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PLANNING AND BUILDING
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February 18, 2003

Law and Legislation Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: AMENDMENT TO CONDOMINIUM CONVERSION REGULATIONS (M02-048)

- A. Environmental Determination: Exempt, Section 15061(b)(3).
- B. Rescind Resolutions 80-177 and 91-071.
- C. Resolution amending Section 2 of the City of Sacramento General Plan, related to Condominium Conversions.
- D. An Ordinance Amending Sections 17.192.030, 17.192.040 and 17.192.050 of Chapter 17.192, and Adding Section 17.192.055 to Chapter 17.192, of Title 17 of the City Code Pertaining to Condominium Conversion and New Condominium Construction.

LOCATION: Citywide

COUNCIL DISTRICT: All Districts

RECOMMENDATION: Planning Commission and Staff recommends approval of minor amendments to the City's regulations governing condominium conversions to reflect updated conditions and to provide consistency with other City regulations.

CONTACT PERSONS: Lucinda Willcox, Senior Planner, 264-5052
Aaron Sussman, Assistant Planner, 264-7931

FOR COMMITTEE MEETING OF: March 4, 2003

SUMMARY: Existing regulations governing condominium conversions are over 20 years old and include some language that is obsolete or inconsistent with other more recent regulations. The proposed amendments include some minor General Plan text clean-up and amendments to the condominium conversion ordinance to do the following:

1. Rescind older City Council resolutions to allow for the use of the best available vacancy rate reporting methods for the purposes of evaluating condominium conversion proposals and to relax the current limitations to accepting condominium conversion requests only in January of each year.
2. Allow for the conversion of recently constructed Central City apartments to condominiums where City park in-lieu (Quimby) fees acted to deter their original development as condominiums.
3. Remove building code requirements from the condominium conversion ordinance that are inconsistent with current Building Code.

COMMITTEE/COMMISSION ACTION: On January 23, 2003, the City Planning Commission recommended approval of the Amendment to Condominium Conversion Regulations.

BACKGROUND INFORMATION:

- The City adopted the ordinance regulating condominium conversions in 1980 in order to ensure preservation of an adequate rental housing supply. This ordinance was intended to ensure that lower income households were not displaced by condominium conversions without adequate replacement housing. To that end, the ordinance requires annual reporting of rental vacancy rates and does not allow conversion when vacancy rates by community plan area in the affected community plan area are 5 percent or lower without mitigation for displacement of tenants and any adverse effects upon the rental housing stock in the affected area.
- In the last decade, changed housing market conditions and insurance issues related to construction defect liabilities have resulted in very few proposals for new condominiums or condominium conversions. Recent state legislation has attempted to address the insurance liability. It is not known yet whether this will result in additional condominium proposals.
- The Zoning Ordinance currently requires a Special Permit for condominium conversions that can be heard by the City Council and the City Planning Commission only one time a year. The existing application deadline for condominium conversions is January 30th
- Various vacancy rate reporting methods have been promoted by resolution which became obsolete overtime as the sources to be used for the purposes of calculating annual rental vacancy rates. The amendments to the Condominium Conversion Ordinance rescind the associated City resolutions requiring use of specific methods and

allow for accepted industry reporting methods as determined by the City Planning Director. Most recently, the City has used information reported by CB Ellis commercial brokers. The current figures are included as Attachment D.

- In recent years, increased property values in the Central City, combined with the City's existing methodology for calculating park in-lieu fees (also known as Quimby fees) required of all subdivisions of land (including condominiums) has created Quimby fees for Central City housing projects at several order of magnitudes higher than any other location in the City (Central City Quimby fees have reached \$15,000 to \$30,000 per unit). These fees have created a substantial disincentive for the development of condominiums in the Central City, and, as a result, projects originally proposed as condominiums or townhomes have instead opted to develop as apartment rental units, with the intent to convert to condominiums when the Quimby fee issue was addressed. Under the current ordinance requirements, condominium conversions would not be permitted because the Central City vacancy rate is less than 5 percent.
- The Citywide Infill Strategy, adopted in May 2002, included provisions to address the Central City Quimby fee disincentive. It also updated maps and data in Section 1 of the General Plan. Also included as part of the proposed amendments to Section 2 of the General Plan are clean-up amendments to eliminate duplicate maps already contained in Section 1 of the General Plan and outdated data that is reported in more recent updates to Sections 1 or 3 of the General Plan.
- On October 1, 2002, the City Council adopted an interim ordinance altering the methodology for calculating Central City park in-lieu fees (Ordinance No. 2002-035) and a permanent revision is currently being developed. Under the existing provisions of the Condominium Conversion Ordinance, however, any recently approved housing projects that did not originally develop as new condominiums due to the Quimby fees but wanted to convert with the revised Central City Quimby fee methodology, would be prohibited due to the requirements in the condominium conversion ordinance. The proposed ordinance amendments would allow new housing projects developed between 1999 and 2002 to convert to condominiums, according to their original development intent.
- The proposed revisions to the Condominium Conversion Ordinance would not displace lower income housing developed in the Central City during the last 3 years. New lower income rental housing has covenants on those units restricting the units to rent to qualifying households for a specified period of time (e.g., 30 years).
- Current Building Code requires a one-hour firewall for condominium construction. The existing condominium construction ordinance requires a two-hour firewall for new construction. The proposed amendment deletes language relating to the two-hour firewall construction to defer to the Building Code requirements.

- The Fire Department expressed concern over the maintenance of fire sprinklers once apartments are converted to condominiums. To address those concerns, language was added to maintain compliance with health and safety standards as established by the City.

FINANCIAL CONSIDERATIONS: The Planning and Building Department charges fees to process Condominium Conversion requests. The proposed changes to the ordinance will not alter the fees.

ENVIRONMENTAL CONSIDERATIONS: The proposed project is exempt from environmental review pursuant to State CEQA Guidelines (CEQA Section 15061(b)(3)). The proposed amendment is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. The amendments would not allow any development ministerially that currently requires discretionary review.

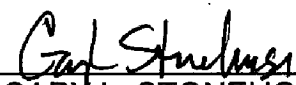
POLICY CONSIDERATIONS: The proposed amendments are consistent with the City's General Plan policies encouraging a mix of housing types.

The proposed amendments further the following guiding policy of the Strategic Plan:

Policies, programs and strategies should promote the maintenance and development of the fullest range of housing choices in every community in the City.


ESBD CONSIDERATIONS: No goods or services are being purchased at this time.

Respectfully Submitted,



GARY L. STONEHOUSE
Planning Director

RECOMMENDATION APPROVED:



KEN NISHIMOTO
Deputy City Manager

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RESOLUTION NO. _____

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON THE DATE OF _____

**RESOLUTION AMENDING SECTION 2 OF THE CITY OF
SACRAMENTO GENERAL PLAN, RELATED TO THE
CONDOMINIUM CONVERSION ORDINANCE (M02-048)**

WHEREAS, the Planning Commission conducted a public hearing on _____ and the City Council conducted a public hearing on _____ concerning the above General Plan amendment, and based on documentary and oral evidence submitted at the public hearings, the Council hereby finds:

1. The City Council has adopted housing policies and infill policies in its General Plan promoting various kind of housing.
2. Section 2 of the General Plan includes information replaced or updated in Sections 1 and 3 of the General Plan and is therefore removed.
3. State and local regulatory conditions have constrained recent development of condominiums particularly in the Central City:
4. The Central City Housing Strategy promotes the development of ownership housing in the Central City.
5. The City continues to strive to maintain an adequate supply of rental housing in all community plan areas.
6. The City is making minor amendments to its condominium conversion regulations.
7. The City Planning Commission at a regularly noticed public hearing on January 23, 2003, made recommendations on the proposed amendment.
8. The City Council received the recommendation of the City Planning Commission on the proposed General Plan Amendment and held a public hearing.
9. The proposed project is exempt from environmental review pursuant to State CEQA Guidelines (CEQA Section 15061(b)(3)).

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sacramento that Section 2 of the General Plan shall be amended as shown in Attachment 1.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO. _____

DATE ADOPTED: _____

ATTACHMENT 1

1. GENERAL PLAN AMENDMENTS, SECTION 2

A. New Residential Construction paragraph (pg 2-3) shall be deleted.

NEW RESIDENTIAL CONSTRUCTION

~~This plan projects that approximately 55,184 new residential units will be built in the next 20 years. Demand for more intensive development could alter the holding capacity of land planned for residential use. The expansion of more intensive land uses has the potential of creating greater demand for housing due to increased employment generated by more intensive use. Reduction of the total amount of residential land available in the market area places greater demand on the remaining property in this land use category increasing the cost for residential development.~~

B. Opportunities Within Residential Use Areas paragraph (pg 2-3) shall be deleted.

OPPORTUNITIES WITHIN RESIDENTIAL USE AREAS

~~There are 11,600 acres of vacant land designated for residential uses. Potential infill sites account for approximately 1,560 acres. The potential development capacity of this vacant and underutilized land could yield approximately 87,500 units Citywide. Table 1a identifies the amount of developed and vacant residential land by community plan area and density ranges. See Map 1 for the location of these lands.~~

C. Table 1a: Developed and Vacant Residential Land (pg 2-4) shall be deleted.

**Table 1a
Developed and Vacant Residential Land**

Community Plan Areas	Developed Gross Acres					Vacant Gross Acres				
	Rural Estates 0-4 du/ac	Low Density 4-15 du/ac	Medium Density 15/20 du/ac	High Density 20+ du/ac	Area Total	Rural Estates 0-4 du/ac	Low Density 4-15 du/ac	Medium Density 15/20 du/ac	High Density 20+ du/ac	Area Total
Airport Meadowview	0	2,130	76	0	2,206	82	885	38	0	1,015
Arden-Arcade	0	572	24	94	687	0	42	3	0	45
Central-City	0	254	508	203	965	0	0	4	14	42
East Broadway	0	2,620	177	7	2,804	0	140	20	0	160
East Sacramento	0	2,313	117	159	2,589	0	35	0	0	35
Land-park	0	2,807	8	123	2,938	0	64	0	0	64
North Natomas	73	0	0	0	73	188	2,567	483	0	2,238
North Sacramento	74	3,309	170	7	3,650	136	1,607	170	5	1,918
Pocket	8	2,440	244	0	2,692	0	943	0	0	943
South Natomas	0	1,442	177	0	1,619	0	1,872	154	0	2,026
South Sacramento	0	2,725	286	0	3,011	0	1,704	187	12	1,913
Area Total	155	20,718	1,782	593	23,248	416	9,829	1,081	28	11,699

Assumptions: Low density residential acres are based on 4-8 and 7-15 dwelling units per acre community plan designations per Appendix 1. Medium density residential acres are based on 11-21 and 11-29 dwelling units per acre community plan designations per Appendix 1.

In North Natomas Community Plan area, the gross to net factors used are: 82% for LDR, 85% for MDR, and 87% for HDR. NNCP LDR and MDR correspond to General Plan LDR and NNCP HDR corresponds to General Plan MDR. In North Natomas, HDR can exceed 20 dwelling units per net acre when located close to transit service.

Sources: City Land Use Inventory 1985 and City Planning Division staff (pers. comm.)

Note: Data for South Natomas and North Natomas include some County areas. Data for all other community plan areas include only City areas. Values less than 0.5 are shown as 0 due to rounding. Sum of values may not equal total shown due to rounding.

D. Map1: Residential Infill Areas map (pg 2-5) shall be deleted.

E. Table 2: Ultimate Projected Residential Land Use Characteristics (pg 2-10) shall be deleted.

Table 2 indicates expected unit yield, population, household size, and density characteristics for each of the residential categories.

Table 2
Ultimate Projected Residential Land Use Characteristics

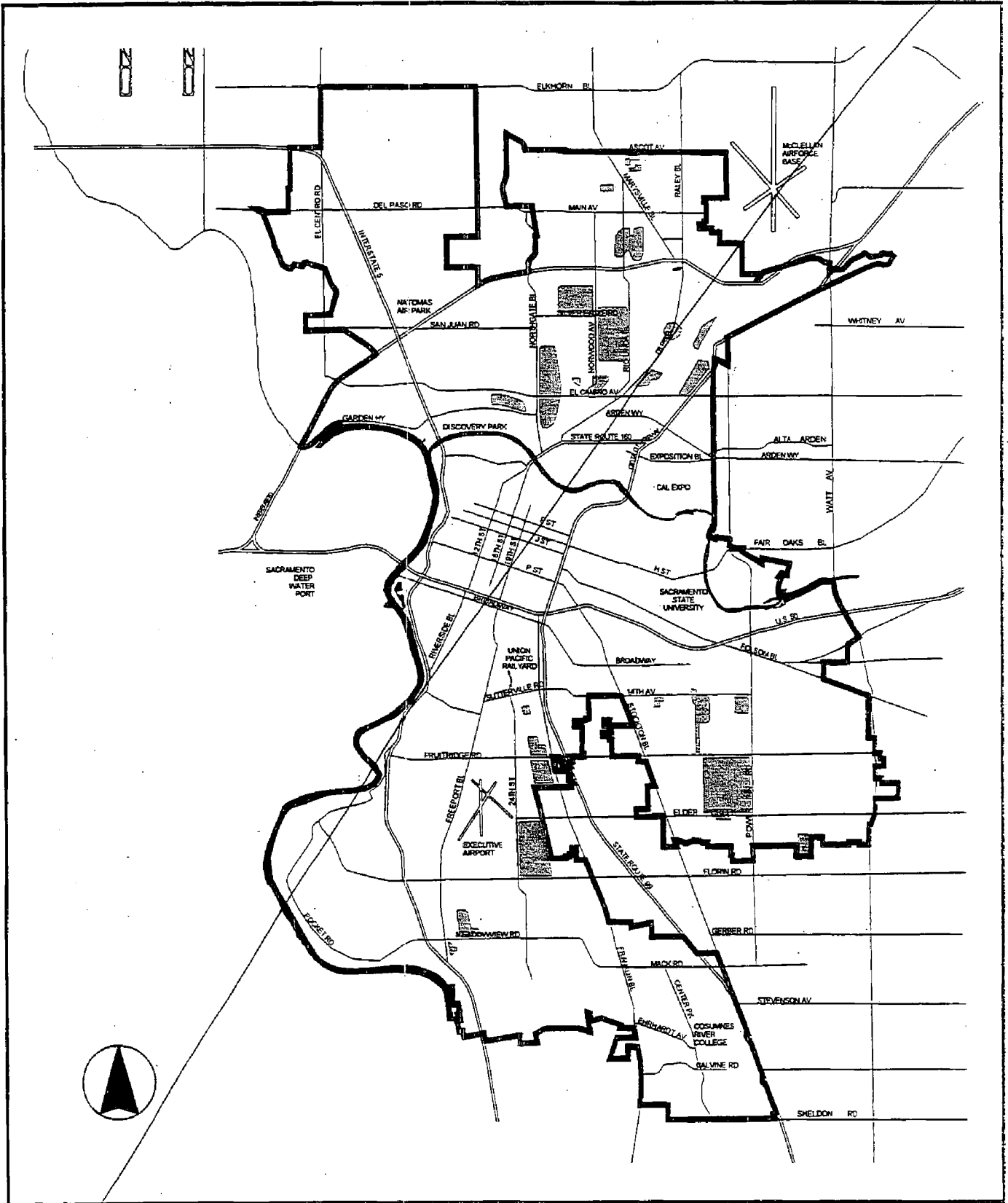
<u>Land Use Type</u>	<u>Total Units</u>	<u>Population</u>	<u>Pop/Unit</u>	<u>All Land</u>		<u>Vacant or Underutilized Land</u>		
				<u>Gross Acres</u>	<u>Units/Net Acre</u>	<u>Total Units</u>	<u>Gross Acres</u>	<u>Units/Net Acre</u>
Rural Estates (0.5-4 du/na)	924	2,507	2.7	838	1.4	(517)	419	1.5
Low Density (4-15 du/na)	142,904	377,574	2.6	29,625	6.1	(58,909)	8,909	7.9
Medium Density (16-29 du/na)	57,744	115,783	2.0	3,330	18.5	(27,925)	940	34.1
High Density (30+ du/na)	24,135	48,711	1.9	807	33.2	(7,795)	214	46.0
Totals	225,704	544,572	2.4	34,604	7.7	(95,076)	(10,482)	10.7

SOURCE: — Richards Boulevard Area Plan
 — Railyards Preliminary Agreement and Richards Housing Program

New figures: North Natomas Community Plan figures are calculated with 94 NNCP Low Density and Medium Density Residential in the General Plan Low Density Residential designation and NNCP High Density in the General Plan Medium Density Residential. Gross to Net factors for NNCP are: 82% for low density, 85% for medium density, and 87% for high density residential designations. NNCP High Density Residential located close to transit can exceed 20 dwelling units per net acre.

2. Specific Goals, Policies, Actions Goal A (pg 2-11) paragraph shall be amended to read as follows.

- There are currently a number of programs available in the City to assist in redevelopment, preservation and rehabilitation efforts. These programs have been beneficial in eliminating blight and upgrading the quality of targeted areas (see Map 2) ~~Section 1 of the General Plan~~ are still experiencing the adverse effects of blight and additional efforts may be necessary in these locations.



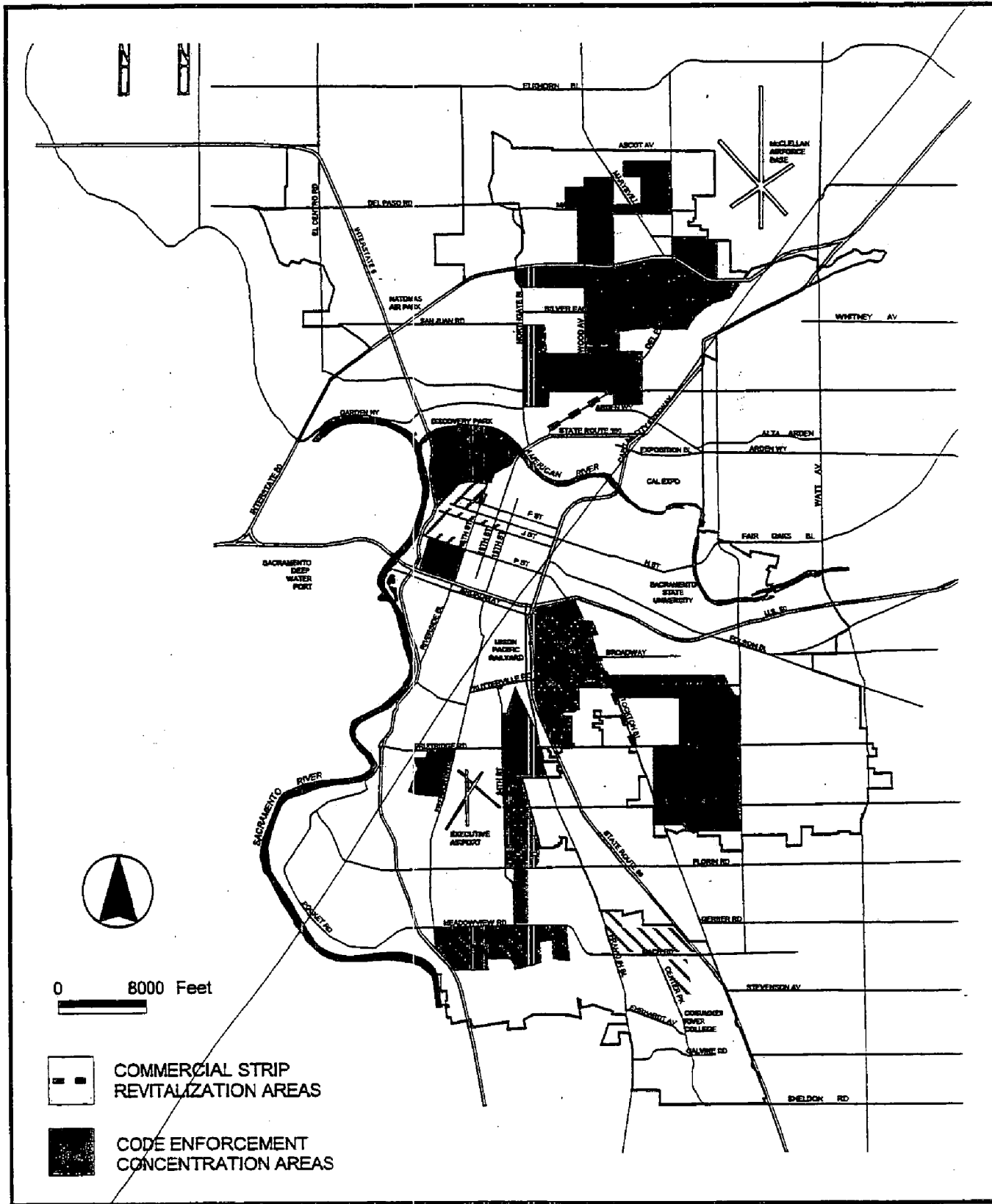
RESIDENTIAL INFILL AREAS
1986

Neighborhood Planning and
Development Services Department
City of Sacramento
GP
GENERAL PLAN
JULY 1985-1991

A. Map 2: Targeted Redevelopment Areas and Potential Improvement Areas map (pg 2-12) shall be deleted.

3. Specific Goals, Policies, Actions Goal B, Policy 4 paragraph (pg 2-15) shall be amended to read:

Continue to ~~regulate~~ prohibit the conversion of rental housing into condominiums in Community Plan areas where the rental vacancy rate is five percent or less when measures have not been provided to mitigate the loss of rental housing in the area. ~~to ensure maintenance of an adequate supply of rental housing.~~



0 8000 Feet

- COMMERCIAL STRIP REVITALIZATION AREAS
- CODE ENFORCEMENT CONCENTRATION AREAS

TARGETED REDEVELOPMENT AREAS AND POTENTIAL IMPROVEMENT AREAS



REDEVELOPMENT TARGET AREAS



COMMUNITY PLAN PROBLEM AREAS

Planning and Building Department
 City of Sacramento
GP
 GENERAL PLAN
 LUP-1960-20C

(Amended 12/14/93 by Resolution 95-740)

ATTACHMENT B

ORDINANCE NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

AN ORDINANCE AMENDING SECTIONS 17.192.030, 17.192.040 AND 17.192.050 OF CHAPTER 17.192, AND ADDING SECTION 17.192.055 TO CHAPTER 17.192, OF TITLE 17 OF THE CITY CODE PERTAINING TO CONDOMINIUM CONVERSION AND NEW CONDOMINIUM CONSTRUCTION

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

Section 1

A. Section 17.192.030 is amended as follows:

1. Subsection (D) is amended to read as follows:

Determination of Vacancy Rate: ~~The city~~ The Planning Director shall determine and make public, on an annual basis, ~~on March 1 of each year,~~ the average rental vacancy rate in each community plan area in accordance ~~with methods for determining vacancy rate established by the city council by resolution.~~ with accepted industry reporting methods. The vacancy rates shall be calculated on the basis of multiple family rental vacancy by community plan area. The applicable City-determined vacancy rates shall be submitted to and considered by the City Planning Commission and City Council in connection with the review of applications for Special Permits for condominium conversion projects under this section; provided, that at any hearing wherein such an application is considered, the applicant or any other person may present evidence concerning the accuracy of the vacancy rate as determined by the City, or as contended by the applicant, and the City Planning Commission and City Council may consider but shall not be bound by such evidence when considering the application.

FOR CITY CLERK USE ONLY

ORDINANCE NO.:

DATE ADOPTED:

2. Subsection (E) is added to read as follows:

E. Exception: Condominium Conversions of Certain Buildings Located in the Central City. Notwithstanding the provisions of this Section and Section 17.192.050, the conversion to condominiums of buildings located within the Central City that were constructed pursuant to building permits issued on or after January 1, 1999 and on or before December 31, 2002 shall be governed by Section 17.192.055, provided that the application for conversion is filed on or before January 1, 2010 and thereafter pursued diligently to completion.

3. Except as amended by "1" and "2" above, the provisions of Section 17.192.030 shall remain unchanged and in full force and effect.

Section 2

A. Section 17.192.040 is amended as follows:

1. Subsection B (4) is deleted:

~~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. Nothing in this subsection (d) shall apply to a limited equity housing cooperative as defined by Business and Professions Code Section 11003.4.~~

2. Except as amended by "1" above, the provisions of Section 17.192.040 shall remain unchanged and in full force and effect.

Section 3

A. Section 17.192.050 is amended as follows:

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ORDINANCE NO.:

DATE ADOPTED:

1. Subsection A (2)(c) is added to read as follows:

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;
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 (F)(4)(f) of this section.

2. Subsection C (4) is deleted:

~~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 smoke detection system. In addition, where the City Council finds it necessary in order adequately to provide for fire safety the Council may require, on recommendation of the Fire Chief and the Building~~

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~~Official, that each condominium unit shall have either a two-hour fire separation on its floors and each wall common to itself and an adjacent unit or an automatic fire sprinkler system, or such other fire protection system as the City Council finds will protect the occupants of and the owner's investment in the condominium as effectively as a two-hour fire separation or automatic fire sprinkler system. Nothing in this subsection (d) shall apply to a limited equity housing cooperative, as defined by Business and Processions Code Section 41003.4.~~

3. Subsection G (2) is amended to read as follows:

That the average rental vacancy rate in the affected community plan areas during the 12 months preceding the date the City-determined rental vacancy rates are issued pursuant to 17.192.030(D) of this section is greater than 5 percent; provided that a Special Permit may be approved where the said vacancy rate is equal to or less than 5 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 (3) 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 (G)(2) shall not apply to condominium

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conversion projects comprised of the conversion of a nonresidential building into condominium ownership intended for residential occupancy.

The requirements of this subsection (G)(2) 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.

4. Except as amended by "1" and "2" above, the provisions of Section 17.192.050 shall remain unchanged and in full force and effect.

Section 4

Section 17.192.055 is added to Chapter 17.192 to read as follows:

17.192.055 Conversion of Certain Buildings Located in the Central City

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 Sections 17.192.040, 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.

B. **Special permit required.** No condominium conversion of a building located in the Central City and constructed pursuant to building permits issued on or after January 1, 1999 and on or before December 31, 2002 shall be permitted in any zoning district unless the same is permitted in such district pursuant to the provisions of Chapter 17.24 of this Title and

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until a special permit has been applied for and approved in accordance with this Section and Chapter 17.212 of this title.

C. Special Permit Application: The application for a condominium conversion subject to this section shall include the information required by Subsections A-1 through A-4 of Section 17.192.050. The information otherwise required by the remaining provisions of Subsection 17.192.050 shall not be required.

D. Development standards: The development standards set forth in Subsection C of Section 17.192.050 shall apply to applications for a special permit for a condominium conversion under this section.

E. Building inspection: The building inspection requirements of Subsection D of Section 17.192.050 shall apply to applications for a special permit for a condominium conversion under this section.

F. Decision Findings

The City Council shall not approve a special permit under this chapter unless, in addition to the findings required by Chapter 17.212, it makes the following findings:

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.

b. That the applicant has complied with all of the provisions of this section relating to the application procedure, submittal of required information and building inspection.

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DATE ADOPTED:

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

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.

DATE PASSED FOR PUBLICATION:
DATE ENACTED:
DATE EFFECTIVE:

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

ORDINANCE NO.:

DATE ADOPTED:

ATTACHMENT C-1

RESOLUTION NO. 80-177

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

MARCH 25, 1980

A RESOLUTION ADOPTING REGULATIONS REGARDING THE
CALCULATION OF VACANCY RATES AND THE SCHEDULING OF
HEARING DATES FOR CONDOMINIUM CONVERSION APPLICATION

WHEREAS, the City Council has adopted an Ordinance regulating residential condominium conversions; and

WHEREAS, said Ordinance provides for the adoption by resolution of the City Council of special application and procedure regulations and of a method of determining vacancy rates.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1

That the City Council of the City of Sacramento hereby adopts the following regulations establishing the method to be used by City staff in determining vacancy rates in each community plan area of the City and establishing procedures for accepting, processing, and reviewing Special Permit and tentative map applications for residential condominium conversions.

Vacancy Rate Determination

1. City vacancy rate information shall be provided for each community plan area, on an annual basis on or about October 31st of each year.
2. The following method will be used by the City in compiling the annual vacancy rate: City Planning Department staff will establish its annual vacancy rate by using the Federal Home Loan Bank, Sacramento SMSA Housing Vacancy Survey. City staff will use the information supplied by the Federal Home Loan Bank survey to extrapolate the data applicable to each community plan area in the City. The vacancy rate shall then be calculated on the basis of total multiple family rental units and total vacant multiple family rental units located within each of the designated eleven (11) City community plan areas. (Amended Ordinance No. 83-863)
3. The following procedure will be used for determining the rental vacancy rate of a proposed conversion in proximity to an adjacent community plan boundary.
 - A. If a project is substantially within a given community, only the vacancy rate of that community shall be used in evaluating the project. Substantially within shall be defined as inside a quarter mile (1,320 feet) of the community's boundary as defined and set by the City of Sacramento. Where a community does not have an adjoining community because of its peripheral location, the quarter mile distance standard shall not apply and only the immediate community's vacancy rate will be used.
 - B. Where a project, or any part thereof, is within a quarter mile (1,320 feet) of an adjoining community as established by the City of Sacramento, the rental vacancy rate of both the immediate community and the adjoining community shall be used to determine a new vacancy rate. Where more than one adjoining community is within the quarter mile distance, it or they shall also be included in the determination.

The new rental vacancy rate shall be determined by dividing the sum of the vacant units of the immediate and adjoining communities by the sum of the total units of the immediate and adjoining communities. These quantities, or base data, shall be established annually by the City pursuant to the procedures set forth above in paragraphs 1 and 2 above. The resulting vacancy rate will reflect the relative quantity and market availability of rental units within the general area around the project.

Filing and Hearing Special Permit Applications

Application for Special Permits for condominium conversions shall be heard by the City Planning Commission and City Council one time a year. Thereafter, the annual application deadline for condominium conversions shall be January 30th of each year beginning with January 30, 198_. (Amended Ordinance No. 83-863).

1980 GENERAL PLAN CONDOMINIUM AND CONDOMINIUM CONVERSION GOALS AND POLICIES

By their unique character and requirements, condominiums and condominium conversion projects differ specifically from other subdivisions and apartment projects. 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. Condominium conversion projects in particular 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. It is the expressed intent of the City to insure that the problems are avoided while the benefits are maximized in both the short and long term by establishing requirements and procedures specifically designed for the control and approval of residential condominium new construction and the conversion of existing multiple family rental housing and non-residential buildings to residential condominiums.

Condominium conversion projects, however, are specifically addressed in Section 66427.2 of the Subdivision Map Act. Government Code Section 55410 et seq. This Section provides that certain provisions of the Map Act relating to General Plan and Specific Plan consistency and the requirement of making certain findings upon approving a tentative subdivision map do not apply to condominium conversion projects, where no new units are to be constructed or added, unless the applicable General or Specific Plans contain definite objectives and policies specifically directed to the conversion of existing buildings into condominium projects.

In order to establish requirements and procedures specifically designed for the control and approval of residential condominium new construction and condominium conversions and to utilize the Subdivision Map Act as part of the procedure, the goals and policies set forth below relating to condominiums are hereby adopted.

GOALS

1. To insure a reasonable balance of rental and ownership housing while facilitating inhabitant ownership of residential units by all economic segments of the community, especially in reviewing application for residential condominium conversions and condominium new construction.
2. To mitigate the impact of dislocation and eviction for residents of rental units as a result of units being converted to condominiums.

3. To insure that new condominium units being constructed and residential rental units being converted to condominiums meet adequate physical construction standards.
4. To insure, where consistent with the goals and general policies set forth in this Housing Element, that as rental units are converted to condominium ownership, ownership or long term leasing opportunities are provided to the low and moderate income tenants of the converted rental units. (Resolution No. 80-617)

POLICIES

1. Prohibit the conversion of existing multiple family dwellings into condominium projects where the average annual vacancy rate in the affected community plan areas is less than or equal to 5 percent unless the applicant has proposed measures which would effectively mitigate the displacement of tenants and any adverse effects upon the rental housing stock in the affected areas which would be caused by the proposed conversion.
2. Require condominium conversion applicants to provide adequate relocation plans for tenants in multiple family residential buildings proposed for conversion to condominiums.
3. Require, where consistent with the goals and general policies set forth in this Housing Element, that condominium conversion projects make ownership or long term leasing opportunities available to qualified and eligible tenants of low and moderate income. (Resolution No. 80-617)
4. Require condominium new construction and existing structures proposed for conversion to residential condominiums to meet all applicable development and building standards contained in the Comprehensive Zoning Ordinance and the City Building Code.
5. Conduct one hearing per year or per other period designated by the City Council to consider all then pending applications for condominium conversion projects to facilitate implementation of the goals and policies of the City of Sacramento with respect to condominium conversion projects as state herein.
6. Requiring tentative map applications for condominium conversion projects to be heard concurrently with the application for all other entitlements necessary for the conversion project to facilitate the implementation of the goals and policies of the City of Sacramento with respect to condominium conversion projects as stated herein.

RESOLUTION NO. 91-071

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF JAN 29 1991

A RESOLUTION ADOPTING REGULATIONS REGARDING THE CALCULATION OF VACANCY RATES AND THE SCHEDULING OF HEARING DATES FOR CONDOMINIUM CONVERSION APPLICATION (M90-044)

WHEREAS, the City Council has adopted an Ordinance regulating residential condominium conversions; and

WHEREAS, said Ordinance provides for the adoption by resolution of the City Council of special application and procedure regulations and of a method of determining vacancy rates.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1

That the City Council of the City of Sacramento hereby adopts the following regulations establishing the method to be used by City staff in determining vacancy rates in each community plan area of the City and establishing procedures for accepting, processing, and reviewing Special Permit and tentative map applications for residential condominium conversions.

Vacancy Rate Determination

1. City vacancy rate information shall be provided for each community plan area, on a semiannual basis on or about June 30th and December 31st of each year.
2. The following method will be used by the City in compiling the annual vacancy rate: City Planning Department staff will establish its annual vacancy rate by using Freshman Information Services data, or other locally derived information that is determined by City staff to be the best available information. City staff will use the information supplied by these local sources to determine the rental vacancy rate

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RESOLUTION NO.: 91-071

DATE ADOPTED: JAN 29 1991

in each community plan area in the City. The vacancy rate shall be calculated on the basis of total multiple family rental units and total vacant multiple family rental units, for the given sample size, located within each of the designated eleven (11) City community plan areas. The total multiple-family rental units, and total vacant multi-family rental units, shall be defined as the average of the results of the vacancy surveys for the two previous reporting periods. (Amended Ordinance No. 83-863)

3. The following procedure will be used for determining the rental vacancy rate of a proposed conversion in proximity to an adjacent community plan boundary.

A. If a project is substantially within a given community, only the vacancy rate of that community shall be used in evaluating the project. Substantially within shall be defined as inside a quarter mile (1,320 feet) of the community's boundary as defined and set by the City of Sacramento. Where a community does not have an adjoining community because of its peripheral location, the quarter mile distance standard shall not apply and only the immediate community's vacancy rate will be used.

B. Where a project, or any part thereof, is within a quarter mile (1,320 feet) of an adjoining community as established by the City of Sacramento, the rental vacancy rate of both the immediate community and the adjoining community shall be used to determine a new vacancy rate. Where more than one adjoining community is within the quarter mile distance, it or they shall also be included in the determination.

The new vacancy rate shall be determined by dividing the sum of the vacant units of the immediate and adjoining communities by the sum of the total units of the immediate and adjoining communities. These quantities, or base data, shall be established annually by the City pursuant to the procedures set forth above in paragraphs 1 and 2 above. The resulting vacancy rate will reflect the relative quantity and market availability of rental units within the general area around the project.

Filing and Hearing Special Permit Applications

Application for Special Permits for condominium conversions shall be heard by the City Planning Commission and City Council one time a year. Thereafter, the annual application deadline for condominium conversions shall be January 30th of each year. (Amended Ordinance No. 83-863)

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**1988 GENERAL PLAN
CONDOMINIUM AND CONDOMINIUM CONVERSION GOALS AND POLICIES**

Condominium conversion projects are specifically addressed in Section 66427.2 of the Subdivision Map Act, Government Code Section 55410 et seq. This Section provides that certain provisions of the Map Act relating to General Plan and Specific Plan consistency and the requirement of making certain findings upon approving a tentative subdivision map do not apply to condominium conversion projects, where no new units are to be constructed or added, unless the applicable General or Specific Plans contain definite objectives and policies specifically directed to the conversion of existing buildings into condominium projects.

In order to establish requirements and procedures specifically designed for the control and approval of residential condominium new construction and condominium conversions and to utilize the Subdivision Map Act as part of the procedure, the goals and policies set forth below relating to condominiums are hereby adopted.

GOALS

1. To provide affordable housing opportunities for all income household categories throughout the City.
2. To maintain and improve the existing housing stock.

POLICIES

1. Continue to prohibit the conversion of rental housing into condominiums in Community Plan areas where the rental vacancy rate is five percent or less, when measures have not been provided to mitigate the loss of rental housing in the area.
2. Monitor and control the conversion of rental housing projects to condominium projects where an imbalance in the rental-ownership supply becomes acute (less than five percent rental vacancy).



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ATTACHMENT D

Multi-Family Vacancy Rates: 2002

Reporting of vacancy data pursuant to ordinance 17.192.030 of the Sacramento City Code.

COMMUNITY PLAN AREAS	AREA BUILDING CLASS	NO. VACANT	NO. UNITS*	% VACANT
Central City	TYPE A:	21	1044	2.0%
	TYPE B:	9	453	2.0%
	TYPE C:	0	78	0.0%
	TOTAL:	30	1575	1.9%
East Sacramento	TYPE A:	0	0	0.0%
	TYPE B:	1	82	1.2%
	TYPE C:	2	81	2.5%
	TOTAL:	3	163	1.8%
South Natomas	TYPE A:	19	1198	1.6%
	TYPE B:	168	4715	3.6%
	TYPE C:	30	337	8.9%
	TOTAL:	217	6250	3.5%
Arden/Arcade	TYPE A:	49	1021	4.7%
	TYPE B:	131	3043	4.3%
	TYPE C:	217	4876	4.6%
	TOTAL:	397	8940	4.4%
North Natomas	TYPE A:	94	748	12.6%
	TYPE B:	0	0	0.0%
	TYPE C:	0	0	0.0%
	TOTAL:	94	748	12.6%
North Sacramento	TYPE A:	7	303	2.3%
	TYPE B:	15	284	5.3%
	TYPE C:	0	0	0.0%
	TOTAL:	22	587	3.6%
Land Park	TYPE A:	0	0	0.0%
	TYPE B:	4	92	4.3%
	TYPE C:	5	231	2.2%
	TOTAL:	9	323	2.8%
Pocket	TYPE A:	33	496	6.7%
	TYPE B:	119	2349	5.1%
	TYPE C:	25	479	5.2%
	TOTAL:	177	3324	5.3%
South Sacramento	TYPE A:	0	0	0.0%
	TYPE B:	121	2887	4.2%
	TYPE C:	52	1931	2.7%
	TOTAL:	173	4818	3.6%

Source: CB Richard Ellis, INC. Third Quarter Multi-Housing Vacancy/Rental Survey.

Some figures may include data gathered outside the City Boundaries of Sacramento.

Type A Building - Built between 2001 and 1990

Type B Building - Built between 1989 and 1975

Type C Building - Built between 1975 and Older

*Based on units surveyed by CB Ellis; does not represent all multi-family units in Community Plan Area.