

**ORDINANCE NO. 2005-040**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF MAY 31 2005

**AN ORDINANCE AMENDING VARIOUS SECTIONS  
OF CHAPTER 17.192 OF TITLE 17 OF THE  
SACRAMENTO CITY CODE (THE ZONING CODE)  
RELATING TO CONDOMINIUMS AND  
CONDOMINIUM CONVERSIONS (M05-017)**

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

**SECTION 1. Section 17.192.020 of Title 17 of the Sacramento City Code  
(the Zoning Code) is amended as follows:**

**A. The definition of "Comparable Housing" set forth in section  
17.192.020 is amended to read as follows:**

"Comparable housing" means housing as described in Section  
17.192.050(R)(1)(c) of this chapter.

**B. Except as specifically amended by this section, all other  
provisions of section 17.192.020 remain unchanged and in full force and  
effect.**

**SECTION 2. Section 17.192.050 of Title 17 of the Sacramento City Code  
(the Zoning Code) is amended to read as follows:**

17.192.050 Condominium conversions.

**A. 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 Chapter 17.212 of this title.

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

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2. 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:

- a. Transfer of title to each unit;
- b. Assignment of parking for each owner;
- c. The management of common areas within the projects and minimum maintenance requirements for continued compliance with applicable health and safety standards as established by the city;
- d. 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;
- e. The FHA regulatory agreement, if any; and
- f. The anti-discrimination provisions set forth in subsection (J) of this section.

3. **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 owner 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 such appliance to be contained in each or any unit offered for sale and shall state whether the appliance is or will be new

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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 13 of the California Business and Professions Code.

4. A building history report including the following:
  - a. The date of construction of all elements of the project;
  - b. A statement of the major uses of said project since construction;
  - c. 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 one thousand dollars (\$1,000.00) or more;
  - d. 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 one thousand dollars (\$1,000.00) or more; and
  - e. The name and address of the current owner(s) of all improvements and the underlying land.
5. Noncompliance Report. A report identifying all characteristics of the building not in compliance with this title or applicable building or housing codes.
6. Capital Contribution Statement. 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.
7. 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 years for each unit; the average monthly vacancy over the preceding three years; the number of evictions over the preceding three years; and the number and type

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of special category tenants for each unit presently residing in the project and over the preceding three years.

8. Affidavit for Failure to Submit Information. Failure to provide any information required by subsections (A)(3), (4), (5), (6) and (7) of this section, shall be accompanied by an affidavit or declaration given under penalty or perjury, setting forth in detail all efforts undertaken to discover the information and all reasons why the information could not be obtained.

9. Relocation Assistance Report. A detailed report describing the relocation assistance to be given to each eligible tenant and the availability of comparable replacement housing for each eligible tenant. Comparable replacement housing shall be as defined in subsection (R)(1)(c) of this section.

10. Report on the Sales and Lease Program for Qualified Low and Moderate Income Tenants. A detailed report describing the methods by which the applicant shall comply with the provisions of subsections (F) and (I) of this section, sales and lease program for qualified low and moderate income tenants. The description shall include, where applicable, the appraised apartment market value of the project and each unit. This description shall be supported by an affidavit or declaration under penalty of perjury as to its truth and accuracy.

11. Tenant Survey. 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.

12. Additional Information, If Necessary. In addition to the information required in subsections (A)(1) through (11) of this section, the city council, 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 Section 17.192.010 of this chapter, and as required by subsection R of this section, the adopted city general plan, or any specific or community plan or

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element thereof in effect at the time of such application. Such information may include, but shall not be limited to:

a. An economic report comparing the units in the conversion project, as both rentals and owners units, with housing available within the community plan areas affected by the project;

b. An economic report on proposed project unit costs, monthly association costs, and comparative rates city-wide;

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

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

e. 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;

f. A report on the feasibility of not converting a portion of the total units in order to retain them for rental occupancy; and

g. Any additional information considered reasonable in determining housing needs, housing availability, costs and housing impacts of the proposed conversion.

13. Special Permit Application and Fee. The application for a special permit made pursuant to this section shall be accompanied by a fee as established by resolution of the city council.

**B. Notices.**

1. Notice of Intent to Convert. At least sixty (60) days prior to filing an application for a special permit for a condominium conversion pursuant to this chapter or for a tentative subdivision map to convert an existing residential building into condominium ownership, the applicant shall notify all the tenants of the project, the city, and the local project area committees, if any, of the intended conversion. The notice must be written in nontechnical language comprehensible to all tenants of the building. The notice shall include the following:

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- a. A general description of the proposed project;
- b. The name of the current owner and applicant and where such person or persons can be contacted;
- c. The anticipated schedule of approval and conversion;
- d. A detailed description of the applicants plans for relocation of tenants, relocation assistance, compliance with the sales and lease program for qualified low and moderate income tenants, and limitations on rent increases;
- e. Notification of the tenants rights to receive notice of hearings in the following form:

NOTICE

To the occupants of:

The owner(s) of this building, at

(address)

plans to file a Tentative Map with the City of Sacramento to convert this building to a condominium. You shall be given notice of each hearing for which notice is required pursuant to Sections 66451.3 and 66452.2 of the Government Code, and you have the right to appear and the right to be heard at such hearing.

Signature of owners or owner's agent

(date)

f. Notification of the tenants' right to purchase the unit they are renting; to receive notice of intention to convert prior to termination of tenancy due to the conversion, and to receive notice of final approval of the application within ten (10) days of approval of the final map;

g. Notification that the tenants will be given ten (10) days written notice that an application for a public report has been or will be submitted to the department of real estate and that such report will be available on request.

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2. Notice of Hearings on Special Permit.

In addition to the notice provisions of Chapter 17.212 of this title, notice of the time, date and place that the special permit is to be heard by the planning commission and city council shall be mailed by the planning director to the tenant of each unit proposed to be converted to condominium ownership. The notice shall be provided at least ten (10) but no greater than thirty (30) days before the hearing date, and the notice shall include the following information:

- a. The time, date and place of the hearing on the application;
- b. A general description of the proposed project in nontechnical language;
- c. 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 A of this section; and
- d. That the tenants shall have the right to appear at the hearing and be heard.

3. Application to be Made Available for Inspection. The applicant shall make available for public inspection the materials submitted with the application for the special permit pursuant to subsection A 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 managers office or the central office.

4. Staff Report to be Made Available for Inspection. The planning director shall serve on the applicant and each tenant of the subject property a copy of staffs report and recommendation on the application at least three days prior to the hearing or action on the application by the commission.

C. Development Standards.

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

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1. Off-Street Parking. Notwithstanding the provisions of Chapter 17.64 of this title, 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 provisions of Chapter 17.64 of this title.

2. Utilities.

a. 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 one hundred (100) percent safety factor, where the council with the concurrence of the city engineer, finds the common sewer lines can adequately service to the condominiums.

b. 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.

c. Gas. Each condominium unit shall have a separate gas service where gas is a necessary utility.

d. 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.

3. Sound Attenuation. Floor-to-ceiling and wall-to-wall assemblies between each condominium unit must meet sound transmission and sound impact classes of fifty (50) lab test, or forty-five (45) field test, as prescribed in the Uniform Building Code for new construction.

4. Deleted.

5. 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

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to review and approval by the city prior to occupancy as a condominium project. The city may be made a third party beneficiary to all or any portion of the covenants, conditions, and restrictions, as deemed appropriate.

6. **Building Code Requirements.** A building proposed for conversion, and each unit within the buildings, 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 buildings, 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 8.100 of this 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 chapter.

7. **Other Standards.** Any other standards the council may adopt by resolution.

8. **Building Code Compliance.** 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.

9. **Full Compliance After Effective Date of Title.** No building constructed after January 15, 1980, (the effective date of Ordinance No. 4305, 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 C 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.

D. **Building Inspection.**

1. After reviewing the property report required pursuant to subsection (A)(3) of this section and after inspecting the structure within the project when deemed necessary, the building official 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

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project or the general public. A special permit for a conversion shall require all such items to be corrected to the satisfaction of the building official.

2. If the proposed project does not comply with the provisions of subsections (C)(2), (3), or (6) of this section relating to utilities, sound attenuation, and building code compliance, or if the building official identifies items to be corrected as provided in subsection (D)(1) of this section, 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 building official 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 attorneys fees in the event of default by the principal.

E. Tenant and Buyer Protection Provisions.

In addition to the tenant protection provisions set out in Sections 66427.1 and 66452.9 of the Subdivision Map Act, Government Code Section 66410 et seq., the applicant shall comply with the provisions of subsections F through and including P of this section as a condition of any special permit for a condominium conversion project approved pursuant to this section.

F. Sales Program for Qualified Low and Moderate Income Tenants.

1. Purpose of the Program. The primary purpose of the sales and lease program is to mitigate the special impact a conversion project has on the low and moderate income tenants living in the project before conversion. This special impact is the result of the conversion project displacing these tenants while at the same time reducing the number of rental housing units in the market. The displaced low and moderate income tenants are more severely affected than other tenants and other individuals because of their inability, in most cases, to purchase the converted unit, their resulting immediate need to find replacement housing, and their lesser financial ability to compete for the remaining available rental units in the market. The proposed sales and lease program addresses the problem by providing ownership opportunities for low and moderate income tenants, thereby taking those tenants out of the rental market along with the converted unit, and by providing renewable leases for those tenants who cannot purchase, thereby retaining those units in the rental market for as long as the tenant is in need of it. Any alternative program approved by the city council under subsection (F)(8) of this section must specifically address the special impacts identified in this paragraph.

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A secondary purpose of the sales and lease program is to use condominium conversion projects as a source of low and moderate income ownership housing. Any alternative program approved by the city council under subsection (F)(8) of this section should provide ownership opportunities to qualified low and moderate income tenants where feasible and consistent with the housing policies of the city.

2. Program. The applicant shall offer for sale to all qualified low and moderate income tenants the unit in which each tenant resides at the time the special permit for the conversion project is approved, or a comparable unit within the project, at a price which is affordable to the tenant. A "comparable unit" shall be a unit with the same floor plan, same amount of floor area (as measured in square feet) and the same amenities as the unit in which the tenant resides at the time the special permit is approved. The offer shall be made before or concurrent with the grant of the exclusive right to contract for the purchase of the unit provided for in Section 66427.1(d) of the Government Code and shall remain open for ninety (90) days.

3. Definition--Qualified Low or Moderate Tenant. A qualified low or moderate income tenant shall be a tenant who meets all of the following requirements:

a. The tenant is an eligible tenant.

b. The tenant has an income of one hundred ten percent (110%) 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 in which the proposed conversion project is located, adjusted for the number of members in the tenant's household.

c. The tenant does not, at the time notice of intent to convert is given by the applicant and at the time the offer is made, own any residential real property.

d. The tenant has not previously received assistance under this subsection F.

e. The monthly payments of principal, interest, loan insurance fees, property taxes and assessments, fire and casualty insurance, property maintenance and repairs, utilities (excluding telephone service), and homeowner

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association fees and assessments associated with the unit if it were to be sold without restrictions would exceed thirty-five (35) percent of the tenants monthly income.

f. The tenants assets are not greater than the total of the amount necessary to pay the estimated closing costs and down payment on the unit, the amount necessary to pay six months of the monthly payments identified in subsection (F)(3)(e) of this section, and five thousand dollars (\$5,000.00).

g. The tenant has provided the city with the information requested under subsection (F)(7) of this section within the specified time, and has supported the information provided with an affidavit or declaration to its truth and accuracy.

h. "Assets" means the value of the tenant's savings and any equity in stocks, bonds, real property, or other forms of capital investment. "Assets" do not include items reasonably necessary for the personal use of the tenant, such as personal effects, furniture, appliances and automobiles.

i. References to the qualified tenants assets and income shall include the assets and income of those persons eighteen (18) years of age and older who are living with the tenant as a single housekeeping unit.

#### 4. Definitions--Price.

a. A price which is "affordable to the tenant" shall be the maximum at which the tenant can qualify for financing for the unit for a minimum of thirty (30) years and for which the total monthly housing costs described in subsection (F)(3)(e) of this section would not exceed thirty-five percent (35%) of the tenant's monthly income; provided, that in no event shall the applicant be required to sell the unit under this sales program at a price below the apartment market value of the unit at the time the application for a special permit under this section is filed.

b. "Apartment market value" shall be the value of the unit as an apartment and shall be determined by either a single appraisal or, at the option of the applicant, by averaging the results of two independent appraisals. The appraisal(s) shall be submitted to the planning director not less than thirty (30) days prior to the first public hearing on the special permit. The appraisal(s) shall be made by appraiser(s) selected randomly by the planning director from a pool of names of no less than five qualified appraisers. A "qualified appraiser" shall be an appraiser experienced in appraising multiple family residential property and

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who is an active MAI member in good standing of the American Institute of Real Estate Appraisers, an active SREA or SRPA member in good standing of the Society of Real Estate Appraisers, an active ASA (urban real estate) member in good standing of the American Society of Appraisers, or a similarly qualified appraiser in good standing in a nationally recognized real estate appraisal institute or society. The names of qualified appraisers for the pool shall be selected by the city manager or his or her designee. The value determined by the appraisal(s) shall be binding on the city and the applicant. The applicant shall pay the fee(s) of the appraiser(s).

c. If, at the time the offer for sale at an affordable price is made under this subsection F, the assets of the qualified tenant, as defined in subsection (F)(3)(h) of this section, are not sufficient to cover the down payment and closing costs on the unit required by the financing institution to qualify for financing on the unit, the applicant shall pay all or a portion of the down payment and closing costs, as necessary, in an amount not to exceed two thousand dollars (\$2,000.00). The amount paid by the applicant under this subsection shall be added to the amount secured by the second deed of trust on the unit under subsection (F)(6) of this section.

5. The qualified tenant shall have ninety (90) days from the date the offer is made to accept the offer of sale under this subsection F. If the tenant does not accept the offer within that time period or fails to secure the necessary financing, the applicant may offer the unit for sale without restriction under this subsection F. The tenant shall be entitled to the renewable lease provisions set forth in subsection (I)(1) of this section and to all other protections provided in this section.

6. Whenever a unit is sold to a qualified tenant under the provisions of this subsection F, the unit shall be encumbered by a second deed of trust securing an obligation in an amount equal to the difference between the sales price paid by the qualified tenant and the price at which the unit would have sold without the requirements imposed by this subsection F. The beneficiary under the second deed of trust shall be the applicant. The second deed of trust shall provide for the following:

a. Simple interest on the amount secured shall accrue at a rate not exceeding five percent per annum.

b. Neither principal nor interest shall be payable until the obligation secured by the second deed of trust has matured. The obligation shall mature

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when the unit is conveyed, transferred, leased, rented or otherwise alienated by the tenant; provided, that "conveyed, transferred, leased, rented or otherwise alienated" shall not include changes of ownership described in Sections 62, 63, and 63.1 of the Revenue and Taxation Code.

7. Qualification determined by city.

a. To determine which tenants qualify for assistance under this subsection F, the city, using the names and addresses of all the tenants in the proposed conversion project provided by the applicant in the completed application, shall notify the tenants of the provisions of this subsection F by mailing a notice to each on a form approved by the city council. The notice shall request all information necessary to determine which tenants qualify for assistance. The notice shall instruct the tenants to return to the city planning department within fifteen (15) days the information requested, supported by affidavit or declaration under penalty of perjury as to its truth and accuracy. Based on the information received the planning director shall determine which tenants qualify for assistance, shall notify those tenants, and shall submit their names to the applicant.

b. Notwithstanding the provisions of Chapter 17.200 of this title, the decision of the planning director shall be appealable directly to the city council and shall be governed by the provisions of Chapter 1.24 of this code.

c. Unless an appeal of the decision of the planning director is filed, and except for name and address, the information supplied by a tenant to the city under this subsection (F)(7) shall be held in confidence and shall not be disclosed to the public without the express written consent of the tenant. In the event an appeal is filed, the information shall be disclosed to the extent necessary to fully apprise all parties to the appeal of the facts supporting the planning director's decision.

d. Failure of any tenant to receive the notice advising of the sales program under this subsection shall not invalidate any proceedings conducted hereunder.

8. Alternative Program.

a. Upon request of the applicant, and in lieu of the requirements of this subsection F, the city council may approve, or approve with conditions, an alternative program for providing housing opportunities to the low and moderate

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income tenants in the proposed conversion project upon a finding that the alternative program is the substantial equivalent of the program provided by this subsection. Alternative programs may include, but need not be limited to, use of FHA single-family purchase programs and the Home Ownership and Community Development Act (25 Cal. Adm. Code. Section 79 et seq.).

b. Upon request of the applicant the city council may waive, or waive with conditions, in whole or in part, the requirements of this subsection F upon a finding that compliance would be inconsistent with or not in furtherance of the purposes set forth in Section 17.192.010 of this chapter and subsection (F)(1) of this section or the goals and policies of the housing element of the city general plan.

c. A request by the applicant pursuant to subsection (F)(8)(a) or (b) of this section immediately preceding shall be made within fifteen (15) days after the determination of the planning director made pursuant to subsection (F)(7)(a) of this section has been forwarded to the applicant. The city shall give notice of the request in the same manner as it gives notice of the hearing on the special permit, and a hearing shall be conducted on the request concurrently with the hearing on the special permit.

d. The applicant shall, within ten (10) days from the date of submitting the request to city, notify in writing all the eligible tenants in the project that a request for approval of an alternative program or a waiver under this subsection (F)(8) has been made and shall describe in detail the elements of the alternative program or the reasons for the waiver.

**G. Tenant and Buyer Protection Provisions--Relocation Assistance.**

The applicant shall provide the following relocation assistance to each eligible tenant:

1. **Assistance in Locating Comparable Replacement Housing.** Assistance in locating comparable replacement housing, as defined in subsection R(1)(c) of this section, which shall include, but not be limited to, providing a report on the availability of comparable housing units and providing transportation for eligible tenants, where necessary, in connection with the relocation.

2. **Payment of a Relocation Fee to each Eligible Tenant.** The relocation fee shall consist of the payment of actual moving costs to relocate the

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tenants 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 six hundred dollars (\$600.00) if the tenant is relocating from an unfurnished housing unit or five hundred dollars (\$500.00) if the tenant is relocating from a furnished housing unit. 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 six hundred dollars (\$600.00) or five hundred dollars (\$500.00) 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.

3. Special Assistance. In case of eligible tenants who are elderly, handicapped, low-income, or single heads of households living with one or more minor children, relocation assistance shall include the following additional measures:

a. The payment of last months rent for the new housing unit, if required upon moving in;

b. The transfer of all key, utility, pet, cleaning, and security deposits, minus damages, to the new housing unit or the refund of all or a part of said deposits, minus damages, to the eligible tenant, at the option of the tenant;

c. The payment of the difference, if any, between the amount of all deposits and fees required upon moving in to the new housing unit and the amounts transferred for or refunded to the eligible tenant pursuant to this subsection, plus damages;

d. The payment of a rent subsidy for a period of one year in the amount of the difference, if any, between the rent of the new housing unit and the rent for the unit occupied by the eligible tenant; provided that the applicant shall not be required to pay more than one hundred dollars (\$100.00) per month for the rent subsidy;

e. The right of each tenant not to be unjustly evicted, as defined in Section 17.192.020 of this chapter, and not to have the rent for the unit unreasonably increased until the tenant is actually relocated to a comparable housing unit.

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4. In the case of tenants who did not receive the notice required to be given under subsection (P) of this section, relocation assistance shall include the following measures:

a. First months rent on the new housing unit, if any, immediately after moving from the subject property, but not to exceed five hundred dollars (\$500.00).

b. The assistance described in subsections (G)(1) and (2) of this section.

c. In the case of these tenants who are elderly, handicapped, low-income, or single heads of households living with one or more minor children, the assistance described in subsection (G)(3) of this section.

H. Reports.

The applicant shall provide each tenant with a copy of the reports required by subsections (A)(9) and (10) of this section detailing all relocation and moving assistance information and purchase incentives to be provided by the applicant.

I. Lease Program for Eligible Elderly or Handicapped Tenants and Qualified Low and Moderate Income Tenants.

The applicant shall unconditionally offer each eligible tenant who is elderly or handicapped and to each qualified low and moderate income tenant who does not purchase a unit under the sales program provided in subsection F of this section a written lease for a term of three years on the unit in which the tenant resides at the time the special permit is approved or a comparable unit within the project. A "comparable unit" shall be a unit with the same floor plan, same amount of floor area (as measured in square feet) and the same amenities as the unit in which the tenant resides at the time the special permit is approved. Each such lease shall provide that the tenant shall have four successive options to renew the lease upon the terms and conditions as each original lease required by this subsection. The rental for the first year of the original lease shall be the rental paid by the tenant on the date that the notice specified in subsection (B)(1) of this section is given; thereafter, the rental may be increased annually on the anniversary date of the lease, commencing with the first anniversary date; provided, however, that the annual percentage increase in rent shall not exceed seven percent.

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Each such lease shall further provide that the tenant shall have no power or right to assign the lease, or to rent or sublease the premises or any portion thereof, and that upon the death of the tenant, the lease shall terminate. Any lease provision which violates the provisions of this subsection shall be void, and the balance of the lease shall be valid and enforceable. To the extent that such lease shall not expressly contain the provisions required by this subsection, said provisions shall be deemed to be incorporated in full therein. Any tenant who has paid rent in excess of the maximum rental specified by this subsection shall be entitled to a refund in the amount of the excess payment. Such tenants may elect to deduct the amount of the refund due them from future rent payments, provided notice is given in advance as to the intention to do so.

J. Anti-Discrimination.

1. The applicant or owner of any condominium unit within a project shall not directly or indirectly discriminate in the sale, or in the terms and conditions of sale, of any dwelling unit against any person who is or was a tenant or lessee of any such dwelling unit prior to the granting of the special permit, because such person opposed, in any manner, the conversion of the unit or building into a condominium. No tenant who has been so discriminated against may be unjustly evicted, and the provisions of subsection Q of this section shall apply to such tenant.

2. 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.

K. Preconversion Protection.

From the date of giving notice of intent to convert pursuant to subsection (B)(1) of this section until relocation takes place or the application is denied or withdrawn, but in no event for more than two years, no tenant shall be unjustly evicted and no tenants 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. A tenant who has paid rent in excess of the maximum rental payment specified by this subsection shall be entitled to a refund in the amount of the refund due them from future rent

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payments, provided notice is given in advance to the landlord as to intention to do so.

L. Documents to be Provided to City.

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 section, 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.

M. 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.

N. Copy of Reports.

The applicant shall provide each condominium unit purchaser with a copy of the reports required by subsections (A)(2), (3), (4), (5) and (6) of this section.

O. Notice in CC&Rs.

The covenants, conditions and Restrictions (CC&Rs), 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 CC&Rs, 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.

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P. Notice to prospective tenants.

After notice of intent to convert is given pursuant to subsection (B)(1) of this section, any prospective tenant shall be notified in writing of the intent to convert prior to leasing or renting any unit and shall not be subject to the provisions of subsection K of this section. Any tenant who is not so notified shall be deemed to be an eligible tenant entitled to relocation benefits pursuant to subsection (G) of this section.

1. After notice of intent to convert is given pursuant to subsection (B)(1) of this section, the applicant shall give notice of the intent to convert in the form set forth below to each person applying after such date for rental or lease of a unit of the subject property immediately prior to acceptance of any rent or deposit from the prospective tenant:

To the prospective occupant(s) of:  
(address)

The owner(s) of this building, at (address), has filed or plans to file a tentative map with the City of Sacramento to convert this building to a condominium. No units may be sold in this building unless the conversion is approved by the City of Sacramento and until after a public report is issued by the Department of Real Estate. If you become a tenant of this building, you shall be given notice of each hearing for which notice is required pursuant to Sections 66451.3 and 66452.5 of the Government Code, and you have the right to appear and the right to be heard at any such hearing.

\_\_\_\_\_  
(signature of owner or owners agent)

\_\_\_\_\_  
(dated)

I have received this notice on \_\_\_\_\_  
(date)

\_\_\_\_\_  
(prospective tenant's signature)

Prospective tenants who receive this notice prior to renting or leasing a unit shall not be subject to the provisions in subsection (K) of this section.

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2. Failure by an applicant to give the above described notice shall not be grounds to deny the application for a special permit or tentative map. Each prospective tenant who becomes a tenant, who was entitled to but was not given the notice, and who does not purchase a unit shall be deemed an eligible tenant for purposes of, and shall receive the relocation assistance provided by subsection (G)(4) of this section.

Q. Remedies.

1. In addition to any other remedy specified in this section, and cumulative with any other remedy available to tenants at law or in equity, any tenant who is a defendant in an action to recover possession, and who is otherwise entitled to the benefits of this section, shall be entitled to defend such action upon the ground of a violation by the applicant or the owner or landlord of the provisions of subsections F through and including P of this section.

2. In addition to any other remedy specified in this section, and cumulative with any other remedy available at law or in equity, any person aggrieved by a violation of subsections , (G), (H), (J). (M), (N), and (O) of this section shall have a cause of action against the applicant for all actual damages suffered by such person as a direct consequence of any such violation.

3. In addition to any other remedy available to it in law or equity, the city shall have the remedies specified in Section 17.212.080(B) and (C) and Section 17.232.040 of this title. Additionally, the provisions of Section 17.232.050 of this title shall be applicable.

R. Decision, Findings.

1. The city council shall not approve a special permit under this chapter unless it finds:

a. 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.

b. That the average rental vacancy rate in the affected community plan areas during the twelve (12) months preceding the date the city-determined

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rental vacancy rates are issued pursuant to Section 17.192.030(D) of this chapter is greater than five percent; provided that a special permit may be approved where the said vacancy rate is equal to or less than five percent if the applicant has proposed measures which the council finds would effectively mitigate the displacement of tenants and any adverse effects upon the rental 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 planning commission and city council shall consider the rental history of the building, including the number of evictions and increases in rent over the preceding three years. Notwithstanding any other provision of this subsection, the city council may deny a special permit under this section if it finds that a substantial number of 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 or that the applicant has intentionally created or maintained a substantial number of vacancies to reduce the number of eligible and eligible special category tenants in the project who would be entitled to the tenant protection provision set forth in this section.

The requirements of this subsection (R)(1)(b) shall not apply to condominium conversion projects comprised of the conversion of a nonresidential building into condominium ownership intended for residential occupancy.

The requirements of this subsection (R)(1)(b) shall not apply to the conversion of residential buildings or space in the central city community plan area created through the issuance of building permits between January 1, 1999, and December 31, 2002.

c. That there exists adequate comparable replacement housing for each eligible tenant in the building proposed for conversion. In determining whether the housing to which the applicant proposed for 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 planning commission and council shall consider the following factors in determining whether the relocation housing is comparable:

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i. 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;

ii. 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 tenants place of employment; (b) accessibility to community and commercial facilities; (c) accessibility to schools; and (iv) accessibility to transportation. 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 (B)(1) of this section, except where the rental units of the building will not be offered for sale as condominium units within two years.

d. That the applicant has complied with all of the provisions of this section relating to the application procedure and submittal of required information (subsection A); payment of the application fee (subsection (A)(13)); required notices to tenants and other interested person (subsection B); building inspection (subsection D); and tenant and buyer protection (subsections F through and including P).

e. That the proposed conversion complies with all development standards set forth in subsection C of this section.

2. The council shall not approve a special permit pursuant to this chapter 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 conversion, in spite of the relocation assistance and mitigation measures offered by the applicant. In evaluating a project for purposes of this subsection, the city planning commission and city council shall consider the rental history of the building, including the number and types of special category tenants over the preceding three years, the number of unjust evictions, and the number of unreasonable rent increases.

3. In evaluating an application for a special permit pursuant to this section, the city planning commission and city council shall consider the results

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of the tenant survey required by subsection (A)(11) of this section. If the planning commission or council finds that less than a significant number of tenants have indicated their approval in principle to the proposed conversion, the planning commission or 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 chapter to insure the proposed project complies.

4. In approving a special permit for a condominium conversion under the provisions of this section, the city council may impose such conditions as may be necessary to carry out the intent, purpose, and objectives of this section, the general plan, and applicable community and specific plans and elements thereof, or to protect the public health, safety or welfare.

S. No Vested Rights in Tenants.

No eligible or qualified tenant shall, by virtue of the provisions of this chapter, have a vested right from the city to any of the benefits, projections, or other interest provided for herein. Notwithstanding the provisions of Section 17.208.010 of this title, the city council may amend or repeal by the adoption of an ordinance, the provisions of this chapter from time to time as it determines.

**SECTION 3.**

**A. Subsection (A) of Section 17.192.055 of Title 17 of the Sacramento City Code (the Zoning Code) is amended to read as follows:**

A. General.

Conversions of buildings located in the central city and constructed pursuant to building permits issued on or after January 1, 1999 and December 31, 2002, shall be subject to the requirements of this section, and to the extent of any conflict between this section and other sections of this chapter, including Sections 17.192.030 and 17.192.050, the provisions of this section shall prevail; provided that this section shall apply only to applications for conversion of such buildings if they are filed on or before January 1, 2010, and thereafter pursued diligently to completion. Applications filed after that date shall be subject to the general provisions governing condominium conversions, as they may be amended from time to time.

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B. Except as specifically amended by this section, all other provisions of section 17.192.055 remain unchanged and in full force and effect.

DATE PASSED FOR PUBLICATION:

MAY 10 2005

DATE ENACTED:

MAY 31 2005

DATE EFFECTIVE:

JUL 01 2005

HEATHER FARGO

MAYOR

ATTEST:

SHIRLEY CONCOLINO

CITY CLERK

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DATE ADOPTED

MAY 31 2005

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