

Amendment of the Whole  
March 30, 2005.

FILE NO. 050177

ORDINANCE NO.

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. January 20, 2005 was the date  
7 selected for this legislation's requirements because it was the final date to register for the  
8 2005 condominium conversion lottery. Tying the legislation's requirements to the final day to  
9 register for the 2005 lottery is an effort to limit any unintended displacement of non-owning  
10 tenants and property speculation as many of the buildings that would qualify for conversion  
11 under this Ordinance already are eligible to participate in the 2005 lottery. Further, those  
12 buildings that are not eligible to participate in the 2005 lottery still must satisfy all the  
13 requirements of the proposed Ordinance in order to qualify for conversion. Therefore, the  
14 Ordinance's requirements for tenancy-in-common ownership and 100% owner-occupier status  
15 should avoid displacement of non-owning tenants. As a consequence, this legislation should  
16 have no direct negative effect on existing non-owning tenants.

17           Section 2. Environmental Findings.

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

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

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

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

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

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

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

12 (c) In addition to the requirements of Subsection (a), the owners of record must certify  
13 under penalty of perjury and the Department must verify with the Rent Stabilization and  
14 Arbitration Board, that since November 16, 2004, no eviction as defined in San Francisco  
15 Administrative Code Section 37.9(a)(8) – (14) of a senior, disabled person, or catastrophically  
16 ill tenant as defined below has occurred, or if an eviction has taken place under Administrative  
17 Code Section 37.9(a)(11) or (14,) that the original tenant reoccupied the unit after a temporary  
18 eviction. For purposes of this Subsection a “senior” shall be a person who is 60 years or older  
19 and has been residing in the unit for 10 years or more at the time of the lottery; a "disabled"  
20 tenant is defined for purposes of this Subsection as a person who is disabled within the  
21 meaning of Title 42 U.S.C. Section 12102(2)(A); and a “catastrophically ill” tenant is defined  
22 for purposes of this Subsection as a person who is disabled as defined by above, and who is  
23 suffering from a life threatening illness as certified by his or her primary care physician.

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1           (d) If the owners of record cannot satisfy the requirements of Subsection (c), then the  
2 owners of record shall comply with Subdivision Code Article 9, including its Section  
3 1396.1(g)(3), prior to submitting an application for Conversion.

4           (e) If the Department determines that an applicant has knowingly provided false  
5 material information under Subsection (c) above, the Department shall immediately deny the  
6 application, or if the applicant has submitted an application for Conversion, shall immediately  
7 deny the application for Conversion. Moreover, the Department, the Director, or other  
8 authorized person or entity may also enforce the provisions of this Subsection under  
9 Subdivision Code Section 1304 or any other applicable provision of law as warranted.

10           (f) This legislation shall have no effect on the provisions of Subdivision Code Sections  
11 1341, 1341A, 1385, and 1385A.

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

15 By: \_\_\_\_\_  
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