

Frequently Asked Questions (FAQs) for the Redevelopment and Repurposing of Motel Properties to Apartment Units

The Development Services Department has fielded numerous questions from interested parties who are considering buying a downtown motel and repurposing it to apartments. Here are some of the most frequently asked questions and issues involved in repurposing and redevelopment of these properties.

1. Are the downtown motel properties zoned appropriately for multi-family development?

Yes. The Downtown Redding Specific Plan (DRSP) is the current land use regulatory document for the downtown area. Depending upon the location, the motel properties downtown allow for residential redevelopment with Planning approval. This may require a small portion of the building to be designated for an office or commercial use (mixed-use) depending upon the exact location of the property.

2. Is the City supportive of having multi-family projects downtown?

Yes. The DRSP encourages additional living units being established downtown (600 units). We believe this will help diversify the downtown economy and also help encourage more businesses to open downtown by increasing demand for eating and drinking establishments, personal services, retail shopping, etc.

3. Will the new residential units have to include fire sprinklers?

Yes. The California State Building Codes require that if the use of a building is modified, then current building codes must be met. This means that if the use of a motel is modified from a transient occupancy to a permanent occupancy like an apartment, the building must conform to current codes. This will be a costly endeavor. Not only would the size of the motel rooms most likely have to be increased, but fire sprinklers would have to be installed throughout the building. None of this is insurmountable from a construction standpoint, but the developer should take these costs into account when negotiating the purchase price of the property.

4. Will I be charged any impact fees for this type of redevelopment?

Yes. Changing the commercial use to a residential use will trigger impact fees that are related to residential development that a motel would not have to pay. These include park and school related impact fees. These fees are assessed on a per unit basis and can total as much as \$10,000 per unit. There may also be water and sewer impact fees if additional connections to these systems are required. However, there will also be fee credits given for the commercial motel use that will offset some of these fees. We encourage clients to obtain a FREE fee estimate at the Permit Center. Clients can pay any outstanding fees over a period of four years with City Council approval. Impact Fee schedules and fee estimate request forms can be found [here](#):

5. Are these impact fees are too high to make the project financially feasible?

No. Careful consideration should be given to the total cost of the redevelopment project that include the cost of labor, materials, demolition, and impact & permit fees, etc. Impact and permit fees are part of the equation just like the construction costs. The final purchase price negotiated for the property needs to take all of these costs into account. The owner may not have priced the property anticipating the redevelopment of the motel into apartment units.

6. Would I be better off to demolish the existing motel and start from scratch?

Perhaps. We encourage developers to explore all the options available. Demolishing and new construction certainly is the more expensive alternative at face value. However, demolishing and new construction would allow for more efficient use of the parcel, more dwelling units to be constructed, and more commercial space available to lease. The DRSP has some pretty liberal rules pertaining to height of buildings, density per acre, and parking requirements that could make up for the costs associated with starting from scratch. These options should be explored fully. The DRSP can be found on our website [here](#).

As always, staff is available to discuss the development process and the available development opportunities should there be additional questions. Please do not hesitate to reach out to us. We are here to help you make an informed decision. Thank you for your interest in Downtown Redding. We appreciate your time and consideration of investing in our downtown.