

PLANNING & REDEVELOPMENT DEPARTMENT STAFF REPORT PLANNING COMMISSION MEETING July 28, 2005

Prepared by: Michael Isom, Project Planner

ITEM V-B:

TENTATIVE CONDOMINIUM MAP, DEVELOPMENT AGREEMENT AMENDMENT, AND AFFORDABLE PURCHASE HOUSING DEVELOPMENT AGREEMENT – 301 GIBSON DRIVE – NCRSP PARCEL 20C (VENU AT GALLERIA CONDOMINIUM CONVERSION) - FILE#: SUBD 05-01, DAA 05-01, & APHDA 05-01.

REQUEST

The applicant requests approval of a Tentative Subdivision Map to create a one (1) lot condominium map to convert the 258 existing multi-family units within the project to "for-sale" condominiums. An amendment to the North Central Roseville Specific Plan Development Agreement is also requested in order to outline obligations required of the developer by the City's Condominium Conversion Ordinance (RMC 19.58). Lastly, an Affordable Purchase Housing Development Agreement is requested to provide 39 of the units within the project as affordable purchase units.

Applicant – Nick Alexander, NG Alexander Real Estate Owner – David Dewar, Villas at Galleria, LP

SUMMARY RECOMMENDATION

The Planning Department recommends that the Planning Commission:

- A. Adopt the three (3) findings of fact for the Tentative Subdivision Map;
- B. Approve the Tentative Subdivision Map including the Tenant Relocation Plan with twenty-four (24) conditions of approval;
- C. Recommend that the City Council adopt the five (5) findings of fact for the Development Agreement Amendment:
- D. Recommend that the City Council approve the Development Agreement Amendment including the Tenant Relocation Plan;
- E. Recommend that the City Council adopt the five (5) findings of fact for the Affordable Purchase Housing Development Agreement; and
- F. Recommend that the City Council approve the Affordable Purchase Housing Development Agreement.

SUMMARY OF OUTSTANDING ISSUES

There are no outstanding issues associated with this request. The applicant has reviewed and is in agreement with all recommended conditions of approval.

BACKGROUND

Location: The project site is located on the south side of Gibson Drive and is bounded by The Reserves at Galleria Apartments on the west, Gibson Drive on the east, and North Central Roseville Specific Plan Park Site 56 to the south. The site is located within the North Central Roseville Specific Plan Area (NCRSP).

Entitlement History: On July 19, 2001, the Design Committee approved a Design Review Permit for construction of a 258-unit apartment complex, and related site improvements including on-site parking, lighting, and landscaping. The project at that time was known as the Villas at Galleria. The project name

was changed to Trillium, and again to it's current marketing name of Venu at Galleria. The project began construction in 2002 and was granted final occupancy in 2004.

Condominium Conversion Ordinance: In June of 2004, the City Council approved various amendments to the City's Condominium Conversion Ordinance (see Attachment 4). In summary, the amendments eliminated a requirement that prohibited conversion of occupied projects for a period of 7 years. In place of the seven-year waiting period, several other requirements were put in place to ensure that the City maintained an adequate number of multi-family rental units, and to provide additional protections to existing tenants of projects seeking to convert. A detailed analysis of the proposed project's consistency with the Condominium Conversion Ordinance is contained in the Evaluation Section below.

Town Hall Meeting: Consistent with the Planning Commission's recent direction, a Town Hall Meeting was held by the applicant on May 23, 2005. The purpose of the Town Hall Meeting was to inform interested residents of the current status of the application and the benefits qualified tenants are entitled to. Approximately 60 residents of the project attended the meeting, which lasted approximately one hour. A member of the Planning Department staff also attended the meeting to respond to questions regarding City processing procedures. Many of the residents in attendance were interested in the opportunity to purchase a unit within the complex.

Public Notice Requirements: Consistent with State law and City noticing procedures, a Notice of Public Hearing was posted in the local newspaper (Press Tribune) and mailed to all property owners within a 300-foot radius of the subject property. Public hearing notices were also mailed to each tenant residing within the complex. In addition, staff requested that the on-site management post at least five public hearing notices in conspicuous places throughout the complex. Consistent with the Subdivision Map Act, staff reports will be served to each tenant at least 72 hours prior to the Planning Commission hearing.

EVALUATION

CONSISTENCY WITH CONDOMINIUM CONVERSION ORDINANCE

The revised Condominium Conversion Ordinance (RMC 19.58) contains performance standards for the conversion of occupied multi-family projects as follows:

1. Condo conversions are only permitted in the Attached Housing (R3), Residential Mixed Use (RMU), and Planned Development (PD) zone districts.

The subject property is zoned Attached Housing (R3) and therefore complies with this requirement.

2. No conversion to condominiums shall be accepted or approved when the City-wide vacancy rate for multiple unit housing, as determined by the Director, is equal to or less than five (5) percent averaged over the previous four (4) quarters prior to application submittal. If the averaged vacancy rate exceeds five (5) percent, then an application for a conversion to condominiums may be accepted by the City. A request for conversion shall apply to an entire multi-family housing project and partial conversions shall not be permitted.

According to quarterly information obtained by the Planning Department from RealFacts, the average vacancy rate for the four quarters prior to application submittal was 8.3%. Since the average vacancy rate exceeds 5%, the City may process the requested conversion.

3. No conversion to condominiums shall be accepted or approved if the current percentage of multi-family rental units (within complexes of 3 or more units) is at or below fifteen percent (15%) of the total number of housing units within the city. Under no circumstance shall a

conversion reduce the percentage of multi-family rental units below fifteen percent (15%) of the total number of housing units within the city.

The following table illustrates the number of multi-family rental units versus the total number of units citywide (as of 2nd Quarter 2005):

Residential Units with Occupancy Permits ¹	44,416		
Multi-family Units with Occupancy Permits ²	10,197		
Multi-Family Purchase Units with Occupancy Permits ³	<u>3,521</u>		
Multi-Family Rental Units with Occupancy Permits 4	6,676		

Minimum required Multi-Family Rental Units 5	6,662
Remaining Units Eligible to Convert ⁶	14

- Total includes 616 approved condominium units, which are currently under construction but have not received an
 occupancy permit. These units will be reported as multi-family in the Quarterly Report when occupancy permits are
 issued. It is necessary to account for these units prior to occupancy to ensure that the percentage of multi-family
 rentals does not drop below 15%.
- 2. Includes both rental and purchase multi-family units (including the 258-unit Venu at Galleria project); total includes 616 units with approved condominium maps.
- 3. Includes projects with approved condominium maps or building permits, and conversions currently being processed (including the Venu at Galleria).
- 4. Multi-family Units with occupancy permits less multi-family purchase units with occupancy, (10,197 3,521 = 6,676).
- 5. Minimum required multi-family units are calculated as 15% of the residential units with occupancy permits, (44,416 x 15% = 6,662).
- 6. Multi-family rental units with occupancy permits less minimum required multi-family rental units, (6,676-6,662 = 14). These units are in addition to the 258-unit Venu complex.

Based on the information presented above, the current rental percentage exceeds the 15% threshold established by the Conversion Ordinance. In addition, conversion of the 258 unit Venu project will not reduce the multi-family percentage below the 15% threshold. Should the Venu conversion be approved, 14 units would remain eligible for conversion.

Staff has determined that the proposed condominium conversion complies with the performance criteria outlined in the Condominium Conversion Ordinance. The Condominium Conversion Ordinance contains additional requirements to be included in a Development Agreement. These requirements are discussed in the Development Agreement Amendment evaluation later in this report.

TENANT RELOCATION ASSISTANCE PLAN

When tenants are displaced as a result of a condominium conversion, the Conversion Ordinance requires that a Tenant Relocation Assistance Plan be approved and implemented. The minimum relocation assistance requirements established by the Ordinance (19.58.070) are noted below in **bold italics**, followed by a brief evaluation of the project's compliance with the requirements.

Per the Condominium Conversion Ordinance, the submittal date of the Tentative Map to the City establishes the cut-off date for relocation benefit eligibility. In this case, the Tentative Map was submitted on January 14, 2005. The Tenant Relocation and Assistance Plan identifies January 14, 2005 as the cut-off date for eligibility. Tenants in residency on or prior to this date are eligible to receive the relocation benefits listed below. Staff is clear to note that tenants who were in residency prior to the cut-off date who choose to renew their leases after the cut-off date are still entitled to relocation benefits once given a notice to vacate. It should also be noted that tenants in residency prior

to the cut-off date are permitted (per RMC 19.58.030.F) to break their existing lease at any time without penalty; however, they would not be entitled to receive relocation benefits.

Tenants who established residency after January 14, 2005 are not entitled to relocation benefits. New tenants who choose to rent a unit within the complex after the cut-off date must be served a notice (per the Subdivision Map Act) that a conversion application has been submitted to the City. Tenants who were not provided notice would be eligible to receive relocation benefits.

1. Provide 12-month leases (minimum) to persons with permanent disabilities or low-income tenants.

The plan requires the developer to provide active assistance in securing replacement housing either on-site or in replacement housing for a lease term of no less than 12 months. The plan requires the developer to pay rent differential in the event that off-site replacement housing is higher in cost to that of the existing apartment unit. The rent differential will be provided in a lump sum payment once replacement housing is secured. Tenants will also receive relocation assistance in the amount of two months rent plus their security deposit upon vacating.

Based on data provided by the applicant in the Tenant Relocation and Assistance Plan, 29 households would be eligible for enhanced benefits under this category (0 disabled, 29 low-income).

2. Provide lifetime leases to persons with permanent disabilities or low-income tenants who are 60 years of age or older.

The plan requires the developer to provide lifetime leases on-site for qualified tenants. Annual rent increases shall coincide with the increases as shown in the Section 8 Housing Assistance Payments Program published for the West Census Region by the United States Department of Housing and Urban Development (HUD). In the event HUD terminates the publication, rents shall be adjusted annually to coincide with the annual percentage increase for residential rent as shown in the "Rent, Residential" component of the Housing Component in the Consumer Price Index for all urban consumers in the Sacramento Primary Metropolitan Statistical Area.

According to the Tenant Relocation and Assistance Plan, there are two senior low-income households and four senior disabled households. These six households are entitled to enhanced assistance and will be provided lifetime leases in accordance with this Ordinance requirement.

3. Provide relocation assistance including, but not limited to, active assistance in securing replacement housing, not higher in cost than the unit being converted, for tenants who will be displaced, and a payment to each household for displacement costs. At a minimum, such payment shall be equal in amount to two months rent and the security deposit amount paid by the tenant for the existing apartment unit.

Tenants who are not provided assistance under items 1 and 2 above shall be provided with active assistance in locating comparable replacement housing. Qualified tenants will also receive relocation assistance in the amount of two months rent plus the security deposit as outlined in the relocation plan upon vacating their current unit, plus a 12-month rent differential, if applicable.

4. Special consideration for families with school-aged children (grades K-12). Under no circumstances shall a family with school-aged children be forced to relocate as a result of any conversion during the school year.

According to data presented by the applicant, 22 households have children in grades K-12. These families will not be required to vacate during the school year. Once the school year ends,

these families will be provided active assistance in locating replacement housing and will be entitled to relocation assistance in the form of two months rent plus deposit, plus a rent differential, if applicable.

5. Ownership incentives to facilitate homeownership opportunities for existing tenants of the project being converted. Incentives may include, but are not limited to, low-interest loans, reduced prices, application of a percentage of rent payment toward a down payment for purchase of a unit within the project, or other similar items approved by the Commission. Per ordinance requirements, the incentives offered to existing tenants for purchase of a unit within a project shall be equal or greater in value to the dollar amount of compensation provided to tenants who are relocated.

The tenant relocation assistance plan briefly outlines the ownership incentives offered to existing tenants within The Bridges. As indicated on page 3 of the plan, all existing tenants will be provided first right of refusal to purchase a unit within the project, as required by the Subdivision Map Act. Existing tenants who choose to purchase a unit will be provided \$5,000 to be applied toward the down payment, closing costs, or a reduced purchase price.

The maximum rent currently charged at Venu is \$1,800. Therefore, the maximum relocation benefit would be \$3,600 (2 months rent), plus deposit (estimated at \$400). Based on the maximum rents charged (\$1,800), the ownership incentives offered by Venu exceed the minimum requirements of the Condominium Conversion Ordinance.

For comparison purposes, the ownership incentives for the four previously approved condominium conversion projects are noted below:

- Villas at Diamond Creek \$5,000 credit to be used toward the purchase price of the home or closing costs, plus \$250 per month that the tenant resided in the complex between the Tentative Map Submittal and Final Map approval. The ownership incentive benefit for the Villas equaled approximately \$8,500.
- Haverhill Equivalent to two months rent, plus the full deposit paid for the unit. Plus, tenants who utilize the developer's preferred escrow company and lender will receive \$2,000 credit toward their closing costs of the purchase of a unit. Similar to the Villas, tenants who choose to purchase will receive a \$250 for every month in residency between Tentative Map submittal and Final Map approval. The ownership incentive benefit for Haverhill is estimated to equal approximately \$7,000, depending on when the Final Map records.
- Preserves \$5,000 credit to qualifying tenants.
- The Bridges \$5,000 to be used toward the down payment, closing costs, or reduced purchase price

The proposed \$5,000 ownership incentive is less than that proposed (and approved) for the Villas and Haverhill, but is equal to that approved for the Preserves and Bridges conversions. The proposed ownership incentives comply with the minimum requirements established by the Condominium Conversion Ordinance and are generally consistent with the other previously approved projects, as noted above.

TENTATIVE SUBDIVISION MAP

The City's Subdivision Ordinance does not specifically address "Tentative Condominium Maps;" therefore, the proposed map has been evaluated against the requirements for a standard Tentative Map, and

additional requirements pursuant to Section 66425-66431 of the California Government Code (Subdivision Map Act). The applicable section of the Map Act is included as Attachment 3.

The proposed "Condominium Map" is unique in the fact that it allows airspace within the project to be sold off as individual units. Staff has determined that the proposed lot configuration is suitable for a condominium project, as mechanisms will be put in place (i.e., CC&Rs and Homeowners Association) to ensure the maintenance of the common areas, streets (drive aisles), and parking and landscaped areas. The project has been built in compliance with all conditions of approval for the original Design Review Permit for the apartment project. The proposed map will not affect the design or function of the project.

Section 18.06.180 of the City of Roseville Subdivision Ordinance requires that three findings be made in order to approve or conditionally approve a Tentative Subdivision Map. The three findings are listed below in *italics* and are followed by an evaluation of the map in relation to each finding.

1. The size, design, character, grading, location, orientation, and configuration of lots, roads and all improvements for the tentative subdivision map are consistent with the density, uses, circulation and open space systems, applicable policies and standards of the General Plan and the North Central Roseville Specific Plan, and the design standards of Title 18 (Subdivision Ordinance) of the Roseville Municipal Code.

<u>PARCEL SIZE, DESIGN, and CONFIGURATION</u>: The proposed map will result in one (1) lot. In general, the lot design associated with a Condominium Map is relatively unimportant, as the primary purpose is to allow the division of airspace for each individual unit. The design of condo maps varies from project to project, with a typical configuration being a single lot encompassing an entire project.

With respect to maintenance of common areas and other common facilities (drive aisles, parking, landscaping), as each building is occupied (51% of units or greater), that building is annexed into the Homeowner's Association (HOA). The developer/property owner is responsible for the maintenance of all areas not yet annexed into the HOA.

ACCESS & CIRCULATION: The site is accessed primarily from a single gated driveway on Gibson Drive. The main driveway permits full turning movements. In addition to the main driveway, a secondary emergency access is provided on the southeast end of the site that is also accessed from Gibson Drive. The emergency access point is gated and is not used for general ingress and egress. On-site circulation was evaluated with the Design Review Permit for the project and was designed (and conditioned) to meet minimum City requirements for drive aisle widths, turning radius, etc.

<u>PARKING</u>: Parking required for the project is 458 spaces. The project provides 140 garage spaces, 141 covered carports, and 177 uncovered parking spaces for a total of 458 spaces. The Development Agreement Amendment requires the developer to prepare a parking plan containing the following criteria:

- Garages are intended and shall be used for resident vehicle parking. Any general storage or
 other use of garages shall be ancillary in nature and shall be minimized in order to assure
 continuing use of garages for resident vehicle parking.
- Each unit in the Property shall include an exclusive right to use one or more garage or covered parking space. Each unit containing two or more bedrooms shall include an exclusive right to use two or more parking spaces, including at least one garage or covered space.

The parking plan shall be reviewed and approved by the Planning Department prior to recordation of the Final Map.

<u>AFFORDABLE HOUSING</u>: NCRSP Parcel 20C currently has a 10% affordable rental housing obligation. The Condominium Conversion Ordinance requires projects that have an existing affordable obligation to provide an additional 5% of the total units as affordable. In this case, the project will provide 15%, or 39 affordable units available to middle, low, and very low-income households.

An Affordable Purchase Housing Development Agreement (APHDA) is being requested to outline the details of the affordable purchase units. The applicant is in agreement with the affordable housing obligations identified in Exhibit D. Additional details pertaining to the APHDA are provided in the evaluation below.

<u>IMPROVEMENTS:</u> The existing parking, access, driveways, and utility infrastructure (water, sewer, electric, fire hydrants and other utility mains) will be maintained by the homeowners association (HOA). The Design Review Permit was conditioned to require that these site improvements be provided, and the project has been constructed in accordance with these conditions.

Based on the above information and the fact that the project is constructed and occupied, staff believes that the proposed parcel is suitable for the proposed condominium development and therefore supports the proposed map.

2. The subdivision will result in lots which can be used or built upon. The subdivision will not create lots which are impractical for improvement or use due to: the steepness of terrain or location of watercourses in the area; the size or shape of the lots or inadequate building area; inadequate frontage or access; or, some other physical condition of the area.

There are no natural features or physical conditions that would restrict development of the proposed parcel. The discussion in Section 1 concluded that the proposed parcel is consistent with the development that has already occurred on the site, which has been determined to be in accordance with City standards.

3. The design and density of the subdivision will not violate the existing requirements prescribed by the Regional Water Quality Control Board for the discharge of waste into the sewage system, Pursuant to Division 7 of the Water Code.

The water quality impacts associated with the project and the expected discharge of waste for this project are consistent with what has been anticipated by the General Plan EIR and the North Central Roseville Specific Plan EIR. In addition, the design of the sewer lines in the project area and treatment capacity at the City's sewage treatment plant have adequate conveyance and capacity to accommodate the existing and future development on the parcel proposed by the tentative map.

DEVELOPMENT AGREEMENT AMENDMENT

The Condominium Conversion Ordinance requires a project seeking to convert to enter into a Development Agreement for the payment of a community benefit fee and to include the units in a Community Facilities District for Services. The Venu property is subject to the provisions of the existing North Central Roseville Specific Plan Development Agreement (Roseville Properties Investment Partners). Rather than create a separate Development Agreement, the applicable Development Agreement is being amended to outline the specific obligations of NCRSP Parcel 20C for the conversion (see Exhibit C). Below is a summary of the main components of the Development Agreement Amendment.

• The Conversion Ordinance requires the payment of a one-time community benefit fee in the amount of \$5,000 per unit. The ordinance allows the fee to be reduced at the discretion of the City Manager on a

case-by-case basis for projects that provide a benefit to the community above and beyond the requirements of the Condominium Conversion Ordinance. The fee is collected at the close of escrow for each unit or within 12 months of recordation of the final condominium map. This project will be providing the standard fee of \$5,000 per unit (Total \$1,290,000). Consistent with City Council direction, 60% of the funds collected will be deposited into the Strategic Improvement Fund (\$774,000), and 40% (\$516,000) will be deposited into the Housing Trust Fund.

- The developer will also form or annex into an existing CFD for Services. The purpose of the CFD for Services is to help assist with the cost of providing public safety services (police and fire) to the project. The current assessment (based on inflation) is \$196 per year.
- To ensure that the condominium conversion occurs in a timely fashion, the developer has agreed to waive their rights to apply for an extension of the tentative map as permitted by the Subdivision Map Act and Subdivision Ordinance. Therefore the developer has 24 months from the date of tentative map approval to record a final map.

AFFORDABLE PURCHASE HOUSING DEVELOPMENT AGREEMENT

Parcel 20C of the North Central Roseville Specific Plan (Trillium at Galleria – AKA Venu) currently has an affordable housing obligation to provide 26 rental units affordable to low income households (80% of median income), as identified in the North Central Roseville Specific Plan and related Development Agreement. The Condominium Conversion Ordinance requires that projects requesting conversion be subject to additional affordable housing units. In this instance, as a current Affordable Rental Housing Development Agreement (ARHDA) is in place for 26 units, the ordinance requires the project to provide an *additional* 5% of the units (13 out the 258 units) to be affordable. Those additional units are subject to the current affordable housing income targeting whereby 40% of affordable units are reserved for very low income (50% of median), 40% of affordable units are reserved for low income (51 - 80% of median), and 20% of affordable units are reserved for middle income (81 - 100% of median). Therefore, as a result of the condominium conversion, Trillium at Galleria (AKA Venu) will have a total of 39 units (15% of 258 unit total), reserved as affordable purchase units.

As a result of this obligation, a condition was placed on the tentative map requiring an Affordable Purchase Housing Development Agreement (APHDA) be accepted by the Planning Commission and City Council prior to approval of the final map. As a result, an APHDA has been prepared for Parcel 20C of the NCRSP and is included as Exhibit D for Planning Commission review and acceptance.

PROVISIONS OF THE APHDA:

- 1. A total of 39 (26 from existing Affordable Rental Obligation + 13 units newly added obligation) within Trillium will be reserved as affordable purchase units for Very Low, Low, and Middle-income households.
- 2. The determination of estimates on affordable pricing, City-held second mortgage, and bedroom unit mix is identified below. The pricing will depend on the financing made available through the developer's lender. The affordable pricing depends on interest rates, homeowner's dues, calculations of tax assessments and special financing offered by developer's lender. In addition, the market pricing is truly an estimate, as formal appraisals for these units have not been undertaken at this early stage of the development.

Income Levels Used to Calculate Affordable Pricing Very Low 50%	Bedroom Size	Estimated Market Price	Affordable Pricing (Estimate)	2nd mortgage held by City	Number of Units
Income (new)					
\$22,450	0	\$198,000	\$26,408	\$171,592	1
\$25,650	1	\$258,000	<i>\$36,950</i>	\$221,050	2
\$28,850	2	\$335,000	\$47,491	\$287,509	1
\$32,050	3	\$448,000	\$58,033	\$389,967	1
Low Income 70%					
(new)					
\$31,430	0	\$198,000	\$84,227	\$113,773	1
\$35,910	1	\$258,000	<i>\$101,445</i>	\$156,555	3
\$44,870	3	\$448,000	\$135,880	\$312,120	1
Low Income 80%					
(existing)			4494 4994		
¢25 020/¢44 040	0/4	₱400 000 to ₱0E0 000	\$101,483 to	₾ 00 E 4 7 to ₾ 400 040	0
\$35,920/\$41,040	0/1	\$198,000 to \$258,000	\$121,160	\$96,517 to \$136,840	9
\$46,160	2	\$335,000	\$140,838	\$194,162	14
\$51,280	3	\$448,000	\$160,515	\$287,485	3
Middle Income 100% (new)					
\$44,900	0	\$198,000	\$135,995	\$62,005	1
\$51,300	1	\$258,000	\$160,592	\$97,408	1
\$57,700	2	\$335,000	\$185,188	\$149,812	1
			Total Affordable Units		39

NOTE: The above <u>affordable pricing estimate calculations</u> are based on the following assumptions: 30 - 35% of gross monthly income for all housing costs – principal, interest, taxes, insurance, \$200/month homeowners association dues; 7% interest rate for 1st mortgage; and purchaser putting 5% of affordable price as down payment. In addition, the <u>market pricing</u> are only rough estimates based on an initial appraisal (as presented by the developer) and based on market sales for similar size of units. The actual <u>market values</u> will be established when the project is closer to marketing/sales and verified by appraisal.

Studios = 1 Person Household Income

- 1 Bedroom = 2 Person Household Income
- 2 Bedroom = 3 Person Household Income
- 3 Bedroom = 4 Person Household Income
- 3. The affordable housing units will be single-family, condominium units.
- 4. As there is a difference of greater than \$5,000 between the unit's *market value* and *affordable purchase price*, the value will be protected through a promissory note and deed of trust (sleeping second mortgage), held and payable to the City of Roseville, to prevent a windfall profit for the homebuyer. As housing staff is in the process of changing the terms of the standard notes, the APHDA indicates that at the time of marketing the affordable units, the second mortgage terms will be either: an annual interest rate of 2% for 15 years, which will be forgiven on the 16th year, if the homeowner remains in occupancy OR a 0% interest rate, with a Shared Appreciation component (meaning that the City would share a portion of the net profit the purchaser would make in

subsequent sales, based on the original 2nd mortgage value divided by the market value of the home). The note will be due and payable upon sale of property, change of use, unapproved refinance or change of ownership.

5. In an effort to maintain affordability over time, for a 15-year period, the City will permit a new, qualified, very low, low, or middle-income household to assume the second mortgage deed upon purchase of the unit from the original or subsequent buyer.

CONCLUSION

The proposed conversion is consistent with the City's Condo Conversion Ordinance and includes a Tenant Relocation Assistance Plan that provides tenants adequate assistance to mitigate for their being displaced. In addition, it is generally consistent with the four other conversions that have been approved to date. Therefore, staff's evaluation has concluded that this request warrants approval as conditioned.

ENVIRONMENTAL DETERMINATION

This project is categorically exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15182 as a residential project consistent with a Specific Plan for which an EIR was certified. The North Central Roseville Specific Plan EIR was certified on July 5, 1990 and is available for review Monday through Friday from 8:00a.m. to 5:00p.m. in the Planning Department located at 311 Vernon Street, Roseville, CA.

RECOMMENDATION

The Planning Department recommends the Planning Commission take the following actions:

- A. Adopt the three (3) findings of fact for the TENTATIVE SUBDIVISION MAP and Tenant Relocation Assistance Plan – 301 GIBSON DRIVE (NCRSP PARCEL 20C – VENU CONDOMINIUM CONVERSION) – FILE #SUBD 05-01;
- B. Approve the TENTATIVE SUBDIVISION MAP including the Tenant Relocation Assistance Plan-301 GIBSON DRIVE (NCRSP PARCEL 20C – VENU CONDOMINIUM CONVERSION) – FILE #SUBD 05-01 as shown in **Exhibits A and B** and subject to the twenty-four (24) conditions of approval listed below;
- C. Recommend that the City Council adopt the five (5) findings of fact for the DEVELOPMENT AGREEMENT AMENDMENT 301 GIBSON DRIVE (NCRSP PARCEL 20C VENU CONDOMINIUM CONVERSION) FILE #DAA 05-01:
 - 1. The Development Agreement Amendment is consistent with the objectives, policies, programs and land use designations of the City of Roseville General Plan;
 - 2. The Development Agreement Amendment is consistent with the City of Roseville Zoning Ordinance and Zoning Map;
 - 3. The Development Agreement Amendment is in conformance with the public health, safety and welfare;
 - 4. The Development Agreement Amendment will not adversely affect the orderly development of the property or the preservation of property values; and

- 5. The provisions of the Development Agreement Amendment will provide sufficient benefit to the City to justify entering into said Agreement.
- D. Recommend that the City Council approve the DEVELOPMENT AGREEMENT AMENDMENT including the Tenant Relocation Assistance Plan 301 GIBSON DRIVE (NCRSP PARCEL 20C VENU CONDOMINIUM CONVERSION) FILE #DAA 05-01 as shown in **Exhibit C**.
- E. Recommend that the City Council adopt the five (5) findings of fact for the AFFORDABLE PURCHASE HOUSING DEVELOPMENT AGREEMENT 301 GIBSON DRIVE (NCRSP PARCEL 20C VENU CONDOMINIUM CONVERSION) FILE #APHDA 05-01:
 - 1. The Affordable Purchase Housing Development Agreement is consistent with the objectives, policies, programs and land use designations of the City of Roseville General Plan;
 - 2. The Affordable Purchase Housing Development Agreement is consistent with the City of Roseville Zoning Ordinance and Zoning Map;
 - 3. The Affordable Purchase Housing Development Agreement is in conformance with the public health, safety and welfare;
 - 4. The Affordable Purchase Housing Development Agreement will not adversely affect the orderly development of the property or the preservation of property values; and
 - 5. The provisions of the Affordable Purchase Housing Development Agreement will provide sufficient benefit to the City to justify entering into said Agreement.
- F. Recommend that the City Council approve the AFFORDABLE PURCHASE HOUSING DEVELOPMENT AGREEMENT 301 GIBSON DRIVE (NCRSP PARCEL 20C VENU CONDOMINIUM CONVERSION) FILE #APHDA 05-01 as shown in **Exhibit D**.

CONDITIONS OF APPROVAL FOR TENTATIVE SUBDIVISION MAP (SUBD 05-01)

- 1. The approval of this Tentative Map is for the creation of a single lot condominium project approved with a total of 258 condominium units. (Engineering, Planning)
- 2. The Tenant Relocation Assistance Plan is approved as shown in Exhibit B. The project shall comply with all terms and conditions outlined in the Tenant Relocation Assistance Plan. (Planning, Attorney)
- 3. The applicant shall pay City's actual costs for providing plan check, mapping, GIS, and inspection services. This may be a combination of staff costs and direct billing for contract professional services. (Engineering, Environmental Utilities, Finance)
- 4. Converting this project shall not reduce the responsibilities of the homeowners of this project from maintaining all on-site fire systems including all common adjoining fire sprinkler-piping penetrations. Clear language shall be provided in the CC&Rs regarding maintenance and common easements agreement for service. A service company shall be obtained to maintain all on-site fire protection system. (Fire)
- 5. Any facilities proposed for placement within public/electric utility easements shall be subject to review and approval by the Electric Department before any work commences in these areas. This includes, but is not limited to, landscaping, lighting, paving, signs, trees, walls, and structures of any type. (Electric)

- 6. All landscaping in areas containing electrical service equipment shall conform with the "Electric Department Landscape Design Requirements" as outlined in Section 7.00 of the Electric Department's "Specifications for Residential Trenching" (Electric)
- 7. It is the developer's responsibility to notify PG&E of any work required on PG&E facilities. (PG&E)

PRIOR TO OR UPON RECORDATION OF FINAL/PARCEL MAP

- 8. Easement widths shall comply with the City's Improvement Standards and Construction Standards. (Environmental Utilities, Electric, Engineering)
- 9. All existing easements shall be maintained, unless otherwise provided for in these conditions. (Environmental Utilities, Electric, Engineering)
- 10. Separate document easements required by the City shall be prepared in accordance with the City's "Policy for Dedication of Easements to the City of Roseville". All legal descriptions shall be prepared by a licensed land Surveyor (Environmental Utilities, Electric, Engineering)
- 11. The applicant shall establish a Homeowner's Association (Condominium Association) which shall be billed by the City for water consumption. At the request of the City additional information will be required of the HOA/Condo Association on an ongoing basis. The HOA/Condo Association will be required to submit a copy of their annual statement to the City every year. If the HOA/Condo Association is in arrears on the water bill three months in a row, the HOA/Condo Association must give the City access to their books for auditing purposes. If the HOA/Condo Association should become inactive, each individual condo owner must sign in separately for water service. A notice to this effect shall be placed in the CC&R's for the condominium project. (Environmental Utilities)
- 12. A declaration of Conditions, Covenants and Restrictions (CC&Rs), in a form approved by the City Attorney, shall be approved concurrently with the Final/Parcel Map. The CC&Rs shall include the following items: (Attorney)
 - a. Creation of a Homeowners Association. (Attorney)
 - b. Homeowners Association shall be responsible for maintenance of all common areas including landscaping, parking areas, and drive aisles. (Attorney)
 - c. Maintenance of fire suppressions system within the project will be the responsibility of the Homeowners Association. (Fire)
 - d. Maintenance of the irrigation system within the project will be the responsibility of the Homeowners Association. City's responsibility will end at the City right-of-way and meter at backflow assembly. (Environmental Utilities)
 - e. The common areas provide reciprocal access and parking for the mutual benefit of all numbered parcels and all condominium units. (Engineering, Planning)
 - f. Provisions for title to common areas to be held by the Home Owners Association for and on behalf of all Owners in the Project and for each Phase. (Attorney, Engineering, Fire, Environmental Utilities)
 - g. The CC&R's shall be recorded following approval by the State Department of Real Estate. (Attorney, Engineering)

- h. No changes in the CC&R's shall be made without the approval of the City Attorney. (Attorney)
- i. Each phase of the project shall be annexed into the Homeowners Association upon the compliance of that phase with the requirements of the DRE. (Attorney, Engineering)
- 13. Prior to approval of the final map the developer shall enter into and the City Council shall approve an Affordable Purchase Housing Development Agreement identifying the same level of residential units to be affordable to 26 households as stated in the previous Affordable Rental Housing Development Agreement affordable to 80% of median income. *In addition*, as a result of the conversion of the apartments to condominium units, developer will be obligated to offer an additional 5% of the units (13 units) with the following as affordable: 20% affordable to middle income (3 units), 40% affordable to low income (5 units) and 40% affordable to very low income (5 units).
- 14. In Accordance to section 66427 of the Subdivision Map Act, the following shall be added to the face of the Final Map:
 - a. The Title of the project shall clearly state "Condominium Project";
 - b. The number of approved Condominium Units is clearly displayed;
 - c. A reference to the Condominium Plan as approved by the State Department of Real Estate, or, a supplemental sheet shall be recorded with a table referencing the individual condo units and the building where they are located;
 - d. Dedication of the all common land shall be made to the Home Owners (condominium owners) Association. (Engineering)
- 15. Prior to the recordation of the Final Map, the applicant shall submit a list of desired street names to the City Engineering Department for approval by the City. Addressing of the individual units shall be coordinated with the Engineering Department. (Engineering)
- 16. Lot 1 shall be dedicated as a public utility easement to the City for the purposes of public utility access. (Engineering)
- 17. The Final/Lot/Parcel/Parcel Map shall be submitted per, "The Digital Submittal of Cadastral Surveys". Submittal shall occur after Engineering approval, but prior to Council approval (Engineering)
- 18. The applicant shall pay all applicable water and sewer fees. (Environmental Utilities)

OTHER CONDITIONS OF APPROVAL

- 19. The applicant shall pay City's actual costs for providing plan check, installation and inspection services. This may be a combination of staff costs and direct billing for contract professional services (Environmental Utilities, Engineering)
- 20. Any relocation, rearrangement, or change to existing electric facilities due to this development shall be at the developer's expense. (Electric)
- 21. It is the responsibility of the developer to insure that all existing electric facilities remain free and clear of any obstructions during construction and when the project is complete. (Electric)
- 22. All electric metering shall remain directly outside accessible. (Electric)

- 23. Twenty-four hour gate access shall be provided to the satisfaction of the Electric Department. (Electric)
- 24. The Tentative Condominium Map application shall not be deemed approved until the Development Agreement Amendment (File #DAA 05-01) and Affordable Purchase Housing Development Agreement Amendment (APHDA 05-01) are approved and become effective. (Planning)

ATTACHMENTS

- 1. Vicinity Map
- 2. Approved Site Plan for Venu (AKA Trillium)
- 3. California Government Code Section 66425-66431
- 4. Condominium Conversion Ordinance RMC Chapter 19.58
- 5. Quarterly Development Report (available at the Planning Department)

EXHIBITS

- A. Tentative Condominium Map
- B. Tenant Relocation Assistance Plan
- C. Development Agreement Amendment (DRAFT)
- D. Affordable Purchase Housing Development Agreement (DRAFT)

<u>Note to Applicant and/or Developer:</u> Please contact the Planning Department staff at (916) 774-5276 prior to the Commission meeting if you have any questions on any of the recommended conditions for your project. If you challenge the decision of the Commission in court, you may be limited to raising only those issues which you or someone else raised at the public hearing held for this project, or in written correspondence delivered to the Planning Director at, or prior to, the public hearing.