

**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**

1. Find that the proposed policy amendment does not create any new or changed impact from that analyzed in 2004 General Plan EIR; and
2. Recommend the Board of Supervisors approve General Plan Amendment A06-0005, amending Policy HO-3g, as shown in Attachment 3, based on the findings contained in Attachment 1.

## **SUPPORT INFORMATION**

### **ATTACHMENTS**

Attachment 1 - Findings

Attachment 2 - Proposed Text Amendment to Policy HO-3g

Attachment 3 - Planning Commission Resolution of Intention 2006-01

# **ATTACHMENT 1 FINDINGS**

## **FILE NUMBER A06-0005**

### **1.0 CEQA Findings**

- 1.1. The proposed General Plan policy amendment will not create any new or changed environmental impacts from those identified in the 2004 General Plan Environmental Impact Report.
- 1.2. No subsequent EIR is required for the General Plan policy amendment pursuant to §15162 of the State CEQA Guidelines because the proposed amendment is not a substantial change that would cause new significant effects or increase the severity of previously identified effects; substantial changes in the circumstances under which the plan was adopted have not occurred; and there is no new information regarding potential impacts that were not identified during the preparation of the previous EIR.

### **2.0 General Plan Finding**

- 2.1. The proposed policy amendment is consistent with the General Plan Housing Element goals and objectives in that it will not reduce the ability of the County to provide housing to all income levels and will not hasten the conversion of rental stock to ownership units.

## Attachment 2

### Proposed General Plan Policy Amendment

Policy HO-3g

~~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.