

City Planning Commission
Sacramento, California

Members in Session:

SUBJECT: Riverside Villa Conversion Application (P-9097)

On December 4, 1980 the Planning Commission reviewed a special permit and tentative map application to convert 180 apartment units to 180 condominium units for Riverside Villa. After consideration by the Commission, they continued the proposal to January 15, 1981 in order to allow the applicant time to properly address the concerns voiced during the hearing.

The concerns that were discussed during the hearing are related to the lack of comparable replacement housing for families with children, deferred maintenance and building deficiencies.

In an effort to mitigate these concerns, the applicant has submitted a report describing measures that will be taken to meet relocation needs and ensure the project will meet required building standards. The report provides updated information on tenant population, completed and proposed repairs, and improvements. In addition to these items, the report provides a relocation plan addressing the needs of families with children. The applicant is also proposing a sales program aimed at providing affordable housing opportunities for these tenants. The following discussion will describe the proposed programs submitted by the applicant.

PHYSICAL CONDITION: The staff report noted that patio areas were open and afforded no security or privacy for the residents. In response to this the applicant will install lockable gates in patio areas in the event this project is allowed to convert.

In response to tenant concerns over laundry facilities, the applicant has provided updated information regarding the status of these facilities. A community laundry room has been added to the complex since the property report was completed. The individual washers and dryers provided in the units have been sold to the tenants. As an optional feature new washers and dryers will be available at the time of sale, should the conversion be approved.

Many of the concerns noted by the tenants and staff were made last summer when surveys and inspections were accomplished. Since that time, the applicant has undertaken a maintenance and repair program to correct some of the deficiencies. The applicant has submitted a list of proposed repairs for work not yet undertaken. (See Exhibit No. 3 pg. 7 and Exhibit 2.)

P-9097

January 15, 1981

Item No. 1

001780

SOCIAL CONCERNS: There was concern by staff that severe relocation problems would occur with this conversion. The basis for this concern was due to the large number of families with children in this complex and the limited housing available for these individuals. According to an updated report submitted by the applicant, there are only 44 remaining eligible families with children in this complex as of December 1980. In an effort to address any relocation concerns for the remaining tenants, the applicant has provided a detailed relocation plan. The plan emphasizes measures that will be taken to alleviate hardships on families with children. The report additionally provides a list of complexes in which children are allowed.

A recently completed appraisal was made on Riverside Villa to determine apartment value. Qualified low and moderate income tenants will be able to purchase a unit for from \$30,000 with the applicant holding a second deed for the difference between market value and the amount at which the tenant is able to secure financing. At the present there are 18 qualified tenants who will have an opportunity to purchase a unit under this program.

In response to the large percentage of tenants who stated they would not purchase a unit, the applicant is proposing a purchase incentive program that may encourage a greater number of tenants to purchase. This program will emphasize tenant discounts and as an added feature, the applicant will carry a second deed for up to 15 percent of the sales price. Along with these provisions the applicant is attempting to secure FHA financing for this project.

STAFF EVALUATION

1. A primary concern if this complex is approved for conversion will be whether adequate comparable replacement housing will be available for families with children. The relocation plan proposed by the applicant will attempt to address this concern.

A variety of programs will be used to address tenant displacement and relocation problems. The following discussion will briefly describe the programs proposed by the applicant.

- a. The applicant will phase the program in two phases which will provide temporary housing for those tenants who do not purchase and have been unable to locate comparable replacement housing. Phase II contains 66 units in which to house these tenants. (See Exhibit No. 4.) If these tenants continue to experience hardships in locating comparable housing, the applicant will extend the lease on a renewable basis for 36 months. The applicant did not state the rental rate of the lease and since rental rate determines comparability, a condition will be placed on the special permit to ensure this plan will meet the comparable housing definition.

SUMMARY

The programs proposed by the applicant should eliminate any of the tenant dislocation problems that had previously concerned staff.

The proposed renovation plan along with the tentative map and special permit conditions should eliminate the possibility of excessive repair and replacement costs burdening future homeowners.

STAFF RECOMMENDATION

Staff recommends the Commission approve this special permit and tentative map to convert 180 apartment units to 180 condominium units, subject to the attached conditions and based on the following findings. (Conditions for Tentative Map and Special Permit are listed on Exhibit No. 1.)

FINDINGS OF FACT

1. The proposed conversion is consistent with the General Plan and Housing Element as required by Section 28-C-6(a)(i) of the Comprehensive Zoning Ordinance.
 - a. The vacancy rate of this community plan area is in excess of five percent and no significant change on the housing stock will occur with this conversion.
 - b. There will be no significant tenant displacement due to the relocation, sales and phasing plan the applicant will provide for these tenants as conditioned.
 - c. This project will meet the required development standards contained in the Comprehensive Zoning Ordinance and the City Building Code as conditioned on the tentative map.
 - d. This project will provide ownership opportunities to eligible tenants of low or moderate income.
2. This proposed conversion project is located in the Pocket Community Plan Area where the rental vacancy rate is 5.6 percent as of October 1, 1980.

There appears to be an adequate supply of rental housing in this area based on the vacancy rate.
3. Adequate comparable replacement housing is available for all eligible tenants.
 - a. There is an adequate supply of rental housing in this area as evidenced by the vacancy rate.

- b. The applicant has submitted a list of comparable housing for adults, handicap, elderly, low income and families with children. The list as shown in Exhibit No. 1E appears to be adequate for the purpose of relocation when combined with the other programs proposed to mitigate tenant displacement. Of the 12 complexes submitted as relocation opportunities there were five with vacancies at the present time. Some of the managers of complexes that had no vacancies, stated that units should become available by January 30. It was believed by the managers that the holiday season has slowed down tenant relocation activity.

Families with more than one child may experience more severe relocation problems. Although the list of family housing contains units where children are allowed, some of these complexes limit the number of children to one per unit. Another concern is that only some of the units listed contained three bedrooms. To ensure that adequate housing will be made available for these individuals, a condition will be placed on the special permit.

- c. To further mitigate tenant displacement, the applicant has proposed a sales program to provide incentives for tenants to purchase a unit.

The applicant will offer all eligible tenants who are not qualified for the tenant provisions a 15 percent discount off the sales price of the unit. In addition an "as is" discount will be offered, and with these discounts a unit could be purchased for \$53,850.

To further assist the tenants the applicant will offer a second deed of trust for 15 percent of the purchase price. The interest will be two points below the Bank of America mortgage rate at the time of sale.

In addition to these programs the applicant will be making an effort to secure FHA financing for this project. This financing will help to provide affordable housing by keeping monthly payments down.

2. The applicant has made an attempt to improve the maintenance of these facilities which had been neglected by previous owners and management. Although certain repairs have been made there is still concern by staff regarding the condition of this complex. In an effort to ensure that repair costs will not be passed on to future homeowners, staff will condition the special permit with the applicants' proposed rehabilitation plan and recommendations from the property report that are not covered in the tentative map conditions.

- b. The applicant will provide comparable housing with the use of a phasing program for sales as conditioned. The units in Phase II will be offered at the same rental rate the tenant is presently paying.
 - c. The applicant will assist the tenants in locating comparable replacement housing.
4. The applicant has complied with all the required sections of the Comprehensive Zoning Ordinance pertaining to condominium conversions that relate to the application procedure, Subsection C-6-(a)(iv).
 5. The proposed conversion as conditioned will comply with all development standards as set forth in Section 28-C-6-(a)(v).
 - a. Separate water and sewer service, or an approved equivalent, will be provided.
 - b. Two-hour fire wall or sprinkler system and smoke alarms will be provided.
 - c. Sound transmission levels will meet required standards as conditioned.
 6. This complex does not represent a unique and needed rental housing resource for this community.

Tenant displacement should not occur with this conversion due to the phasing plan and relocation assistance that will be provided these tenants.

RIVERSIDE VILLA

Tentative Map Conditions.

1. Pay off all existing assessments.
2. Prepare a right-of-way study and dedicate and improve the blister at the north end of Riverside Boulevard.
3. Comply with the following development standards set forth in Section 28-C-3 of the Zoning Ordinance:
 - a. Separate sewer and water services shall be provided to each unit (Sec. 28-C-3(b));
 - b. Floor-to-ceiling and wall-to-wall assemblies between each unit shall comply with the sound transmission and sound impact standards specified in Section 28-C-3(c);
 - c. Each unit shall be equipped with a smoke detector in the proper location and either an automatic fire sprinkler system or two-hour fire separations on floors, and each wall common to itself and an adjacent unit.
4. Bring the project into compliance with applicable City codes as follows:
 - a. Ground fault circuit interrupters shall be provided on receptacles which are located outdoors, in bathrooms, at swimming pool lights and in individual garages.
 - b. Provide additional venting if the eave vents are sealed.
 - c. Provide separate condensate overflow drain for the air handle located above the upstairs hall drop ceiling.
 - d. Repair or replace all worn switches and receptacles.
 - e. Provide outdoor lights at the rear of each unit.
 - f. Provide an inspection and plumbing report of the buried galvanized or black iron cold water system for the review and approval of the City Building Inspector. Pending the results of the report, the applicant may be required to replace said system prior to filing the final map with the City Council.
 - g. Renail, repaint and caulk the exterior plywood.
 - h. Provide fire walls for those exterior walls subject to possible fire damage from the windows and glass doors of adjacent units.

- i. Repair non-functional bathroom fans.
- 5. Provide two fire hydrants constructed to City standards.

Special Permit Conditions

- 1. The Conditions, Covenants and Restrictions shall make provisions for services provided by the City to be paid by the Association with a single billing for each service.
- 2. Strike plates on front door jamb will be replaced with heavy duty strike plates.
- 3. Additional footpaths will be added where paths are worn in the lawn.
- 4. All patio areas shall be enclosed with solid six-foot fencing. A lockable gate will also be installed.
- 5. Remove or replace existing fencing along north side of property along the river levee.
- 6. All roof maintenance and repair will be completed.
- 7. All structural deficiencies as noted in the property report will be corrected.
- 8. The attic insulation will be upgraded with R-19 fiberglass batt insulation.
- 9. A covered storage will be provided for pool equipment.
- 10. All problems noted in the pest control report will be completed.
- 11. The applicant will provide ^{or below market rate} FHA financing for this project.
- 12. The applicant will make 15 percent discounts available on all units sold to eligible tenants.

Motion

Motion

- 13. The applicant will provide second deeds of trust for 15 percent of sales price to all eligible tenants desiring this assistance.
- 14. The applicant will provide replacement housing in Phase II for all qualified tenants experiencing difficulty in locating comparable replacement housing.

get working on tap # 320

MVD

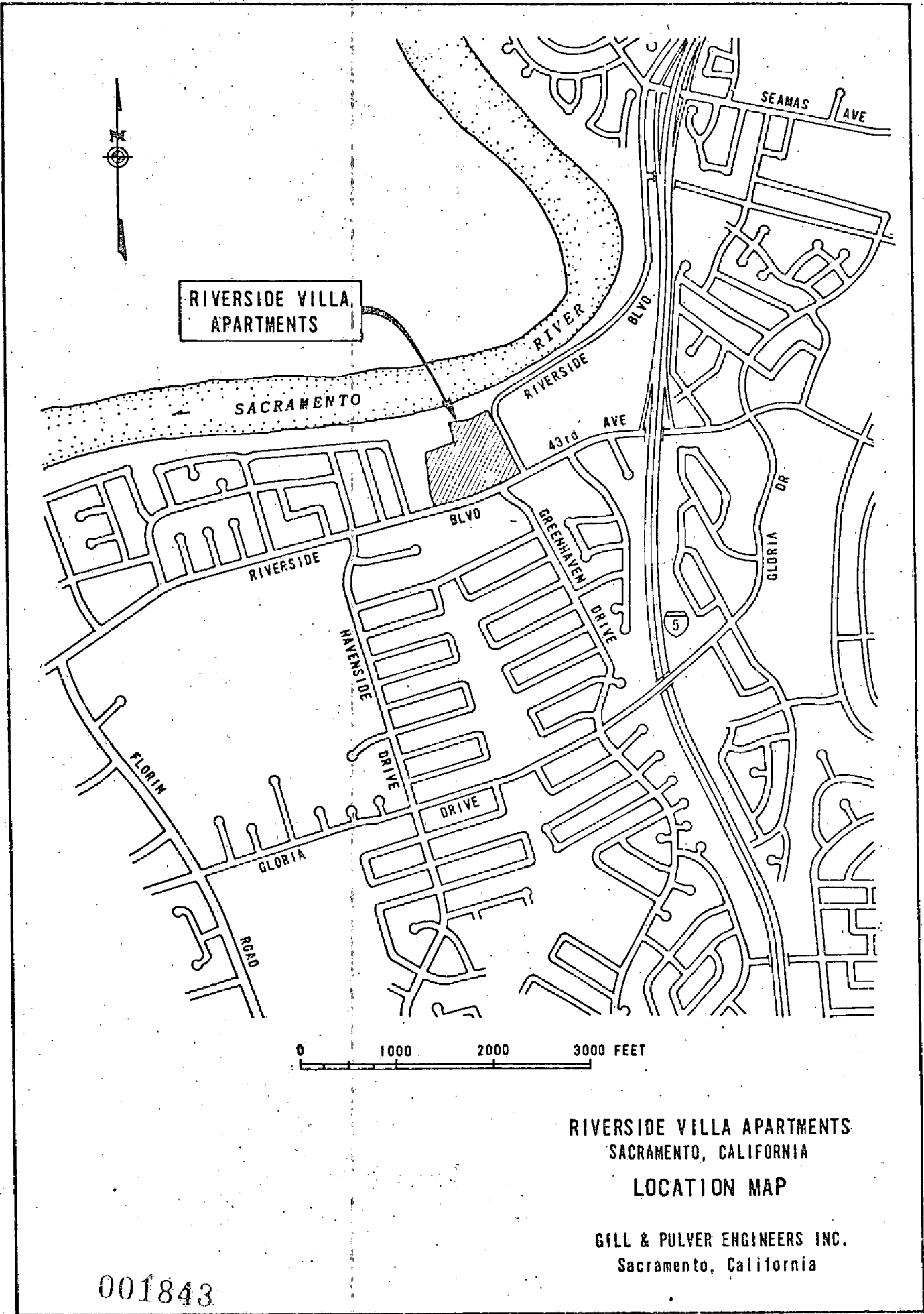
b. appd.

This housing will be made available for a minimum of three years. Tenants of low/moderate income, elderly, handicap and families with children will be given priority in Phase II units. ~~so they will not be disrupted by conv.~~ *does not apply to preparation in Phase I.*

~~rental rate~~ *all* The rental rate of the Phase II units used for relocation purposes will be the same rate the tenant is ~~presently~~ paying for the same size unit. The rent will not increase more than seven percent a year.

5% ceiling (Motion)

copy to eligible families



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