

1 [Condominium conversion lottery extension to 2008.]

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3 **Ordinance amending Subdivision Code Section 1396 to extend the annual 200-unit**
4 **condominium conversion lottery until 2008; repealing Section 1396.1 to delete**
5 **condominium conversion lottery provisions that are void by their own terms; adding**
6 **Section 1396.1 to reenact the condominium conversion lottery process from 2005 and**
7 **to establish provisions concerning the standby list selection process; and making**
8 **environmental findings.**

9 Note: Additions are *single-underline italics Times New Roman*;
10 deletions are *strikethrough italics Times New Roman*.
11 Board amendment additions are double underlined.
Board amendment deletions are ~~strikethrough normal~~.

12 Be it ordained by the People of the City and County of San Francisco:

13 Section 1. Environmental Findings. The Planning Department has determined that the
14 actions contemplated in this Ordinance are in compliance with the California Environmental
15 Quality Act (California Public Resources Code sections 21000 et seq.). Said determination is
16 on file with the Clerk of the Board of Supervisors in File No. and is incorporated herein
17 by reference.

18 Section 2. The San Francisco Subdivision Code is hereby amended by amending
19 Section 1396, to read as follows:

20 SEC. 1396. ANNUAL CONVERSION LIMITATION.

21 This Section governing annual limitation shall apply only to conversion of
22 residential units.

23 Applications for conversion of residential units, whether vacant or occupied,
24 shall not be accepted by the Department of Public Works during the period of January 1, 1994
25 through December 31, ~~2006~~2008, inclusive, except that a maximum of 200 units as selected

1 yearly by lottery by the Department of Public Works from all eligible applicants, may be
2 approved for conversion per year during the aforementioned period for the following
3 categories of buildings:

4 (a) buildings consisting of four units or less in which one of the units has
5 been occupied continuously by one of the applicant owners of record for three years prior to
6 the date of registration for the lottery as selected by the Director;

7 (b) Buildings consisting of six units or less in which 50 percent or more of the
8 units have been occupied continuously by the applicant owners of record for three years prior
9 to the date of registration for the lottery as selected by the Director; or

10 (c) Community apartments as defined in Section 1308 of this Code, which,
11 on or before December 31, 1982, met the criteria for community apartments in Section 1308
12 of this Code and which were approved as a subdivision by the Department of Public Works on
13 or before December 31, 1982, and where 75 percent of the units have been occupied
14 continuously by the applicant owners of record for three years prior to the date of registration
15 for the lottery as selected by the Director.

16 The conversion of a stock cooperative as defined in Section 1308 of this Code to
17 condominiums shall be exempt from the annual limitation imposed on the number of
18 conversions in this Section and from the requirement to be selected by lottery where 75
19 percent of the units have been occupied continuously by the applicant owners of record for
20 three years prior to the date of registration for the lottery as selected by the Director.

21 No application for conversion of a residential building submitted by a registrant
22 shall be approved by the Department of Public Works to fill the unused portion of the 200-unit
23 annual limitation for the previous year.

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1 Section 3. The San Francisco Subdivision Code is hereby amended by repealing
2 Section 1396.1 in its entirety.

3 Section 4. The San Francisco Subdivision Code is hereby amended by adding Section
4 1396.1, to read as follows:

5 SEC. 1396.1. ANNUAL CONVERSION LIMITATION LOTTERY PROCEDURES.

6 This Section shall govern conduct of the lottery required by Section 1396 for the conversion of
7 residential units.

8 (a) The lottery shall be comprised of two pools (Pool A and Pool B).

9 (b) Pool A.

10 (1) For the 1995 lottery, Pool A shall consist only of those eligible buildings which
11 participated but which failed to be selected in any previous lottery held during the years 1990 through
12 1994. For the 1996 lottery, Pool A shall consist of only those eligible buildings which participated but
13 failed to be selected in any lottery held during the years 1990 through 1994 and the 1995 lottery. For
14 all subsequent lotteries after 1996, Pool A shall consist of only those eligible buildings which
15 participated but which have failed to be selected for conversion in at least three previous lotteries, two
16 of which must be lotteries held after 1994. If all buildings eligible in Pool A comprise 100 or fewer
17 units, all such buildings shall automatically be approved for conversion. Any unallocated units in Pool
18 A shall be added to Pool B.

19 (2) If all buildings eligible in Pool A comprise more than 100 units, the Director of
20 the Department of Public Works (Director) shall conduct a lottery among the buildings eligible for
21 Pool A so that no more than 100 units are selected for conversion in Pool A. All buildings not selected
22 for conversion through the Pool A lottery shall then participate in Pool B, under the procedures set
23 forth below.

24 (c) Pool B.

1 (1) Pool B shall consist of all eligible buildings pursuant to Section 1396 above,
2 together with any buildings from Pool A that were not selected for conversion in the Pool A lottery.

3 (2) Buildings from Pool B shall be selected for conversion by random selection of
4 lottery tickets submitted for eligible buildings.

5 (3) Each building in Pool B shall receive one lottery ticket for the current lottery,
6 plus a maximum of one lottery ticket for any and all lotteries held during the years 1990 through 1994
7 in which the building participated but failed to be selected for conversion in the lottery, plus one lottery
8 ticket for every lottery after 1994 in which the building participated but failed to be selected for
9 conversion.

10 (4) No building in Pool B shall receive more than five tickets.

11 (d) Applicants shall provide proof of participation in past lotteries to the Director.

12 (1) Proof of participation in any lottery held during the years 1990 through 1994
13 shall be as follows:

14 (i) Presentation by the registrant of a letter of regret from the Director for any
15 lottery held during the years 1990 through 1994; or

16 (ii) Presentation by the registrant of a cancelled check for payment of lottery
17 registration fees from any lottery held during the years 1990 through 1994; or

18 (iii) Any other proof of participation in any lottery held during the years 1990
19 through 1994, as determined acceptable by the Director.

20 (2) Proof of participation in any lottery held in or after 1995 shall be determined
21 upon presentation by the registrant of a letter of regret from the Director.

22 (e) Commencing with the 1997 lottery, any building seeking more than one lottery ticket
23 shall demonstrate to the satisfaction of the Director that one or more of the qualified owners of the
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1 building were owners of the building at the time of the lotteries in which the building participated but
2 failed to be selected for conversion.

3 (f) For purposes of determining whether a building failed to be selected for conversion in a
4 previous lottery:

5 (1) Those buildings which were chosen in a previous lottery but were not converted
6 for any reason whatsoever shall not be considered as having failed to be selected in that lottery.

7 (2) Any previous failures to be selected by lottery do not have to occur in
8 consecutive years.

9 (3) No credit shall be given for any year in which the building did not participate in
10 the lottery.

11 (g) In addition to the other provisions relating to Pool A and Pool B described in
12 subsections (b) through (f) above:

13 (1) the first 175 units selected by lottery in Pools A and B must meet the following
14 requirements: the Applicant for the lottery must certify under penalty of perjury and the Department
15 must verify with the Rent Stabilization and Arbitration Board, and with the Human Rights Commission
16 as applicable, that since November 16, 2004, no eviction as defined in San Francisco Administrative
17 Code Section 37.9(a)(8)—(14) of a senior, disabled person, or catastrophically ill tenant as defined
18 below has occurred, or if an eviction has taken place under Administrative Code Section 37.9(a)(11) or
19 (14), that the original tenant reoccupied the unit after a temporary eviction. For purposes of this
20 section a "senior" shall be a person who is 60 years or older and has been residing in the unit for 10
21 years or more at the time of the lottery; a "disabled" tenant is defined for purposes of this Section as a
22 person who is disabled within the meaning of Title 42 U.S.C. Section 12102(2)(A); and a
23 "catastrophically ill" tenant is defined for purposes of this Subsection as a person who is disabled as

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1 defined above, and who is suffering from a life threatening illness as certified by his or her primary
2 care physician.

3 (2) If there are not 175 units that meet the requirements of subsection (g)(1) above,
4 then the remaining units will not be awarded by lottery in that year's lottery or any future lottery. If
5 there are more than 175 units that meet the requirements of subsection (g)(1) above, then those units
6 may compete for the remaining 25 units as described in subsection (g)(3) below.

7 (3) The remaining 25 units in Pool A and Pool B will be selected as described in
8 subsections (b) through (f) and may, but do not need to, meet the additional requirements of subsection
9 (g)(1) above.

10 (4) If the Department determines that an Applicant has knowingly provided false
11 material information under subsection (g)(1) above, the Department shall immediately deny the
12 application for the lottery, or if the Applicant has submitted an application for conversion, shall
13 immediately deny the application for conversion. Moreover, the Department, the Director or other
14 authorized person or entity may also enforce the provisions of this Section under Section 1304 or any
15 other applicable provision of law as warranted.

16 (h) Standby List.

17 (1) Once all units have been allocated in Pools A and B, the Department shall place
18 the remaining buildings on a standby list as set forth in Subsection (2). Buildings on the standby list
19 may convert if selected units in Pools A and B are unable to convert within the time limits that the
20 Department establishes and as long as the maximum number of allocated units is not exceeded.

21 (2) The Department shall determine the standby list by random selection in a lottery;
22 provided, however, that only buildings satisfying the requirements of subsection (g)(1) shall participate
23 in the lottery authorized under this Subsection. The standby list lottery shall terminate after the
24 Department selects the first 20 buildings.

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1 (3) All remaining buildings shall be kept on file with the Department. These
2 buildings are eligible to convert if selected units in Pools A and B and the standby list lottery are
3 unable to convert within the time limits that the Department establishes and as long as the maximum
4 number of allocated units is not exceeded. In such an event, the Department shall conduct a random
5 selection lottery among the remaining buildings for any unallocated units.

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7 APPROVED AS TO FORM:
8 DENNIS J. HERRERA, City Attorney

9 By: _____
10 John D. Malamut
11 Deputy City Attorney

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