



**Sacramento
Housing &
Redevelopment
Agency**

**REPORT TO CITY COUNCIL AND REDEVELOPMENT AGENCY
OF THE CITY OF SACRAMENTO**
915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

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STAFF REPORT
March 14, 2006

Honorable Mayor and
Members of the City Council

Subject: SINGLE ROOM OCCUPANCY PRESERVATION AND REPLACEMENT

Location/Council District: Citywide

Recommendation:

Staff recommends approval of the attached resolutions which:

- Adopt a production goal of 200 new efficiency apartments units within the City;
- Allocate \$10 million Downtown Tax Allocation Revenue Bond (TARB) housing funds for the construction of new efficiency units;
- Authorize release of a Request for Applications (RFA) for production of new very-low income efficiency units.
- Adopt a production goal of 100 rehabilitated SRO units in the Central City;
- Allocate an additional \$5 million in Downtown TARB housing funds for rehabilitation of existing SRO units in the Central City;
- Market the SRO rehabilitation program to existing SRO property owners;
- Require an annual report-back to the Sacramento Housing and Redevelopment Commission (Commission) and the City Council on progress toward meeting the housing production goals described in this report;
- Direct City and Sacramento Housing and Redevelopment Agency (Agency) staff to develop amendments to the City's existing SRO housing ordinance to consider revisions to the relocation requirements for existing SRO units that are destroyed, converted or closed.

Staff recommends approval of a motion to direct staff to:

- Develop a no net loss SRO policy requiring a minimum of 946 SRO units be preserved or replaced with new efficiency units within the City of Sacramento; and
- Return with a recommendation to amend the Agency's nine percent tax credit policy to prioritize rehabilitation of existing Central City SRO housing or construction of new SRO units that are affordable to very low income tenants.

SRO PRESERVATION AND REPLACEMENT

Contact: Christine Weichert, Interim Development Services Director, 440-1353
Jim Hare, Program Manager, 440-1313

Presenters: Jim Hare

Department: Sacramento Housing and Redevelopment Agency

Summary:

This report recommends a \$15 million initiative targeting the production of new efficiency apartments and the rehabilitation of existing Central City SRO hotels for very low income tenants. The report sets a production goal of 200 new units and 100 rehabilitated units under this initiative. The report requires an annual report-back to the Commission and City Council on progress toward meeting these housing goals as well as the status of all existing SRO units. The report also indicates the Agency's intent to amend the nine percent tax credit prioritization policy and use Project Based Housing Choice Vouchers in selected projects.

In addition, the report recommends developing a no net loss policy requiring a minimum of 946 SRO or replacement efficiency apartment units be maintained in the City of Sacramento. The policy should require replacement housing plans for any destroyed or removed units. Finally, the report recommends developing amendments to the City's existing ordinance regarding relocation requirements for SRO housing.

Committee/Commission Action:

At its January 18, 2006 meeting the Commission adopted a motion recommending the approval of the following motion:

Staff is directed to come back to the Commission with a concept plan that incorporates policy regarding preservation of affordable housing with clear direction provided to the Agency on these issues. The concept plan should include staff reporting back on an annual basis to the Commission and City Council. The concept plan should include one-for-one replacement of SRO units. As an alternative to one-for-one replacement of lost units in areas where the Agency is involved in a project, the replacement onus would be on the Agency as required by current redevelopment law. Where there would be no Agency obligation otherwise, the developing entity and the City of Sacramento would split the cost of replacement fifty-fifty.

At its March 1, 2006 meeting the Sacramento Housing and Redevelopment Commission adopted a motion recommending the approval of the attached resolutions. In addition, the motion stated that the no net loss policy and replacement of SRO housing requirements discussed on page 6 of this report be adopted by the City as an ordinance. The votes are as follows:

AYES: Burns, Burruss, Fowler, Gale, Gore, Hoag, Piatkowski, Shah, Simon, Stivers.

SRO PRESERVATION AND REPLACEMENT

NOES: None

ABSENT: Coriano

Background Information:

The City Council last took action on Central City residential hotels in May 2005, approving a resolution calling for a nine-month report back on three recommendations:

- Rehabilitation of existing residential hotels in Downtown;
- A strategy for creation of new units for very low income tenants; and
- Continued funding of the SRO Collaborative.

Since the Council's action, Agency staff has:

- Researched approaches that other cities are taking toward preserving their residential hotel housing stock and toward production of new housing to meet the demand for very low income units;
- Reviewed the existing SRO inventory in Sacramento, more than half of which has received Agency funding; and
- Held meetings with the SRO Task Force on Residential Hotels, the Downtown Partnership and the Sacramento Housing and Redevelopment Commission to discuss our research and obtain input.

The staff recommendation in this report follows the Commission's direction with respect to considering a no-net loss policy with a 946 unit baseline for preservation or replacement. The staff recommendation also sets housing production goals and calls for report-backs of progress towards meeting those goals. Lastly, staff recommendation endorses the concept of shared public/private sector responsibility, and recommends that this be accomplished through amendment of the City's existing SRO ordinance to strengthen the protections for existing SRO tenants in the event of closure. Staff, however, does not recommend the adoption of an ordinance that would require the developing entity and the City of Sacramento to share the cost of replacing the SRO units at this time.

The sections that follow incorporate our research and discussions, and provide further rationale for the staff recommendation.

Strategy for Creation of New Units

In 1960, 78 residential hotels provided 3,558 housing units in Downtown Sacramento. Today there are 14 single-room occupancy properties in the Central City, providing 946 units; a loss of 2,612 units in 64 locations. This loss of SRO units is a familiar story in central cities throughout the Country, and has been linked to the nationwide rise in homelessness. It is becoming increasingly common for cities to support the development of new housing units for very low and extremely low income individuals in their efforts to stem the tide of homelessness and to make their central cities safer and more attractive.

SRO PRESERVATION AND REPLACEMENT

Staff is making three assumptions regarding the direction Sacramento will take respect to building projects to replace lost SRO housing. The first assumption is that embedded services and 24/7 on-site management is essential to housing extremely low-income people; that it is the lack of these features that results in the high level of calls for police and emergency services in the existing downtown SROs. The second assumption is that new projects should be located City-wide in order to take advantage of a broader range of sites and lower land costs. The third assumption is that this housing type can serve people transitioning from homelessness as well as currently-housed extremely low-income people. All the foregoing assumptions are in line with the recommendations of the SRO Task Force.

The \$10 million RFA (Attachment I) recommended in this report targets the production of 200 new units. Development of these projects will be either through new construction or through acquisition and rehabilitation of existing (non-SRO) properties. The RFA will require that projects be affordable to very low income individuals. Projects built at this affordability level will require multiple layers of subsidy to assure their financial viability. Staff expects that developers will combine the Agency's funding with the state tax credit program and other subsidized sources. In addition, depending on a project's scope, use of Project Based Housing Choice Vouchers may be considered. When possible, vouchers are used to supplement project operating income and allow for extremely low-income tenants. The ability for housing authorities to "project base" vouchers has been enhanced by a recent rule adopted by the U.S. Department of Housing and Urban Development, allowing housing authorities more flexibility at the local level.

The Agency's Multifamily Housing Lending Program, which has previously been approved by the Agency's governing boards, will apply to all proposals submitted in response to the RFA. Staff is recommending that a set of additional requirements, related to the housing product type and tenant population, be applicable to this RFA. The RFA sets an application deadline of six months from the date of release, with possible extensions if insufficient applications are received. If more applications are received than currently anticipated, staff is prepared to return to Council to request additional TARB housing funds.

Staff is aware that siting very low income housing projects is challenging, stirring neighborhood concern and possible opposition from property owners and residents. Staff is committed to neighborhood outreach and involvement in the siting process and discussion of operational issues. Existing Agency financed developments such as Pensione K and the Terraces have demonstrated that these developments can be good neighbors.

Skilled management of this housing type is critical for both neighborhood acceptance and for the benefit of the tenant population. The RFA requires a management plan that details both operational practices and services that will be provided to the tenants. Developers responding to the RFA will be required to include common space in their projects to allow for one-on-one service delivery, as well as for group meetings. The tenant services segment of management plan will detail the services to be delivered on

SRO PRESERVATION AND REPLACEMENT

site and mechanisms that will be established to link tenants with community-based services.

Rehabilitation of Existing Residential Hotels

The Agency has provided rehabilitation financing to five of the existing 12 residential hotels in the Central City (not including Pensione K and the Terraces, which were new construction). Agency funding requires a regulatory agreement, setting maximum rent and income levels for the project's tenants. Of the 946 Central City SRO units, 563 units or 60 percent are currently regulated with the earliest termination date of 2009, with some regulatory agreements lasting until 2024. Attachments II and III detail the regulated and unregulated properties respectively. Attachment IV is a location map of all referenced projects.

Staff is currently aware of two properties, the YWCA (31 units) and the Ridgeway Hotel (58 units), that are in need of rehabilitation. While these properties are currently subject to regulatory agreements, refinancing through the proposed program would ensure an additional 55 years of affordability.

The \$5 million rehabilitation program recommended in this report is linked with a production goal of 100 units (it is assumed that the Agency's participation will leverage other funding sources, such as the Low Income Housing Tax Credit Program, the State Multi-Family Housing Program, and private equity). Staff will market the realization program to the remaining hotels in an effort to maximize its impact on revitalization of the Downtown core. If more applications are received than currently anticipated, staff is prepared to return to Council to request additional Downtown TARB housing funds.

Staff recommends that the Agency only support rehabilitation of Sacramento's existing SRO stock where a comprehensive approach to rehabilitation includes both long-term financial restructuring and a comprehensive property management plan that includes the provision of services to tenants. Developers will be expected to include a tenant services plan with their rehabilitation proposals similar to what is required with proposals under the RFA.

Annual Report Back

Staff recommends an annual report-back to the Commission and the City Council on progress toward meeting the housing policy and production goals described in this report as well as the status of the current SRO inventory and regulatory agreements.

Amendment of Nine Percent Tax Credit Prioritization

To support developer's success in financing new construction or rehabilitation, it is staff's intent to return to Council with a recommendation regarding amending the Agency's nine percent tax credit prioritization policy to include rehabilitation of existing Central City SRO housing or construction of new efficiency units that are affordable to very low income tenants as a Tier One priority. Tier One projects currently include Acquisition/Rehabilitation projects located within a redevelopment area that are cited in

SRO PRESERVATION AND REPLACEMENT

the redevelopment plan or identified by the Agency as a catalyst project to redeveloping the area.

Adding SRO units to Tier One would affect the prioritization of projects in Tiers Two and Three, which include: new construction projects meeting inclusionary housing obligations, near transit-oriented developments, and provide a redevelopment benefit, and all acquisition/rehabilitation projects. Staff will return to Council with a full discussion of modifying the tax credit priorities.

It should also be noted that the California Tax Credit Allocation Committee currently sets aside two percent of the annual Federal Credit Ceiling for projects that qualify as Special Needs or SROs. It is staff's intent to access these set aside credits to the maximum extent possible.

No Net Loss Policy/Replacement of SROs

Staff recommends developing a no net loss policy requiring a minimum of 946 SRO or replacement efficiency apartment units affordable to very low income single individual be maintained in the City of Sacramento. To ensure this many units, staff recommends requiring replacement housing plans for any destroyed or removed units.

While state law currently requires replacement housing plans for projects financed by the Agency, it does not cover projects undertaken without redevelopment involvement. The City Council approved plan would describe how the one-for-one unit replacement would be accomplished. Components of the replacement plan would include identifying responsible entities, funding sources, timing, location, income restrictions, and regulatory requirements of the new units. Staff will work to develop both the no net loss policy and replacement requirements within six months of this report. As noted, of the total 946 units SRO inventory, only 383 are not regulated at this time.

Amending the existing SRO Relocation Ordinance

Over 23 years ago, the City adopted an ordinance providing relocation benefits to SRO tenants displaced by the conversion or demolition of an SRO (City Code 18.20). The ordinance requires noticing, relocation payments, and a conversion certificate acknowledging that the requirements have been met. Discussions with the Downtown Partnership, housing advocates, and the Commission all point to the need to update the ordinance. As a result, staff requests Council's direction to work with the City Attorney's office to consider such amendments as:

- Revising the geographical area for applicability of the ordinance;
- Revising the definition of an SRO unit to included efficiency apartments;
- Establishing an owner's responsibility to find a safe and suitable housing unit for each tenant, at a rent that is comparable to or less than the tenant's current rent;
- Setting the relocation payment at no less than the sum of the first and last month's rent, security deposit, and moving expense;

SRO PRESERVATION AND REPLACEMENT

- Acknowledging the applicability of the state's Housing Preservation law to residential hotels with local, state, or federal funding. The state law establishes noticing and sale procedures, and would apply to the seven hotels currently under regulatory agreements; and
- Clarifying the ordinance's applicability to SROs closed because of health and/or safety conditions.

Staff will work with the Council on proposed amendments to the SRO relocation ordinance and report back within six months of this report.

Continued funding for and expansion of the work of the SRO Collaborative

The SRO Collaborative provides outreach and drop-in services to the tenants of some downtown hotels. From their center at 711 J Street, the SRO Collaborative has provided outreach to residents of the Shasta, Sequoia, Marshall and YWCA. However, the loss of Supportive Housing Initiative Act funding (was \$325,000 annually) has resulted in a reduction of services. Currently only the Shasta and Sequoia Hotels are being served with outreach, although residents of the Marshall and YWCA are served as drop-in clients at the J Street Center.

Providing services to the residents of the downtown hotels should remain a high priority, as these have been shown to reduce calls for emergency services and to create more overall stability in the tenant population. The Agency has kept its CDBG funding in place for the Collaborative at \$120,000 for 2006. Funding from the County Division of Mental Health remains in place at \$65,000, for a total Collaborative budget in 2006 of \$185,000.

The Collaborative recently submitted a \$65,000 grant request to the Area Four Agency on Aging. If funded, this grant would allow the Collaborative to revive outreach services to the Marshall and potentially other hotels. It should be noted that projects funded under the recommendations of this report will not require services be provided by the Collaborative, as staff will work with developers to identify service providers and sources of funding to serve any special needs tenants to be housed in those projects.

Financial Considerations:

This report recommends budgeting \$15 million for SRO preservation and replacement strategies as described above using \$14 million of TARB and \$1 million from taxable bond proceeds. Of the \$14 million in tax-exempt bond proceeds, \$9.5 million would be allocated to new construction, and \$4.5 million would be allocated to preservation/rehabilitation projects. The \$1 million in taxable bond proceeds would be split between preservation/rehabilitation and new construction projects as needed.

Environmental Considerations:

The proposed actions to issue the RFA, establish SRO policies, and conduct further studies are exempt from environmental review under CEQA per Guidelines Section 15378(b)(2) and (4) and Section 15262.

SRO PRESERVATION AND REPLACEMENT

Policy Considerations:

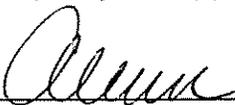
The actions recommended in this report are consistent with the City's Strategic Plan, General Plan, and Housing Element.

M/WBE Considerations:

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

SBE Considerations:

The Agency will comply with current Small Business Enterprise policy, as applicable.

Respectfully Submitted by:  _____
ANNE M. MOORE
Executive Director

Recommendation Approved:

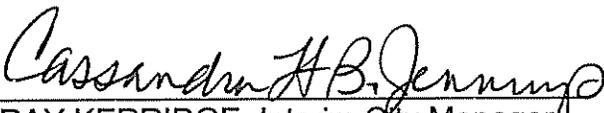

for RAY KERRIDGE, Interim City Manager

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Request for Applications

EFFICIENCY APARTMENT HOUSING PROGRAM

March 15, 2006

Sacramento Housing and Redevelopment Agency
630 I Street
Sacramento, CA 95814

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
REQUEST FOR APPLICATIONS
EFFICIENCY APARTMENT HOUSING PROGRAM

MARCH 15, 2006

The Sacramento Housing and Redevelopment (Agency) is offering financing for the development of Efficiency Apartment Housing (EAH) projects within the City of Sacramento.

A total of \$10,000,000 of funding is available to assist in the development of EAH Housing projects and is available as follows:

- \$9.5 million Tax Increment for EAH rental units through new construction or acquisition/rehabilitation of an existing building.
- \$5 million Tax Increment for pre-development funding for an EAH project advanced by a non-profit developer.
\$10 million

Project Based Housing Choice Vouchers (PBV) will be utilized whenever possible to house extremely low-income tenants in units developed through rehabilitation or new construction.

Proposals for the following project types will be received:

- New Construction
- Acquisition/Rehabilitation
- Adaptive Reuse – conversion of buildings to affordable residential rental use

Agency funding shall be used to supplement construction financing from conventional sources, grants, or loans from other sources, and owner/developer equity. Applicants are expected to make an equity contribution and to obtain the maximum conventional debt financing, as well as to aggressively seek out funding from other private and public sources. Applications will be accepted under the Agency's Multi-Family Housing Lending Program, with additional criteria detailed in this announcement.

An informational meeting regarding the technical requirements for application submittal will be held on Wednesday, April 5, 2006 at 9:30 a.m., 600 I Street, 1st Floor Commission Room.

THE AGENCY WILL BEGIN ACCEPTING APPLICATIONS AND ALL ATTACHMENTS, ON WEDNESDAY, MARCH 15, 2006, ADDRESSED TO THE HOUSING FINANCE PROGRAM MANAGER, 630 I STREET, 2ND FLOOR, SACRAMENTO, CA 95814.

SUBMITTALS WILL BE ACCEPTED UNTIL SEPTEMBER 15, 2006.

For more information, contact:

Jim Hare
Development Services
630 I Street, 2nd Floor
Sacramento, CA 95814
916/440-1313
jhare@shra.org

Alan Saunders
Development Services
630 I Street, 2nd Floor
Sacramento, CA 95814
916/440-1399 x1262
asaunders@shra.org

REQUEST FOR APPLICATIONS EFFICIENCY APARTMENT HOUSING (EAH)

March 15, 2006

Efficiency Apartment Housing Funding: \$10 million

i. Introduction.

The Sacramento Housing and Redevelopment Agency (hereinafter "Agency") is announcing the availability of funding for the development of efficiency apartment rental housing projects. Funding for this Program is provided under the 2005 Tax Allocation Revenue Bond proceeds for low and moderate income housing. Applications will be accepted between March 15 and September 15, 2006. Applications will be accepted after this period only to the extent that funding remains available.

Applications will be accepted under the Agency's Multi-Family Housing Lending Program Guidelines. Additional requirements are detailed below and supersede any conflicts with the Multi-Family Lending Program Guidelines.

To be eligible under this Program, projects must be 100% affordable to households at 50% or less of the area median income (AMI). The Agency is seeking projects that are financially feasible, while targeting the deepest possible levels of affordability. The Agency encourages developers to apply for an allocation of project based Housing Choice vouchers in order to serve extremely low-income households.

ii. The Agency

The Sacramento Housing and Redevelopment Agency is a Joint Powers Authority created as a public agency by the City and County of Sacramento in 1973. SHRA is the lead public agency and public developer for the City and the County regarding affordable housing, public housing and redevelopment projects and issues.

SHRA oversees residential and commercial revitalization activities in thirteen redevelopment areas throughout the City and County. The Agency provides a variety of financial assistance programs for first-time homebuyers, and offers several loan programs and other assistance to the business community.

iii. Definitions

Efficiency Apartment (pursuant to Sacramento Building Code), means:

- The unit shall have a living room of not less than 220 square feet of superficial floor area. An additional 100 square feet of superficial floor area shall be provided for each occupant of such unit in excess of two.
- The unit shall be provided with a separate closet.

- The unit shall be provided with a kitchen sink, cooking appliance and refrigeration facilities, each having a clear work area of not less than 30 inches in front. Light and ventilation conforming to this code shall be provided.
- The unit shall be provided with separate bathroom containing water closet, lavatory and bathtub or shower.

Special Needs Population means:

- Disabled households, agricultural workers, single-parent households, survivors of physical abuse, homeless persons or persons at risk of becoming homeless, chronically ill persons including those with HIV and mental illness, displaced teenage parents (or expectant teenage parents), homeless youth as defined in Government Code section 11139.5, individuals exiting from institutional settings, chronic substance abusers, or other specific groups with unique housing needs as determined by the Agency.
- Special Needs Populations do not include seniors or the frail elderly unless they otherwise qualify as a Special Needs Population.

THIS REQUEST FOR APPLICATIONS IS ISSUED UNDER THE AGENCY'S MULTI-FAMILY HOUSING LENDING PROGRAM GUIDELINES. ONLY THOSE SECTIONS OF THE EAH PROGRAM THAT ARE DIFFERENT FROM THE GUIDELINES ARE DETAILED BELOW:

I. General Program

1.1 The EAH Program is only applicable to the City of Sacramento. It does not include Sacramento County.

The goal of the EAH Program is to increase the supply of affordable housing available to very low-income one-person households.

1.2 PRIORITIES. Priority in funding under the Multi-Family Lending Program is as follows:

- A rental housing development in which all residential units meet the definition of an Efficiency Apartment Unit as defined above, and in which all of the units are occupied by households with an income at or below 50% AMI.

1.4 THRESHOLD REQUIREMENTS.

1.41 Affordability. All units to be funded under this Notice must be affordable to, and be occupied by, households earning 50 percent or less of the area median income ("Very low-income").

II. Special Regulatory Requirements

There are no additions or deletions from the Multi-Family Housing Lending Program Guidelines.

III. Property Management

3.3.1 Tenant Services. It is assumed that all projects proposed under this RFA will house some tenants who meet the definition of "special needs population." Therefore, all proposals submitted under this RFA must include a detailed plan for the delivery of services to the anticipated tenant population. The tenant services plan should specify both the services to be delivered on site and mechanisms that will be established to link tenants with

community-based services, such as health and mental health services, local entitlement benefits, and vocational counseling. The plan should include a description of and funding requirements for the on-site staffing necessary to assure that tenant services delivered appropriately to each special needs tenant.

Schedule

Notice of Request for Applications Issued	Friday March 15, 2006
Informational Meeting	Wednesday April 5, 2006
Final Application Deadline	September 15, 2006

Application Workshop.

An application workshop is scheduled as follows:

Date	Location	Presentation Time
April 5, 2005	Agency Commission Meeting Room 600 I Street, 1 st floor, Sacramento, CA	9:30 a.m. – 12:00 p.m.

The Workshop session will focus on application and project requirements that are specific to the EAH Program.

Application Submittal

To receive an application package, please visit the Agency’s web site on or about March 15, 2006, or contact Jim Hare at (916) 440-1313 or jhare@shra.org or Alan Saunders (916) 440-1399 x1262 or asaunders@shra.org. Applications must be delivered to one of the following addresses:

Housing Finance Division
Sacramento Housing and Redevelopment Agency
630 I Street, 2nd Floor
Sacramento, CA 95814

Questions should be directed to the EAH Program staff listed above. Thank you for your interest in the EAH Program.

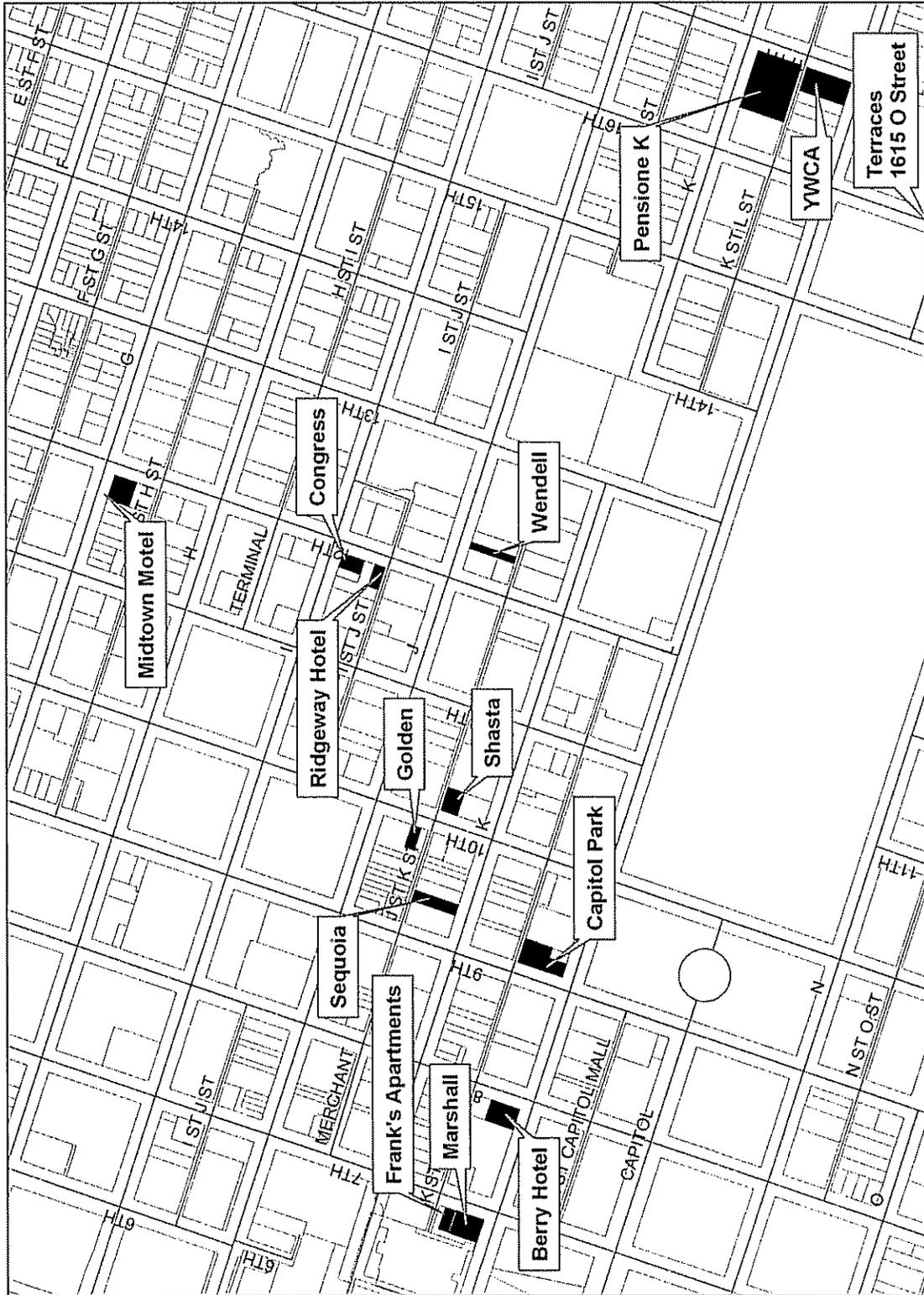
SRO DEVELOPMENTS WITH REGULATORY AGREEMENTS (Rev. 1-31-06)

PROJECT NAME	OWNERSHIP INFORMATION	TOTAL # OF UNITS	UNITS COVERED BY REGULATORY AGREEMENT	LENGTH OF AGREEMENT	SOURCES OF FUNDING PROVIDED BY SHRA
Ridgeway Hotel	CYF Development	58 units	58 units very low-income	30 years Expires 9/29/2017	Downtown - \$300,000 Federal TC - \$483,360 Federal TC - \$127,730
YWCA	YWCA	32 units	32 units very low-income	30 years 06/24/2015	Downtown - \$250,000 Downtown - \$133,000 Bank Loan - \$65,723
Shasta Hotel	Shasta Hotel Corp.	80 units	80 units very low-income	30 years 03/24/2024	Downtown - \$2,000,000 Federal TC - \$531,451
Sequoia Hotel	CFY Development	91 units	91 units very low-income	30 years 01/30/2015	Downtown - \$35,000 Downtown - \$57,569 Downtown - \$300,000
Berry Hotel	Mohammed Khan Owner/Manager	105 units	18 units very low-income 73 units low-income 14 units market rate	15 years Expires 4/18/2009 if loan paid off; otherwise 1/1/2011	HOME - \$935,720 Downtown - \$100,000 Bank Loan - \$1,250,000
Pensione K	Barone & Galasso	137 units	125 units very low-income 4 units low-income 8 units moderate income	30 years Expires 10/18/2024	Downtown - \$540,000 Bank Loan - \$1,010,000 Equity - \$476,400
The Terraces	Hank Fisher Properties	60 units	60 units very low income	30 years Expires 12/11/2022	Downtown - \$134,000 Downtown - \$1,351,071 Bank Loan - \$200,000
TOTAL		563 units			

Extremely Low Income = < 30% AMI
 Very Low Income = 31%-50% AMI
 Low Income = 51%-80% AMI
 Moderate Income = 81%-110% AMI

SRO DEVELOPMENTS WITHOUT REGULATORY AGREEMENTS

PROJECT NAME/ ADDRESS	OWNERSHIP INFORMATION	NUMBER OF UNITS	ADDITIONAL INFO
Capitol Park 1125 9 th Street	RAH Partnership	50 SRO units 130 studio units	Rent \$425/month for SRO unit Rent \$450/month for studio unit
Congress 906 12 th Street	Nana Lal & Sitaben N. Patel Family Rev. Trust	30 units	No information
Frank's Apartments 1118 7 th Street	Janet Gatejen Peter E. Noack	12 units	\$700/ month for furnished one bedroom
Golden Hotel 1010 ½ 10 th Street	Mohammad N. Khan	27 SRO units	Rent \$335/month
Marshall Hotel 1122 7 th Street	Janet Gatejen Peter E. Noack	95 units	\$490 for furnished single room
Midtown Motel 700 12 th Street	Norman R. & Carol R. Leal	20 units all studios	Rent \$490/month
Wendell Hotel 1208 J Street	George L. & Bonnie J. Procida	19 units all SRO	Rent \$350/month
TOTAL		383 units	



Inventory of Residential Hotels - April 2005

RESOLUTION NO. 2006 -

Adopted by the Redevelopment Agency of the City of Sacramento

on date of

SINGLE ROOM OCCUPANCY PRESERVATION AND REPLACEMENT POLICY

BACKGROUND

- A. In May 2005, the Redevelopment Agency of the City of Sacramento approved a resolution calling for a nine-month report back on three recommendations related to preservation of efficiency apartment or single room occupancy (SRO) housing units:
- Rehabilitation of existing residential hotels in Downtown.
 - A strategy for creation of new units for very low income tenants.
 - Continued funding of the SRO Collaborative.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

- Section 1. The Agency adopts a production goal of constructing 200 new SRO units within five years, to be funded with \$10 million in Tax Allocation Revenue Bond (TARB) Downtown housing funds. The Agency shall provide an annual report on its progress toward meeting this goal.
- Section 2. The Executive Director is authorized to release a Request for Applications (RFA) under the Agency's Multi-Family Housing Lending Program for the construction of new very-low income efficiency apartments or SROs. New SRO construction projects that may be proposed under the RFA may be located on a City-wide basis. An SRO unit may include efficiency zero bedroom apartments as eligible units.
- Section 3. The Agency adopts a production goal of rehabilitating 100 existing SRO units in the Central City, to be funded with \$5 million in TARB Downtown housing funds. The Agency shall market this program to existing SRO property owners. The Agency shall provide an annual report on its progress toward meeting this goal.
- Section 4. The Agency Budget is hereby amended to allocate \$15 million in Tax Allocation Revenue Bond Downtown housing funds for the SRO Housing Project.

RESOLUTION NO. 2006 -

Adopted by the Sacramento City Council

on date of

SINGLE ROOM OCCUPANCY PRESERVATION AND REPLACEMENT PROGRAM ORDINANCE

BACKGROUND

- A. The City of Sacramento has adopted Municipal Code Chapter 18.20 (Ordinance), providing relocation benefits to tenants displaced by the conversion or demolition of a residential hotel, also described as a single room occupancy (SRO) hotel, in the Downtown area. This Ordinance requires noticing, relocation payments, and a conversion certificate acknowledging that the requirements have been met.
- B. Real estate market conditions have changed substantially since the Ordinance was adopted, increasing the likelihood that tenants could be displaced by conversion of SRO properties to other uses.
- C. The City of Sacramento 2002 Housing Element Update identified a need to construct 697 new units and rehabilitate 433 units affordable to very low income individuals (less than 50% Area Median Income). Conversion of SRO housing to other uses threatens the City's efforts to meet this housing need.

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

- Section 1. The City Attorney shall work with Redevelopment Agency of the City of Sacramento (Agency) staff to draft amendments to Municipal Code Section 18.20. Such amendments shall consider, but are not limited to, the following:
 - a. Revising the geographical area for applicability of the Ordinance.
 - b. Establishing an owner's responsibility to find a safe and suitable housing unit for each tenant, at a rent that is comparable to or less than the tenant's current rent.
 - c. Setting the relocation payment at no less than the sum of the first and last month's rent, security deposit, and moving expense.
 - d. Acknowledging the applicability of the state's Housing Preservation law to residential hotels which have received local, state, or federal funding. The state law establishes noticing and sale procedures, and would apply to the seven hotels currently under regulatory agreements.
 - e. Clarifying the ordinance's applicability to SROs closed because of health and/or safety conditions

