



County of Santa Cruz

REDEVELOPMENT AGENCY

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TOM BURNS, AGENCY ADMINISTRATOR

March 11, 2002

Agenda: March 19, 2002

Board of Directors
County of Santa Cruz Redevelopment Agency
701 Ocean Street
Santa Cruz, CA. 95060

Status of Conversion of Marmos and Golden Torch RV Parks

Members of the Board:

In May of 2000 your Board, as the Board of Supervisors, adopted an ordinance allowing the conversion of previously-permitted Recreational Vehicle (RV) Parks to permanent housing under certain circumstances. After considerable public testimony on the ordinance, the Board decided to have the ordinance only apply to the two RV Parks with the most egregious code enforcement violations — Golden Torch and Marmos RV Parks. Since that time, Mid Peninsula Housing Coalition, an experienced non-profit housing developer, has purchased both parks and has developed conceptual plans for major rehabilitation of the two properties. The purpose of this letter is to update your Board on the status of those efforts and to recommend actions that will further facilitate their progress.

Context for RV Conversion Ordinance

Board members will recall the context for the development of the RV Conversion Ordinance. As the County's housing market has tightened over the years, some RV Parks that were previously permitted for short-term visitor stay were gradually illegally converted to year-round occupancy for permanent residents. In some cases, such conversions critically overtaxed available services — particularly septic treatment systems. As well, the overall quality of the housing and overcrowding led to a series of code enforcement and public safety problems.

In order to address these problems, the Board spent over a year developing an ordinance to allow the conversions of such parks to permanent occupancy with the maximum units allowed not to exceed the spaces provided for in the park's original County Use Permit. In exchange for recognizing these uses, which would otherwise not be allowed under the County's planning regulations, the ordinance requires that

redeveloped sites must comply with a number of key standards:

- the property must be brought up to current standards for water and wastewater systems, as established by the County Health Department;
- the conversion must comply with development standards or obtain waivers as provided for in the ordinance;
- occupants of a converted site must be on average very low income households (earning 50% or less of the area median income);
- the rents for the units must be limited to levels affordable to very low income residents; and
- the party converting the property must agree to a conversion, rehabilitation, and management plan.

Once the ordinance was submitted to the Board, owners of RV Parks throughout the unincorporated county raised concerns about how it might affect them in the future. After much discussion, the Board decided to limit the applicability of the ordinance solely to the Marmos and Golden Torch RV Parks, based upon clear documentation with respect to overcrowding, public health and safety issues and other problems at these two sites.

Role of Mid Peninsula Housing Coalition

Mid Peninsula Housing Coalition (MPHC) is a highly respected non-profit housing developer and property manager operating in Northern California. They have become increasingly active in the Monterey Bay area, and have been partners with the County Redevelopment Agency on several affordable housing projects, including construction of The Farm Apartments (in Soquel), rehabilitation of Jardines del Valle farmworker housing (formerly Murphy's Crossing) and the recently completed reconstruction of the San Andreas Farmworker housing.

Based on our extensive experience with MPHC and their ability to address complex housing projects, the Redevelopment staff encouraged MPHC to explore potential options for assisting in addressing the extensive problems at the Marmos and Golden Torch sites. Since approval of the RV Conversion Ordinance they have acquired both properties and have prepared plans for proceeding with the conversion of both properties under the County's Ordinance.

Overview of Proposed Marmos Project

This site was originally permitted for 51 RV spaces under a 1977 Use Permit. In the course of addressing code enforcement issues at the site, Planning staff counted at peak use times over 80 RV units on this site. The high number of residents and year-round occupancy of the site caused a number of significant problems, most critical was periodic failure of the septic system.

MPHC entered into a purchase agreement for the site in April of 2000 and focused their initial efforts on working with the Court-appointed receiver in meeting the Court's initial goals — temporarily reducing the overall occupancy of the site and upgrading the septic system. Through those efforts, the units on the site have been reduced. Additionally, they completed the design of and received a permit for installing a state-of-the-art septic collection and treatment system. Installation of the system was forestalled until such time as the site plan could be completed to ensure that there would not be a future conflict between the location of units and the septic treatment system. With completion of their current site plan, MPHC is currently in the process of installing the new septic treatment system.

The site plan for the proposed project is illustrated in Attachment 1. One can see from reviewing that plan that they are proposing a total of 51 family plus one manager's unit on the property. Additionally, the plan provides for a community room, laundry facilities, children's play areas, stabilization of a major cut slope on the property, substantial restoration of the lake edge vegetation and the potential for a future program for resident farming of the agricultural portion of the site.

The units themselves are proposed to be modular manufactured units, with a mix of one, two, three and four bedrooms to recognize the diverse household size that has occupied the site over the years. (Attachment 2 provides a visual rendering of a typical unit.) The units would be rented at rates affordable to very low income households, with a minimum of 10% of the units currently committed for priority for farmworker households.

MPHC recently submitted plans for a land use permit, with the desire to receive discretionary approvals by this June, in order to enable them to pursue funding for Tax Credits which must be submitted by this July. This would allow the project to be constructed in 2002/03. In order to meet this deadline the project must meet the following schedule:

- APAC review – scheduled for consideration on March 21;
- Planning Commission – May of 2002
- Board of Supervisors – June of 2002

Overview of Proposed Golden Torch Conversion Project

This site was originally permitted for "approximately 100" short-term RV spaces and tent spaces in a 1964 Use Permit. As was the case with the Marmos Project, overcrowding and year-round occupancy of this site had caused significant stressing of the site infrastructure leading to regular failures of the septic system. As well, due to the disparity between the small size of the RV units on the site and the large size of the families residing on the property, numerous illegal expansions of residential structures had been built on the property, raising significant fire safety concerns.

MPHC purchased this site in May of 2001. As was the case at the Marmos site, their initial energies were focused on reducing the number of units on site for the purpose of reducing the demand on the septic system and temporarily decreasing the resident population to a level that would allow reconstruction of the site. At this point in time, the number of units has also been reduced significantly.

The concept for this project has not been refined to the same level of detail as the Marmos Project, but is anticipated to follow a similar approach. Attached modular manufacturing housing units, possibly some with a two story design, will be proposed. The site plan will likely change the current site configuration significantly, with road layouts proposed to conform to the sloping hillside site. Attachment 3 provides a schematic illustration of the current thinking for the site plan, which shows approximately 67 units on the site plus a manager's unit and community center. Over the next several months this concept will be refined and submitted to the Planning Department for permit review, with land use hearings anticipated later this fall.

RV Conversion Ordinance Issues

As envisioned in the RV Park Conversion Ordinance, temporary RV units would be replaced with mobile homes or manufactured housing, permitted under a County Use Permit. Unfortunately, while the Ordinance allowed construction of "multi-unit manufactured housing" the unique aspects of that housing type were not fully anticipated throughout the Ordinance. As a result, it is not clear when mobile home versus uniform building code standards apply to such housing. As well, the current ordinance keys rents to studio unit size rather than the actual size of the units, resulting in inappropriate rent levels and additional financial difficulties for the projects.

In order to allow these projects to proceed in a timely fashion, County Counsel has suggested that minor amendments to the Ordinance be adopted immediately to address these issues. Ordinance amendments are proposed for your consideration in a separate letter on this agenda addressed to your Board, as the Board of Supervisors. In order for the Marmos project to remain on its current ambitious schedule it will be critical for those amendments to be acted on immediately.

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Financing Issues

Both projects will require significant outside financing sources to enable the substantial reconstruction needed to accomplish the requirements of the RV Conversion Ordinance and the plans of MPHC for enhanced resident services. Redevelopment Agency staff has been working closely with MPHC in reviewing overall project financing and required local funding from the Agency's Low and Moderate Income Housing Fund. At this time, they are requesting a pre-development loan of \$1.0 million for the Marmos Project. This will enable MPHC to finance construction of the septic improvements and reimburse them for other pre-development related expenses. As is always the case, this loan will be ultimately folded into the total financing package from the Agency to the Project. It is proposed that the loan be a no interest loan for a term of up to two years.

Conclusion/Recommendations

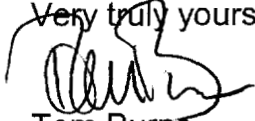
Addressing long-standing public health and housing conditions problems at the Marmos and Golden Torch RV parks has been a priority for the County for many years. With the assistance of Mid Peninsula Housing Coalition, it appears that plans are in place to finally realize that goal in the near future. In order to assist in that effort, it will be important for the County to be responsive to practical issues and processing time requirements identified by MPHC.

It is therefore RECOMMENDED that your Board, as the Board of Directors for the Redevelopment Agency, take the following actions:

1. Accept and file this report on pending RV conversion projects;
2. Direct the Planning Department to continue to make reasonable efforts to work with MPHC and Redevelopment staff in bringing the permit for the Marmos Project to the Board of final action by June of 2002; and
3. Approve providing a pre-development loan with Mid Peninsula Housing Coalition as described above and authorize the RDA Administrator to take the actions required to formalize such an agreement.

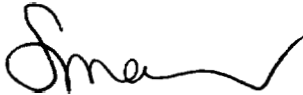
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Very truly yours,



Tom Burns
Redevelopment Agency Administrator

RECOMMENDED:



Susan A. Mauriello
Redevelopment Agency Director

Attachments:

cc. RDA
Planning Department
Mid Peninsula Housing Coalition

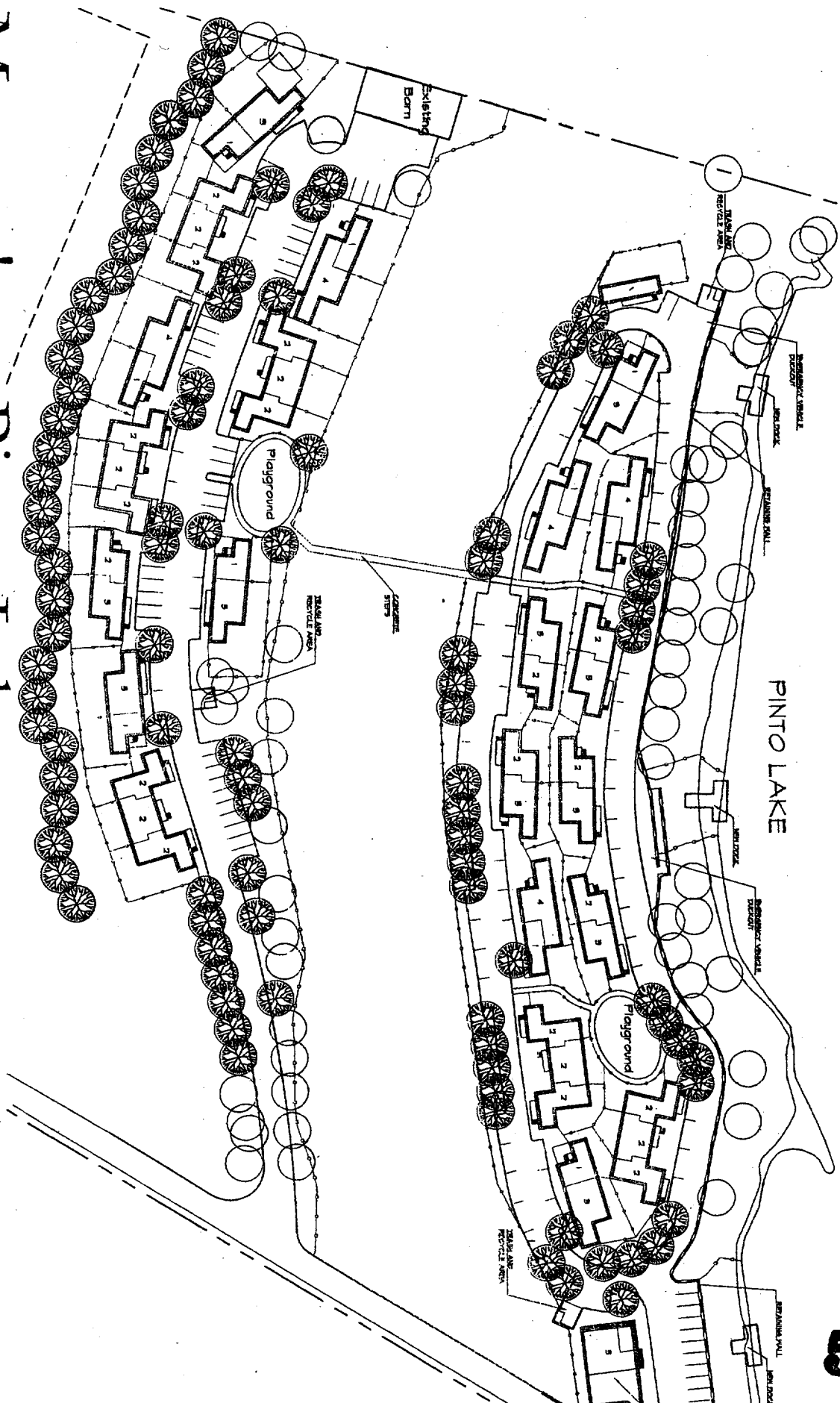
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LOWER AREA - 28 UNITS
6-1 Bedroom Units
11-2 Bedroom Units
8-3 Bedroom Units
3-4 Bedroom Units

UPPER AREA - 24 UNITS
5-1 Bedroom Units
13-2 Bedroom Units
4-3 Bedroom Units
2-4 Bedroom Units

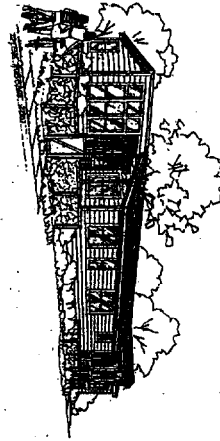
56 residential parking spaces in lower area
11 community building parking spaces
46 residential parking spaces in upper area
4 parking spaces at existing barn
114 Total Parking Spaces
More than 2 spaces per unit

The Community Pa
area total 14.00

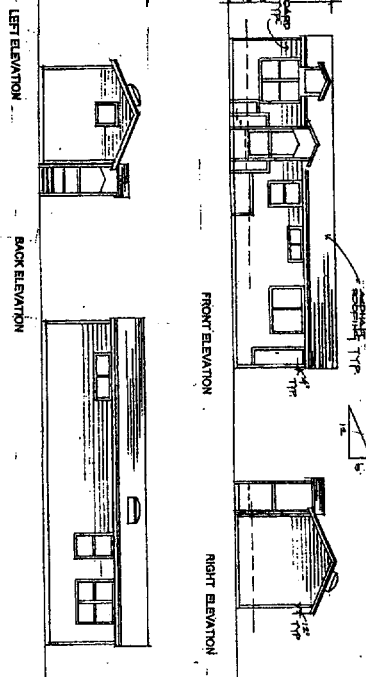
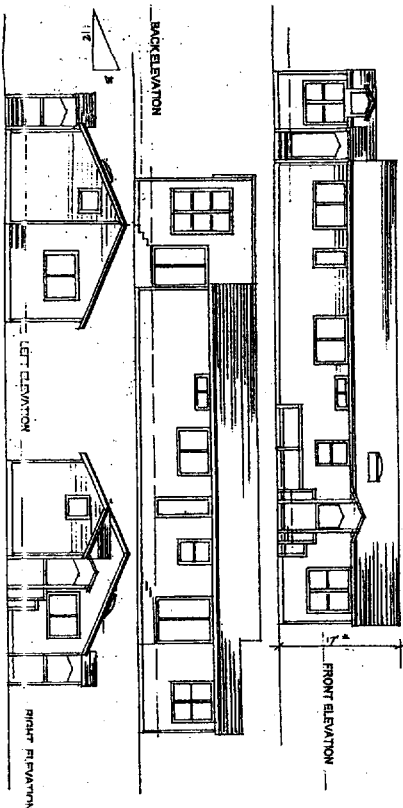
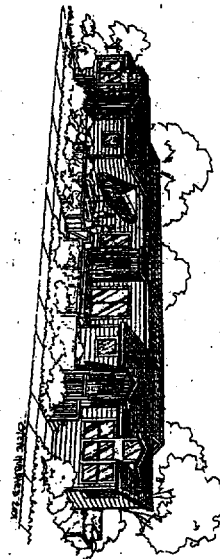


Marmo's at Pinto Lake - 324 Amesti Road
Site Plan

ILLUSTRATIVE PERSPECTIVES



TRIPLEX TYPE 2-2-2



PRO-TO-TYPE UNITS. SCHEMATIC PLANS & ELEVATIONS

**PAUL WANG
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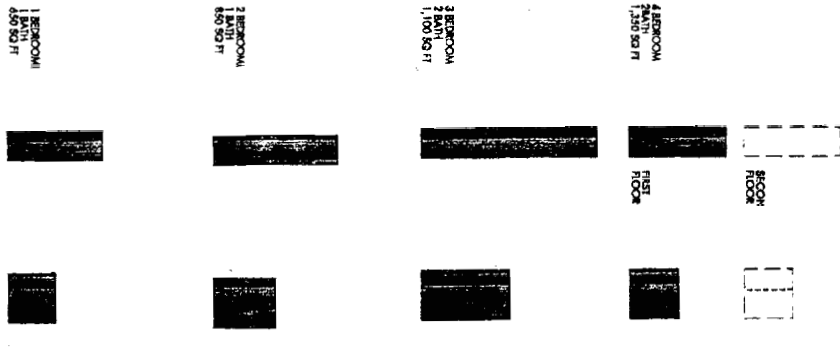
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ATTACHMENT 3

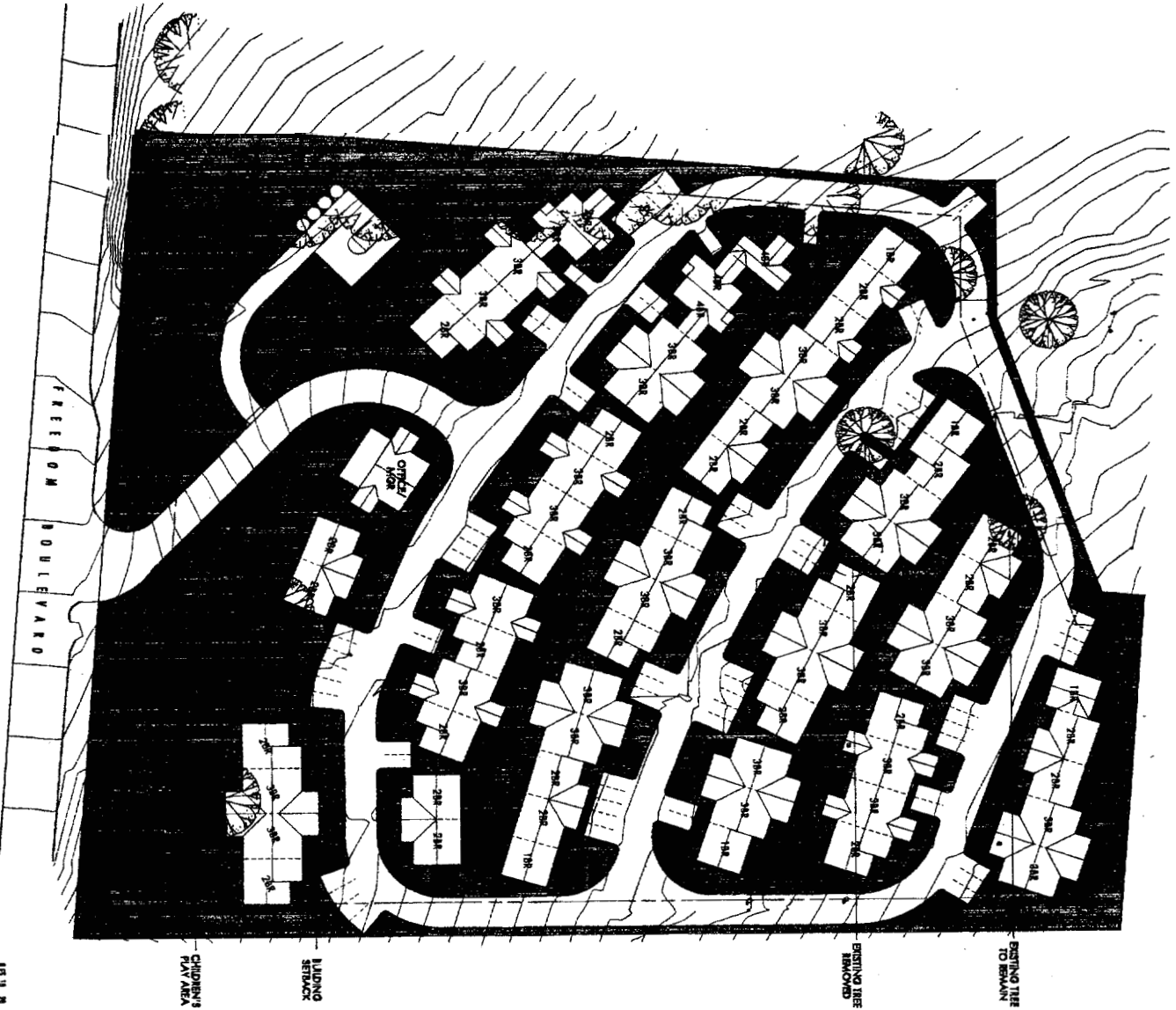
UNIT FABRICATION		
1 BEDROOM	5	TOTAL
2 BEDROOM	28	TOTAL
3 BEDROOM	30	IN-MEDIA UNIT
4 BEDROOM	4	TOTAL
TOTAL	67	
PARKING		
RESIDENTS	67	TOTAL
VISITORS	8	TOTAL
TOTAL	75	

UNIT TYPE
0 SINGLE WIDE
6 DOUBLE WIDE



DWELLING UNIT FOOTPRINTS

SCHEMATIC SITE PLAN



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721 S. GATEWAY AVENUE
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PROJECT
AFFORDABLE HOUSING
AT THE GARDEN YARD
MONTICELLO ESTATE
WATSONVILLE, CALIFORNIA

OWNER
SUNSHINE SITE PLAN
AND BUILDING SUMMARY

PROJECT NUMBER
JRM
DATE
JRM
DATE
01/04/00
LAYOUT

SHEET
SD-02 of 5