

RESOLUTION NO. 2006-054

Adopted by the Redevelopment Agency
of the City of Sacramento

October 10, 2006

SINGLE ROOM OCCUPANCY (SRO) PRESERVATION AND EFFICIENCY APARTMENT REPLACEMENT ACTION PLAN

BACKGROUND

- A. In March 2006, the Redevelopment Agency of the City of Sacramento approved a resolution establishing a \$15 million budget for loans to preserve 100 existing Downtown SRO units and to assist the construction of 200 new efficiency apartment units for very low income tenants.
- B. In March and April 2006, Redevelopment Agency staff released a Request for Applications (RFA) and held a briefing attended by development firms who expressed interest in developing units under the RFA. Agency staff has had numerous meetings since April 2006 in which developers have noted the difficulty and excessive cost involved in acquiring suitable sites for this type of development.
- C. Since April 2006, Redevelopment Agency staff has held meetings with owners of downtown SRO hotels to encourage their participation in the Agency's RFA.
- D. In order to encourage existing owners and stimulate new development, staff recommends an action plan for preservation of downtown SRO housing and for replacement of units lost through conversion or demolition.

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 the SRO Preservation and Efficiency Apartment Replacement Action Plan, attached as Exhibit A to this Resolution.

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Exhibit A: (TEXT) – 1 Page

Adopted by the City of Sacramento Redevelopment Agency on October 10, 2006 by the following vote:

Ayes: Members Cohn, Fong, Hammond, McCarty, Sheedy, Tretheway, Waters, and Chair Fargo.

Noes: None.

Abstain: None.

Absent: Member Pannell.



Heather Fargo, Chair

Attest:



Shirley Concolino, Secretary

**SINGLE ROOM OCCUPANCY PRESERVATION AND EFFICIENCY APARTMENT
REPLACEMENT ACTION PLAN**

Property/Location	Scope of Work	Timeline	Challenges
Ridgeway Hotel 914 12 th Street	Gut rehabilitation and conversion to efficiency apartments	RFA response - October 2006; SHRA funding commitment – February 2007; tax credit submittal in March 2007	Restructure of ownership and existing financing, temporary/permanent relocation, addition of services
YWCA 17 th and L Streets	Rehabilitation to achieve 15 year life on all major building components	RFA response – September 2006; SHRA funding commitment – December 2006	Existing financing pay-off/restructure, temporary relocation, addition of services
Sequoia Hotel 911 K Street	Replacement and/or renovation of all flooring, common kitchens and bathrooms; new roof and surveillance system	RFA response – December 2006; SHRA funding commitment – February 2007	Ownership restructure, addition of services
New construction site to be identified	New construction of 75-100 unit efficiency apartment development	Site to be identified by December 2006; release RFP for site by March 2007	Neighborhood concern/opposition to tenant population.

Criteria for Efficiency Apartment Housing

Location Criteria

- Near public transit
- Near community-based services available to tenants
- Near commercial amenities
- Sensitive to adjoining land uses

Social Services Criteria

- Developer must partner with non-profit service provider and experienced property manager
- Social services plan tailored to meet the needs of very low and extremely low income tenants
- Development plan that includes sufficient common area for delivery of services.

Financial Criteria

- Maximize leverage of non-Agency capital funding sources, particularly the Low Income Housing Tax Credit Program
- Maximize leverage of sources of operating subsidy, such as Project-Based Housing Choice Vouchers and Mental Health Services Act funding
- Encourage developers to seek sources of service subsidies available through the Mental Health Services Act and other sources such as McKinney-Vento funding administered by the County Department of Health and Human Services