

LEGISLATIVE DIGEST

[Subdivision Code - Condominium Conversion Impact Fee]

Ordinance: 1) amending the Subdivision Code by adding Section 1396.4 to adopt a condominium conversion impact fee applicable to buildings qualifying for but not being selected or participating in the 2012 condominium conversion lottery only, subject to specified requirements, including lifetime leases for non-purchasing tenants; and 2) adopting environmental findings.

Existing Law

The San Francisco Subdivision Code regulates the conversion of apartments and tenancy-in-common buildings to condominium subdivisions and prohibits the conversion of buildings in excess of 6 units. Subdivision Code Section 1396 limits the number of conversions to 200 units annually which are selected in a condominium lottery. In order to participate in the lottery, a specified number of building owners must continuously occupy a unit(s) in the building for at least three years in advance of the lottery. Section 1396.3 sets forth the selection process for the annual 200-unit condominium lottery and bases the selection process, in part, on seniority of participation in past lotteries.

Amendments to Current Law

This Ordinance would impose a one-time fee on condominium conversions that would allow those buildings which participated but lost in the 2012 condominium lottery to by-pass the 2013 lottery by paying the specified \$20,000 per unit fee. Also, the fee could be paid by buildings that could have qualified for the 2012 lottery, but elected not to do so. The fee would be reduced 20% for every year before 2012 that the building participated in the lottery, and the fee revenue collected would be placed into the Citywide Affordable Housing Fund. The Ordinance also would require that all non-purchasing tenants at the time of final or parcel map approval of the condominium subdivision receive a lifetime lease with certain specified terms. The legislation would establish various time periods to pay the fee and complete steps of the conversion process. In recognition of the lifetime lease requirements, buildings would receive a refund on the condominium conversion fee tied to the number of units associated with a lifetime lease. The Ordinance also would adopt environmental findings.