

STAFF REPORT AMENDED 7-10-84  
**CITY PLANNING COMMISSION**

927 10TH STREET, SUITE 300 - SACRAMENTO, CALIFORNIA 95814

APPLICANT	JTS Engineering, Inc. 811 J Street, Sacramento, CA 95814		
OWNER	Midtown Terrace, 2050 Pioneer Court #204, San Mateo, CA 94403		
PLANS BY	Applicant		
FILING DATE	1/31/84	50 DAY CPC ACTION DATE	5/31/84
REPORT BY:	SC		
NEGATIVE DEC.	15301(k)	EIR	ASSESSOR'S PCL. NO. 007-332-01

- APPLICATION:
1. Tentative Map to divide a 0.3± acre site, developed with 27 apartment units, into 27 airspace condominium units in the Light Density Multi-Family (R-3A) zone;
  2. Special Permit to convert 27 apartment units into condominium ;
  3. Variance to waive the special sales and lease provisions;
  4. Variance to waive the required pest control report and sound study;
  5. Variance to waive seven of 27 parking spaces;
  6. Variance to reduce the required parking maneuvering space from 26' to 19'

LOCATION: 2400 Q Street

SUMMARY: The Mid Town Terrace Apartments consist of a 27 unit apartment complex located in the Central City. The applicant is proposing to convert these units into individual ownership. The vacancy rate in the Central City is presently 5.2 percent, which is above the required minimum for allowing the conversion of rental housing into condominiums, however, these complexes represent 2.8% of rental housing stock in the Central City and if all the units were converted the vacancy would be reduced below that allowed.

PROJECT INFORMATION:

1974 General Plan Designation: Residential  
1980 Central City Community  
Plan Designation: Multiple Family Residential  
Existing Zoning of Site: R-3A  
Existing Land Use of Site: Apartment Complex (27 units)

Surrounding Land Use and Zoning:

North: Apartments; R-3A  
South: Office; C-4  
East: Apartments; R-3A  
West: Apartments; R-3A

Parking Required: 27 spaces  
Parking Provided: 20 spaces  
Property Dimensions: 80' x 160'  
Property Area: 0.29 acres  
Density of Development: 93 units per acre  
Square Footage of Units: 550 sq. ft. - 1,000 sq. ft.  
Height of Structure: Three story; 34 ft.  
Significant Features of Site: Existing apartment  
Topography: Flat  
Street Improvements/Utilities: Existing  
Exterior Building Colors: Beige  
Exterior Building Materials: Stucco

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APPLC. NO. P84-038

MEETING DATE May 31, 1984

CPC ITEM NO. 2



SUBDIVISION REVIEW COMMITTEE RECOMMENDATION: On April 18, 1984, by a vote of five ayes, three absent, one abstention, the Subdivision Review Committee recommended approval of this map, subject to the conditions attached in Exhibit A.

APPLICANTS' ALTERNATIVE RELOCATION AND SALES AND LEASE PLAN

RELOCATION PLAN

- Required** 1. A public hearing, as required by City Ordinance, shall be held  
**Sec.28-2(B)** at a convenient location so the owners and tenants may fully discuss all aspects of this project.
- Not** 2. Each tenant should be given the opportunity to personally con-  
**Required** sult with the owner or their agent as to all aspects of the project and how they apply specifically to that particular tenant.
- Not** 3. Upon approval of the condominium conversion permit and commence-  
**Required** ment of sale of the units, the owners or their representatives shall be available to the tenants on a continuing basis until all have been properly relocated, have purchased their units, or executed long-term leases. The owners shall remain involved with the project through to its satisfactory conclusion for all concerned.
- Not** 4. If the conversion permit is approved, the owners agree to report  
**Required** any written grievances they receive from any tenant to the City Planning Commission during the initial conversion process. The owners will also report any actions taken regarding these grievances, any necessary action taken to prevent recurrence of similar problems.
- Required** 5. Each eligible tenant has the right to receive relocation assis-  
**Sec.28-C-5(b)** tance and relocation allowances from the applicant. Any tenant that holds a lifeterm lease in effect, is justly evicted, or terminates tenancy on his or her own accord is ineligible for all relocation assistance and allowances.

Relocation assistance and allowances will include the following:

- A. Rental housing availability reports of comparable units within the area.
- B. Transportation, if necessary, will be provided at the expense of the owner to any of the comparable units listed in the report.
- C. A relocation allowance of \$600 or the payment of all moving expenses, unless the tenant moves more than 50 miles away from the subject property. A move of more than 50 miles makes the tenant ineligible for relocation allowances.

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The ordinance requires that the applicant pay a relocation fee of \$600 or \$500 if the unit is furnished, or the actual moving costs for all eligible tenants who wish to relocate. The tenants who are moving outside of the SMSA (Sacramento Metropolitan Statistical Area) are to be provided the relocation fee of \$500 or \$600 only.

D. Low income, elderly, handicapped and single parents with a minor child at home will be provided with the following:

1. payment of the last month's rent in the new unit;
2. transfer of all deposits, minus damages to the new unit, at the option of the tenant;
- e. payment of any rental difference of up to \$100 per month for a period of one year.

**Not  
Required**

6. Unless it places an unreasonable economic burden on the owner, they shall make units within the project available and affordable to eligible low and moderate income tenants in the same ratio as they now exist (as of January 31, 1984) in the complex.

**Required  
Sec.28-C-5(f)**

7. No tenant will be unjustly evicted and no tenant's rent will be increased (1) more frequently than once every six months or (2) in an amount greater than the increase in fair market rents as established by HUD for assisted units on an annualized basis. This does not apply, however, if a tenant's existing lease already calls for a rent increase or if his or her relocation has not been completed by January 31, 1986.

**Required  
Sec.28-C-5(d)**

8. Leases for special eligible tenants will be unconditionally offered to each eligible tenant who is elderly, or handicapped, and to each qualified low and moderate income tenant who does not purchase a unit under the sales program, a written lease for a term of three (3) years on the unit in which the tenant resides at the time the special permit is approved or a comparable unit within the project. Each such lease shall provide that the tenant shall have four (4) successive options to renew the lease upon the terms and conditions of each original lease. The rental paid for the first year of the original lease shall be the rental paid by the tenant on the date that the notice of intent to convert was filed. Thereafter, the rental may be increased annually on the anniversary date of the lease, commencing with the first anniversary date; provided, however, that the annual percentage increase in rent shall not exceed 7%.

**Not  
Required**

9. All tenants who are tenants at the time the special permit is approved are eligible for a lifetime lease. The holder of this lifetime lease is not entitled to receive any relocation assistance or benefits or execute the three (3) year lease for special eligible tenants, detailed in #4 above. This lifeterm lease includes a lease-option plan, and rent control provisions.

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The maximum rent outlined in the rental agreement submitted by the applicant will be no more frequent than every six months nor in an amount to exceed the consumer price index for the same period.

APPLICANTS' PURCHASE INCENTIVES FOR LOW AND MODERATE INCOME TENANTS

In addition to a higher level of maintenance and repair, residents of the condominiums will receive the equity build-up, appreciation, and substantial tax advantage inherent in home ownership. For many of the tenants in this project, the conversion may be a meaningful opportunity to purchase a home.

**Not  
Required**

1. All current tenants, at the time the units are offered for sale, will be given special purchase incentives that will help make the purchase of a home affordable. The following discounts will be offered to all tenants:
  - A. A minimum 4% discount from the initial selling price of the unit to the general public;
  - B. A minimum 7% discount from the initial selling price of the unit to general public purchasers will be given to all tenants 62 years of age or older, handicapped or disabled;
  - C. A \$1,000 to \$1,500 additional discount off of the purchase price to all buyers who purchase a unit in an "as is" condition, excluding any City required renovations.

**Not  
Required**

2. The following lease-option purchase plan will be available to all tenants who hold a lifetime lease:
  - A. The tenant is granted the option of selling back the lifetime lease to the owners for 25% of all rent paid from the date of execution of the lease. The value will not be less than 25% of ten (10) months rent, or more than 25% of eighteen (18) months rent. This sum will be credited exclusively towards the cash downpayment when the tenant has completed contract to purchase a unit. The owner is obligated to buy the lifetime lease at the time the tenant has completed contract to purchase a unit. The contract purchase shall be at the market rate minus discounts. If tenant has not executed a contract to purchase within 30 days from notification of the commencement date of unit sales, then the owner is no longer obligated to purchase the lifetime lease.

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**Not  
Required**

3. The owner shall offer for sale to all qualified low and moderate income tenants the unit in which they live at the time the special permit for the conversion project is approved, or a comparable unit within the project, at terms that are affordable to the tenant. The applicant will use FHA single family purchase programs or any other programs available.



The terms shall be at which the tenant can qualify for financing, through an established financial institution, for the unit for a minimum of thirty (30) years and for which the total monthly housing costs would not exceed 35% of the tenant's monthly income.

Whenever a unit is sold to a qualified tenant, the unit shall be encumbered by a second deed of trust securing an obligation in an amount equal to the difference between the amount of the note secured by the first deed of trust plus the downpayment and the sale price. The beneficiary under the second deed of trust shall be the owner.

The second deed of trust shall provide for the following:

- A. Simple interest on the amount secured shall accrue at a rate not exceeding 5% per annum;
- B. Neither principal nor interest shall be payable until the obligation secured by the second deed of trust has matured. The obligation shall mature when the unit is conveyed, transferred, leased, rented or otherwise alienated by the tenant.

If, at the time the offer for sale at affordable terms is made the assets of the qualified tenant are not sufficient to cover the downpayment and closing costs on the unit required by the financing on the unit, the owner shall pay all or a portion of the amount secured by the second deed of trust on the unit.

The qualified tenant shall have 90 days from the date the offer is made to accept the offer of sale.

STAFF EVALUATION: Staff has the following comments regarding this request:

1. Currently the multiple family rental housing vacancy rate in the Central City is 5.2%. This vacancy rate was determined from a survey of 7,227 units located in the Central City. This project is one of 26 proposed condominium conversion applications within the Central City this year. These 26 applications represent 205 units or 2.8% of the rental housing stock within the Central City. If all of these projects were to be approved for conversion to condominiums, the rental vacancy rate would be reduced to 2.4% which is below the minimum vacancy rate allowed for conversion of 5+% or greater. It is, therefore, only possible to approve, at the very most, 14 of these units or 0.19% of the housing stock before the vacancy rate will be reduced below the allowable level for conversion.
2. In addition to these 26 proposed projects, the City Council approved two condominium conversion projects within the Central City in 1983. The two projects approved for conversion in 1983 represented 47 units or 0.6% of the rental housing stock. These units have not yet converted, however, when they do convert it is expected that the vacancy rate will further decline.

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3. The 26 applications being considered for conversion this year have been submitted by the same applicant and group of owners. These same individuals represented the two projects approved in the Central City last year. Most of these projects were constructed within the last 10-15 years and provide similar housing opportunities and rents with very few exceptions. Since these projects alone consist of 3% of the total rental housing stock in the Central City and they represent a large portion of the newer rental housing, it is expected that adequate comparable rental housing will not be available if all these projects are approved.
4. In submitting these 26 applications the applicant requested that the City waive the required pest control reports and sound studies which are used in evaluating condominium conversion projects. These reports are valuable in determining the suitability of a project for conversion purposes by providing information on the physical condition of the structure and the measures that will be necessary to meet required code if possible. Due to the large number of applications received this year, the information provided by these studies would have proved valuable in deciding which project, or projects, should be approved since it is not possible to approve all of the requests in light of the concern over the vacancy rate.
5. The applicant has also requested a variance to waive the special sales and lease provisions outlined in the ordinance in lieu of an alternative program. The applicant is, however, proposing to offer the relocation assistance required by the ordinance. In addition, the applicant is offering a lifetime lease to all eligible tenants. Staff has reviewed the lease to be used and has no objections to this proposal especially since the long term lease outlined in the ordinance is also available at the option of the tenant. The most significant feature of the applicant's alternative sales and lease program is the use of a lease option plan which will allow a portion of the tenants' monthly rent to be applied to the downpayment on the unit if the tenant elects to purchase. The applicant's special sales program for qualified low and moderate income tenants is similar to that required by the ordinance in that the applicant will offer the unit to the tenant at an affordable price and carry a second deed of trust for the difference between the sales price and the market price. The main difference between the applicant's plan and the ordinance is that the applicant will be offering the unit to the qualified tenant at a price for which the tenant is able to secure a loan instead of the apartment market price as set forth in the ordinance. This provision will aid in providing ownership opportunities for tenants with lower incomes since the purchase price of the unit is determined by the tenants' income and ability to pay for the unit. Staff, therefore, supports the applicant's request to use an alternative program for the special sales and lease provisions.
6. In reviewing the rental history of these projects, staff noted concern over the number and percentage of rent increases in recent months. Some units have had rental increases of up to 20% in the last year. These excessive rent increases may have forced a number of the tenants out of the complex prior to application and subsequently reduced the number of eligible tenants who could possibly benefit from the tenant

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provisions offered by the applicant. Of the 205 households residing in the 26 projects proposed for conversion, only 135 tenants are considered eligible since the remainder have moved into the complex subsequent to the applicant's notice of intent to convert.

7. At the present time, none of the 26 projects being considered for conversion to condominium comply with the required development standards. None of the complexes provide the parking required by the ordinance. The required two hour fire separation is not provided and it will be necessary to construct a two hour fire wall or provide approved fire sprinklers in the units. Since a sound study was not performed on these projects, it is impossible to determine what modifications will be necessary to meet the minimum sound impact and transmission levels required by the ordinance. In addition to these deficiencies, the City Building Inspections Division indicated a number of code violations which were present in these projects. The Building Division found the following code deficiencies in this complex:
  - a. The Building Division noted a number of exterior electrical code violations;
  - b. Drainage was found to be deficient;
  - c. The insulation on air conditioner refrigerant lines was found to be defective; and
  - d. A number of minor code violations were found on the site.
8. This project is a three story, 27 unit apartment complex with subterranean parking. The units consist of studio, one and two bedroom apartments. Only some of the units are provided with a small balcony. Laundry facilities are provided on each floor of the complex. The most significant feature of this complex is the swimming pool, which is located on the west side of the site. There is also restricted access to the building which is provided through a security system at the main entrance.

The on-site parking is deficient by seven spaces in this complex and staff is concerned that parking problems will result for future homeowners if this complex is approved for conversion. On-street parking is limited due to office uses and other multiple family development in this area.

Of the 27 apartments in this complex, 24 are the studio and one bedroom units, which are less suitable for condominium ownership because of the limited living area in these units. In light of this concern, along with the parking deficiency and the fact that the vacancy rate would drop below the minimum allowed for conversion, staff is recommending denial of this request.

ENVIRONMENTAL DETERMINATION: The proposed project is exempt from environmental review, pursuant to State CEQA Guidelines (Sec. 15301(k)).

STAFF RECOMMENDATION: Staff recommends the following:

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1. Denial of the Tentative Map;





2. Denial of the Special Permit based upon findings of fact which follow;
3. Denial of the Variance to waive the special sales and lease provisions based upon findings of fact to follow;
4. Denial of the Variance to waive the required pest control report and sound study, based upon findings of fact to follow;
5. Denial of the Variance to waive seven of 27 required parking spaces based upon findings of fact to follow;
6. Denial of the Variance to waive required maneuvering space from 26' to 19' based upon findings of fact to follow.

Findings of Fact - Special Permit

- A. The proposed conversion application is not consistent with the Housing Element of the General Plan or the Zoning Ordinance in that the approval of this project will reduce the vacancy rate below the minimum allowed for conversion.

The applicant has not proposed any measures that will successfully mitigate the adverse effect on the rental housing stock and it is expected that tenant displacement and relocation problems will result with this conversion.

- B. Adequate comparable replacement housing will not be available since this project, along with all the others proposed for conversion this year, represent a considerable number of the newer rentals in the Central City with comparable rents and housing type.
- C. The project does not meet the required development standards for condominium conversion in that adequate parking is unavailable as it relates to the number of spaces provided and/or maneuvering space and the applicant is proposing this requirement be waived.
- D. This project represents a unique and needed rental housing resource in the Central City considering the number of similar rental housing opportunities which have been approved for conversion or are being proposed this year. It is, therefore, expected that tenant displacement problems will result with this proposed conversion.

Findings of Fact - Variance

- A. As proposed, the variance would be injurious to the public welfare or other property owners in the area in that adequate parking will not be available on-site and this could create parking and traffic problems for future homeowners and other residents in the neighborhood.
- B. As proposed, the variance is contrary to the Zoning Code for condominium conversions which requires one parking space per dwelling unit.

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- C. The proposed variance to waive the required sound study and pest control report constitutes a special privilege extended to one property owner in that other property owners have complied with this requirement andd there are no special circumstances to warrant approving this request.

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## TENTATIVE MAP CONDITIONS (P84-038)

The applicant shall satisfy each of the following conditions prior to filing the final map unless a different time for compliance is established through an approved subdivision improvement agreement.

1. If street lights do not currently exist then the applicant/owner shall enter into an agreement with the City to participate in any future assessment district to provide street lights when they are installed in the neighborhood.
2. If on-site parking is provided from an unimproved alley then the applicant/owner shall improve the alley to City standards from the closest public street through the entire length of the subject property to the satisfaction of the Public Works Department.
3. Separate water and sewer services are required for each lot. The existing water and sewer services shall be located and main extensions or reconstruction may be required to meet City code. This will be provided to the satisfaction of the Public Works Department prior to final map approval.
4. Water and sewer service shall comply with Sec. 28-C-3-b (i) & (ii) of the Zoning Ordinance.
5. Sound transmission and sound impact levels shall meet the minimum standards set forth in Sec. 28-C-3 (c) of the Zoning Ordinance. A sound study shall be submitted to County Health for review and approval prior to filing a final map.
6. Each unit shall meet the minimum fire safety standards set forth in Sec. 28-C-3 (d) of the Zoning Ordinance.
7. All existing assessments shall be paid.
8. The following safety and crime prevention measures shall be provided where applicable:
  - a. All open parking lots and carports shall be provided with a minimum maintained one footcandle of light as measured at the parking surface from one-half hour before sunset until one-half hour after sunrise. All lighting devices shall be equipped with weather and vandal resistant covers.
  - b. Aisles, passageways and recesses related to and within the complex shall be illuminated with an intensity of at least twenty-five one-hundredths (.25) maintained minimum of light as measured at ground level during the hours of darkness. These lighting devices shall be protected by weather and vandal resistant covers.
  - c. All building numbers and street addresses shall be clearly visible from all public or private accesses. The street and building numbers shall be no less than four inches in height and of a contrasting color to their background.
  - d. Parking spaces shall be numbered in such a manner that the space numbers do not correspond to the addresses or unit numbers of residences.

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- e. All single swing entry doors shall be of the solid core type and be equipped with a single cylinder deadbolt lock meeting the following minimum standards:
    - 1) the bolt shall have a throw of at least one inch and be constructed so as to repel cutting tool attack;
    - 2) the cylinder of the deadbolt shall be equipped with a guard designed to repel attack by prying or wrenching;
    - 3) the deadbolt shall be of the pin tumbler type with a minimum of five pins.
  - f. All door hinges shall be secured with a minimum of two (2) number eight screws which must penetrate at least two (2) inches into solid backing beyond the frame to which the hinge is attached.
  - g. The strike plates designed to receive the deadbolt locks shall be constructed of a minimum 16 U.A. Gauge steel, bronze or brass, and shall be secured to a wood jam with not less than 2 No. 8 screws which must penetrate at least 2 inches into solid backing beyond the surface to which the strike is attached. Strike plates attached to metal jambs shall be secured with a minimum of 4 number 8 machine screws.
  - h. All primary egress doors shall be so equipped as to provide the occupant with a clear view of that area immediately outside the door when the door is closed. This view may be provided by a one-way door viewer designed to provide at a minimum 180° yield of view.
  - i. The declaration of conditions, covenant and restrictions shall give the officers of the home owners' association strong and specific powers to have towed away all unauthorized parked vehicles from non-dedicated streets, alleys and parking lots.
  - j. Nothing in the declaration of conditions, covenants and restrictions shall prohibit a resident from placing Home Alert (Neighborhood Watch) decals, operation identification decals and intrusion alarm warning decals in their windows in a reasonable manner.
9. The exposed 4-inch castiron soil pipe has a reverse grade because of missing hangers. The missing hangers shall be replaced and a uniform slope shall be provided for all drainage piping.
10. Drainage for the sump in the parking garage shall be provided by installing an approved piping material and removing the existing rubber hose. The open clean out shall not be used for this drain.
11. All water heaters shall be provided with temperature pressure relief valves.
12. All defective insulation on refrigerant lines for air conditioners shall be replaced.


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13. The trapped water heater temperature pressure relief drain in Unit #23 shall be corrected.
14. All leaks on pool equipment piping shall be replaced.
15. Each dwelling unit shall be provided with an approved smoke detector.
16. The swimming pool area shall be provided with GFCI receptacles.
17. A 30" x 36" working clearance shall be provided in front of the swimming pool electrical panel and the timer at the equipment pad.
18. The downspouts facing 'O' Street shall be drained under the sidewalk to the street.
19. Self-closing devices shall be installed on all doors to stairways.
20. Additional direction exit signs shall be provided in hallways.
- 21. The applicant shall provide replacement housing options in the form of lease, ownership, or comparable replacement housing opportunities to existing tenants, as specified in the special permit conditions for this project. Assurances of compliance with such conditions or City approved alternatives, meeting the intent of the City Zoning Ordinance, shall be provided prior to final map approval.
- 22. Ground fault circuit interrupters shall be provided in all bathroom receptacles.
- 23. All units shall comply with Article XXII of Chapter 9 of the City Code for energy conservation requirements.
- 24. Trash enclosures for dumpsters shall not be located nearer than 10 feet to combustible material nor beneath a window when adjacent to non-combustible structures. The trash enclosure or dumpster shall not be located in the required off-street parking spaces.

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