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# City of San Diego’s Single Room Occupancy (SRO) Ordinance Potential Regulation Changes for Discussion Public Meeting November 4, 2015

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# City of San Diego SRO Ordinance

## Introduction

- **March 16, 2015:** The San Diego City Council directed the San Diego Housing Commission (SDHC) to review the City's SRO Ordinance and analyze it to address current conditions prior to the end of the year.
- SDHC administers the City's SRO Ordinance (SDMC Section 143.0510 – 143.0590)
- SDHC has reviewed the City's SRO Ordinance and has identified potential SRO regulation changes for discussion.



# City of San Diego SRO Ordinance

## Purpose

“The purpose of these regulations is to ensure the retention of the existing number of SRO hotel rooms and to provide assistance to tenants of SRO hotel rooms that will be displaced by the demolition, conversion, or rehabilitation of existing SRO hotel rooms. These regulations are intended to benefit the general public by minimizing the adverse impact on the housing supply and on displaced persons, particularly those who are very low income, elderly, or disabled, resulting from the permanent or temporary loss of SRO hotel rooms through their demolition, conversion or rehabilitation.”

(San Diego Municipal Code Section 143.0510)



# City of San Diego SRO Ordinance

## Potential SRO Regulation Changes for Discussion

- **Clarify Definition of SRO.** The potential changes may limit the scope of the definition of SRO to an updated inventory of SRO properties. The owner of a property on the SRO list would be able to request a due process hearing to determine whether the property should be removed from the list.
- **SRO Hotel Replacement Fund Fee.** The fee is currently 50 percent of the cost of providing replacement SRO units. The current development cost formula would be revised to establish a set fee that could be indexed. The fee would initially be set at the current 50 percent level.



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## Potential SRO Regulation Changes for Discussion (Cont.)

- **SRO Replacement Requirement.** The current requirement to replace 100 percent of the SRO units that are being demolished or converted would be revised to require the replacement of 50 percent of the units, which is the same as the SRO Hotel Replacement Fund fee percentage.
- **SRO Replacement Location.** Allow replacement units to be built outside of Downtown San Diego and in areas near public transportation.
- **Density Bonus.** Allow replacement units requirement to be satisfied by density bonus units.



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## Potential SRO Regulation Changes for Discussion (Cont.)

- **Sale of Unused Density.** As an incentive to preserve SRO units, allow owners to sell unused site density and use the proceeds to rehabilitate their SRO building.
- **Tenant Relocation.** Increase the tenant relocation payments to three times the fair market monthly rent; require utilization of a relocation consultant.
- **SDHC Option to Purchase SRO.** Allow owners the option to provide SDHC with a right of first refusal to purchase the SRO in the event of a sale at an appraised fair market value, in exchange for a release of the SRO replacement requirement. This would occur only if an SRO owner decided to sell the SRO property.



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## Potential SRO Regulation Changes for Discussion (Cont.)

- **Update Redevelopment Language.** Eliminate redevelopment agency/California Redevelopment Law language from Section 143.0520 (b) of the SRO Ordinance because of recent State legislative actions concerning Redevelopment agencies.
- **Cost Recovery Deposit.** Require that a cost recovery deposit is to be submitted with application to SDHC.





# City of San Diego SRO Ordinance Comments

SDHC is accepting written comments through Friday,  
November 6, 2015:

Email:

[tinak@sdhc.org](mailto:tinak@sdhc.org)

Mail:

San Diego Housing Commission  
Attention: Tina Kessler  
1122 Broadway, Suite 300  
San Diego, CA 92101





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# Thank you

