



NEWS RELEASE

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FOR IMMEDIATE RELEASE

COUNCIL PASSES PLAN OF ACTION TO PRESERVE LOW-RENT RESIDENTIAL HOTEL UNITS

Strategy also calls for replacement of units lost through conversion or demolition

(Sacramento, CA. October 11, 2006). The Sacramento City Council today adopted a plan to ensure that at least 712 existing single room occupancy (SRO) hotel units and efficiency or one-bedroom apartments remain in the City's low-rent housing stock. The adoption includes an ordinance that provides relocation assistance to elderly or disabled residential hotel tenants who are affected by the withdrawal, demolition and/or conversion of those residential hotels; and ensures that replacement housing will be created if those units are withdrawn, converted, or demolished.

According to a report prepared by Agency staff, the City of Sacramento has a need for affordable housing in the downtown area. Single Room Occupancy hotels play a vital role in providing affordable housing to the city's most needy residents. In 1986 there were 1,013 SRO units covered by the ordinance, demonstrating that the City has lost 301 units in the 20 years since the ordinance was adopted. Since 1986, the Redevelopment Agency's programs have been used to build at least two comparable replacement projects. Both projects are regulated for 30 years with rents at 50 percent of median income. Adding these units to the existing inventory means that a total of 897 single room occupancy units are available today. In March 2006, the Redevelopment Agency approved \$15 million in Downtown tax increment funding to rehabilitate downtown SRO units and build new efficiency apartments.



Pensione K is a 125-unit SRO at 17th and K Streets in Downtown Sacramento.

The Redevelopment Agency will begin work to rehabilitate three Downtown residential hotels, identify a site for new development, and propose revisions to the Agency's multi-family lending program which provides funding assistance for developers to create low-income housing projects.

SHRA (www.shra.org) is a Joint Powers Authority created by the City and County of Sacramento to represent both jurisdictions for affordable housing and community redevelopment needs. The Agency is the leading public developer of affordable housing and oversees residential and commercial revitalization activities in 14 redevelopment areas throughout the City and County. SHRA has a FY 2006 budget of \$227 million and approximately 308 employees. The Agency owns and manages 3,400 units of public housing and is one of the largest landlords in Sacramento. SHRA also administers approximately 11,000 rental assisted vouchers per month.

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