[Planning, Subdivision Codes - Condominium Conversion of Accessory Dwelling Units]

Ordinance amending the Planning and Subdivision Codes to allow separate conveyance of certain Aaccessory Ddwelling Uunits and associated primary residencesdwelling units as condominiums; affirming the Planning Department's determination under the California Environmental Quality Act ("CEQA"); making findings of consistency with the General Plan and the eight priority policies of Planning Code, Section 101.1, and adopting findings of public necessity, convenience, and welfare under Planning Code, Section 302.

NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
Additions to Codes are in *single-underline italics Times New Roman font*.
Deletions to Codes are in *~~strikethrough italics Times New Roman font~~*.
Board amendment additions are in double-underlined Arial font.
Board amendment deletions are in ~~strikethrough Arial font~~.
Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Background and General Findings.

(a) San Francisco has been grappling with a housing affordability crisis for the past couple of decades; a crisis felt by low-, moderate-, and, more recently, middle-income households. To address this ongoing crisis, San Francisco has adopted a Housing Element that calls for the production of 82,069 new housing units by 2031.

(b) San Francisco's housing crisis stifles economic growth, contributes to the homelessness epidemic, consumes an ever-growing share of the paychecks of working families, and limits tens of thousands of residents from achieving the dream of homeownership. Decades of restrictive zoning, land use decisions, and burdensome

permitting policies have contributed to the gap between San Francisco's housing needs for all income levels and the available supply of housing.

(c) As the cost of living in San Francisco has ballooned over the years, the City has lost much of the social, cultural, and economic diversity that once was central to its identity. Entry-level housing options serve the diverse communities that reflect the City's essential values. But San Francisco has been unable to provide the needed housing for the wide range of workers that our economy requires and the wide range of individuals and families that ought to be able to live in our community.

(d) San Francisco's homeownership rates are among the lowest in California and nationwide. High median home prices, supply limitations, and high development costs have made economically attainable homeownership increasingly out of reach for many San Franciscans, particularly immigrants, communities of color, and first-time homebuyers.

(e) San Francisco's housing shortage limits economic mobility and opportunity for the City's workforce and residents. It contributes to longer commutes, overcrowding, and a decline in the quality of life in the City.

(f) According to the Federal Reserve's 2022 Survey of Consumer Finances, homeownership is a powerful tool for closing the racial and ethnic wealth gap in our society. Without question, homeownership remains one of the most effective ways in which all San Franciscans can build wealth and assets.

(g) Small, multi-family housing construction projects in San Francisco, including the construction and legalization of Accessory Dwelling Units ("ADUs"), have historically faced unique challenges and constraints. The combination of high land values and construction costs presents significant barriers that discourage the average homeowner and developer from pursuing this type of housing. In addition, small housing projects in well-resourced

neighborhoods have often faced strong localized opposition, which undermines community support for this type of housing as reasonable, appropriate, and a viable option to build.

(h) This ordinance authorizes the separate conveyance of primary ~~dwelling units~~ residences and ADUs as condominiums. The goal is to provide an option to homeowners and property owners to expediently seek a return on the capital investment required to construct ADUs, while reducing long-term liabilities and potential risks associated with managing rental property. The intent is to incentivize the production of ADUs, especially in neighborhoods dominated by single-family homes, and thereby increase the supply of affordable, entry-level housing units.

(i) ADUs are an affordable housing option because they do not require the purchase of land, major new infrastructure, structured parking, or elevators. These units can be built using cost-effective wood frame construction, which is significantly less costly than homes in new multifamily infill buildings, while providing as much living space as many newly-built apartments and condominiums. Reducing construction costs on ADUs when sold separately as condominiums can help reduce for-sale prices of these units and increase the supply of entry-level homes.

(j) According to the Planning Department's 2022 Housing Element and the United States Census Bureau, nearly 30% of San Francisco's housing stock is comprised of single-family homes, totaling 122,816 housing units. About two-thirds of these single-family homes – an estimated 66% – are owner-occupied. Despite high home prices, 50% of single-family homes are owned by moderate- or low-income owners. Single-family homes have much lower turnover rates than multifamily ownership units or rental units. Forty-six percent of single-family homes have been owner-occupied for 20 years or more, and 70% have been owner-occupied for 10 years or more. These longtime residents are often pillars of neighborhood identity, diversity, and culture. Allowing these homeowners the option to build

and separately convey their ADUs as condominiums presents a significant opportunity to increase production of new, desperately needed housing units within existing, well-resourced neighborhoods. This would help provide sufficient housing for current residents and future generations, and help support and maintain a city with diverse cultures, family structures, and communities, without having to rely on large-scale area plans and capital-intensive, large-lot redevelopment projects.

(k) Longtime homeowners are often constrained by limited liquidity and cash assets, even as the value of their home and property has appreciated over decades. Access to this accrued wealth is typically only possible when these assets are sold, which can displace longtime residents and separate multigenerational extended families. The City can help prevent such displacement and create opportunities to build generational wealth by allowing these homeowners the option to convey an ADU separately from the owner-occupied primary dwelling unit. This option allows seniors to age in place as they require more care, and provides an additional source of income for homeowners.

(l) Nothing in this ordinance is intended to promote speculative real estate investments that may seek to displace current residents, demolish existing housing stock, build new units, and quickly sell those units. Further, nothing in this ordinance is intended to reduce the supply of ADUs subjected to rent control under Planning Code Section 207.1.

(m) This Board of Supervisors finds that the separate conveyance of ADUs as condominiums is consistent with the City's obligation to affirmatively further fair housing pursuant to California Government Code Section 8899.50 et seq. Promoting greater density within well-resourced neighborhoods in this manner meaningfully addresses significant disparities in housing needs, fosters positive economic and health outcomes, and increases access to high-quality neighborhood resources and areas of opportunity. In addition, the Board finds that this ordinance broadly supports the goals and objectives in the Housing

Element of the General Plan, and furthers Program Area 7: Expanding Housing Choice, and Implementing Program Area 7.4: Accessory Dwelling Units.

Section 2. Environmental and Land Use Findings.

(a) The Planning Department has determined that the actions contemplated in this ordinance comply with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of Supervisors in File No. 241069 and is incorporated herein by reference. The Board affirms this determination.

(b) On February 13, 2025, the Planning Commission, in Resolution No. 21684, adopted findings that the actions contemplated in this ordinance are consistent, on balance, with the City's General Plan and eight priority policies of Planning Code Section 101.1. The Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the Board of Supervisors in File No. 241069, and is incorporated herein by reference.

(c) Pursuant to Planning Code Section 302, the Board finds that these Planning Code amendments will serve the public necessity, convenience, and welfare for the reasons set forth in Planning Commission Resolution No. 21684, and the Board incorporates such reasons herein by reference. A copy of said resolution is on file with the Clerk of the Board of Supervisors in File No. 241069.

Section 3. Article 2 of the Planning Code is hereby amended by revising Sections 207.1 and 207.2, and adding Section 207.4, to read as follows:

SEC. 207.1. LOCAL ACCESSORY DWELLING UNIT PROGRAM.

(a) **Exception to Dwelling Unit Density Limits for Certain Accessory Dwelling Units Under City's Local Program.** An exception to the calculations under Section 207 of this Code shall be made for Accessory Dwelling Units ("ADUs"), as defined in Section 102 of this Code, meeting the requirements of this Section 207.1.

* * * *

(e) **Restrictions on Subdivisions.** Notwithstanding the provisions of Article 9 of the Subdivision Code, a lot with an ADU authorized under this Section 207.1 shall not be subdivided in a manner that would allow for the ADU to be sold or separately financed pursuant to any condominium plan, housing cooperative, or similar form of separate ownership. This prohibition on separate sale or finance of the ADU shall not apply to an ADU:

(1) that is located in a building that consisted entirely of condominium units as of July 11, 2013, and has had no evictions pursuant to Sections 37.9(a) through 37.9(a)(12) and 37.9(a)(14) of the Administrative Code since July 11, 1996; or. ~~*This prohibition on separate sale or finance of the ADU shall not apply to an ADU*~~

(2) that meets the requirements of California Government Code Section 66341.; ~~or~~

~~(3) that meets the requirements of Planning Code Section 207.4.~~

* * * *

SEC. 207.2. STATE MANDATED ACCESSORY DWELLING UNIT PROGRAM.

(a) **Exception to Dwelling Unit Density Limits for Certain Accessory Dwelling Units Under the State-Mandated Program.** An exception to the calculations under Section 207 of this Code shall be made for Accessory Dwelling Units ("ADUs") and Junior Accessory Dwelling Units ("JADUs"), as defined in Section 102 of this Code, meeting the requirements of this Section 207.2. The purpose of this Section 207.2 is to implement California Government

Code Sections 66314 and 66333, which require ministerial consideration of ADUs and JADUs that meet certain standards.

* * * *

(i) **Rental; Restrictions on Subdivisions.** An ADU or JADU constructed pursuant to this Section 207.2 may be rented and is subject to all applicable provisions of the Residential Rent Stabilization and Arbitration Ordinance (Chapter 37 of the Administrative Code). Notwithstanding the provisions of Article 9 of the Subdivision Code, a lot with an ADU or JADU authorized under this Section 207.2 shall not be subdivided in a manner that would allow for the ADU or JADU to be sold or separately financed pursuant to any condominium plan, housing cooperative, or similar form of separate ownership, except that this prohibition on separate sale or finance of the ADU shall not apply to an ADU that meets the requirements of either: California Government Code Section 66333(f), *or* ~~that meets the requirements of Planning Code~~ *Section 207.4* and Subdivision Code Section 1316.

* * * *

SEC. 207.4. **SEPARATE SALE AND CONVEYANCE** ~~CONDOMINIUM CONVERSION~~ ***OF CERTAIN*** **STATE MANDATED** ***ACCESSORY DWELLING UNITS*** ~~**AND ASSOCIATED PRIMARY DWELLING UNITS**~~**.**

(a) ~~This Section 207.4 sets forth the requirements for conversion of c~~*Certain new or existing Accessory Dwelling Units ("ADUs"), as defined in Section 102 of this Code,* approved under the City's state-mandated, ministerial approval programs in Planning Code Section 207.2, or former Planning Code subsection 207(c)(6), may be separately sold or conveyed from the primary residence, if the subdivision of those units is approved pursuant to the Subdivision Code. ~~and associated primary dwelling units, into condominiums~~*. These condominiums may be sold or otherwise conveyed separately from the primary residence only under the conditions set forth in*

~~this Section 207.4 and in compliance with *the* San Francisco~~ *Subdivision Code*. Applications to construct ADUs may be submitted concurrently with any application to subdivide the parcel.

~~(b) Eligibility. Only ADU projects meeting the following requirements are eligible for condominium conversion under this Section 207.4:~~

~~(1) For ADUs approved under the City's state-mandated, ministerial approval programs in Planning Code Section 207.2, or former Planning Code subsection 207(c)(6), an application to construct such ADUs must have been submitted on or after January 1, 2020.~~

~~(2) For ADUs approved under the City's local, discretionary approval program in Planning Code Section 207.1, an application to construct such ADUs must have been submitted on or after November 1, 2024.~~

~~(3) The lot proposed for subdivision, or the building within which any ADU will be constructed, contains four or fewer existing dwelling units.~~

~~(4) All structures and buildings included as part of a condominium project authorized under this Section 207.4 shall all applicable Building and Planning Code requirements. The conversion of ADUs and associated primary dwelling units to condominium units shall not reduce or eliminate any Building and Planning Codes requirements applicable to any such units.~~

~~(5) Junior ADUs. Junior ADUs shall not be eligible for conversion to condominiums under this Section 207.4.~~

~~(c) Requirements.~~

~~(1) All condominiums converted from ADUs and associated primary dwelling units under this Section 207.4 shall be created pursuant to the Davis-Stirling Common Interest Development Act (Part 5 (commencing with Section 4000) of Division 4 of the California Civil Code).~~

~~(2) All condominiums converted from ADUs and associated primary dwelling units under this Section 207.4 shall be created in conformance with all applicable objective requirements of the Subdivision Map Act (Division 2 (commencing with Section 66410) of the California Government Code) and all objective requirements of the San Francisco Subdivision Code.~~

~~(3) Safety Inspection. Prior to the recordation of the condominium plan, a safety inspection of the ADU shall be conducted as evidenced either through a certificate of occupancy or a housing quality standards report from a building inspector certified by the United States Department of Housing and Urban Development.~~

~~(4) Lienholder Consent. Neither a subdivision map nor a condominium plan shall be recorded without each lienholder's consent. A lienholder may refuse to give consent. A lienholder may also consent provided that any terms and conditions required by the lienholder are satisfied. Prior to recordation of the initial or any subsequent modifications to the condominium plan, written evidence of the lienholder's consent shall be provided to the Assessor-Recorder along with a signed statement from each lienholder that states as follows: "[Name of lienholder] hereby consents to the recording of this condominium plan in their sole and absolute discretion and the borrower has or will satisfy any additional terms and conditions the lienholder may have." A lienholder's consent shall be included on the condominium plan or a separate form attached to the condominium plan that includes the following information:~~

~~(A) The lienholder's signature.~~

~~(B) The name of the record owner or ground lessee.~~

~~(C) The legal description of the real property.~~

~~(D) The identities of all parties with an interest in the real property as reflected in the real property records.~~

~~(E) The lienholder's consent shall be recorded with the Assessor-Recorder.~~

~~(5) Notice. The City shall include the following notice on any ADU submittal checklist or public information that describes the requirements and permitting for ADUs, and shall include the following notice as part of the conditions of any ADU building permit or condominium plan approval:~~

~~"NOTICE: If you are considering establishing your primary dwelling unit and accessory dwelling unit as a condominium, please ensure that your building permitting agency allows this practice. If you decide to establish your primary dwelling unit and accessory dwelling unit as a condominium, your condominium plan or any future modifications to the condominium plan must be recorded with the County Recorder. Prior to recordation or modification of your subdivision map and condominium plan, any lienholder with a lien on your title must provide a form of written consent either on the condominium plan, or on the lienholder's consent form attached to the condominium plan, with text that clearly states that the lender approves recordation of the condominium plan and that you have satisfied their terms and conditions, if any.~~

~~In order to secure lender consent, you may be required to follow additional lender requirements, which may include, but are not limited to, one or more of the following:~~

~~(a) Paying off your current lender.~~

~~You may pay off your mortgage and any liens through a refinance or a new loan. Be aware that refinancing or using a new loan may result in changes to your interest rate or tax basis. Also, be aware that any subsequent modification to your subdivision~~

~~map or condominium plan must also be consented to by your lender, which consent may be denied.~~

~~(b) Securing your lender's approval of a modification to their loan collateral due to the change of your current property legal description into one or more condominium parcels.~~

~~(c) Securing your lender's consent to the details of any construction loan or ground lease.~~

~~This may include a copy of the improvement contract entered in good faith with a licensed contractor, evidence that the record owner or ground lessee has the funds to complete the work, and a signed statement made by the record owner or ground lessor that the information in the consent above is true and correct."~~

~~(6) Notice to Utility Providers. If an ADU is converted to a condominium, the property owner shall notify providers of utilities, including water, sewer, gas, and electricity, of the creation of the condominium and any separate conveyance.~~

~~(7) Additional Requirements for Projects in Planned Developments. The owner of a property or a separate interest within an existing planned development that has an existing association, as defined in Section 4080 of the California Civil Code, shall not record a condominium plan to create a common interest development under Section 4100 of the California Civil Code that includes an ADU authorized under this Section 207.4 without express written authorization by the existing association. For purposes of this subsection (c)(7), written authorization by the existing association means approval by the board at a duly noticed board meeting, as defined in Section 4090 of the California Civil Code, and, if needed pursuant to the existing association's governing documents, membership approval of the existing association.~~

(b~~d~~) ***Review of Program.*** *The Planning Department shall include the location and number of units* ~~of projects~~ *approved* as ~~for conversion to~~ *condominiums under this Section 207.4* and the Subdivision Code *in the Housing Inventory Report. Prior to December 31, 2030, the Planning Department shall prepare and submit to the Planning Commission a report containing recommendations as necessary or appropriate for modifications to* ~~this Section 207.4~~the program allowing the separate sale and conveyance of state-mandated ADUs, *including modifications to further the goals of the City's Seventh Housing Element Cycle.*

Section 4. Articles 2, 3, and 9 of Division 1 of the Subdivision Code ~~is~~are hereby amended by revising Section 1308, and adding Sections 1316 and 1396.8, to read as follows:

SEC. 1308. SUBDIVISIONS.

(a) "Common areas" shall mean an entire project excepting all units therein granted or reserved.

(b) "Community Apartments" shall mean an estate in real property consisting of an undivided interest in common in a parcel of real property and the improvements thereon coupled with the right of exclusive occupancy of any apartment located therein.

(c) "Condominium" shall mean an estate in real property consisting of an undivided interest in common in a portion of a parcel of real property together with a separate interest in space in a residential, industrial, or commercial building on such real property, such as an apartment, office, or store. A Condominium may include in addition a separate interest in other portions of such real property. Such estate may, with respect to the duration of its enjoyment, be either (1) an estate of inheritance or perpetual estate, (2) an estate for life, or (3) and estate for years, such as a leasehold or subleasehold. This definition is intended to conform to Section 783 of the California Civil Code and any other section of California law.

(d) "Conversion" shall mean a subdivision which changes the type of ownership of real property to that defined as a Condominium project, Community Apartment project or Stock Cooperative and in which two or more condominiums, community apartments or units in a stock cooperative are newly created wholly or in substantial part within an existing residential structure or structures, regardless of the present or prior use of such structures and of whether substantial improvements have been made to such structures. A conversion also shall include a subdivision that: (1) is created wholly or in substantial part within an existing residential structure or structures, regardless of the present or prior use of such structures and of whether substantial improvements have been made to such structures and (2) divides one or more of the existing residential dwelling units into separate lots, parcels, or units. A conversion also shall include a subdivision involving certain Accessory Dwelling Units and an associated primary residence under Section 1396.8, and Planning Code Section 207.4.

* * * *

SEC. 1316. SEPARATE SALE AND CONVEYANCE OF CERTAIN STATE MANDATED ACCESSORY DWELLING UNITS AND ASSOCIATED PRIMARY RESIDENCES.

(a) Notwithstanding any other provisions of this Code, a subdivider shall be eligible to submit an application for separate sale and conveyance of Accessory Dwelling Units ("ADUs") and associated primary residences that satisfy the requirements of this Section 1316 and/or include said ADUs in a condominium map application for a project approved pursuant to Planning Code Section 207.4. For purposes of this Section 1316, primary residence shall mean the whole of an existing or new residential structure or complex, which may contain one or more individual dwelling units. Applications under this Section 1316 shall be subject to the following requirements:

(b) **Eligibility.** ADUs are eligible for separate sale and conveyance under this Section 1316 if all of the following requirements are met:

(1) The lot proposed for subdivision contains four or fewer existing individual dwelling units.

(2) An application to construct the ADU was submitted on or after May 1, 2025, or no certificate of occupancy has been issued for the ADU.

(3) The ADU is either:

(A) constructed on a property containing an existing single-family dwelling or existing condominiums, and such ADU (i) is constructed after January 1, 2020; (ii) is detached from the existing dwelling or condominiums; (iii) is approved under the City's state-mandated, ministerial approval programs in Planning Code Section 207.2 or former Planning Code subsection 207(c)(6); and (iv) does not convert space within any existing structure; or

(B) constructed on a property containing a new proposed single-family home or new proposed condominium project, and such ADU is a newly-constructed, detached or attached ADU approved under the City's state-mandated, ministerial approval programs in Planning Code Section 207.2 or former Planning Code subsection 207(c)(6).

(4) The unit is not a Junior ADU, as defined in Planning Code Section 102.

(c) All condominiums created from ADUs and associated primary residence under this Section 1316 shall be created pursuant to the Davis-Stirling Common Interest Development Act (Part 5 (commencing with Section 4000) of Division 4 of the California Civil Code).

(d) All condominiums created from ADUs and associated primary residence under this Section 1316 shall be created in conformance with all applicable objective requirements of the Subdivision Map Act (Division 2 (commencing with Section 66410) of the California Government Code) and all objective requirements of this Code.

(e) **Safety Inspection.** Prior to the recordation of the condominium plan, a safety inspection of the ADU shall be conducted as evidenced either through a certificate of occupancy or a housing quality standards report from a building inspector certified by the United States Department of Housing and Urban Development.

(f) **Lienholder Consent.** Neither a subdivision map nor a condominium plan shall be recorded without each lienholder's consent. A lienholder may refuse to give consent. A lienholder may also consent provided that any terms and conditions required by the lienholder are satisfied. Prior to recordation of the initial or any subsequent modifications to the condominium plan, written evidence of the lienholder's consent shall be provided to the Assessor-Recorder along with a signed statement from each lienholder that states as follows: "[Name of lienholder] hereby consents to the recording of this condominium plan in their sole and absolute discretion and the borrower has or will satisfy any additional terms and conditions the lienholder may have." A lienholder's consent shall be included on the condominium plan or a separate form attached to the condominium plan that includes the following information:

(1) The lienholder's signature.

(2) The name of the record owner or ground lessee.

(3) The legal description of the real property.

(4) The identities of all parties with an interest in the real property as reflected in the real property records.

(5) The lienholder's consent shall be recorded with the Assessor-Recorder.

(g) **Notice.** The City shall include the following notice on any ADU submittal checklist or public information that describes the requirements and permitting for ADUs, and shall

include the following notice as part of the conditions of any ADU building permit or condominium plan approval:

"NOTICE: If you are considering establishing your primary dwelling unit and accessory dwelling unit as a condominium, please ensure that your building permitting agency allows this practice. If you decide to establish your primary dwelling unit and accessory dwelling unit as a condominium, your condominium plan or any future modifications to the condominium plan must be recorded with the County Recorder. Prior to recordation or modification of your subdivision map and condominium plan, any lienholder with a lien on your title must provide a form of written consent either on the condominium plan, or on the lienholder's consent form attached to the condominium plan, with text that clearly states that the lender approves recordation of the condominium plan and that you have satisfied their terms and conditions, if any.

In order to secure lender consent, you may be required to follow additional lender requirements, which may include, but are not limited to, one or more of the following:

(a) Paying off your current lender.

You may pay off your mortgage and any liens through a refinance or a new loan. Be aware that refinancing or using a new loan may result in changes to your interest rate or tax basis. Also, be aware that any subsequent modification to your subdivision map or condominium plan must also be consented to by your lender, which consent may be denied.

(b) Securing your lender's approval of a modification to their loan collateral due to the change of your current property legal description into one or more condominium parcels.

(c) Securing your lender's consent to the details of any construction loan or ground lease.

This may include a copy of the improvement contract entered in good faith with a licensed contractor, evidence that the record owner or ground lessee has the funds to complete the work, and a signed statement made by the record owner or ground lessor that the information in the consent above is true and correct."

(h) **Notice to Utility Providers.** If an ADU is approved for separate sale or conveyance as a condominium, the property owner shall notify providers of utilities, including water, sewer, gas, and electricity, of the creation of the condominium and any separate conveyance.

(i) **Additional Requirements for Projects in Planned Developments.** The owner of a property or a separate interest within an existing planned development that has an existing association, as defined in Section 4080 of the California Civil Code, shall not record a condominium plan to create a common interest development under Section 4100 of the California Civil Code that includes an ADU authorized under this Section 1316 without express written authorization by the existing association. For purposes of this subsection 1316(i), written authorization by the existing association means approval by the board at a duly noticed board meeting, as defined in Section 4090 of the California Civil Code, and, if needed pursuant to the existing association's governing documents, membership approval of the existing association.

* * * *

SEC. 1396.4. CONDOMINIUM CONVERSION FEE AND EXPEDITED CONVERSION PROGRAM.

(a) **Findings**. The findings of Planning Code Section 415.1 concerning the City's inclusionary affordable housing program are incorporated herein by reference and support the basis for charging the fee set forth herein as it relates to the conversion of dwelling units into condominiums.

(b) Any building may be exempted from the annual lottery provisions of Section 1396 if the building owners for said building comply with either: (1) Section 1396.3(g)(1) and all the requirements of this Section 1396.4; (2) all the requirements of Section 1396.6; ~~or~~ (3) all the requirements of Section 1396.7; or (4) all the requirements of Section 1396.8. Notwithstanding the foregoing sentence, no property or applicant subject to any of the prohibitions on conversions set forth in Section 1396.2, in particular a property with the eviction(s) set forth in Section 1396.2(b), is eligible for the Expedited Conversion program under this Section 1396.4. Eligible buildings as set forth in this subsection (b) may exercise their option to participate in this program according to the following requirements:

* * * *

***SEC. 1396.8. CONDOMINIUM CONVERSION OF CERTAIN* STATE MANDATED *ACCESSORY DWELLING UNITS AND ASSOCIATED PRIMARY DWELLING UNITS* ~~UNDER PLANNING CODE SECTION 207.4~~.**

Notwithstanding any other provisions of this Code, a subdivider shall (1) be exempt from the annual lottery provisions of Section 1396 of this Code with respect to any Accessory Dwelling Units ("ADUs") and associated Primary Dwelling Units that satisfy the requirements of Section 1316~~Planning Code Section 207.4~~*; and (2) be eligible to submit a condominium conversion application for said ADUs and* an *associated* p~~P~~*rimary* residence~~Dwelling Units~~ *and/or include said ADUs in a condominium map application for a project approved pursuant to Planning Code Section 207.4. Notwithstanding the foregoing sentence, no property or applicant subject to any of the prohibitions on conversions set forth in Section 1396.2 of this Code, including but not limited to a*

property with the eviction(s) set forth in Section 1396.2(b), shall be eligible for condominium conversion under this Section 1396.8. For purposes of this Section 1396.8, primary residence shall mean the whole of an existing or new residential structure or complex, which may contain one or more individual dwelling units.

Section 5. Effective Date. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

Section 6. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal Code that are explicitly shown in this ordinance as additions, deletions, Board amendment additions, and Board amendment deletions in accordance with the "Note" that appears under the official title of the ordinance.

APPROVED AS TO FORM:
DAVID CHIU, City Attorney

By: /s/ Peter Miljanich
PETER MILJANICH
Deputy City Attorney

n:\legana\as2025\2400233\01836152.docx