



## Expedited Conversion Program 2019 Update

- ECP Lawsuit (*Pakdel v. City and County of San Francisco*, U.S. Court of Appeals, 9th Circuit)
  - The ECP remains suspended for TIC buildings with units occupied by non-owning tenants.
  - The ECP suspension must remain with respect to any TIC buildings with units occupied by non-owning tenants until either:
    - There is a “final judgment in the lawsuit in all courts and the validity of this legislation in its entirety the challenged provision(s) . . . is upheld” (S.F. Board of Supervisors Ord. No. 117-13, Sec. 7.) or
    - Suspension of the lottery through January 1, 2024 (as mandated by Section 1396.5) is completed. (S.F. Board of Supervisors Ord. No. 117-13, Sec. 7.)
  - If the lawsuit does not reach a final judgment in favor of the City by January 24, 2020 (last day for application submittals and payments), in the absence of further legislative or administrative action, it is uncertain what condominium conversion options would be available regarding applications that had been suspended.
- ECP Group 7 [SEC 1396.4(b)(7)]
  - This is the last ECP group
  - We will begin accepting applications on April 15, 2019 (except for buildings suspended due to pending ECP lawsuit).
  - The last day for application submittals and payments is January 24, 2020.
- Reports [SEC 1396.5 (a) & (b)]
  - Within 12 months of issuing tentative map approval for the last ECP conversion, or on December 29, 2023, whichever is earlier, PW shall publish a report stating the total number of units converted under ECP. This report will be created every 12 months until the final ECP project is completed.
  - During the lottery suspension period, no later than April 15 of each year the Mayor’s Office of Housing shall publish a report stating the total number of permanently affordable rental housing units and the “Conversion Replacement Units” that have been produced in the previous calendar year and a cumulative total of such units produced during the tracking period.
- Lottery Suspension [SEC 1396.5 (c) and (e)]
  - Min lottery suspension – no lottery shall take place prior to January 1, 2024. Only bypass conversions will be permitted.
  - Max lottery suspension – the maximum period that the lottery shall be suspended shall be calculated by dividing the total number of units approved for conversion in the ECP by 200 and rounded to the nearest whole number. The resulting number will then be added to 2014. For example, assume that 2400 units were converted under the ECP.  $2400/200= 12$ ;  $2014+12= 2026$ ; the last day of the suspension would be December 31, 2025.
  - Lottery may resume between Min & Max lottery suspension years – the lottery may resume prior to the calculated Max date provided that the report produced by the Mayor’s Office shows that the total number of replacement units exceeds the number of units converted in the ECP.

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