CONVERTING HOTELS TO HOUSING

steinberg hart

A LETTER FROM DAVID HART

The idea of converting hotels to housing is not new. But today, this idea is particularly relevant for three primary reasons: first, the nationwide shortage of affordable housing is reaching a breaking point; this is all the more acute in urban city centers where rents have continued to climb while salaries stagnate. Second, and closely related to the first, the homelessness crisis continues to ravage our country, particularly in the state of California where a quarter of the nation's unhoused individuals live. And finally, the Coronavirus pandemic has not only exacerbated the first two issues, it has also had a devastating impact on the hotel industry.

The numbers paint a dire picture for the hotel industry. As of October 2020, average hotel occupancy has shrunk to a low 40% from 70%-80%. 25% of hotels cannot pay their debt service, which has resulted in nearly $20.6 billion in hotel commercial mortgage-backed security loans at 30 or more days in default. Many hotel properties have depreciated to 25-30% of their pre-pandemic value.

Meanwhile, as the nation sheltered in place, shelter remains out of reach for many Californians. The high cost and long time it takes to build affordable housing in California is making matters worse. In April of 2020, The Los Angeles Times reported that the average cost to build one unit of affordable housing reached $500,000. To meet the need for affordable housing in our state, we must generate 125,000 units each year for the next ten years. The math seems impossible given our current approach to designing and delivering housing.

Remarkably, the pandemic has offered a unique opportunity to address both the health crisis and the homeless crisis. Less than two weeks after the State of California went into lockdown, Governor Gavin Newsom announced Project Roomkey, with the goal of securing 15,000 available hotel rooms to serve as emergency housing and safe isolation for Californians experiencing homelessness. The project received FEMA funding and quickly moved forward thanks to the leadership of cities and counties who sprung into action across the state. In the end, Project Roomkey moved more than 22,000 Californians off the streets, out of shelters, and into motel rooms during the COVID-19 pandemic.

Following the success of Project Roomkey, Governor Newsom launched Project Homekey, providing grants for the purchase and rehabilitation of buildings that will provide critically needed housing units for people experiencing homelessness throughout California. In total, Homekey utilized $846 million to rapidly purchase and subsidize 6,029 units in less than six months from start to finish. With the average total cost per unit at $147,974, ninety-four Homekey projects have closed escrow.

The increasing number of people experiencing homelessness, the lack of shelter beds, and the shortage of affordable housing have been at crisis levels in California for more than a decade, but it took a global pandemic to elevate these crises to a state of emergency. Project

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Roomkey and Homekey are proof of what we can accomplish together when we put our minds to something with all the urgency it deserves. As we overcome the pandemic and the associated economic downturn, let us not lose our willingness to take bold and imperfect action to address homelessness and housing affordability.

We should look at repositioning hotels to help in addressing the housing shortage as a long-term solution. By leveraging these existing assets, affordable, high quality housing can be provided five times faster on average than new construction and at one third of the cost.

We believe that all housing types contribute to addressing housing affordability in California, so we encourage you to look at each hotel as a unique opportunity. Depending on location, size, and configuration, different hotel types - motels, mid-range, limited service, full service, or conference – are better suited for different types of housing – micro, co-living, affordable, market rate, or senior. It may even make sense to convert only a portion of the hotel to financially stabilize the property and provide the needed housing for the community.

In the following pages, we discuss the technical challenges, building code considerations, entitlement limitations, and design opportunities that a hotel conversion presents. We have outlined the key considerations and we have shared a few case studies. Using this guide, you can explore what is most appropriate for a given hotel property.

While our team put this document together in a time of crisis, we sincerely believe that it is a tool that can be used over the coming years to help cities, counties, and property owners understand the opportunities and challenges of converting hotels to housing. We encourage you to keep an open mind and think about how different properties might be best utilized for both the owner and the community.

Sincerely,

David Hart, AIA
President & CEO
Steinberg Hart

Hotel bar spaces can be adapted to lounge or co-working spaces

Steinberg Hart has developed a list of considerations that we use to assist owners and developers to ascertain the financial and market feasibility of transforming a hotel asset in whole or in part to housing.

TAKING INVENTORY OF A HOSPITALITY TRANSFORMATION

Steinberg Hart sees the transformations of hotels as potentially viable conversions to housing. In the following pages, we've outlined considerations to assess the feasibility of a hotel conversion into any one of the following housing types:

1. **SUPPORTIVE HOUSING**
2. **AFFORDABLE**
3. **CO-LIVING** (with potential for cowork)
4. **MULTI-FAMILY**
5. **SENIOR/ASSISTED LIVING**

The following is a summary of key considerations that owners must consider when assessing their properties and to make wise and prudent decisions based on data. Steinberg Hart utilizes a proprietary checklist to quickly and efficiently guide property owners through the following analysis. Key components include: Building Code Considerations; Design Considerations; and Entitlement Considerations.

BUILDING CODE CONSIDERATIONS

- Building Code and Constructability Considerations
- Structural
- Building Code
- Accessibility
- Kitchens
- Mechanical
- Plumbing
- Electrical
- Energy
- Property Data
- Building Condition Assessment

DESIGN CONSIDERATIONS

- Recommendations and options for various Housing Types
- Analysis of existing room layout and potential unit creation
- Analysis of parking requirements and potential development use with excess parking
- Pre-construction issues and potential implementation schedules

ENTITLEMENT CONSIDERATIONS

- Land Use
- Zoning Ordinances
- Density
- Automobile Parking
- Open Space
- General Plan Designation
- City Council and School District
- Permitted Use and Conditional Use Permits
- CEQA/ EIR

Hotels have ample elevators, exiting, and fire resistant construction, making them ideal for residential conversion.

BUILDING CODE CONSIDERATIONS

BUILDING CODE & CONSTRUCTABILITY CONSIDERATIONS

Not all buildings are suitable for conversion; converting a hotel needs to be feasible from a constructability standpoint. Below, we have outlined some key elements to consider in evaluating a building for conversion.

- Will it require major or minor work?
- What upgrades will be required to bring the building up to code?
- What code considerations need to be addressed to convert from one use to another?

STRUCTURAL

Hotel and apartment use utilize the same live loads in calculating structural requirements, indicating that structural upgrades based on the change-of-use will not be required. Other structural upgrades will need to be considered based on the age of the building, construction type, and location. For example, in the City of Los Angeles, concrete buildings built before 1978 would need to undergo mandatory seismic upgrades under the Non-Ductile Concrete Retrofit Program.

In terms of construction type, the ideal building consists of a concrete or steel structural system with metal stud partitions. This offers the most flexibility in terms of reconfiguration when the partitions are non-structural. Wood-frame buildings, in which most interior walls are bearing walls, require careful consideration. It will be more difficult to alter the unit layout in these buildings and is therefore critical that the existing walls allow for change-of-use to the desired layout without moving demising walls. This can be studied during the evaluation phase depending on the existing and desired product type.

BUILDING CODE

The code for hotels is more restrictive than the code for apartments. Hotels are considered transient lodging (stays of less than 30 days); and as such are designed with an extra safety factor to account for occupants who are not familiar with the building.

When it comes to building height, area, and construction type, most buildings designed for hotel use can be converted into other residential uses without significant code upgrades. This includes wood-framed and steel/concrete buildings: the more restrictive provisions for R-1 hotel uses allow for conversion to R-2 apartments or R-3.1 senior housing.

In terms of exiting provisions, all residential uses utilize the same 1:200 occupancy factor. Changing the use from hotel to another type of residential use will not increase the occupant load, and therefore will not trigger any requirements for additional exiting provisions. The one exception to this is dormitories. Dormitories use an occupant load factor of 1:50. As such, conversion from hotel to dormitory will often require additional exiting provisions.

Older buildings will need to be evaluated for fire sprinkler and fire alarm compliance. If they do not meet current code regulations, they will need to be retrofitted.

ACCESSIBILITY

Accessibility is one of the primary challenges that hotel conversions will need to overcome. While the discussion is nuanced, in general, one must consider the following factors:

1. What product type is the hotel being converted into? Accessibility requirements vary widely depending on whether it

is market-rate apartments, affordable apartments, senior housing, or other.

2. Is the project privately or publicly funded?
3. What type of restrooms are provided in the existing building, and what is their exact configuration?
4. Do they include bathtubs or are they shower only?
5. How do we manage accessibility for added kitchens and cooking facilities?
6. Are elevator & common area accessible?

Generally, accessibility requirements for housing follows the requirements of Chapter 11A of the CBC (CA Building Code) which calls for all units to be adaptable. In general, this means that wheelchair accessibility clearances are required in all units, and the unit is set up to easily adapt to an accessible unit by the owner when someone with a wheelchair moves in. For example, the bathrooms do not need grab bars, but they need to provide the backing needed for the grab bars for future installation without tearing out a portion of the wall.

In hotels, only 5% of hotel rooms are required to have "mobility features" – these units will convert more easily as they have the wheelchair maneuvering clearances at the door and larger restrooms with full accessibility features. The other 95% of hotel rooms and their associated restrooms can be smaller and have no accessibility features. If these restrooms were built to the minimum size allowable by code, they will most likely need to be expanded to meet the maneuvering clearances required for adaptable bathrooms as noted in CBC Chapter 11 A.

Alternatively, building officials may be open to accepting the partly fully accessible feature of the hotels, in lieu of the all-adaptable features of housing. Part of a compromise might be to increase the number of fully accessible units from 5% to a larger percentage. This will make the conversion limited to a few numbers of units and keep the rest of the building functional while the conversion is underway.

KITCHENS

Depending on the proposed product type, kitchen requirements will vary. Some conversions may rely on the central hotel kitchen for foodservice, either not providing kitchens within the units or providing simple "warming kitchens". In this case smaller existing guest rooms may be acceptable. If kitchens are proposed, the existing guest room will need to be large enough to account for the addition of the kitchen, or adjacent guest rooms will need to be combined to provide adequate space.

Once the space needs are addressed, kitchens present a particular set of MEP requirements. It is imperative to account for plumbing waste & supply, cooking exhaust, and electrical demand. The simplest strategy for plumbing will be to add a new stack of supply and waste at each unit, ideally back-to-back with an adjacent unit. In most hotels, it can be assumed that the existing plumbing infrastructure was sized to handle the hotel demand from the existing bathroom stacks. Typically, it will be more efficient to add an entirely new stack, than it would be to replace the existing stack to handle greater volume.

Most hotels will not have gas service distributed throughout the building and will therefore be simpler to serve with electrical cooking appliances. In the event that gas cooking is preferred, gas service could be provided within the new plumbing stack. Careful attention will need to be paid to the electrical load to ensure that the existing infrastructure is adequate to support the increased load demand in each unit.

Kitchen exhaust can be accommodated in a few ways. In order to limit the additional required CFM of exhaust, recirculation hoods are recommended. Using recirculation hoods requires only 0.3 CFM/SF to be added for the kitchen area. In a 100 SF kitchen, the additional exhaust requirement would be limited to 30 CFM. The ideal scenario to handle this additional load would be to tie the new kitchen exhaust into the existing toilet exhaust system. In newer buildings, it may be possible to increase the fan speed at the roof to increase the CFM in the existing system without enlarging the duct size. Other solutions might include running new exhaust horizontally to the exterior of the building, or creating a new exhaust shaft to the roof.

MECHANICAL

In addition to the mechanical requirements related to the new kitchens, we must also consider general mechanical improvements required by the conversion. Newer buildings will most likely comply with code requirements with no change to the system. Some simple math tells us that hotel rooms smaller than 500 SF (which would cover all rooms except the largest suites) would not need any upgrades. Older systems may need upgrades, however, as they are based on codes that did not require as much CFM. This needs to be evaluated on a case-by-case basis.

PLUMBING

The primary plumbing concerns have been discussed above: see Accessibility and Kitchens.

ELECTRICAL

The work required to electrical systems will vary. The most important issue will be to ensure that adequate load is available to serve all the residential units. If not, this could help tilt the scales into providing gas appliances to the units in order to limit electrical use.

Another important decision will be whether to meter electrical loads separately or altogether for the whole building. Hotels will have electrical panels that cover entire floors, or sometimes even every two floors. If separate metering is desired, new electrical panels will need to be installed in every unit. This is an important investment to consider as residents will want their circuit breaker to be located inside their unit, rather than in a shared closet. Relocating electrical panels to the units has the added advantage of freeing up space in the electrical closets to expand IT/Cable infrastructure for the residential use.

ENERGY

Energy efficiency requirements will need to be calculated and evaluated on a case-by-case basis, as there are numerous variables to consider. Newer buildings have a better chance of requiring little to no upgrades. Older buildings may need more significant investment to update lighting and mechanical systems, which represent two of the biggest energy consumers in any building type.

DESIGN CONSIDERATIONS

Recommendations and options for various housing types

Permanent supportive housing (modular construction) that uses the same module dimentions as hotels.

Every hotel is unique and based on the location, size, and ancillary spaces it may be better suited for one type of housing than another. We have identified five housing typologies to be considered when looking at a hotel for possible conversion to housing.

1. PERMANENT SUPPORTIVE HOUSING

Housing for people who have experienced homelessness, prolonged extreme poverty, poor health, disabilities, mental illness and/or addiction.

KEY TRAITS:

- Space is needed for supportive services and 24-hour access
- Additional accessibility measures must be put in place to address a higher number of residents who require assistance
- Very low parking demand; primarily staff parking*

2. AFFORDABLE HOUSING

Housing that is built and subsidized for families and individuals that costs no more than 30% of the monthly household income for rent and utilities. Many affordable housing developments are built for families and individuals with incomes of 60% or less of the area median income (AMI).

KEY TRAITS:

- May include on-site supportive services
- Lower than average parking demand; about one parking stall per dwelling unit*

3. CO-LIVING

Housing in which residents get a private bedroom with shared common areas, including bathroom, kitchen and dining areas. Each bedroom comes with a lease agreement.

KEY TRAITS:

- Ample space is needed for common areas and amenity spaces
- Far fewer kitchens than standard housing projects
- Higher parking demand due to each bedroom being leased individually*

4. MULTI-FAMILY HOUSING

Housing with a variety of individuals, roommates, and families in separate dwelling units that includes private and shared recreation areas.

KEY TRAITS:

- Consists of a variety of unit sizes and mixes, dependent on local market demand
- Higher parking demand; about one parking stall per bedroom*

5. SENIOR ASSISTED LIVING

Housing that consists of dwelling units for persons over a predetermined age and older that may include common dining areas and other community rooms. Assistance may be required for daily living.

KEY TRAITS:

- Ample space is needed for supportive services and 24-hour access
- Ample space required for dining and meal service and community rooms and other amenities
- Additional accessibility measures must be put in place to address a higher number of residents who require assistance
- Low parking demand; less than one parking stall per dwelling unit

* Parking can further be reduced in Transit-Oriented Communities (TOC)

OPPORTUNITIES FOR ANCILLARY SPACES

In addition to the reuse of individual rooms, existing hotels have ancillary and support spaces that can be transformed into specific needs for these housing targets. Depending on the property and the market, existing hotels offer many of the ingredients that are required for the housing typologies outlined above.

REPURPOSING PROGRAM SPACE	
EXISTING HOTEL	**POTENTIAL HOUSING**
Restaurants	Food Service for Seniors or Fast Casual for Gen Z occupants
Ballrooms	Social Services or Senior Services or Co-Working
Meeting Rooms	Mailrooms, Package Concierge or Co-Working
Lobby Spaces	Coffee Bars and Social Gathering Areas
Ground Floor hotel rooms	Enclosed and secured Bike Storage and repair
Management Offices	Leasing Offices

ENTITLEMENT CONSIDERATIONS

This senior assisted living building was converted into a hotel.

As constructability and feasibility is explored for converting a hotel to housing, it is important to understand what it takes to get permission for such a conversion from the local jurisdiction.

Is the desired housing type permitted in the underlying Zone? Are there mechanisms in place to make the Land Use change a smooth process? How does the local jurisdiction define housing and what development standards are established by the Zoning Ordinance? Outlined below are some key elements to consider in evaluating a building for conversion.

LAND USE

The local jurisdiction's Community Plan establishes neighborhood-specific goals and implementation strategies to achieve broad objectives laid out in the City's General Plan. The policy document, or Land Use Element, lays out the community's goals, policies, and programs, and identifies where certain land uses are permitted. High-density housing is often permitted where hotels are permitted, therefore converting hotels into one of the five housing programs mentioned herein is viable.

A land use change from commercial hotel to any number of high-density residential can be completed by-right in most cases. In addition, the underlying zone prescribes spatial requirements for parking and the health and wellbeing of residents.

ZONING ORDINANCES

The principal method for implementation of the Land Use Element is the Zoning Ordinance. The Zoning Ordinance identifies specific development standards applicable to specific types of uses and areas, and it is essential to check the Zoning Ordinance for the asset's current Zone designation. In most cases, due to the housing crisis, the local jurisdiction is likely to incentivize affordable housing with more favorable development standards. Increases in allowable density, reduction of required parking, etc., can make a questionable conversion appetizing. Below, we have outlined some key zoning elements to consider in evaluating a building for conversion. To add complexity, affordable housing incentives are included, where applicable. The local jurisdiction will be able to provide the list of incentives and correlating affordable housing percentages necessary to obtain them.

DENSITY

The number of dwelling units allowed per unit area of land. Hotel rooms and residential units are typically restricted by density, with hotel rooms (short term stays) permitted at about twice the density of multifamily (unlimited length of stay). Hotel rooms are typically much smaller in size than the average unit size of multifamily housing. Conversion of hotel rooms to dwelling units may require combining of rooms in order to maintain compliance with density limitations.

AUTOMOBILE PARKING

Parking requirements vary significantly by location, zone, and land use. Since parking requires a large amount of site area it is important to determine if parking will be a limiting factor for your unit count. In addition, significant parking bonuses (reduction in parking) are provided if dwelling units are set aside for affordable housing.

Note that bicycle parking requirements have increased over recent years, so space should be set aside for short and long term bike parking.

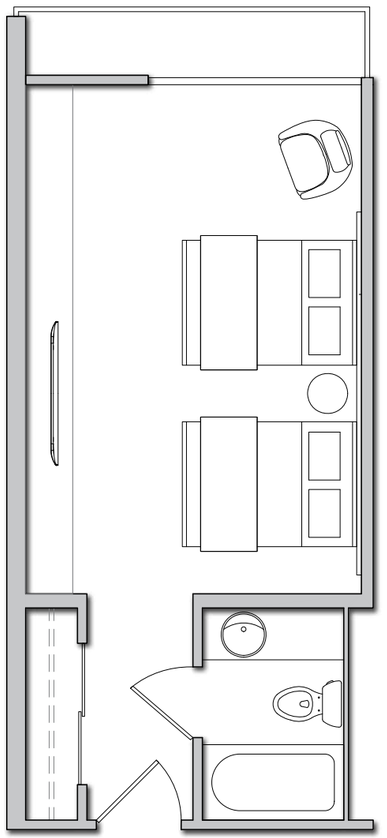
OPEN SPACE

Housing requires a significant amount of outdoor recreation area to promote the health and wellbeing of residents. Accommodating open space requirements can become a significant challenge in dense urban sites, and one can assume between 100- and 150-square feet per dwelling unit. Providing the required amount of open space may be a challenge.

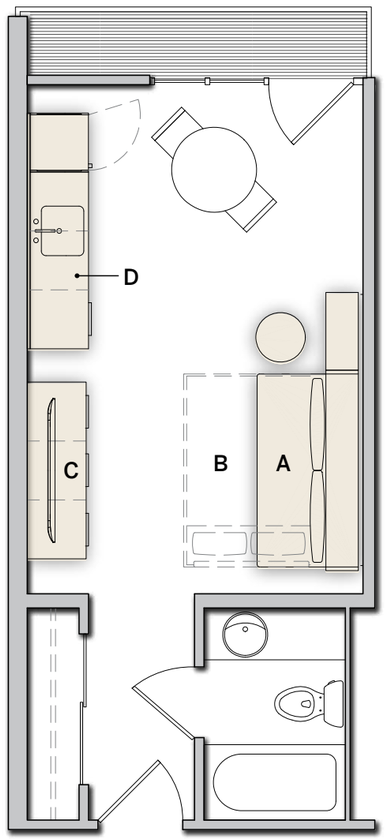
CONVERTING THE HOTEL ROOM TO A DWELLING UNIT

Through the use of each hotel room as a unit, studios, 1, 2, and 3-bedroom dwelling units can be created. The thoughtful utilization of modular, flexible, or dual-purpose furniture, fixture and equipment will allow you to create a highly functional unit.

TYPICAL STUDIO PLAN: DWELLING UNIT CONVERSION | 325 SF FURNITURE ONLY MODIFICATIONS

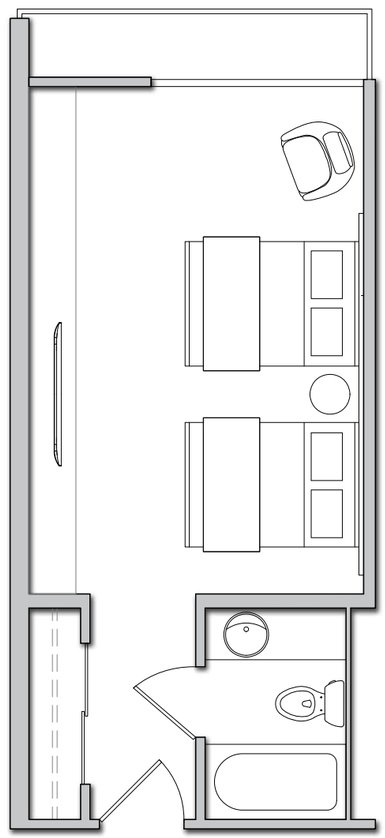


EXISTING HOTEL ROOM

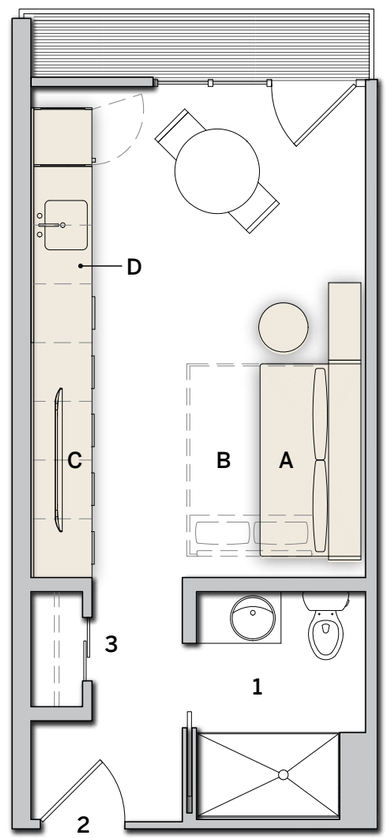


CONVERTED DWELLING UNIT

TYPICAL ADAPTABLE STUDIO PLAN: DWELLING UNIT CONVERSION | 325 SF ACCESSIBILITY MODIFICATIONS



EXISTING HOTEL ROOM



CONVERTED DWELLING UNIT

A Sofa Configuration
A freestanding, horizontally-opening wall bed system featuring a queen-size bed and a seven-foot, bench-seat sofa.

B Bed Configuration

C Media Storage Console & Work Surface
A classic solution for many configurations, the 25" wide wall modules can be placed freely or against the wall.

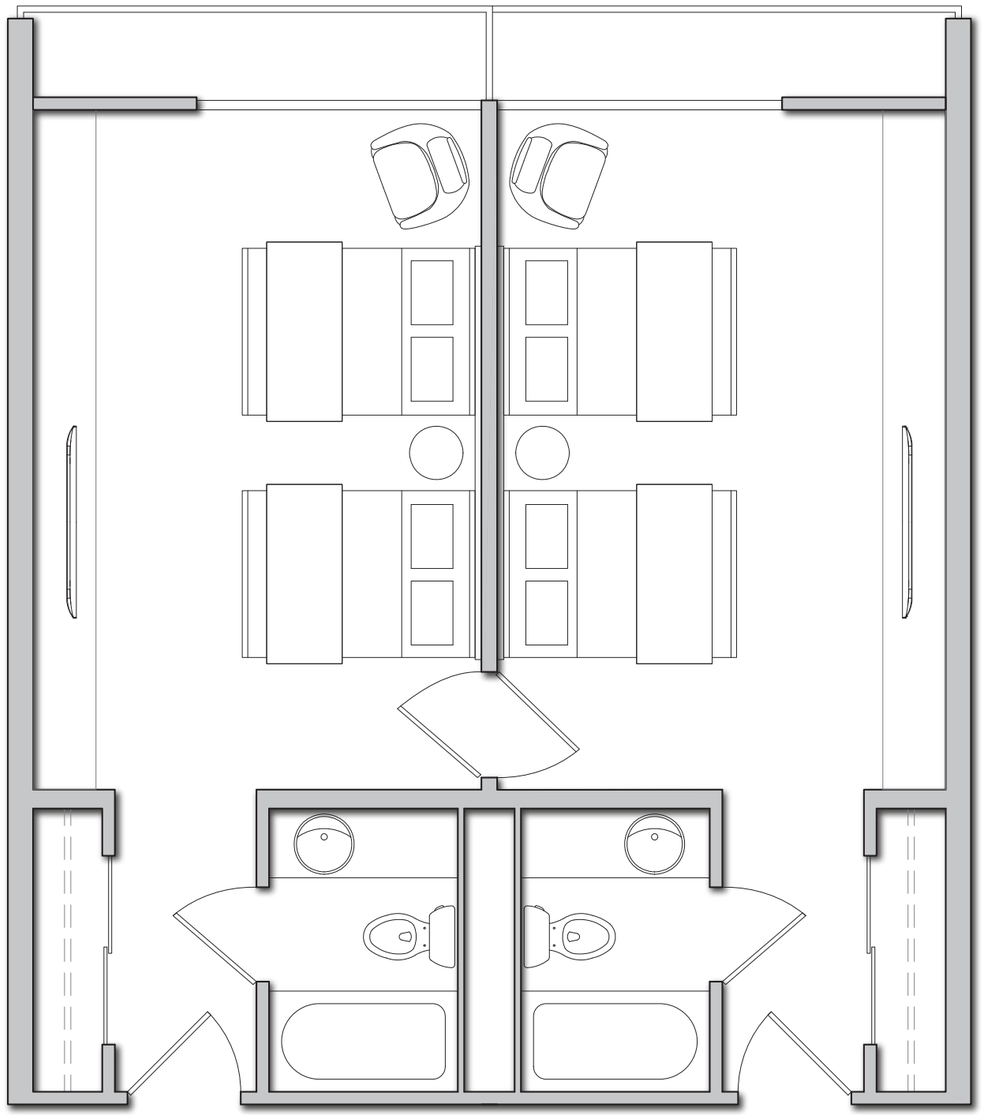
D Custom Kitchen Modules
The configuration shown includes four modules, two for a sink flanked with a refrigerator and a stacked stove and dishwasher.

1 Accessible Bathroom
Enlarged for clear floor space at the lavatory, toilet and shower. Pocket door added for the approach clearances.

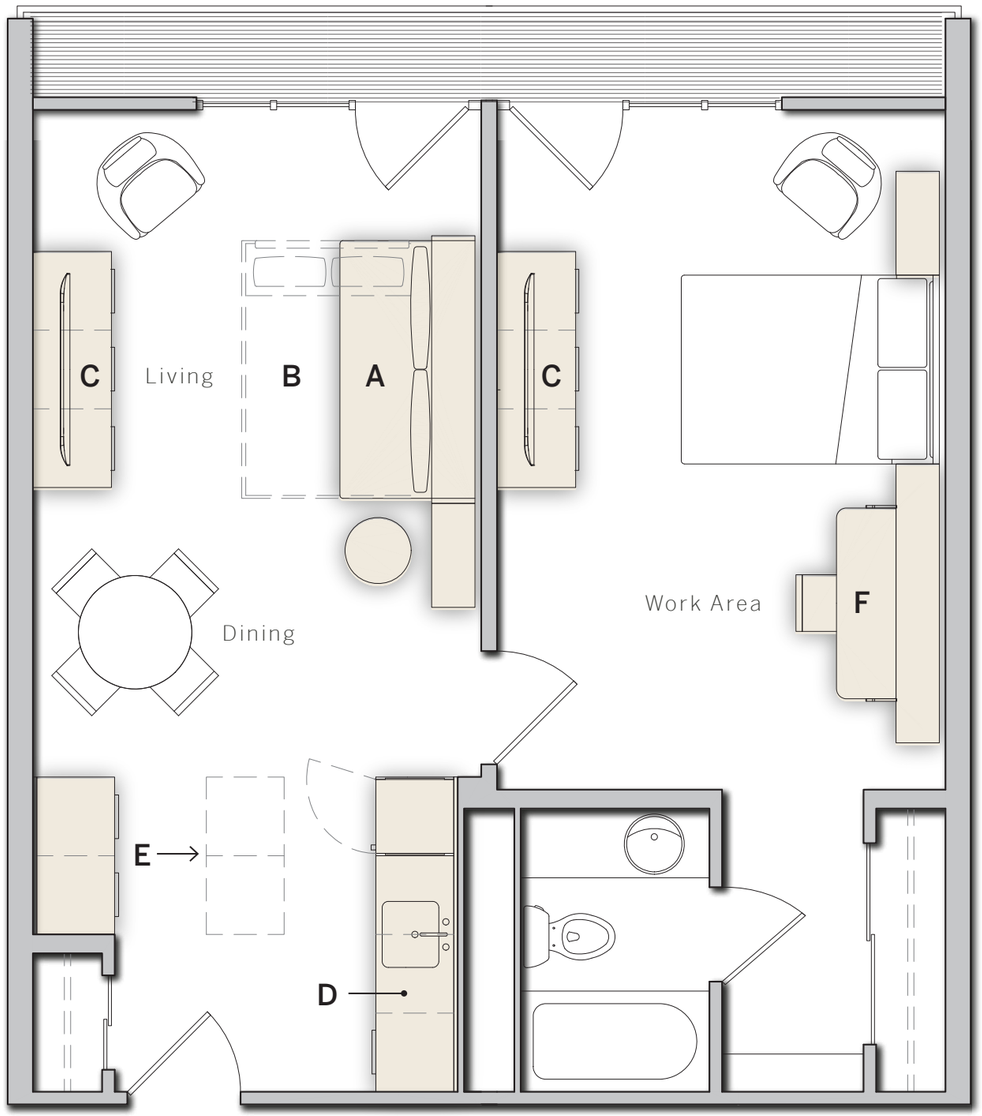
2 Entry Door
Shifted for required approach clearances.

3 Closet
Shortened for required approach clearances, an additional storage module is added to offset.

TYPICAL 1 BEDROOM PLAN:
DWELLING UNIT CONVERSION | 655 SF



EXISTING JOINED KEY HOTEL ROOM



CONVERTED DWELLING UNIT

MULTI-FUNCTIONAL FURNITURE AND MODULAR KITCHEN UNITS

A Sofa Configuration

B Bed Configuration

A freestanding, horizontally-opening wall bed system featuring a queen-size bed and a seven-foot sofa.

C Media Storage Console & Work Surface

D Custom Kitchen Modules

Above, a classic solution for many configurations, the 25" wide wall modules can be placed freely. Below, the configuration shown includes four modules, two for a sink flanked with a refrigerator and a stacked stove and dishwasher.

E Movable Work Surface

F Cabinet with Fold-Away Desk

Above, furniture that is mounted on wheels for easy access and placement adds flexibility. Below, fold-away desks easily transform any room into a work from home configuration.

G Wall Desk Configuration

H Bunk Bed Configuration

By day, this hidden wall bunk bed system features front-facing desks, perfect for studying while maximizing space, and at night, they seamlessly transform into bunk beds.

PHOTOS FROM RESOURCE FURNITURE AND VIPP

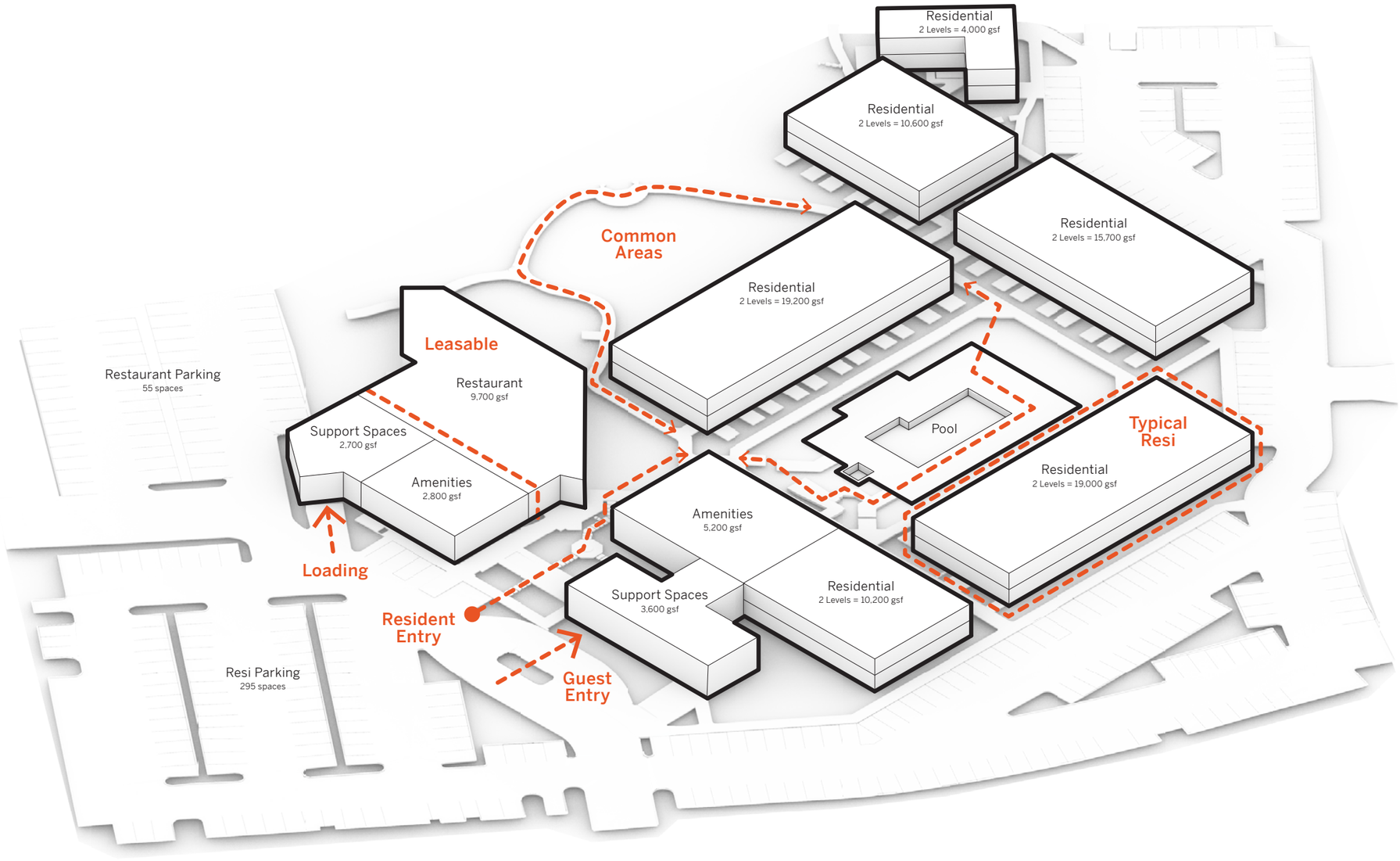
CASE STUDY 1
SUBURBAN HOTEL

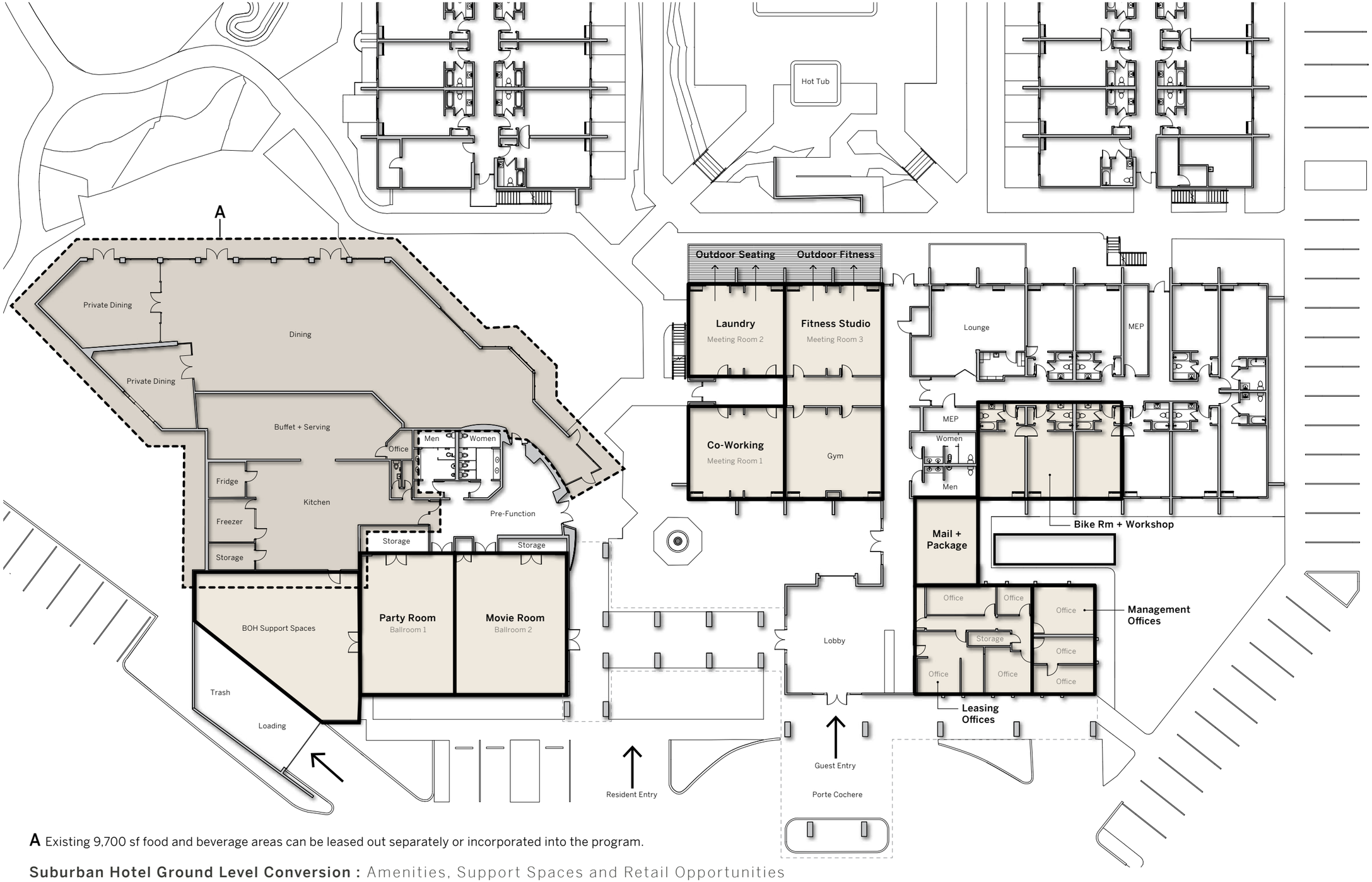
Low-rise hotels are predominately located in suburban areas are suitable for several various housing conversions and could be attractive for market rate, senior living, as well as workforce housing.

The following Case Study takes a closer look at what we can done with low-rise hotels. On the following pages, we show the program summary with site context and building massing, followed by case study of a potential ground-level conversion, demonstrating common area amenities, support spaces, and retail opportunities.

Lot Size: 286,560 sf
Gross Floor Area: 102,700 sf
173 Hotel Keys to 160 Residential Units

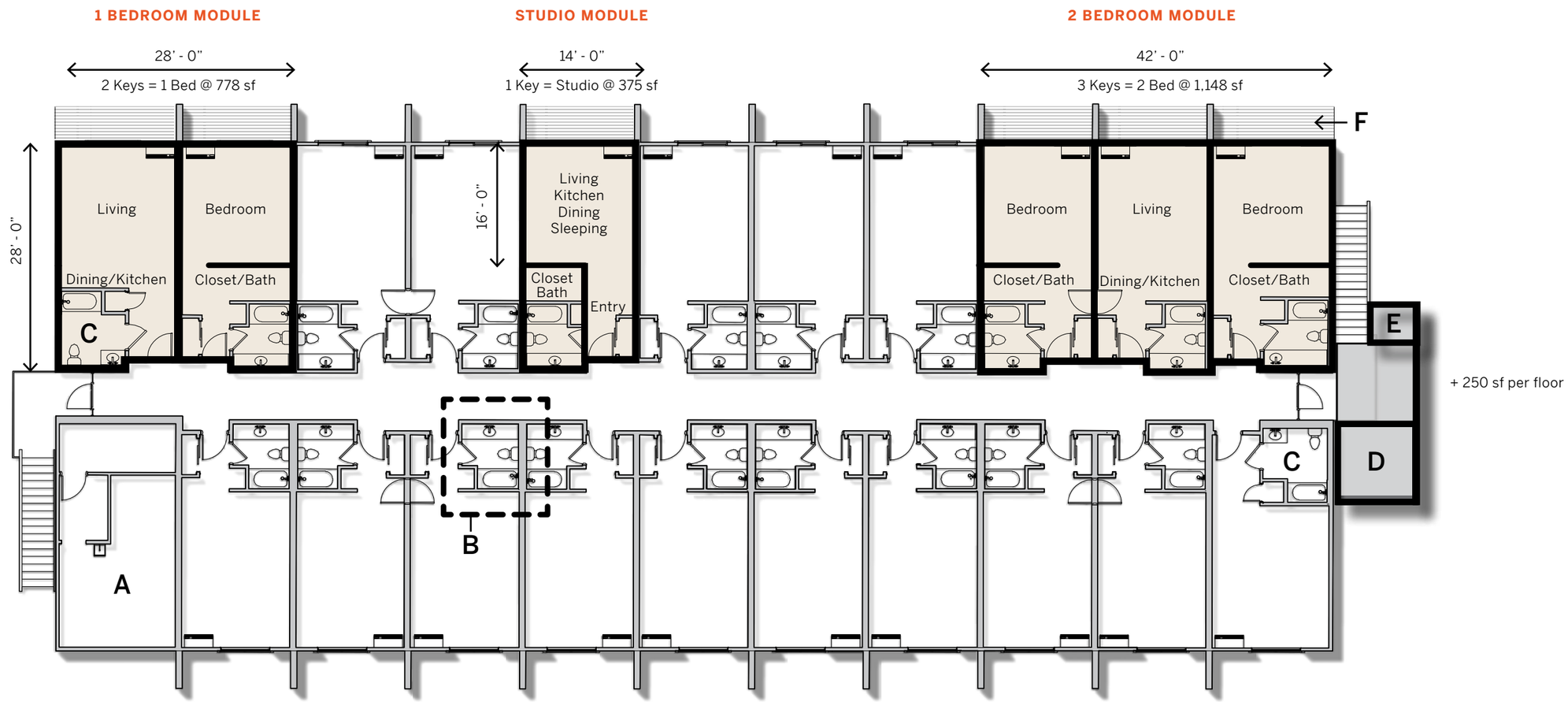
Residential: 78,700 gsf
Support Space: 6,300 gsf
Amenities: 8,000 gsf
Food and Beverage: 9,700 gsf





A Existing 9,700 sf food and beverage areas can be leased out separately or incorporated into the program.

Suburban Hotel Ground Level Conversion : Amenities, Support Spaces and Retail Opportunities



Gross Floor Area: 9,500 sf
Net Rentable Floor Area: 8,375 sf
Average Unit Size: 492 sf

Typical Plan Proposed Mix

13 Studios = 78%
3 1 Bedrooms = 18%
1 2 Bedrooms = 6%

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17 Total Units

A Existing back-of-house, to be converted to a corner unit.

B Check for required upgrades to meet accessibility requirements.

C Existing mobility key, easier to convert.

D Placeholder elevator as exterior addition with expanded stair landing.

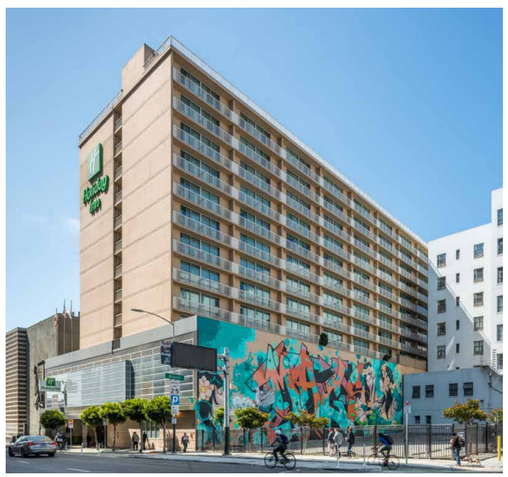
E Expand stair landing to include trash room or chute.

F Private open space supported by existing structure.

Suburban Hotel Typical Plan : Keys to Dwelling Units

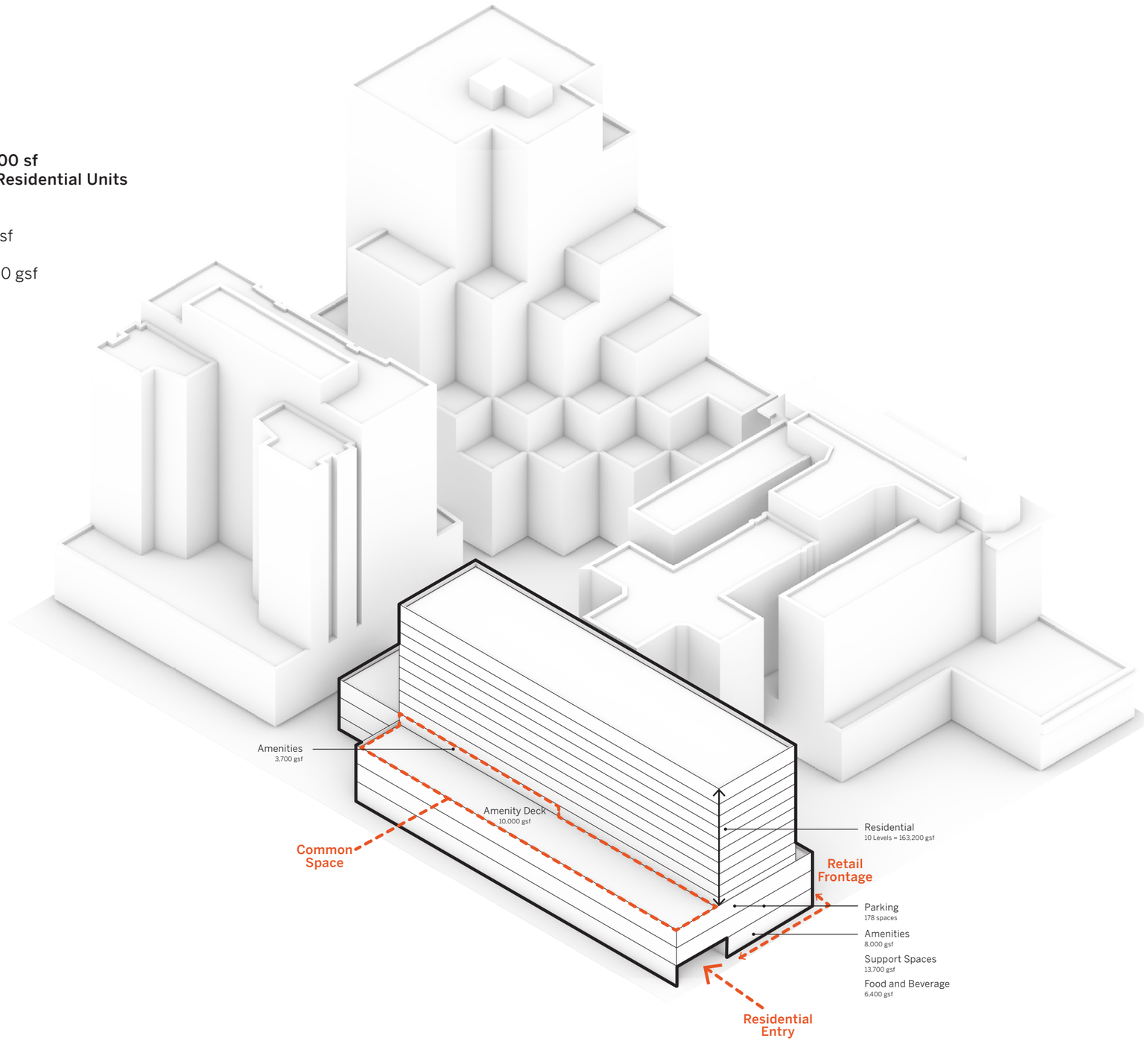
CASE STUDY 2
URBAN HI-RISE HOTEL

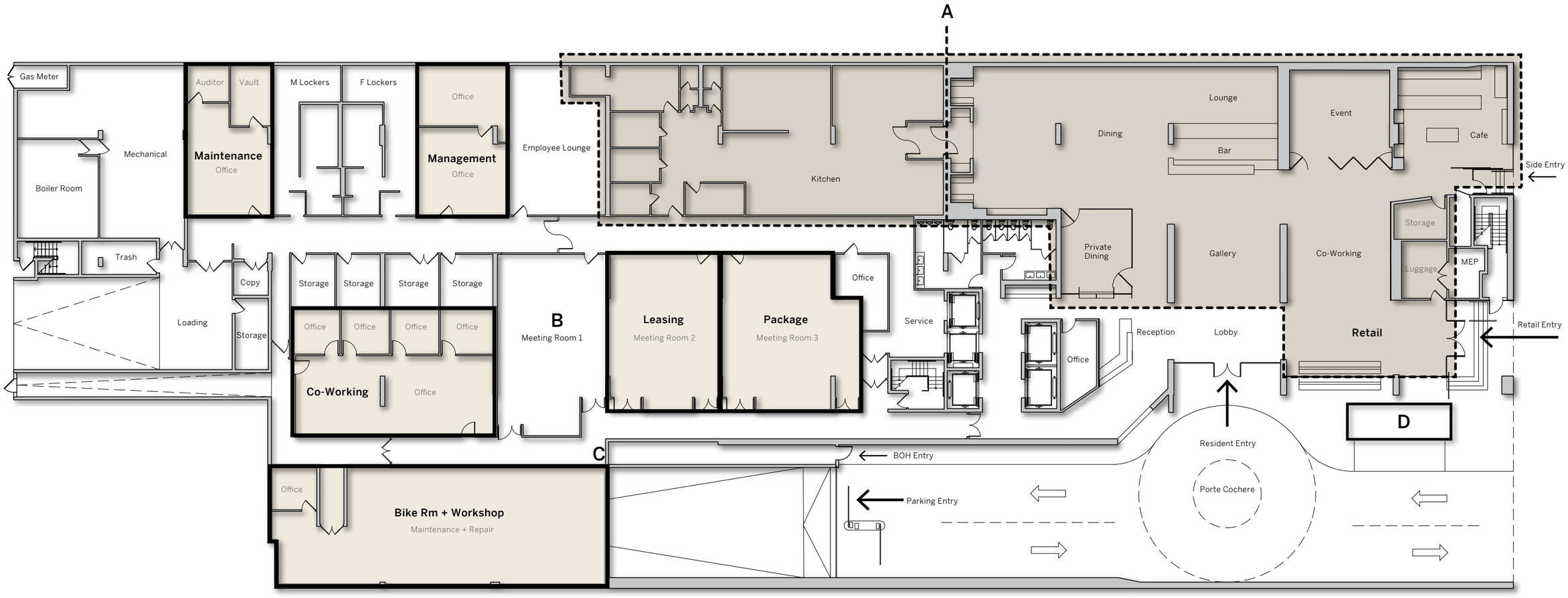
On the following pages, we show the program summary with site context and building massing, followed by case study of a potential ground-level conversion, demonstrating common area amenities, support spaces, and retail opportunities. In addition, the building's 4th level is an opportunity for indoor-outdoor amenities in addition to dwelling units.



Lot Size: 36,360 sf
Gross Floor Area: 195,400 sf
388 Hotel Keys to 344 Residential Units

Residential: 163,600 gsf
Support Space: 13,700 gsf
Amenities: 11,700 gsf
Food and Beverage: 6,400 gsf





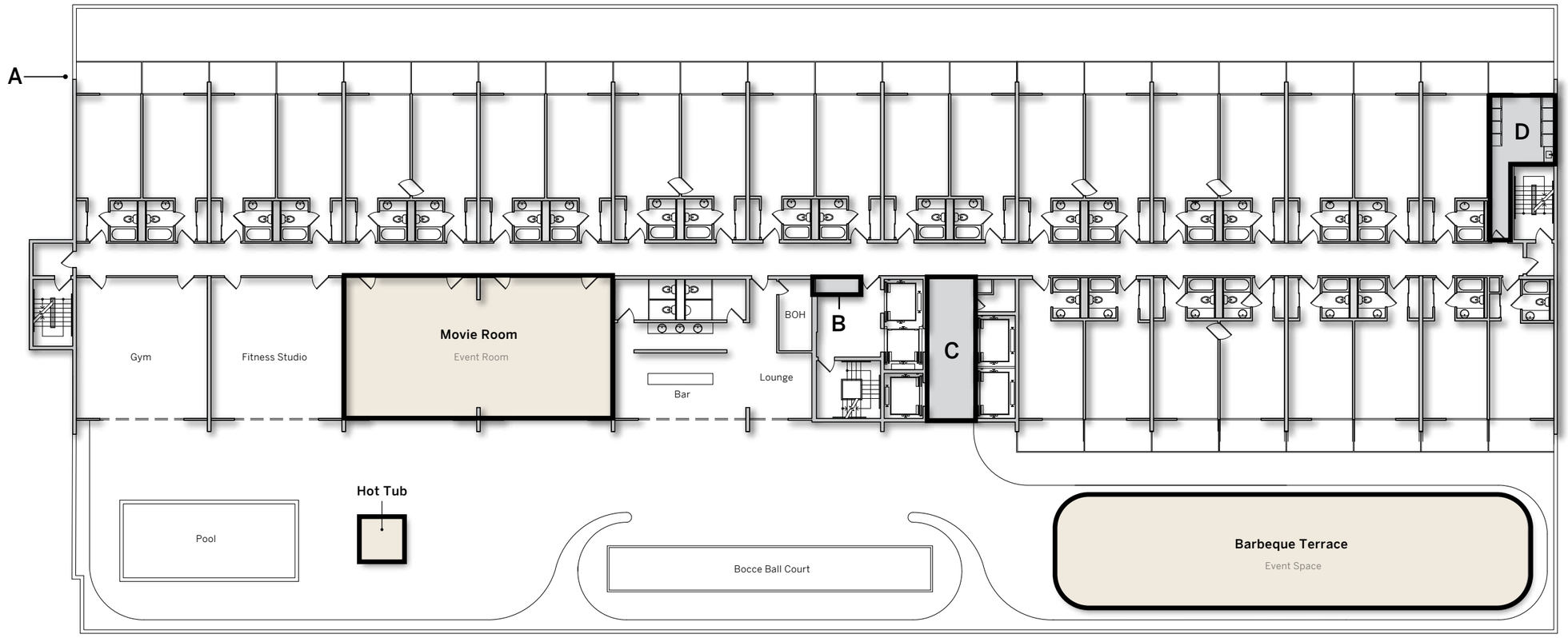
A Existing 6,400 sf food and beverage areas can be leased out separately or incorporated into the program.

B Existing meeting rooms can also be used as rentable party rooms for the residents with catering from the on-site food and beverage.

C Bike storage located by a separate entry to keep the bikes out of the common areas.

D Short-term bike parking to be added by the entry.

Urban Hotel : Level 1 Renovation



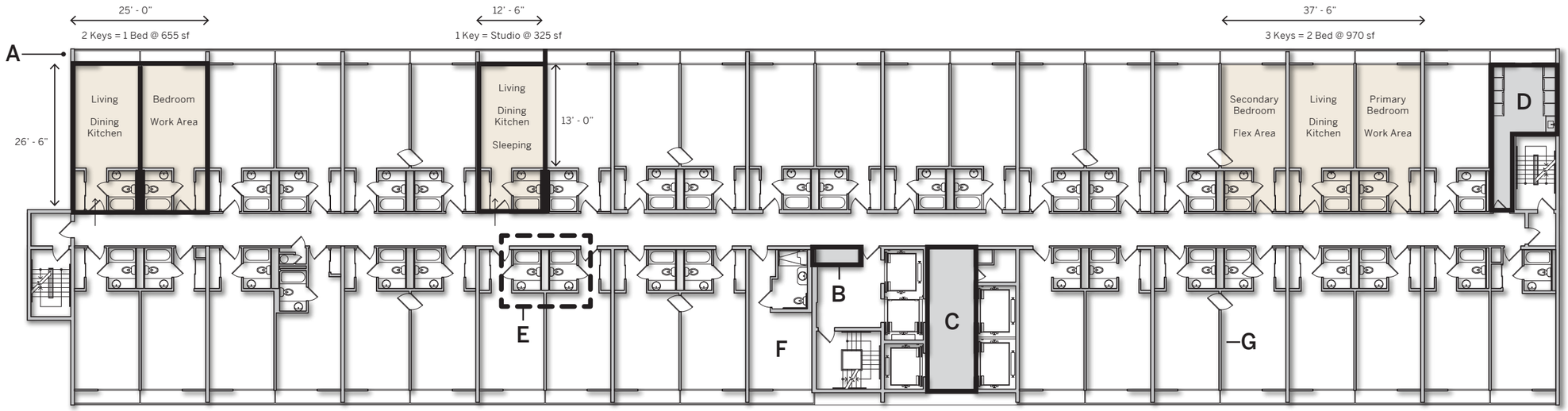
A Private open space supported by existing structure. .

B Incorporate area for a trash chute.

C Enclosed elevator lobby required to project fire-rated corridor.

D Hotel housekeeping converted to shared laundry room at each residential level.

Urban Hotel Level 4 Conversion : Indoor-Outdoor Amenities and Dwelling Units



Gross Floor Area: 16,730 sf
Net Rentable Floor Area: 13,440 sf
Average Unit Size: 384 sf

Typical Floor Proposed Mix

31 Studios = 88%
3 1 Bedrooms = 9%
1 2 Bedrooms = 3%

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35 Total Units

A Private open space supported by existing structure.

B Incorporate area for a trash chute.

C Enclosed elevator lobby required to project fire-rated corridor.

D Hotel housekeeping converted to shared laundry room at each residential level.

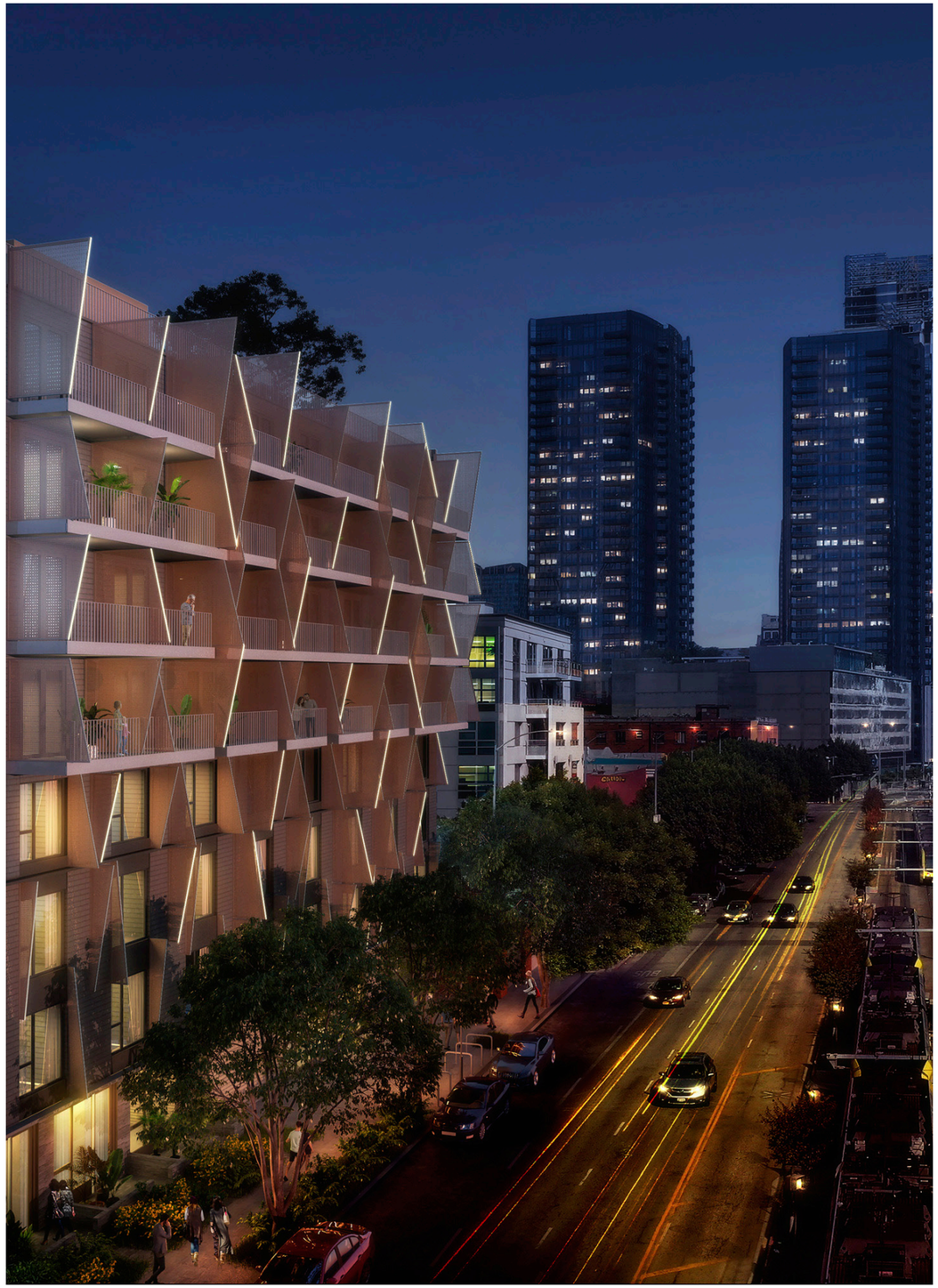
E Check for required upgrades to meet accessibility requirements.

F Existing mobility key, easier to convert.

G Partition wall at existing joined key, ideal for multiple key conversion.

Urban Hotel Typical Plan : Keys to Dwelling Units

Transforming underperforming hotels is a rapid and cost-effective way to deliver dwelling units where and when they are needed. Through the conversion, reimagining, and repositioning existing buildings, we can create a new model for addressing affordable housing.



APPENDIX

PROJECT ROOMKEY

Project Roomkey is a collaborative effort by the State, County and the Los Angeles Homeless Services Authority (LAHSA) to secure hotel and motel rooms for vulnerable people experiencing homelessness. It provides a way for people who don't have a home to stay inside to prevent the spread of COVID-19.

Project Roomkey was established in March 2020 as part of the state response to the COVID-19 pandemic. The purpose of Project Roomkey is to provide non-congregate shelter options for people experiencing homelessness, protect human life, and minimize strain on health care system capacity.

Project Roomkey gives people who are experiencing homelessness and are recovering from COVID-19 or have been exposed to COVID-19 a place to recuperate and properly quarantine outside of a hospital. It also provides a safe place for isolation for people who are experiencing homelessness and at high risk for medical complications should they to become infected.

The Project Roomkey and Rehousing Strategy is designed to quickly provide dedicated resources to ensure Project Roomkey units remain online through the continued public health emergency and that homelessness is non-recurring. Project Roomkey units are intended to be temporary, emergency shelter options, while also serving as a pathway to permanent housing.

PROJECT HOMEKEY

Building on the success of Project Roomkey, Homekey is the next phase in the state's response to protecting Californians experiencing homelessness who are at high risk for serious illness and are impacted by COVID-19.

Homekey is an innovative partnership between Los Angeles County and the State of California to purchase and rehabilitate hotels and motels, and convert them into permanent, long-term housing for people experiencing homelessness. Homekey builds upon Project Roomkey, which urgently housed vulnerable people experiencing homelessness to prevent the spread of COVID-19.

Administered by the California Department of Housing and Community Development (HCD), $600 million in grant funding was made available to local public entities, including cities, counties, or other local public entities, including housing authorities or federally recognized tribal governments within California to purchase and rehabilitate housing, including hotels, motels, vacant apartment buildings, and other buildings and convert them into interim or permanent, long-term housing.

Of the $600 million in Homekey grant funds, $550 million is derived from the State's direct allocation of the federal Coronavirus Aid Relief Funds (CRF), and $50 million is derived from the State's General Fund.

CALIFORNIA HOTEL PIPELINE

LOS ANGELES COUNTY

Only one hotel opened in Los Angeles County in the first half of 2020, the 24-room Prospect Hotel. Los Angeles County leads California with 49 hotels and 7,650 total rooms under construction. The largest is the dual-branded AC Hotel and Moxy Hotel in Los Angeles, both 410 rooms. Los Angeles County leads the Golden State in the number of hotels (286) and total reported rooms (42,484) in planning.

ORANGE COUNTY

Four Orange County hotels with 524 rooms opened in the first half of 2020. The largest was the 208-room Staybridge Inn & Suites Irvine. Orange County has 15 hotels with 2,888 rooms under construction. The largest continues to be the 613-room Westin Anaheim Resort, which is also the largest hotel in the State under construction. Orange County has 68 hotels and 11,978 rooms in planning.

SANTA CLARA COUNTY

Santa Clara had two hotels with 249 rooms opened.

The largest was the 144-room Hampton Inn & Suites at San Jose Airport. Seventeen hotels with 2,660 rooms are under construction; this is the second-highest county ranking in terms of the number of hotels under construction and third in the number of rooms, behind Los Angeles and Orange Counties. The largest hotel under construction is the 263-room M Social in Sunnyvale.

Santa Clara County has 75 hotels and 11,299 rooms in planning.

SAN FRANCISCO COUNTY

No new hotels opened in San Francisco County in the first half of 2020.

Five hotels with 858 rooms are under construction. The 250-room Luma Hotel at Mission Bay in San Francisco continues to be the largest. San Francisco County has 52 hotels and 6,312 rooms in planning.

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Steinberg Hart is an international architecture, interiors, and planning firm headquartered in Los Angeles. The firm has built a diverse and talented team that works collaboratively across seven offices, challenging one another to develop designs that build community, enhance business, support learning, and connect people with place. Steinberg Hart is known for innovation in design thinking and building technologies that help clients realize the full potential of their project.

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