



SRO Hotel Regulations

San Diego Municipal Code Chapter 14, Article 3, Division 5

Proposal No.	Proposed Change	Current Provision
1	Conduct process to identify and certify SRO Hotel properties, providing the City with a more accurate way to identify SRO Hotels, and certainty to owners of the applicability of the regulations; certificate to be issued and recorded.	None.
2	Add an exemption from the SRO hotel replacement requirement in exchange for owner restricting rents to remain affordable to households earning up to 60 percent of San Diego's Area Median Income (AMI) for a term of 30 years, or for sale to a nonprofit that will restrict rents at 60 percent of AMI for a term of 30 years.	143.0520 allows exemption for SRO hotel conversion to a very low-income housing project, demolition and construction of a new very low-income housing project, demolition/conversion for development of low-income senior housing operated by a nonprofit; 143.0540 exemption from replacement if SRO hotel built before January 1, 1990, and owner filed notice to withdraw with the City of San Diego before January 1, 2004.
3	Allow SRO hotel replacement outside of the community planning area, on public transportation corridors or near employment centers as approved by SDHC.	143.0550(b) replacement must be within same community plan area unless SDHC approves alternate site.
4	Eliminate or reduce parking for replacement SROs if located in the same community planning area or in a Transit Priority Area that is outside of the community planning area.	No provision.
5	Require 30-year remaining useful life for existing units that are offered to satisfy replacement requirements.	No provision.
6	Allow owners to convert up to 20 percent of their SRO hotel rooms in exchange for recorded rental restrictions on the balance of units at 60 percent of AMI for a term of 30 years.	No provision.
7	Provide an opportunity for SRO hotel preservation by requiring a notice to the City of San Diego of intent to sell as well as a right of first offer for qualified nonprofits.	No provision.
8	New development of SRO Hotels are eligible for Density Bonuses and incentives in exchange for 55-year affordability as required under the City's Density Bonus ordinance provisions.	No provision specific to SRO hotels under City's Density Bonus provisions, beginning at 143.0710.
9	Allow SRO hotels to be "receiver sites" for other projects with affordability requirements, such as under the City's Inclusionary ordinance, and/or apply for a welfare property tax exemption on units subject to recorded affordability covenants.	No provision in SRO Hotel Regulations. City Inclusionary regulations provisions found at 142.1305(a)(5) and 142.1307 (c).
10	Eligible for preservation, rehabilitation financing from SDHC, when available, in exchange for affordability requirements and a right of first offer should the owner decide to sell.	<p>On August 31, 2020, SDHC issued a Preservation Notice of Funding Availability (NOFA). Up to \$21.6 million is available for the preservation of multifamily affordable rental housing. These funds will be awarded as forgivable loans in exchange for long-term affordability restrictions with or without capital improvements. Funds included in this NOFA may be used for acquisition, pre-development and residential rehabilitation (including relocation activities) of existing unrestricted naturally occurring affordable housing (NOAH) and deed-restricted affordable rental housing in the City of San Diego.</p> <p>Up to \$5 million for the preservation of Expiring, Deed-Restricted Affordable Housing; and Up to \$16.6 million for the preservation of NOAH.</p> <p>This NOFA does not include rental housing vouchers.</p>
11	Protect vulnerable residents by providing lump sum relocation assistance in the amount of \$6,330 for each displaced resident, with an additional \$2,000 lump sum amount for special needs residents.	143.0570(b) requires two times the average monthly rent for the preceeding 12 months where the unit is demolished/converted, one month's rent for rehabilitation causing displacement; plus \$10/month for each month's residency in excess of 90 days, not to exceed \$210.