

Rent Stabilization Board

October 18, 2005

Honorable Mayor Tom Bates and  
Members of the City Council  
2180 Milvia Street  
Berkeley, CA 94704

Dear Mayor Bates and City Council Members:

Re: Agenda Item 40 - Proposed Amendments to the Condominium Conversion Ordinance

Last night, the Rent Stabilization Board reviewed the proposed amendments to the Condominium Conversion Ordinance, which are included in the Council agenda packet for this evening's meeting. The staff report and draft ordinance provide alternative options for two policy areas – 1. The treatment of duplex properties if the owner has resided in Berkeley for seven or more years and 2. The scope of coverage protecting sitting tenants against owner occupancy eviction after the conversion is approved. In response to these two policy options, the Board adopted the following recommendation unanimously made the following unanimous recommendation for your consideration:

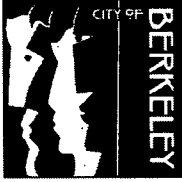
M/S/C (Arreguin/Overman) "THAT THE BOARD RECOMMENDS THAT THE CITY COUNCIL SUPPORT TENANT PROTECTION ALTERNATIVE 2, IN SECTION 21.28.120 OF THE PROPOSED ORDINANCE, TO PROTECT ALL TENANTS FROM CONVERSION; AND THAT THE BOARD SUPPORTS DUPLEX ALTERNATIVE 2 IN SECTION 21.28.65, TO ESTABLISH A 5% MITIGATION FEE FOR DUPLEXES." Voice vote: 9-0-0-0

I have attached a copy of the Board's September 8, 2005 recommendation on the version of the Condominium Conversion Ordinance before you last month. This document is included because there are several areas of overlap between the version before you this evening and that which was discussed on September 20<sup>th</sup>.

If you have any questions about the Board's recommendations, I can be reached at 644-6128 (ext 103)

A handwritten signature in black ink, appearing to read "Jay Kelekian".

Jay Kelekian  
Executive Director



**Rent Stabilization Board**

September 21, 2005

Honorable Mayor Tom Bates and  
Members of the City Council  
2180 Milvia Street  
Berkeley, CA 94704

Dear Mayor Bates and City Council Members:

Re: Proposed Amendments to the Condominium Conversion Ordinance

For the past nine months, the Rent Stabilization Board has been closely tracking the proposed changes to the both the TIC and the Condominium Conversion Ordinances.

In general, **the Board is supportive of the City's approach in addressing this complex issue.** We appreciate the sensitivity used by the City to craft a policy that simultaneously protects the rights of sitting tenants and prospective buyers and takes measures to mitigate the impact on the overall affordable housing stock.

We have received regular updates both from our staff and, on several occasions, from the City of Berkeley's Housing Director, Dr. Steve Barton. Most recently, we met on September 8<sup>th</sup> and discussed the latest version of the proposed amendments to the Condominium Conversion Ordinance.

Attached is a copy of the motion adopted by the City of Berkeley Rent Stabilization Board on September 8, 2005:

**"That the Rent Stabilization Board supports the proposed amendments to the Condominium Conversion Ordinance, B.M.C. Section 21.28 and offers the following comments to the City Council regarding these amendments:**

The Board believes that it is important to retain the following provisions included in the proposed Ordinance:

- Preserving the 100-unit per year cap on condominium conversions
- Supporting the proposed "lifetime lease," which would protect sitting tenants from being priced out of their units as a consequence of conversion

2125 Milvia Street, Berkeley, California 94704  
TEL: 510.644.6128 TDD: 510.644.6915 FAX: 510.644.7703  
E-MAIL: [rent@ci.berkeley.ca.us](mailto:rent@ci.berkeley.ca.us) INTERNET: [www.ci.berkeley.ca.us/rent/](http://www.ci.berkeley.ca.us/rent/)

- Extending to twenty (20) years the prohibition against converting a unit once the owner has invoked the Ellis Act

However, the proposed Ordinance could be enhanced by making the following modifications:

- Increasing the affordable housing mitigation fee to 15% of the sales price of a unit, which more accurately reflects the cost of developing an affordable unit
- Deleting Section 21.28.060(E) 5, which would exempt long-term residents from the mitigation fee.

In addition to the language of the proposed Ordinance, we believe that for this Ordinance to afford meaningful protections to tenants and potential buyers, comprehensive and proactive implementation is essential. We, therefore, recommend and offer our collaboration in the following areas:

- Improving and increasing effective outreach on the new policies
- Monitoring compliance of all relevant local and state laws"

The Board adopted the above motion by the following vote: YES: Arreguin, Chong, Overman, Spector, Walden; NO: Evans; ABSTAIN: Harrison; ABSENT: Kavanagh, Payne. **(5-1-1-2)**

If you have any questions concerning the Board's action, please do not hesitate to contact me.

Sincerely,

Howard Chong  
Chairperson  
Berkeley Rent Stabilization Board

cc: City Manager  
City Clerk  
City Attorney