



**SACRAMENTO  
HOUSING AND REDEVELOPMENT  
AGENCY**

*Agency Rpt*  
*49*

October 10, 1984

Sacramento City Council  
Sacramento, California

CITY MANAGER'S OFFICE  
**RECEIVED**  
**APPROVED**  
BY THE CITY COUNCIL  
OCT 17 1984

OCT 30 1984  
OFFICE OF THE  
CITY CLERK

Honorable Members in Session:

SUBJECT: Moratorium on Conversion of Single-Room Occupancy Hotels

SUMMARY

This report regards the proposed extension of the moratorium on conversion of single-room occupancy (SRO) hotels to other uses within the downtown area. The Downtown Redevelopment Citizens' Advisory Committee (DRCAC) and the Sacramento Housing and Redevelopment Commission (SHRC) recommended the extension of the moratorium until May 15, 1985, or until the adoption of the Updated Redevelopment Plan, whichever occurs first, with individual review of projects on a case-by-case basis. The staff concurs and recommends to the City Council, the adoption of the attached ordinance.

BACKGROUND

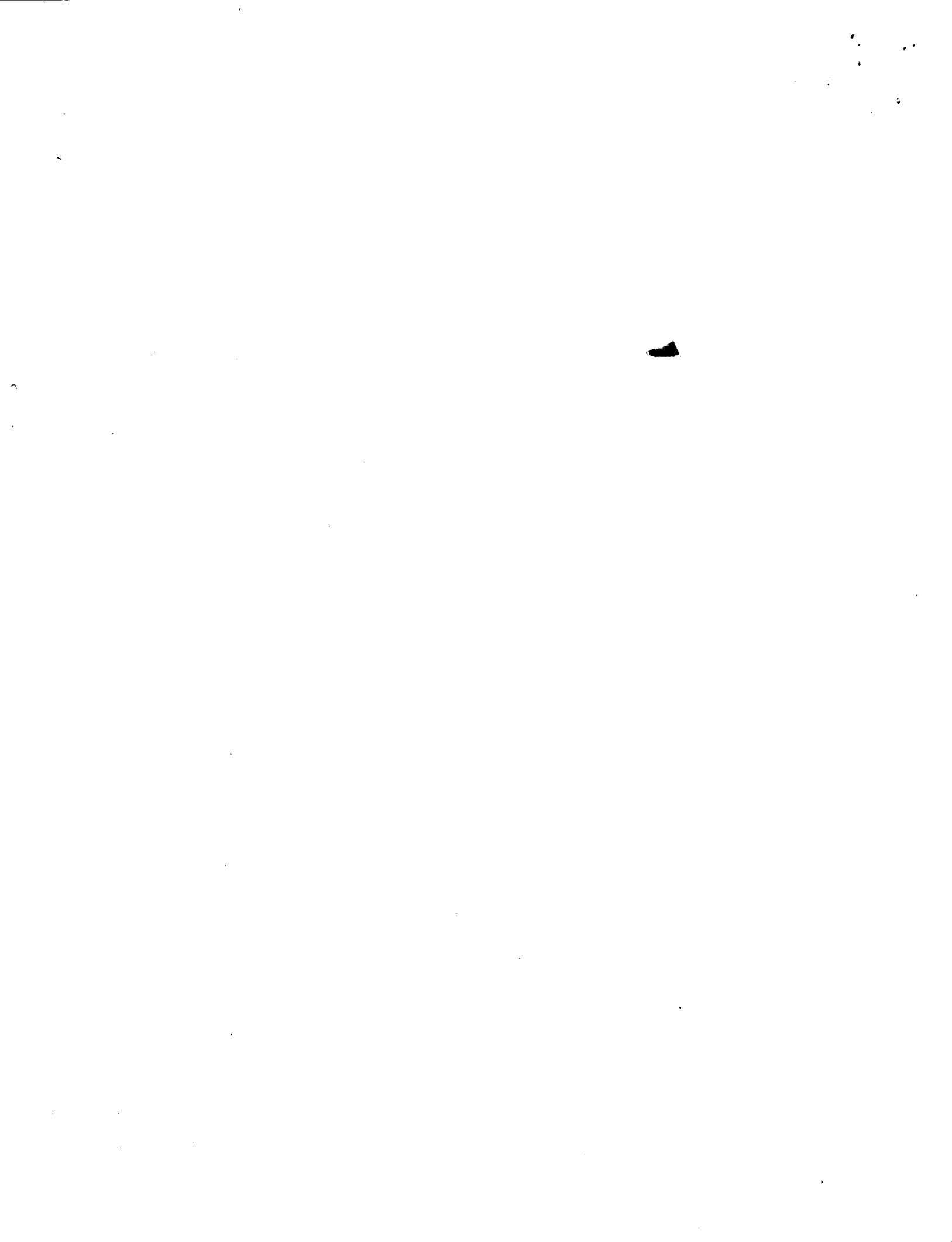
At a regular meeting of July 5, 1983, the City Council adopted Ordinance No. 83-078 (attached as Exhibit "A"), imposing a moratorium on the issuance of building permits for the conversion or demolition of SRO hotels downtown; the moratorium expired on June 30, 1984.

The basis of the moratorium was 1) the ongoing preparation of the Downtown Redevelopment Plan Update, and 2) the pending SRO hotel rehabilitation demonstration project. The Consultant's Redevelopment Strategy Report, recommending preservation efforts for most of the hotels, was completed on August 15, 1984. Review of this report has begun and adoption is expected by March of 1985, at which time a plan of action regarding housing and the SRO hotels will have also been adopted.

Since the adoption of the moratorium, the following actions with regard to downtown hotels have taken place:

1. An RFP was issued by the Agency, for a hotel rehabilitation demonstration project in the downtown area; the Sequoia Hotel has been selected as a candidate. A \$1 million dollar loan application has been submitted

10-30-84  
All Districts



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by the developer to the State Department of Housing and Community Development for assistance in renovation, to supplement Agency participation in the project. The HCD Loan has been approved and offered by HCD.

2. The Biltmore Hotel has been repaired and reopened, to provide 32 rooms of SRO housing in the downtown area, ranging in price from \$150 to \$180 per month.
3. The 82-room Royal Hotel has been closed because of a serious fire.
4. The owners and redevelopers of the Californian Hotel have approached the Agency, regarding the potential renovation of the Californian Hotel to residential and office spaces.
5. The 85-room Shasta/Argus Hotel has been rehabilitated and reopened as an SRO hotel; monthly rentals range from \$160 to \$180.
6. Inspections of all downtown residential hotels are being carried out on a twice-yearly basis.

The DRCAC has reviewed moratorium requests and plans for downtown hotels and will be the major review body for the update of downtown redevelopment plans. On June 6, 1984, the Committee considered the matter of the moratorium, and recommended the extension of the moratorium until May 15, 1985, "...or until the adoption of the updated Redevelopment Plan, whichever occurs first, with the recognition that the Agency should remain flexible enough to consider such reasonable interim proposals that facilitate long-term retention of significant numbers of housing units." A memorandum containing the Committee's recommendation is attached as Exhibit "B".

## FINANCIAL DATA

The level of Agency funding for the SRO hotel demonstration project (Sequoia Hotel) remains at \$300,000 and is not changed by this report. The fund for rehabilitation assistance loans for downtown hotels remains at \$200,000. Loan Program guidelines were approved on June 12, 1984, and announcements of the availability of the funds are being prepared. No additional funding is recommended by this report.

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## POLICY IMPLICATION

The action proposed in this staff report is consistent with previously approved policy and there are no policy changes being recommended.

## VOTE AND RECOMMENDATION OF THE COMMISSION

At their regular meeting of August 20, 1984, the Sacramento Housing and Redevelopment Commission approved Resolution SHRC 84-047, recommending the extension of the moratorium. The votes were as follows:

AYES: Amundson, Angelides, Lopez, Luttrell, Moose, Petit, Sanchez, Terramoto  
NOES: None  
ABSENT: Ose, Walton  
VACANCIES: One

## RECOMMENDATION

The staff recommends adoption of the attached ordinance, extending the moratorium on SRO hotels until May 15, 1985, or until the adoption of the Updated Downtown Redevelopment Plan, whichever occurs first, with review and approval of individual proposals on a case-by-case basis.

Respectfully submitted,

TRANSMITTAL TO COUNCIL:

Walter J. Slupe  
WALTER J. SLIPE, City Manager

AJP/VT:cmh

Andrew J. Plescia  
ANDREW J. PLESCIA  
Acting Executive Director

Contact Person: Thomas V. Lee

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# ORDINANCE NO. 84-108

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

AN ORDINANCE RELATING TO A MORATORIUM ON  
 THE ISSUANCE OF BUILDING PERMITS OR DEMOLITION PERMITS FOR CONVERSION OR DEMOLITION  
 OF SINGLE-ROOM OCCUPANCY HOTELS IN THE UPTOWN REDEVELOPMENT PROJECT AREA AND  
 DECLARING THIS ORDINANCE TO BE AN EMERGENCY MEASURE TO TAKE EFFECT IMMEDIATELY

APPROVED  
BY THE CITY COUNCIL  
 0030104  
OFFICE OF THE CITY CLERK

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO AS FOLLOWS:

SECTION 1. Purpose

The City Council desires to continue to prohibit, on an interim basis, the demolition or conversion of hotels provided for by Ordinance No. 83-078 for the reasons stated therein until the Downtown Redevelopment Plan update is completed and adopted, or May 15, 1985, whichever occurs first. The Council does, however, wish to provide a procedure for the approval of hotel conversions subject to the special permit review process where significant numbers of housing units will be retained, which units might provide housing for persons other than the elderly, disabled, or persons of low income.

SECTION 2. Imposition of Moratorium

(a) For a period ending May 15, 1985, or until the adoption of the Downtown Redevelopment Plan update, whichever occurs first, no building permit for the demolition of, or the conversion of a hotel which meets the following requirements shall be issued by the City of Sacramento, notwithstanding any other provision to the contrary in the Comprehensive Zoning Ordinance of the City of Sacramento, Ordinance No. 2550, Fourth Series as amended, or any other ordinance of the City of Sacramento:

- (1) The hotel has, within one year prior to or after the effective date of Ordinance 83-078, been used as a single-room occupancy facility; and
- (2) The hotel is located within the Uptown Redevelopment Project area, as defined in Exhibit A.

(b) Notwithstanding the provisions of subsection (a) of this section, a building permit may be issued for the conversion of a hotel to partially non-residential use(s) where the following requirements are met:

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(1) The hotel building after the conversion will contain seventy percent (70%) of the number of housing units which existed before the conversion, and

(2) A special permit is first granted for the conversion pursuant to Section 15 of the City of Sacramento Zoning Ordinance No. 2550, Fourth Series as amended.

### SECTION 3. Definitions

Unless the context clearly requires otherwise, the words defined herein shall have the following meanings:

(a) "Hotel" means a building designed for occupancy as a place of abode for individuals who are lodged with or without meals in which there are six or more guest rooms, and in which kitchen facilities are not provided in each individual room or suite. "Kitchen facilities" means a portion of each suite or room designed for use as a kitchen, and which includes a stove, a refrigerator and a sink other than a bathroom sink.

(b) "Single-room occupancy" means any hotel intended or designed to be used, or which is used, rented, hired out, to be occupied or which is occupied, for sleeping purposes by guests and which is also the primary residence of such guests. The term shall not include any hotel which is used by transient guests who do not occupy such hotel as their primary residence.

### SECTION 4. Emergency

This ordinance is hereby declared to be an emergency measure to take effect immediately. The facts constituting the emergency are the immediate need to protect the public health, safety and welfare by continuing in effect the moratorium provided by Ordinance 83-078 on the demolition or conversion of hotels in the Uptown Redevelopment Project area pending the completion and adoption of the Downtown Redevelopment Plan update. Market and economic factors which pointed to the conversion or demolition of downtown hotels at the time of the adoption of Ordinance 83-078 continue to pose an immediate threat to the supply of housing for elderly, disabled and low-income persons afforded by such hotels. Any further diminution in the remaining supply of such housing by the conversion or demolition of such hotels during the Plan update process will frustrate the objectives and purposes of that process unless, after the conversion, a significant number of housing units will be available for occupancy and the conversion itself is subject to the special permit review process contained in the City's zoning ordinance.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

## ORDINANCE NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

AN ORDINANCE IMPOSING A MORATORIUM ON THE  
ISSUANCE OF BUILDING PERMITS OR DEMOLITION  
PERMITS FOR CONVERSION OR DEMOLITION OF CERTAIN  
HOTELS TO OTHER USES, AND DECLARING THIS ORDINANCE  
TO BE AN EMERGENCY MEASURE TO TAKE EFFECT IMMEDIATELY

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO AS FOLLOWS:

### SECTION 1. Findings

On December 16, 1982, the Downtown Elderly and Transient Housing Task Force was established by joint action of the Board of Supervisors and the City Council, to study housing problems in the downtown area and to recommend potential short and long-term solutions.

On April 19, 1983, the Task Force issued its final report delineating its findings, conclusions and recommendations. That report came before the City Council on May 31, 1983, at which time the City Council adopted the recommendations contained in the final report.

"Solution No. I-2" contained in said report recommends the imposition of a moratorium on conversion or demolition of remaining downtown hotels used as single room occupancy dwellings by elderly, disabled and low income persons, pending the completion of the Downtown Redevelopment Plan Update, or one year, whichever is sooner.

The City Council finds that:

1. At the present time, there are seventeen operating hotels in the larger downtown area (census tracts 7, 10 and adjacent areas). Of these, fourteen are single room occupancy dwellings used by City residents who are elderly, disabled or low income persons.
2. In 1961, there were 78 hotels in the same area. Since then, two new transient hotels have been built and sixty-three hotels have been demolished or converted to other commercial uses. Within the past several years, six hotels used primarily for single-room occupancy have been closed.
3. Of the remaining fourteen hotels used as single-room occupancy dwellings, three are actively on the market for sale. An additional hotel has apparently been sold to a developer.
4. The impact of the trend evident from the diminishing number of hotels on housing in the downtown area wherein these hotels are located, is dramatic. Single-room occupancy hotels provided 3558 housing units in 1960, which comprised 88% of total housing units in the downtown area. In 1980, there were only 988 remaining single-room occupancy units: a net loss of 2570 housing units.

EXHIBIT A

5. Almost all of the 988 single-room occupancy facilities are occupied by non-transient City residents, many of whom are elderly or disabled. Median income is \$4,600 per year. Many pay over 30% of their income for rent.

6. The continued displacement of these persons by further reduction of the number of available single-room occupancy facilities, without provision of replacement affordable housing, is a problem which requires an empirical study leading to permanent solutions.

7. The Towntown Redevelopment Plan Update study, presently being conducted by John M. Sanger Associates, Inc., consultants, has included as an element of the work program the role of single-room occupancy hotels in the study area, in terms of their social and housing functions, their physical condition, and their impact on larger revitalization efforts. Options such as rehabilitation, conversion/demolition or maintenance of the facility are being evaluated.

8. Notwithstanding the number of available office units in the downtown area, there is mounting market pressure to convert or demolish the fourteen remaining hotels, as they are located in the prime downtown area for office space purposes.

9. Additionally, on May 31, 1983, at the time the final report of the Task Force was adopted, the City Council approved the establishment of a demonstration project to be implemented by Sacramento Housing and Redevelopment Agency. One of the objectives of that project will be to explore the feasibility of ownership or operation of a single-room occupancy hotel by a non-profit organization.

10. In order to protect the public health, safety and welfare, a moratorium on the issuance of building permits for conversion of the hotels in question to other commercial uses, and on the issuance of demolition permits to remove them, pending the consultant's study and pending other efforts such as the demonstration project, is required. A moratorium will preserve the status quo and prevent frustration of the Task Force recommendations, and of the purposes of the Downtown Redevelopment Plan Update process.

11. The moratorium period required to accomplish those objectives is one year, or until the Plan Update is approved, whichever is sooner.

## SECTION 2. Imposition of Moratorium

For a period of one year from and after the effective date of this ordinance, or until the Downtown Redevelopment Plan Update is approved, whichever is sooner, no building permit for demolition of,



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or the conversion of a hotel which meets the following requirements shall be issued by the City of Sacramento, notwithstanding any other provision to the contrary in the Comprehensive Zoning Ordinance of the City of Sacramento, Ordinance No. 2550, Fourth Series, as amended, or any other ordinance of the City of Sacramento:

(1) The hotel has, within one year prior to or after the effective date of this ordinance, been used as a single-room occupancy facility; and,

(2) The hotel is located within the Uptown Development Project area, as more specifically defined in Exhibit "A".

SECTION 3. Definitions

Unless the context clearly requires otherwise, the words defined herein shall have the following meanings:

(a) "Hotel" means a building designed for occupancy as a place of abode for individuals who are lodged with or without meals in which there are six or more guest rooms, and in which kitchen facilities are not provided in each individual room or suite. "Kitchen facilities"-means a portion of each suite or room designed for use as a kitchen, and which includes a stove, a refrigerator and a sink other than a bathroom sink.

(b) "Single-room occupancy" means any hotel intended or designed to be used, or which is used, rented, hired out, to be occupied or which is occupied, for sleeping purposes by guests and which is also the primary residence of such guests. The term shall not include any hotel which is used by transient guests who do not occupy such hotel as their primary residence.

SECTION 4. Emergency

This ordinance is hereby declared to be an emergency measure to take effect immediately. The facts constituting the emergency are the immediate need to protect the public health, safety and welfare by preserving the remaining supply of low income housing in the downtown area for elderly, disabled and low income persons, pending the completion of the Downtown Redevelopment Plan Update. Market and economic factors which point to conversion or demolition of downtown hotels pose an immediate threat to the supply of such housing. Any further diminution in the remaining supply of such housing by the conversion or demolition of hotels in the downtown area during the Plan Update process will frustrate the objectives and purposes of that process.

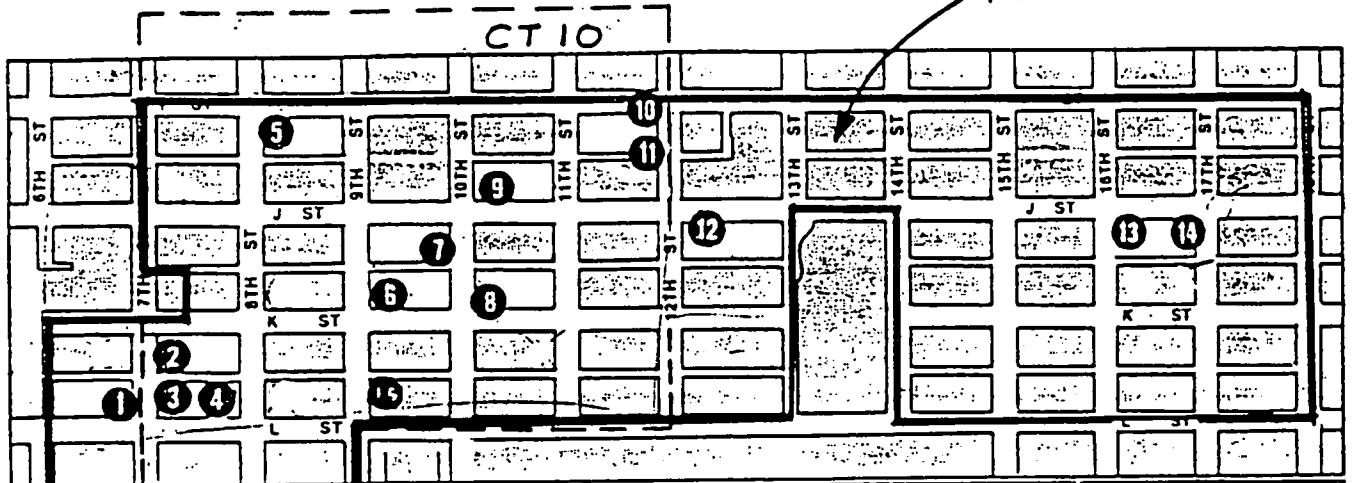
ENACTED:  
EFFECTIVE:

ATTEST:

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CITY CLERK

PROJECT AREA 8



1 MARSHALL 95	4 BERRY 116	7 GOLDEN 26	10 CONGRESS 33	13 HULL 9
2 FLAGSTONE 46	5 CALIFORNIAN 112	8 ARGUS-SHASTA 85	11 RIDGEWAY 48	14 CLINTON 15
3 ROYAL 82	6 SEQUOIA 87	9 BILTMORE 34	12 WENDELL 18	15 CAPITOL PARK 180

ROOM TOTAL 986

# Residential Hotels Affected By Moratorium

7/1/83

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RESOLUTION NO. SHRC- 84-047

ADOPTED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION UNDER THE AUTHORITY DELEGATED TO THE COMMISSION PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE, SECTION 33202 BY RESOLUTION NO. RA 81-083 ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO ON OCTOBER 20, 1981, AND BY RESOLUTION NO. RA-83 ADOPTED BY THE REDEVELOPMENT AGENCY OF THE COUNTY OF SACRAMENTO ON OCTOBER 27, 1981, AND PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34292 BY RESOLUTION NO. HA 81-098 ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO ON OCTOBER 20, 1981, AND BY RESOLUTION NO. HA-1497 ADOPTED BY THE HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO ON OCTOBER 27, 1981.


ON DATE OF

August 20, 1984

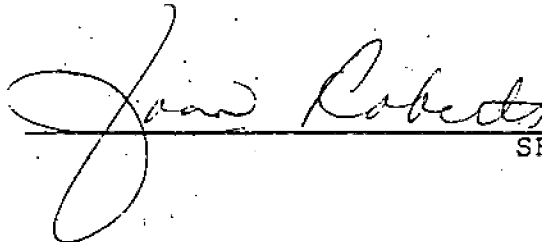
RESIDENTIAL HOTEL MORATORIUM

BE IT RESOLVED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION:

Section 1. The Commission recommends that the City Council extend the existing stay on conversions of SRO Hotels for one year, until May 15, 1985, or until the adoption of the Updated Redevelopment Plan, whichever occurs first, but providing that the City will consider such reasonable interim proposals that facilitate long term retention of significant numbers of housing units. In the interim, the City Building Inspection Division should continue their quarterly inspection program to assure that existing SRO Hotels maintain minimum code standards for the safety of the hotel residents.

  
CHAIRPERSON

ATTEST:

  
SECRETARY

June 20, 1984

MEMORANDUM

TO: Sacramento Housing and Redevelopment Commission,  
Sacramento City Council

FROM: Downtown Redevelopment Citizen's Advisory  
Committee

SUBJECT: Moratorium on conversion of SRO Hotels

The Downtown Redevelopment Citizen's Advisory Committee has reviewed the proposed extension of the moratorium on conversion of SRO Hotels. The Sanger Report identifies and the Committee agrees with the need to retain and increase the housing stock in the Downtown Redevelopment Project areas. Based upon the review of these needs and other information provided, the Subcommittee recommends the approval of the following policies:

1. The existing stay on conversions of SRO Hotels should be extended for one year, until May 15, 1985, or until the adoption of the Updated Redevelopment Plan, whichever occurs first with the recognition that the Agency should remain flexible enough to consider such reasonable interim proposals that facilitate long term retention of significant numbers of housing units. In the interim, the City Building Inspection Division should continue their quarterly inspection program to assure that existing SRO Hotels maintain minimum code standards for the safety of the hotel residents.
2. Management policies for use in the SRO Hotels should be developed to provide appropriate programs and actions which separate living accommodations of the transient and non-transient hotel residents.
3. The concept of increased funding for ancillary social services for residents of the SRO Hotels should be supported and included within the context of the final redevelopment plan documents.
4. The use of "Section 8" Certificates to assist residents of SRO Hotels and to expand housing opportunities should be supported.
5. The Agency should take actions to inform and educate hotel owners regarding various programs and assistance available to rehabilitate or otherwise improve the conditions of the SRO Hotels.

EXHIBIT C

6. The Agency should continue existing City policy of providing relocation assistance to Hotel residents displaced because of economic conditions. The Agency and CADA should continue to work closely together to increase the available affordable housing stock close the the CBD.

The Downtown Redevelopment Citizen's Advisory Committee met on June 6, 1984 and voted to recommend the adoption of these policies and ask that they be included in the Phase II Redevelopment Strategies. The vote of the Committee was as follows:

AYES: Sandman, McCain, Ose, Shore, Springwater, Simon, Cathcart, Olson.

NOES: Whelan, Harris, Corum, Evanson, Grebitus, Stanionis, MacMillan.

Respectfully Submitted,



David M. Shore, Chairman  
Downtown Redevelopment Citizen's  
Advisory Committee

DMS/DO/vgt