

**CITY OF SAN DIEGO
M E M O R A N D U M**

DATE: December 9, 2004

TO: Planning Commission

FROM: William Zounes, Development Project Manager

SUBJECT: Southgate Condominium Conversion, Project Number 32312 – Continuance from September 30, 2004 Planning Commission Hearing

On September 30, 2004 the Planning Commission heard the subject project and continued the item and directed the applicant to return on December 9, 2004 with information regarding tenant relocation assistance and the possibility of designating units as affordable housing. The Planning Commission asked staff to return with information on the following questions:

- I. Clarify condominium conversion noticing requirements for Southgate Village Apartments and answer the following questions.

What was noticed?

How were the tenants noticed?

How did the noticing meet the regulations?

- II. Clarify if the applicant will incorporate the 10 percent affordable housing option for his units or incorporate the in-lieu fee.
- III. How has the owner created a dialog with the tenants with a focus on relocation assistance and providing information on purchasing a unit?

See discussion items I through IV below for staff response to the above items.

In addition staff has provided an overview which identifies the noticing history for the Southgate project No. 32312 on attachment 13. A flowchart which depicts all noticing requirements for condominium conversions can be found on attachment 14.

Project Description

The project continues to propose the conversion of 188 apartments to condominiums. There has been no change to the project since the September 30, 2004 hearing. However the Tentative Map resolution has been updated to reflect all notices that have been completed and to include a condition which requires the applicant to designate 10 percent of the units as affordable units pursuant to the City's Inclusionary Housing Ordinance.. For detailed information regarding site location and history of the previous hearings please refer to attachment 1, Planning Commission Report No. PC-04-154 September 30, 2003.

Discussion

I. Clarify Noticing requirements by providing the following information:

What was noticed in the Southgate Village Condominium Conversion project, how were the tenants noticed, and how does it meet the Condominium Conversion requirements?

Staff Response:

- **Notice of Application:** The City is responsible for distributing this notice. Staff has confirmed that all of the required information for the Notice of Application was included for the Southgate Village condominium conversion project (see Attachment 2 and Attachment 2a for detailed information).
- **Posting of Notice of Application on site:** The City is responsible for distributing this notice. Staff has confirmed that all of the required information and rules for the Posting of Notice was completed for the Southgate Village condominium conversion project (see Attachment 3 and Attachment 3a for detailed information).
- **Published Notice:** The City is responsible for distributing this notice. Staff has confirmed that all requirements for a Published Notice for Public Hearing have been satisfied for the Southgate Village condominium conversion project in accordance with SDMC section 112.0303 (see Attachment 4 and Attachment 4a for detailed information).
- **Notice of Public Hearing:** The City is responsible for distributing this notice. Staff has confirmed that all requirements for a Notice of Public Hearing have been satisfied for the Southgate Village condominium conversion project No. 23212 and is in accordance with SDMC section 112.0301(c)(2)(see Attachment 5 and Attachment 5a for detailed information).
- **Notice of Intent to Convert – 60 day notice:** The applicant is responsible for distributing this notice while the City verifies the content. All language required for the Notice of Intent to Convert – 60 day notice mailed on March 24, 2004 was met for the Southgate Village condominium conversion and is satisfactory to the City of San Diego (see Attachment 6 and Attachment 6a for detailed information).
- **Notice of Intent to Convert for Perspective Tenant:** The applicant is responsible for distributing this notice. All language required for the Notice of Intent to Convert for Prospective Tenants – 60 day was met for the Southgate Village condominium conversion and is satisfactory to the City of San Diego (see Attachment 7 and Attachment 7a for detailed information).
- **180-Day Notice of Intent to Convert:** The applicant is responsible for distributing this notice. All language required for the 180-day notice has been accurately conveyed to the Southgate Village apartment tenants and is satisfactory to the City of San Diego (see Attachment 8 and Attachment 8a for detailed information).
- **10-Day Notice of Application for Public Report:** The applicant is responsible for distributing this notice. All language required for the 10-Day Notice of Application for

Public Report has been accurately conveyed to the Southgate Village apartment tenants and is satisfactory to the City of San Diego (see Attachment 9 and Attachment 9a for detailed information).

- **90-Day Notice of Exclusive Right to Purchase:** The applicant is responsible for distributing this notice. All language required for the Notice of (90-Day) Exclusive Right to Purchase has been accurately conveyed to the Southgate Village apartment tenants and is satisfactory to the City of San Diego (see Attachment 10 and Attachment 10a for detailed information).
- **Planning Commission report (distributed to tenants at least three days prior to the public hearing, applicant responsibility):** The applicant is responsible for distributing this notice. The Planning Commission report was distributed to all tenants of the Southgate Village apartment at least three days prior to the December 9, 2004 hearing (see Attachment 11).

III. Affordable Housing Clarification

The owner of the Southgate Village apartment complex was asked to clarify if he would incorporate the 10 percent affordable housing option for his units or, pay the in-lieu fee?

The applicant has stated that he will incorporate 10 percent of the existing units as affordable housing units. Condition No. 10 of the draft resolution has been modified to reflect the 10 percent option (Attachment 12). The condition states, "Prior to the recordation of the Final Map, the subdivider shall enter into an affordable housing agreement with the Housing Commission to provide affordable housing units in compliance with the Affordable Housing Requirements of the City's Inclusionary Housing Ordinance (Chapter 14, Article 2, Division 13 of the Land Development Code)." The San Diego Housing Commission has been informed of this change.

IV. Relocation and purchasing assistance.

The owner of the Southgate apartment complex was asked to create a dialog with the tenant that focuses on relocating and providing aid on purchasing units.

The owner of the Southgate Village apartments has informed staff that on September 2, 2004, a meeting was held at Southgate Village with the tenants to discuss the conversion and pricing information. A representative from RBC Mortgage Corporation and Community Housing Works, who provide home loan assistance to low income families, were available to explain various loan programs. The owner also informed staff that on September 16, 2004, Community Housing Works had another meeting at the rental office to discuss ways in which their organization could help residents through the condominium process. This included information regarding noticing, relocation assistance and loan programs. The owner has stated he will offer existing residents a \$1,500 credit to be used as a partial down payment to cover closing cost if they choose to purchase a unit. In addition, the San Diego Housing Commission has already been in contact with the owner to discuss relocation assistance and they are currently working on the details of relocation assistance. A tenant questionnaire will be mailed to each tenant from the

Housing Commission informing them of the assistance. The Housing Commission has also allocated funding for first-time homebuyer programs for tenants to assist in the purchase of their units.

In conclusion, staff the applicant has demonstrated all required notices for the Southgate Village condominium conversion has been adequately addressed and has answered all questions regarding affordable housing information. Staff has updated the Tentative Map to reflect the changes from September 30, 2004 hearing regarding affordable housing and required notices. Staff has determined that the required findings can be made as the project meets the applicable San Diego Municipal Code regulations and requirements. Staff continues to recommend approval of the project as proposed.

William Zounes
Development Project Manager
Development Services Department

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Attachments:

1. Report to the Planning Commission for September 30, 2004 Hearing
2. Notice of Application requirements
- 2a. Notice of Application
3. Posting Notice of Application requirements
- 3a. Posting Notice of Application verification
4. Published Notice for Public Hearing
- 4a. Published Notice for Public Hearing verification
5. Notice of Public Hearing requirements
- 5a. Notice of Public Hearing
6. Notice of Intent to Convert – 60 day notice requirements
- 6a. Notice of Intent to Convert – 60 day notice
7. Notice of Intent to Convert for Prospective Tenants requirements
- 7a. Notice of Intent to Convert for Prospective Tenants
8. 180-Day Notice of Intent to Convert prior to termination of tendency requirements
- 8a. 180-Day Notice of Intent to Convert prior to termination of tendency.
9. 10-day Notice of Application for Public Report requirements
- 9a. 10-day Notice of Application for Public Report
10. Notice of (90-Day) Exclusive Right to Purchase requirements
- 10a. Notice of (90-Day) Exclusive Right to Purchase
11. Planning Commission report to tenants at least three days prior to the public hearing requirements
12. Revised Tentative Map resolution (strike out underline).

13. Southgate Notice Requirement Table
14. Planning Commission Report No. P-03-340 November 13, 2003
15. City Manager's Report No. 04-010 February 3, 2004
16. Condominium Conversion Process Flow Chart