



PLANNING COMMISSION

AGENDA REPORT

VIII. 2

MEETING DATE: APRIL 12, 2010

ITEM NUMBER:

SUBJECT: PROPOSED CONVERSION OF MOTEL TO SINGLE ROOM OCCUPANCY UNITS

DATE: MARCH 25, 2010

FOR FURTHER INFORMATION CONTACT: MINOO ASHABI, SENIOR PLANNER
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PURPOSE:

Provide feedback on the proposed conversion of an eleven-unit motel located at 2278 Newport Blvd. into Single Room Occupancy (SRO) or Family Room Occupancy (FRO) units.

BACKGROUND:

Prior to the adoption of the current Housing Element in 2007, the City received its Regional Housing Needs Assessment (RHNA) allocation from the State Department of Housing and Community Development (HCD). As described in a Housing Element program, one of the ways to satisfy new housing requirements is by providing Single Room Occupancy (SRO) or Family Room Occupancy (FRO) units.

SRO units are comparable in size to small efficiency apartments, or extended stay hotel suites. Units are typically 200 - 400 square feet with kitchen facilities, a full bathroom, storage and living space, creating a self-sufficient residential unit. Three successful SRO projects are operating in Costa Mesa.

Similar to SROs, Family Resident Occupancy (FRO) units provide affordable housing to families. FRO units are larger in size and typically include a bedroom and living area. A motel conversion may include a mix of SRO and FRO units depending on the location or size of the units.

In 1991, the City Council adopted a policy outlining the procedure and minimum standards for conversion of a motel property into SRO units. In addition, the 2008-2014 Housing Element includes goals and objectives in promotion of motel conversions to provide affordable housing for Costa Mesa residents.

Council Policy 500-5

City Council adopted a policy in 1991 to establish the procedure for review of SRO projects. The policy allows SROs in commercial districts similar to hotels/motels. The policy also sets the minimum size, development and operational standards such as parking requirements, management and security measures and rental terms/rates. In addition, the policy requires that SRO units be rented to below or low income rental rates. The Council Policy does not address FRO units since this is a need that was raised in the

County in the past several years due to limited affordable housing units; however, the Housing Element recognizes FRO units as another option for small families that cannot afford a market-rate apartment.

The intent of this 20-year old policy is to provide a forum for the Planning Commission to discuss the merits of the proposal and identify any concerns prior to the submission of a Conditional Use Permit application for the conversion. The objective is to have the applicant incorporate or address the comments before making an official submission.

Request for Fee Waiver

On September 30, 2009, the City held a community workshop to discuss non-monetary incentives such as: free inspections, and assistance with sample plans. In January of 2010, the applicant contacted City staff indicating his interest to convert his 11-unit motel property into SRO/FRO units.

The first step for this process is submittal of a Conditional Use Permit application and the applicable fee. The applicant requested that the conditional use permit fees be waived. On March 16, 2010, the City Council denied applicant's request to waive the Planning Application fee of \$1,550.00 required for submittal of a conditional use permit application based on the following:

- The current City's budget status;
- No significant hardship for submitting the fee was presented by the applicant; and,
- No exterior or interior renovations were proposed to the property.

The previous staff reports of the meetings are available at the following links:

<http://www.ci.costa-mesa.ca.us/CMCalendar.htm>

ANALYSIS

The property currently operates as "Coast Motel" located at 2278 Newport Blvd. The motel shares the parking with "Napa Valley Pizza and Pasta" within the same parcel. A wrought iron security fence separates the motel from the restaurant.

The applicant has indicated that with the downturn of the economy they are dealing with a more transient population and that they prefer to work with a stable resident population. The applicant currently owns and operates two rental properties in Costa Mesa and all of the properties owned in the last 15 years have been apartments.

All units are currently set up as apartments with full kitchen, bath, closet, and living area/bedroom. Each unit is 450 square feet in area. Interior photos and typical floor plans are provided as Attachment 2. The applicant indicated that the following improvements have been installed in the past few years:

- New picnic table and umbrella – February 2010
- The buildings and fencing painted - January of 2010
- New landscape irrigation system and sod - October 2009
- New tile flooring for interiors – September 2007
- New roofing – August 2007

- Window replacement – August 2007
- Parking lot resurfaced – July 2007

In addition, the kitchen appliances are replaced on as needed basis; typically four appliances are replaced in a year.

While the SRO's are not proposed to include affordability covenants, the 11 units will help meet the demand for single-room occupancy apartments by seniors and single parent families.

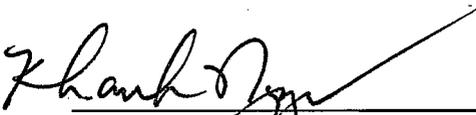
DISCUSSION POINTS

Pursuant to a 1991 City Council policy, the proposed project needs to be considered by the Planning Commission for preliminary feedback before a conditional use permit is processed.

Planning Commission may offer feedback on various discussion items, such as:

- What are some initial thoughts on the proposed change of motel operations to serve a more stable resident population instead of transient motel population?
- What level of interior and exterior renovations is expected for the conversion? Council did express concerns that the extent of recently completed alterations appeared to be minimal.


 MINOO ASHABI, AIA
 Senior Planner


 KHANH NGUYEN
 Assistant Development Svs. Director

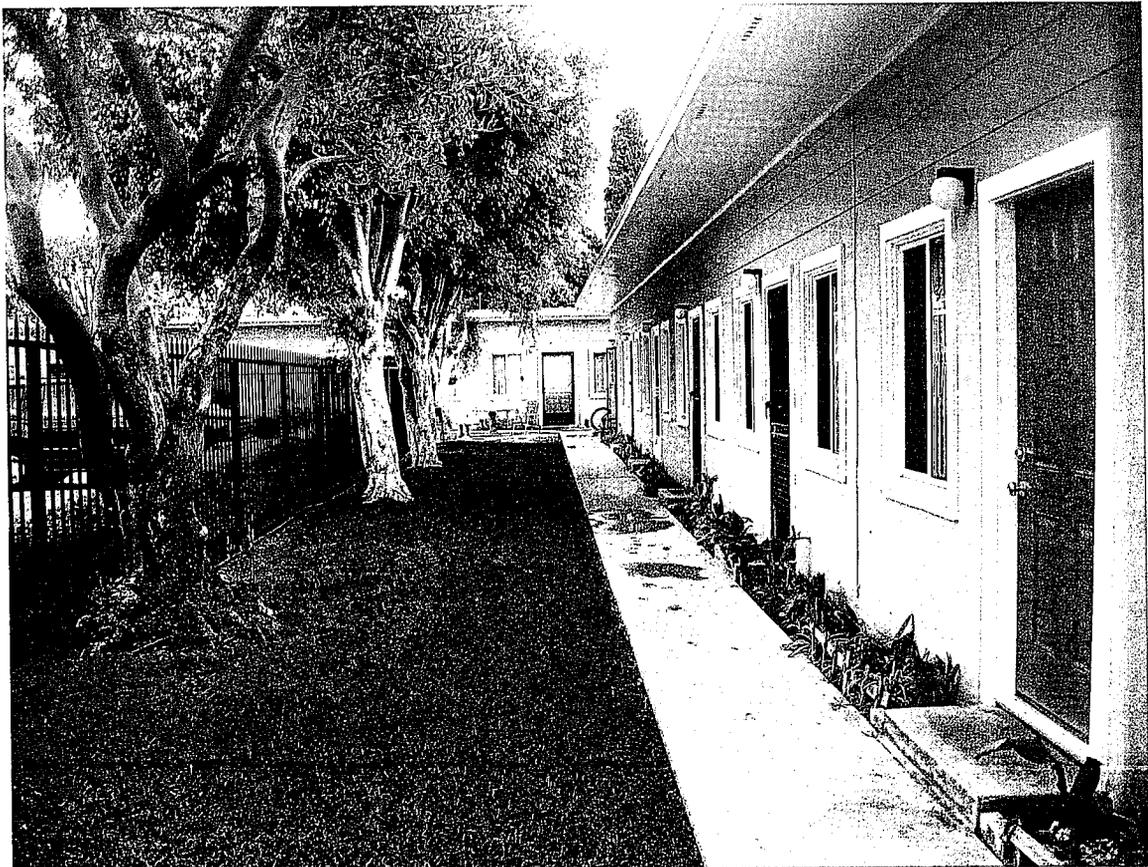
Attachments: 1. Location Map
 2. Submitted photos

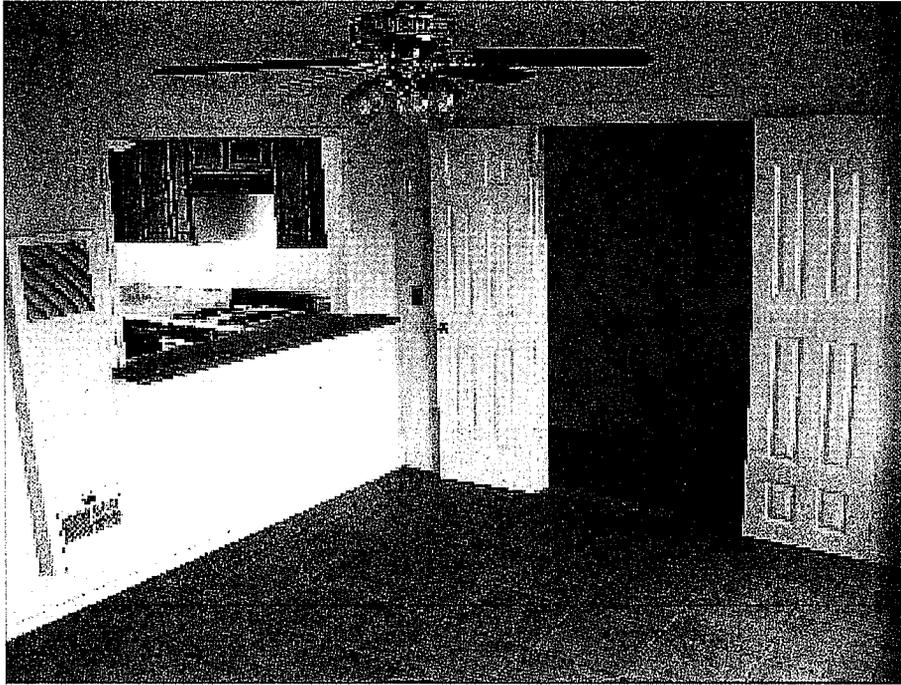
cc: Development Svs. Director
 Deputy City Attorney
 Public Services Director
 City Engineer
 Fire Protection Analyst
 Staff (4)
 File (2)



VICINITY MAP

2278 Newport Blvd.

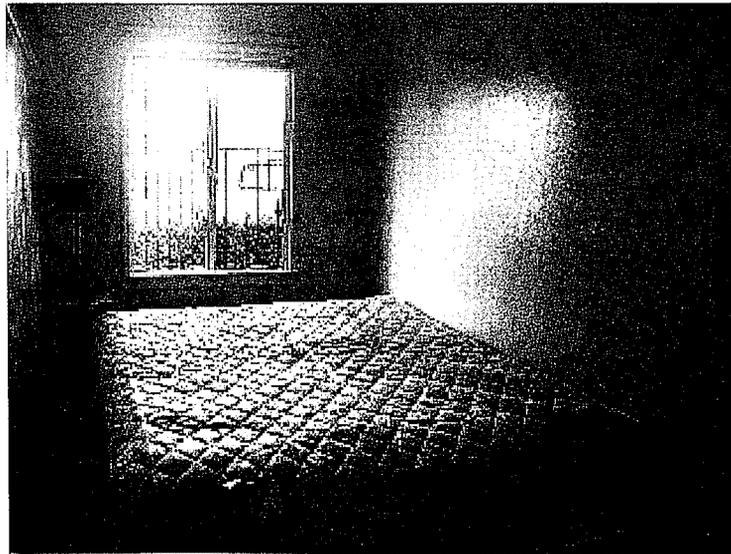
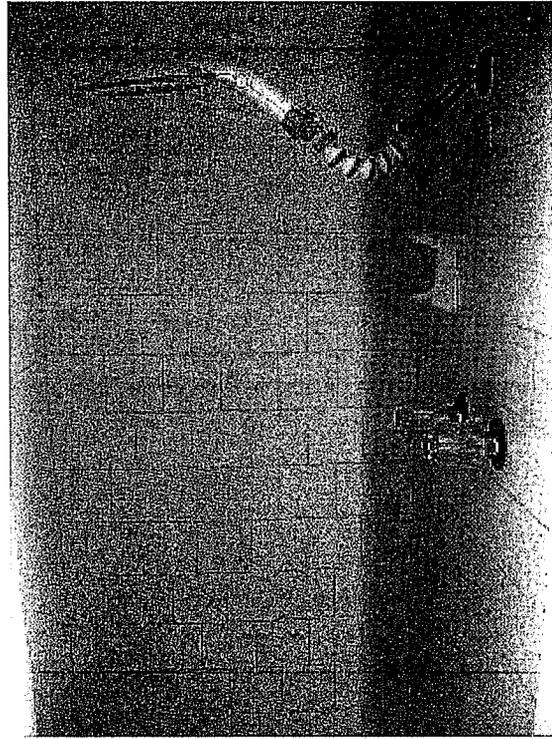
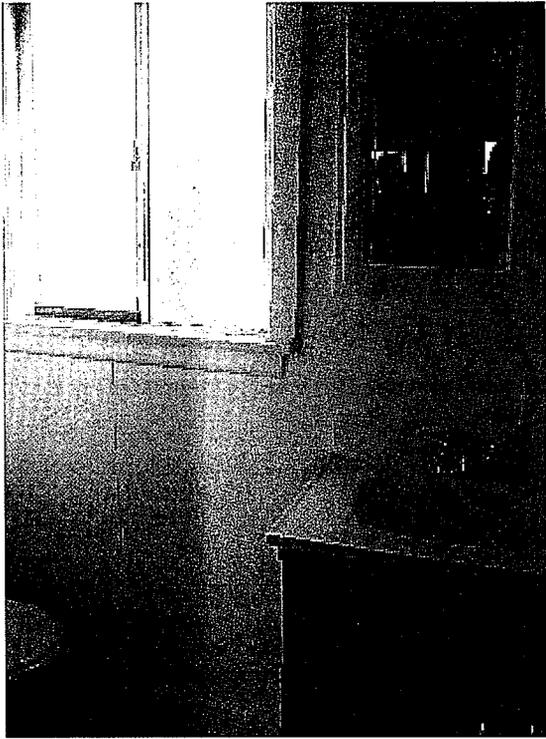




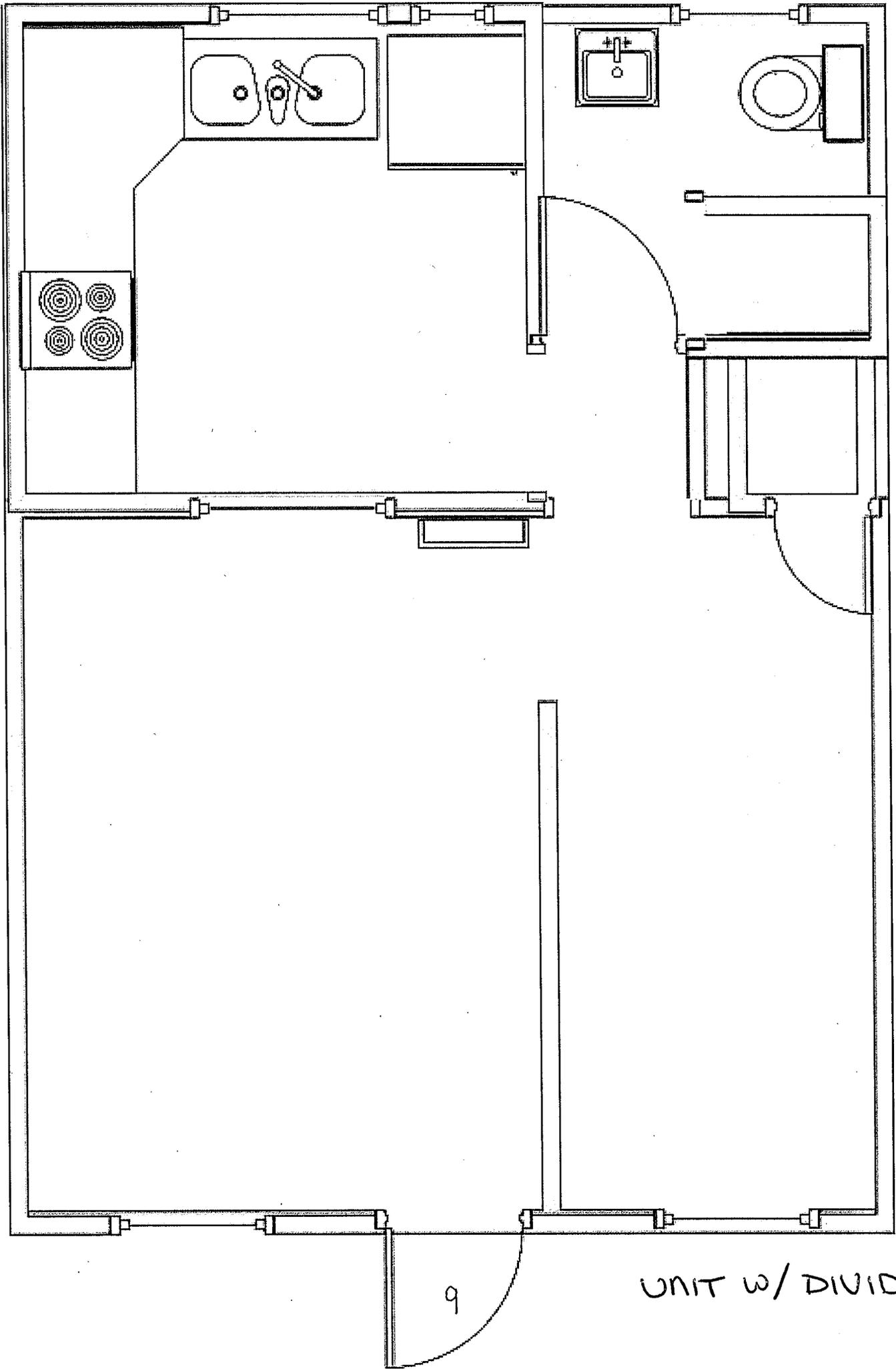
Interior photos of Unit 9 and Unit 11



Interior photos of Unit 9 and Unit 11



Interior photos of Unit : 9 and Unit 11



UNIT w/ DIVIDER

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