

REVISED LEGISLATIVE DIGEST
(Amended in Committee – April 21, 2025)

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

Ordinance amending the Planning and Subdivision Codes to allow separate conveyance of certain Accessory Dwelling Units and associated primary residences 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.

Existing Law

The Planning Code sets forth both the City’s local, discretionary accessory dwelling unit (“ADU”) approval program (Planning Code Section 207.1) and the City’s state-mandated, ministerial ADU approval program (Planning Code Section 207.2). Under both programs, with limited exceptions, a lot containing an ADU may 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.

Amendments to Current Law

This ordinance would amend the Subdivision Code, and add new Planning Code Section 207.4, to create a process by which property owners may sell or separately finance certain new or existing ADUs, and associated primary residences, as condominiums. Among other requirements, this ordinance would require all condominiums created from ADUs and associated primary residences to 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), and in conformance with all applicable objective requirements of the California Subdivision Map Act and the San Francisco Subdivision Code. This ordinance would also require any lienholder to consent to the subdivision of any ADUs and associated primary residences.

This ordinance would also require the Planning Department, prior to December 31, 2030, to prepare and submit to the Planning Commission a report containing recommendations as necessary or appropriate for modifications to this ADU condominium conversion program.

Background Information

Assembly Bill 1033, authored by Assembly member Ting, took effect on January 1, 2024 and amended state law to explicitly allow the conversion of accessory dwelling units and associated primary residences into condominiums.

This ordinance reflects amendments made by the Board of Supervisors at the April 21, 2025 meeting of the Land Use and Transportation Committee. Among other changes, these amendments modify the eligibility criteria for projects and generally narrow the circumstances in which accessory dwelling units and associated primary residences may be subdivided.

n:\legana\as2024\2400233\01836680.docx