

ORDINANCE NUMBER O-_____ (NEW SERIES)

DATE OF FINAL PASSAGE _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SAN DIEGO AMENDING CHAPTER 14, ARTICLE 4, DIVISION 5 OF THE SAN DIEGO MUNICIPAL CODE BY AMENDING SECTIONS 144.0501, 144.0503, AND 144.0507; AND ADDING SECTIONS 144.0506, 144.0510, AND 144.0511; ALL RELATING TO CONDOMINIUM CONVERSION REGULATIONS.

BE IT ORDAINED, by the Council of the City of San Diego, as follows:

Section 1. That Chapter 14, Article 4, Division 5 of the San Diego Municipal Code is amended by amending Sections 144.0501, 144.0503 and 144.0507, and by adding Sections 144.0506, 144.0510 and 144.0511, to read as follows:

§144.0501 Purpose of Condominium Conversion Regulations

The purpose of the Condominium Conversion Regulations is to assist the City in meeting the goals and objectives of the General Plan Housing Element, provide economically diverse housing needs, and ensure a balance of rental and ownership housing through the conversion of apartments to condominiums, while limiting the number of conversions per year. Furthermore, it is the purpose of these regulations to protect the interests of tenants by requiring that tenants receive adequate notice of proposed *condominium conversions*, are advised of their rights with respect to the conversion of their apartment to a condominium, and are afforded reasonable relocation assistance. It is also the intent of these regulations to protect the interests of the community and prospective purchasers by requiring the *applicant* to provide certain information regarding the condition of the

structure and to require reasonable improvements for the health, safety, and general welfare of the public.

§144.0503 Fees and Deposits

In addition to the fees required by Chapter 11, Article 2, Division 2, Fees and Deposits, the *applicant* shall pay the following to the San Diego Housing Commission:

- (a) An amount equal to \$200 for each unit proposed to be converted, plus any additional expenses incurred by the City or the Housing Commission to secure tenant relocation benefits. The funds shall be used by the San Diego Housing Commission to monitor compliance with the obligations set forth under this division, provide technical assistance to tenants in their relocation, and recapture legal fees.
- (b) All costs associated with gathering and analyzing survey data, and preparing and issuing its annual report, based on the *applicant's* pro-rata share of the total projected cost of the annual report consistent with Sections 144.0510 and 144.0511.
- (c) Nothing contained in this division shall impose a duty upon the City or the Housing Commission to pay any relocation benefits to eligible tenants.

§144.0506 Condominium Conversion Limitations

The number of *dwelling units* approved as a *condominium conversion* shall be limited to no more than 1,000 per calendar year. The limitation shall not apply to a *condominium conversion* that is new construction for which a Certificate of

Occupancy has never been issued. The 1,000 *dwelling unit* limitation for *condominium conversions* shall be processed as follows:

- (a) Beginning on January 2 of each calendar year, *condominium conversion* applications shall be accepted for completeness check on a first-come, first-served basis.
- (b) All applications shall be reviewed for *deemed complete* status in the same order the applications were received for processing.
- (c) Applications *deemed complete* and representing the first 1,000 *dwelling units* proposed for *condominium conversion*, shall be accepted for processing for the calendar year in which the application is *deemed complete*.
 - (1) Whenever an accepted application would result in more than 1,000 *dwelling units* in a given year, that application shall be denied and subsequent applications shall be reviewed to achieve a number closest to, but not exceeding 1,000 *dwelling units* within the year.
 - (2) Applications denied pursuant to Section 144.0506(c)(1) shall be the first applications accepted for processing in the subsequent year with the *applicant's* written consent.
- (d) If fewer than 1,000 *dwelling units* are *deemed complete* and accepted for processing as *condominium conversions* in a calendar year, the balance shall not carry forward to the subsequent year.

§144.0507 Development Regulations for Condominium Conversions

Prior to *final map* approval (or for a *condominium conversion* of four or fewer existing *dwelling units*, to recordation of a Certificate of Compliance or a *parcel map*), and to the satisfaction of the City Engineer, the following improvements shall be completed:

(a) through (f) [No change.]

(g) If improvements required pursuant to Section 144.0507(a), (b), (c), and (e) have not been completed when the *applicant* applies for a *final map* pursuant to Section 125.0640, or for a *condominium conversion* of four or fewer existing *dwelling units* for a Certificate of Compliance or *parcel map*, the *final map*, Certificate of Compliance or *parcel map*, may be approved only after all of the following conditions are satisfied:

(1) The *applicant* provides the City with a certified copy of a City approved covenant and restriction, in a form approved by the City Attorney, which has been recorded in the Office of the County Recorder and contains all of the following:

(A) A provision prohibiting the *applicant* (and the *applicant's* successors, assigns, and all parties acquiring any right, title or interest in or to any part of the subdivided property) from conveying through a sale, or any other means, a separate interest in an individual *dwelling unit* in the subdivided property until the City determines in writing that the required improvements have been made to the

dwelling unit and to all common areas in the subdivided property (or in the case of multi-phase projects, in the respective phase of the project that includes the *dwelling unit*); and

(B) A provision requiring that the purchase contract and the escrow instructions for the conveyance of any such *dwelling unit* both:

(i) Prohibit escrow from closing until the City releases such covenant based on the foregoing determination by the City as applicable to the *dwelling unit* to be conveyed; and

(ii) Include an acknowledgement that the City cannot be held liable for damages resulting from such release, including from delay or failure to release such covenant.

(2) The *applicant* certifies that all required improvements have been made, to the satisfaction of the City Engineer, prior to a release of the covenant.

(3) The *applicant* has paid all recording costs.

§144.0510 Tenant Survey

(a) The *applicant* of a proposed *condominium conversion* shall serve each *dwelling unit* with a survey prepared by the San Diego Housing

Commission seeking information about the effects the proposal may have on the tenants.

(1) The survey shall be served First Class Mail addressed to “All Tenants,” and shall include a postage prepaid return envelope addressed to the San Diego Housing Commission.

(2) The *applicant* shall certify in writing that the survey has been mailed in accordance with this Section.

(b) The decision to approve or deny a *condominium conversion* cannot be made until the following have occurred:

(1) At least 90 calendar days have passed since the mailing of the tenant surveys; and

(2) The *applicant* provides the City with written proof of payment of its pro-rata share of the cost of the annual report, consistent with Sections 144.0503 and 144.0511.

§144.0511 Annual Housing Commission Report

The San Diego Housing Commission shall issue an annual public report no later than March 1 summarizing all responses received from tenant surveys completed during the prior calendar year. The report shall identify the location of each *condominium conversion* project and the number of all proposed *condominium conversions* for which a tenant survey response was received.

Section 2. That a full reading of this ordinance is dispensed with prior to its final passage, a written or printed copy having been available to the City Council and the public a day prior to its final passage.

Section 3. That this ordinance shall take effect and be in force on the thirtieth day from and after its final passage, except that the provisions of this ordinance applicable inside the Coastal Overlay Zone, which are subject to California Coastal Commission jurisdiction as a City of San Diego Local Coastal Program amendment, shall not take effect until the date the California Coastal Commission unconditionally certifies those provisions as a local coastal program amendment.

Section 4. That City departments are instructed not to issue any permit for development that is inconsistent with this ordinance unless application for such permit was submitted and deemed complete by the City Manager prior to the date the applicable provisions of this ordinance become effective, except that Section 144.0507(g) of this ordinance shall be effective for projects that have not yet received final map approval for a tentative map, or for a condominium conversion of four or fewer existing dwelling units, have not received approval of a map waiver, Certificate of Compliance, or Parcel Map.

Section 5. That for the remainder of the calendar year in which Section 144.0506 of this ordinance first takes effect, the number of dwelling units that may be approved as condominium conversions shall be limited to the number of days remaining in the year, divided by 365, and then multiplied by 1,000.

Section 6. That pursuant to Sections 144.0503, 144.0510 and 144.0511 of this ordinance, the City Manager is directed to establish a fee schedule, to be revised as necessary by the San Diego Housing Commission in accordance with Council Policy, setting forth the projected costs

associated with analyzing tenant surveys and preparing the Annual Housing Commission Report. A current fee schedule shall remain on file in the Office of the City Clerk in the Rate Book of the City Fees and Charges.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By _____
Malinda Dickenson
Deputy City Attorney

JLG:als
05/21/07
Or.Dept:City Atty.
O-2007-132

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of _____.

ELIZABETH S. MALAND
City Clerk

By _____
Deputy City Clerk

Approved: _____
(date)

JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor