

**LEGISLATIVE DIGEST**

(3/11/14, Substituted)

[Subdivision Code - Condominium Conversion Fee Appeals and Fee Deferral]

**Ordinance amending the Subdivision Code to authorize the Clerk of the Board of Supervisors to reject appeals of the condominium conversion fee when the appeal does not challenge the relationship or nexus between the impact of development and the amount of the fee charged, to modify the fee deferral process administered by the Department of Public Works, to allow conversions to proceed with a gap in ownership occupancy due to foreclosure, and affirming the Planning Department's California Environmental Quality Act determination.**

Existing Law

In June 2013, the Board of Supervisors adopted Ordinance 117-13. The ordinance created an expedited condominium conversion process allowing certain buildings to convert during a seven-year period. The ordinance imposes a conversion fee of up to \$20,000 on each converted unit, with the amount decreasing depending on how many years the owners have participated in the City's condominium conversion lottery. The Board based this fee on a nexus study analyzing the impacts of condominium conversion.

The ordinance allows applicants to appeal to the Board of Supervisors seeking a reduction, adjustment or waiver of the fee. The Board may reduce, adjust or waive the fee following such a hearing—but only if the Board finds there is not any relationship or nexus between the impact of conversion and the amount of the fee charged. The ordinance included a separate process where applicants could request that the Department of Public Works allow a deferral in payment of the fee between the time of application and approval of the final condominium subdivision map. The ordinance also provided for certain owner occupancy requirements to qualify for condominium conversion and allowed for specified gaps in owner occupation.

Amendments to Current Law

The proposed ordinance would authorize the Clerk of the Board of Supervisors to reject appeals of the fee when the documents filed with the appeal do not challenge the relationship or nexus between the impact of development and the amount of the fee charged. The Clerk would confer with the City Attorney regarding each appeal. If the Clerk determines that the appeal does not, on its face, challenge the nexus, then the Clerk would inform the Board of that determination, and any Board member could then request that the Board nonetheless hold a hearing. If no Board member requests a hearing within three business days of receiving the notice from the Clerk, then the Clerk would reject the appeal as improperly filed.

FILE NO. 131146

In addition, the ordinance would allow an applicant to obtain a fee deferral from the Department of Public Works between the time of application and 6 months after approval of the final condominium subdivision map in accordance with certain requirements. The legislation also would allow a gap in owner occupancy for one unit in a building seeking to convert to condominiums when such unit was subject to foreclosure against the prior owner.

n:\legana\as2014\1400276\00918571.doc