

**ELDORADO COUNTY DEVELOPMENT SERVICES
STAFF REPORT**



Agenda of: December 14, 2006
Item No.: 10.a.
Staff: Peter Maurer

GENERAL PLAN POLICY AMENDMENT

FILE NUMBER: A06-0005

APPLICANT: El Dorado County

REQUEST: Amend Policy HO-3g to provide a 10-year waiting period for condominium conversions for any apartment, and a 20-year period for affordable rental units.

ENVIRONMENTAL DOCUMENT: General Plan EIR/SCH No. 2001082030

SUMMARY RECOMMENDATION: Recommend approval

BACKGROUND:

On March 9, 2006, the Planning Commission adopted Resolution of Intention No. 2006-01 to amend Policy HO-3g, regulating the time frame in which apartment complexes may be converted to condominiums. The purpose of this policy is to retain affordable housing in the form of rental stock in the County.

STAFF ANALYSIS

Policy HO-3g reads as follows:

New multifamily affordable housing developments shall not be converted to condominiums for at least twenty years after issuance of the Certificate of Occupancy.

There was a question as to how this policy was to be applied to projects that were built prior to the adoption of the 2004 General Plan. On March 9, 2006, the Planning Commission reviewed the policy and determined that the policy applies to any project that contains residential units allocated to

very low, lower, and moderate income households. At that same hearing, the Commission adopted Resolution of Intention 2006-01 (See Attachment 3) to amend the policy as recommended below:

~~New multifamily affordable housing developments~~ Apartment complexes, duplexes, and other multifamily rental housing shall not be converted to condominiums for at least ~~twenty ten~~ years after issuance of the Certificate of Occupancy. ~~Apartment complexes, duplexes, and other multifamily rental housing that contain any units restricted to households earning 120 percent or less of the area median family income (MFI) shall not be converted to condominiums for at least twenty years after issuance of the Certificate of Occupancy.~~

STAFF ANALYSIS

The purpose of this policy is to retain the available rental units as one aspect of the County's affordable housing stock. The Goal under which this policy falls is "To conserve the County's current stock of affordable housing." Development of multifamily units, and particularly rental units, is one of the principal means to achieve the housing element targets, and typically the conversion of rental units to ownership can raise the costs to the tenants or displace them.

This amendment will differentiate between those projects with units that were specifically allocated to targeted income groups, while still maintaining some market flexibility. It also eliminates the word "new", since it is unclear how the word is used in the context of this policy.

The County has identified a need for rental units, even at market rates, and a limited, ten-year period that a complex needs to be available before it may be converted will help to retain those market rate rental units. The lengthier 20-year period will apply only to those units that have specifically restricted some or all of the units to an identified income group. In this regard, there is no change to the policy.

The County has seen a recent increase in condominium conversion applications. Each of these must go through a zone change to add a Planned Development overlay and a tentative map to create the individual for-sale units. Most of the applications processed to date have been for existing complexes that are not income restricted, therefore, the current policy does not apply. Staff finds that this amendment may slow the rate of conversion of newer, non income restricted units but will not have any impact on income restricted units. This is consistent with the intent of the Housing Element which is to ensure that the County provides a range of housing types for all income levels.

ENVIRONMENTAL REVIEW

The 2004 General Plan EIR found that the Housing Element policies had a less than significant impact on the environment with regard to the potential impact of the need for replacement housing (Pg. 5-1.74, Vol. 1, Draft EIR). The EIR looked at the Housing Element policies and analyzed whether these policies would have the effect of driving up housing prices, resulting in a potential for the demolition of existing housing to be replaced by newer, larger homes. The EIR found that available housing would not be restricted, and there would not be a demand to "convert affordable

housing units to more upscale development or price residents out of existing affordable units” (Pg. 5.1-77).

This amendment merely clarifies the time frames and expands the limits for conversion to include all rental units. This would not cause any additional demand for new housing or raise the potential need for replacement housing. No additional environmental review is necessary pursuant to §15162 of the State CEQA Guidelines.

RECOMMENDATION: Recommend approval