



COUNCIL STAFF REPORT

CITY COUNCIL *of* SALT LAKE CITY

TO: City Council Members

FROM: Russell Weeks
Senior Policy Analyst

DATE: November 19, 2019

RE: **SINGLE ROOM OCCUPANCY TEXT AMENDMENTS**

Item Schedule:

Briefing: March 5, 2018

Set Date: March 5, 2018

Public Hearing: March 26,
2018

Potential Action: Not
Applicable

NEW INFORMATION

This item is a follow-up briefing for the City Council.

On October 22, Council Members Erin Mendenhall and Amy Fowler met with housing advocates and representatives of Mayor Jacqueline Biskupski's Administration to discuss finding a balance between potential long-term effects of adopting a proposed ordinance that would amend the City zoning ordinance pertaining to single-room occupancy housing and short-term housing needs of people earning low incomes, including people experiencing homelessness. Administration representatives included Deputy Chief of Staff David Litvack and Planning Director Nick Norris.

At the end of the meeting, participants agreed on a four-step path forward:

- 1.) Brief the full City Council on particulars of the meeting to gauge the Council's sentiment on further review of the proposed ordinance. The review would include studying the proposed ordinance and determining whether further changes might be made based on the October 22 meeting.
- 2.) If the City Council approves, undertake the review.
- 3.) Have a follow up meeting to discuss specifics of proposed amendments.
- 4.) Determine how to proceed to further housing needs for people earning low incomes and people experience homelessness.

To review, the City Council held a briefing on the proposed ordinance at a March 5, 2019, work session. The Council then held a public hearing on the proposed ordinance March 26, 2019. The Council then closed the hearing and deferred action until a later date. Council Members Fowler and Mendenhall then met October 22



with the Administration and housing advocates Pamela Atkinson, June Hiatt, Andrew Riggle, Tara Rollins, and Brent Willis.

Issues raised in the discussion included:

- Potential barriers in the zoning ordinance that prohibit expanding locations of single-room occupancy housing.
- The potential effect of adopting the proposed current amendments to unintentionally reinforce long-standing segregation – economically and socially within the community.
- The potential opportunity for further revisions to reverse trends in economic and community segregation.
- The potential effect of delaying short-term housing needs to address long-term housing issues.
- The need to change perceptions of single-room occupancy living from perceptions of disapproval to perceptions that it is “non-traditional” housing that can be used by a spectrum of people including college students, service industry workers and people working seasonally in the tourism industry.
- The need to put SRO housing into communities that can support people living there through the closer availability of jobs and educational opportunities.
- The potential of places where SROs could be located beyond traditional bus and rail lines that may not necessarily serve people who need public transportation.
- The need to think in terms of valley-wide transportation.
- The potential for “congregate living” to alleviate some of the need for SRO housing.
- The potential of SRO housing to be designed in a way that it becomes a model for “universal design” that accommodates people of all abilities.

POLICY QUESTIONS

- How do the locations of single-room occupancy housing in the current proposed ordinance compare with the locations very low, low, moderate, high, and very high income levels in the opportunity index census tract presented to the City Council at its November 12 work session?
- How do the locations of Section 8 housing voucher holders, and locations of rent assisted rental projects presented at the same meeting compare to the locations of single-room occupancy in the current proposed ordinance? (Please see attachment.)
- If the City Council determines to explore additional revisions, how much can the proposed ordinance be revised before it would have to return to the Planning Commission for more consideration?
- If the City Council determines to explore additional revisions, what priority might it place on moving the proposed ordinance through the legislative process within the context of other planning issues already in process?

ISSUE AT-A-GLANCE

Goal of the briefing: To inform the City Council about proposed changes to the City zoning ordinance pertaining to single-room occupancy housing.

The proposed ordinance would:

- Expand the number of zoning districts where single-room occupancy uses could locate.
- Allow for weekly rentals in SROs to make housing more easily available to some people and allow SRO owners more leverage to enforce rules they may have.
- Help add to the City’s inventory of permitted housing types.
- Appear to meet goals of *Growing SLC: A Five-Year Housing Plan 2018-2022* adopted by the City Council on December 12, 2018, and other City plans.¹

POLICY QUESTIONS

1. Planning Commission discussion and public comment indicated an interest in having single-room occupancy structures be categorized as conditional uses instead of as permitted uses. The Planning Commission at its November 14, 2018, meeting adopted a motion to forward a positive recommendation to the City Council with the proposed amendments categorizing single-room occupancy businesses as permitted uses.² Would the City Council prefer the proposed amendments designate single-room occupancy businesses as permitted uses or as conditional uses?
2. The proposed amendments include qualifying provisions for single-room occupancy use. The provisions address minimum floor areas for individual units and communal areas, requirements that a property manager be on-site 24 hours a day and security cameras continually monitor communal areas. Are there other qualifying provisions such as those similar to qualifying provisions for homeless resource centers that the City Council might want to consider?
3. The proposed amendments would remove the “dwelling” designation from single-room occupancy group. Removing the designation would allow the weekly rental of SRO rooms. However, weekly rentals are considered a “transient” use under building codes the City follows. The building codes require higher plumbing ratios, such as each room having a bathroom, than the proposed amendments contemplate for single-room occupancy housing. The Building Services Division plans to follow international building codes for hostels. The codes allow one water closet per 10 people and one shower or bathtub per eight people. The codes do not contemplate people staying longer than a month.³

ADDITIONAL & BACKGROUND INFORMATION

The Salt Lake City Zoning Ordinance permits single-room occupancy use in the following zones: Transit Station Urban Center, Transit Station Urban Neighborhood, Transit Station Mixed Use Employment Center, Transit Station Special Purpose, and Form Based Urban Neighborhood 2.

The proposed text amendment would permit single-room occupancy use in the following zones: Downtown Central Business District; Downtown Support District; Downtown Secondary Central Business District; Downtown Warehouse/Residential; Residential Mixed-Use; Residential Mixed-Use-45; Residential Mixed-Use 35; Corridor Commercial; Sugar House Central Business District 1 and 2; General Commercial; Mixed Use; Gateway Mixed Use; Form-Based Special Purpose Corridor Core (Sugar House); and Form-Based Special Purpose Corridor Edge (Sugar House).

Single-room occupancy use would not be permitted in the following residential and commercial zones: All Foothill Residential districts; Residential 1/5,000; Residential 1/7,000; Residential 1/12,000; R-2 Single and Two-Family Residential District; all Special Development Pattern Residential districts; all Residential Multifamily districts; Residential/Office District; Neighborhood Commercial districts; Community Business districts; Community Shopping districts, and Small Neighborhood Business districts.

For the Downtown Warehouse/Residential districts (D-3) the underlined language in bold would be inserted into the current language of City Code 21A.30.040.C.1:

C. Controls Over Mixed Use: The concept of mixed use is central to the nature of the D-3 downtown warehouse/residential district. To ensure that mixed use developments provide for on-site compatibility as well as neighborhood compatibility, the change of land use type or an increase in floor area by twenty five percent (25%) of existing principal buildings and the construction of buildings for new uses after April 12, 1995, shall conform to the following provisions. ...

1. Buildings containing commercial/office uses located above the second story shall incorporate multi-family dwellings, **single-room occupancy (SRO)**, boarding house,

bed and breakfast, or hotel uses in the amount of at least fifty percent (50%) of the total floor area of the building;

As indicated earlier, the proposed ordinance contains qualifying provisions for single-room occupancy use. The provisions address minimum floor areas, communal areas, a requirement that a property manager be on-site 24 hours a day, and security camera monitoring. The proposed ordinance also describes a typical unit as “one combined living and sleeping room” that may contain “either a private kitchen or separate private bathroom but not both.”

Master Plans

According to the Administration, the proposed ordinance meets goals presented in *Growing SLC: A Five-Year Housing Plan 2018-2022* and *Plan Salt Lake* which the City Council adopted December 1, 2015.

Under *Growing SLC*, the proposed ordinance supports the following objectives, according to the Administration:

- **Goal 1:** Reform City practices to promote a responsive, affordable, high-opportunity housing market.
 - **Objective 1:** Modernize land-use and zoning regulations to reflect the affordability needs of a growing, pioneering city.
- **Goal 2:** Increase housing opportunities for cost-burdened households.
 - **Objective 1:** Prioritize the development of new affordable housing with an emphasis of households earning 40 percent of AMI (average median income) and below.
- **Goal 3:** Build a more equitable city.
 - **Objective 3:** Implement life cycle housing principles in neighborhoods throughout the city.⁴
 - **3.3.1:** Support diverse and vibrant neighborhoods by aligning land use policies that promote a housing market capable of accommodating residents throughout all stages of life.

Growing SLC also includes the following goal and objective:

- **Goal 2:** Increase housing opportunities for cost-burdened households.
 - **Objective 1:** Prioritize the development of new affordable housing with an emphasis of households earning 40 percent of AMI (average median income) and below.
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Under *Plan Salt Lake*, the proposed ordinance supports the following objectives, according to the Administration:

Guiding Principle 1/Neighborhoods that provide a safe environment, opportunity for social interaction, and services needed for the wellbeing of the community therein.

Initiatives:

3. Create a safe and convenient place for people to carry out their daily lives;
5. Support policies that provide people a choice to stay in their home and neighborhood as they grow older and household demographics change;
7. Promote accessible neighborhood services and amenities, including parks, natural lands, and schools.

Guiding Principle 2/Growth: Growing responsibly, while providing people with choices about where they live, how they live, and how they get around.

Initiatives:

1. Locate new development in areas with existing infrastructure and amenities, such as transit and transportation corridors.

Guiding Principle 3/Housing: Access to a wide variety of housing types for all income levels throughout the city, providing the basic human need for safety and responding to changing demographics.

2040 Targets:

1. Increase diversity of housing types for all income levels throughout the city;
2. Decrease percent of income spent on housing for cost-burdened households.

Initiatives:

1. Ensure access to affordable housing citywide (including rental and very low income);
2. Encourage housing options that accommodate aging in place;
3. Direct new growth toward areas with existing infrastructure and services that have the potential to be people-oriented.

Guiding Principle 11/Equity: Ensure access to all City amenities for all citizens while treating everyone equitably with fairness, justice, and respect.

Initiatives:

3. Pursue equitable access to privately provided services and amenities across the City;
4. Support policies that provide housing choices, including affordability, accessibility, and aging in place.⁵

It might also be noted that the *Salt Lake City Transit Master Plan* recommends, “Residential densities should be at least 10–12 households per acre for corridors that receive high-frequency transit investments and/or have more than 12–16 jobs per acre.”⁶ It may be that single-room occupancy housing will increase the likelihood of bolstering high-frequency transit corridors.

Single-Room Occupancy

In the last five years 5,697 apartment units have been built in Salt Lake City. Another 1,750 apartment units are under construction.⁷ Of the first figure, 1,464 units were affordable, and 1,057 affordable units are under construction for occupancy in the next two years.⁸

The only single-room occupancy units left in Salt Lake City are the 50 rooms at the Rio Grande Hotel, 428 West 300 South.⁹ Forty years ago Salt Lake City had about 800 single-room occupancy units.¹⁰

The Housing and Neighborhood Development Division describes single-room occupancy units as places with “a unique floor plan that increases housing affordability through efficiencies realized in shared amenities, as well as foster resident support systems.”¹¹

Studies read by City Council staff describe single-room occupancy hotels as the lowest-cost, permanent rental housing that is the lowest rung on the housing ladder and often occupied by the aged, disabled and working poor.¹² According to one analysis of three San Francisco SRO hotels:

“... In this research many of the residents were low-paid maids, janitors, and dishwashers. Their units enable them to save for a future for either themselves or their families. One middle-aged man who worked as a short order cook had save enough money by living in a 10-foot by 13-foot room for over 20 years to send his four children to college. Another middle-aged woman who worked as a maid in a nearby hotel had saved enough money ... to build a small home for her elderly mother.”¹³

However, the studies noted that as urban areas changed single-room occupancy hotels either were demolished for newer building projects or were repurposed. A 2017 report by the U.S. Interagency Council on Homelessness on ending encampments of homeless people said San Francisco, “despite having more permanent supportive housing per capita than any other city,” still was seeking ways to build more. “The city is in the process of advocating for addition units from affordable developers to become permanent supportive housing, and has used master leasing of SRO buildings as a key strategy to create units,” the report said.¹⁴

Area Resident Concerns

The main concerns pertaining to the proposed ordinance raised by residents at the November 14, 2018, public hearing and in emails afterward were:

- Potential effects on residential neighborhoods, even if single-room occupancy structures were next to, but not in, neighborhoods.
- Single-room occupancy structures should be conditional uses instead of permitted uses.
- Well-managed SROs, whose residents have passed background checks, are OK, but poorly run SROs would degrade neighborhoods.
- How large would an SRO be?
- The number of SROs allowed in one geographical area.
- How can the City ensure that management regulations are enforced and not ignored?
- SROs often are places of drug use and interpersonal violence requiring frequent visits by paramedics or police officers.
- SROs should not be repurposed single-family homes or small unit complexes where neighbors are directly adjacent.

¹ Salt Lake City Council Minutes, December 12, 2017.

² Salt Lake City Planning Commission Minutes, November 14, 2018

³ Emails, Orion Goff, Building Services Director, February 22, 2019.

⁴ Salt Lake City Planning Commission Memorandum, Ashley Scarff, June 27, 2018, Pages 3-4.

⁵ Scarff, June 27, Pages 4-5

⁶ *Salt Lake City Transit Master Plan*, Land Use & Place Making, Page 6-2.

⁷ Email, Heather Gilcrease, Development Review Supervisor, February 14, 2019.

⁸ Email, Tony Milner and discussion, HAND Project and Policy Manager, February 14, 2019.

⁹ *U.S. cities used to have low-rent, short-term, dorm-style housing. Is that what Utah's homeless need?* Matthew Piper, Deseret News, September 1, 2018.

¹⁰ Matthew Piper, Deseret News.

¹¹ Presentation, Tony Milner, Planning Commission meeting, November 14, 2018.

¹² *Single Room Occupancy Residential Hotel Program*, Innovations in American Government Awards, Harvard Kennedy School; *Housing With Dignity*, Mark Gillem and others.

¹³ *Housing With Dignity*, Mark Gillem and others.

¹⁴ *Ending Homelessness for People Living in Encampments: Lessons from San Francisco, CA*, U.S. Interagency Council on Homelessness, August 2017.