

14972 SAND CANYON AVE , IRVINE, CA 92618
PERMANENT LIVING CONVERSION OPPORTUNITY - SRO, CONVALESCENT AND OTHER USES



LUIS VAZQUEZ
Senior Vice President
310.704.9109
luis.vazquez@sperrycga.com
CalDRE #00841513

SPERRY COMMERCIAL
18881 VON KARMAN AVE.,
SUITE 800
IRVINE, CA 92612
WWW.SPERRYCRE.COM



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PROPERTY INFORMATION



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PROPERTY INFORMATION

SALE AND SITE DESCRIPTIONS



PROPERTY DESCRIPTION

The Opportunity:

The Property is offered for sale as a Potential Conversion to Permanent Housing.

The City of Irvine has advised that the Current Zoning of the Property will allow for permanent residential use as a single-room occupancy (SRO) Facility, as well as other Potential Permanent uses through a Conditional Use Permit and/or 'By Right'.

The Property:

The Property is currently operating as La Quinta® by Wyndham Irvine Spectrum. Situated on approximately 2 acres, the Property was built in 1989 and renovated in 2020. Comprising 148 Rooms, the two separate Buildings are joined and total approximately 89,389 Square Feet.

The Rear Building is a former grain warehouse on the National Register of Historic Places.

SITE DESCRIPTION

The Subject Property is currently a fully operational La Quinta Hotel, offered as a Conversion Opportunity for SRO/Senior Housing or Convalescent Home use.

The Following are Property Details:

Year Built - 1989

Lot Size - 2 Acres

Building Size - 89,389 SF - 2 Buildings

Rooms- 148

Amenities - Pool, Dining Room, Lobby, Exercise Room

Adjacent to Restaurants, Transportation and Commercial/Office Business

National Register of Historical Places

7.06 Pro Forma Cap Rate/ 8.11 Pro Forma Cap Rate for Non Profit

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PROPERTY DESCRIPTION // 5

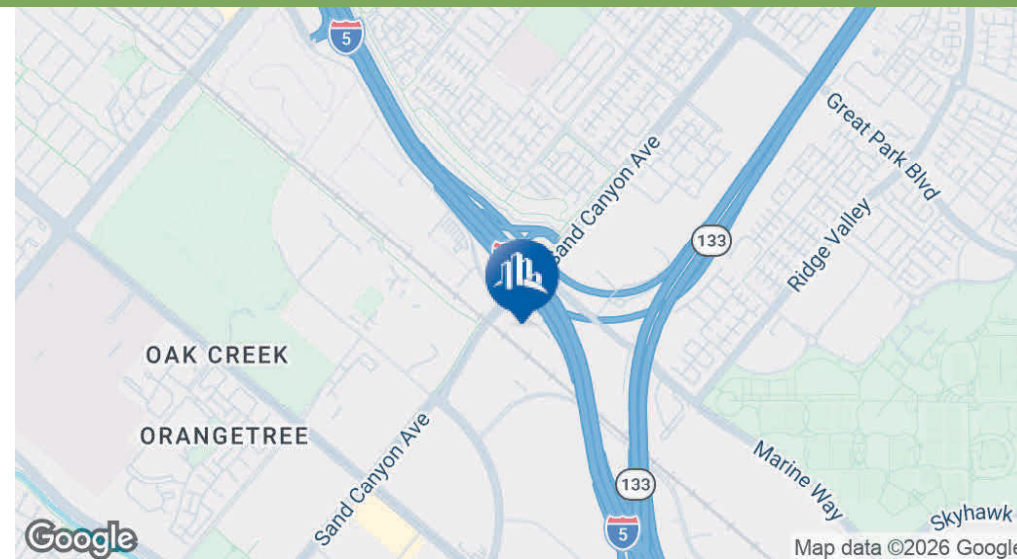


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PROPERTY INFORMATION

EXECUTIVE SUMMARY



OFFERING SUMMARY

Sale Price:	\$29,525,000
Building Size:	88,239 SF
Lot Size:	2 Acres
Number of Units:	148
Price / SF:	\$334.60
Pro Forma Cap Rate:	7.06%
Price/Room:	\$199,493
Year Built:	1986
Renovated:	2020
Zoning:	Commercial

PROPERTY OVERVIEW

The Opportunity:

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The Property:

The Property is currently operating as La Quinta® by Wyndham Irvine Spectrum. Situated on approximately 2 acres, the Property was built in 1989 and renovated in 2020. Comprising 148 Rooms, the two separate Buildings are joined and total approximately 89,389 Square Feet.

The Rear Building is a former grain warehouse on the National Register of Historic Places.

PROPERTY HIGHLIGHTS

- Permanent Housing Conversion Opportunity
- High-demand Irvine, CA - Significant Recent Apartment Building Near the Property
- City Planning has indicated a roadmap to Conversion to Permanent Housing
- 88,239 SF building

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PROPERTY INFORMATION

COMPLETE HIGHLIGHTS



LOCATION INFORMATION

Building Name	Permanent Living Conversion Opportunity - SRO, Convalescent and Other Uses
Street Address	14972 Sand Canyon Ave
City, State, Zip	Irvine, CA 92618
County	Orange
Cross-Streets	Sand Canyon Avenue

BUILDING INFORMATION

NOI	\$2,083,837.00
Cap Rate	7.06%
Year Built	1986
Year Last Renovated	2020

PROPERTY HIGHLIGHTS

- Permanent Housing Conversion Opportunity
- High-demand Irvine, CA - Significant Recent Apartment Building Near the Property
- City Planning has indicated a roadmap to Conversion to Permanent Housing
- 88,239 SF building
- 148 units
- Built in 1986
- Renovated in 2020
- Property is on the National Register of Historic Places
- Pro Forma 7.06 Cap Rate/8.11 Cap Rate for Non-Profit

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PROPERTY INFORMATION

CITY OF IRVINE



Overview

Since its incorporation in 1971, Irvine has become a nationally recognized city, with a population of 310,250 spans 66 square miles and is recognized as one of America's safest and most successful master-planned urban communities. Top-rated educational institutions, an enterprising business atmosphere, sound environmental stewardship, and respect for diversity all contribute to Irvine's enviable quality of life. This family-friendly city features more than 16,000 acres of parks, sports fields and dedicated open space and is the home of the Orange County Great Park.

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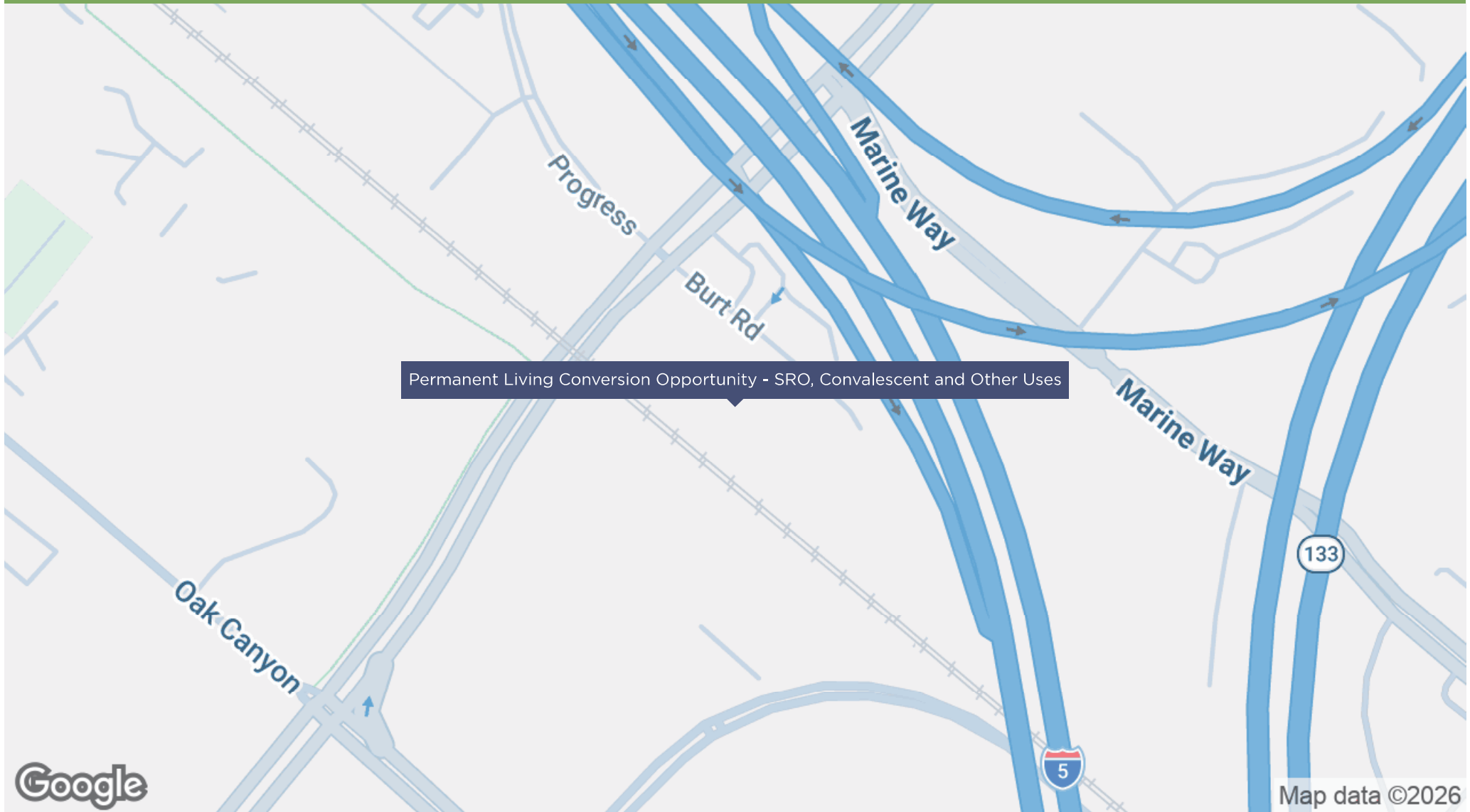
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PROPERTY INFORMATION LOCATION MAP



Permanent Living Conversion Opportunity - SRO, Convalescent and Other Uses

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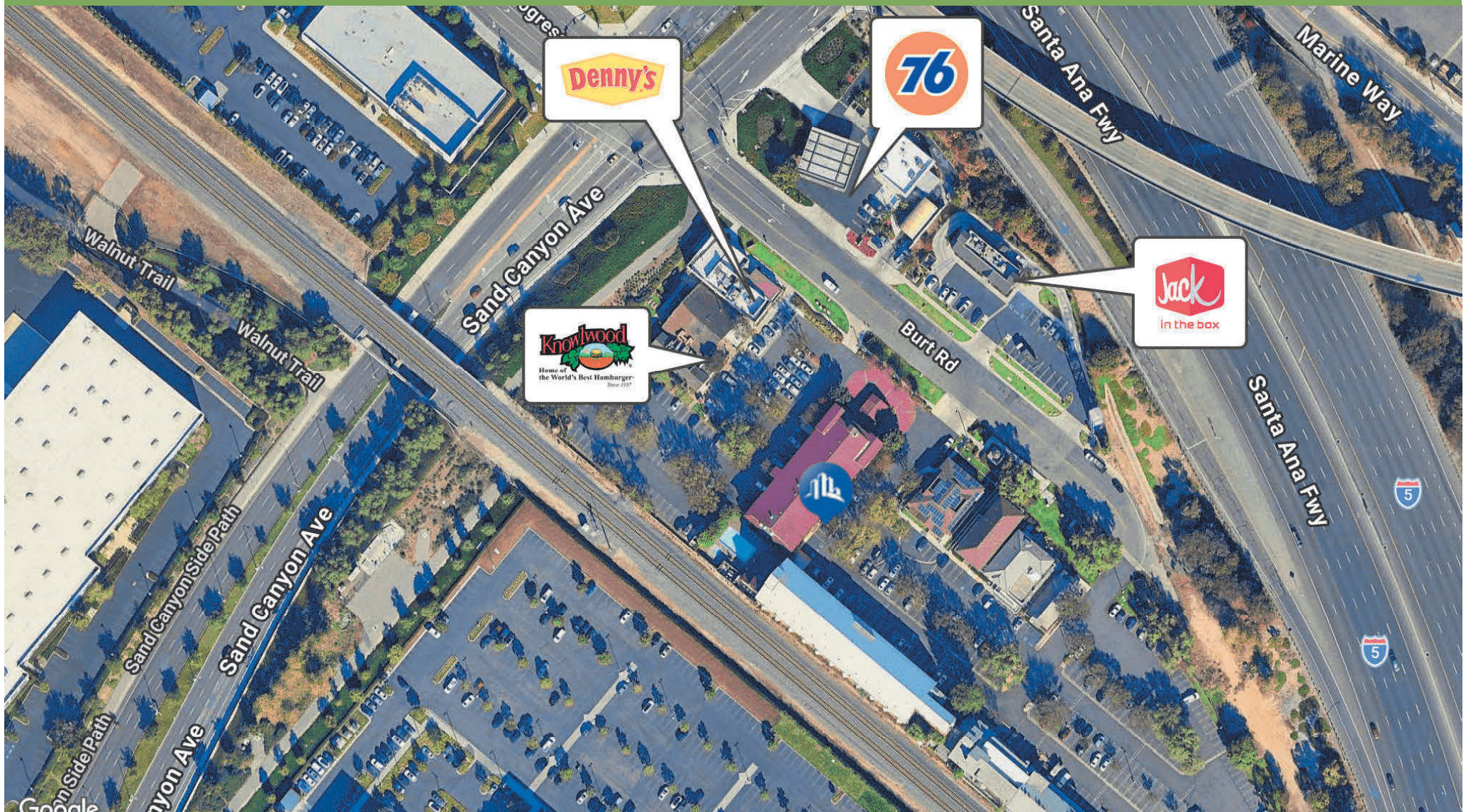


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PROPERTY INFORMATION

RETAILER MAP - NEXT TO PROPERTY



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ZONING



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ZONING AND PERMANENT LIVING CONVE



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City Position on Conversion to SRO

Hi Luis,

Yes, SRO is listed as a conditionally permitted land use in the 4.2 Community Commercial zone and is considered as residential dwelling units. There is an underlying Master Plan 84-MP-0009 and subsequent modifications applicable to this site. Therefore a Master plan is required and is subject to consideration by the Planning Commission.

Zoning and Overlay District

The site is located within Residential and Residential Mixed-Use Overlay District (i.e., Focus Area 2). You can find more information about this overlay district and its associated development standards in the [Residential and Residential Mixed-Use Overlay District \(RRMU\)](#).

Environmental Review

The 2045 General Plan EIR provides environmental clearance for residential projects in the RRMU Overlay provided a proposed project is 1) consistent with the anticipated development densities (i.e., minimum average density of 50 dwelling units per acre) and compatibility standards outlined in IZO Chapter 5-9 and 2) would not generate previously unanticipated or greater environmental impacts than what was evaluated in the General Plan EIR. Technical Studies will be required, as determined by staff at the time of application, in accordance with the [Mitigation Monitoring and Reporting Program](#) to demonstrate consistency with the 2045 GPU Program EIR and to evaluate compatibility with surrounding uses.

Parking Requirements

- Refer to [Irvine Zoning Ordinance Chapter 4-3](#) for parking requirements.

Development Standards

- Refer to the attachment for zoning regulations for applicable development standards.
- Refer to the following link for applicable [Objective Design Standards](#).

Entitlement Process

The entitlement process for this project will involve the following:

- [Master Plan](#) This process will include review of environmental/technical studies (e.g., access/traffic, noise, health risk assessment, etc.), affordable housing, compliance with development standards (e.g., objective design standards, zoning regulations, building code regulations, engineering standards, OCFA requirements, etc.).
- Master Affordable Housing Plan ([MAHP](#))
- [Subdivision Map](#)
- [Park Plan](#)
- [Park Design](#)

Timing on the Master Plan per City:

Hi Luis,

Thank you for your inquiry. Master plan modification timelines vary greatly depending on the complexity of the modification.

I would expect three to nine months to be safe.

Thank you,

- Instructions to submit are available at <https://www.cityofirvine.org/irvineready>. When you submit, we ask that you add "PLNG" to the front of the project name so it can be easily identified by Planning staff.

Public Meetings and Hearings

?

Step	Reviewing Body
Tentative Map	Subdivision Committee
Traffic Review	Transportation Commission
Park Review	Community Services Commission
Master Plan and environmental	Planning Commission

In addition, it appears that Old Town Irvine is listed on the National Register of Historic Places. <https://ohp.parks.ca.gov/ListedResources/Detail/1004>

This will also be evaluated with the Master Plan review.

Staff recommends that you submit a [Pre-Application](#) if you wish to answer site specif

CHAPTER 3-24. - RESIDENTIAL, SINGLE ROOM OCCUPANCY (SRO) UNITS

Sec. 3-24-1. - Applicability.

These regulations apply to single room occupancy (SRO) residential units.

(Res. No. 15-86, § 3(Exh. A), 8-11-15)

Sec. 3-24-2. - Approvals required.

Conformance with these requirements shall be determined during the conditional use permit review process, as described in [Chapter 2-9](#) of the City of Irvine zoning ordinance.

(Res. No. 15-86, § 3(Exh. A), 8-11-15)

Sec. 3-24-3. - Site requirements.

A. Each SRO development shall comply with the following criteria:

1. Each SRO project shall submit a management plan to the Community Development Department Housing Manager for review and approval. This plan shall contain information regarding the development's projected staffing needs, facility management and operations, emergency procedures, security, rental procedures, and proposed rental rates.
2. Each SRO development shall have a resident manager available on a 24-hour basis.
3. Individual rooms are limited to single or double occupancy.
4. Single occupancy rooms shall be no less than 175 square feet and no greater than 400 square feet.
5. Double-occupancy rooms shall be no less than 275 square feet and no greater than 450 square feet.
6. Each SRO unit shall contain a kitchen. Kitchens shall be required to contain a sink with garbage disposal, a countertop (16 inches by 24 inches minimum), refrigerator, and stove or microwave oven. If stoves are not provided in each unit, then stoves shall be provided in a common kitchen area accessible to the entire SRO project.
7. Each SRO unit shall contain a bathroom. Bathroom shall be required to contain a sink, toilet, and shower or bathtub.
8. Each SRO unit shall contain closet/storage space no less than 48 cubic feet in size.
9. Rental units shall be established for monthly tenancies or longer.
10. For SRO developments containing 30 or fewer units, a minimum of 400 square feet of common open space shall be provided.

11. For SRO developments containing 31 or more units, 400 square feet of common open space shall be provided, with an additional 15 square feet required per each additional unit over 30.
12. Each SRO project shall provide laundry facilities in a separate room or rooms located in close proximity to the units served. A minimum of one washer and one dryer shall be provided for each 10 units or fraction thereof.
13. An SRO is considered a residential dwelling unit for development intensity purposes.

(Res. No. 15-86, § 3(Exh. A), 8-11-15)

FINANCIAL ANALYSIS



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FINANCIAL ANALYSIS

ROOM/UNIT MIX

<u>Number</u>	<u>Type</u>	<u>Square Feet</u>
65	Studio/1BA	300
82	Studio/1BA	325
1	1BR/1BA Kitchen	900

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FINANCIAL ANALYSIS

FINANCIAL SUMMARY

INVESTMENT OVERVIEW

	PRO FORMA
Price	\$29,525,000
Price per Unit	\$199,493
CAP Rate	7.06% For Profit/8.11% For Non Profit

OPERATING DATA

	PRO FORMA
Total Scheduled Income	\$3,391,800
Vacancy Cost	\$101,754
Gross Income	\$3,290,046
Operating Expenses	\$1,206,209
Net Operating Income	\$2,083,837

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FINANCIAL ANALYSIS

INCOME & EXPENSES

INCOME SUMMARY	PRO FORMA	PRO FORMA - NON PROFIT
Gross Scheduled Income	\$3,391,800	\$3,391,800
Gross Income	\$3,391,800	\$3,391,800
EXPENSE SUMMARY	PRO FORMA	PRO FORMA - NON PROFIT
Real Estate Taxes - Estimated at Current 1.0503%	\$310,101	\$0
Management - 8% of Gross Income	\$263,203	\$263,204
Property Maintenance - 9% of Gross Income	\$296,104	\$296,104
Property Insurance - Current	\$60,000	\$60,000
Electricity - Current	\$110,000	\$110,000
Gas - Current	\$27,000	\$27,000
Water - Current	\$38,000	\$38,000
Trash - Current	\$36,000	\$36,000
Administration/Etc -2% of Gross Income	\$65,801	\$65,801
Gross Expenses	\$1,206,209	\$896,109
Net Operating Income	\$2,083,837	\$2,393,937

Income based on:

65 Rooms at \$1,850 - 300 Square Feet

82 Rooms at \$1,950 - 325 Square Feet

1 Room at \$2,500- 900 Square Feet with Kitchen

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