FILE NO. 250779

LEGISLATIVE DIGEST

[Subdivision Code - Regulating Certain Below Market Rate Condominium Conversion Units]

Ordinance amending the Subdivision Code to establish procedures regarding resale prices, capital improvement costs, marketing, and sales, policies for conveyance through inheritance, title changes, owning, occupying, and refinancing Below Market Rate Condominium Conversion Units (BMR Units), and clarifying effective dates for requirements applicable to BMR Units under Subdivision Code, Section 1344, purchased on or after October 1, 2025.

Existing Law

Subdivision Code Section 1344 includes rules for conveyance, pricing, ownership, and occupancy of Below Market Rate Units ("BMR Units") sold by original subdividers and subsequent purchasers. In some cases, Section 1344 provides the rules for these BMR Units; in others, the rules and procedures are governed by the Procedures Manual adopted by the Planning Commission and in effect at the time the current owner purchased the BMR Unit.

Amendments to Current Law

The ordinance would clarify the rules applicable to BMR Units under Subdivision Code Section 1344 that are purchased on or after October 1, 2025. The ordinance would clarify that the rules and procedures for resale prices, capital improvement costs, marketing and sales, and policies for conveyance through inheritance, title changes, ownership occupancy and refinancing of these BMR Units are governed by the Inclusionary Affordable Housing Program Monitoring Procedures Manual adopted by the Planning Commission and in effect at the time the current owner purchased the BMR Unit. The ordinance also includes cleanup amendments to update the current name of the City department tasked with administering the Below Market Rate Condominium Conversion Program from the Mayor's Office of Housing ("MOH") to the Mayor's Office of Housing and Community Development ("MOHCD"), and to clarify the effective dates of various provisions of Section 1344.

Background Information

Subdivision Code section 1344 provides the rules applicable to certain low and moderate income housing units created under the "Below Market Rate Condominium Conversion Program" between 1979 and 1988. The Department of Real Estate and Department of Public Works originally administered the Program, and in 1988 the Board designated the Mayor's Office of Housing, now known as the Mayor's Office of Housing and Community Development, as the City department responsible for monitoring the units created by the Program. The ordinance would make clarifying amendments to identify MOHCD as the City agency responsible for the Program, identify the effective date of Section 1344, and update

the provisions of the section to clarify that the applicable rules and policies for each BMR Unit are determined by the Inclusionary Affordable Housing Program Monitoring Procedures Manual in effect at the time the unit was last purchased.

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