



# STAFF REPORT

SAUSALITO CITY COUNCIL – MAY 20, 2008

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## AGENDA TITLE:

Adoption of an Interim Ordinance extending the moratorium for one year on the approval of condominium conversions of motels and hotels to allow the City Council additional time to consider modifications of development standards and definitions.

## RECOMMENDED MOTION:

Adopt the attached Interim Ordinance imposing an additional one year moratorium on the approval of condominium conversions of motels and hotels.

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## SUMMARY

Last year, the City received inquiries regarding the potential conversion of hotel developments to for-sale condominium units. Because the Municipal Code did not include regulations regarding the conversion of motels and hotels to condominiums, the City adopted a 45-day moratorium on approvals of such conversions in order to determine if new development standards should be created to regulate such uses. The City then elected to extend the moratorium by 10 months, 15 days.

During the moratorium, City staff has continued to evaluate which additional standards may be needed. The time necessary to develop these standards requires an extension of the existing moratorium.

## BACKGROUND

On June 19, 2007, the City Council adopted Ordinance No. 1186, establishing a 45-day moratorium on the approval of condominium conversions of motels and hotels. On July 31, 2007, the City Council adopted Ordinance No. 1187 extending the moratorium for an additional 10 months, 15 days.

## ANALYSIS

Following the adoption of the moratorium, staff began evaluating the adequacy of the City's existing development regulations with respect to hotel/motel conversions and researching other California cities, particularly those in Marin County, to review their development standards relative to condominium conversions.

Under the Municipal Code, conversion requests are reviewed through the Condominium Conversion Permit requirements set forth in Chapter 10.66 of the City's Zoning Code. While the provisions of Chapter 10.66 do apply to apartment complexes, there are no regulations directly applicable to the conversion of hotels and motels to condominiums.

Upon reviewing the City's existing regulations, there are inadequate conditions of approval and methods for ensuring that conversions of existing units into condominiums will result in a high quality development and bring the converted properties as close to conformity to existing zoning and building codes as is reasonably possible.

Accordingly, City staff continues to develop specific development standards that will be presented for City Council consideration at a future public meeting.

**FISCAL IMPACT**

There is no anticipated financial impact to the City as a result of this recommended extension of the Interim Ordinance. However, staff time will be required to prepare standards for condominium conversion of hotels and motels.

**LEGAL ISSUES**

In order to address the issue of condominium conversions and thereby protect the public safety, health and welfare, Section 65858 of the Government Code allows the City to extend the moratorium ordinance by one year. No further extensions are allowed. The proposed ordinance would implement that extension and be effective as of the expiration of the existing 10 month, 15-day moratorium (June 18, 2008). This ordinance requires a four-fifths vote of the City Council.

**STAFF RECOMMENDATIONS**

Staff recommends that the City Council approve the attached Interim Ordinance.

**ATTACHMENTS**

Exhibit A – Draft Ordinance

PREPARED BY:

Mary A. Wagner  
Mary Anne Wagner, City Attorney

SUBMITTED BY:

Adam W. Politzer  
Adam W. Politzer, City Manager

ORDINANCE NO. \_\_\_\_

AN INTERIM URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAUSALITO EXTENDING THE MORATORIUM ADOPTED WITHIN THE CITY OF SAUSALITO BY ORDINANCE NO. 1187 ON THE APPROVAL OF ANY SUBDIVISIONS, USE PERMITS, VARIANCES, OR ANY OTHER APPLICABLE ENTITLEMENT WHICH WOULD ALLOW FOR EXISTING MOTELS AND HOTELS TO BE SUBDIVIDED OR CONVERTED INTO CONDOMINIUMS FOR A PERIOD OF ONE YEAR

**WHEREAS**, the City Council recognizes the substantial investment that families and individuals must make when buying condominium properties and wishes to ensure that their investments in aging units converted to for sale units will be protected; and

**WHEREAS**, the City Council is concerned that conversions of motels and hotels into condominiums without ensuring that such projects are brought as close as possible into compliance with existing building and zoning codes will jeopardize the investment in these properties; and

**WHEREAS**, the City's current subdivision and zoning codes do not set forth development standards for the City's discretionary review process for condominium conversions of hotels and motels to ensure that non-conforming properties are brought to current building and zoning codes to the maximum extent possible and to ensure that the condominium units created from such conversions are habitable and do not contain latent defects and deterioration which will undermine the investment of families and individuals in these units; and

**WHEREAS**, on June 19, 2007, the Sausalito City Council adopted Ordinance No. 1186 establishing a 45-day moratorium on the approval of any subdivisions, use permits, variances, or any other applicable entitlement which would allow for existing motels and hotels to be subdivided or converted into condominiums; and

**WHEREAS**, on July 31, 2007 the Sausalito City Council adopted Ordinance No. 1187 extending the moratorium by 10 month, 15 days, which ordinance became effective on August 3, 2007; and

**WHEREAS**, City staff has indicated that it has not yet completed the process of studying and preparing proposed amendments to the City's subdivision and zoning codes regarding condominium conversions, the process to complete implementation of such code amendment, including public hearings before the Planning Commission and City Council and orderly adoption of

appropriate code revisions following the public hearing process will take several months; and

**WHEREAS**, the City Council finds that there is a current and immediate threat to the public health, safety, or welfare from the approval of entitlements or permits relating to condominium conversions of existing motels and hotels in the City; and

**WHEREAS**, the City Council finds that a moratorium temporarily prohibiting the issuance of subdivisions, use permits, variances, or any other entitlement allowing for condominium conversion of existing motels and hotels will serve the community's public health, safety, and welfare; and

**WHEREAS**, the City continues to conduct the review necessary to ensure that conversions of such existing units into condominiums will bring the converted properties as close to conformity to existing zoning and building codes as is reasonably possible; and.

**WHEREAS**, Ordinance No. 1187, which established a 10 month, 15 day moratorium, will expire on June 18, 2008; and

**WHEREAS**, Government Code section 65858 allows the City Council to extend the moratorium for an additional one year period; and

**WHEREAS**, notice of the extension of the moratorium established by this ordinance has been provided in accordance with applicable provisions of the California Government Code; and

**WHEREAS**, the adoption of this interim ordinance is exempt from the California Environmental Quality Act ("CEQA") pursuant to section 15061 (b)(3), 15262 and 15306 of the State CEQA Guidelines because it can be seen with certainty that there is no possibility that such adoption may have a significant effect on the environment; and because such adoption involves only feasibility and planning studies for possible future adoption of an ordinance that has not yet been prepared or adopted.

**NOW, THEREFORE, THE CITY COUNCIL HEREBY ORDAINS AS FOLLOWS:**

**Part 1.** The City Council finds and determines as follows:

(a) The above recitals are incorporated herein and are each relied upon independently by the City Council for its adoption of this urgency ordinance; and

(b) The adoption of this Ordinance is exempt from the application of the California Environmental Quality Act, Public Resources Code Section 21000 *et*

seq., pursuant to Sections 15061(b), 15262 and 15306 of the State CEQA Guidelines, 14 California Code of Regulations Section 15000, *et seq.*; and

(c) The City must ensure that condominium conversions result in close compliance with existing building and zoning codes under its General Plan Land Use Element; and

(d) The City cannot ensure that the City's objectives and policies will be implemented properly without specific development standards in place; and

(e) There exists a current and immediate threat to the public health, safety and welfare, and California Government Code § 65858 authorizes the City Council to adopt as an urgency measure an interim ordinance prohibiting any uses which may be in conflict with the contemplated general plan implementing regulations and development standard proposals that the City is considering or intends to study within a reasonable time; and

(f) There is no feasible alternative to enactment of this interim moratorium that will satisfactorily mitigate or avoid the previously identified impacts to the public health, safety and welfare with a less burdensome or restrictive effect; and

(g) In order to ensure the effective implementation of the City's land use objectives and policies, a temporary moratorium is necessary.

**Part 2. Imposition of Moratorium.**

(a) From and after the effective date of this ordinance, no approval of any subdivision, use permit, variance, or any other applicable entitlement for the subdivision of existing motels and hotels into residential condominiums shall be approved or issued for a period of one year.

**Part 3. Effective Date and Term.** This Ordinance shall take effect immediately upon the expiration of Ordinance No. 1187 (June 18, 2008), and shall be in effect for a period of one year (June 18, 2009), unless repealed or amended by further action of the City Council as provided in Government Code section 65858.

**Part 4. Expiration.** Ten days prior to the expiration of this interim ordinance, the City Council shall issue a written report describing the measures taken to alleviate the threat to public health, safety and welfare that led to the adoption of the ordinance.

**Part 5. Publication.** Within 15 days after adoption of this ordinance, the City Clerk shall cause this ordinance to be published one time in a newspaper of general circulation within the City.

**PASSED, APPROVED AND ADOPTED** this \_\_\_th day of \_\_\_\_\_, 2008, by the following called vote:

**AYES: COUNCILMEMBER:**

**NOES: COUNCILMEMBER:**

**ABSENT: COUNCILMEMBER:**

\_\_\_\_\_  
Amy Belser, Mayor, City of Sausalito

**ATTEST:**

\_\_\_\_\_  
Deputy City Clerk

City of Sausalito

**I hereby certify that the foregoing Ordinance was duly adopted at a regular meeting of the City Council of the City of Sausalito held the \_\_\_ day of \_\_\_\_\_, 2008.**

\_\_\_\_\_  
Deputy City Clerk, City of Sausalito

**APPROVED AS TO FORM:**

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Mary Wagner, City Attorney