

CALIFORNIA COASTAL COMMISSION

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April 25, 2007

TO: COMMISSIONERS AND INTERESTED PERSONS**F7b****FROM: SHERILYN SARB, SOUTH COAST DEPUTY DIRECTOR
DEBORAH LEE, DISTRICT MANAGER, SAN DIEGO AREA OFFICE
LAURINDA OWENS, COASTAL PLANNER, SAN DIEGO AREA OFFICE****SUBJECT:STAFF RECOMMENDATION ON CITY OF SAN DIEGO MAJOR LCP
AMENDMENT 2-06C (Condominium Conversions) for Commission Meeting of
May 9-11, 2007****SYNOPSIS**

The subject amendment request revises the City's regulations pertaining to condominium conversions in the certified Land Development Code of the City of San Diego's certified LCP Implementation Program. On 11/3/06, the City of San Diego Local Coastal Program Amendment No. 2-06C was submitted in the San Diego District office. The LCP amendment includes four separate components (A, B, C and D). The LCP submittal is not complete and the full package is still not filed. However, staff separated out this component for action. The subject component (C) addresses condominium conversion regulations. It only involves an amendment to the implementation plan. Component A addresses Costa Del Mar II (property rezoning), Component B addresses Creekside Villas (amendment to Carmel Valley Community Plan to redesignate portion of 12-acre site from Open Space to Low-medium Density Residential with companion rezoning) and Component D addresses revisions to the wireless communication facility ordinances. Components B and C are scheduled for review at the Commission's May meeting. Component A will be reviewed separately at a later date and Component D was approved as submitted at the April 2007 hearing.

STAFF NOTE

The City's Subdivision Regulations were included in the City's originally certified LCP. When the Land Development Code (LDC) was certified, the City wanted the Subdivision Regulations to be excluded from the certified LCP. However, the Commission instead made revisions to the LDC to clarify the standard of review and approach for land divisions in the coastal zone. Therefore, in 1999 when the LDC was substituted for the previous implementation plan, the Commission adopted two suggested modifications. One established that land divisions within the coastal zone require a coastal development permit and those applications would be evaluated pursuant to the Subdivision Regulations (Chapter 14, Article 4) and Subdivision Procedures (Chapter 12, Article 5) of the LDC and thus incorporated those cited sections back into the certified LCP. The second modification provided for any subdivision or other land division, conditions

related to access, open space or conservation would be imposed at the time of the subdivision or other land division, rather than through subsequent development permits.

Subsequently, in 2004, the City added the Condominium Conversion regulations to the Subdivision Regulations but never brought these changes forward for incorporation into the certified LCP. At this time, the City is proposing additional changes to their existing Condominium Conversion regulations and the entire section is now before the Commission as a new component of the City's certified LCP.

SUMMARY OF AMENDMENT REQUEST

Proposed are changes to the condominium conversion regulations which are not currently a part of the City's certified LCP. Recently, affordable housing advocates became very concerned about the possible depletion of affordable rental housing in the City as a result of an increase in the number of condominium conversions occurring throughout the City. The overall housing market in San Diego is notable for extremely high prices relative to incomes in the region. As noted in a City of San Diego Manager's Report dated 3/4/05, San Diego was identified as among the most unaffordable large metropolitan housing markets in the U.S. with only about ten percent of residents being able to afford a median-priced home. As a result of high land costs resulting from San Diego's uniquely constrained physical location, the housing market in San Diego has become very different from most of the country and no longer allows average income families to be able to purchase a home. From 2001-2004, housing prices increased much more quickly in San Diego than did rents. Prices have been rising at a rate of 15-21% a year while rents rose only about 5-6 % a year in 2002 and 2003. A recent survey identified by the San Diego County Apartment Association (SDCAA) showed that rents increased by only one percent in 2004. The different rate of for-sale price and rental appreciation over a prolonged period is the chief reason that converting housing units from rental to for-sale status has become increasingly profitable and popular. The rental vacancy rate has fluctuated between three and four percent during the past two years. This is a historically low vacancy rate indicating that supply is failing to adequately meet demand.

As has been noted by affordable housing advocates, there has been very little affordable rental housing built in San Diego. The City believes it is likely that the large number of conversions that have recently taken place will reduce the affordability of the remaining rental stock. Also, rents for condominiums that have been converted tend to be higher than units that are not condominiums because most properties are upgraded during the conversion and because individuals who rent their units need the rent to cover mortgage costs and condominium association fees. The exact number of rental units built during the past few years is difficult to determine because building permit data does not reveal whether permits are for for-sale or rental units. Also, many of the units sold as condominiums eventually returned to the rental market. The few new rentals being built today are primarily either luxury units for the upper end of the rental market or heavily subsidized units for the lower end of the market.

As a result of public concerns regarding the escalating number of condominium conversions, the City held several public workshops to discuss potential amendments to

the City's regulations for condominium conversions. The major changes that are proposed in these regulations are to:

- Provide relocation assistance to all tenants displaced by a conversion;
- Improve the noticing requirements;
- Require minimum landscaping and parking standards;
- Require onsite inclusionary affordable housing units for projects of 20 or more units;
- Addition of other requirements for condominium conversions such as the Building Conditions Report; and,
- Make minor corrections and clarifications.

To incorporate some of the above changes, several minor changes to other existing Land Development Code sections are also proposed. These changes are addressed under separate section headings for ease of clarity.

SUMMARY OF STAFF RECOMMENDATION

There is a concern that when condominium conversion developments are approved, the terms of affordability for the targeted households in the inclusionary housing units is not required to remain in place for the life of the structure. Based on documentation in the City's submittal and regulations, for-sale units could be sold at any time and the affordability provisions could be lost. In order to ensure that affordable housing in the coastal zone is protected, the term of affordability must be for the life of the structure. With incorporation of Suggested Modification #1, the affordability term for any restricted for-sale unit shall be for the life of the structure.

A second concern is that the proposed regulations do not explicitly require that already restricted rental housing be protected until the affordability restriction lapses. This results in the potential for a further reduction in the amount of affordable rental housing that is available in the coastal zone. Therefore, Suggested Modification #2 provides that rental housing that is already designated as affordable pursuant to Section 8 requirements or some other housing program not be allowed to be converted until the affordability restriction lapses.

The appropriate resolutions and motions begin on Page 6. The suggested modifications may be found on Page 7. The findings for rejection of the City of San Diego Implementation Plan amendment, as submitted begin on Page 8. The findings for approval, if modified, begin on Page 14.

BACKGROUND

The City's first Implementation Program (IP) was certified in 1988, and the City assumed permit authority shortly thereafter. The IP consisted of portions of the City's Municipal Code, along with a number of Planned District Ordinances (PDOs) and Council Policies. Late in 1999, the Commission effectively certified the City's Land Development Code

(LDC) and a few PDOs; this replaced the first IP in its entirety and went into effect in the coastal zone on January 1, 2000. The City has been reviewing this plan on a quarterly basis, and has made a number of adjustments to facilitate implementation; most of these required Commission review and certification through the LCP amendment process. Additional adjustments will continue to be made in the future. The City's IP includes portions of Chapters 11 through 14 (identified as the Land Development Code or LDC) of the municipal code and associated guidelines.

ADDITIONAL INFORMATION

Further information on the City of San Diego LCP amendment 2-06C (Condominium Conversions) may be obtained from Laurinda Owens, Coastal Planner, at (619) 767-2370.

PART I. OVERVIEW

A. LCP HISTORY

The City of San Diego has a long history of involvement with the community planning process; as a result, in 1977, the City requested that the Coastal Commission permit segmentation of its Land Use Plan (LUP) into twelve parts in order to have the LCP process conform, to the maximum extent feasible, with the City's various community plan boundaries. In the intervening years, the City has intermittently submitted all of its LUP segments, which are all presently certified, in whole or in part. The earliest LUP approval occurred in May 1979, with others occurring in 1988, in concert with the implementation plan. The final segment, Mission Bay Park, was certified in November 1996.

When the Commission approved segmentation of the LUP, it found that the implementation phase of the City's LCP would represent a single unifying element. This was achieved in January 1988, and the City of San Diego assumed permit authority on October 17, 1988 for the majority of its coastal zone. Several isolated areas of deferred certification remained at that time; some of these have been certified since through the LCP amendment process. Other areas of deferred certification remain today and are completing planning at a local level; they will be acted on by the Coastal Commission in the future.

Since effective certification of the City's LCP, there have been numerous major and minor amendments processed. These have included everything from land use revisions in several segments, to the rezoning of single properties, and to modifications of citywide ordinances. In November 1999, the Commission certified the City's Land Development Code (LDC), and associated documents, as the City's IP, replacing the original IP adopted in 1988. The LDC has been in effect within the City's coastal zone since January 1, 2000.

B. STANDARD OF REVIEW

Pursuant to Section 30513 of the Coastal Act, the Commission may only reject zoning ordinances or other implementing actions, as well as their amendments, on the grounds that they do not conform with, or are inadequate to carry out, the provisions of the certified land use plan. The Commission shall take action by a majority vote of the Commissioners present.

C. PUBLIC PARTICIPATION

The City has held Planning Commission and City Council meetings with regard to the subject amendment request. All of those local hearings were duly noticed to the public. Notice of the subject amendment has been distributed to all known interested parties.

PART II. LOCAL COASTAL PROGRAM SUBMITTAL - RESOLUTIONS

Following a public hearing, staff recommends the Commission adopt the following resolutions and findings. The appropriate motion to introduce the resolution and a staff recommendation are provided just prior to each resolution.

- I. **MOTION:** *I move that the Commission reject the Implementation Program Amendment for the City of San Diego LCP Amendment #2-06C (Condominium Conversions), as submitted.*

STAFF RECOMMENDATION OF REJECTION:

Staff recommends a **YES** vote. Passage of this motion will result in rejection of Implementation Program amendment and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

RESOLUTION TO DENY CERTIFICATION OF THE IMPLEMENTATION PROGRAM AMENDMENT, AS SUBMITTED:

The Commission hereby denies certification of the Implementation Program Amendment submitted for ***City of San Diego LCP #2-06C (Condominium Conversions)*** and adopts the findings set forth below on grounds that the Implementation Program as submitted does not conform with, and is inadequate to carry out, the provisions of the certified *Land Use Plans*. Certification of the Implementation Program would not meet the requirements of the California Environmental Quality Act as there are feasible alternatives and mitigation measures that would substantially lessen the significant adverse impacts on the environment that will result from certification of the Implementation Program as submitted

- II. **MOTION:** *I move that the Commission certify the Implementation Program Amendment for the City of San Diego LCP Amendment #2-06C (Condominium Conversions) if it is modified as suggested in this staff report.*

STAFF RECOMMENDATION:

Staff recommends a **YES** vote. Passage of this motion will result in certification of the Implementation Program Amendment with suggested modifications and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

RESOLUTION TO CERTIFY THE IMPLEMENTATION PROGRAM AMENDMENT WITH SUGGESTED MODIFICATIONS:

The Commission hereby certifies the Implementation Program Amendment for the ***City of San Diego LCP Amendment #2-06C (Condominium Conversions)*** if modified as suggested and adopts the findings set forth below on grounds that the Implementation Program Amendment, with the suggested modifications, conforms with and is adequate to carryout the certified *Land Use Plans*. Certification of the Implementation Program Amendment, if modified as suggested, complies with the California Environmental Quality Act, because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the Implementation Program Amendment on the environment, or 2) there are no further feasible alternatives and mitigation measures that would substantially lessen any significant adverse impacts on the environment that will result from certification of the Implementation Program.

PART III. SUGGESTED MODIFICATIONS

Staff recommends adoption of the following suggested revisions to the proposed Implementation Plan Amendment. The underlined sections represent language that the Commission suggests be added, and the ~~struck out~~ sections represent language which the Commission suggests be deleted from the language as originally submitted.

1. Please add the following new sub-section (d) to Section 142.1306, General Inclusionary Affordable Housing Requirements, of the Land Development Code: [...]

(c) Condominium conversions of twenty or more dwelling units shall satisfy the requirement to provide dwelling units affordable to and occupied by targeted rental households or targeted ownership households on the same site as the condominium conversion.

(d) Within the Coastal Overlay Zone, the Affordability Levels and Restrictions – For Sale Units specified in Section 142.1309(e) shall be extended to the life of the structure.

2. Please add the following new sub-section (c) to Section 144.0505, Tenant Benefits, Rights and Obligations, of the Land Development Code: [...]

(c) Existing rental units which are subject to an affordability restriction recorded against the property pursuant to any local, state or federal entity mandate cannot be converted to condominium ownership or cooperative or stock apartment project until their term of affordability and restriction has expired and/or lapsed.

**PART IV. FINDINGS FOR REJECTION OF THE CITY OF SAN DIEGO
IMPLEMENTATION PLAN AMENDMENT #2-06C, AS SUBMITTED****A. AMENDMENT DESCRIPTION**

Over the past seven years, there has been a large increase in the number of applications for condominium conversions in the City of San Diego. As noted in a City Manager's Report dated 3/4/05, to demonstrate this increase, between the years 1989 and 1998, there were no applications submitted to the City of San Diego to convert existing rental units to condominiums. From 1999 to January 2004, there were a total of 193 applications for condominium maps submitted to convert 2,275 rental units to condominium ownership. Since February 2004, there has been an additional 6,364 units submitted for condominium conversions.

According to the 2000 Census, there are 227,000 rental units in San Diego, including single- and multi-family homes and approved condo maps and certificates of compliance have resulted in approximately 11,200 units being converted. This represents about 5% of the total rental housing stock that could be impacted through condominium conversions. It is not possible to determine exactly how many condominium conversions are contributing to the low vacancy rate and rental rates existing in San Diego. No information was provided with regard to how many of these conversions are occurring in the coastal zone. Although the City has accounted for where these conversions are occurring, and several of these communities include Mission Beach, Ocean Beach and Pacific Beach, for example, it is not known how many of those conversions are within the boundaries of the Coastal Zone Overlay. In any regard, based on the information provided, approximately 13% of the conversions occurred in geographic areas close to the beach.

Usually, smaller, older apartment complexes in older parts of the City are required to obtain condominium maps from the City for a condominium conversion. However, some of the more recent larger multi-family buildings in the City obtained a condominium map at the time of construction and do not require any further approval from the City. In June, 2003, the Affordable Housing Task Force (AHTF) identified condominium conversions as a key affordable housing issue and raised concerns that such conversions were increasing the supply of relatively affordable houses for sale but reducing the supply of affordable rental housing. Affordable housing advocates have further expressed their concern that such conversions could seriously impact the rental stock available to lower- and moderate-income renters. In order to address some of these issues and concerns, the AHTF asked the City to consider providing relocation assistance to renters displaced by conversion, apply the City's Inclusionary Housing requirement to conversions and to consider applying additional or stricter building standards for conversions.

In January 2006, the City implemented Phase I amendment changes intended to implement policies designed to make a condominium conversion a "good neighbor." These changes included:

- Mandatory upgrades to current standards related to tenant safety;
- Preparation of a building conditions report that informs prospective buyers how the building compares to current city code requirements, identifies the improvements to be made with the conversion to condominium, and identifies integral components and systems of the building with a useful life of five or fewer years;
- Replacement of integral components and systems with a useful life of five or fewer years;
- Compliance with current landscape regulations for the front yard;
- Access to the deviation process (Site Development Permit) for projects that contribute to the community character and/or provide a specific community benefit; and
- Specific timing requirements for the applicant to provide specified notices.

In June 2006, Phase II amendment changes were made that consisted of the more controversial issues and also modified or clarified previous Phase I regulations as follows:

- Apply new minimum parking standards for condominium conversions, including a provision that does not allow parking within the required front yard setback to count toward the parking standard (no longer apply previously conforming parking standards);
- Provide relocation assistance to all tenants displaced by a conversion regardless of income in the amount of three months' rent based on the current San Diego "fair market rent" for apartment size, as established the U.S. Department of Housing and Urban Development;
- Require additional noticing requirements;
- Require onsite inclusionary affordable housing units for projects of 20 or more units; and
- Make minor corrections and clarifications.

All of the proposed changes above are considered new components to the City's certified LCP subject to the proposed LCP amendment.

B. SPECIFIC FINDINGS FOR REJECTION

The standard of review for LCP implementation submittals or amendments is their consistency with and ability to carry out the provisions of the certified LUP.

1. **Applicable Land Use Plan Policies.** Each community plan or LCP Land Use Plan contains policies that protect affordable housing in the coastal zone. The Commission's review of the proposed changes to the Land Development Code must assure that those changes are consistent with the goals and policies of the respective land use plans that contain policies protecting and encouraging affordable housing. Listed below are typical policies contained in the certified Land Use Plan segments in the

Coastal Overlay Zone for the City of San Diego which generally calls for the provision of affordable housing.

Otay Mesa-Nestor Community Plan

- The City's Housing Element promotes the goal of providing housing assistance to 9,316 additional lower income households City-wide during the period of 1991 to 1998. This number has been distributed by community to ensure that all communities provide their "Fair Share" of low income housing needs, without concentrating such units in any one community. The seven year goal for Otay Mesa-Nestor is 300 households. Some of the following strategies identify ways in which the City's goal is tailored to meet the community's goals for first-time buyers assistance, rehabilitation, and preservation of mobile home parks.

Ocean Beach Precise Plan

- In order to provide for a balance of life styles, the basic need is to provide housing in Ocean Beach for low and moderate income families, and for families with small children. There is a need to continue to insure the availability of housing for students, as well as luxury units for those who can afford them. Provision should also be made for the many senior citizens who have lived in Ocean Beach for years who are now fighting ever increasing taxes and dwindling real incomes. (page 21)
- The most reasonable means of providing for these needs is through the rehabilitation of existing housing units. Many units which are structurally sound could be saved from eventual demolition given some basic code improvements. Remodeling efforts in many cases could be used to expand the size of small units in order to make them attractive to larger families. Both public and private efforts will be necessary in order to encourage rehabilitation. While subsidies may presently be unrealistic, there are other techniques ranging from educational efforts to the actual provision of incentives for certain endeavors. The creation of a community association for the purpose of encouraging rehabilitation of deteriorating structures is an example of a private effort that could be initiated. (page 22)

Peninsula Community Plan

- Provide housing opportunities for residents of all income levels and age groups. (page 15)
- Housing
Issue: There are no site specific proposals for providing low and moderate-cost housing in the community plan, although preservation of the existing housing stock is recommended. Use of various city, state, and federal programs which provide bonuses or subsidies for low and moderate income and elderly housing is encouraged. (page 141)
- Recommendation: The Residential Element of the Plan recommends areas of the Peninsula, within the Coastal zone where affordable housing should be

encouraged through appropriate incentives. In addition, both existing and proposed City-initiated housing projects for low- and moderate-income families are detailed. (page 142)

Pacific Beach Community Plan and Local Coastal Program (LUP)

- There are opportunities for providing more affordable housing through a balance of housing types in the community, both in residential and commercial areas. (page 17)
- Promote the development of a variety of housing types and styles in Pacific Beach to provide a greater opportunity for affordable housing. (page 45)

La Jolla Community Plan and Local Coastal Program (LUP)

- Affordable housing opportunities in the community have been reduced as a result of increased land costs and a decrease in residential densities. (page 7)
- The Residential and Commercial Elements recommend the revision of the multiple dwelling unit density bonus to allow additional density in order to encourage the development of more affordable housing units. (page 27)

2. Section 142.1306 – General Inclusionary Affordable Housing Requirements and Section 144.0505 - Condominium Conversion Regulations.

a) Purpose and Intent of the Ordinance. The purpose of this amendment is to incorporate the City's existing Condominium Conversion regulations into the certified LCP. The City proposes to add language, make corrections and revise the existing language of the condominium conversion regulations as well as to make related changes to various sections of the Land Development Code that address, for example, inclusionary housing affordable housing requirements, Site Development Permits, parking, and landscaping to implement the changes as they relate to condominium conversions.

Changes to the Land Development Code are proposed to Division 13 (commencing with Section 142.1301, et.al), which provides the requirement for Inclusionary Affordable Housing. The existing regulations for this section are intended to encourage diverse and balanced neighborhoods with housing available for households of all income levels. The intent is to ensure that when developing the limited supply of developable land, housing opportunities for persons of all income levels are provided.

b) Major Provisions of the Ordinance. The major provisions of the ordinance include when inclusionary affordable housing regulations apply, when exemptions from these regulations are applicable (for example, areas identified as the North City Future Urbanizing Area of the City of San Diego). Specifically, the inclusionary affordable housing regulations apply to those units that are subject to an affordability restriction recorded against the property by the state or local agency. The ordinance also includes the provisions under which a variance or waiver may be granted and the specific requirement for inclusionary housing for new development projects. The inclusionary

housing provisions require that at least 10% of the total dwelling units in the proposed development shall be affordable to targeted rental households or targeted ownership households. The requirement to provide dwelling units affordable to and occupied by targeted rental households or targeted ownership households can be met in a number of ways and those are specified in the regulations (i.e., on the same site, different site, payment of an in-lieu fee).

c) Adequacy of the Ordinance to Implement the Certified LUP Segments. One of the major concerns with the condominium conversion regulations are the changes that are proposed to the section of the Land Development Code addressing the general inclusionary affordable housing requirements. In particular, the focus is with regard to the Section 142.1309(d) which describes the affordability levels and restrictions for rental units and Section 142.1309(e) which describes the affordability levels and restrictions for for-sale units. Section 142.1309(d)(3) relates to targeted rental units and specifies the following:

The units shall remain affordable for a period of not less than fifty-five (55) years from the date of issuance of Certificate of Occupancy for the development or applicable phase of the development through the imposition of a declaration of covenants, conditions and restriction in first lien position as required in Section 142.1311.

However, the regulations do not include a similar provision to ensure that affordable for-sale units are protected for any extended period. Instead of securing the affordable for-sale units for the life of the structure, the City's inclusionary housing program allows equity sharing and the City maintains an interest, in the form of a first right of refusal only, for 30 years. The equity sharing approach as detailed in the regulations and table shown below:

Length of Ownership at the Time of Resale, Refinance or Transfer	Share of Equity to Household
Months 0-12	15%
Year 2	21
Year 3	27
Year 4	33
Year 5	39
Year 6	45
Year 7	51
Year 8	57
Year 9	63
Year 10	69
Year 11	75
Year 12	81
Year 13	87

Year 14	93
Year 15 or after	100%

The regulations also provide that upon the first resale or transfer or sale of such units, the City shall always receive that sum which is calculated as the difference between the original fair market value of the affordable unit and the restricted value of the affordable unit at the time of the original sale, as determined by an appraisal as approved by the City. If an affordable unit is sold, the Housing Development Commission gets first right of refusal. It is not known how often this is exercised. However, as shown above, at 15 years, the equity sharing ceases such that 100% of it goes to the homeowner. In any case, if a unit is subsequently sold and if the Housing Commission does not retain it as a restricted unit, the Housing Commission uses the money in some other way. Such examples include subsidizing Section 8 housing or someone's rent which the City still regards to be the provision of housing; albeit, not necessarily "affordable".

The City has stated that the term of its restriction for the for-sale units is generally 30 years, which the City Housing Commission has used as it is tied into the mortgage period. In any case, such units are not specifically required to be retained as affordable for the life of the structure(s). Therefore, a unit that has been restricted to be affordable can be sold at any time and there is no requirement to make sure that the affordable housing opportunity remains for the life of the structure. It may be sold and could be sold at a dramatic difference in sales price. This is inconsistent with the goals and policies of the City's respective community plans in the coastal zone which call for the protection and provision of affordable housing. The LCP Amendment thus cannot be approved as submitted.

In addition, a second concern relates to existing rental units that are already restricted as affordable housing pursuant to Section 8 requirements or some other public agency provisions. Although the City said that such units cannot be converted, there does not appear to be specific language in place that makes clear that such units cannot be converted. The proposed regulations do not require that such housing be restricted until the affordability restriction lapses. This results in the potential for a further reduction in the amount of affordable rental housing that is available in the coastal zone. Without such a restriction, the proposed LCP amendment cannot be found consistent with or adequate to implement the respective certified LUPs.

PART V. FINDINGS FOR APPROVAL OF THE CITY OF SAN DIEGO IMPLEMENTATION PLAN AMENDMENT #2-06C, IF MODIFIED

1. Requirements for Inclusionary Affordable Housing - Section 142.1308.

As was noted in the findings for rejection, as written, there is a concern that when condominium conversion developments are approved, the affordability of the units is not required to remain in place for the life of the structure. Based on documentation in the City's submittal and regulations, for-sale units could be sold at any time and the affordability provisions could be lost. In order to ensure that affordable housing in the coastal zone is protected, the term of affordability must be for the life of the structure. With incorporation of Suggested Modification #1, the affordability of any for-sale inclusionary unit would be extended for the life of the structure.

A second concern is that the proposed regulations do not require that already restricted rental housing be protected until the affordability restriction lapses. This results in the potential for a further reduction in the amount of affordable rental housing that is available in the coastal zone. Therefore, staff suggests a modification that provides that rental housing that is already designated as affordable pursuant to Section 8 requirements not be allowed to be converted until the affordability restriction lapses.

Other changes that were proposed as part of the Condominium Conversion regulations were to Section 142.1306 addressing general inclusionary affordable housing requirements. These regulations currently provide that at least ten percent (10%) of the total dwelling units in the proposed development shall be affordable to targeted rental households or targeted ownership households. These requirements, however, can be met in a number of ways, such as the provision of such housing on site, off-site within the same community planning area, off-site in a different community planning area or through payment of an in-lieu fee, or any combination of these options. The proposed revisions to the condominium conversion regulations include changes to this section such that projects of 20 dwelling units or more will be required to meet their inclusionary housing requirements on site.

The City has also noted that the existing regulations for affordable housing replacement within the Coastal Overlay Zone (COZ) do allow for payment of an in-lieu fee and that replacement housing be provided within three miles of the Coastal Overlay Zone. To date, all condominium conversions within the COZ have opted to pay an in-lieu fee. The Housing Commission has thus far provided 187 affordable dwelling units in four different projects within three miles of the COZ. However, through the noted changes, the proposed LCPA requires projects of 20 or more units to satisfy their 10% inclusionary housing on-site (instead of through payment of an in-lieu fee or off-site).

As discussed previously, affordable housing advocates are concerned that with such an increase in condominium conversions that affordable rental housing would be reduced. Thus, the proposed LCP Amendment allows applicants to provide affordable housing onsite, offsite or through payment of an in lieu fee, except for condominium conversion projects that have a minimum of 20 units, which must satisfy their inclusionary housing on site.

As noted by the City, prior to conversion, many units are rented at affordable rates to low income households, which include portions of the senior and disabled community. When a conversion occurs, those households may have difficulty in locating a suitable

apartment in the same community at a similar rental rate. This difficulty is more pronounced for those that rely on close proximity to shopping, transit and social/medical services. The current requirements for inclusionary housing, which allow for payment of in-lieu fees instead of providing affordable units, are more attractive to developers. As a result, affordable rental units that existed are lost and the total number of affordable housing units is reduced. Therefore, in summary, the proposed changes can be found consistent with and adequate to implement the certified LUPs.

2. Condominium Conversion Regulations - Sections 144.0501 through 144.0509

a) Purpose and Intent of the Ordinance. The purpose of the Condominium Conversion Regulations is to allow the conversion of apartments to condominiums while protecting the interests of the 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 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.

b) Major Provisions of the Ordinance. The major provisions of the ordinance include a definition of when the condominium conversion regulations apply, the required fees and deposits, tenant benefits, rights and obligations, development regulations for condominium conversions, noticing requirements, when a site development permit is required, findings for site development permit approval, when landscape regulations apply and when parking regulations apply. Specifically, the regulations apply any time there is a change in the ownership of a single structure or group of structures that is used for residential rental units from individual ownership to ownership of the structure or group of structures under a condominium plan or to a cooperative or stock apartment project pursuant to State law.

The proposed amendment includes a number of substantive changes. They include:

Relocation Assistance – One of the changes proposed with the condominium conversion regulations of the City's Land Development Code is with regard to tenant benefits, rights and obligations (relocation expenses) such that tenants be provided reasonable assistance in relocating their places of residence. The evictions of tenants to accommodate a condominium conversion can cause financial and other hardships to even those tenants earning greater than 100% Average Monthly Income (AMI), including seniors and members of the disabled community. Whereas, in the past, the condominium conversion applicant had to provide a relocation assistance payment that was equal to three months' current rent to all tenants of a project whose income is less than 100% of the area median income/AMI (as calculated by HUD), the new provisions require that such payment shall be three months rent based on the San Diego "Fair Market Rent", according to unit size, as established by HUD. As described by the City, this "flattens" the wide variation of relocation assistance payments. Tenants with lower than normal rental payments will get an increase in assistance that is appropriate to their need and in

line with the region-wide average rental rate for the size of their unit. Tenants that pay premium rents, perhaps for locational reasons, will receive a reduced amount that is fair and sufficient to compensate for relocation costs.

Building Conditions Report - Another major change to the regulations is the requirement for the applicant to comply with a Building Conditions Report. The report is intended to inform the prospective buyers of how the building compares to current city code requirements, identifies the improvements to be made with the conversion to condominium, and identifies the components and systems of the building with a useful life of five or fewer years. Specifically, prior to the final map approval, the applicant must satisfy several requirements to the satisfaction of the City Engineer. These include:

- Electrical – Electrical system grounding and equipment grounding shall be provided, and electrical receptacle protection shall be upgraded to include ground fault circuit interrupter (GFCI) protection. GFCI protection shall comply with the prevailing Code.
- Windows – Basements in dwelling units and every sleeping room below the fourth story shall have at least one operable window or door approved for emergency escape or rescue. Windows provided for emergency escape or rescues shall comply with the minimum sill height and opening size requirements in the prevailing Code.
- Smoke alarms – Smoke alarms shall be installed within dwelling units and designed to operate in compliance with the prevailing Code. Smoke alarms shall be interconnected and shall receive their primary power from the building wiring and shall be equipped with a battery backup. Within sleeping rooms, smoke alarms shall include a visual notification device to notify hearing impaired occupants.
- Landscape – street trees and street yard landscape shall be provided in accordance with the requirements for condominium conversions.
- Building components and systems – Building components and systems with a remaining life of five years or less, as identified by the BCR shall be replaced as follows:
 1. Building components necessary to protect occupancy and the building from weather exposure such as roof coverings, exterior walls and floor coverings and finishes.
 2. Water heating systems, cooling and heating mechanical systems.

Noticing Requirements - Specifically, the proposed amendment revises the provisions addressing additional notice for a condominium conversion map. Specific timelines are now required and the notice must be more detailed. For example, notice must be provided for all existing tenants within 10 days of the project application for a condominium conversion being deemed complete, for prospective tenants, upon application for the rental of a unit in the proposed condominium conversion. In addition, a 60 day notice of termination of tenancy, consistent with the LDC shall be provided to each tenant 60 days before being required to vacate the property. A notice of 90 days

period of first right of refusal to purchase, consistent with the LDC provided to each tenant shall be provided as follows:

- Within 5 working days of the issuance of the Subdivision Public Report, or
- 90 days prior to the initial public offer for sale if no Subdivision Public Report is required; and
- Failure to provide notice within the time period required shall extend the 90-day period of First Right of Refusal to Purchase to 90 days from the date the notice is provided to the tenant.

As the City explained, without such requirements, often a building owner would begin to renovate a structure and begin construction while the tenants were still occupying the unit. This caused a lot of inconvenience to the tenants and often forced them to vacate early which caused an undue hardship on them. For example, the notices will inform tenants of their right to relocation assistance and lets them know that if they vacate before a specified time, they lose such rights. They are also provided with additional information such as the owner's obligations. For example, tenants are informed that a building owner is not allowed to let a structure fall into a state of disrepair or resort to tactics which may scare tenants out of their apartment or pressure them to move too soon, etc. With implementation of the extensive noticing system (eleven different notices) including that such notices be in English and information provided as to where they may find this information in Spanish, it can be ensured that sufficient notice will be provided to tenants and their rights will be protected further.

Other Proposed Changes to Land Development Code - There are also several other sections of the subject LCP amendment which propose changes to the existing condominium conversion regulations and cross-reference applicable sections of the Land Development Code to achieve consistency in application of the new regulations as related to condominium conversions. These changes are proposed as follows:

Supplemental Findings for Site Development Permit Approval - The proposed LCP amendment revises the portion of the Land Development Code (Sections 126.0502, 126.0504) that addresses Site Development Permit procedures by adding a section which addresses the supplemental findings that must be made for condominium conversions. The purpose of this change is to allow some structures to deviate from the requirements for condominium conversion if they contribute to the community character or provide a community benefit of some kind. Specifically, those provisions are that the decision maker has considered the project-specific constraints and has determined that the condominium conversion as proposed would, to the maximum extent feasible, address the requirements of Section 144.0507 (Development Regulations for Condominium Conversions), and has been developed to provide specific community benefits. Another finding is being added that states that strict adherence to the requirements of Section 144.0507 is not required when a project would result in the demolition of structures or loss of the architectural character of structures that contribute to the community character. As an example, the City indicated that if the regulations were too strict, it could result in the demolition of an old building that has community character.

Street Tree and Public Right-of-Way Requirements - In addition, the proposed revisions to the ordinance (Sections 142.0404, 142.0409) include the addition of a new reference such that street tree requirements shall also apply to condominium conversion projects. For example, any conversion to condominiums will require that the development complies with the requirements of Table 142-04A in the Land Development Code which requires that street trees within the parkway be provided. The language also provides that a street yard must be provided. As noted previously, many of the older structures being converted to condominium ownership are the smaller buildings where parking was required in the front yard such that the existing front yard areas are paved out. By requiring condominium conversion projects to adhere to the landscaping requirements, the adverse visual impacts from such large concrete-scaping areas will be eliminated---or conversely, they simply will not be able to convert if they cannot meet the new landscape requirements.

Parking - The proposed LCP amendment also revises the portion of the Land Development Code (Sections 142.0505, 142.0525) regarding parking regulations. Currently, the regulations require that at least one parking space per condominium unit is required. The amount of parking that is currently required for a condominium conversion is subject to the Municipal Code regulations for previously conforming premises. These regulations provide that premises that were developed in accordance with the regulations in effect at the time of original approval may make repairs and alterations without having to meet current parking standards, provided that the repairs or alterations do not expand the approved structural envelope. One of the major disadvantages of older buildings is that they were built at a time when one car per household was the norm, and the parking was often provided in the required front yard. Since then, the number of cars per household has increased, resulting in insufficient on-street parking in many of the urbanized neighborhoods. Also, the City has incorporated newer requirements over the years which include that parking be provided underground or that parking be received from the rear alley such that a front yard be provided for buildings thereby increasing landscaping and creating more aesthetic street fronts. Therefore, the City is revising the parking regulations such that parking must be provided for condominium conversions based on the size of the unit as follows:

Size of Unit	Required Parking Spaces
Studio	1
1 Bedroom	1
2 Bedroom	1.25
3 bedroom	1.5

In addition, the regulations do not allow parking spaces within the required front yard setback area to count toward the required parking. Because some buildings would not be able to comply with this requirement, this would effectively act as a deterrent to further conversion of units constructed in the 1950's and 1960's that provided front yard parking. This would also have the potential to increase the opportunity for development of the site in accordance with current community plans and development regulations.

- c) Adequacy of the Ordinance to Implement the Certified LUP Segments.

In summary, while the City addressed several alternatives to address the numerous conversions of rental housing to condominium ownership, there were pros and cons to each possible alternative. The City initially explored a moratorium on all such conversions; imposing a maximum on the number of units that could be converted per year, and similar measures. However, as noted previously, the conversion of an existing rental unit to condominium ownership is typically more affordable and usually sells for less money than a new structure or single-family residence thereby making such converted units more “affordable” to first-time home buyers. This is an advantage to continuing to allow such conversions to take place. In addition, with implementation of several measures to protect tenants’ rights, including relocation assistance provisions, improvements in notice procedures, requirements that inclusionary housing be provided on site for developments of 20 or more units, and that parking be provided for condo conversions and no parking is permitted in the front yard, it can be assured that such developments will result in better development projects that meet the goals of their respective community plan areas. Also, it was the consensus that through implementation of the relocation assistance program and increasing the parking requirements that these two changes to the development regulations alone would act as a disincentive to some condominium conversions.

In summary, the Commission finds that the above described additions/changes/clarifications to various sections of the Land Development Code do not raise any issues or conflicts with the certified LUP policies and the LDC and can be found consistent with, and adequate to implement the policies of, the City’s certified Land Use Plan segments.

PART VI. CONSISTENCY WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Section 21080.5 of the California Environmental Quality Act (CEQA) exempts local government from the requirement of preparing an environmental impact report (EIR) in connection with its local coastal program. The Coastal Commission's LCP review and approval program has been found by the Resources Agency to be functionally equivalent to the EIR process. Thus, under CEQA Section 21080.5, the Commission is relieved of the responsibility to prepare an EIR for each LCP.

Nevertheless, the Commission is required in an LCP submittal or, as in this case, an LCP amendment submittal, to find that the LCP, or LCP, as amended, does conform with CEQA provisions. In the case of the subject LCP amendment request, the Commission finds that approval of the City implementation plan amendment, as proposed, would result in significant impacts under the meaning of the California Environmental Quality Act, unless additional clarifying language was added to assure that the affordability of rental units be maintained for the life of the structure, and that existing rental units that are presently restricted as affordable housing cannot be permitted to be converted to condominium ownership until their term of affordability has expired and/or lapsed. The protection and encouragement of affordable housing in the coastal zone could otherwise be weakened. Suggested modifications have been proposed which will make it clear that

the affordability of the unit (rental) shall be for the life of the structure. In addition, another suggested modification makes it clear that existing rental units that are already restricted as affordable housing cannot be converted to condominiums until their term of affordability has expired or lapsed. With inclusion of the suggested modifications, implementation of the proposed revisions to the Land Development Code will not result in significant impacts under the meaning of the California Environmental Quality Act. Therefore, this modified LCP amendment can be found consistent with the provisions of the California Environmental Quality Act.

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(O-2006-133)
(REV.COPY)ORDINANCE NUMBER O- 19505 (NEW SERIES)
DATE OF FINAL PASSAGE JUL - 5 2006512
6/27/06

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SAN DIEGO AMENDING CHAPTER 12, ARTICLE 5, DIVISION 4, OF THE SAN DIEGO MUNICIPAL CODE BY AMENDING SECTION 125.0431; AMENDING CHAPTER 12, ARTICLE 6, DIVISION 5, BY AMENDING SECTION 126.0504; AMENDING CHAPTER 14, ARTICLE 2, DIVISION 4, BY AMENDING SECTIONS 142.0402, 142.0404, AND 142.0409; AMENDING CHAPTER 14, ARTICLE 2, DIVISION 13, BY AMENDING SECTION 142.1306; AMENDING CHAPTER 14, ARTICLE 3, DIVISION 3, BY AMENDING SECTION 143.0302; AMENDING CHAPTER 14, ARTICLE 4, DIVISION 5, BY AMENDING SECTIONS 144.0503, 144.0504, 144.0505, and 144.0507; AMENDING CHAPTER 14, ARTICLE 4, DIVISION 5, BY REPEALING SECTION 144.0506; AMENDING CHAPTER 14, ARTICLE 4, DIVISION 5, BY ADDING A NEW SECTION 144.0508; AND AMENDING CHAPTER 14, ARTICLE 4, DIVISION 5, BY RENUMBERING SECTION 144.0508 TO SECTION 144.0509; ALL RELATING TO CONDOMINIUM CONVERSION REGULATIONS.

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

Section 1. That Chapter 12, Article 5, Division 4, of the San Diego Municipal Code is amended by amending Section 125.0431, to read as follows:

§125.0431 Additional Notice for a Condominium Conversion Map

(a) [No change in text.]

- (1) Notice to each tenant of the proposed project required in the *Subdivision Map Act* Section 66427.1; and
- (2) Notice to each person applying for the rental of a unit in the proposed project required in Chapter 11, Article 2, Division 3 (Notice) and *Subdivision Map Act* Section 66452.8;

-PAGE 1 OF 10-

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STATE COASTAL COMMISSION
CONDOMINIUM CONVERSIONS

EXHIBIT #1
Resolution of Approval
 City of San Diego LCPA #2-06C Condominium Conversions California Coastal Commission

(O-2006-133)
(REV.COPY)

- (3) Notice of Tenants Rights and Notices for Condominium Conversion, consistent with the Land Development Manual to be provided as follows:
- (A) and (B) [No change.]
- (4) 60 Day Notice of Termination of Tenancy, consistent with the Land Development Manual, provided to each tenant 60 days prior to being required to vacate the property.
- (5) Notice of 90 Day Period of First Right of Refusal to Purchase, consistent with the Land Development Manual, provided to each tenant as follows:
- (A) Within 5 working days of the issuance of the Subdivision Public Report, or
- (B) 90 days prior to the initial public offer for sale if no Subdivision Public Report is required.
- (C) Failure to provide notice within the time period required shall extend the 90 Day Period of First Right of Refusal to Purchase to 90 days from the date the notice is provided to the tenant.
- (b) The notices required in Section 125.0431(a) shall include a statement advising the tenants that should the *condominium conversion* be approved, tenants may be required to vacate the *premises* following any payment of benefits due pursuant to Section 144.0505.

(O-2006-133)
(REV.COPY)

Section 2. That Chapter 12, Article 6, Division 5, of the San Diego Municipal Code is amended by amending Section 126.0504, to read as follows:

§126.0504 Findings for Site Development Permit Approval

[No change in text.]

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

(n) *Supplemental Findings - Condominium Conversions*

A Site Development Permit required in accordance with Section 144.0509, because of potential impacts to the surrounding neighborhood, may be approved or conditionally approved only if the decision maker makes either of the following supplemental *findings* in addition to the *findings* in Section 126.0404(a):

(1) [No change.]

(2) Strict adherence to the requirements of Section 144.0507 would result in the demolition of *structures* or loss of the architectural character of *structures* that contribute to the community character.

Section 3. That Chapter 14, Article 2, Division 4, of the San Diego Municipal Code is amended by amending Sections 142.0402, 142.0404, and 142.0409, to read as follows

§142.0402 When Landscape Regulations Apply

(a) and (b) [No change.]

Table 142-04A
Landscape Regulations Applicability

Type of Development Proposal			Applicable Regulations	Required Permit Type/ Decision Process
Column A	Column B	Column C		
1. through 11. [No change.]	Gross floor area (in square feet)	Zone or Proposed Use Category		

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12. Condominium Conversions	142.0403, 142.0404, 142.0405(b)(1), 142.0409(a), 142.0412, and 142.0413	No permit required by this division
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§142.0404 Street Yard and Remaining Yard Planting Area and Point Requirements

[No change in text.]

Table 142-04C
Street Yard and Remaining Yard Planting Requirements

Type of Development Proposal	Type of Yard	Planting Area Required (Percentage of total yard area unless otherwise noted below) ⁽¹⁾	Plant Points Required (Number of plant points required per square foot of total street yard or remaining yard area) or required trees ⁽¹⁾
<i>Single Dwelling Unit Residential Development in RM zones or Multiple Dwelling Unit Residential Development in any Zone [No change.]</i>			
<i>Condominium Conversion</i>	<i>Street Yard</i>	50% ⁽⁵⁾	0.05 points
	<i>Remaining Yard</i>	N/A	N/A
<i>Commercial Development in any Zone or Industrial Development in RM Zones or Commercial Zones [No change.]</i>			
<i>Industrial Development in any zone other than RM or Commercial Zones [No change.]</i>			

Footnotes to Table 142-04C

1 through 4

[No change.]

5

See Section 142.0405(b)(1)

§142.0409 Street Tree and Public Right-of-Way Requirements

(a) Street Tree Requirements

When new *structures*, additions to *structures*, *condominium conversions*, or new *vehicular use areas* are subject to this section in accordance with Table 142-04A, street trees within the *parkway* shall be provided in accordance with the following regulations.

(1) through (3) [No change.]

(b) [No change.]

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Section 4. That Chapter 14, Article 2, Division 13, of the San Diego Municipal Code is amended by amending Section 142.1306, to read as follows:

§142.1306 General Inclusionary Affordable Housing Requirements

- (a) At least ten percent (10%) of the total *dwelling units* in the proposed *development* shall be affordable to *targeted rental households* or *targeted ownership households* in accordance with Section 142.1309. For any partial unit calculated, the applicant shall pay a prorated amount of the in lieu fee in accordance with Section 142.1310 or provide an additional affordable unit. *Condominium conversion* units affordable to and sold to households earning less than 150 percent (150%) of the *area median income* pursuant to an agreement entered into with the San Diego Housing Commission shall not be included in the *dwelling units* total for purposes of applying the ten percent inclusionary housing requirement.
- (b) With the exception of *condominium conversions* of twenty or more *dwelling units* the requirement to provide *dwelling units* affordable to and occupied by *targeted rental households* or *targeted ownership households*, can be met in any of the following ways:
 - (1) through (5) [No change.]
- (c) *Condominium conversions* of twenty or more *dwelling units* shall satisfy the requirement to provide *dwelling units* affordable to and occupied by *targeted rental households* or *targeted ownership households* on the same site as the *condominium conversion* project.

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Section 5. That Chapter 14, Article 3, Division 3, of the San Diego Municipal Code is amended by amending Section 143.0302, to read as follows:

§143.0302 When Supplemental Neighborhood Development Permit and Site Development Permit Regulations Apply

[No change in text.]

Table 143-03A
Supplemental Neighborhood Development Permit or Site Development Permit
Regulations Applicability

Type of Development Proposal	Applicable Sections	Required Development Permit/Decision Process
Affordable/In-Fill Housing Projects with Deviations through Affordable Housing with Deviations from Development Regulations [No change.]		
Condominium Conversions with Deviations from Development Regulations	143.0303, 143.0305, 143.0360, 143.0375	SDP/Process Four
Multiple Dwelling Unit Development in RM Zones Involving Lot Consolidation and Exceeds Number of Units Indicated in Table 126-05A through Clairemont Mesa Height Limit Overlay Zone [No change.]		

Legend to Table 143-03A
[No change.]

Section 6. That Chapter 14, Article 4, Division 5, of the San Diego Municipal Code is amended by amending Sections 144.0503, 144.0504, 144.0505, and 144.0507 and repealing

Section 144.0506 to read as follows:

§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 fees to the San Diego Housing Commission in 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

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Commission to monitor compliance with the obligations set forth under this division, provide technical assistance to tenants in their relocation, and recapture legal fees. Nothing contained in this division shall impose a duty upon the City or the Housing Commission to pay any relocation benefits to eligible tenants.

§144.0504 Building Conditions Report

(a) A Building Conditions Report shall be prepared in accordance with the Land Development Manual by a California registered architect or engineer licensed by the State of California to perform these services.

(b) and (c) [No changes.]

§144.0505 Tenant Benefits, Rights and Obligations

(a) [No change.]

(b) The *applicant* shall provide a relocation assistance payment to all tenants of the project. The relocation payment shall be three months rent based on the current San Diego "fair market rent" for apartment size, as established by the U. S. Department of Housing and Urban Development. The relocation payment shall be paid no later than the day on which the *applicant* gives notice to the tenant to vacate the premises and shall be based upon the fair market rent at the time of the notice.

§144.0507 Development Regulations for Condominium Conversions

Prior to final map approval, to the satisfaction of the City Engineer, the following improvements shall be completed:

(a) [No change.]

(O-2006-133)
(REV.COPY)

- (b) Windows – Basements in *dwelling units* and every sleeping room below the fourth story shall have at least one operable window or door approved for emergency escape or rescue. Windows provided for emergency escape or rescue shall comply with minimum sill height and opening size requirements in the prevailing Code.
 - (c) Smoke alarms – Smoke alarms shall be installed within *dwelling units* and designed to operate in compliance with the prevailing Code. Smoke alarms shall be interconnected and shall receive their primary power from the building wiring and shall be equipped with a battery backup. Within sleeping rooms smoke alarms shall include a visual notification device to notify hearing impaired occupants.
 - (d) Landscape – Street trees and street yard landscape shall be provided in accordance with the requirements for *condominium conversions* in Section 142.0402.
- Building components and systems – Building components and systems with a remaining life of five years or less, as identified in the Building Conditions Report shall be replaced as follows:
- (1) Building components necessary to protect occupants and the building from weather exposure, such as roof coverings, exterior wall and floor coverings, and finishes.
 - (2) Water heating systems, cooling, and heating mechanical systems.
- (f) Parking – Parking shall be provided in accordance with Section 142.0525(a).

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Section 7. That Chapter 14, Article 4, Division 5, of the San Diego Municipal Code is amended by adding new Section 144.0508, to read as follows:

§144.0508 Inclusionary Housing Requirement for Condominium Conversions

Condominium conversion projects of twenty or more units shall satisfy the inclusionary housing requirements on-site in accordance with Section 142.1306.

Section 8. That Chapter 14, Article 4, Division 5, of the San Diego Municipal Code is amended by renumbering Section 144.0508 to Section 144.0509, to read as follows:

§144.0509 Deviations from the Development Regulations for Condominium Conversions

Deviations to the requirements in Section 144.0507 may be requested in accordance with a Process Four Site Development Permit.

Section 9. 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.

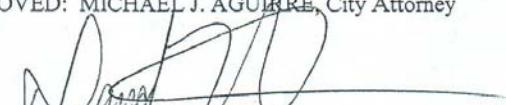
Section 10. Except in the Coastal Overlay Zone or with respect to those *condominium conversion* projects identified in attached exhibit A [Project(s) Pending Environmental Appeal], this ordinance shall take effect and be in force on the thirtieth day from and after its passage and be applicable to those projects that have not received Tentative Map approval prior to the effective date of this ordinance. Within the Coastal Overlay Zone, this ordinance shall be in force and effect on the date it is effectively certified by the California Coastal Commission as a City of San Diego Local Coastal Program amendment. For a Project Pending Environmental Appeal, such project shall be subject to those regulations in effect on the date the application for the tentative map was deemed complete.

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Section 11. That the City Manager be directed to forward to the Coastal Commission the amendments required to be certified as Local Coastal Program amendments.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By

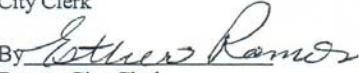


David Miller
Deputy City Attorney

DM:cfq
05/11/06
06/13/06 REV.
Or.Dept:Planning
O-2006-133
MMS#3189

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of JUN 27 2006.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 7-5-06
(date)


JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY

0 19505

City of San Diego LCP Amendment

Article 4: Subdivision Regulations
Division 5: Condominium Conversion Regulations**§144.0501 Purpose of Condominium Conversion Regulations**

The purpose of the Condominium Conversion Regulations is to allow the conversion of apartments to condominiums while protecting the interests of the 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. The purpose of these regulations is to provide for the conversion of apartments to condominiums while, at the same time, protecting the interests of tenants by giving them notice of the proposal and assuring specified tenants that during times of tight rental markets there will be provided reasonable assistance in relocating their places of residence. It is also the intent of these regulations that tenants of *condominium conversion* projects be given adequate notice of any such proposals.

§144.0502 When Condominium Conversion Regulations Apply

This division applies to any *development* that proposes a change in the ownership of a single *structure* or group of *structures* used for residential rental units from individual ownership of the *structure* or group of *structures* to individual ownership of the *structure* or group of *structures* under a condominium plan or to a cooperative or stock apartment project pursuant to State law.

§144.05023 Fees and Deposits

In addition to the fees required by Chapter 11, Article 2, Division 2, Fees and Deposits, the *applicant* shall deposit with the City pay fees to the San Diego Housing Commission in 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, which is occupied by a tenant eligible for relocation assistance. The funds shall be used by the City of San Diego to reimburse the San Diego Housing Commission for its costs incurred in monitoring compliance with the obligations set forth under this division, and in providing technical assistance to assist eligible tenants in their relocation, and recapture legal fees. If the costs incurred by the Housing Commission exceed the amount deposited by the *applicant*, an additional deposit shall be made by the *applicant* equal to the original deposit. Nothing contained in this division shall

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EXHIBIT #2**Adopted Ordinances/Revisions**

City of San DiegoLCPA #2-06C/
Condominium Conversions

California Coastal Commission

City of San Diego LCP Amendment

impose a duty upon the City or the Housing Commission to pay any relocation benefits to eligible tenants.

§144.0504 Building Conditions Report

- (a) A building Conditions Report shall be prepared in accordance with the Land Development Manual by a California registered architect or engineer licensed by the State of California to perform these services.
- (b) A condominium conversion shall not be approved until the applicant has submitted a Building Conditions Report and the City has accepted the report as complete.
- (c) A copy of the Building Conditions Report shall be provided to a prospective purchaser prior to opening of an escrow account.

§144.05035 Tenant Benefits, Rights and Obligations

- (a) The subdivider of a condominium conversion project shall provide the benefits specified in section 144.05035(b) to any person whose tenancy in the project the subdivider terminates due to the condominium conversion.
- (b) The applicant shall provide a relocation assistance payment-equivalent to three months' current rent to all tenants of the project whose income is less than 100 percent of area median income (as calculated by the U.S. Department of Housing and Urban Development for the San Diego Standard Metropolitan Statistical Area), to all tenants of the project. The relocation payment shall be three months rent based on the current San Diego "fair market rent" for apartment size, as established by the U. S. Department of Housing and Urban Development. The relocation payment shall be paid no later than the day on which the applicant gives notice to the tenant to vacate the premises; and shall be based upon the fair market rent at the time of the notice.

§144.0504 Vacancy Rate Determination and Suspension of Relocation Payment

- (a) On or before April 1, 2005, and each year thereafter, the Planning Commission shall determine that if the average vacancy rate for residential rental units exceeded seven percent on a City wide basis for the previous calendar year, then the payment of relocation benefits pursuant to section 144.0504(a) shall not apply to condominium conversions in the calendar year starting April 1 of that year.
- (b) Planning Department staff shall submit to the Planning Commission in March of each year a report identifying the vacancy rates for residential

City of San Diego LCP Amendment

rental units in the City as of January 1 of that year, and July 1 of the preceding year. The report shall also include an annual average. The report is to be based on the results of a survey of rental apartments to be taken during the months of January and July of each year, plus any other information regarding vacancy rates submitted to the Planning Commission by other governmental agencies and other interested parties.

§144.0507 Development Regulations for Condominium Conversions

Prior to final map approval, to the satisfaction of the City Engineer, the following improvements shall be completed:

- (a) Electrical – Electrical system grounding and equipment grounding shall be provided, and electrical receptacle protection shall be upgraded to include ground fault circuit interrupter (GFCI) protection. GFCI protection shall comply with the prevailing Code.
- (b) Windows – Basements in *dwelling units* and every sleeping room below the fourth story shall have at least one operable window or door approved for emergency escape or rescue. Windows provided for emergency escape or rescue shall comply with minimum sill height and opening size requirements in the prevailing Code.
- (c) Smoke alarms – Smoke alarms shall be installed within *dwelling units* and designed to operate in compliance with the prevailing Code. Smoke alarms shall be interconnected and shall receive their primary power from the building wiring and shall be equipped with a battery backup. Within sleeping rooms smoke alarms shall include a visual notification device to notify hearing impaired occupants.
- (d) Landscape – Street trees and street yard landscape shall be provided in accordance with the requirements for *condominium conversions* in Section 142.0402.
- (e) Building components and systems – Building components and systems with a remaining life of five years or less, as identified in the Building Conditions Report shall be replaced as follows:
 - (1) Building components necessary to protect occupants and the building from weather exposure such as roof coverings, exterior wall and floor coverings and finishes.
 - (2) Water heating systems, cooling and heating mechanical systems.
- (f) Parking – Parking shall be provided in accordance with Section 142.0525(a).

City of San Diego LCP Amendment

§144.0508 Inclusionary Housing Requirement for Condominium Conversions

Condominium conversion projects of ten or more units shall satisfy the inclusionary housing requirements on-site in accordance with Section 142.1306.

§144.0509 Deviations from the Development Regulations for Condominium Conversions

Deviations to the requirements in Section 144.0507 may be requested in accordance with a Process Four Site Development Permit.

City of San Diego LCP Amendment**§125.0431 Additional Notice for a Condominium Conversion Map**

- (a) For a *tentative map* for a *condominium conversion* project, the *subdivider* shall provide the following notices in addition to the notice provided for in Chapter 11, Article 2, Division 3 (Notice):
- (1) Notice to each tenant of the proposed project required in the *Subdivision Map Act* section 66427.1; and
 - (2) Notice to each person applying for the rental of a unit in the proposed project required in Chapter 11, Article 2, Division 3 (Notice) and *Subdivision Map Act* section 66452.8;
 - (3) A summary of the tenant benefits provided pursuant to section 144.0503-Notice of Tenants Rights and Notices for Condominium Conversion, consistent with the Land Development Manual to be provided as follows:
 - (a) For existing tenants, within 10 days of the project application for the condominium conversion being deemed complete; or
 - (b) For prospective tenants, upon application for the rental of a unit in the proposed condominium conversion.
 - (4) 60 Day Notice of Termination of Tenancy, consistent with the Land Development Manual, provided to each tenant 60 days prior to being required to vacate the property.
 - (5) Notice of 90 Day Period of First Right of Refusal to Purchase, consistent with the Land Development Manual, provided to each tenant as follows:
 - (A) Within 5 working days of the issuance of the Subdivision Public Report, or
 - (B) 90 days prior to the initial public offer for sale if no Subdivision Public Report is required.
 - (C) Failure to provide notice within the time period required shall extend the 90 Day Period of First Right of Refusal to Purchase to 90 days from the date the notice is provided to the tenant.

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- (b) The notices required in sSection 125.0431(a) shall include a statement advising the tenants that should the *condominium conversion* be approved, tenants may be required to vacate the premises, following any payment of benefits due under Section 144.0505.

City of San Diego LCP Amendment**§126.0502 When a Site Development Permit Is Required**

- (d) A Site Development Permit decided in accordance Process Four is required for the following types of development.
- (1) Within *historical districts* or when *designated historical resources* are present, unless exempt under Section 143.0220:
- (A) *Subdivisions*;
- (B) Single or multiple unit residential *development*;
- (C) Commercial or industrial *development*;
- (D) Public works projects; and
- (E) *Development* that deviates from the *historical resources* regulations, as described in Section 143.0210.
- (2) Where *historical resources* other than *historical districts* or *designated historical resources* are present, unless exempt under Section 143.0220:
- (A) *Subdivisions*;
- (B) *Multiple dwelling unit* residential *development*;
- (C) Commercial or industrial *development*;
- (D) Public works construction projects; and
- (E) *Development* that deviates from the *historical resources* regulations, as described in Section 143.0210.
- (3) *Subdivision* of a premises that contains *environmentally sensitive lands*, as described in Section 143.0110.
- (4) *Development* that deviates from any portion of the *environmentally sensitive lands* regulations, as described in Section 143.0110.

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- (5) *Development for which the applicant seeks a deviation from the applicable development regulations as an additional development incentive to a density bonus for affordable housing under Section 143.0750.*
- (6) *Development for which the applicant seeks a deviation from the development regulations in Section 144.0507 for condominium conversions.*

§126.0504 Findings for Site Development Permit Approval

A Site Development Permit may be approved or conditionally approved only if the decision maker makes all of the *findings* in Section 126.0504(a) and the supplemental *findings* in Section 126.0504(b) through (m) that are applicable to the proposed *development* as specified in this section.

(n) Supplemental Findings - Condominium Conversions

A Site Development Permit required in accordance with Section 144.0509, because of potential impacts to the surrounding neighborhood, may be approved or conditionally approved only if the decision maker makes either of the following supplemental findings in addition to the findings in Section 126.0404(a):

- (1) The decision maker has considered the project-specific constraints and has determined that the condominium conversion as proposed would, to the maximum extent feasible, address the requirements of Section 144.0507, and has been developed to provide specific community benefits; or
- (2) Strict adherence to the requirements of Section 144.0507 would result in a project that would result in the demolition of structures or loss of the architectural character of structures that contribute to the community character.

City of San Diego LCP Amendment**§142.0402 When Landscape Regulations Apply**

Table 142-04A
Landscape Regulations Applicability

Type of Development Proposal			Applicable Regulations	Required Permit Type/Decision Process
Column A	Column B	Column C		
1. New structures that equal or exceed the gross floor area shown (Column B), and are located in the zone or are proposing the use category shown (Column C)	1,000 sf	RM or Commercial Zones; or Multiple Dwelling Unit Residential use subcategory or Commercial Development	142.0403-142.0407, 142.0409, and 142.0413	Building Permit/Process One
	5,000 sf	Industrial Zones; or Industrial Development		
2. Additions to structures or additional structures on developed properties that exceed the gross floor area shown or that increase the gross floor area by the percent shown (Column B), and are located in the zone or are proposing the category of use shown (Column C)	1,000 sf or 20 percent increase	Multiple Dwelling Unit Residential Zones or use subcategory	142.0403-142.0407, 142.0409, 142.0410(a), and 142.0413	Building Permit/Process One
	1,000 sf or 10 percent increase	Commercial Zones; or Commercial Development		
	5,000 sf or 20 percent increase	Industrial Zones; or Industrial Development		
3. New permanent parking and vehicular use area for four or more vehicles including access to the spaces, excluding parking for single dwelling unit uses on a single lot in single dwelling unit zones			142.0403, 142.0406-142.0409, and 142.0413	Building Permit/Process One
4. New temporary parking and vehicular use area for four or more vehicles including access to the spaces, excluding parking for single dwelling unit uses on a single lot in single dwelling unit zones			142.0403, 142.0408, 142.0409, and 142.0413	Building Permit/Process One
5. Additions or modifications to existing permanent or temporary parking and vehicular use area that increase the number of parking spaces by four or more			142.0403, 142.0408, 142.0409, 142.0410(b), and 142.0413	Building Permit/Process One
6. Single dwelling unit residential use projects proposing new private or public rights-of-way			142.0403, 142.0409, and 142.0413	Building Permit/Process One
7. Projects proposing slopes with gradients steeper than 4:1 (4 horizontal feet to 1 vertical foot) that are 5 feet or greater in height			142.0403, 142.0411, and 142.0413	Building Permit/Process One
8. Projects creating disturbed areas of bare soils, or projects with existing disturbed areas			142.0403, 142.0411, and 142.0413	No permit required by this division
9. All City owned property, dedicated in perpetuity for park or recreation purposes, within 100 feet of a structure.				No permit is required by this division if work is performed in accordance with applicable regulations
10. Undeveloped public or private premises, within 100 feet of a structure that contain native or naturalized vegetation or environmentally sensitive lands.			142.0403, 142.0412, and 142.0413	No permit is required by this division if work is performed in accordance with applicable regulations
11. New trees or shrubs planted in the public right-of-way.			62.0603, 129.0702	Public Right-Of-Way Permit

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<i>12. Condominium Conversions</i>	142.0403 and 144.0409	or Street Tree Permit/Process One
	142.0403, 142.0404, 142.0405(b)(1), 142.0409(a), 142.0412, and 142.0413	No permit required by this division

§142.0404 Street Yard and Remaining Yard Planting Area and Point Requirements

Table 142-04C
Street Yard and Remaining Yard Planting Requirements

Type of Development Proposal	Type of Yard	Planting Area Required (Percentage of total yard area ⁽¹⁾ unless otherwise noted below) ⁽¹⁾	Plant Points Required (Number of plant points required per square foot of total street yard or remaining yard area) or required trees ⁽¹⁾
<i>Single Dwelling Unit Residential Development in RM zones or Multiple Dwelling Unit Residential Development in any Zone</i>	<i>Street Yard</i>	50% ⁽²⁾	0.05 points
	<i>Remaining Yard</i>	40 Square Feet per Tree	For single <i>structures</i> on a single <i>lot</i> , provide a minimum of 60 points, located in the <i>remaining yard</i> ⁽²⁾ For more than one <i>structure</i> on a single <i>lot</i> , provide one tree on each side and in the rear of each <i>structure</i> ⁽²⁾
<i>Condominium Conversion</i>	<i>Street Yard</i>	50% ⁽⁵⁾	0.05 points
	<i>Remaining Yard</i>	NA	N/A
<i>Commercial Development in any Zone or Industrial Development in RM Zones or Commercial Zones</i>	<i>Street Yard</i>	25% ⁽³⁾	0.05 points to be achieved with trees only ⁽³⁾
	<i>Remaining Yard</i>	30%	0.05 points
<i>Industrial Development in any zone other than RM or Commercial Zones</i>	<i>Street Yard</i>	25% ⁽⁴⁾	0.05 points
	<i>Remaining Yard</i>	See Section 142.0405 (d)	0.05 points

Footnotes to Table 142-04C

- ¹ See Section 142.0405(a)
- ² See Section 142.0405(b)
- ³ See Section 142.0405(c)
- ⁴ See Section 142.0405(d)
- ⁵ See Section 142.0405(b)(1)

§142.0409 Street Tree and Public Right-of-Way Requirements

(a) Street Tree Requirements

When new *structures*, additions to *structures*, *condominium conversions*, or new *vehicular use areas* are subject to this section in accordance with Table 142-04A, street trees within the *parkway* shall be provided in accordance with the following regulations.

City of San Diego LCP Amendment**§142.0505 When Parking Regulations Apply**

These regulations apply in all base zones and planned districts, with the exception of those areas specifically identified as being exempt from the regulations, whether or not permit or other approval is required.

Table 142-05A identifies the applicable regulations and the type of permit required by this division, if any, for the type of development shown.

**Table 142-05A
Parking Regulations Applicability**

Type of Development Proposal	Applicable Regulations	Required Permit Type/ Decision Process
<i>Any single dwelling unit residential development</i>	Sections 142.0510, 142.0520 and 142.0560	No permit required by this division
<i>Any multiple dwelling unit residential development</i>	Sections 142.0510, 142.0525 and 142.0560	No permit required by this division
<i>Any nonresidential development</i>	Sections 142.0510, 142.0530, and 142.0560	No permit required by this division
<i>Multiple dwelling unit projects in planned urbanizing communities that are processing a planned development permit.</i>	Section 142.0525(c)	No permit required by this division
<i>Condominium conversion</i>	Section 142.0525(a)	No permit required by this division
Off-premises parking for <i>development</i> in urbanized communities	Section 142.0535	No permit required by this division
Commercial uses on small lots	Section 142.0540(a)	No permit required by this division
Nonresidential developments that exceed maximum permitted parking	Section 142.0540(b)	Neighborhood Development Permit /Process Two
Nonresidential developments that vary from minimum parking requirements with a TDM Plan	Section 142.0540(c)	Site Development Permit/Process Three
<i>Shared parking</i> for specified uses	Section 142.0545	No permit required by this division
Shared parking for nonspecified uses	Section 142.0545(b)(7)	Neighborhood Development Permit/ Process Two
Tandem Parking for commercial uses	Section 142.0555(b)	Neighborhood Development Permit/ Process Two

§142.0525 Multiple Dwelling Unit Residential Uses — Required Parking Ratios

(a) Minimum Required Parking Spaces. The required automobile parking spaces, motorcycle parking spaces, and bicycle parking spaces for *development* of *multiple dwelling units*, whether attached or detached, and related and *accessory uses* are shown in Table 142-05C. Other allowances and requirements, including the requirement for additional common area parking for some projects, are provided in Section 142.0525(b) through (d).

**Table 142-05C
Minimum Required Parking Spaces for
Multiple Dwelling Units and Related and Accessory Uses**

Multiple Dwelling Unit Type and Related and Accessory Uses	Automobile Spaces Required Per Dwelling Unit (Unless Otherwise Indicated)	Motorcycle Spaces Required Per Dwelling Unit	Bicycle ⁽⁵⁾ Spaces Required Per Dwelling Unit

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	Basic ⁽¹⁾	Transit Area ⁽²⁾ or Very Low Income ⁽³⁾	Parking Impact ⁽⁴⁾		
Studio up to 400 square feet	1.25	1.0	1.5	0.05	0.3
1 bedroom or studio over 400 square feet	1.5	1.25	1.75	0.1	0.4
2 bedrooms	2.0	1.75	2.25	0.1	0.5
3-4 bedrooms	2.25	2.0	2.5	0.1	0.6
5+ bedrooms	2.25	2.0	(See footnote 6)		1.0
<u>Condominium conversion⁽⁸⁾</u>					
1 bedroom or studio over 400 square feet	1.0	0.75	1.25	N/A	N/A
2 bedrooms	1.25	1.0	1.5	N/A	N/A
3+ bedrooms	1.5	1.25	1.75	N/A	N/A
Rooming and boarding house	1.0 per boarder	0.75 per boarder	1.0 per boarder	0.05 per boarder	0.30 per boarder
Residential care facility (6 or fewer persons)	1 per 3 beds or per permit	1 per 4 beds or per permit	1 per 3 beds or per permit	N/A	N/A
Transitional Housing (6 or fewer persons)	1 per 3 beds or per permit	1 per 4 beds or per permit	1 per 3 beds or per permit	N/A	N/A
Accessory uses (Spaces per square feet⁽⁷⁾)	Retail Sales: 2.5 per 1,000	Retail Sales: 2.5 per 1,000	Retail Sales: 2.5 per 1,000	N/A	N/A
	Eating and Drinking Estb.: 5 per 1,000	Eating and Drinking Estb.: 5 per 1,000	Eating and Drinking Estb.: 5 per 1,000		

Footnotes for Table 142-05C

- 1 Basic. The basic parking ratio applies to *development* that does not qualify for the *transit area* parking ratio or the *very low income* parking ratio and that is at least partially within a Parking Impact Area as described in Chapter 13, Article 2, Division 8 (Parking Impact Overlay Zone). *Development* qualifying for either the *transit area* or *very low income* parking ratio that are also within a Parking Impact Area shall also use the basic parking ratio.
- 2 *Transit Area*. The *transit area* parking ratio applies to *development* that is at least partially within a *transit area* as described in Chapter 13, Article 2, Division 10 (Transit Area Overlay Zone) or that is subject to Chapter 13, Article 2, Division 11 (Urban Village Overlay Zone).
- 3 *Very Low Income*. The *very low income* parking ratio applies to dwelling units limited to occupancy by *very low income* households and *development* covered by an agreement with the San Diego Housing Commission pursuant to Chapter 14, Article 3, Division 7 (Affordable Housing Density Bonus Regulations).
- 4 Parking Impact. The parking impact ratio applies to *development* that is at least partially within a designated beach impact area or a campus impact area as described in Chapter 13, Article 2, Division 8 (Parking Impact Overlay Zone), unless otherwise noted.
- 5 Bicycle. Bicycle racks are not required for a dwelling unit with a garage accessible only by residents of the dwelling unit.
- 6 5+ Bedrooms in Parking Impact Areas. Beach impact area: 2.5 spaces per dwelling unit. Campus impact area: 1 space per bedroom.
- 7 Accessory Uses. Square footage includes *gross floor area* plus *floor area* that is below *grade* and excludes *floor area* devoted to parking.
- (8) *Condominium conversion*. Existing parking located in required front yards shall not be counted toward meeting the required minimum number of parking spaces.

City of San Diego LCP Amendment**§ 142.1306 General Inclusionary Affordable Housing Requirements**

- (a) At least ten percent (10%) of the total dwelling units *dwelling units* in the proposed development shall be affordable to *targeted rental households or targeted ownership households in accordance with Section 142.1309*. For any partial unit calculated, the applicant shall pay a prorated amount of the in lieu fee in accordance with Section 142.1310 or provide an additional affordable unit. *Condominium conversion* units affordable to and sold to households earning less than 150 percent (150%) of the *area median income* pursuant to an agreement entered into with the San Diego Housing Commission shall not be included in the *dwelling units* total for purposes of applying the ten percent inclusionary housing requirement.
- (b) With the exception of condominium conversions of twenty or more dwelling units The requirement to provide dwelling units *dwelling units* affordable to and occupied by *targeted rental households or targeted ownership households*, can be met in any of the following ways:
- (1) On the same site as the proposed project site;
 - (2) On a site different from the proposed project site, but within the same community planning area. Nothing in this Division shall preclude an *applicant* from utilizing affordable units constructed by another in accordance with this Division upon approval by the Housing Commission in accordance with the standards set forth in the Inclusionary Affordable Housing Implementation and Monitoring Procedures Manual;
 - (3) On a site different from the proposed project site and outside the community planning area if the *applicant* has obtained a variance in accordance with Section 142.1304. Nothing in this Division shall preclude an *applicant* from utilizing affordable units, constructed by another *applicant* in accordance with this Division, upon approval by the Housing Commission pursuant to the standards set forth in the Inclusionary Affordable Housing Implementation and Monitoring Procedures Manual;
 - (4) Payment of an in lieu fee in accordance with the provisions of Section 142.1310; or
 - (5) Any combination of the requirements of this Section.

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- (c) *Condominium conversions of twenty or more dwelling units shall satisfy the requirement to provide dwelling units affordable to and occupied by targeted rental households or targeted ownership households on the same site as the condominium conversion.*

City of San Diego LCP Amendment**§143.0302 When Supplemental Neighborhood Development Permit and Site Development Permit Regulations Apply**

Table 143-03A
Supplemental Neighborhood Development Permit or Site Development Permit
Regulations Applicability

Type of Development Proposal	Applicable Sections	Required Development Permit/Decision Process
Affordable/In-Fill Housing Projects with Deviations	143.0910, 143.0915, 143.0920	SDP/Process Four
Site Containing <i>Environmentally Sensitive Lands</i>	143.0101-143.0160, 143.0303, 143.0305, 143.0350, 143.0375, 143.0380	NDP/Process Two or SDP/Process Three or Four
Site Containing <i>Historical Resources</i>	143.0201-143.0260, 143.0303, 143.0305, 143.0360, 143.0375, 143.0380	NDP/Process Two or SDP/Process Four
Fences or Retaining Walls Exceeding the Permitted Height	143.0303, 143.0305, 142.0350, 143.0375	NDP/Process Two
Relocated Building Onto a Site With an Existing Building	143.0303, 143.0305, 143.0345, 143.0375	NDP/Process Two
Site with Previously Conforming Conditions	127.0102, 143.0303, 143.0305, 143.0375	NDP/Process Two
Nonresidential Development Exceeding the Maximum Permitted Parking	142.0540(b), 143.0303, 143.0305, 143.0375	NDP/Process Two
Shared Parking for Uses Not Listed in Section 142.0545(c)	142.0545(b)(7), 143.0303, 143.0305, 143.0375	NDP/Process Two
Commercial Development With Tandem Parking	142.0555(b), 143.0303, 143.0305, 143.0375	NDP/Process Two
Previously Conforming Parking for a discontinued use	142.0510(d)(4), 143.0303, 143.0305, 143.0375	NDP/Process Two
Mobilehome Parks in RM Zones	143.0303, 143.0305, 143.0340, 143.0375	NDP/Process Two
Mobilehome Parks in RS, RX Zones	143.0303, 143.0305, 143.0340, 143.0375	SDP/Process Three
Discontinuance of Mobilehome Park	141.0410-141.0440, 132.0801-132.0804, 143.0303, 143.0305, 143.0375, 143.0380	SDP/Process Three
Multiple Dwelling Unit Development that Varies from Minimum Parking Requirements	142.0525(b), 143.0303, 143.0305, 143.0375, 143.0380	SDP/Process Three
Nonresidential Development (With TDM Plan) that Varies from Minimum Parking Requirements	142.0525(b), 143.0303, 143.0305, 143.0375, 143.0380	SDP/Process Three
Community Plan Implementation Overlay Zone	132.1401-132.1405, 143.0303, 143.0305, 143.0375, 143.0380	SDP/Process Three
Mission Trails Design District	132.1201-132.1205, 143.0303, 143.0305, 143.0375, 143.0380	SDP/Process Three
Development Within the Urban Village Overlay Zone	132.1101-132.1110, 143.0303, 143.0305, 143.0375, 143.0380	SDP/Process Three
Public Improvements on More Than 3,000 Feet of Frontage or Where City Standards Do Not Apply	142.0601-142.0670, 143.0303, 143.0305, 143.0375, 143.0380	SDP/Process Three
Manufactured Slopes in Excess of 25% Gradient and 25 Feet in Height	142.0101-142.0149, 143.0303, 143.0305, 143.0375, 143.0380	SDP/Process Three
Affordable Housing in RE, RS, RX, RT, AR Zones	143.0303, 143.0305, 143.0310, 143.0320, 143.0375, 143.0380, 143.0710-143.0740	SDP/Process Three
Affordable Housing with Deviations from Development Regulations	143.0303, 143.0305, 143.0310, 143.0320, 143.0375, 143.0380, 143.0760	SDP/Process Four
Condominium Conversions with Deviations from Development Regulations	143.0303, 143.0305, 143.0360, 143.0375	SDP/Process Four
Multiple Dwelling Unit Development in RM Zones Involving Lot Consolidation and Exceeds Number of Units Indicated in Table 126-05A	143.0303, 143.0305, 143.0310, 143.0320, 143.0375, 143.0380	SDP/Process Three
Clairemont Mesa Height Limit Overlay Zone	132.0401-132.0406, 143.0303, 143.0305, 143.0375, 143.0380	SDP/Process Five

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