

Amendment of the Whole  
July 27, 2005.

FILE NO. 051333

ORDINANCE NO.

1 [Tourist Hotel Conversion.]

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3 **Ordinance amending the San Francisco Administrative Code to add Chapter 41F to**  
4 **prohibit the conversion of existing tourist hotel structures with 50 or more tourist guest**  
5 **rooms to condominium projects or dwelling units, with certain exceptions; and**  
6 **adopting findings, including environmental 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. Environmental Findings. The Planning Department has determined that the  
12 actions contemplated in this Ordinance are in compliance with the California Environmental  
13 Quality Act (California Public Resources Code section 21000 et seq.). Said determination is  
14 on file with the Clerk of the Board of Supervisors in File No. \_\_\_\_\_ and is  
15 incorporated herein by reference.

16 Section 2. Findings.

17 (a) As one of the country's premier travel destinations, the City and County of San  
18 Francisco depends on visitors for its economic health and well-being.

19 (b) In 2003, according to the California Employment Development Department,  
20 leisure and hospitality services accounted for nearly one out of every seven jobs in the City,  
21 and the San Francisco hotel industry employed over 17,000 workers.

22 (c) In 2004, according to the Convention and Visitors Bureau, San Francisco hotels  
23 hosted 4.2 million guests who contributed \$4.07 billion to the City's economy. On average,  
24 each hotel room in the City brought in \$123,000 in visitor spending and supported two jobs.

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1 (d) There are roughly 33,000 tourist hotel rooms in the City, spread across  
2 approximately 200 hotels. The majority of these tourist hotel rooms are located in  
3 approximately 115 large hotels with 50 or more tourist hotel rooms each.

4 (e) Competition between cities for major conventions, requiring in excess of 8,000  
5 rooms, is intense. San Francisco has invested hundreds of millions of dollars in improving its  
6 tourism infrastructure, including the construction of public facilities for major conventions.  
7 Large conventions depend on a reliable supply of hotel rooms concentrated at one site. The  
8 ability of San Francisco to compete for major conventions or events (e.g. a national  
9 presidential convention) or to bid for events such as the Olympics, will be compromised if the  
10 City's major hotels convert tourist hotel rooms to residential use.

11 (f) Residential real estate prices have reached an all-time high in San Francisco.  
12 Concerns have been raised that the combination of low interest rates and rising real estate  
13 prices in the City will lead to the conversion of tourist hotel units into condominiums. Such  
14 conversions have become a growing trend in other cities such as New York City and the  
15 Orlando and Miami-Fort Lauderdale area. Such conversions could have a devastating impact  
16 on the City's tourism industry and all those whom it employs.

17 (g) In other cities where hotel rooms have been converted to residential  
18 condominiums the units have been sold as extremely high-priced housing. According to the  
19 Housing Element of the San Francisco General Plan, San Francisco already exceeds its  
20 production of market rate housing with a substantial amount of this housing already being  
21 produced as high-end housing.

22 Section 3. The San Francisco Administrative Code is hereby amended by adding  
23 Chapter 41F, to read as follows:

24 CHAPTER 41F TOURIST HOTEL CONVERSION

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1           SEC. 41F.1. TITLE.

2           This Chapter may be referred to as the Tourist Hotel Conversion Ordinance.

3           SEC. 41F.2. DEFINITIONS.

4           (a) "Condominium Project" shall mean (i) a Community Apartment as defined in Section  
5 1308(b) of the Subdivision Code; (ii) a Condominium as defined in Section 1308(c) of the Subdivision  
6 Code; or (iii) a Stock Cooperative as defined in Section 1308(f) of the Subdivision Code; (iv) any other  
7 subdivided interest in land.

8           (b) "Convert" shall mean: (i) to change the type of ownership of any real property to that  
9 defined as a Condominium Project and in which two or more units are newly created wholly or in  
10 substantial part within an existing Large Tourist Hotel, regardless of whether substantial improvements  
11 have been made to such structures; or (ii) to change one or more guest rooms, one or more suites of  
12 rooms, or any portion thereof within an existing Large Tourist Hotel into a Dwelling Unit.

13           (c) "Dwelling Unit" shall mean any building or portion thereof that contains living  
14 facilities, including provisions for sleeping, eating, cooking, and sanitation as required by the Housing  
15 Code, for not more than one Family.

16           (d) "Family" shall mean one or more persons, related or unrelated, living together as a  
17 single integrated household in a Dwelling Unit.

18           (e) "Large Tourist Hotel" shall mean any building containing 50 or more guest rooms or  
19 suites of rooms intended or designated to be used for commercial tourist use by providing  
20 accommodation to transient guests on a nightly basis or longer, as contemplated by Section 216(b) of  
21 the Planning Code.

22           SEC. 41F.3. CONVERSIONS PROHIBITED.

23           It shall be unlawful for any person to Convert any portion of an existing Large Tourist Hotel,  
24 except there shall be no such prohibition under the terms of this Tourist Hotel Conversion  
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1 Ordinance applicable to any Large Tourist Hotel for which an application for environmental  
2 evaluation or an application for categorical exemption has been filed prior to July 21, 2005,  
3 nor shall this Tourist Hotel Conversion Ordinance be applicable to any Large Tourist Hotel  
4 that has been closed and is not operating as of July 21, 2005.

5 SEC. 41F.4. ENFORCEMENT.

6 (a) The Department of Building Inspection, in consultation with the Departments of  
7 Planning and Public Works, shall be responsible for enforcement of this Chapter as it may relate to  
8 physical alterations to a Large Tourist Hotel and may take any appropriate action within its powers to  
9 enforce this Chapter, including, but not limited to, denial of any building, construction, or change of  
10 use permits. The Department of Public Works, in consultation with the Departments of Building  
11 Inspection and Planning, shall be responsible for enforcement of this Chapter as it may relate to  
12 actions involving a subdivision under the Subdivision Map Act, California Government Code Sections  
13 66410 et seq.

14 (b) Civil Penalties.

15 (1) The Department of Building Inspection or the Department of Public Works may  
16 recommend to the City Attorney initiation of a civil action hereunder. The City Attorney shall have the  
17 power to bring an action for injunctive relief to restrain or summary abatement to cause the correction  
18 or abatement of the violation of this Article and for assessment and recovery of a civil penalty and  
19 reasonable attorneys' fees for such violation, or other judicial relief hereunder.

20 (2) Any person who violates this Article may be liable for a civil penalty, not to exceed \$500  
21 for each day such violation is committed or permitted to continue, which penalty shall be assessed and  
22 recovered in a civil action brought in the name of the people of the City by the City Attorney in any  
23 court of competent jurisdiction. The City Attorney also may seek recovery of the attorneys' fees and  
24 costs incurred in bringing a civil action pursuant to this Section.

1           (c) Criminal Penalties.

2           (1) The Department of Building Inspection or the Department of Public Works may  
3 recommend to the District Attorney initiation of a criminal action hereunder.

4           (2) Any person who violates this Article shall be deemed guilty of a misdemeanor. Every  
5 violation determined to be a misdemeanor is punishable by a fine of not more than \$1,000 or by  
6 imprisonment in the County Jail for a period of not more than six months, or by both such fines or  
7 imprisonments.

8           SEC. 41F.5. SEVERABILITY.

9           In the event that a court or agency of competent jurisdiction holds that a federal or state law,  
10 rule or regulation invalidates any clause, sentence, paragraph or section of this ordinance or the  
11 application thereof to any person or circumstances, it is the intent of the Board of Supervisors that the  
12 court or agency sever such clause, sentence, paragraph or section so that the remainder of this  
13 ordinance shall remain in effect.

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

16 By: \_\_\_\_\_  
17 Marlena G. Byrne  
18 Deputy City Attorney

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