

1 [Condominium conversion lottery based on seniority of participation.]

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3 **Ordinance amending Subdivision Code Section 1396.1 to prioritize the condominium**  
4 **conversion lottery based on seniority of participation in prior lotteries and making**  
5 **environmental findings.**

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

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

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

15 Section 2. The San Francisco Subdivision Code is hereby amended by amending  
16 Section 1396.1, to read as follows:

17 SEC. 1396.1. ANNUAL CONVERSION LIMITATION LOTTERY PROCEDURES.

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

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

21 (b) Pool A.

22 (1) ~~For the 1995 lottery, Pool A shall consist only of those eligible buildings which~~  
23 ~~participated but which failed to be selected in any previous lottery held during the years 1990 through~~  
24 ~~1994. For the 1996 lottery, Pool A shall consist of only those eligible buildings which participated but~~  
25 ~~failed to be selected in any lottery held during the years 1990 through 1994 and the 1995 lottery. For~~

1 ~~all subsequent lotteries after 1996~~, Pool A shall consist of only those eligible buildings which  
2 participated but which have failed to be selected for conversion in at least three previous  
3 lotteries, ~~two of which must be lotteries held after 1994~~. If all buildings eligible in Pool A comprise  
4 100 or fewer units, all such buildings shall automatically be approved for conversion. Any  
5 unallocated units in Pool A shall be added to Pool B.

6 (2) If all buildings eligible in Pool A comprise more than 100 units, the  
7 Director of the Department of Public Works (Director) shall ~~conduct a lottery among the buildings~~  
8 ~~eligible for Pool A so that no more than 100 units are selected for conversion in Pool A~~ rank the  
9 buildings according to the number of times a building has participated in and failed to be selected in  
10 any lottery, to be known as a Class. The Director shall enter the buildings having participated the most  
11 times into the Senior Class. If the total number of units in the Senior Class exceeds 100 units, then the  
12 Director shall conduct a lottery among all the buildings eligible for the Senior Class so that no more  
13 than 100 units are selected for conversion in Pool A. If the total number of units in the Senior Class is  
14 fewer than 100 units, all buildings shall automatically be approved for conversion. If there are  
15 remaining units to be selected to reach the maximum total of 100 units in Pool A, the process will then  
16 proceed to the next most senior Class. If the next most senior Class would result in more than 100 total  
17 units being selected in Pool A, then the Director shall conduct a lottery among all the buildings eligible  
18 for the next most senior Class so that no more than 100 total units are selected for conversion in Pool  
19 A. If the number of units in next most senior Class(es) combined with the units previously selected in  
20 Pool A is fewer than 100 total units, all buildings in the next most senior Class shall automatically be  
21 approved for conversion. If there are remaining units to be selected to reach the maximum total of 100  
22 units in Pool A, the process will then proceed as described above for the next most senior Class so that  
23 those buildings with the most seniority are prioritized over the junior Class(es). At such time as the  
24 number of units in the Class next eligible for conversion exceeds the total number of units remaining  
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1 for selection in Pool A, a lottery will be held among that Class to determine which units shall be  
2 selected for conversion as part of Pool A. All buildings not selected for conversion through the  
3 Pool A lottery shall then participate in Pool B, under the procedures set forth below.

4 (c) Pool B.

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

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

10 (3) Each building in Pool B shall receive one lottery ticket for the current  
11 lottery, ~~plus a maximum of one lottery ticket for any and all lotteries held during the years 1990~~  
12 ~~through 1994 in which the building participated but failed to be selected for conversion in the lottery,~~  
13 plus one lottery ticket for every lottery ~~after 1994~~ in which the building participated but failed to  
14 be selected for conversion.

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

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

17 (1) Proof of participation in any lottery held during the years 1990 through  
18 1994 shall be as follows:

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

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

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

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

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

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

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

12           (2) Any previous failures to be selected by lottery do not have to occur in  
13 consecutive years. (3) No credit shall be given for any year in which the building did not  
14 participate in the lottery.

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

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

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

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

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

21 (h) Standby List.

22 (1) Once all units have been allocated in Pools A and B, the remaining buildings  
23 shall be placed on a standby list. Buildings on the standby list may convert in the event that selected  
24 units in Pools A and B are unable to convert within the time limits that the Department establishes.

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1                   (2) The standby list shall be determined by a lottery or, if necessary, a series of  
2 lotteries among a Class(es) of buildings prioritized by seniority of participation in the annual  
3 condominium conversion lottery. Only buildings satisfying the requirements of subsection (g)(1) shall  
4 be assigned to the standby list in the manner specified above.

5                   (3) Those buildings that cannot satisfy the requirements of subsection (g)(1), shall  
6 be placed on the standby list only after all other buildings have been selected for the standby list as set  
7 forth in subsection (2) above. The buildings subject to this provision shall be placed on the standby list  
8 by random selection without regard to seniority.

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

11 By: \_\_\_\_\_  
12 John D. Malamut  
13 Deputy City Attorney

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