



## REGULATIONS GOVERNING

### RESIDENTIAL CONDOMINIUM CONVERSIONS

City of San Diego Development Services Department

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## INFORMATION BULLETIN

# 539

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This information bulletin summarizes the City of San Diego and Subdivision Map Act regulations and procedures for converting existing rental apartment units into condominiums. These regulations are also intended to protect the interests of tenants by giving them notice of the proposal, assuring tenants that they will be provided with reasonable relocation assistance, and providing tenants with an exclusive right to contract for the purchase of a unit.

#### I. CONDOMINIUM CONVERSION PROCESS

Condominium conversion projects are considered subdivisions of land and are therefore regulated under the provisions of the Subdivision Map Act. The subdivision into condominiums of nonresidential buildings, a future or under construction residential building is not considered a condominium conversion.

Condominium conversions require the processing of a Tentative Map (unless a Map Waiver is requested and approved) and a Final Map or Parcel Map. A condominium conversion having more than four units must also be processed and approved through the California Department of Real Estate. For information regarding the submittal requirements for a Tentative Map or Map Waiver, please refer to Project Submittal Requirements for Development Approvals (Section 4, Volume 1, Chapter 1, Land Development Manual). This document is located on the Development Services Department's website at <http://www.sandiego.gov/development-services/industry/information/codesregreq/index.shtml#submanual>.

##### A. Tentative Map Process (SDMC Chapter 12, Article 5, Division 4)

The Tentative Map process is discretionary and requires project/plan review and environmental analysis by City staff, and final approval by the Planning Commission (Process Four) at a noticed public hearing for projects of five or more units,

#### Documents referenced in this Information Bulletin

- **Inclusionary Housing Ordinance (SDMC Chapter 14, Article 2, Division 13)**
- **Condominium Conversion Regulations (SDMC Chapter 14, Article 4, Division 5)**
- **Subdivision Procedures (SDMC Chapter 12, Article 5, Division 6 and Chapter 14, Article 4 Division 2)**
- **Coastal Zone Affordable Housing Replacement Regulations (SDMC Chapter 14, Article 3, Division 8)**
- **California government Code Sections 66425-66431**
- **Land Development Manual, Volume I, Chapter 1, Project submittal Requirements, Sections 4 and 5**
- **Land Development Manual Appendices - Sample Notices**
- **Inclusionary Affordable Housing Implementation and Monitoring Procedures Manual**
- **Information Bulletin 532, Information Regarding Inclusionary Housing**

or the Hearing Officer (Process Three) for projects of four units or less.

##### B. Map Waiver Process (SDMC Chapter 12, Article 5, Division 1)

A condominium conversion project may be eligible for a Map Waiver process if the existing building(s) to be converted includes four or fewer units, and is located on a previously developed and mapped lot. A Map Waiver is intended for simple projects having few, if any, development issues. The Map Waiver process is discretionary and requires project/plan review and environmental analysis by City staff, and final approval by a Hearing Officer (Process Three) at a noticed public hearing.

#### II. NOTICES

California State Law and the City's Municipal Code require that all tenants living within a proposed condominium conversion project, and all persons applying for a rental unit

within such a project, must receive adequate notice (see California Government Code Section 66427.1 and San Diego Municipal Code Sections 125.0431 and 125.0640). Applicants for a condominium conversion project are responsible for providing the following notices to all tenants (including persons applying for rental units) within the proposed condominium conversion project. The applicant must submit certification for any of these noticing requirements that have been satisfied prior to the Public Hearing.

- A. Each tenant must receive written notice of the intention to convert to condominiums at least 180 days prior to the termination of tenancy. The notice must also state that should the condominium conversion project be approved, tenants may be required to vacate the premises. This notice is only a warning of a possible conversion and not a notice to vacate the premises.
- B. Each tenant must receive a notice of Tenants Rights and Notices for Condominium Conversions provided pursuant to the City's Municipal Code Section 125.0431(a) (3) (see the Land Development Manual Appendices for sample notice).
- C. Each tenant must receive written notice of intention to file for a condominium conversion at least 60 days prior to the filing of the tentative map or map waiver with the Hearing Officer or Planning Commission for a public hearing. The notice must state that each tenant will be notified of all public hearings and has a right to appear and speak at the hearings. Also, the notice must state that should the condominium conversion project be approved, tenants may be required to vacate the premises.
- D. Each tenant must receive written notice within 10 days of approval of a parcel map, final map, or certificate of compliance for the proposed conversion.
- E. Each tenant must receive 10 days written notification that an application for a public

report has, or will be submitted to the Department of Real Estate, and that such report will be available on request. There is no requirement for a public report when four or fewer units are being converted.

- F. Following approval of a tentative map for condominium conversion, a 180 Day Notice of Intention to Convert shall be provided to each tenant prior to termination of tenancy due to condominium conversion pursuant to Subdivision Map Act section 66452.19.
- G. Each tenant must be provided a Notice of 90 Day Period of First Right of Refusal to Purchase within five days of the issuance of the Subdivision Public Report or 90 days prior to the initial public offer for sale if no Subdivision Report is required. The notice outlines an exclusive right of tenants to contract for the purchase of their unit upon the same terms and conditions that such unit will be initially offered to the general public, or terms more favorable to the tenant pursuant to Section 11018.2 of the Business and Professions Code and Section 125.0431(a)(5) of the Municipal Code (see the Land Development Manual Appendices for sample notice).
- H. Tenants are also entitled to a written notice to vacate the property. Tenants shall receive this notice 60 days prior to vacating the property.

The City of San Diego is also responsible for providing public notices regarding the Tentative Map and Map Waiver Process. These notices are sent to all occupants within the proposed Condominium Conversion, as well as all occupants and owners within 300 feet of the proposed condominium conversion. Notices are also sent to the Community Planning Group and any persons who have submitted a request for notification. In addition, these public notices are posted on the subject property, on the City of San Diego's web-

site, and are published in the local newspaper. The two types of public notices provided by the City include:

1. A Notice of Application no later than 10 business days after the original application for the condominium conversion has been deemed complete by the Development Services Department;
2. A Notice of Public hearing at least 10 business days prior to the date of a public hearing for a decision on a condominium conversion.

### III. RELOCATION ASSISTANCE

The City of San Diego's Condominium Conversion regulations are intended to protect the interests of tenants by providing relocation assistance. Municipal Code Section 144.0503 requires applicants for condominium conversions to provide the following benefits to eligible tenants.

All residents who reside within those units being converted are entitled to relocation assistance in the amount of three months rent based on HUD's annual Fair Market Rent for apartment size for the San Diego region. The relocation payment shall be paid no later than the day on which the applicant gives notice to the tenant to vacate the premises. This money may be used as down payment assistance to purchase the unit when it is converted.

HUD Fair Market Rent 2006*	
Apartment Size	3 Months Rent
Studio	\$2,280
1 Bedroom	\$2,610
2 Bedrooms	\$3,195
3 Bedrooms	\$4,542
4 Bedrooms	\$5,613

\*Please note that the three months payments listed above are for 2006. Contact the [San Diego Housing Commission](http://www.sandiego.gov/housing-commission) for the most recent figures.

### IV. INCLUSIONARY HOUSING ORDINANCE

All condominium conversion projects are subject to the City's Inclusionary Housing Ordinance (Municipal Code Section 142.1302). See information Bulletin 532 for more detailed information.

### V. BUILDING CONDITIONS REPORT AND DEVELOPMENT REGULATIONS

All condominium conversion projects are required to submit a Building Conditions Report. The purpose and intent of the report is to provide prospective buyers with an analysis of how the building does/does not comply with current codes, a list of proposed improvements and integral building components with a useful life of five years or less (see Land Development Manual Volume I, Chapter I, Section 4, item 13.2 for the required contents of the report).

Condominium conversion projects are also subject to specific development regulations. They include replacement of integral building components with a useful life of five years or less (as identified in the Building Conditions Report), front yard landscape, replacement of specified windows, upgrades of specified electrical systems, smoke alarms, and compliance with specified parking ratios for condominium conversions (See Section 144.0507 of the Municipal Code for a full explanation of the requirements).

### VI. COASTAL ZONE AFFORDABLE HOUSING REPLACEMENT REGULATIONS

The purpose and intent of the Coastal Zone Affordable Housing Replacement Regulations (Municipal Code Section 143.0810) is to preserve existing dwelling units within the Coastal Zone that are occupied by low income or moderate income families as defined by Government Code Section 65590(b). All condominium conversion projects within the Coastal Zone are subject to these regulations, with the following exceptions: Condominium Conversion Projects Exempt from the Coastal Overlay Zone Affordable Housing Replacement Regulations (San Diego Municipal Code Section 143.0820):

A. The conversion of a residential structure

that contains less than three dwelling units;

- B. The conversion of 10 or fewer dwelling units on premises with more than one residential structure.

Within the Coastal Zone, the conversion of dwelling units occupied by households of low or moderate income (as determined by the Housing Commission) is prohibited unless provision is made for the replacement of the units on a one-to-one basis. This one-to-one replacement can be met in any of the following ways:

1. Conversion of existing market-rate dwelling units to units affordable to, and occupied by, low income or moderate income persons or families;
2. Conversion of existing nonresidential development to dwelling units affordable to, and occupied by, low income or moderate income persons or families;
3. Development of new dwelling units affordable to, and occupied by, low income or moderate income persons or families;
4. Substantial rehabilitation of deteriorated or dilapidated dwelling units to units affordable to, and occupied by, low income or moderate income persons or families; or
5. Contribution of an in-lieu fee to the San Diego Housing Trust Fund or a contribution to real property that is acceptable to the Executive Director of the [San Diego Housing Commission](#).

Please note that although most condominium conversion projects in the Coastal Zone will need to comply with the requirements of all three ordinances (i.e. Relocation Assistance, Inclusionary Housing Ordinance, and Coastal Zone Affordable Housing Replacement Regulations), the requirements will not be additive; rather, the most restrictive requirement will apply. The most restrictive requirement will need to be determined

based upon the applicant's desires to meet their housing obligations, the characteristics of the tenants, and through discussions/agreements with the Housing Commission.

## VII. EXTENSIONS OF TIME (EOT)

The expiration date of a map waiver or tentative map (map) for a condominium conversion may be extended one or more times if the extensions do not exceed a total of 72 months in accordance with the Subdivision Map Act.

An application for EOT for a map shall be filed before the expiration date of the map, but not more than 60 calendar days before the expiration date. The decision maker may only conditionally approve or deny a request for an EOT if one of the following findings can be substantiated:

- A. The failure to conditionally approve or deny the request would place the residents of the subdivision or the immediate community in a condition dangerous to their health or safety; or
- B. The condition or denial is required to comply with state or federal law.

In order to meet these findings as they relate to health and safety, a condominium conversion EOT will be required to comply with the following:

1. A Building Conditions Report (BCR) or an updated BCR will be required. All BCRs older than three years must be updated. (See Land Development Manual Volume I, Chapter I, Section 4, item 13.2 for the required contents of the report).
2. Additional parking and landscaping regulations shall not apply to extensions of time for condominium conversions. Whatever parking and landscaping regulations were applied to the original map waiver or tentative map shall continue to apply.
3. The original affordable housing provided

and/or in lieu fees applied to the map shall continue to apply. Any changes proposed by the applicant to revise the affordable housing requirements shall require the application for a new map or an amendment to the existing map, and not an EOT.

4. Additional tenant noticing requirements shall not apply, however public hearing notices pursuant to Chapter 11, Article 2, Division 3 of the Land Development code continue to apply.