



CITY OF SACRAMENTO

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April 18, 1980

Honorable City Council
City of Sacramento
City Hall
Sacramento, California

In re: Condominium Conversion Ordinance - Vacancy
Rate Procedure, Condition on Special Permits,
and Expiration Date

Members in Session:

SUMMARY

At the Council meeting on March 25, 1980, the City Attorney was directed to return to the Council with proposed amendments to the Condominium Conversion Ordinance regarding procedures for determination of the vacancy rate by the City, and for a method by which persons could contest the validity of the City's vacancy rate figures.

The City Attorney was also directed to revise the Condominium Conversion Ordinance so that as to projects with a vacancy rate of less than 5%, approval can be granted only where the Council determines that adequate mitigation measures have been provided.

Finally, a sunset provision was to be prepared. These amendments are incorporated into the proposed ordinance, attached as Attachment "A".

It is suggested that the date of the sunset provision be August 15, 1980.

BACKGROUND INFORMATION

A. Vacancy Rate Determination Procedure:

As presently existing, the Condominium Conversion Ordinance contains no procedures for determination of the vacancy rates. Attachment A contains the following proposed changes:

By the City Council
Attachment A
The City Clerk
ppp
Set Hearing 5-13-80

APR 22 1980

(1) Section 1:

Amends title of Section 28-B to include procedures for vacancy rate determination.

(2) Section 2:

Amends subsection 4 to Section 28-B, to provide for an annual vacancy rate determination by the City for each community plan area, to be adopted by resolution by the Council.

Also adds provision whereby interested persons may contest the validity of the City's published vacancy rate. This would permit tenants, applicants, or other persons to dispute the said figures.

Additionally, on March 25, 1980, the City Council adopted a resolution establishing internal procedures to be used by staff in arriving at the vacancy rate figures.

B. Vacancy Rates Below 5%

Where the vacancy rate is below 5%, the Council determined that approval would be granted only if adequate mitigation measures were proposed, with the adequacy of the proposals to be in the discretion of the Council. Section 3 of the proposed ordinance (Attachment "A") contains these provisions, by amendment to subsection 28-C-6-(a) (ii).

C. Sunset Provisions

The Council directed that a sunset provision be incorporated into the Condominium Conversion Ordinance. This is provided by Section 6 of Attachment "A", whereunder the exact date is left blank so that it may be determined at the meeting. At the City Council meeting on March 25, 1980, the Council suggested that the sunset date be June 30, 1980. The City Attorney was asked whether there was any problem with this date and he advised the Council that he would look into the matter and report back. After considering the suggestion, we recommend that a sunset date of no earlier than August 15, 1980, be selected by the City Council. The principal reason for selecting this later date is that the ordinance implementing the inclusionary housing provisions should first be considered by the Planning Commission. In order to permit the Planning Commission to consider the ordinance, it will be necessary to use the later sunset date. In our opinion the June 30th date is inappropriate because there is insufficient time for the Council to complete its action on inclusionary housing by that date.

The earliest date proposed for Council action on a general inclusionary housing policy is June 10, 1980. The policy would be expressed in the Housing Element which is set for action on June 10. The general policy must then be implemented by ordinances adopted by Council. Since these ordinances would amend the Zoning

Ordinance, they should be heard by the Planning Commission prior to Council consideration. Our office will need until approximately June 30, 1980 to prepare the necessary condominium conversion ordinance if the Council acts to establish an inclusionary housing policy on June 10, 1980. The ordinance could be set for hearing before the City Planning Commission on or about July 10th. The ordinance would then come to the City Council on or about August 5, 1980. The suggested August 15th sunset date would be approximately one month prior to the commencement of the Planning Commission hearing on Condominium Conversion Special Permits.

D. Other Amendments

(1) Powers to Condition Special Permit

Although this power may be implicit, staff recommends that a specific statement of this power be incorporated into the Condominium Conversion Ordinance. Section 4 of Attachment "A" sets this provision forth. Under this provision, such conditions as deemed appropriate could be imposed by the Council, including but not limited to mitigation measures. If such conditions are later violated, the permit could be revoked.

(2) Regulations

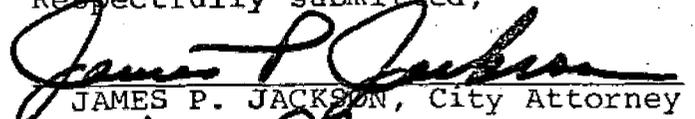
A technical amendment to Section 28-F of the Condominium Conversion Ordinance is proposed, whereby the Council can adopt such regulations as are necessary to implement this ordinance, without the need to wait for approval of the Planning Commission. This would permit speedier response to need for such regulations.

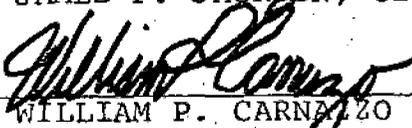
This amendment is contained in Section 5 of Attachment "A".

RECOMMENDATION

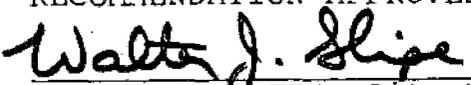
It is recommended that the Council adopt the amendments in Attachment "A", as an emergency measure in order that they be implemented immediately.

Respectfully submitted,


JAMES P. JACKSON, City Attorney


WILLIAM P. CARNAZZO
Deputy City Attorney

WPC:KMF
ATTACHMENTS
RECOMMENDATION APPROVED:


WALTER J. LIPE, City Manager

ORDINANCE NO.

FOURTH SERIES

AN ORDINANCE AMENDING SECTION 28 OF THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SACRAMENTO, ORDINANCE NO. 2550, FOURTH SERIES, RELATING TO CONDOMINIUM CONVERSIONS AND THE USE OF AND CHALLENGES TO THE VACANCY RATE, THE ABILITY OF THE CITY TO CONDITION SPECIAL PERMITS FOR CONVERSIONS AND ADOPT REGULATIONS, THE ADOPTION OF AN EXPIRATION DATE, AND DECLARING SAID ORDINANCE TO BE AN EMERGENCY MEASURE TO TAKE EFFECT IMMEDIATELY

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

SECTION 1.

Section 28-B of the Comprehensive Zoning Ordinance of the City of Sacramento, Ordinance No. 2550, Fourth Series, is hereby amended by revising the title thereof to read as follows:

- B. General Requirements; Special Permit Required; Hearing; Determination of Vacancy Rate

SECTION 2.

Section 28-B-4 is added to the Comprehensive Zoning Ordinance of the City of Sacramento, Ordinance No. 2550, Fourth Series, to read as follows:

4. The City shall determine and make public, on an annual basis, the average rental vacancy rate in each community plan area in accordance with the method for determining vacancy rates established by the City Council by resolution. 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.

SECTION 3.

Section 28-C-6-(a)(ii) of the Comprehensive Zoning Ordinance of the City of Sacramento is hereby amended to read as follows:

(ii) 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 subsection B-4 of this Section is greater than 5%; provided, that a special permit may be approved where the said vacancy rate is equal to or less than 5% if the applicant has proposed measures which the Council finds would effectively mitigate the displacement of tenants and any adverse effects upon the 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.

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

SECTION 4.

Section 28-C-6-(d) of the Comprehensive Zoning Ordinance of the City of Sacramento, Ordinance No. 2550, Fourth Series, is hereby added to read as follows:

(d) 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.

SECTION 5.

Section 28-F of the Comprehensive Zoning Ordinance of the City of Sacramento, Ordinance No. 2550, Fourth Series, is hereby amended to read as follows:

F. City Council to Adopt Regulations.

Regulations governing the implementation of any provision of this Section may be adopted from time to time by the City Council.

SECTION 6.

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

H. Section 28 of the Comprehensive Zoning Ordinance of the City of Sacramento, Ordinance No. 2550, Fourth Series, as adopted by Ordinance No. 4305, Fourth Series, and as amended by Ordinance No. _____, is hereby repealed effective _____, 1980, unless extended by Ordinance enacted before that date.

SECTION 7. EMERGENCY

This ordinance is hereby declared to be an emergency measure to take effect immediately. The facts constituting the emergency are that the moratorium on condominium conversion has been removed, and applications are being accepted under the existing ordinance. In order that such applications shall be processed in a timely and efficient manner, and that vacancy rate procedures be applicable to all condominium conversion applications, and that all applicants are aware of the expiration date of the condominium conversion ordinance this measure must take effect immediately.

PASSED FOR PUBLICATION:

ENACTED:

EFFECTIVE:

ATTEST:

MAYOR

CITY CLERK