

To: Members of the Common Council

From: Council Member Isabel Piedmont-Smith, District 1

Date: November 15, 2024

Subj: Resolution 2024-25, To initiate a proposal to amend title 20 (UDO) of the Bloomington Municipal Code re: single-room occupancy residential buildings as a permitted use

Single Room Occupancy units are generally defined as small, private, furnished living spaces for 1-2 occupants that share a kitchen and/or bathroom with other units in the same building. They are often rented by the week or by the month, rather than on a typical annual lease. Specific definitions vary between jurisdictions. SROs were commonly known as rooming houses during earlier periods in American history and became widespread in cities during industrialization. They were bottom-rung housing: not great but better than nothing. As there were few if any health or safety regulations, these rooming houses were often unsafe and unsanitary as property owners took advantage of renters who had no other place to go. After stricter zoning regulations were enacted, rooming houses were shut down in the 1970s and 1980s, and the properties were often razed to make room for higher-end housing that was more profitable. But there was no low-cost housing to replace the lost SROs.

In recent decades, as homelessness has become a growing problem across the country, SROs are making a comeback as one piece of the solution. After the COVID pandemic shut down travel and tourism, some hotels were successfully converted into SROs to house people who were previously unhoused or who were at risk of being unhoused.¹ In some cities, new construction is underway to create SROs or micro-apartments to provide more affordable options for a range of residents.²

At the September 11, 2024 “Consensus-Building Activity” session of the Bloomington Common Council, Council Members discussed SROs with members of the public as one way to address our own community’s homelessness problem. There was widespread support from attendees, who brought up a variety of related recommendations such as offering on-site support services for previously unhoused people moving into an SRO; integrating recently unhoused folks with students, retirees, and others who want to live in an SRO; allowing SROs in neighborhoods so they can be integrated into the community along with single-family homes and small multi-family houses; and having full-time staffing in the building for security and oversight.

¹ [Addressing Homelessness Through Hotel Conversions](#), Carolina Reid, Shazia Manji, and Hayden Rosenberg, The Turner Center for Housing Innovation, UC Berkeley, December 2021

² For example, Los Angeles, through the [SRO Housing Corporation](#) and Portland, OR, through [Central Housing Concern](#)

Resolution 2024-25 requests that the Plan Commission bring forward revisions to the UDO allowing SROs with the following considerations:

- 1) Allowing flexible building types, including conversion of hotels, single-family houses, and commercial spaces - *Conversion is generally less costly than new construction. Allowing use of single-family homes can provide “empty nesters” and others with a reliable source of income by adding an SRO. The idea is to be flexible so that SROs are actually offered by the private sector.*
- 2) Distinguishing between the existing “Residential Rooming House” use and an SRO, or replacing Residential Rooming House with SRO, while allowing uses that would fall under the RRH definition as well as under the SRO definition - *In recognition that we already have something similar in the UDO that could either remain or be integrated into the SRO definition.*
- 3) Allowing SROs as a permitted use in multiple zoning districts, including residential zoning districts, perhaps with use-specific standards - *The goal is to avoid SROs only in certain parts of the city or in “bad” neighborhoods. Small SROs could fit in well within existing residential neighborhoods.*
- 4) Not requiring owner-occupancy for SROs in any zoning districts - *The Residential Rooming House use-specific standards currently require the property owner to live on-site if the RRH is RM, RH, and MN districts. This requirement should be removed for SROs to allow greater flexibility.*
- 5) Encouraging a diversity of residents including those who need ongoing support and those just seeking a low-cost, simple housing option. SROs should not become another form of group care housing or supportive housing, as those are already defined and allowed in the UDO. - *If SROs are allowed only in majority student neighborhoods, they will probably become student housing. Likewise, if they are allowed only near public housing projects, they may not attract a variety of residents either.*
- 6) Allowing SRO units to be integrated into a mixed-use building with other housing types and/or commercial/office space. - *This could increase the financial viability of a project, for example, a building with 10 SROs and 10 studio apartments.*
- 7) Allowing two people per living unit - *This would provide maximum usefulness of these units.*

Remember that this resolution is just the first step in considering UDO revisions to allow SROs. The staff in Planning & Transportation would further study the issue and bring forward recommendations for specific text revisions to the Plan Commission within 90 days, there would be one or two hearings before the Plan Commission, and then it would come to the Council for one or more further meetings (with public comment) for approval. I request your affirmative vote on Resolution 2024-25 to begin this process.

Mini-Bibliography:

Single-room rentals in America’s housing ecosystem

<https://www.niskanencenter.org/single-room-rentals-in-americas-housing-ecosystem/>

Losing what SROs do right

<https://theyee.ca/News/2017/02/13/Losing-What-SROs-Do-Right/>

SRO Housing Corporation – California

<https://srohousing.org/>

The decline of SROs and its consequences for housing affordability

<https://www.aei.org/wp-content/uploads/2024/05/The-history-of-SROs-FINAL-v2.pdf>

SRO study in Bloomington, MN – landing page with links

<https://letstalk.bloomingtonmn.gov/single-room-occupancy-sro-standards>

Addressing Homelessness Through Hotel Conversions

<https://ternercenter.berkeley.edu/wp-content/uploads/2021/12/Hotel-Acquisitions-Final-December-2021.pdf>

SRO housing, nearly zoned out of existence, could re-emerge (Philadelphia)

<https://www.governing.com/community/sro-housing-nearly-zoned-out-of-existence-could-re-emerge>

Micro-apartments are back after nearly a century, as need for affordable housing soars

<https://apnews.com/article/micro-apartments-affordable-housing-homelessness-716346460edde132dd3701f8eda74331>

Current definition of Residential Rooming House (RRH):

A building in which, lodging, with or without meals, is provided for compensation, including but not limited to: a building designed as a single-family dwelling, that is occupied by a group of persons, usually for periods of 30 days or longer, that do not meet the definition of “Family,” where the use does not meet the definition of “Bed and Breakfast,” “Fraternity or Sorority House,” “Student Housing or Dormitory,” “Residential Care Facility,” or “Hotel or Motel.”

Current use-specific standards for RRH:

- A. In the RM, RH, and MN Districts, the owner of the property must occupy the rooming house as their primary residence. No residential rooming house shall contain more than four bedrooms, not including the living space occupied by the residential rooming house owner.
- B. No bedroom occupied by a person other than the residential rooming house owner shall be rented for a period of less than 30 consecutive days.

RRH as an allowed use:

Permitted use in RM, RH, MS, MN, MM, and MC districts

Conditional use in ME districts