

✓ EARTHQUAKE -- 1989

FEMA's quake aid still stalled

Dispute delays repair of residency hotels

By Bob Johnson
Special to the Mercury News

Five months after federal officials settled a discrimination lawsuit by agreeing to spend an estimated \$30 million to repair earthquake-damaged residency hotels, the deal remains tangled in legal disputes.

Applications for help in rehabilitating 1,800 low-income units throughout the Loma Prieta quake area have been submitted to the Federal Emergency Management Agency, but no funds have been released under the Feb. 23 agreement as arguments continue over which projects are entitled to how much aid.

The only project that FEMA has approved is a one-year extension of the 30-unit Volunteers of America emergency shelter at the Alameda Naval Air Station.

U.S. District Court Judge Eugene Lynch in San Francisco tried to cut through the wrangling on Monday during a closed-door session with attorneys from FEMA and the Coalition of Low Income Advocates, who filed the discrimination suit. They met to discuss sample projects from Santa Cruz, Oakland and San

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Legal Aid, FEMA fight over allocation of \$30 million

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Francisco.

Lynch previously ruled against FEMA claims that projects funded under the agreement should not be allowed to charge rent and that the agency should not be responsible for repair of pre-earthquake conditions of the hotels, many of which were built in the 19th century.

"They have not dispersed 1 cent under the agreement. They have decided to fight the agreement every step of the way," said Steve Ronfeldt, Alameda County Legal Aid Society's director of litigation.

Legal Aid attorneys from Alameda, San Francisco and Santa Cruz counties joined with other low-income legal advocates to file the suit. It charges that FEMA discriminated against the poor by denying aid after the Oct. 17 earthquake to residents who had been in single-room hotels less than 30 days and to families that were doubling up in homes.

Agreement stalled

FEMA representatives say that implementation of the agreement has been stalled by a series of court challenges by Legal Aid attorneys and by applications for funds for projects that are clearly ineligible under the settlement.

"We're not going to throw money down a rat hole. We're going to finance feasible projects that will add something to the community," said FEMA attorney adviser Ellen O'Neil.

O'Neil said FEMA has received numerous proposals that did not meet the 106-day completion requirement that the agency believes the agreement requires. Other proposals call for social and food services that are not mentioned in the agreement, O'Neil said.

After Monday's conference with Lynch, O'Neil estimated that final decisions on all requests for aid under the settlement could be made by the end of the summer unless there is further litigation.

Sample projects

The conference discussed in detail FEMA's obligation to pay for repairs on sample projects from each of the three earthquake struck counties.

✓ The 93-unit Palomar Hotel in Santa Cruz was discussed. Local officials also have submitted applications for help with repair of the St. George Hotel in Santa Cruz and the Jefsen and Resetar hotels in downtown Watsonville.

✓ For San Francisco County,

“We're going to finance feasible projects that will add something to the community.”

— Ellen O'Neil of FEMA

the conference focused on requests for support for two large shelters at Polk and Geary, and at Fifth and Bryant, under a provision of the agreement that allows one-year funding for housing if appropriate repair projects cannot be found.

✓ The conference discussed the 73-unit Woodrow Hotel around the corner from Oakland City Hall and the proposed conversion of the old City Hospital into a 72-unit transitional shelter. These proposals are among the 19 projects with 1,100 units that Alameda County has submitted.

"There's a light at the end of the tunnel where for the first time I see some housing coming out of this," said Alameda Legal Aid Society attorney Ken Zimmerman.

Other conferences have been scheduled for as late as the end of August, but the closed-door sessions could prove to be just a prelude to further legal disputes over interpretation of the settlement.

FEMA representatives maintain that funds should go only to projects that can be completed in 106 days, while Legal Aid attorneys say that should be a 148-day requirement. The uncertainty stems from the language of the February agreement.

Further disputes could also erupt over the issue of whether FEMA, in cases where rehabilitation is inappropriate, is responsible for funding a year's housing for second and third families who were displaced from a unit.

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he deal now pending is less y to taxpayers than an offer by t Bay officials earlier this year the Raiders accepted. That