

Double Unit Opportunity Program

March 12, 1986

Mr. John R. Trauth
Executive Director, Double Unit
Opportunity Program of the
San Francisco Development Fund
107 Oak Street
San Francisco, CA 94117

Dear Mr. Trauth:

Thank you for your letter of December 6, 1985, concerning the Double Unit Opportunity Program. As former Assistant Secretary Bollinger indicated in his letter to the Bay Area Council, Inc. which you enclosed, additions to existing structures may be included as a part of a rehabilitation project designed to create a secondary unit. In that letter he provided general guidance on what type of additions would be considered rehabilitation as opposed to new construction under the Community Development Block Grant (CDBG) program.

In your letter you suggest that the Department specifically recognize as rehabilitation an approach employing a maximum size of 49% or 700 square feet, whichever is less, for the purpose of creating a second unit which will be attached to the primary unit. Your rationale for recommending this standard is that (1) the second unit would still be clearly secondary to the primary unit, representing less than half the floor space of the primary unit, and (2) the 700 square foot limitation would provide a reasonable upper limit on the size of the unit. You point out that most local Bay Area second unit ordinances already constrain the size of the unit to 700 square feet or less.

We would regard the construction of the second unit under such a groundrule as new construction since the distinction between a freestanding unit and one attached to the original by a common wall is insignificant, notwithstanding the fact that some utilities may be extended from the existing unit. Unlike the creation of a second unit within, or substantially within, an existing unit, attaching a new unit to an existing one necessarily involves building a new foundation, new walls, and a new roof for the secondary unit. Where it can be shown that the predominant portion of the new unit exists within the original structure, the addition to the structure that would be needed to complete the new unit could be considered to be rehabilitation under the program rules.

The CDBG program however does provide for the undertaking of new construction by certain categories of subrecipients, described at 24 CFR 570.204. You may wish to consider forming such organization(s) to carry out the Double Unit Opportunity Program. Of course any such activities would still have to comply with all other CDBG requirements which includes meeting one of the national objectives describe at 24 CFR 570.208

Sincerely,

(signed)

Alfred C. Moran
Assistant Secretary