

LEGISLATIVE DIGEST

[Administrative Code - Community Opportunity to Purchase Act]

Ordinance amending the Administrative Code to require owners of multifamily residential buildings to provide notice to the Mayor’s Office of Housing and Community Development and qualified nonprofit organizations of foreclosure proceedings related to said multifamily residential buildings; and add a deed in lieu of foreclosure in the definition of a “Sale of a Multi-Family Residential Building” as a type of transfer that requires notice to qualified nonprofit organizations, right of first offer, and right of first refusal for a multifamily residential building under the Community Opportunity to Purchase Act.

Existing Law

Chapter 41B of the San Francisco Administrative Code (the “Community Opportunity to Purchase Act” or “COPA”) requires certain owners of multifamily residential rental buildings (each a “Building”) to provide qualified nonprofit organizations (a “QNP”) with written notice of an owner’s intent to sell their Building. If a QNP expresses interest in purchasing a Building intended for sale, the owner of the Building must provide the QNP with: (1) information about the Building, and (2) the right to submit the first offer on the Building. If the Building owner and QNP cannot come to an agreement, then the Building owner may offer the Building for sale to any prospective purchaser, but the QNP that provided an offer will have a right of first refusal to match any offer by a prospective purchaser. A sale or transfer of a Building through a foreclosure or deed in lieu of foreclosure is currently exempt from the requirements of COPA. Owners of a Building are not required to notify a QNP or the Mayor’s Office of Housing and Community Development (“MOHCD”) of any foreclosure proceedings.

Amendments to Current Law

The proposed ordinance would amend the definition of a “Sale of a Multi-Family Residential Building” or “Sale” under COPA to include a transfer under a deed in lieu of foreclosure and remove a deed in lieu of foreclosure from the types of transfers that are exempt from the requirements of COPA. Any transfer of a Building through foreclosure under California law would remain exempt.

The proposed ordinance would amend COPA to require owners of a Building to provide each QNP and MOHCD a copy of: (1) any notice of default or notice of sale received under a non-judicial foreclosure; (2) any civil complaint, notice of levy, and/or notice of sale under a judicial foreclosure; and/or (3) any other notices of default or sale related to a judicial foreclosure or non-judicial foreclosure under California law.

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