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## **Plan C and TIC owners Rally for Condo Reform**

***Condo Bypass legislation would create up to \$25 million for affordable housing in San Francisco and provide thousands of construction jobs***

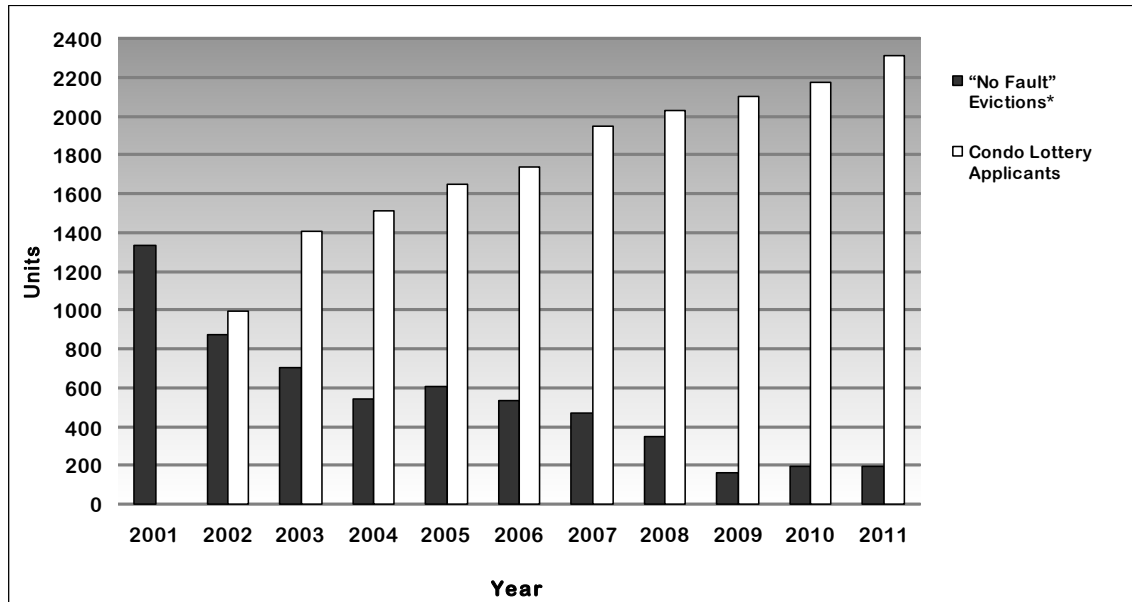
TIC owners will be rallying for condo reform on the City Hall steps on February 1, 2012 at 8:30AM (before the condo lottery scheduled for 9AM). Plan C San Francisco, with the Small Property Owners of San Francisco, will sponsor the rally. "The condominium conversion process is outdated and broken. It is costing the city valuable tax dollars while burdening many of its first-time homeowners," said Mike Sullivan, Plan C Co-chair. "As TIC owners, we pay a tax to the banks in the form of higher interest rates on our mortgages. We'd prefer to allocate that money to affordable housing in San Francisco."

Most lottery applicants consist of residents of 2-6 unit buildings that share their buildings as tenants-in-common (TICs). In San Francisco's expensive housing market, the path to first-time homeownership for many is through the purchase of a TIC. Unfortunately, however, TIC ownership does not provide the financial security and housing stability that comes with owning a condominium. That is because the bank financing associated with TICs is highly restrictive, more expensive, and doesn't provide for the long-term certainty of fixed rate financing.

"City Hall has the chance to support homeownership for the thousands of people that seek it as a means of solidifying their place in our community," said Ashley Lyon, a Plan C Board member and TIC owner. "These are the teachers, nurses, public service employees, even members of our very own Board of Supervisors that are pursuing first-time homeownership. We believe the Supervisors will see this as an opportunity to help the first-time homeowner and build better affordable housing in San Francisco."

The number of lottery applicants has more than doubled in the last eight years; from 1,000 in 2003 to an estimated 2,500 in 2012, but the number of conversions allowed has not changed in almost 30 years.

The odds of winning the condo lottery have gotten progressively worse in recent years – even as evictions in the City have decreased, as these tables show:



Year	Units Entered in the Lottery*	Units Winning
2002	994	200
2003	1,405	200
2004	1,512	200
2005	1,652	200
2006	1,736	200
2007	1,944	200
2008	2,030	200
2009	2,100	200
2010	2170	200
2011	2,309	200
2012	2,500 (est)	200

**Number of “No fault” evictions (Ellis + Owner Move-in)\***

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1,332	874	703	540	604	535	466	351	159	197	191

\* Source: Lottery applicant info is from San Francisco Department of Public Works; evictions data is from San Francisco Rent Board’s Annual Eviction Report.

The sharp drop in “no fault” evictions is notable because opponents of condo reform have always argued that if condo conversions were easy, evictions would result. However, since May 2006, condo conversions have been banned in buildings with more than one “no fault” eviction and in buildings with any evictions of “protected” tenants. Thus, condo reform cannot lead to evictions – because a building cannot condo convert if renters have been evicted.

As the number of units entering the lottery goes up each year, the backlog of units seeking conversion continues to grow. New applicants can now expect to wait 12-15 years or more before winning the right to own their home as a condominium – meaning that condo conversion reform is needed now more than ever.

“We will keep pushing for condo reform until our city’s broken condo conversion laws are changed,” said Sullivan. “Thousands of San Franciscans are being harmed by a senseless condo conversion policy – for no good reason. These first-time homeowners are the paralegals and yoga instructors and healthcare workers and firefighters of San Francisco – the lifeblood of any city, and we should be helping them to stay in San Francisco.”

This year, condo reform advocates have a solution that is a “win-win” for TIC owners and for the affordable housing community. The “condo bypass” would allow TIC owners to condo convert outside the lottery process, if they paid a fee (expected to be in the range of \$10,000 to \$15,000 per unit for most owners) to help fund the City’s affordable housing programs. This would help thousands of TIC owners convert to condo status, and would also provide up to \$25 million to help fund affordable housing in San Francisco (and provide thousands of construction jobs). “Funding affordable housing through condo reform is particularly important in 2012, when affordable housing programs have been hit by the loss of redevelopment funding,” said Sullivan. This is a rare opportunity for the City to raise millions for affordable housing, without taxes, while helping first time homeowners.”

## **Plan C**

Plan C was formed in 2001 as a moderate voice for San Francisco politics. We are the largest moderate civic group in San Francisco, with more than 1200 members. Plan C is a nonprofit organization with a volunteer board. For more information, visit [www.planconf.org](http://www.planconf.org).