

1 [100% owner-occupied TICs.]

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3 **Ordinance allowing owners of 2-6 unit buildings to convert the building into a**
4 **condominium where the building was owned as a tenancy-in-common on January 20,**
5 **2005 and was 100% owner-occupied on January 20, 2005 and making environmental**
6 **findings.**

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

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

11 Section 1. Findings.

12 A. The proposed legislation encourages and ensures the orderly development of
13 residential subdivisions consistent with the objectives of the California Subdivision Map Act
14 and the San Francisco General Plan.

15 B. Through this legislation the Board of Supervisors seeks to promote the
16 meaningful expansion of true homeownership opportunities for existing owners of buildings in
17 a tenancy-in-common ownership where the condominium form of ownership is more desirable
18 and no tenants are negatively affected. The condominium form of ownership provides greater
19 protection and financial security to the separate owners of individual units, better management
20 tools for areas of the property held in common ownership, and other benefits. Many of these
21 owners have long been thwarted by the limited number of conversions allowed under the
22 annual condominium conversion process when few, if any, of the public benefits of the
23 conversion lottery are served. Particularly in those instances where the buildings are entirely
24 100% owner-occupied and no non-owning tenants are involved, the financial impact on such
25 owners has been significant.

1 C. The number of permitted condominium conversions is low compared to the
2 current demand for home ownership in the City. This ordinance promotes the health, safety
3 and welfare of residents by expanding home ownership opportunities on a one-time basis
4 above and beyond the condominium conversion limits for the year 2005. The ordinance
5 requires the tenancy-in-common to be formed on or before January 20, 2005 and the
6 buildings to be entirely owner-occupied on January 20, 2005. In addition, this legislation
7 would allow a non-owning tenant that occupies a building on January 20, 2005 to qualify as an
8 owner if the tenant becomes an owner by the time an application for conversion is filed with
9 the Department of Public Works. January 20, 2005 was the date selected for this legislation's
10 requirements because it was the final date to register for the 2005 condominium conversion
11 lottery. Tying the legislation's requirements to the final day to register for the 2005 lottery is
12 an effort to limit any unintended displacement of non-owning tenants and property speculation
13 as many of the buildings that would qualify for conversion under this Ordinance already are
14 eligible to participate in the 2005 lottery. Further, those buildings that are not eligible to
15 participate in the 2005 lottery still must satisfy all the requirements of the proposed Ordinance
16 in order to qualify for conversion. Therefore, the Ordinance's requirements for tenancy-in-
17 common ownership and 100% owner-occupier status should avoid displacement of non-
18 owning tenants. As a consequence, this legislation should have no direct negative effect on
19 existing non-owning tenants.

20 Section 2. Environmental Findings.

21 The Planning Department has determined that the actions contemplated in this
22 Ordinance are in compliance with the California Environmental Quality Act (California Public
23 Resources Code sections 21000 et seq.). Said determination is on file with the Clerk of the
24 Board of Supervisors in File No. _____ and is incorporated herein by reference.

25 Section 3. The following is an uncodified section of the Subdivision Code:

1 (a) Notwithstanding the limitation for the conversion of residential units in 2005 as set
2 forth in Subdivision Code Sections 1396 and 1396.1, the owner(s) of a 2-6 unit building may
3 convert the building pursuant to the provisions of the Subdivision Code if all the following
4 requirements are satisfied:

5 (1) the building was owned as a tenancy-in-common formed on or before
6 January 20, 2005;

7 (2) the building was 100% owner-occupied on January 20, 2005; and

8 (3) the applicant owner(s) submit a complete subdivision application to the
9 Department of Public Works on or before the final date to register for the 2006 condominium
10 conversion lottery.

11 (b) In order to satisfy the requirements of Subsection (a), the owner(s) are not required
12 to have participated in prior condominium conversion lotteries or the 2005 condominium
13 conversion lottery.

14 (c) For purposes of satisfying the requirements of Subsection (a)(2), a non-owning
15 tenant(s) who occupied the building on January 20, 2005 shall be deemed an owner if said
16 tenant becomes an owner on or before the date that an application for subdivision is
17 submitted to the Department of Public Works.

18 (d) For purposes of satisfying the requirements of Subsection (a)(1) and (2), each
19 owner of record shall own at least a 10% share of the property on or before the date that an
20 application for subdivision is submitted to the Department of Public Works.

21 (e) This legislation shall have no effect on the provisions of Subdivision Code Sections
22 1341, 1341A, 1385, and 1385A.

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

By: _____
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