

REVISED LEGISLATIVE DIGEST
(Amended in Committee – June 16, 2025)

[Planning, Building Codes - Interim Housing in Hotels and Motels]

Ordinance amending the Planning Code to allow certain tourist hotels and motels to be used for Interim Housing without thereby abandoning or discontinuing the hotel use classification under that Code, and authorizing the reestablishment of hotel use for certain Shelter-In-Place hotels; amending the Building Code to allow Interim Housing without thereby changing the underlying occupancy classification of the property, allowing reestablishment of hotel use for Shelter-In-Place hotels, and amending Appendix P to remove restriction that emergency housing be located on land owned or leased by the City; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan and the eight priority policies of Planning Code, Section 101.1, and findings of public necessity, convenience, and welfare under Planning Code, Section 302

Existing Law

Pursuant to state law, the City may declare the existence of a shelter crisis if it finds that a significant number of persons within the City lack the ability to obtain shelter, and that fact has resulted in a threat to their health and safety. The City made these findings in Ordinance No. 57-16 pursuant to California Government Code Section 8698 through 8698.2. Later amendments to that law permitted the City to adopt streamlined Building Code standards if the City determined that strict compliance with the Building Code for shelters located on land owned or leased by the City would prevent, hinder or delay efforts to mitigate the shelter crisis. The City made these findings and adopted the relaxed standard, now codified in Appendix P, in Ordinance No. 60-19. The authorization to declare such a shelter crisis and adopt the streamlined standards was extended in SB 1395 (2024).

Civil Code 1954.08 through 1954.093 provide that operating tourist hotels and motels does not create a landlord tenant relationship between the program participant and the shelter operator. Although these sections were set to expire on January 1, 2025, AB 2835 (2024) recently amended these code sections to remove the sunset date.

Under the Planning Code, if a use is not operated, or is discontinued for a certain amount of time, the use is considered abandoned. With limited exceptions, more than one use is not permitted in the same area. The Planning Code considers a Hotel use and a Motel use to each be a form of a Retail Sales and Service use. Homeless shelters are generally considered a Residential use.

Amendments to Current Law

This ordinance would amend the Planning Code to create the Interim Housing use, which would be a Residential use that provides shelter and services to persons experiencing homelessness or at risk of homelessness. The ordinance would allow existing Tourist Hotels and Motels to be used as Interim Housing without losing the prior authorization as a Hotel or Motel use, and would not require strict adherence with other sections of the Planning Code that apply to Residential uses. The Hotel or Motel use would continue so long as the Tourist Hotel or Motel is being used for Interim Housing. The ordinance would allow Interim Housing at four locations. The ordinance would also only apply to hotels where the hotel use existed on or after April 1, 2025. The ordinance would require HSH, or the other relevant funding City agency, to work with Interim Housing providers to relocate program participants, in the event the Interim Housing Provider seeks to cease the Interim Housing use.

The ordinance would also allow hotels that participated in the City's COVID Shelter-In-Place Hotel Program to reactivate the existing hotel use without the need for a new entitlement, clarify that the reactivation of the hotel use at those locations does not constitute a residential conversion pursuant to Planning Code Section 317, and exempt such reactivation from the need for a building permit.

This ordinance would also allow Tourist Hotels and Motels to rely on the Building Code Standards in Appendix P, which were adopted pursuant to Government Code 8698.4. The ordinance would amend Appendix P to remove the restriction that shelters be located on property owned or leased by the City from City law. The ordinance also would provide that using a Tourist Hotel or Motel as Interim Housing would not change the underlying occupancy classification of the property.

Background Information

The City is still recovering from underutilized and vacant hotels and motels. This ordinance attempts to match underutilized or vacant hotels and shelter service providers.

At the March 10, 2025 meeting of the Land Use and Transportation Committee, the Committee adopted amendments that would limit the use to one location, set application criteria, and require HSH to work with shelter providers to relocate program participants.

At the March 17, 2025 meeting of the Land Use and Transportation Committee, the Committee duplicated the file and added amendments that would allow hotels that participated in the City's COVID Shelter-In-Place Hotel Program to reactivate the existing hotel use without the need for a new entitlement. The duplicated file (Board File No. 250257) was referred back to the Planning Commission for consideration of these amendments. On May 8, 2025, the Planning Commission considered the ordinance in the duplicated file and adopted a recommendation of approval.

At the June 9, 2025 meeting of the Land Use and Transportation Committee, the Committee adopted amendments to allow Interim Housing on three additional sites. It also amended the ordinance to require HSH, or other City agency funding the Interim Housing, to work with program participants, in the event an Interim Housing site winds down. The Committee also adopted formatting and technical amendments to reflect the fact that the original file (Board File No. 241067) was enacted and became effective.

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