

Residence for elderly half full

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Pre-quake tenants live elsewhere

By Paul Rogers
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Hampered by a hard-to-explain shortage of elderly tenants, the Palomar Inn, Santa Cruz's largest earthquake recovery project to date, is only half full after five months of operation.

The seven-story residence hotel on Pacific Avenue reopened to renters in July after undergoing a \$2 million renovation. A month ago, city leaders heaped accolades on the building during a formal reopening ceremony for its retail shops and centerpiece restaurant, the El Palomar.

But behind all the fanfare is a growing concern: Only 47 of the hotel's 99 rooms — competitively priced at \$332 a month — have been rented.

Some tenants left

Many elderly people left Santa Cruz after the quake. Others moved into mobile home parks or relatives' houses. Some have shied away from downtown because of construction inconveniences.

"It's a major problem right now," said owner David Kimmel of Burlingame. "We thought there'd be a waiting list. I don't know where all the seniors went."

Immediately after the quake, Santa Cruz's three primary residence hotels — the Palomar, the St. George and the Casa del Rey — were knocked out of business. County officials estimated 240 low-income, elderly residents had been displaced.

Kimmel raced to rebuild. He reasoned that by being the first to return, he would fill the Palomar quickly, turn a profit and soften a local crisis.

He and most redevelopment experts still expect the Palomar to fill, but not until sometime next year. Now, he is paying the price.

In an interview Monday, Kimmel said the Palomar needs to rent 20 more rooms to break even. Payments on the \$2 million loan from a private bank and the state's California Disaster Assistance Program, or CALDAP, are coming from his pocket.

Age requirement a hurdle

The main hurdle, according to some potential renters, is the hotel's minimum age requirement of 60.

Writer Marilyn Frankel, 58, went looking for a room three weeks ago.

Frankel found herself in between royalty payments on an upcoming gardening book. Tight for cash, she decided to rent her Santa Cruz house and move into the Palomar for a few months.

It took only a brief tour before she was ready to sign a lease.

"Some of the rooms are gorgeous, with beautiful views on the

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Residence hotel for elderly can fill only half its rooms

■ PALOMAR

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upper floors," she said. "But they said I didn't meet the age requirement. I couldn't believe it."

Palomar manager Ron Fredericks said he has turned away many 50-something tenants. He and Kimmel now are asking lenders to allow them to lower the age limit to 55.

Two years ago, state officials were eager to lend money for housing for the elderly because of the shortage. Fredericks, who will find out their decision in a few days, said an age limit of 55 would help tremendously.

He won't go any lower, however. "It just doesn't mix," he said. "Every time people have tried to mix seniors with low-income people who are 20, the seniors move out. They can't take the rock 'n'

roll."

The latest county study of Santa Cruz's earthquake-displaced elderly sheds some light on why rooms are empty at the Palomar.

Of the 240 low-income, elderly residents left homeless by the quake, 86 had found new housing in mobile homes or private apartments as of last January. Another 69 had alternate permanent housing, mostly with relatives; 44 had moved away; 10 had died; 10 lived in nursing homes; and the rest were unaccounted for.

In addition, moving is a bigger undertaking for 75-year-olds than for 45-year-olds or 25-year-olds, experts say.

"Many of these people have resettled," said Don Allegri, supervisor of the county's adult protective services. "They've been through a trauma and don't want to re-disrupt their lives."