

**LEGISLATIVE DIGEST**

[Planning and Administrative Codes - Construction of In-Law Units (also known as Secondary Units or Accessory Dwelling Units) in Existing Residential Buildings or Auxiliary Structures on the Same Lot; Rent Control]

**Ordinance amending the Planning Code to allow the construction of an additional dwelling unit or units within the existing envelope of a residential building or auxiliary structure on the same lot (“In-Law Units”) on any parcel in the Castro Street Neighborhood Commercial District and within 1,750 feet of the District boundaries, excluding any lot within 500 feet of Block 2623, Lots 116 through 154, and authorizing the Zoning Administrator to waive density and other Planning Code requirements in order to create the In-Law Units, and requiring the Department to monitor rents and publish a report evaluating the effectiveness of the ordinance; amending the Administrative Code to provide that an In-Law Unit constructed with a waiver of Code requirements shall be subject to the provisions of the San Francisco Residential Rent Stabilization and Arbitration Ordinance if the existing building or any existing dwelling unit is already subject to the Rent Ordinance, making environmental findings and findings of consistency with the General Plan and the eight priority policies of Planning Code Section 101.1; and directing the Clerk to send a copy of this ordinance to the California Department of Housing and Community Development in accordance with State law.**

**Existing Law**

The Castro Neighborhood Commercial District (NCD) is established in Section 715.1 of the Planning Code and the Zoning Control Table in Section 715 sets forth the controls applicable to the NCD. Planning Code Section 307 authorizes the Zoning Administrator to grant waivers from specified Code requirements. Chapter 37 of the Administrative Code contains the requirements of the San Francisco Residential Rent Stabilization and Arbitration Ordinance. (“Rent Ordinance”).

**Amendments to Current Law**

Planning Code Section 715.1 and the Zoning Control Table in Section 715 are amended to allow the construction of In-Law Units, also known as Secondary Units or Accessory Dwelling Units, within an existing building zoned for residential use or auxiliary structure on the same lot on any parcel within the Castro Street NCD and a defined area around the NCD boundaries. The In-Law Unit must be constructed entirely within the existing envelope of the building or auxiliary structure, cannot exceed 750 square feet, and cannot use space from an existing dwelling unit. If the existing building or any unit within the building is subject to the provisions of the Rent Ordinance, the In-Law Unit will also be subject to the Rent Ordinance. The Planning Department is required to monitor the affordability of the In-Law Units and to publish a report a year after the effective date of the ordinance.

Planning Code Section 307 is amended to authorize the Zoning Administrator to completely or partially waive the density limits and/or the parking, rear yard, exposure, and open space requirements of the Code when modification of the requirement would facilitate the construction of an In-Law Unit. The Rent Ordinance is amended to define a "rental unit" as including an In-Law Unit that has received from the Zoning Administrator a complete or partial waiver of Planning Code standards if the building containing the In-Law Unit or any dwelling unit in the building is already subject to the Rent Ordinance.

#### Background Information

San Francisco has long had a housing shortage. The housing market continues to be tight and housing costs are beyond the reach of many households. Policy 1.5 of the City's 2009 Housing Element states that adding new units in existing residential buildings represents a simple and cost-effective method of expanding the City's housing supply.

In Section 65852.150 of the California Government Code, the State Legislature finds and declares that second units are a valuable form of housing in California. Permitting the creation of in-law units in existing residential buildings within the Castro Street Neighborhood Commercial District and nearby will provide additional housing without changing the built character of this established, already dense, and transit-rich neighborhood. It also "greens" San Francisco by efficiently using existing buildings and allowing more residents to live within walking distance of transit, shopping, and services.

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