



## “McGoldrick” Condo Conversion Update – 2/5/03

On January 10, 2003, the Hon. A. James Robertson II of the San Francisco Superior Court issued the latest in a series of rulings on the “McGoldrick” legislation – a law passed by the San Francisco Board of Supervisors in August of 2001, which attempted to limit TIC ownership and narrow the eligibility requirements for condominium conversion of 3-6 unit buildings, but which also expanded eligibility requirements for condominium conversion of 2-unit buildings to allow properties with only one owner-occupier to condo convert without participation in the annual City condo lottery.

An early challenge of the McGoldrick legislation filed by property owners was sustained by Judge Roberston. Last May, Judge Robertson modified his initial ruling, limiting its application only to properties which have been cleared of tenants via the Ellis Act. The latest ruling by Judge Robertson declares the McGoldrick Ordinance invalid as to *all* properties. Following Judge Robertson’s decision, the City ceased accepting applications for 2-unit buildings with only one owner-occupier, and advised many owners who had already filed under McGoldrick that their applications would be rejected.

Legislation has just been introduced by Supervisor McGoldrick to the San Francisco Board of Supervisors to “grandfather” in most pending condominium conversion applications for 2-unit buildings. It is anticipated this legislation will be enacted into law shortly. *If so*, the City will accept and process applications for 2-unit buildings with only one eligible owner-occupier *if the application was filed on or before January 21, 2003*.

Still unknown is whether the Board of Supervisors will pass any new legislation expanding the eligibility requirements for condominium conversion of 2-unit buildings to allow any other properties with only one owner-occupier to condo convert once again without participation in the annual City condo lottery.

We expect to learn more about the status of condominium applications in the future, and when we have more information, we endeavor to update this article. Until then, if you have questions about these issues, do not hesitate to contact us. Please remember, however, that we cannot predict the future; we may not be able to offer any additional guidance until more information becomes available.

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