



**Sacramento
Housing &
Redevelopment
Agency**

REPORT TO COUNCIL
City of Sacramento
 915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

PUBLIC HEARING
June 26, 2007

**Honorable Mayor and
Members of the City Council**

Title: Residential Hotel Cooling Program

Location/Council District: Central City, Districts 1 and 3

Recommendation: Adopt a **City Council Resolution** authorizing the establishment of the Residential Hotel Cooling Program for residential hotels within the Merged Downtown Redevelopment Area, 2) amending the 2007 Community Development Block Grant (CDBG) One-Year Action Plan to reprogram \$600,000 from the 2007 CDBG Capital Reserve Fund to the Residential Hotel Cooling Program, 3) amending the 2007 Agency budget to decrease CDBG Capital Reserve fund and appropriate the funds as noted above, and 4) authorizing the Sacramento Housing and Redevelopment Agency to execute all necessary agreements and contracts and to take all other actions to implement the Program and to carry out the recommended activity in this report.

Contact: Jim Hare, Assistant Director, Housing and Policy Development, 916-440-1313

Presenters: Katherine Klein McFadden, Management Analyst, Housing Policy and Development

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: This report recommends the creation of a program to address the lack of adequate cooling in residential hotels located in the downtown area of the City of Sacramento (Attachment 2). The proposed Residential Hotel Cooling Program is in response to City of Sacramento Ordinance 2006-050 adopted on September 5, 2006 which requires all existing and future residential hotel owners or operators in the City of Sacramento with six or more rooms to provide either a Cooled Room or Cooling Facilities. The purpose of the Ordinance is to improve the living conditions and protect the health and safety of low-income, elderly, and mentally and physically disabled residents of Sacramento. The program will offer a no-interest, deferred payment loan for a non-portable, permanent installed air cooling system for either a Cooled Room or Cooling Facilities in eligible residential hotels in the Merged Downtown Redevelopment Area. As defined by

Residential Hotel Cooling Program

Sacramento Municipal Code: "Cooling Facilities" means equipment, appliance, devices or systems capable of cooling every residential hotel unit at a maintained unit temperature of eighty (80) degrees Fahrenheit or less at a point of three feet above the floor. "Cooled Room" means a space or spaces provided by the residential hotel owner or operator within the residential hotel of not less than 20 square feet per residential hotel tenant, open to all residential tenants 24 hours per day from June 1st through September 30th of every year with a maintained temperature of eighty (80) degrees Fahrenheit or less at a point of three feet above the floor.

The term of the loan will be 10 years or the expected life of the installed air cooling system, whichever is greater. The loan will be secured by a deed of trust between the residential hotel owner and the Agency. The loan shall become due and repayable upon property sale, transfer or change of use. The goal of the Residential Hotel Cooling Program is to ensure residential hotels are able to comply with Ordinance 2006-050 and continue to provide permanent housing for very low-income persons. Applications will be reviewed for eligibility under program criteria (as described in Exhibit A to the resolution) and CDBG guidelines, and will be prioritized based on need. Applications will be accepted from July 1, 2007 to July 1, 2008.

Policy Considerations: The actions recommended in this report are consistent with the Agency policy of providing resources for low-moderate income housing for CDBG eligible activities in redevelopment areas in the City of Sacramento.

Environmental Considerations: The proposed action is exempt from environmental review under the California Environmental Quality Act ("CEQA") Guidelines Section 15301(a), (d) and (e) which exempts rehabilitation of existing facilities to upgrade the structures and meet public health and safety standards. Therefore, the proposed action is categorically excluded from environmental review under the National Environmental Protection Act ("NEPA") pursuant to 24 CFR Section 58.35(a) (3).

Committee/Commission Action: *Sacramento Housing and Redevelopment Commission:* At its meeting of June 20, 2007, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. SHRA staff will brief the Council on the results of this meeting on June 26, 2007.

Rationale for Recommendation: Residential hotels provide permanent housing for very-low income and elderly persons. The proposed Residential Hotel Cooling Program would assist residential hotel owners to provide either a cooled room or cooling facilities in eligible residential hotels. The program will improve the living conditions and protect the health and safety of residential hotel residents and help assure that these units stay online to provide permanent housing to this very-low income population.

Residential Hotel Cooling Program

Financial Considerations: Staff recommends allocating \$600,000 from the CDBG Capital Reserve fund for the Residential Hotel Cooling Program. Staff expects that the program can fund air cooling systems for either a Cooled Room or Cooling Facilities for five downtown residential hotels.

M/WBE Considerations: Agency Minority and Women owned Business Enterprise requirements will be applied to all activities to the extent required by federal funding.

Respectfully Submitted by: 
ANNE M. MOORE
Executive Director

Recommendation Approved:

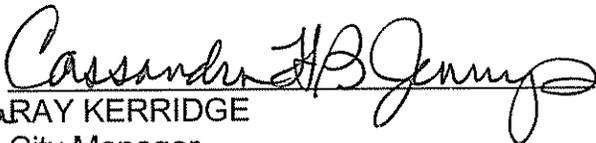

RAY KERRIDGE
City Manager

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Background – Residential Hotel Cooling Program

The City adopted Ordinance 2006-050 on September 5, 2006, to require cooling and notice of cooling centers in residential hotels in the City of Sacramento.

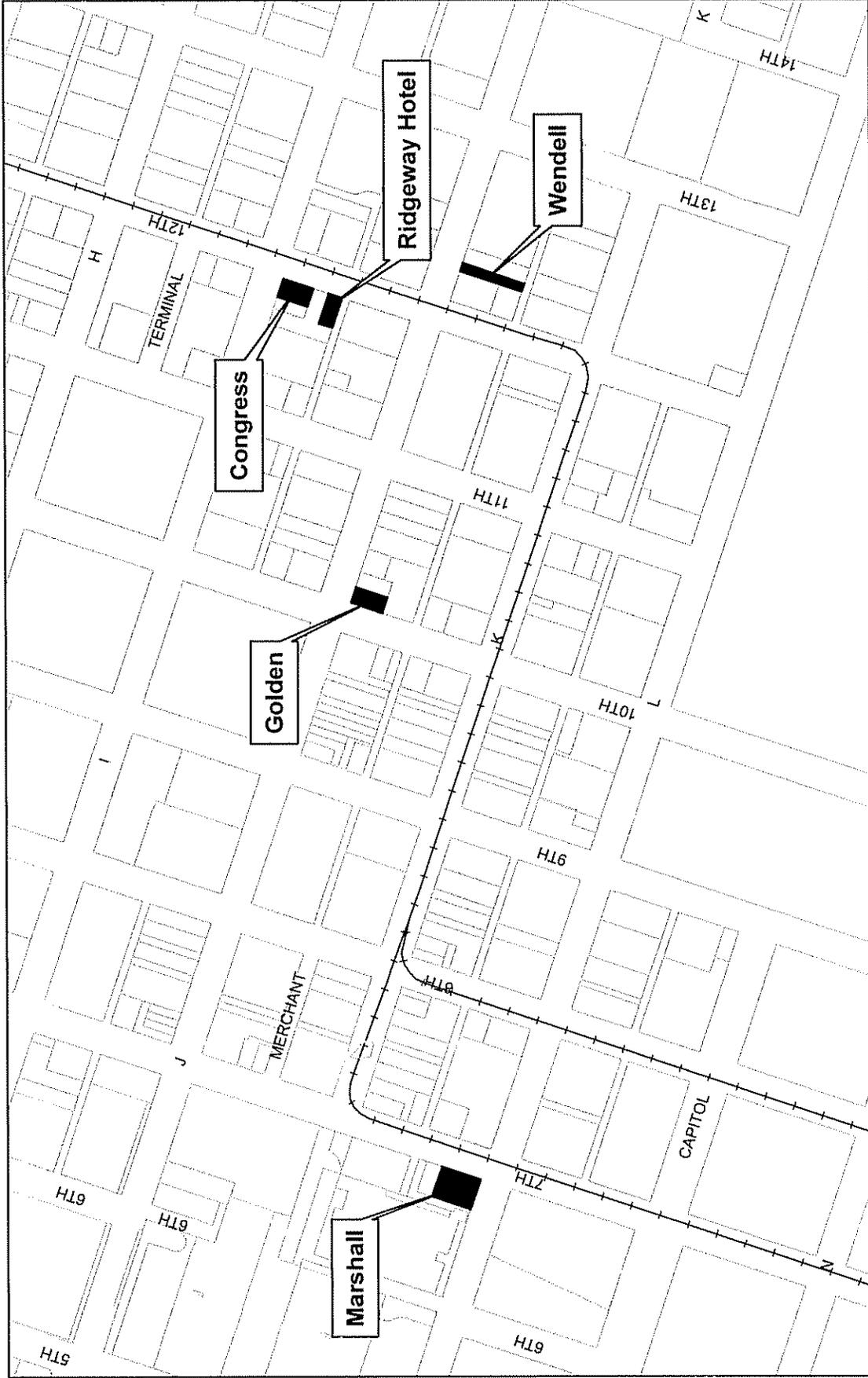
Ordinance 2006-050 requires that no later than June 1, 2007, residential hotel owners or operators shall provide either a Cooled Room or Cooling Facilities in existing and future residential hotels. As defined by Sacramento Municipal Code: "Cooling Facilities" means equipment, appliance, devices or systems capable of cooling every residential hotel unit at a maintained unit temperature of eighty (80) degrees Fahrenheit or less at a point of three feet above the floor. "Cooled Room" means a space or spaces provided by the residential hotel owner or operator within the residential hotel of not less than 20 square feet per residential hotel tenant, open to all residential tenants 24 hours per day from June 1st through September 30th of every year with a maintained temperature of eighty (80) degrees Fahrenheit or less at a point of three feet above the floor.

There are 10 residential hotels operating in the central City of Sacramento, housing approximately 750 residents. The following five residential hotels do not currently provide air-conditioned units:

NAME	ADDRESS	# ROOMS
Golden Hotel	1010 ½ 10 th Street	27
Congress Hotel	906 12 th Street	30
Marshall Hotel	1122 7 th Street	95
Ridgeway Hotel	914 12 th Street	58
Wendell Hotel	1208 J Street	19
	Total	229

Sacramento Housing and Redevelopment Agency (Agency) has met with the owners of the five residential hotels to discuss a program to enable owners to meet the requirements of the ordinance. The residential hotel owners indicated a willingness to participate in the Agency's proposed program through the maintenance of an installed air cooling system for either a Cooled Room or Cooling Facilities but indicated their cash flow was not sufficient to fund the design and installation of a cooling system.

The goal of the Residential Hotel Cooling Program is to ensure residential hotels have resources available to comply with City of Sacramento Ordinance 2006-050 and continue to provide permanent housing for very low-income residents. The program will offer eligible residential hotels a no-interest, deferred payment loan for a non-portable, permanent air cooling system for either a Cooled Room or Cooling Facilities. The loan is repayable only upon property sale, transfer or change of use. The loan will be secured by a deed of trust for 10 years or the expected life of the air cooling system, whichever is greater. The conditions of the loan will require the air cooling system to be installed and maintained in a safe and operable condition for the term of the loan. Applications will be reviewed for eligibility under program criteria and CDBG guidelines, and will be prioritized based on need. Applicants will be notified of eligibility by Agency staff.



Legend

- Hotel Sites (represented by a black rectangle)
- Parcels (represented by a dashed outline)
- Light Rail (represented by a line with cross-ticks)

Sacramento Housing & Redevelopment Agency

Residential Hotels Without Air-Cooling Facilities

RESOLUTION NO. 2007 -

Adopted by the Sacramento City Council

on date of

CREATION OF RESIDENTIAL HOTEL COOLING PROGRAM

BACKGROUND

- A. On September 5, 2006, the City of Sacramento adopted Ordinance 2006-050 to require either a Cooled Room or Cooling Facilities in existing and future residential hotels in the City of Sacramento with six or more rooms.
- B. There are 10 residential hotels operating in the central city of Sacramento. Currently, approximately half of the residential hotels do not provide either a Cooled Room or Cooling Facilities.
- C. Residential hotels provide permanent housing for very-low income persons.
- D. The Sacramento Housing and Redevelopment Agency (Agency) has determined that residential hotels within the Merged Downtown Redevelopment Area would benefit from the Agency's creation of a Residential Hotel Cooling Program which provides for minor upgrades and repairs to bring the properties into compliance with the City's ordinance requirements. The Program will protect the health and safety of residential hotel residents, including low-income members of the Sacramento community.
- E. The Program is consistent with the Agency's policy of providing resources for the low moderate income housing for CDBG eligible activities in redevelopment areas in the City of Sacramento.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. After due consideration of the facts presented, the findings expressed in the above "Background" recitals are approved.
- Section 2. The Residential Hotel Cooling Program, as described in Exhibit A to this resolution, entitled "Residential Hotel Cooling Program – Program Fact Sheet" is hereby approved and established, and the Agency is authorized to implement the same.

- Section 3. The 2007 Community Development Block Grant (CDBG) One-Year Action Plan is amended to reprogram \$600,000 from the 2007 CDBG Capital Reserve to the Residential Hotel Cooling Program.
- Section 4. The 2007 Agency budget is amended to decrease CDBG Capital Reserve fund and appropriate the funds as noted above.
- Section 5. The Agency is delegated the authority to approve and execute all necessary agreements and contracts in form and content approved by Agency Counsel to implement the Residential Hotel Cooling Program pursuant to program rules and guidelines.
- Section 6. The maximum funding assistance under the program is \$200,000 per Residential Hotel. After proper and complete application by recipient and recommendation for approval by appropriate Agency staff, the Agency is authorized to enter into agreements for projects under the Program that do not exceed \$100,000 and after approval of the project by the Loan Committee to enter into agreements for projects under the Program that do not exceed \$200,000.
- Section 7. The Agency is delegated the authority to make minor modifications for the Residential Hotel Cooling Program, as approved by Agency Counsel, and authorized to take all actions reasonably necessary to accomplish the goals of the program as expressed in Exhibit A to this resolution and to protect the Agency's interests, as approved by Agency Counsel.

Exhibit A – Residential Hotel Cooling Program Fact Sheet



**Sacramento
Housing &
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Exhibit A

RESIDENTIAL HOTEL COOLING PROGRAM Program Fact Sheet

RESIDENTIAL HOTEL COOLING PROGRAM: The Sacramento Housing and Redevelopment Agency (Agency) provides a no interest, deferred payment loan to residential hotels in the Merged Downtown Redevelopment Area to fund a non-portable, permanent air cooling system for either a Cooled Room or Cooling Facilities for residential hotels that do not provide air-conditioned units.

Eligible Applicants: Owners of residential hotels located in the Merged Downtown Redevelopment Area without a Cooled Room or Cooling Facilities as defined by Sacramento Municipal Code Section 8.100.492 are eligible to apply for assistance.

Eligible Areas: Merged Downtown Redevelopment Area, City of Sacramento.

Special Review: Funding Review: Funding under \$100,000 is subject to staff level approval. Funding over \$100,000 will be subject to approval by the Loan Review Committee of the Sacramento Housing and Redevelopment Commission.

Eligible Improvements: Non-portable, permanent air cooling system for either a Cooled Room or Cooling Facilities. "Cooled Room" means a space or spaces provided by the residential hotel within the residential hotel of not less than 20 square feet per residential hotel tenant, open to all residential tenants 24 hours per day from June 1st through September 30th of every year with a maintained temperature of eighty (80) degrees Fahrenheit or less at a point of three feet above the floor. "Cooling Facilities" means equipment, appliances, devices or systems capable of cooling every residential hotel unit at a maintained temperature of eighty (80) degrees Fahrenheit or less at a point three feet above the floor.

Maximum Funding: \$200,000 per Residential Hotel.

Eligible Assistance Activities: Design; professional and architectural services; building permits; and installation and equipment for a non-portable, permanent air cooling system for Cooled Room or Cooling Facilities.

Loan Term: 10 years or the expected life of the installed air cooling system, whichever is greater.

Repayment: The loan is due and repayable upon property sale, transfer or change of use.

APPLICATION PROCESS:

1. Complete the application, and submit to Agency staff.
2. Agency staff will review the application, and will forward correspondence to the applicant indicating eligibility to the program. If determined eligible, the applicant will be contacted by SHRA staff.
3. Applications will be accepted from July 1, 2007 to July 1, 2008.

For more information or to apply please contact:
Housing and Community Development,
600 I Street, Suite 250, Sacramento, CA 95814

(916) 440-1328

