tenants are entitled:
 - Long-term tenants (at least 90 days): two months' rent plus a rent rebate equal to a maximum of \$210
 - Short-term tenants (30 – 90 days): technical assistance from SDHC to help locate decent, safe affordable housing opportunities
 - 60-Day Notice to Terminate Tenancy



SDHC – Relocation Assistance for Plaza Hotel Residents Relocation Program

- Relocation assistance required under SRO Hotel Regulations is anticipated to be insufficient to meet residents' needs to locate and secure comparable housing.
- SDHC will leverage skilled staff from the agency's Homelessness Prevention Program and Landlord Engagement and Assistance Program (LEAP) to create a relocation program for Plaza Hotel residents.
- Plaza Hotel residents are not at imminent risk of homelessness, but will have received 60-day notices to vacate.
- SDHC will tailor the program to most appropriately meet the needs of Plaza Hotel residents, which may not mirror the needs of a household at imminent risk of homelessness.





SDHC – Relocation Assistance for Plaza Hotel Residents Relocation Program (Continued)

- The SDHC program will operate under the principle of providing the minimum assistance necessary to prevent the household from becoming homeless (like the Homelessness Prevention program).
- Comprehensive assessments conducted to determine the needs of each household.
- Limited financial assistance provided for up to 185 Plaza Hotel residents who receive 60-day notices to vacate.
 - Fills the gap between the Property Owner’s relocation assistance required by the SRO Hotel Regulations, the resident’s own resources and the cost to secure comparable housing.
 - Minimum amount of financial assistance needed from SDHC to relocate to another unit.
- Housing location services through LEAP.





SDHC – Relocation Assistance for Plaza Hotel Residents Staff Recommendations

1. Authorize an amendment to SDHC's Fiscal Year (FY) 2019 Budget to allocate an amount not to exceed \$500,000 to fund the tenant relocation assistance program for current residents of the Plaza Hotel.
2. Authorize SDHC's President & Chief Executive Office, or designee, to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and to take such actions necessary and/or appropriate to implement this approval.
3. Authorize SDHC's President & CEO, or designee, to substitute funding sources for the proposed program, if necessary, without further action by the SDHC Board of Commissioners but only if and to the extent that funds are determined to be available for such purposes.





SDHC – Relocation Assistance for Plaza Hotel Residents

Questions & Comments

