



Community and
Economic
Development Agency

A Guide to

Condominium Conversions

in the City of Oakland

A GUIDE TO CONDOMINIUM CONVERSIONS IN THE CITY OF OAKLAND

What constitutes a “conversion”?

- a change in the type of ownership from residential rental realty to a stock cooperative, a condominium, or community apartment project
- applies only to buildings for which a certificate of occupancy has been issued for a multifamily building (new construction that is not yet occupied is exempt from these requirements)

The condominium conversion regulations consist of five main components:

1. Tenant notification and assistance (tenant rights)
2. Replacement rental units, called “conversion rights”
3. Tentative and Final Map preparation and City review
4. Noise insulation and building code upgrades
5. Property inspection and report

1. TENANT RIGHTS

Tenant notification (16.36.020 – 040)

- 60 days prior to filing a tentative parcel map, a subdivider must provide all existing and prospective tenants with:
 - notice of intent to convert,
 - description of the conversion process,
 - notice of tenant rights,
 - copy of the subdivider’s “preliminary tenant assistance program”
- If units are vacant, applicant must provide a notarized letter stating when the units were vacant (must be at least 60 days prior to application).
- If the subdivider fails to give notice to a prospective tenant who then becomes a tenant and was entitled to such notice, he or she shall pay to the tenant:
 - actual moving expenses incurred while moving from the subject property, not to exceed \$500
 - first month’s rent on tenant’s new unit, but not to exceed \$500
- The City must provide tenants with notice of any public hearings held on the tentative map, as well as copies of reports and recommendations concerning tentative parcel map approval, decisions, etc. In order to do this, the subdivider must provide to the City the names and addresses of all tenants.
- Tenant notification requirements may be waived by Director of City Planning if the building proposed for conversion is not tenant-occupied at the time of tentative parcel map application (16.36.060B).

Tenant rights (16.36.050(A)):

- Tenants are guaranteed the following minimum rights (these must be included in the “notice of tenant rights”):
 - tenants may terminate their lease or rental agreement without penalty within 30 days of receipt of “notice of intent to convert”
 - no rent increase is permitted until at least 12 months after subdivider files the tentative map application
 - no remodeling of the interior of tenants’ units may occur until at least 30 days after issuance of the final subdivision report, or after the start of the sales program
 - tenants have the exclusive right to contract for the purchase of their unit, or any other available unit in the building, upon the same or more favorable terms and conditions that such units will be initially offered to the general public – this right runs for at least 90 days from the issuance of the final subdivision report
 - tenants have a right of occupancy of at least 180 days from the issuance of final subdivision report, or the start of the sales program

Rights of tenants of units containing a tenant 62 years of age or older (16.36.050(A)(6)):

- Tenants who are 62 years of age or older are guaranteed the following additional rights (these must be included in the “notice of tenants rights”):
 - option of a lifetime lease on his or her unit, or, at tenant’s option, on any other available unit in the building
 - limitations on base monthly rent and % increase (based on rent price one year prior to filing of the tentative parcel map, with increases tied to the consumer price index (CPI) for the Bay Area)
 - tenants cannot be evicted except for just cause
 - except as listed above, the terms and conditions of the lifetime lease shall be the same as those contained in the tenants current lease or rental agreement.

Tenant assistance program (16.36.050(B)):

- The subdivider must develop a tenant assistance program that includes:
 - incentives and inducements that would increase the potential for, and ability of, tenants to become owners in the conversion
 - actions and procedures to enable hard-to-relocate tenants to remain as tenants
 - relocation and moving assistance and information to be provided to each tenant and all the steps the subdivider will take to ensure the successful relocation of each tenant
 - specific steps that will be taken to assist elderly, disabled, and other tenants who may encounter difficulty in finding new quarters

Other provisions (16.36.070(C)):

- A subdivider may not vacate units in a building proposed for conversion in order to avoid providing payments and other benefits to tenants as described in the tenant assistance program.

2. CONVERSION RIGHTS – REPLACEMENT RENTAL UNITS

Where and when the requirements apply (16.36.070 (A) and (G)):

- In the “conversion impact area” (see attached map), the conversion of any number of units requires “conversion rights” equal in number to the units proposed for conversion:
 - in the “primary impact area,” those units must be generated within the primary impact area
 - in the “secondary” impact area, those units can be generated from either the primary or secondary area
- In the remainder of the city, the conversion of five or more units requires “conversion rights” equal in number to those proposed for conversion and may be generated anywhere in the city.

How “conversion rights” may be generated (16.36.070(B), (C), and (D)):

- Conversion rights for a condominium conversion may be created in any of the following ways:
 - new rental construction
 - increasing the number of units in an existing residential rental building
 - converting a non-residential building to residential rental units
 - major rehabilitation of a residential rental building that has been vacant for at least one year (rehabilitation is considered “major” if it equals at least 20% of the total value of building after rehabilitation). The conversion rights may also be applied to the building being rehabilitated (i.e. rehabilitating a vacant 10-unit apartment building into 5 condominium units and 5 rental units – the 5 rental units qualify as conversion rights for the 5 condominiums)
 - construction of a condominium, community apartment, or stock cooperative project if the owner of such project “makes an agreement in writing with the city that for a period of not less than seven years, the owner will offer the units in the project to the public as conventional rental units subject to a lease that shall contain no commitment for later purchase of the units.”

Time limit (16.36.070(E)):

- Tentative map approval of the condominium conversion must take place no later than **seven years** from the issuance of a certificate of occupancy on the projects generating the conversion rights (i.e. new rental construction can qualify for conversion rights only if it was built within the last seven years).

3. TENTATIVE & FINAL MAP PREPARATION AND CITY REVIEW

Tentative map (16.36.060):

- Condominium conversions require the conduct of a survey and the preparation of a tentative and final map by a licensed land surveyor.
 - Condominium conversions for four or fewer residential units require an application for a Tentative Parcel Map with the Planning & Zoning Department. The Planning & Zoning Department will hold a 10-day public comment period, with notices being sent to all properties within 300-feet of the proposed condominium conversion. Upon approval by the Planning & Zoning Department, a final Parcel Map must be submitted to the Building Services Department for engineering review, prior to being filed with the Alameda County Recorder.

- Condominium conversions for five or more residential units require an application for a Tentative Tract Map with the Planning & Zoning Department. A Planning Commission public hearing will be held, with notices being sent to all properties within 300-feet of the proposed condominium conversion. Upon approval by the Planning & Zoning Department, a final Tract Map must be submitted to the Building Services Department for engineering review and approval by the City Council, prior to being filed with the Alameda County Recorder.

Information to be filed with final map (16.36.090):

- The following items must be filed along with the final Parcel Map or Tract Map with the Alameda County Recorder:
 - a copy of the tenant assistance program described above
 - for projects involving 5 or more units: a copy of the final subdivision public report issued by the state Department of Real Estate
 - for projects involving 4 or fewer units: the written notice by the subdivider of the start of the sales program
 - a certificate of occupancy for the building(s) being converted that was issued by the Building Services Department prior to the application date for the Tentative Parcel Map or Tentative Tract Map
 - a copy of the property inspection reports described in section #5 below.
 - for projects involving conversion rights: evidence that the subdivider owns conversion rights equal in number to the units to be converted

4. NOISE INSULATION AND BUILDING CODE UPGRADES

Noise insulation (16.36.130):

- Residential rental units converted into condominiums cannot be offered for sale until they conform to the noise insulation standards contained within Title 25 of the California Administrative Code. This may require physical modification of the building. Contact the Building Services Department for further information regarding this requirement.

Building Code upgrades:

- Additional building code upgrades requiring physical modification of the building may be required. These can include fire wall separation, protection of window openings near property lines, and independent utility meters. Contact the Building Services Department for further information regarding these requirements.

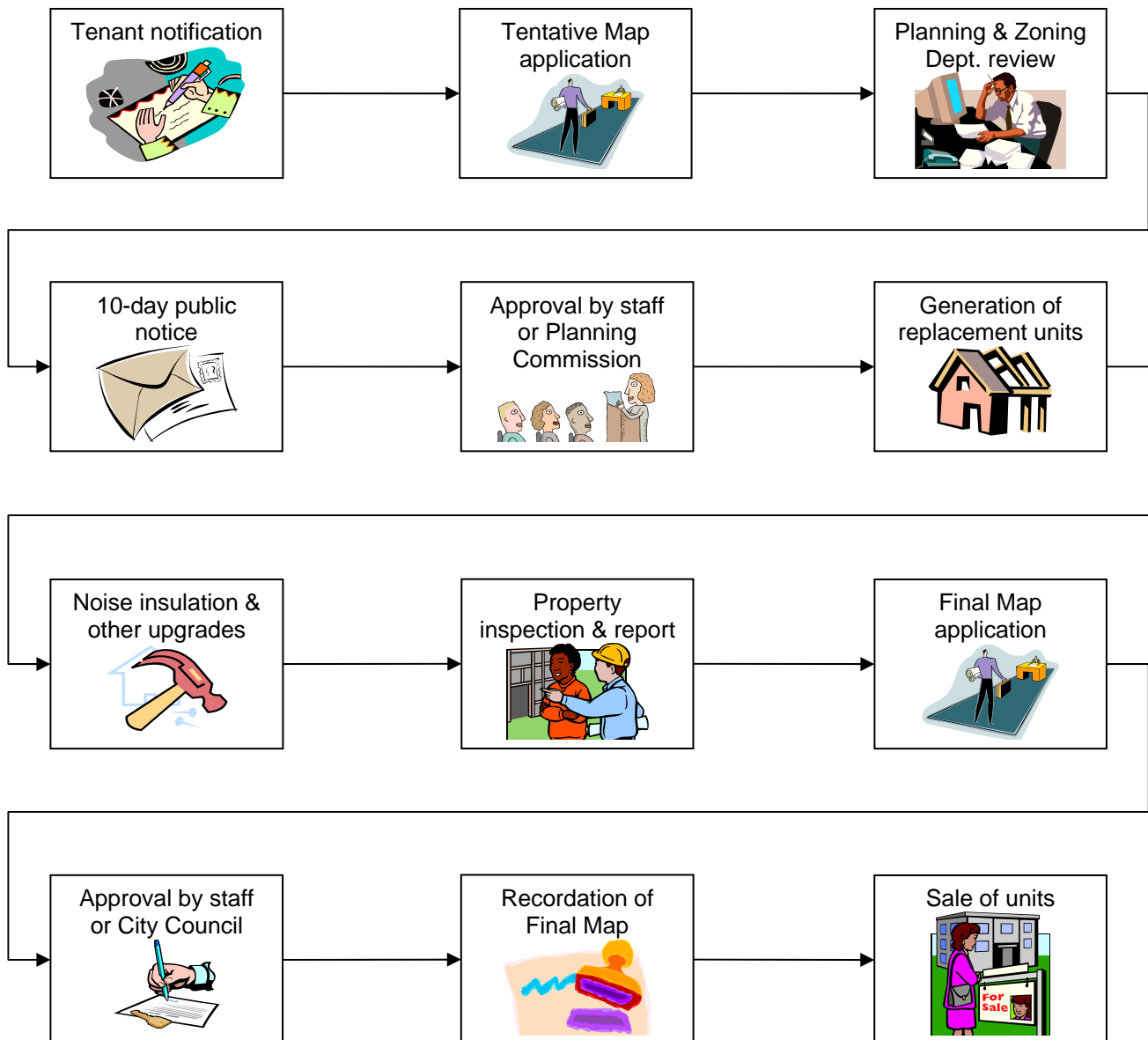
5. PROPERTY INSPECTION AND REPORT

Information to be given to prospective buyers (16.36.120):

- All prospective buyers of condominium conversion units shall be given a 72-hour period following an agreement to purchase, during which time they may withdraw from the agreement to purchase, without penalty or cost. Notice of this 72-hour period shall be given in writing to all prospective buyers, along with the following property inspection reports: *(see next page)*

- a property report prepared and signed by an appropriately licensed contractor or engineer that shall describe the condition and useful life of the roof and foundations, and the mechanical, electrical, plumbing, and structural elements of all existing structures on the property; and an estimate of future property maintenance costs
- a structural pest report prepared and signed by a licensed pest control operator
- a report describing the building with regard to whether utilities are separately metered; location of water shutoff valves; availability of protected storage space in addition to closet space ordinarily contained within a unit; and laundry facilities, if any
- a statement, signed by a person experienced in the field of acoustical testing and engineering, certifying that the converted unit conforms to the noise insulation standards contained within Title 25 of the California Administrative Code

CONDOMINIUM CONVERSION FLOW CHART



CONDOMINIUM CONVERSION IMPACT AREA

