ACCESSORY DWELLING UNITS

Imposes additional restrictions on ordinances and developer fees pertaining to accessory dwelling units.

Background

The Legislature has long identified accessory dwelling units (ADUs), also known as second units, in-law apartments, or “granny flats,” as a valuable form of housing for family members, students, the elderly, in-home health care providers, the disabled, and others, at below market prices within existing neighborhoods. In 1982, the Legislature first provided a framework for local governments to enact ordinances that permit the construction of ADUs, while preserving local government flexibility to regulate the units as necessary. When fewer ADUs than anticipated were developed, the Legislature significantly amended ADU law to address some of the barriers that property owners encountered while trying to develop them (AB 1866, Wright, 2002).

Among other provisions, AB 1866 allowed local governments to adopt an ordinance that allows the creation of ADUs in single-family and multi-family residential zones and to set standards on the units regarding parking, height, setback, maximum size, and potential adverse impacts on historic places. AB 1866 also prohibited local agencies from adopting an ordinance that entirely prohibits ADUs unless it made specific findings regarding adverse impacts from the units. Some local governments continued to impose onerous requirements or prohibit ADUs entirely.

Recent ADU law changes. The Legislature revised ADU law in 2016 to address some of the barriers to ADU creation that had been adopted by local governments (SB 1069, Wieckowski and AB 2299, Bloom). These laws prohibited local ordinances that entirely ban ADUs and required a local agency to, among other provisions:

- Designate areas within the jurisdiction where ADUs may be permitted;
- Impose standards on ADUs, including minimum lot sizes and requiring ADUs to be set back from the property line (“setbacks”);
- Consider permit applications within 120 days;
- Approve or disapprove an application for an ADU ministerially without discretionary review if the local government does not have an ADU ordinance when it receives a permit application; and
- Approve building permits to create an ADU ministerially if the ADU is within an existing residence, has independent exterior access, and meets certain fire safety requirements.
These bills also limited the cases when local agencies could require new utility connections for water and sewer, and limited the fees to be proportionate to the burden created by the ADU. In 2017, the Legislature made further changes to ADU law to clarify portions of the law (SB 229, Wieckowski and AB 494, Bloom).

**Boom in ADU permitting.** ADU permit applications have increased substantially following the enactment of these recent changes. A December 2017 report on ADUs by the Terner Center for Housing Innovation found that in 2017 alone, approximately 2,000 ADU permit applications were submitted in the City of Los Angeles and 600 were submitted in San Francisco, representing an increase of 25x and 12x, respectively, over prior years.

However, some local agencies continue to impose restrictions and developer fees on ADUs that make them more difficult to build. For example, the Terner Center’s report argued that developer fees are a disincentive to ADU creation. In addition, a brief review by the California Department of Housing and Community Development (HCD) has found that some jurisdictions appear to impose minimum lot size restrictions on a much larger lot than the average lot in a jurisdiction, essentially prohibiting ADUs. Finally, other issues have hindered ADU creation. Some jurisdictions, as authorized under existing law, have required the owner of the property to reside in the main home or in the ADU. But some lenders have argued that these covenants could preclude the lender from occupying the property if the lender must foreclose on the property.

The author wants to address these remaining barriers.

**Proposed Law**

Senate Bill 13 adds new constraints on the requirements that local agencies may impose on ADUs.

**Additional restrictions on local ADU ordinances.** Current law allows ADU ordinances to specify minimum and maximum sizes of attached and detached ADUs, but requires local agencies to allow at least an efficiency unit to be constructed. **SB 13** requires local ADU ordinances to permit at least an 850 square foot ADU, or a 1,000 square foot ADU if it contains more than one bedroom.

Current law restricts the new parking that a local agency may require for an ADU, including to allow parking on the same lot in any configuration if the local agency requires replacement parking for an ADU that results in the loss of a garage or carport. **SB 13** prohibits a local agency from requiring parking in these situations.

Current law requires a local agency to act on a permit for an ADU ministerially within 120 days of receiving an application. **SB 13** requires a local agency to act on the permit within 60 days and deems the permit approved if the local government fails to act within that timeframe. **SB 13** also prohibits local agencies from using other laws to delay permitting.

Current law allows a local agency to require owner occupancy of either the primary residence or the ADU or to require an applicant for an ADU permit to be an owner occupant. **SB 13** repeals these provisions and voids an agreement with a local agency to maintain owner occupancy as a condition for issuance of a building permit for an ADU as against public policy.
Current law requires a local agency to approve an ADU that meets certain minimum criteria and is contained within an existing living space or accessory structure. **SB 13** requires approval if the ADU is *substantially* contained within an existing living space or accessory structure.

Current law provides that sprinklers are not required for ADUs if the primary dwelling is not required to have sprinklers. **SB 13** repeals this provision.

**Prohibition on developer fees.** Under current law, when approving development projects, counties and cities can require the applicants to mitigate the project’s effects by paying fees. The California courts have upheld these mitigation fees for water and sewer service, sidewalks, parks, school construction, and many other public purposes. Current law prohibits cities, counties, special districts, and water districts from considering an ADU to be a new residential use. It also prohibits those entities from requiring a new connection or imposing connection fees on many attached ADUs and conversions, and limits the connection fees for other ADUs to the proportionate burden imposed by the proposed ADU.

**SB 13** prohibits all impact fees on ADUs of under 750 square feet, including school district fees, connection fees, capacity charges, and any other fees levied by a local agency, school district, special district, or water corporation. **SB 13** also prohibits local agencies from charging in aggregate more than 25% of the fees otherwise charged to a new single-family dwelling on the same lot.

**Review and challenges to local ordinances.** **SB 13** requires a city or county to submit a copy of its ADU ordinance to HCD within 60 days of adopting it. HCD can submit written findings to the city or county on whether the ordinance complies with state ADU law. If HCD determines that the ordinance does not comply, **SB 13** directs HCD to notify the city or county and allows HCD to notify the Attorney General that the city or county is in violation of state law. A city or county that receives findings from HCD must consider them, and must adopt findings of its own if it believes that its ordinance complies with state law.

**SB 13** allows HCD to develop guidelines for reviewing ADU ordinances that supplement or clarify state ADU law and specifies that these guidelines are not subject to the statutory processes for adopting regulations under the Administrative Procedures Act (APA).

**Amnesty program.** **SB 13** requires where a building official finds that a substandard ADU presents an imminent risk to the health and safety of the building’s residents, upon request by an ADU owner, a building official, in consultation with local fire and code enforcement officials, must approve a delay of not less than 10 years of any California Building Standards Code requirement that is not necessary to protect the health and safety of the building’s residents. If a building official issues a notice to correct an ADU owner, they must also notify the owner of their right to request a delay in enforcement. The building official cannot approve a delay on or after January 1st, 2030, and the program sunsets on January 1st, 2040.

**SB 13** defines its terms and makes other technical and conforming changes.

**State Revenue Impact**

No estimate.
Comments

1. **Purpose of the bill.** California continues to face a housing affordability crisis, despite changes to state housing element law, incentives for infill development and high density developments, and other state laws intended to allow for the construction of new, affordable housing. Research by multiple groups has found that ADUs are a key strategy for increasing affordable housing stock. The Legislature has taken great strides in recent years to encourage the development of ADUs with the passage of SB 1069 and AB 2299 in 2016. However, some local governments continue to impose unreasonable constraints on ADUs, including artificially limited areas where ADUs are permitted, lot size standards that exclude most parcels within certain cities, development fees that are as high as those charged to new homes, and owner occupancy requirements that jeopardize the loans that property owners have used to finance construction of ADUs. SB 13 opens up new areas of cities and counties to ADU development by eliminating restrictive zoning requirements. It eliminates unnecessary developer fees that have minimal relation to the impact of the ADU on the community, and it ensures that ADU construction can be financed by prohibiting owner occupancy requirements. SB 13 continues the good work of the Legislature on enabling this important source of housing to reach its full potential.

2. **Round four.** Local governments are still working to comply with the sweeping changes to ADU law that the Legislature enacted in 2016. Before the ink was dry on SB 1069 and AB 2299, the Legislature made additional changes that set locals back further. The most recent changes have only been in force for just over a year. Last year, the Legislature considered, but did not adopt, more changes, leaving local governments on tenterhooks. SB 13 continues what has become an annual tradition of moving the goalposts on local ADU ordinances.

3. **Fair’s fair.** Local governments have seen their sources of revenue slashed by a series of propositions, while demand for public services has increased. As a result, cities and counties follow a simple principle: new developments should pay for the impacts that they have on the community and the burden they impose on public services. Developer fees pay for important public services, including schools, new infrastructure for water and wastewater, roads, transit, and parks. Accessory dwelling units can be as large as, or larger than, new multi-family housing units, which must pay full freight. But SB 13 prohibits all developer fees from being charged to ADUs. This raises several concerns:

- Developer fees must already meet stringent constitutional and statutory controls that: (1) require developer fees to bear a reasonable relationship to the impact of the new development, and (2) limit school fees to $3.69/square foot or, in some cases, up to only half of construction costs, as long as state bond funds for school construction are available. If additional controls are necessary, a more appropriate solution would be a comprehensive look at the Mitigation Fee Act, which governs developer fees. Fortunately, AB 879 (Grayson, 2017) directs HCD to study developer fees and report with recommendations for changes by June 30th, 2019. SB 13’s prohibition may be premature.

- ADUs already receive preferential treatment relative to other development when it comes to utility connection fees. Under a deal struck in SB 1069, local governments may only impose connection fees on a subset of ADUs and limits those fees to the proportionate burden caused by the ADU. SB 13 undoes this deal after only three years by entirely prohibiting connection fees on any ADUs.
Advocates for ADUs argue that they can rapidly be deployed at scale to make a meaningful contribution to housing supply. If this occurs, the cumulative impacts of new ADUs will put significant pressure on water systems, sewer systems, schools, and other public infrastructure. SB 13 would prevent local governments from charging the same fees as similarly sized single family homes, no matter how large the ADUs are and how they are used.

Limiting impact fees could dampen other housing development as local governments look elsewhere to make up the losses in impact fees caused by SB 13. One readily available source is to increase developer fees on other new developments, which increases costs to builders of other types of housing. SB 13 privileges accessory dwelling units over other types of potentially more desirable housing, such as multi-family units near transit.

SB 13 removes owner occupancy requirements and contains no affordability restrictions, allowing for-profit developers and landlords to make money off of them. Shouldn’t they be required to pay their fair share?

For the above reasons, the Committee may wish to consider amending SB 13 to strike the fee provisions from the bill and instead insert placeholder language on the intent to address unreasonable fee burdens once the AB 879 study is finalized.

4. Regulation by fiat. The APA establishes rulemaking procedures and standards for state agencies in California. The APA is designed to provide the public with a meaningful opportunity to participate in the adoption of state regulations and to ensure that regulations are clear, necessary, and legally valid. SB 13 borrows from language adopted in last year’s housing package to allow HCD to review local ADU ordinances for compliance with state laws without having to follow the APA when developing their guidelines for doing so. In essence, this allows HCD to adopt regulations without going through the state’s process for ensuring that the rules are fair and limits opportunities for comment by the public. As HCD’s regulatory authority over local land use expands, shouldn’t it be subject to the same rules that other state agencies have to follow? Furthermore, SB 13 allows HCD to supplement state ADU laws in their guidelines. It is unclear what additional regulations HCD would be allowed to impose under this provision. The Committee may wish to consider removing the ability for HCD to supplement ADU laws without going through a traditional rulemaking process.

5. Rewind. Recent amendments to SB 13 in the Senate Housing Committee inadvertently repealed a provision of ADU law that says sprinklers are only required in an ADU if they are required in the primary residence. The Committee may wish to consider amending SB 13 to return this provision to existing law.

6. Mandate. The California Constitution requires the state to reimburse local governments for the costs of new or expanded state mandated local programs. Because SB 13 requires local governments to perform new activities related to land use regulation, Legislative Counsel says that it imposes a new state mandate. SB 13 states that if the Commission on State Mandates determines that the bill imposes a reimbursable mandate, reimbursement must be made pursuant to existing statutory provisions.

7. Incoming! The Senate Housing Committee approved SB 13 at its April 2nd meeting on a vote of 10-0. The Senate Governance and Finance Committee is hearing SB 13 as the committee of second reference.
8. **Related legislation.** SB 13 is one of several ADU bills introduced in the Legislature this year. Another ADU bill, AB 68, contains additional restrictions on the zoning standards that local governments may apply to ADUs, allows owner-occupancy requirements that meet certain conditions, requires local governments to permit 800 square foot ADUs instead of up to 1,000 square feet, and adds a number of additional types of ADUs that are permitted notwithstanding other laws, including local ordinances. AB 68 is currently pending in the Assembly Housing and Community Development Committee.

Last year, the Legislature considered three ADU bills: SB 831 (Wieckowski), SB 1469 (Skinner), and AB 2890 (Ting). Those bills contained similar provisions to SB 13, plus many of the provisions included in AB 68. SB 831 was held in the Assembly Local Government Committee; SB 1469 was held in the Senate Appropriations Committee; and AB 2890 was held in the Senate Rules Committee.

**Support and Opposition** (4/5/19)

**Support:** Bay Area Council; California Apartment Association; Eden Housing; LA-MAS; PrefabADU; Silicon Valley at Home (SV@Home); Terner Center for Housing Innovation at the University of California, Berkeley; 1 individual.

**Opposition:** American Planning Association, California Chapter.

-- END --
SUBJECT: Accessory dwelling units

DIGEST: This bill makes a number of changes to law governing accessory dwelling units (ADUs).

ANALYSIS:

Existing law:

1) Provides that if a locality adopts an ADU ordinance in areas zoned for single-family or multifamily, it must do all of the following:

   a) Designate areas where ADUs may be permitted.
   b) Impose certain standards on ADUs such as parking and size requirements.
   c) Prohibit an ADU from exceeding the allowable density for the lot.
   d) Require ADUs to comply with certain requirements such as setbacks.

2) Requires ministerial approval of an ADU permit within 120 days.

3) Allows a locality to establish minimum and maximum unit sizes for both attached and detached ADUs.

4) Restricts the parking standards a locality may impose on an ADU.

5) Allows a local agency to require that an applicant be an owner-occupant or that the property be used for rentals of terms longer than 30 days.

6) Provides that an ADU shall not be considered by a local agency, special district, or water corporation to be a new residential use for purposes of calculating connection fees or capacity charges for utilities, including water and sewer service.
7) Requires a local agency to submit a copy of its ADU ordinance to HCD within 60 days of adopting it and authorizes HCD to review and comment on the ordinance.

This bill:

1) Removes the requirement for an ADU ordinance to apply only in single-family or multifamily zones.

2) Provides that when a garage, carport, or covered parking structure is demolished in conjunction with an ADU or converted into an ADU, a local agency shall not require that those off-street parking spaces be replaced.

3) Reduces the application approval timeframe to 60 days and provides that if a local agency has not acted upon the submitted application within 60 days, the application shall be deemed approved.

4) Removes the authority for a local ordinance to require an applicant for an ADU to be an owner occupant and prohibits a local agency from requiring owner occupancy as a condition for issuing a building permit for an ADU.

5) Provides that if a local agency has not adopted an ADU ordinance, an ADU application must be approved within 60 days. If it is not acted upon within that timeframe, the application shall be deemed approved.

6) Provides that a local ADU ordinance that establishes minimum or maximum ADU size must allow at least an 800-square-foot ADU.

7) Provides for a tiered schedule of impact fees based on the size of the ADU as follows:

   a) Zero fees for an ADU of less than 750 square feet
   b) 25% of impact fees for an ADU between 750-1,000 square feet
   c) 50% of impact fees for an ADU larger than 1,000 square feet

8) Revises the definition for when a local agency, special district, or water corporation may require a separate utility connection.

9) Requires HCD, after a local ADU ordinance is adopted, to submit findings to the local agency as to whether it complies with ADU law. If HCD finds it does not, HCD shall notify the local agency and may notify the Attorney General. The local agency shall consider HCD's findings and may either change the
ordinance to comply or make findings as to why the ordinance complies despite HCD’s findings.

10) Authorizes HCD to review, adopt, amend, or repeal guidelines to implement uniform standards and criteria that supplement or clarify the terms, references, and standards in ADU law.

11) Explicitly authorizes a local agency to count an ADU for purposes of identifying adequate sites for its housing element.

12) Requires a local agency notice of a violation of any building standard to an ADU owner to include a statement of the owner’s right to request a delay in enforcement. Requires a local agency, upon request of the owner, to delay enforcement for 10 years if correction is not necessary to protect health and safety.

COMMENTS

1) Purpose. The author states that California is in a severe housing crisis. The largest driver of this crisis is a lack of supply. One significant step toward increasing the supply of affordable housing is to build more ADUs. ADUs are inherently affordable; they cost less to build than a regular unit, are financed and managed by the homeowner, and require no public subsidy. However, a significant number of homeowners interested in building ADUs on their property are prevented from doing so due to prohibitively high impact fees and other barriers. This bill creates a tiered fee structure which charges ADUs based on their size, to take into consideration that the impact of an ADU on a neighborhood’s infrastructure and services is different from the impact created by single-family homes or multifamily buildings. This bill also addresses other barriers such as lowering the application approval timeframe, creating an avenue to get unpermitted ADUs up to code, and enhancing an enforcement mechanism allowing HCD to ensure that localities are following ADU statute. This bill is an important step in resolving the housing crisis by reducing excessive impact fees and other barriers to ADUs and allowing Californians to build affordable housing in their back yards.

2) What is an ADU? ADUs, also known as accessory apartments, accessory dwellings, mother-in-law units, or granny flats, are additional living spaces on single-family lots that have a separate kitchen, bathroom, and exterior access independent of the primary residence. These spaces can either be attached to, or detached from, the primary residence.
3) Relaxing ADU requirements. According to a UC Berkeley study, *Yes in My Backyard: Mobilizing the Market for Secondary Units*, second units are a means to accommodate future growth and encourage infill development in developed neighborhoods. Despite existing state law, which requires each city in the state to have a ministerial process for approving second units, the study found that local regulations often impede development. The study, which evaluated five adjacent cities in the East Bay, concluded that there is a substantial market of interested homeowners; cities could reduce parking requirements without contributing to parking issues; second units could accommodate future growth and affordable housing; and that scaling up second unit strategy could mean economic and fiscal benefits for cities. This bill relaxes several requirements to the construction and permitting of ADUs.

4) Trying again. This bill is similar to SB 831 (Wieckowski) of 2018, which died in the Assembly last year. Unlike SB 831, however, this bill does not: allow local agencies to designate areas where ADUs may be excluded for fire and life safety purposes; prohibit consideration of the square footage of a proposed ADU when calculating an allowable floor-to-area ratio for the lot; prohibit a setback requirement for an ADU conversion; or limit setback requirements to three feet for ADUs not converted from an existing structure. In addition, unlike SB 831, this bill provides for a tiered system of impact fees that may be imposed on ADUs.

5) Other ADU bills. Multiple ADU bills have been introduced again this year. The two bills that overlap most with this bill are AB 68 (Ting) and AB 881 (Bloom). A comparison of major provisions among the three bills is below.
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<thead>
<tr>
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<th>This bill (SB 13)</th>
<th>AB 68 (Ting)</th>
<th>AB 881 (Bloom)</th>
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<tbody>
<tr>
<td><strong>Setback requirements</strong></td>
<td>Reduces to 60 days and deemed approved if not acted upon within that period</td>
<td>Prohibits or reduces setback requirements allowed under existing law</td>
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<td><strong>Application approvals</strong></td>
<td></td>
<td>Reduces to 60 days</td>
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<td><strong>Size requirements</strong></td>
<td>Requires an ADU ordinance that establishes minimum or maximum size to allow at least an 800 sq. ft. ADU</td>
<td>Requires an ADU ordinance that establishes minimum or maximum size to allow at least an 800 sq. ft. ADU and at least a 16-foot high ADU</td>
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<td><strong>Zoning</strong></td>
<td>Removes restriction to single-family zones</td>
<td>Removes restriction to single-family zones and instead applies to residential and mixed-use zones</td>
<td>Removes restriction to single-family zones</td>
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<td><strong>Sprinkler requirement</strong></td>
<td></td>
<td>Explicitly prohibits requiring sprinklers for ADU if not required for primary residence</td>
<td>Removes existing prohibition on requiring sprinklers for ADU if not required for primary residence</td>
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<td><strong>Owner occupancy requirement</strong></td>
<td>Prohibits owner occupancy requirement</td>
<td>Allows owner occupancy requirement for either primary residence or ADU on a single-family lot</td>
<td>Removes existing authority to require owner occupancy for either primary residence or ADU</td>
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<tr>
<td><strong>Impact fees</strong></td>
<td>Provides for a tiered structure of fees based on size of ADU</td>
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<tr>
<td><strong>Building standard amnesty</strong></td>
<td>Requires a local agency to delay enforcement of a building standard upon request by an ADU owner and provides for a 10-year amnesty</td>
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6) **Impact fees.** Local governments can charge a variety of fees to a development. These fees, commonly known as impact or mitigation fees, go toward infrastructure development (such as adding lanes to roads or supporting additional traffic) or other public benefits (such as new parks, schools, or affordable housing). In the wake of the passage of Proposition 13 in 1978 and the loss of significant property tax revenue, local governments have also turned
to development fees as a means to generate revenue. Given that California cities have tightly restricted funding sources, fees are one of the few ways cities can pay for the indirect costs of growth.

In 2016, the Legislature revised ADU law to reduce duplicative fees and reduce other barriers to the construction and approval of ADUs. As a result, ADU permit applications throughout the state have dramatically increased. A report by UC Berkeley’s Terner Center of Housing Innovation recently discovered, however, that development and school fees, as well as lot size requirements and code standards, continue to suppress the construction of ADUs. ADUs are often charged with the same impact fees that a new home would be subject to. These fees can range anywhere between $5,000 and $60,000 and would not be charged to a homeowner for simply building an additional bathroom or bedroom.

Existing law prohibits an ADU from being considered a residential use for purposes of calculating fees charged for new development. Fees were the subject of significant discussion in relation to last year’s ADU bills. This bill provides for a tiered structure of impact fees ranging from zero for an ADU of under 750 square feet, to 25% of impact fees for an ADU between 750-1,000 square feet, to 50% of impact fees for an ADU larger than 1,000 square feet. The author states that this tiered structure is based on that adopted by the City of Santa Rosa in its ADU ordinance, and notes that in addition, the City of Reedley has cut impact fees for ADUs by 50%, regardless of size.

To address committee concerns about ensuring that fees are not a barrier, the author will accept amendments to provide for zero fees for an ADU of under 750 square feet and 25% of impact fees for an ADU of 750 square feet or larger.

7) Size of ADUs. Existing law requires an ADU ordinance that provides for minimum and maximum ADU size, to allow for at least an efficiency unit. This bill increases that minimum to an 800 square foot unit. To address committee concerns about providing as much housing as possible, including for families, the author will accept amendments to instead provide for a minimum 850 square foot unit, or 1,000 square feet if the ADU includes more than one bedroom.

8) Zoning modification. This bill would require ministerial approval of ADUs on any lot that includes a proposed or existing single-family dwelling. Moving forward, the author may wish to consider amendments to clarify that ADUs must be located in zones that allow residential use, including mixed use.
9) **Elimination of owner occupancy requirement.** Existing law allows a local ordinance to require owner occupancy for either the primary dwelling or the ADU. Some jurisdictions have required the owner of the property to reside in the main home or in the ADU. The author has provided examples of lenders who have stated in writing that these covenants can preclude the lender from occupying the property if lenders must foreclose on the property. One letter states that if a property owner agrees to such a covenant, the owner could already be in violation of their deed of trust on the property and it “effectively transfers some of the rights from the property to the City, which could trigger a due on sale clause.” Thus, this bill would prohibit owner occupancy requirements.

The American Planning Association, California Chapter (APA), writing in opposition to this bill, raises a concern that eliminating the owner occupancy requirement altogether could potentially encourage institutional investors or speculators to purchase a home with an existing ADU, or purchase single-family homes without ADUs, at a premium with the intention of adding an ADU which would then be rented at any price the market will bear. APA notes that the city of Santa Rosa waives its owner occupancy requirement if the owner puts an affordability requirement on the ADU.

10) **Amnesty.** According to a 2016 report by McKinsey and Company entitled *A Tool Kit to Close California’s Housing Gap: 3.5 Million Homes by 2025*, one way to encourage homeowners to add ADUs is to create an amnesty path for ADUs that are not properly permitted. According to the report, as many as 8% of ADUs in San Francisco are illegal. The report concludes that legitimizing these units would boost building compliance and raise property tax revenue.

This bill creates a 10-year amnesty program for substandard ADUs. This bill grants an ADU owner with a non-compliant ADU a 10-year delay to make the necessary changes to bring the ADU up to code. The delay applies to changes that, in the judgement of the local building official, and in consultation with fire and code enforcement officials, is not necessary to protect the health and safety of the building residents.

11) **HCD oversight.** Existing law requires a local agency to submit its ADU ordinance to HCD for review and allows HCD to review and provide comments. This bill would strengthen oversight over local ADU ordinances by allowing HCD, after adoption of an ADU ordinance, to submit findings to the local agency as to whether the ordinance complies with ADU law. If HCD
finds that the ordinance does not substantially comply, HCD shall notify the local agency and may notify the Attorney General.

12) **Opposition concerns.** APA, writing in opposition to this bill, notes a number of concerns, including: its elimination of replacement parking when there is a conversion of an existing structure such as a garage or carport; the authorization for guidelines to supplement standards in the law; and the lack of a definition of “substantially contained” within the existing dwelling or structure. APA also expresses an overall concern with implementing further changes to ADU statute even as many cities and counties are still implementing all the 2016 and 2017 changes.

13) **Additional amendments.** The author is also amending the bill to add a coauthor and to revise the definition of “accessory structure” to make it consistent with state building code.

14) **Double-referral.** This bill is double-referred to the Governance and Finance Committee.

**RELATED LEGISLATION:**

**AB 68 (Ting, 2019)** — makes a number of changes to ADU law. *This bill will be heard in the Assembly Housing Committee on April 3rd.*

**AB 69 (Ting, 2019)** — revises ADU law in relation to HCD determination of compliance of local ADU ordinances and requires HCD to propose building standards for ADUs and small homes. *This bill will be heard in the Assembly Housing Committee on April 3rd.*

**AB 587 (Friedman, 2019)** — authorizes an ADU to be sold separately from the primary residence under certain conditions. *This bill will be heard in the Assembly Housing Committee on March 27th.*

**AB 881 (Bloom, 2019)** — makes several changes to ADU law. *This bill will be heard in the Assembly Housing Committee on April 3rd.*

**AB 1074 (Diep, 2019)** — authorizes, upon voter approval, the issuance of $500 million in general obligation bonds to finance an Accessory Dwelling Unit Construction Program under HCD.
SB 831 (Wieckowski, 2018) — would have made a number of changes to ADU law. *This bill died in the Assembly Local Government Committee.*

AB 2890 (Ting, 2018) — would have made a number of changes to ADU law. *This bill died on the suspense file of the Senate Appropriations Committee.*

**FISCAL EFFECT:** Appropriation: No   Fiscal Com.: Yes   Local: Yes

**POSITIONS:** (Communicated to the committee before noon on Wednesday, March 27, 2019.)

**SUPPORT:**

California Chamber of Commerce
Eden Housing
PrefabADU
Silicon Valley at Home

**OPPOSITION:**

American Planning Association, California Chapter

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