



**CITY OF SACRAMENTO**

**CITY PLANNING DEPARTMENT**

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ETHAN BROWNING, JR.  
PLANNING DIRECTOR

City Council  
Sacramento, California

Honorable Members in Session:

SUBJECT: An Ordinance adding Section 22-A-60 and Section 28 to, and re-pealing Section 2-H-11 of the Comprehensive Zoning Ordinance of the City of Sacramento, Ordinance No. 2550, Fourth Series, Repealing Section 9.05(g) and 9.37 of the Sacramento Building Code, Chapter 9 of the Sacramento City Code, and adding Section 40.109 to Chapter 40 of the Sacramento City Code, Relating to Condominiums and Condominium Conversions and Declaring Said Ordinance to be an Emergency Measure to take effect Immediately.  
(M-394)

SUMMARY:

This item is presented at this time for Council's approval of its publication for legal advertisement purposes.

BACKGROUND INFORMATION:

Prior to publication of an item in a local paper to meet legal advertising requirements, the City Council must first pass the item for publication. The City Clerk then transmits the title of the item to the paper for publication and for advertising the meeting date.

RECOMMENDATION:

It is recommended the item be passed for publication.

APPROVED PFP +  
BY THE CITY COUNCIL  
JAN 2 1979 Cont to  
OFFICE OF THE CITY CLERK 1-15-80

Respectfully submitted,  
*M. Browning Jr.* for EB;  
Ethan Browning, Jr.  
Planning Director

FOR TRANSMITTAL TO CITY COUNCIL:

*Walter J. Slipes*  
Walter J. Slipes, City Manager

EBJ

January 2, 1980  
District No. ALL

ORDINANCE NO.

FOURTH SERIES

AN ORDINANCE ADDING SECTION 22-A-60 AND SECTION 28 TO, AND REPEALING SECTION 2-H-11 OF THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SACRAMENTO, ORDINANCE NO. 2550, FOURTH SERIES, REPEALING SECTION 9.05(g) AND 9.37 OF THE SACRAMENTO BUILDING CODE, CHAPTER 9 OF THE SACRAMENTO CITY CODE, AND ADDING SECTION 40.109 TO CHAPTER 40 OF THE SACRAMENTO CITY CODE, RELATING TO CONDOMINIUMS AND CONDOMINIUM CONVERSIONS AND DECLARING SAID ORDINANCE TO BE AN EMERGENCY MEASURE TO TAKE EFFECT IMMEDIATELY

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

Section 22-A-60 is added to the Comprehensive Zoning Ordinance of the City of Sacramento, Ordinance No. 2550, Fourth Series, to read as follows:

60. The following definitions apply to Section 28 of this ordinance.

(a) Affected Community Plan Area. Affected community plan area shall mean the community plan area within which a building proposed for conversion is located and any other community plan area the boundary of which is located within a quarter mile of the building proposed for conversion.

(b) Association. Association is the organization created to own, lease, manage, maintain, preserve and control the lots, parcels or areas of a project, or any portions thereof or interests therein owned in common by the owners of the separately owned condominium units.

(c) Applicant. Applicant is the owner(s) or subdivider(s) with a controlling interest in the proposed project, and any successors in interest.

(d) Building of Similar Size. All residential buildings with two (2), three (3), or four (4) dwelling units shall be deemed to be of similar size. All residential buildings with five (5) or more dwelling units shall be deemed to be of similar size.

(e) Comparable Housing. See Section 28-C-6-a-iii.

(f) Condominium. Condominium shall mean and include:

(1) "Condominium" as defined by Section 783 of the Civil Code;

(2) "Community Apartment Project" as defined by Section 11004 of the Business and Professions Code;

(3) "Stock Cooperative" as defined by Section 11003.2 of the business and Professions Code; and,

(4) "Planned Development" as defined by Section 11003 of the Business and Professions Code.

The term "condominium" specifically includes, but is not limited to, the conversion of any existing structure for sale pursuant to a method described in subsection (1)-(4) of this subsection.

(g) Condominium Conversion or Conversion. Condominium conversion or conversion shall mean a change in the ownership of a parcel or parcels of property, together with structures thereon, whereby the parcel or parcels and structures previously used as rental units are changed to condominium ownership.

(h) Condominium Project or Project. Condominium project or project shall include the real property and any structures thereon, or any structures to be constructed thereon, which are to be divided into condominium ownership.

(i) Condominium Unit or Unit. Condominium unit or unit shall mean the individual spaces within a condominium project owned as individual estates.

(j) Common Area. Common area is an entire condominium project excepting all units therein.

(k) Eligible Tenant. Eligible tenant shall mean any tenant who was a resident of the project proposed for conversion on the date notice of intent to convert is given, pursuant to Section 28-C-2-a and on the date of approval of the special permit and tentative map for the condominium conversion.

(l) Low Income. Low income, when used by itself or as a modifier of person or household or other term shall mean 80% or less of the median income as established annually by the U. S. Department of Housing and Urban Development for the Standard Metropolitan Statistical Area within which the proposed conversion project is located as adjusted for the number of members of the household.

(m) Moderate Income. Moderate income, when used by itself or as a modifier of person or household or other term shall mean 81% - 120% of the median income as established annually by the U. S. Department of Housing and Urban Development for the Standard Metropolitan Statistical Area within which the proposed conversion project is located as adjusted for the number of members of the

(n) Organizational Documents. Organizational Documents are the Declaration of Covenants, Conditions and Restrictions, Articles of Incorporation, by-laws, and any contracts for the maintenance, management, or operation of all or any part of a project.

(o) Special Category. Special category refers to persons or tenants who fall within one or more of the following categories:

(1) Elderly, defined as individuals 62 years of age or older;

(2) handicapped or disabled, as defined in Section 50072 of the California Health and Safety Code or Section 223 of the United States Social Security Act, 42 USC 423;

(3) low income, as defined in subsection (1) above;

(4) moderate income, as defined in subsection (m) above;

(5) single heads of households residing with one or more minor children.

(p) Unjust Eviction. An unjust eviction is an eviction for other than one or more of the following reasons:

(1) The tenant has failed to pay the rent to which the landlord is entitled;

(2) the tenant has violated an obligation or covenant of the tenancy other than the obligation to surrender possession upon proper notice and has failed to cure such violation after receiving written notice thereof from the landlord.

(3) the tenant is committing or permitting to exist a nuisance in or is causing damage to, the rental unit or to the appurtenance thereof, or to the common areas of the property containing the rental unit, or is creating an unreasonable interference with the comfort, safety, or enjoyment of any of the other residents of the same or any adjacent building.

(4) the tenant is using or permitting a rental unit to be used for any illegal purpose.

(5) the tenant who had a written lease or rental agreement which terminated on or after the effective date of this provision, has refused, after written request or demand by the landlord, to execute a written extension or renewal thereof for a further term of like duration with similar provisions and in such terms as are not inconsistent with or violative of any provision of this subsection.

(6) the tenant has refused the landlord reasonable access to the unit for the purpose of making repairs or improvements, or for the purpose of inspection as permitted or required by the lease or by law, or for the purpose of showing the rental unit to any prospective purchaser or mortgagee.

(7) the person in possession of the rental unit at the end of a lease term is a subtenant not approved by the landlord.

(q) Unreasonable Economic Hardship. Unreasonable economic hardship shall mean a hardship which renders the project economically infeasible and incapable of being accomplished in a successful manner within a reasonable period of time.

(r) Unreasonable Rent Increase. Unreasonable rent increases refer to increases in rent that substantially exceed the housing component of the Consumer Price Index on an annualized basis and which cannot otherwise be justified by costs of physical improvements to the building or site, repairs for damage, taxes, or other expenses attributable to the operation of the building, or by changes in the market demand for rental housing.

## SECTION 2.

Section 28 of the Comprehensive Zoning Ordinance of the City of Sacramento, Ordinance No. 2550, Fourth Series, is hereby added as follows:

### Section 28. Condominiums.

#### A. Purpose and Objectives.

The City Council finds it necessary to establish requirements and procedures for the control and approval of residential condominium new construction and the conversion of existing multiple family rental housing and non-residential structures to residential condominiums. By their unique character and requirements, condominium and condominium conversion projects differ specifically from other subdivisions and apartments. The unique status of such projects tends to magnify the effects associated with higher urban densities to the point where they may lead to conditions of mismanagement, neglect, and blight that impact upon the public health, safety, welfare and economic prosperity of the City of Sacramento. Such projects may conflict with the policies of the City of Sacramento to provide a reasonable balance of rental and ownership housing within the City and within the city's neighborhoods, to provide a variety of individual choice of tenure, type, price and location of housing, and to insure an adequate supply of rental housing for low and moderate income persons and families. It is also recognized, however, that such projects may benefit the City by providing a source of low and moderate income ownership housing. To insure that the problems are avoided in both the short and long term, while maximizing the benefits of such projects, it is the express intent of the City of Sacramento to treat such projects differently from the multiple-family dwellings or other structures which are not condominium new construction and condominium

conversion projects in the City of Sacramento. This section is intended to insure that proposed new construction of residential condominiums and residential condominium conversions are approved consistent with policies and objectives of the City of Sacramento, particularly the following:

1. to make adequate provision for the housing needs of all economic segments of the community;

2. to facilitate inhabitant ownership of residential units, while recognizing the need and providing for a reasonable balance of rental and ownership housing;

3. to help mitigate the impact of eviction for residents of rental units as a result of their units being converted to condominiums;

4. to inform existing tenants and prospective condominium purchasers of the construction or conversion application, its overall impacts, and the physical conditions of the structure offered for purchase;

5. to insure that new units being constructed and rental units being converted to condominiums meet the reasonable physical standards as required by this section and all other Sacramento City Code provisions.

**B. Special Permit Required.**

1. No condominium conversion and no new condominium construction shall be permitted in any zoning district unless the same is permitted in such district pursuant to the provisions of Section 2 of this ordinance and until a special permit therefor has been applied for and issued in accordance with the provisions of this Section and Section 15 of this ordinance.

2. The provisions of Section 15 of this ordinance shall apply to applications for special permits for condominium conversions and new condominium construction, and the provisions set forth in this section, including, without limitation, those relating to notice requirements, applications, development standards, and findings, shall apply in addition to the provisions of Section 15; provided, that if a provision of this Section directly conflicts with a provision of Section 15 of this ordinance, the provision of this Section shall prevail.

3. Notwithstanding the provisions of Section 15-C-3-a of this ordinance, at least one public hearing shall be held on an application for a special permit for a condominium conversion under subsection C of this Section by each the Planning Commission and the City Council. The hearing by the City Council shall be noticed and held in accordance with all applicable requirements of this Section

and Section 15 of this Ordinance which govern the Planning Commission's consideration of the special permit.

The City Council shall adopt by resolution special application and procedure regulations to govern the processing of special permit applications under subsection C of this Section to provide for one hearing date per year, or per other designated period, at which to consider all then pending applications.

C. Condominium Conversions.

1. Special Permit Application.

Recognizing that the conversion of existing structures which have been previously occupied and constructed as rental units presents unique problems to present tenants and future buyers, the application for a special permit for a condominium conversion project shall include the following information in addition to that required by Section 15 of this ordinance:

(a) A boundary map drawn to scale showing the location of all existing easements, structures, existing trees and other improvements on the property;

(b) The proposed organizational documents, including the Covenants, Conditions and Restrictions to be recorded pursuant to Section 1350 et seq. of the Civil Code. The organizational documents shall provide for the following:

(i) Transfer of title to each unit;

(ii) Assignment of parking for each owner;

(iii) The management of common areas within the projects;

(iv) A proposed annual operating budget, including a report disclosing the amount of deposit to be provided by the developer and the manner in which it was calculated, to defray expenses of the association in replacing and maintaining major mechanical and electrical equipment;

(v) The FHA Regulatory Agreement, if any;

(vi) The antidiscrimination provisions set forth in subsection C-5-e of this Section.

(c) A property report. The property report shall describe the condition and estimate the remaining useful life of each of the following elements of each structure situated within the project proposed for conversion: roofs, foundations, exterior paint, paved surfaces, mechanical systems, electrical systems, plumbing systems, sewage systems, sprinkler systems for landscaping, utility delivery systems, central or community heating and air conditioning systems,

fire protection systems including any automatic sprinkler systems, alarm systems, or standpipe systems, and structural elements. The property report shall include a structural pest control report.

The property report shall state what the Sound Transmission Class and Sound Impact Class of the existing floor-to-ceiling and wall-to-wall assemblies of each unit are. The report shall also explain, in lay terms, what the class ratings mean and state what measure, if any, the applicant will take to improve sound attenuation between units.

The property report shall list each fixed appliance to be contained in each or any unit offered for sale and shall state whether the appliance is or will be new or used when the unit is first offered for sale. The report shall also state the terms and nature of the warranty offered by the applicant on each such appliance.

Each portion of the property report shall be prepared by an appropriately licensed engineer, except that the structural pest control portion of the property report shall be prepared by a licensed structural pest control operator in compliance with Chapter 14 of Division 3 of the California Business and Professions Code.

(d) A building history report including the following:

(i) The date of construction of all elements of the project;

(ii) a statement of the major uses of said project since construction;

(iii) the date and description of each major repair of any element since the date of construction. A "major repair" is any repair requiring an expenditure of \$1,000 or more;

(iv) the date and description of each major renovation of any element since the date of construction. A "major renovation" is any renovation requiring an expenditure of \$1,000 or more;

(v) the name and address of the current owner(s) of all improvements and the underlying land;

(e) A report identifying all characteristics of the building not in compliance with this ordinance or applicable building or housing codes.

(f) A statement as to whether the applicant will provide any capital contribution to the Association for deferred maintenance of the common areas, the sum of the contribution, and date on which the Association will receive the sum.

(g) A rental history report detailing the size, in square footage, of the building or buildings and each unit; the current or last rental rate; the name and address of each present tenant; the monthly rental rate for the preceding three (3) years for each unit; the average monthly vacancy over the preceding three



(3) years; the number of evictions over the preceding three (3) years; and the number and type of special category tenants for each unit presently residing in the project and over the preceding 3 years.

(h) The information required by (c), (d), (e), (f), and (g), above, may be combined into and submitted as one report. Failure to provide any information required by (c), (d), (e), (f), and (g), above, shall be accompanied by an affidavit or declaration given under penalty of perjury, setting forth in detail all efforts undertaken to discover the information and all reasons why the information could not be obtained.

(i) A detailed report describing the relocation and moving assistance information to be given to each tenant, and the steps the applicant will take to ensure the successful relocation of each tenant, pursuant to subsection C-5-b of this Section. The report should state in detail what assistance will be provided special category tenants, including a discussion of long-term leases and provisions to allow such tenants to continue renting after conversion until comparable housing is located and the move can be completed.

(j) A detailed report describing the methods and procedure by which the applicant shall make units within the project available and affordable to eligible low and moderate income tenants, as required by subsection C-5-a of this Section.

(k) A survey of all the tenants in the conversion project indicating how long each tenant had been a resident of the project, why each tenant moved into the project, how long each tenant had planned to live in the project, whether or not each tenant would be interested in purchasing a unit within the price range estimated for the project, where each tenant would relocate if the conversion took place and the tenant did not purchase a unit, and the extent of tenant approval in principle of the conversion.

To comply with this provision the applicant shall provide a questionnaire, in a form approved by City, to each tenant with an envelope, postage prepaid, addressed to the City Planning Department. The questionnaire shall direct the tenant to return the completed form directly to the City Planning Department.

(l) In addition to the information required in (a) through (k) of this subsection, the Planning Commission or planning director may require additional information necessary to evaluate said conversion project in order to make proper findings in accordance with the purposes and objectives set forth in subsection A of this Section, and as required by subsection C-6 of this Section, the adopted City General Plan, or any specific or community plan or element thereof in effect at the time of such application. Such

information may include, but shall not be limited to:

(i) An economic report comparing the units in the conversion project, as both rentals and ownership units, with housing available within the community plan areas affected by the project;

(ii) An economic report on proposed project unit costs, monthly association costs, and comparative rates City-wide;

(iii) An economic report on availability of comparable rental units at similar rental rates remaining within the affected community plan areas, including vacancy rate information;

(iv) A report outlining the available low and moderate income housing units (rental and sales housing) within the affected community plan areas;

(v) A report on the feasibility of providing all or a portion of the conversion units for sale to low and moderate income individuals or families;

(vi) A report on the feasibility of not converting a portion of the total units in order to retain them for rental occupancy;

(vii) A report on the amount of rental unit construction in the affected Community plan areas over the preceding 2 years;

(viii) Any additional information considered reasonable in determining housing needs, housing availability, costs, and housing impacts of the proposed conversion;

(m) The application for a special permit made pursuant to this subsection C shall be accompanied by a fee of \$600.

## 2. Notices

### (a) Notice of Intent to Convert.

At least 30 days prior to filing an application for a special permit for a condominium conversion pursuant to this Section or for a tentative subdivision map to convert airspace in an existing residential building into condominium ownership, the applicant shall notify all the tenants of the project, the City of Sacramento, and the local Project Area Committees, if any, of the proposed conversion. The notification shall include a general description of the proposed project, the anticipated schedule of approval and conversion, the name of the current owner and applicant and where such person or persons can be contacted, and a detailed description of the applicant's plans for relocation assistance and purchase incentives, limitations on rent increases, the tenants' right to purchase, the tenants' rights to receive notice of the conversion prior to termination of tenancy due to the conversion, and the tenants' rights to receive notice of hearings on the tentative map and special permit for conversion. The notice must be written in nontechnical

language comprehensible to all tenants of the building.

**(b) Notice of hearings on Special Permit; Planning Commission.**

In addition to the notice provisions of Section 15 of this ordinance, the applicant shall provide notice of the time, date and place that the application for a conversion special permit pursuant to this Section is to be heard by the Planning Commission to the tenant of each unit proposed to be converted to condominium ownership. Notice shall be personally delivered to each tenant or shall be mailed, postage prepaid, by certified or registered mail, return receipt requested. The notice shall be provided at least fifteen (15) but no greater than thirty (30) days before the hearing date, and the notice shall include the following information:

(i) The time, date and place of the hearing on the application;

(ii) a general description of the proposed project in nontechnical language;

(iii) the location and time at which tenants and other interested persons may review the Planning Department staff report on the application and the materials submitted with the application pursuant to subsection C-1 of this Section.

The applicant shall make available for public inspection the materials submitted with the application for the special permit pursuant to subsection C-1 of this Section and the tentative map at the Sacramento Central Library and branch library nearest to the project site and on the project site itself, in the project manager's office or the central office.

Evidence satisfactory to the planning director of compliance with the provisions of this subsection (b) shall be submitted prior to the special permit hearing before the Planning Commission. In the event the hearing before the Planning Commission for which the notice has been provided pursuant to this subsection is, for any reason, not held or is continued to another date, the applicant shall provide notice as required by this paragraph of the new hearing, unless specifically waived by the Commission.

**(c) Notice of Hearing On Special Permit; City Council.**

The provisions of subsection C-2-b of this Section shall apply to hearings held by the City Council on conversion special permits pursuant to this Section.

**3. Development Standards**

The following development standards shall apply to all applications for a special permit for a condominium conversion:

(a) Off Street Parking: Notwithstanding the provisions

The dimensions, location and use of such parking shall be subject to provisions of Section 6 of this ordinance.

**(b) Utilities:**

(i) Sewer: Each condominium unit shall have a separate sewer service hookup; provided, that the City Council may permit the use of common sewer lines that are oversized by one size or more, or which are hydraulically designed with a 100% safety factor, where the Council with the concurrence of the City Engineer, finds the common sewer lines can adequately service the condominiums.

(ii) Water: Each condominium unit shall have a separate water service hookup or shutoff; provided, that the City Council may permit a single water system to service more than one condominium unit where shutoffs are provided wherever practical and where the Council, with the concurrence of the City Engineer, finds the single water system can adequately service the condominiums.

(iii) Gas: Each condominium unit shall have a separate gas service where gas is a necessary utility.

(iv) Electricity: Each condominium unit shall have a separate electrical service, with separate meters and disconnects, and ground fault interrupters where ground fault interrupters are required by present building codes.

**(c) Sound Attenuation:**

Floor-to-ceiling and wall-to-wall assemblies between each condominium unit must meet Sound Transmission and Sound Impact Classes of 50 lab test, or 45 field test, as prescribed in the Uniform Building Code for new construction.

**(d) Fire Safety:**

It is the purpose of this development standard to provide safety to occupants of condominium units and to protect the investment in real property represented by the ownership interest of each condominium owner. Each condominium unit shall have a two-hour fire separation on its floors and each wall common to itself and an adjacent unit. In lieu of the two-hour fire separation requirement, the City Council may permit, with the concurrence of the Fire Chief, the use of a sprinkler system, alarm system, or smoke detection system, or a combination thereof, where it finds the proposed system is sufficient to protect the occupants and the owner's investment in the condominium.

**(e) Ownership Association:**

All condominium conversion projects shall provide an ownership association responsible for the care and maintenance of all

common areas and common improvements and any other interest common to the condominium owners. Complete and true copies of all Covenants, Conditions and Restrictions, articles of incorporation, and by-laws shall be subject to review and approval by the City prior to occupancy as a condominium project. The City of Sacramento may be made a third party beneficiary to all or any portion of the Covenants, Conditions, and Restrictions, as deemed appropriate.

(f) Building Code Requirements:

A building proposed for conversion, and each unit within the building, shall comply at a minimum with all applicable building code standards in effect at the time of the last alteration, repair, relocation, or reconstruction of the building, necessitating compliance with the building code, or, if none, at the time of first construction; and shall comply with current provisions of the City Housing Code, Chapter 49 of the Sacramento City Code. Nothing herein shall be construed to prevent or prohibit the applicant or the City from providing or requiring building standards greater than those set forth in the building code where the greater standards are found to be necessary to carry out the purposes and objectives of this Section.

(g) Any other standards the Council may adopt by resolution.

(h) No building shall be permitted to be converted to condominium ownership unless the building was constructed and subject to a building permit issued under the provisions of the 1952 Uniform Building Code, or subsequently adopted Uniform Building Code.

(i) No building constructed after the effective date of Ordinance No. , Fourth Series, shall be permitted to be converted to condominium ownership unless the building was constructed in full compliance with all applicable building codes and the development standards contained in subsection D-2 of this Section, applicable to new condominium construction, in effect at the time of the last alteration, repair, relocation, or reconstruction of the building, or, if none, at the time of first construction.

#### 4. Building Inspection

(a) After reviewing the property report required pursuant to subsection C-1-(c) of this Section and after inspecting the structures within the project when deemed necessary, the Director of the Building Inspections Division shall identify and make available to the Planning Commission and City Council all items evidenced by such reports or inspection to be in noncompliance with applicable building and housing codes or to be hazardous to the life, health or safety of an occupant of the units within the project or the general public. A special permit for a conversion shall require all such items to be corrected to the satisfaction of the Director of Building Inspections Division.

(b) If the proposed project does not comply with the provisions of subsections C-3-b, (c), (d), or (f) of this Section relating to utilities, sound attenuation, fire safety and building code compliance, or if the Director of the Building Inspections Division identifies items to be corrected as provided in (a) of this subsection, any special permit issued pursuant to this part shall require the developer to furnish a performance bond, in an amount to be determined by the Director of Building Inspections to be the reasonable estimated cost to bring the project into compliance with said codes and to make all necessary repairs. Said bond shall run in favor of individual purchasers and the Association. Said bond shall provide for reasonable attorney's fees in the event of default by the principal.

#### 5. Tenant and Buyer Protection Provisions

In addition to the tenant protection provisions set out in Section 66421.1 of the Subdivision Map Act, Government Code Section 66410 et seq., the applicant shall comply with the following provisions as conditions of any special permit for a condominium conversion project approved pursuant to this Section.

##### (a) Purchase Incentives

The applicant shall make units within the project available and affordable to all eligible low and moderate income tenants, so that the ratio of low and moderate income owners to the total ownership of the project at the time the project is first sold out will be the same as the ratio of low and moderate income tenants to the total tenancy of the project at the time notice of intent to convert is given, provided, that these requirements shall not apply if the applicant can demonstrate that compliance would place an unreasonable economic hardship upon him or her.

The low and moderate income units shall be geographically dispersed throughout the project, and shall be consistent with the size and location of the low or moderate income units within the project before conversion.

A dwelling unit is affordable for purchase by a low or moderate income purchaser if the total price of the unit to be paid by the purchaser does not exceed 2.5 times the annual income of the low or moderate income purchaser for whom the unit is intended to provide a housing opportunity. In no event shall the payments for principal, interest, utilities, property insurance, association fees, and other necessary housing costs exceed 25% of the income of the low or moderate income purchaser.

If the applicant's good faith offer to sell a unit to a low or moderate income tenant pursuant to this subsection is not accepted within twelve months, and the transaction completed within 18 months of the date of issuance of the subdivision public report pursuant to Section 11018.2 of the Business and Professions Code, the applicant may offer the unit to the general public without restriction.

Whenever units are to be made available and affordable to low and moderate income persons pursuant to this subsection, the applicant, as a condition of approval of the special permit and tentative map, shall enter into an agreement with the City, or with another governmental or private nonprofit organization designated by the City to assure that subsequent sales of units originally sold to low or moderate income persons will be at a price affordable to persons of substantially the same income as the person for whom the initial sales price was intended to provide a housing opportunity. This agreement shall be recorded and shall provide for the following:

(i) The City or its designee shall be given an option to purchase the designated units at the price and terms affordable to the low and/or moderate income tenant. The option to purchase shall run with the land and bind the successors in interest and assigns of the units.

(ii) The option to purchase shall be set forth in the agreement, shall be recorded, and shall be assignable to individual low or moderate income purchasers of substantially the same income as the tenant for whom the initial sales price was intended to provide a housing opportunity.

(iii) The option to purchase shall be at the lower of the market price or the original sales price increased by an amount to compensate for cost of living increases, increases in median income and the value of substantial improvements.

(iv) The applicant and his or her successors in interest shall insert in any deed or other conveyance of the units a prohibition on the sale, lease, rental, assignment, or other transfer of the property (excepting title encumbrances for purposes of financing), without the consent of the City of Sacramento or its designee, as long as the City or its designee holds an option to purchase the property; provided, that encumbrances for purposes of financing shall not exceed the property owner's equity in the unit which would result from the exercise of the option at the time the encumbrance is placed on the property.

(v) Any other provisions the City deems necessary or convenient to carry out the purposes of this Section.

**(b) Relocation Assistance**

The applicant shall unconditionally offer to each eligible tenant a plan for relocation to comparable housing, as approved by the City Planning Commission and City Council.

The relocation plan shall provide, at a minimum, for the following:

(i) Assistance to each eligible tenant in locating comparable housing, including but not limited to providing availability reports and transportation, where necessary.

(ii) Payment of a relocation fee to each eligible tenant. The relocation fee shall consist of payment of actual moving costs to relocate the tenant's personal property including the following specific costs: insurance, boxes, packing, transportation, and unpacking. In lieu of this requirement, the eligible tenant may, at his or her option, accept a cash payment of \$300.00 if the tenant is relocating from an unfurnished apartment or \$200.00 if the tenant is relocating from a furnished apartment. If the eligible tenant is relocating to an area outside the Sacramento Standard Metropolitan Statistical Area, the tenant shall be entitled only to the cash payment of \$300.00 or \$200.00 whichever, is applicable. An eligible tenant is not entitled to a relocation fee pursuant to this subsection if the tenant has been evicted for just cause.

(iii) In the case of eligible tenants who are elderly, handicapped, low-income, or single heads of households living with one or more minor children, the following additional provisions must be made:

a. Payment of the last month's rent in the new complex, if required upon moving in; and the transfer to the new complex of all key, utility, and pet deposits to which the tenant is entitled upon vacating the unit. Cleaning and security deposits, minus damages, shall be refunded to the tenant upon vacating the unit.

b. In lieu of the transfer of deposits to the new complex, the tenant may, at his or her option, elect to be refunded all deposits to which he or she is entitled.

c. If the amount of deposits and other fees required upon moving in to the new complex exceed the amounts refunded to the tenant and transferred to the new complex, plus damages, the applicant shall pay the difference.

(iv) In the case of eligible special category tenants, the following additional provisions must be made:

a. Where the rent for the comparable unit into which the tenant moves is higher than the rent for the unit



the tenant occupied in the conversion project the applicant shall pay the difference for a period of one year from the date of relocation.

b. Until each tenant is successfully relocated, the tenant shall not be unjustly evicted from the unit presently occupied in the conversion project.

(c) Reports

The applicant shall provide each tenant with a copy of the reports required by Sections C-1-(i) and (j) detailing all relocation and moving assistance information and purchase incentives to be provided by the applicant.

(d) Life-term Leases

The applicant shall unconditionally offer eligible tenants who are elderly or handicapped leases for a term of 59 years. Such leases shall provide that annual rent increases shall not exceed annual increases in fair market rent as established by the Department of Housing and Urban Development for assisted units, that the lease may be terminated upon mutual consent of the parties or upon the death of the tenant, and that the lease shall not be assignable.

(e) Anti-Discrimination

(i) The applicant or owner of any condominium unit within a project shall not discriminate in the sale, or in the terms and conditions of sale, of any dwelling unit against any person who is or was a lessee or tenant of any such dwelling unit, because such person opposed, in any manner, the conversion of such building into a condominium.

(ii) The conditions, covenants, and restrictions for a project to be recorded pursuant to Section 1350 et seq. of the Civil Code shall contain the provisions set forth in this subsection and shall bind all successors in interest to the project.

(f) Preconversion Protection

From the date of giving notice of intent to convert pursuant to subsection C-2-a of this Section until relocation takes place or the application is denied or withdrawn, but in no event for more than two (2) years, no tenant shall be unjustly evicted and no tenant's rent shall be increased (1) more frequently than once every six months nor (2) in an amount greater than the increase in fair market rents as established by the Department of Housing and Urban Development for assisted units, on an annualized basis, for the same period. This limitation shall not apply if rent increases are expressly provided for in leases or contracts in existence prior to the filing date of the special permit.

(g) Prior to offering for sale to the public any unit within a condominium conversion project for which a special permit has been issued pursuant to this subsection C, the applicant shall submit to City a copy of each of the following documents relating to the proposed project: the completed application for issuance of a Final Public Report for the project proposed for conversion, including all attachments and exhibits thereto, the completed Statement of Compliance relating to operating and maintenance funds during start up, and the completed Supplemental Questionnaire for apartments converted to condominium projects, including all attachments and exhibits.

(h) **Appliance Warranties.**

The applicant shall provide free of charge to the first individual purchaser of each unit a one-year warranty on each fixed appliance contained in the unit, whether new or used.

(i) The applicant shall provide each condominium unit purchaser with a copy of the reports required by subsections C-1-(b), (c), (d), (e), and (f) of this Section.

(j) The Covenants, Conditions and Restrictions (C C & R's), or equivalent document, shall contain, or shall be amended to contain, on the first page thereof, in type as large as any type used in the C C & R's, a notification in substantially the following terms:

**"NOTICE"**

**"THE TERMS OF THIS DOCUMENT ARE LEGALLY BINDING. READ IT CAREFULLY. A REAL ESTATE BROKER IS QUALIFIED TO ADVISE YOU ON REAL ESTATE MATTERS. IF YOU DESIRE LEGAL ADVICE, CONSULT AN ATTORNEY."**

(k) After notice of intent to convert is given pursuant to subsection C-2-a of this Section, any prospective tenants shall be notified in writing of the intent to convert prior to leasing or renting any unit and shall not be subject to the provision of (f), above.

**6. Criteria For Review**

(a) The City Council shall not approve a special permit under this Section unless it finds:

(i) That the proposed conversion is consistent with the General Plan and applicable community and specific plans in effect at the time of the special permit application, especially with the objectives, policies, and programs of the Housing Element of the General Plan designed to provide affordable housing to all economic segments of the population.

(ii) That the average rental vacancy rate in buildings of similar size in the community plan areas affected by the proposed conversion during the 12 months preceding the filing of the application is greater than 5%; provided, that a special permit may be approved where the said vacancy rate is equal to or less than 5% if the applicant has proposed measures which the Council finds would effectively mitigate the displacement of tenants and any adverse effects upon the housing stock in the affected community plan areas which would be caused by the proposed conversion.

In evaluating the average rental vacancy rate in the affected community plan areas and in the building proposed for conversion, the City Council shall consider the rental history of the building, including the number of evictions and increases in rent over the preceding three (3) years. Notwithstanding any other provision of this subsection, the City Council may deny a special permit under this Section if it finds that vacancies in the building have been created by unjust evictions and unreasonable rent increases in order to qualify a project for conversion under this subsection.

(iii) That the applicant has unconditionally offered to each eligible tenant an adequate plan for relocation to comparable housing, in compliance with subsection C-5-(b) of this Section. In determining whether the housing to which the applicant proposes relocation is "comparable" the Council must find that the housing is decent, safe, and sanitary, and in compliance with all local and state housing codes; and, that the housing is open to all persons regardless of race, creed, national origin, ancestry, religion, marital status, or gender. In addition, the Council shall consider the following factors in determining whether the relocation housing is comparable:

a. Whether the housing is provided with facilities equivalent to that provided by the landlord in the dwelling unit in which the tenant then resides in regard to each of the following: a) apartment size including number of rooms; b) rent range; c) major kitchen and bathroom facilities; d) special facilities for the handicapped, infirmed or senior citizens; e) willingness to accept families with children;

b. Whether the housing is located in an area not less desirable than the area in which the tenant then resides in regard to a) accessibility to the tenant's place of employment; b) accessibility to community and commercial facilities; c) accessibility to schools; d) accessibility to transportation; and e) environmental quality and related conditions.

A unit is not comparable if it is located in a building for which a notice of intent to convert has been given, pursuant to subsection C-2-a of this Section, except where the rental units of the building will not be offered for sale as condominium units within two (2) years.

(iv) That the applicant has complied with all of the provisions of this Section relating to the application procedure and submittal of required information (subsection C-1); payment of the application fee (subsection C-1-m); required notices to tenants and other interested persons (subsection C-2); building inspection (subsection C-4); and tenant and buyer protection (subsection C-5).

(v) That the proposed conversion complies with all development standards set forth in subsection C-3 of this Section.

(b) The Council shall not approve a special permit pursuant to this Section where it finds the apartment building or residential complex proposed for conversion represents a unique and needed rental housing resource in the City or in the neighborhood, taking into consideration such factors as the need for a balanced rental-owner housing supply, current rental rates, the unavailability of comparable housing, and extraordinary tenant displacement problems which would result from the conversion, in spite of the relocation assistance and purchase incentive programs offered by the applicant. In evaluating a project for purposes of this subsection, the City Council shall consider the rental history of the building, including the number and types of special category tenants over the preceding three (3) years, the number of unjust evictions, and the number of unreasonable rent increases.

(c) In evaluating an application for a special permit pursuant to this subsection C, the City Council shall consider the results of the tenant survey required by subsection C-1-k. If the City Council finds that less than a significant number of the tenants have indicated their approval in principle to the proposed conversion, the Council shall consider the nature and extent of tenant disapproval and shall reexamine the application with respect to the criteria for review and all other provisions of this Section to insure the proposed project complies.

#### D. Condominium New Construction.

##### 1. Applications.

A special permit shall be required for all new condominium construction as provided in subsections A and B of this Section. The application procedure for a special permit for condominium new construction shall be governed by the provisions of Section 7 and Section 15 of this ordinance.

##### 2. Development Standards.

The following development standards shall apply to all applications for a special permit for new condominium construction:

###### (a) Off-Street Parking

Notwithstanding the provisions of Section 6 of this ordinance, off-street parking shall be provided at a ratio of not less than one parking space per dwelling unit. The dimensions,

location and use of such parking shall be subject to the provisions of Section 6 of this ordinance.

(b) Utilities

(i) Sewer: Each condominium unit shall have a separate sewer service hookup; provided, that the Planning Commission may permit the use of common sewer lines that are oversized by one size or more, or which are hydraulically designed with a 100% safety factor, where the Planning Commission, with the concurrence of the City Engineer, finds the common sewer lines can adequately service the condominiums and that separate service hookups would not be feasible.

(ii) Water: Each condominium unit shall have a separate water service hookup or shutoff; provided, that the Planning Commission may permit a single water system to service more than one condominium unit where shutoffs are provided wherever practicable and where the Planning Commission, with the concurrence of the City Engineer, finds that the single water system can adequately service the condominiums and separate service hookups or shutoffs are not feasible.

(iii) Gas: Each condominium unit shall have a separate gas service where gas is a necessary utility.

(iv) Electricity: Each condominium unit shall have a separate electrical service, with separate meters and disconnects and ground fault interrupters where and as required by the Building Code.

(c) Sound Attenuation

Each condominium unit shall comply with the State of California's Noise Insulation Standards (Cal. Adm. Code Section 1092).

(d) Fire Safety

It is the purpose of this development standard to provide safety to the occupants of condominium units and to protect the investment in real property represented by the ownership interest of each condominium owner.

Each condominium unit shall have a smoke detection system and a two-hour fire separation on its floors and each wall common to itself and an adjacent unit.

(e) Ownership Organization

All condominium projects shall provide an ownership association responsible for the care and maintenance of all common areas and common improvements and any other interest common to the

condominium owners. Complete and true copies of all Covenants, Conditions and Restrictions, articles of incorporation and by-laws shall be subject to review and approval by the City prior to occupancy as a condominium unit. The City of Sacramento may be made a third party beneficiary to all or any portion of the Covenants, Conditions and Restrictions, as deemed appropriate.

(f) **Building Code Requirements**

Each unit of a condominium project, and all commonly owned portions of a condominium building shall comply with all applicable building code standards. Nothing herein shall be construed to prevent or prohibit the applicant or the City from providing or requiring building standards greater than those set forth in the Building Code where the greater standards are found to be necessary to carry out the purposes and objectives of this Section and Section 7 of this ordinance.

(g) New Condominium construction shall be subject to the development standards and other provisions of Section 7 of this ordinance.

**E. Expiration For Failure To Establish Use.**

1. Notwithstanding the provisions of Section 15-D-4, a condominium project for which a special permit is issued under this Section must be established within one (1) year after such permit is issued. If the condominium project is not so established, the special permit shall be deemed to have expired and shall be null and void.

2. A condominium new construction project shall be deemed established when a building permit has been secured for the project and construction thereunder physically commenced.

3. A condominium conversion project shall be deemed established when one unit in the project has been sold to an individual purchaser other than the owner or applicant

**F. City Council To Adopt Regulations.**

Regulations governing the implementation of any provision of this Section may be adopted from time to time by the City Council, with a recommendation from the Planning Commission.

**G. Variances.**

**1. Variances Relating to Condominium Conversions.**

Notwithstanding the provisions of Section 14 of this ordinance, variances from the provisions of subsection C of this Section relating

to condominium conversions shall be governed by the following provisions:

(a) At least one public hearing shall be held on a request for a variance from the provisions of this Section relating to condominium conversions by each the Planning Commission and the City Council.

(b) Notice of the hearings on said variances by both the Planning Commission and the City Council shall be given as provided in Section 14 of this ordinance and to the tenants of the building proposed for conversion to whom notices are sent pursuant to subsection C-2 of this Section.

(c) All other provisions of Section 14 of this ordinance which do not directly conflict with the provisions set forth herein shall apply to the hearing and review of variance requests, except as provided below.

(d) For purposes of granting variances to the development standards for condominium conversions set forth in subsection C-3 of this Section, the provisions of this paragraph relating to the circumstances for which a variance shall be granted, and the findings on which the grant of a variance must be based, shall govern to the exclusion of the provisions of Section 14 of this ordinance.

The City Council may grant a variance and approve a special permit for a condominium conversion project which does not comply with all of the development standards contained in subsection C-3, if the City Council finds that:

(i) Because of circumstances applicable to the subject property, or to the structures situated thereon, including but not limited to the size, shape, location or surroundings of the subject property or the buildings thereon, the strict application of the development standards would create an unreasonable economic hardship; and,

(ii) The project, as conditioned, will be in substantial compliance with such development standards; and, will incorporate mitigating features into the project which tend to further the purpose of this Section

## 2. Variances Relating to Condominium New Construction and Other Provisions.

Except as provided in subsection G-1 above, the provisions of Section 14 of this ordinance shall apply to the provisions of this Section.

SECTION 3.

Section 2-H-11 of the Comprehensive Zoning Ordinance is repealed.

SECTION 4.

Sections 9.05(g) and 9.37 of the Sacramento City Building Code, Chapter 9 of the Sacramento City Code, are repealed.

SECTION 5.

Section 40.109 is added to Chapter 40 of the Sacramento City Code, to read as follows:

Sec. 40.109 Tentative Maps for Residential Condominium Conversions; Tenant Notice.

The tenant noticing provisions set forth in Section 28-C-2 of the Comprehensive Zoning Ordinance of the City of Sacramento, Ordinance No. 2550, Fourth Series, shall apply to all hearings on tentative maps for residential condominium conversions, in addition to the hearings on special permits for condominium conversions. Failure to comply with the noticing provisions set forth therein shall be grounds to deny the tentative map.

SECTION 6.

Should any Section or part of a Section, clause, or provision of this ordinance be declared by the court to be invalid, the same shall not affect the validity of the ordinance as a whole, or any part thereof, other than the part so declared invalid.

SECTION 7. Emergency

This ordinance is hereby declared to be an emergency measure to take effect immediately. The facts constituting the emergency are the expiration on January 22, 1980, of the existing moratorium on the conversion of residential structures to condominium ownership, the existence of numerous residential structures in the City of Sacramento which have been proposed for conversion to condominium ownership, and the need to insure, in the interests of the public health, safety, and welfare, that the regulations contained in this ordinance take effect before the expiration of the moratorium and are made applicable to all proposed residential condominium conversions.

ENACTED:

EFFECTIVE:

ATTEST:

.....  
\_\_\_\_\_  
MAYOR

.....  
\_\_\_\_\_  
CITY CLERK