



REPORT TO COUNCIL
City of Sacramento
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www.CityofSacramento.org

Receive and File
March 20, 2012

Honorable Mayor and Members of the City Council

Title: Annual Report on Residential Hotels

Location/Council District: Citywide

Recommendation: Receive and File

Contact: Christine Weichert, Assistant Director, Development Finance, 440-1353;
 Jeree Glasser-Hedrick, Program Manager, Development Finance, 440-1302

Presenters: Not Applicable

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: City Code Chapter 18.20 (Relocation Benefits Pertaining to Residential Hotel Unit Conversion or Demolition) and City Ordinance 2006-056 (Ordinance) requires that 712 residential hotel or comparable units be maintained within the City of Sacramento.

The Sacramento Housing and Redevelopment Agency (SHRA) is required to provide an annual report to the Sacramento Housing and Redevelopment Commission and City Council on the number of residential hotel units withdrawn, the number of new units expected based on approved replacement housing plans, and the number of units constructed in anticipation of conversions or withdrawals. The ordinance pertains to 10 residential housing developments located in downtown Sacramento (Location Map – Attachment 1).

In order to comply with the Ordinance reporting requirements, SHRA sent correspondence in December 2011 to the owners of residential hotels subject to the Ordinance. The package included a summary of the owner's obligations under the Ordinance and an annual certification on the status of the residential hotel.

Annual Report on Residential Hotels

Current Conditions

There are five residential hotels regulated by SHRA and subject to the Ordinance including the Studios at the Hotel Berry, the Ridgeway, the Sequoia, the Shasta and the YWCA. Additionally the 7th and H project is regulated and will serve as replacement housing units pursuant to the Ordinance.

- The 32-unit YWCA was renovated in 2010.
- The 104-unit Studios at the Hotel Berry is under renovation with completion anticipated by June 2012.
- The 58-unit Ridgeway Hotel owner has submitted a funding and conversion application to renovate the hotel into 22 affordable SRO units.
- The 80-unit Shasta Hotel owner renovated in 1994.
- The 90-unit Sequoia Hotel owner renovated in 1985.
- The 150-unit 7th & H project's estimated completion date is December 2012.

In addition to the five SHRA regulated residential hotels, the Wendell Hotel received conversion approval to withdraw 19-units in 2009, and there are four non-regulated residential hotels subject to the Ordinance including the Capitol Park, the Congress, the Golden, and the Marshall.

Since last year's report, occupancy has increased or remained the same in nine hotels (regulated and non-regulated residential hotels) with only one hotel having a slightly higher number of vacant units.

Overall, the non-regulated hotels vacancy rate of 7% to 33% is much higher than the regulated hotels vacancy rate of 7% to 11%. This assessment does not factor in two vacant regulated residential hotels (one is under renovation and the other is in the process of obtaining funding for renovation).

Withdrawn / Replacement Housing

Since the last annual report, no SRO residential hotel units have been formally withdrawn. However, the owner of the Ridgeway Hotel has submitted a Conversion Certificate application to withdraw 36 units in order to renovate and reconfigure the hotel into 22 affordable studio units.

A separate SHRA staff report requesting authority to withdraw 36 units at the Ridgeway Hotel and to utilize the 7th and H project as the source of replacement housing units is being brought forward concurrent with this report.

The Marshall Hotel owner notified SHRA of their continued intention to apply for the withdrawal of 95 SRO units in order to proceed with the adaptive reuse of the hotel in the future.

The 7th & H SRO project has been identified as a site for the 131 replacement housing units resulting from the Conversion application by the Ridgeway Hotel and planned withdrawal of the Marshall Hotel.

Annual Report on Residential Hotels

Boulevard Court

Additionally, information on the 75-unit Boulevard Court project completed in 2011 is included in the Certification Summary – Attachment 3. Pursuant to the project’s special permit and Council Resolution 2008-526, the annual report required for the project is to be included in this annual report.

A list of the residential hotels covered by the Ordinance with the results of the annual certification is included as Attachment 2.

Policy Considerations: This report complies with the requirement of City Code Section 18.20.60, which requires an annual report on the number of residential hotel units withdrawn, the number of new units expected based on approved replacement housing plans, and units constructed in anticipation of conversions or withdrawals.

Environmental Considerations:

California Environmental Quality Act (CEQA): The specific actions herein consist of the filing of a report and are not a project as defined by the California Environmental Quality Act (CEQA) [CEQA Section 21065 and CEQA Guidelines Section 15378 (b)(5)].

Sustainability Considerations: Not Applicable

Other: Not Applicable

Committee/Commission Action: *Sacramento Housing and Redevelopment Commission:* This report was reviewed by the Sacramento Housing and Redevelopment Commission as an information only item on March 7, 2012.

Rationale for Recommendation: Not applicable; receive and file.

Financial Considerations: None

M/WBE Considerations: The items discussed in this report have no M/WBE impact; therefore, M/WBE considerations do not apply.

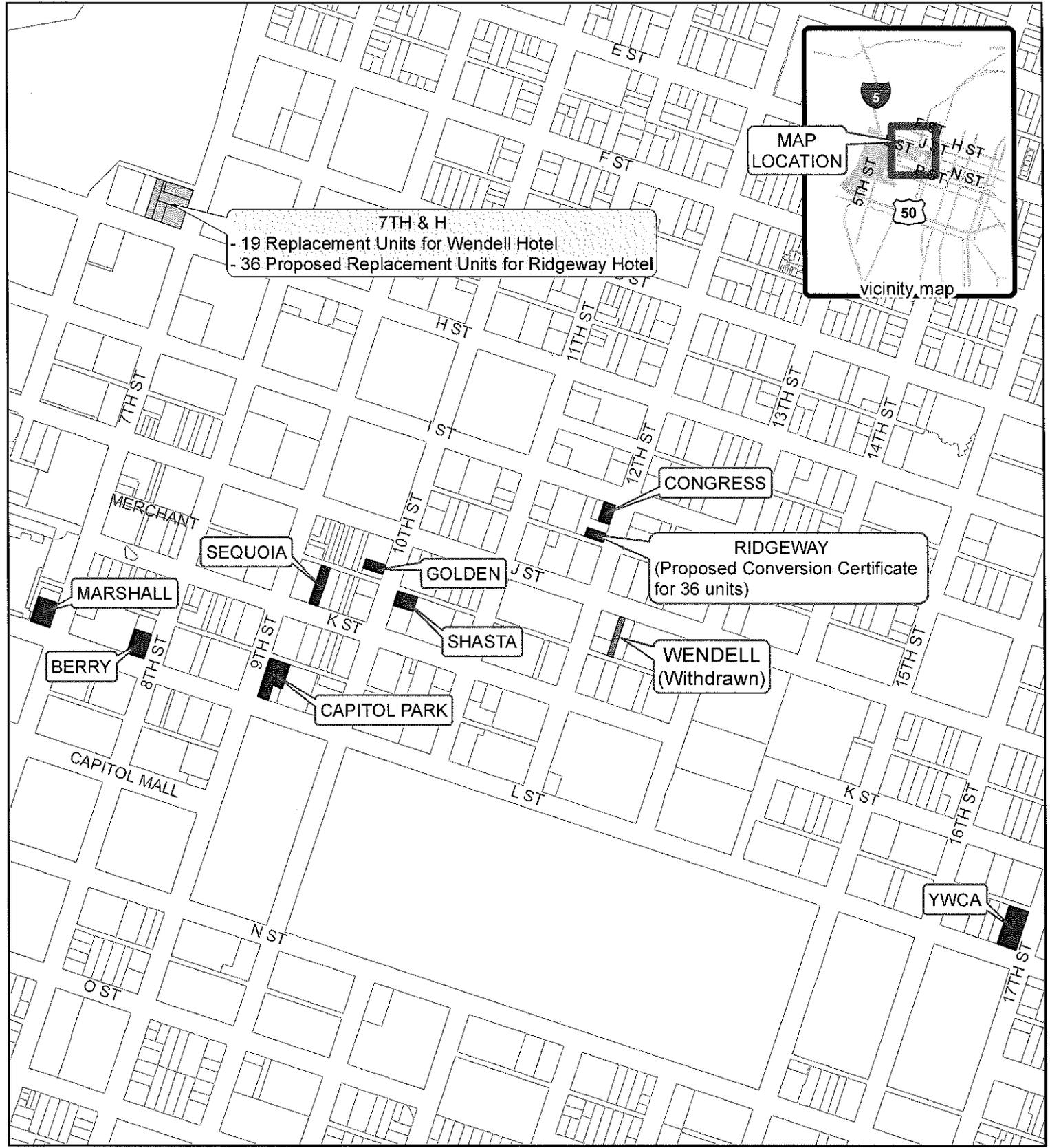
Respectfully Submitted by: 
LA SHELLIE DOZIER
Executive Director

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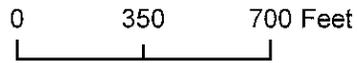
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Residential Hotels Identified in City Code Chapter 18.20 Subject To, Withdrawn and /or Replacement Units



	Withdrawn Unit		Replacement Housing Site
	Residential Hotel Included In Ordinance		



SHRA GIS
February 14, 2012



Residential Hotel Certification Summary 2012

March 20, 2012

Property	Address	Subject to Ordinance	Planned Change In Use	Total Number Units	Approved Withdrawn Units	Approved Replacement Units	Total Number Vacant Units	Mthly Rent w/ Bath	Mthly Rent w/o Bath	Resident Services	Agency Reg. Agmt.	Comments
Berry Hotel	729 L St.	Yes	No	105	0	0	105	\$399-\$599	N/A	Yes	Yes	Renovation completion anticipated by June 2012.
Capitol Park Hotel	1125 9th St.	Yes	No	180	0	0	60	\$515	\$495	*	No	
Congress Hotel	906 12th St.	Yes	No	27	0	0	9	\$525	\$500	*	No	
Golden Hotel	1010 10th St.	Yes	No	26	0	0	2	N/A	\$380	*	No	
Marshall Hotel	1122 7th St.	Yes	Yes	95	0	0	30	\$490	\$485	*	No	Owner notified SHRA of intention to withdraw 95 units for future adaptive reuse. 7th & H will provide the 95 replacement units.
Ridgeway Hotel	912 12th St.	Yes	Yes	58	0	0	58	N/A	N/A	N/A	Yes	Owner submitted Conversion Application for 36 units to renovate property into 22 studio units. 7th & H will provide the 36 replacement units.
Sequoia Hotel	911 K St.	Yes	No	90	0	0	10	\$410	\$385	*	Yes	
Shasta Hotel	1017 10th St.	Yes	No	80	0	0	6	N/A	\$406	*	Yes	
YWCA	1122 17th St.	Yes	No	32	0	0	0	\$588	\$298	*	Yes	
7th & H Project	625 H St.	Replacement Units	No	150	0	19	N/A	\$266-\$666	N/A	Yes	Yes	Under construction & anticipated completion by December 2012. 150 replacement units for the withdrawn Wendell (19), proposed withdrawal Ridgeway (36) & anticipated withdrawal Marshall (95).
Wendell Hotel	1208 J St.	No	N/A	N/A	19	0	N/A	N/A	N/A	N/A	No	Approved Conversion Certificate and Replacement Housing Plan for 19 units at 7th & H.

Total Units Subject To Ordinance & Replacement Units **824**
Total Units Approved Withdrawn **19**
Total Units Anticipated Withdrawn **131**
Total Units **712**

* Downtown SRO Collaborative Services provided by TLCS



Boulevard Court Certification Summary

March 20, 2012

Property	Address	Planned Change In Use	Total Number Units	Total Number Vacant Units	Mthly Rent w/ Bath	Resident Services	Agency Reg. Agmt.	Comments
Boulevard Court	5321 Stockton Blvd	No	75	0	\$266	Yes	Yes	Project completed in June 2011.