

DATE ISSUED: August 2, 2000

REPORT NO.:

ATTENTION: Honorable Mayor and City Council
Docket of August 8, 2000

SUBJECT: Vietnam Veterans/Homeless Center - Condemnation

SUMMARY

Issue - Should the City Council authorize a condemnation action with an Order of Immediate Possession to acquire the property located at 4141 Pacific Highway, related to the subject homeless center program.

Manager's Recommendation - Authorize the condemnation action for the acquisition of the necessary property rights.

Other Recommendations - None.

Fiscal Impact - The estimated costs of condemnation include: value of the property to be acquired: \$1,750,000; title and anticipated litigation expenses: \$243,000; total: \$1,993,000. Funds for the acquisition, including litigation expenses, are available from HUD Section 108 Loan, Fund No. 18515, supplemented by \$1,000,000 of Horton Plaza Redevelopment Low and Moderate Housing Funds which were authorized for acquisition expenditure by Redevelopment Agency Resolution No. R-03192, and companion City Council Resolution R-293491, adopted July 18, 2000.

BACKGROUND

The City Council approved the Homeless Assistance Element of the Naval Training Center Reuse Plan on July 1, 1996, authorizing off-site transitional housing units in Council District 2. The City Manager was directed to work with the NTC Homeless Subcommittee to develop a financing and implementation plan for the continuation and expansion of transitional housing programs in the District. Acquisition and rehabilitation of the subject site, currently leased by the Vietnam Veterans of San Diego (VVSD), was determined to be a key segment of the Homeless Assistance Element, in that the purchase would ensure VVSD a permanent presence at their Pacific Highway location.

An offer for the necessary property rights has been made to the property owner, and he has rejected it. While the Real Estate Assets Department will continue to negotiate with the owner, condemnation authorization is requested to ensure possession of the property.

Eminent Domain Law requires that any person subject to condemnation proceedings be given the opportunity to speak and be heard regarding the following questions to which the Council must

address itself:

1. Does the public interest and necessity require the proposed project?

Yes. The acquisition of this property is necessary to assure its continuation as a transitional housing facility, and to implement part of the City's commitment pursuant to the Homeless Assistance Element of the San Diego Naval Training Center Reuse Plan.

Moreover, this acquisition would contribute toward meeting the City's low and moderate income housing needs as identified in the Housing Element of the General Plan, pursuant to Section 65583(c)(1) of the California Government Code.

2. Is the proposed project planned or located in the manner that will be most compatible with the greatest public good and the least private injury?

Yes. The property is currently utilized as a transitional housing facility for homeless Vietnam Veterans, and is in a location that is appropriate for such a use. The purchase of the property will enhance the long-term stability of the provider, Vietnam Veterans of San Diego, and enable it to expand services.

Vietnam Veterans of San Diego provides a range of drug and alcohol treatment services for homeless veterans to enable them to become productive members of society. The property was identified in the Homeless Assistance Element of the Naval Training Center Reuse Plan for acquisition by the City because the current lease between the property owner and the provider is unfavorable to the provider, and threatens their long-term stability. Acquisition by the City would enable the provider to remain at its current location indefinitely.

The Homeless Assistance Element was developed in order to comply with the provisions of the Base Closure Community Redevelopment and Homeless Assistance Act. Vietnam Veterans of San Diego qualifies as a provider of homeless services within the meaning of this Act. The specific provisions of the Homeless Assistance Element were developed as the result of negotiations between the City and the major providers of homeless services in San Diego.

3. Is the property sought to be acquired necessary for the proposed project?

Yes. Acquisition is necessary because the current lease between the property owner and the provider expires shortly. Provisions for the future use of the property are unfavorable to the provider, and would likely result in the provider not being able to continue its service at this site. Further, as a not-for-profit organization, the provider does not have the resources to buy out the owner directly. Because the provider is providing services deemed important to the

public welfare, the City has included the subject property in the Homeless Element of the Naval Training Center Reuse Plan.

ALTERNATIVE

Do not condemn for the necessary property rights, and require that the project be delayed and/or re-evaluated.

Respectfully submitted,

Submitted by: William T. Griffith
Real Estate Assets Director

Approved: George I. Loveland
Assistant City Manager

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