

**ORDINANCE NO. 3389 C.S.**

**AN EXTENSION OF AN URGENCY ORDINANCE  
OF THE CITY COUNCIL OF THE CITY OF MONTEREY  
ADOPTING A MORATORIUM ON THE CONVERSION OF  
RENTAL HOUSING TO CONDOMINIUMS**

THE COUNCIL OF THE CITY OF MONTEREY DOES ORDAIN, as follows:

SECTION 1: *Findings*: The Monterey City Council finds, determines and declares as follows:

A. That the City has received inquiries and anticipates several more formal applications for converting rental housing developments to condominiums within the City. Three applications submitted prior to adoption of the Urgency Ordinance have also been accepted for processing and two of these applications have proceeded to hearing, while the third is eligible for hearing when the application is deemed complete.

B. The City's General Plan and Municipal Code are in conflict regarding the conversion of rental housing developments into condominiums and this conflict needs to be resolved in order to process applications for condominium conversions. Whereas, condominium conversions present an opportunity for homeownership, which is encouraged by the General Plan. This program is in conflict with other goals and policies of the General Plan, which require the City to maintain a broad range of rental housing. Currently, the rental stock of the City is being significantly depleted by condominium conversions and limitations on water substantially reduce the City's ability to replace the rental stock with new rental housing. The conflict in the General Plan needs to be resolved *vis a vis* this new information.

C. The City Council has concerns about the conversion of rental housing developments to condominiums and the impacts those conversions may have on parking, surrounding uses, and the community.

D. The City Council further desires to evaluate and enhance the public works and aesthetic standards regarding such facilities.

E. While the City's codes do regulate the conversion of condominiums, to some extent, the impact of rapid conversion of rental stock by condominium conversion with no ability to replace the units was not addressed in the codes. Condominium conversions have reduced the variety of housing for all economic segments within the City, disrupted the balance between existing housing and jobs, displaced existing residents, reduced the availability of affordable housing, reduced the availability of rental units, and increased parking demands. Further, recent condominium conversions have revealed that procedures are needed that address: (1) the quality of inclusionary housing in condominium conversions; (2) appropriate parking standards for condominium conversions; (3) adequate fire safety improvements for conversions; (4) tenant relocation assistance and, (5) sale to Monterey residents or people who intend to live in Monterey, rather than sales to people with their primary residents outside of the areas, who intend to use the housing as a vacation home.

F. The Planning and Housing Divisions within the past two years have processed eight (8) applications to convert apartments to condominiums, accepted three additional applications for

processing and responded to several additional inquiries regarding other residential conversions. These various applications represent a total of 639 residential units. The current number of existing multi-family residential apartments in the City of Monterey is estimated, by the Planning Division, to be 6,640 units based on a 2000 Census data update. As shown in the attached Table of Condominium Conversions, 639 units are 9.6% of the total number of multi-family rental units. This demonstrates a potential significant impact on the City's rental housing supply infrastructure and the unresolved policy conflict of simultaneously creating more opportunities for home ownership.

G. Without the enactment of this ordinance, which extends an interim urgency ordinance adopted on February 6, 2007, multiple applicants could be submitted for processing under the current standards and the City would not have the opportunity to improve the procedure or standards for conversion; and these applications could receive approval for the conversion of condominiums, posing a threat to the public health, safety, and welfare.

H. The City Council determines that the General Plan and Municipal Code require updating to protect the public against health, safety, and welfare dangers caused by multiple applicants each converting separate rental housing developments to condominiums. City Council has determined that additional time is needed to prepare, evaluate, and adopt additional reasonable regulations regarding the conversion of condominiums and to ensure such regulations are applied in a nondiscriminatory manner.

I. In order to prevent further conflicts on needed studies and the frustration of implementation of new regulations for condominium conversions, the public interest, health, safety, and welfare require extension of the interim urgency ordinance. The absence of this extension ordinance would impair the orderly and effective implementation of contemplated General Plan and Municipal Code amendments because it will allow applications to proceed under current standards even though the City Council has identified the need for new standards to improve the quality of conversions, and any further authorization of these uses within the City during the period of this interim ordinance may be in conflict with or may conflict with the contemplated updates and revisions of the Municipal Code.

J. Based on the foregoing, the City finds that there is a current and immediate threat to the public health, safety, or welfare, that the 45-day initial period and the subsequent three-month extension is inadequate time to address all of the identified concerns and that this second and last extension of the ordinance is necessary in order to protect the City from the potential effects and impacts of uncoordinated and conflicting condominium conversions within the City, potential reductions in available rental housing, affordable housing, fire hazards, multiple obstructions of traffic and commerce on City streets, impacts on parking availability, the aesthetic impacts to the City, and other similar or related effects on property values and the quality of life in the City's neighborhoods.

K. The City Council further finds that this extension of the interim urgency ordinance is a matter of local and citywide importance and is not directed towards any particular business that currently seeks to convert housing to condominiums.

L. The City Council finds that this ordinance is authorized by the City's police powers. The City Council further finds that the length of the prohibition imposed by this ordinance will not in any way deprive any person of rights granted by state or federal laws, because the prohibition is short in duration and essential to protect the public health, safety, and welfare.

**SECTION 2. *Interim Regulations:*** The following provisions are adopted as interim requirements for issuing permits pursuant to the Municipal Code for conversion of housing units to condominiums, and any construction or conversion in the City in conflict with these provisions is expressly prohibited:

A. ***Restricted Activities.*** For a maximum period of six (6) months after adoption of this interim urgency extension ordinance, the City will not issue a permit, subdivision approval, or any other land use entitlement to any person for converting existing or approved housing units to condominiums within the City, pursuant to California Government Code Section 65858 (unless a tentative map has been approved by the City, an application has been received prior to the February 6, 2007 date of the adoption of the initial interim urgency ordinance, the application proposes the conversion of four (4) or fewer units or the application proposes to convert an approved but new under-construction mixed-use building that has never been occupied for residential use). The Director of Plans, Engineering & Environmental Compliance, or designee, must review any application for a permit or land use entitlement to determine compliance with the provisions of this ordinance. City staff are directed to refrain from approving any application for any land use entitlement, including, without limitation, tentative maps, planned development permits, special or conditional use permits and variances, necessary for converting existing or approved rental housing units to condominiums within the City, and to refrain from issuing any approval for any pending applications already received. These prohibitions will remain effective for a maximum period of six (6) months following adoption of this ordinance. This period may not be extended by the City Council in accordance with California Government Code Section 65858.

**SECTION 3.** For the term of this ordinance, the provisions of this ordinance shall govern. To the extent that there is any conflict between the provisions of this ordinance and the provisions of any other City code, ordinance, resolution, or policy, all such conflicting provisions shall be suspended.

**SECTION 4.** The City Council determines that this ordinance is exempt from review under the California Environmental Quality Act (California Public Resources Code Sections 21000, et seq., "CEQA") and CEQA regulations (14 California Code of Regulations Sections 15000, et seq.) because this ordinance is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment (14 CCR Section 15061(b)(3)), and the adoption of urgency interim zoning ordinances is not subject to the procedures otherwise required for adoption of zoning ordinances (California Government Code Section 65858).

**SECTION 5.** If any part of this ordinance or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not effect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this ordinance are severable.

**SECTION 6.** The City Clerk shall cause this ordinance or a summary hereof to be published in a newspaper of general circulation, published in the County of Monterey and circulated in the City, and if applicable, to be posted, in accordance with Section 36933 of the California Government Code; shall certify to the adoption of this ordinance and shall cause a certified copy of this ordinance, together with proof of publication, to be filed in the Office of the Clerk of this City.

SECTION 7. This ordinance will become effective immediately upon adoption pursuant to Government Code Section 36937(b) for the immediate preservation of the public peace, health, safety, and welfare. Pursuant to that statute, and Government Code Section 65858, this ordinance is adopted by a minimum of four-fifths vote.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF FONTEREY this 19<sup>th</sup> day of June 2007, by the following vote:

AYES: 5 COUNCILMEMBERS: Della Sala, Downey, Haferman, Selfridge, Sollecito

NOES: 0 COUNCILMEMBERS: None

ABSENT: 0 COUNCILMEMBERS: None

APPROVED:

ATTEST:

Chuck Della Sala  
Mayor of Said City

Bonnie D. Hauf  
City Clerk thereof