



August 12, 2020

**Hon. Russell Hom**  
**Presiding Judge Sacramento County Superior Court**  
720 9th Street  
Sacramento, CA 95814

**Via Email:** Paul Thorn Jury Commissioner [ThornP@saccourt.ca.gov](mailto:ThornP@saccourt.ca.gov),  
Ms. Erendira Tapia-Bouthillier Grand Jury [TapiaE@saccourt.ca.gov](mailto:TapiaE@saccourt.ca.gov)

**Subject: Sacramento County Grand Jury Report: Impact of Gentrification and Neighborhood Revitalization on the Displacement of Residents.**

Dear Judge, Hom:

The Downtown Sacramento Partnership appreciates the opportunity to provide a response to the Sacramento Grand Jury 2019-20 Report on the **"Impact of Gentrification and Neighborhood Revitalization on the Displacement of Residents."** Beginning with the misleading nature of the report's title, the report is focused entirely on the displacement of residents of SROs located in the downtown core. However, the title does not provide this specificity. A casual reader would be disappointed to see the report is so narrowly focused on a small subset of housing units, when gentrification and displacement is a significant policy concern during the national housing crisis.

By focusing exclusively on SRO units as a housing solution to our at-risk populations, the Grand Jury missed the opportunity to address challenges associated with the homeless, and other at-risk populations. SRO units are a type of housing that does not meet the needs of these populations. The report further does not acknowledge that conversions of SRO units that have occurred sought to enhance the livability and quality of these units.

The report goes into great detail about the history of SROs in downtown Sacramento and the loss of these units in the preceding decades, however the reality is SROs were not serving the marketplace and targeted populations well, and the housing model is changing to better suit the needs of residents.

If the Grand Jury reviewed several years of Annual SRO reports (a mandate under City Code 18.20) they would have seen the significant vacancy rates in a number of the "regulated" units prior to the 2016 amendments. The SRO model includes a single room, with shared restroom and kitchenette facilities. Several years ago, the term "efficiency unit" was coined and has been the standard for permanent supportive housing or housing units for at-risk populations. These efficiency units (which both Hotel Berry, and 7<sup>th</sup> and H are considered) have in room restroom and kitchenette facilities.

The late affordable housing pioneer in Sacramento Ali Youssefi, sought changes in City Code 18.20 in order to convert SRO units into efficiency units, thus requiring a reduction in the number of units to better serve the population with private restroom and kitchen amenities. His conversion of the Ridgeway did just that, reducing unit numbers by almost half but creating a project that has proven to be a successful model.

## **FINDINGS**

Finding 1. Clear lines of responsibility regarding relocation of Single Room Occupancy (SRO) clients have been difficult to determine. Opinions from interviewees indicate the agencies were not always working collaboratively, sharing information and consistently messaging.

**Response to Finding 1:** Sacramento City Code makes it clear that the Sacramento Housing and Redevelopment Agency (SHRA) is responsible for implementing the SCC 18.20.

Finding 2. The Grand Jury found no evidence that a study of best practices from other cities has been performed or communicated.

**Response to Finding 2:** We agree and are in the process of identifying best practices in public space management, strategies to create affordable, and market rate housing.

Finding 3. The Grand Jury found that the conversions of The Berry, The Capitol Park and the Shasta facilities appear to have been well-planned and meet the intent of the law and the needs of the community.

**Response to Finding 3:** We agree and feel the renovations to The Berry and Shasta Hotels have only improved living conditions for those residents, and the conversion of the Capital Park Hotel will provide much needed permanent supportive housing for our homeless populations.

Finding 4. Sacramento Housing and Redevelopment Agency (SHRA) did not provide the Grand Jury information on reporting or tracking individual residents of SROs who were displaced. Therefore, it could not be determined whether those occupants who may have been compensated have relocated, whether the relocation was successful or, worst case, if the resident spent the money and may now be homeless.

**Response to Finding 4:** We agree that improved reporting and accountability practices can better track outcomes and ensure public funds are being used responsibly.

Finding 5. The Grand Jury Report for 2018-2019 recommended seeking assistance to look at the actions and coordination of the stakeholders. As a result of those recommendations, The Sacramento Homeless Policy Council (SHPC) was formed which will impact future relocated tenants.

**Response to Finding 5: We look forward to the work of the SHPC and hope meaningful efforts in coordinating actions to curb homelessness and provide affordable housing and services will result.**

Finding 6. Kaiser Permanente is funding support to help SHPC develop oversight, stronger collaboration and a coordinated plan.

**Response to Finding 6: We applaud Kaiser Permanente for their support of the SHPC and efforts to develop stronger collaboration and coordination between agencies and jurisdictions.**

Finding 7. While SHRA has the legal mandate for housing individuals displaced by gentrification, several initiatives and/or agencies including Sacramento Steps Forward (SSF), Volunteers of America, and Continuum of Care are involved in various aspects. It is not clear which entity makes the final decision, which initiates policy, and which manages implementation regarding development of plans and re-housing those impacted by gentrification.

**Response to Finding 7: The finding is overly broad and somewhat misleading. It is true that SHRA is responsible for implementing Sacramento City Code section 18.20, and therefore is responsible for providing relocation payments and assistance for SRO residents but it is the County of Sacramento that receives the vast amount of state and federal funding for social service provisions. To say that SHRA has a legal mandate for housing all individuals displaced by gentrification assumes that a single entity has the authority and/or responsibility for devising policies and plans to alleviate displacement. Because each individual jurisdiction has final land use authority, policies around housing, displacement, and gentrification are created by local jurisdictions.**

Finding 8. The Joint Powers Agency (JPA) members - Sacramento City, Sacramento County and SHRA - are making efforts to work more collaboratively along with Sacramento Steps Forward and the newly formed Sacramento Homeless Policy Council along with Community Solutions.

**Response to Finding 8: The Downtown Partnership looks forward to seeing positive outcomes resulting from greater collaboration between the key partners and the SHPC.**

Finding 9. Sacramento City Code mandates a minimum of 712 SRO rooms must remain available at all times. As of July 3, 2019, the City had 762 rooms including those at the new complex at 7th & H which indicates they are maintaining the mandated levels. The question remains whether that is an adequate number today.

**Response to Finding 9: Please refer to our introductory comments on our response. We believe the SRO represents an outdated model that does not serve at-risk populations well.**

## RECOMMENDATIONS

Recommendation 1. The Joint Powers Authority along with Sacramento Steps Forward and Sacramento Homeless Policy Council should collaboratively develop a single uniform plan relating to SRO displacement that would improve transparency, coordination, accountability and reduce duplication of efforts between the stakeholders by June 30, 2021.

**Response to Recommendation 1: SHRA is currently the responsible party for collecting data associated with SRO residents. Instead of creating an additional layer(s) of review, the Grand Jury should require SHRA to present a comprehensive plan by June 2021.**

Recommendation 2. The Joint Powers Authority and Sacramento Steps Forward should develop a task force, utilizing the Sacramento Homeless Policy Council, to include representatives of all agencies involved in plans for gentrification throughout the County of Sacramento and especially Downtown Sacramento. This task force should research best practices of other jurisdictions to learn how they manage their efforts to protect residents of housing slated for gentrification and issue a report of findings by June 30, 2021.

**Response to Recommendation 2: We support this recommendation but believe that it may go well beyond the scope of this report. As mentioned in our introductory comments, gentrification and displacement is a significant issue facing communities across the nation—in neighborhoods across the economic spectrum and across the city and region.**

Recommendation 3. The current mandate of maintaining 712 SRO units may not be an adequate number. SHPC should study the number of SRO units needed in 2020 and beyond and provide a report of findings by March 31, 2021.

**Response to Recommendation 3: Please refer to our introductory comments on our response. We believe the SRO represents an outdated model that does not serve at-risk populations well.**

Recommendation 4. Placements for residents of all SROs being repurposed or revitalized need to be monitored and publicly reported. To facilitate greater understanding and ensure improved transparency of the placement process, the SHRA website could be utilized to contain reports similar to the Capitol Park Hotel Resident Relocation Report for all SRO property renovations. SHRA should provide the elements and timeline of these reports by March 31, 2021.

**Response to Recommendation 4: We agree that improved reporting and accountability practices can better track outcomes and ensure public funds are being used responsibly.**

In conclusion, I thank you again for the opportunity to respond to the Grand Jury report on displacement of SRO units in the downtown core. While the Downtown Partnership continues to be committed to solutions around affordable housing, and homelessness, we are equally committed to the continued revitalization and prosperity of Sacramento's urban core.

We further encourage the responsible parties identified in this report to proactively work in coordination to address the severe increases in homelessness, substance abuse, and mental health disorders we're seeing in downtown since the beginning of the COVID-19 public health crisis.

Sincerely,

A handwritten signature in dark ink, appearing to read "M. T. Ault", is positioned above the typed name.

Michael T. Ault  
Executive Director  
Downtown Sacramento Partnership

CC:      Downtown Sacramento Partnership Board of Directors  
         Mayor Darrell Steinberg  
         Councilmember Steve Hansen  
         Howard Chan, Sacramento City Manager  
         Phil Serna, Supervisor District 1  
         Nav Gill, Sacramento County Executive  
         LaShelle Dozier, SHRA