



STAFF REPORT

9/9/2025

AGENDA ITEM

**TO: HONORABLE MAYOR
AND MEMBERS OF THE CITY COUNCIL**

**FROM: CARLO TOMAINO
CITY MANAGER**

**BY: ALFA LOPEZ
ASSISTANT TO THE CITY MANAGER/ECONOMIC DEVELOPMENT MANAGER**

**SUBJECT: PROPOSED ADOPTION OF A RELOCATION PLAN AND A BUDGET ADJUSTMENT
TO PROVIDE RELOCATION ASSISTANCE FOR THE TENANTS OF 1975 EAST 21
STREET AND 2107 CHERRY AVENUE, SIGNAL HILL, CA 90755**

Summary:

On April 22, 2025, the City Council approved the acquisition of the properties located at 1975 East 21st Street and 2107 Cherry Avenue. The City's acquisition supports the Civic Center Master Plan in guiding future investments in open space and recreational facilities, and advances the City's long-term goal of acquiring housing units along the 21st Street block adjacent to Signal Hill Park. The City's property includes two residential units and one commercial unit.

Pursuant to State law, the City is required to provide relocation benefits and worked with a consultant, Monument Right of Way Services (Monument), to develop a Relocation Plan. Staff is requesting the City Council adopt a Resolution to approve the Relocation Plan and appropriate funds. The total cost of relocation benefits, as estimated by Monument, is \$123,167, which includes \$111,970 in benefits payments and a 10% contingency of \$11,197. The recommended actions also include a budget appropriation to cover the estimated cost of relocation assistance. Subject to City Council approval of the Relocation Plan, Monument would issue updated Notices of Eligibility and 90-Day Notices to Vacate in September 2025.

Strategic Plan Goal(s):

Goal No. 2 Community Safety: Maintain community safety by supporting public safety services and increasing emergency preparedness.

Goal No. 3 Economic & Downtown Development: Improve the local economy, support local businesses, and create a vibrant downtown core.

Goal No. 5 High-Functioning Government: Strengthen internal communication, recruitment,

retention, systems, and processes to increase the effectiveness and efficiency of City services.

Recommendation:

1. Adopt a Resolution, entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIGNAL HILL, CALIFORNIA, APPROVING A RELOCATION PLAN AND RELOCATION ASSISTANCE FOR THE TENANTS OF 1975 EAST 21 STREET AND 2107 CHERRY AVENUE, SIGNAL HILL, CA 90755.

2. Adopt a Resolution, entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIGNAL HILL, CALIFORNIA, AMENDING THE ADOPTED BUDGET AND AUTHORIZING BUDGET APPROPRIATIONS FOR FISCAL YEAR 2025-2026.

Fiscal Impact:

The formal adoption of the Resolution authorizes the City to begin providing relocation assistance to tenants based on the Relocation Plan (Attachment A). Approving the Relocation Plan includes authorization of the relocation budget and benefits (Attachment B).

Based on the assessment conducted by the City's relocation consultant, the total estimated benefits payment, including a 10% contingency, is \$123,167. The unbudgeted cost consists of benefits payments of \$111,970 plus a contingency of \$11,197. The recommended actions would require an appropriation totaling \$123,167. Staff proposes transferring the full amount from Park Reserve Fund (Fund 117) to Capital Improvement Reserve (Fund 113) and Capital Outlay (Fund 400); and prepare a Budget Adjustment Resolution (Attachments C and D). The costs associated with relocation benefits are not an isolated expense, but rather a component of developing the property for future recreational activities. Utilizing the Park Reserve Fund aligns legally with the fund's intended use, as this fund is intended to support park-related projects.

Background:

In 2021, the City adopted the Parks and Recreation Master Plan (2021-2031), and a Civic Master Plan in 2024, to guide future investments in public open space, recreational facilities, and civic infrastructure. The Civic Center Master Plan includes strategies for expanding and enhancing Signal Hill Park, as it serves as a central gathering place and is the only community park in the City. Signal Hill Park serves as the heart of the City's recreational and community programming, consistently drawing residents of all ages for special events, activities, and daily use. As community demand continues to grow for enhanced use and increased attendance, the existing park footprint limits opportunities to expand amenities and meet evolving recreational needs.

In August 2024, the owner of the property located at 1975 East 21st Street and 2107 Cherry Avenue (Property), identified by Assessor Parcel Numbers (APNs) 7215-013-012 and 7215-012-002, listed the property for sale. The Property is located at the intersection of Cherry Avenue and East 21st

Street, directly adjacent to Signal Hill Park (see Figure 1-Project Site Location). Situated within a mixed-use corridor, the Property is surrounded by civic buildings, residential neighborhoods, and open parkland, offering immediate access to community-serving amenities. The Property includes a two-story structure totaling approximately 2,080 square feet, consisting of 1,040 square feet of ground-floor commercial space and two, one-bedroom residential units on the second floor. All units are currently occupied and in active use.

In September 2024, the City Council authorized a letter of interest to the seller to begin negotiations for the acquisition of the Property. On April 22, 2025, the City adopted a Resolution approving a Purchase and Sale Agreement authorizing the acquisition of the Property (Attachment E). The City Council's authorization was followed by a publicly noticed Planning Commission meeting on April 24, 2025, during which the Planning Commission adopted a Resolution pursuant to Government Code §65402, confirming the acquisitions' consistency with the City's General Plan (Attachment F). Staff conducted the City Council and Planning Commission in compliance with the Ralph M. Brown Act and provided opportunities for community input.

Analysis:

The City purchased the property on June 26, 2025, and subsequently provided written notices to the tenants informing them of the acquisition. Under the terms of the Purchase and Sale Agreement, and in compliance with applicable State and Federal laws, including the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act and the California Relocation Assistance Act, the City is required to relocate existing tenants and cover eligible relocation and moving expenses. A public entity is required to adopt a Relocation Plan whenever it enters into an agreement for the acquisition of real property that would lead to the displacement of people from their homes. Federal, State, and local laws and regulations outline the requirements to which public entities must conform when undertaking real property acquisitions and relocation, including but not limited to:

- Federal Uniform Relocation and Real Property Acquisition Policies Act of 1970;
- California Code of Regulations, Title 25, Division 1, Chapter 6, Subchapter 1 (Relocation Assistance and Real Property Acquisition Guidelines) Section 6000, et. seq.; and
- California Government Code, Title 1, Division 7, Chapter 16 (Relocation Assistance), Section 7260, et. seq.

To comply with the mandated requirements, the City retained a professional consulting firm, Monument, to initiate relocation activities. The scope of work under the contract includes preparing a tenant relocation plan and providing support services related to the relocation of the tenants. Monument prepared the Relocation Plan, which outlines the advisory and financial assistance that will be provided to the tenants (Attachment B). The Relocation Plan must be adopted by the City Council to authorize the proposed assistance.

Tenant Outreach and Development of Relocation Plan

After the City Council's approval of the property acquisition on April 22, 2025, Monument began meeting with each tenant to provide updates regarding the status of the property acquisition, explain

the next steps in the process, and schedule subsequent meetings with the tenants to review individual relocation eligibility benefits and answer questions. As of the date of this agenda report, Monument has not yet been able to interview the commercial tenant. The Relocation Plan made preliminary assumptions based on the type and size of the business and anticipates that any comparable replacement site would need to accommodate similar square footage and use. On June 18, 2025, Monument staff hand-delivered General Information Notices and initial Notices of Eligibility, both in English and Spanish in accordance with State requirements.

Relocation Plan

Monument prepared the Relocation Plan to assess the relocation needs of the Property tenants, and the available residential replacement sites within Signal Hill and surrounding areas. Monument also ensured the potential eligibility calculation amounts for the determined placement of tenants into comparable units. The City made the Relocation Plan available for a 30-day public review period on its website beginning Thursday, July 24, 2025.

Assessment of Relocation Needs

The Relocation Plan identified the needs for the three tenants. Monument found that adequate replacement housing existed in the area for Property tenants and identified the total relocation costs based on a survey of the surrounding areas. The Relocation Plan outlines the calculation of each type of relocation benefit available to tenants. The estimated residential payments are modeled using 30% of income vs. comparable rent formula over 42 months. Eligible tenants may receive reimbursement for moving expenses and rent differential payments if they relocate to housing with higher rent than their current units.

Monument obtained information regarding household income during residential interviews to determine relocation assistance eligibility and the scope of benefits. Income level is a key factor in calculating rental assistance, down payment support, and other financial relocation aid. The State of California's Department of Housing and Community Development (HCD) annually publishes income limits by county and household size. For Los Angeles County, the 2025 Area Median Income (AMI) is \$106,600. Based on information obtained during the interview process, both residential households are preliminarily classified within the Low-Income category as defined by the State's 2025 income limits for Los Angeles County. This classification informs the level of relocation assistance offered and ensures that all identified replacement housing options meet affordability standards and are Decent, Safe, and Sanitary (DSS) in accordance with applicable regulations.

Residential interviews are used to identify each household's specific relocation preferences, helping relocation staff plan and identify suitable replacement housing. Affected households typically express interest in remaining within or near their current community to maintain continuity in employment, school enrollment, access to medical providers, and public transit. For this project, one household (Unit B) expressed a preference to remain in Long Beach or Signal Hill to preserve access to familiar community resources and school continuity. The other household (Unit A) expressed a preference to relocate to the City of Lakewood, located approximately four miles from the project site. The availability of rental units within the preferred geographic areas demonstrates that sufficient comparable replacement housing is currently available to meet the needs of the displaced households.

Based on statutory requirements, including household size and applicable assistance formulas, Monument has estimated total relocation budget at \$111,970, in addition to a 10% contingency of \$11,197, bringing the maximum projected cost to the City to \$123,167. The City Council's approval of the Relocation Plan is required to authorize relocation assistance. The final relocation payments will depend on the verified household income and composition, actual rent and utility costs for comparable units, and verification of business income and costs incurred. Adoption of the accompanying Resolution would support services as outlined in the plan.

Upon approval of the Relocation Plan by the City Council, Monument would administer the Relocation Program (as specified by the Relocation Plan). The Relocation Program is anticipated to take three months, following the approval of the Relocation Plan. As part of the project scope, Monument will provide administrative services to the Property tenants, including:

- Provide updated referrals to potential replacement sites of available residential units for lease and sale;
- Inspection of prospective units;
- Assistance with lease applications;
- Assistance with the arrangements of purchase of real property or the filing of requests for benefits or services; and
- Assistance in the preparation and submission of relocation assistance claims.

Conclusion:

On April 22, 2025, the City Council approved the acquisition of 1975 East 21st Street and 2107 Cherry Avenue. To comply with Federal, State, and local laws and the terms of the Purchase Agreement, the City and Monument prepared a Relocation Plan, containing the Relocation Program, which outlines the specific methodology to evaluate relocation benefits for the current property tenants. The formal adoption of the Resolution authorizes the City to begin providing relocation assistance to tenants based on the Relocation Plan. Approving the Relocation Plan includes authorization of the relocation budget and benefits. The allocation of benefits per tenant will be finalized based upon the additional interviews but will not exceed \$123,167 in total. If the City Council adopts the Relocation Plan, staff will issue updated Notices of Eligibility and 90-Day Notices to Vacate in September 2025. The earliest anticipated vacate date is December 2025, with all relocation expected to be completed by the end of that month.

Reviewed for Fiscal Impact:

Siamlu Cox

Attachments:

- A. Resolution Approving the Relocation Plan
- B. Exhibit A - Relocation Plan
- C. Budget Amendment Resolution
- D. Exhibit A - Budget Adjustment Status Report
- E. Resolution Approving the Purchase and Sale Agreement

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F. Planning Commission Resolution