

Condominium conversion moves along

Conversion of the 163 unit Las Flores Apartment complex to condominiums cleared its next-to-last hurdle Thursday night.

The Capitola Planning Commission approved final plans to convert the apartments to condominiums, but it will be up to the Capitola City Council to make the final decision on arrangements that will ensure the continued availability of some of the apartments to low and moderate income families for the next decade.

The planning commissioners met briefly with members of the city council

before their regular meeting last Thursday to discuss the "affordable housing plan" for the project.

Capitola attorney Ed Newman has submitted a plan to the city calling for 30 units to continue to be made available to low and moderate income families.

Low income is defined 80 percent or less of the median income for Santa Cruz county families, and moderate income is the range of 80 to 120 percent of the median.

Under the moderate income plan submitted by Newman on behalf of the

owners, a one bedroom apartment would rent for \$325 a month; two bedrooms, \$360; and three bedrooms, \$425.

The same units, for low income families, would be available for \$285, \$315 or \$360, respectively.

Some of the units will be sold to residents.

The original plan called for first and second mortgages on the units. The first mortgage would be pegged at a monthly payment affordable to low and moderate income families. A second mortgage, held by the current owners, would finance the remainder of

the fair market purchase price. Interest would be eight percent with no payments on principal or interest until maturity.

The first plan called for a five year life on the second mortgage which would not be transferrable to a second buyer.

The revised plan allows the second mortgage to be transferrable. And the Planning Commission is suggesting that the life of the second mortgage be extended from five years to 10 years.

Cost of the units in the affordable housing plan now being considered by

the city are:

One bedroom, \$52,500; two bedrooms, \$62,500; and three bedrooms, \$79,500.

A moderate income family would be required to make a 10 percent down payment on each of the units; and a low-income family would be required to come up with just five percent.

For moderate income families, the estimated monthly payment on a 13 percent, 30 year first mortgage would be: \$387.17 for a one bedroom unit; \$442.48 for a two bedroom unit, and \$497.79 for a three bedroom unit.

Payments for the low income families would be: \$298.68 for a one bedroom unit; \$353.99 for a two bedroom unit; and \$409.30 for three bedroom.

Planning commissioners and city council members raised the question of how the city will ensure that the renters or purchasers of the subsidized units continue to meet the low and moderate income requirements. City Council members seemingly rejected proposals that the Santa Cruz County Housing Authority monitor the income levels, but directed City Manager Steve Burrell to check on the methods used by the city of Palo Alto and the possibility of the Department of Housing

and Urban Development assisting the city. City Council members were not interested in a plan that required the city to hire additional people to monitor the continued eligibility.

The City Council is expected to set a public hearing on the final map approval at its meeting next Thursday night for May 28.

In other action, the Commission:

—Approved amendments to conditional use permits and architectural and site review for a six unit condominium project builder Ken Camp wants to combine with a 15 unit project on Wharf Road, north of the old Rispin Mansion. Final approval of the combined project will be up to the City Council which has already ordered a halt to construction of the 15 units while Camp comes up with a plan to replace vegetation destroyed by regrading of a embankment. The Planning Commission is recommending that Camp be required to replace all vegetation destroyed or damaged by the construction of the six units adjacent to the freeway with native plants.

—Approved a home occupation permit for Claes Jonsson to operate a chemical sales office in his home at 2112 Seven Gables Way.

—Approved plans for a commercial/office building to be built on 41st Avenue behind the PG&E office.

—Continued discussion on wall signs for a commercial building at 601 Capitola Ave., and for Grady's Market, 509 Bay Ave.

—Approved an awning and sign for The Edgewater Club, 215 The Esplanade.

—Approved plans for a new home at 110 Saxon Ave.

—Approved screening for rooftop fans at the Nob Hill Food Center, 809 Bay Ave.

—Approved installation of a roof top solar collector at 324 McCormick Ave.