

Date of Hearing: March 26, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

Matt Haney, Chair

AB 1154 (Carrillo) – As Introduced February 20, 2025

SUBJECT: Accessory dwelling units: junior accessory dwelling units

SUMMARY: Amends statutory requirements related to small accessory dwelling units (ADUs) and junior accessory units (JADUs). Specifically, **this bill:**

- 1) Prohibits a local agency from imposing parking standards for ADUs that are 500 square feet or less.
- 2) Makes changes to the statewide requirements for JADUs as follows:
 - a) Eliminates owner-occupancy requirements for JADUs if the JADU has sanitation facilities (e.g., bathrooms) that are separate from the main residence; and
 - b) Requires that the rental of a JADU be for a term longer than 30 days, prohibiting these JADUs from being used as short term rentals.
- 3) Makes other non-substantive technical changes.

EXISTING LAW:

- 1) Prohibits a local agency from imposing parking standards for ADUs in any of the following instances:
 - a) The ADU is located within a half mile walking distance of public transit;
 - b) The ADU is within an architecturally and historically significant historic district;
 - c) The ADU will be part of an existing or proposed primary residence or an accessory structure;
 - d) On-street parking permits are required to park on the street, but are not offered to the resident of the ADU;
 - e) There is a car share vehicle located within one block of the ADU; or
 - f) A permit application for an ADU unit is submitted with a permit application to create a new single-family dwelling or a new multifamily dwelling on the same lot, provided that the ADU or the parcel satisfies any other criteria listed above. (Government Code (GOV) 66322)
- 2) Defines a JADU as a unit that is no more than 500 square feet in size and contained entirely within a single-family residence. A JADU may include separate sanitation facilities or may share sanitation facilities with the existing structure. (GOV 66313)

- 3) Requires JADUs to be permitted in all single-family residential zones, and establishes certain development standards and local approval requirements for the creation of JADUs. (GOV 66333)
- 4) Requires all single family residences with JADUs to be owner-occupied, meaning that the property owner is required to live in either the remaining portion of the primary residence once a JADU is created, or in the newly created JADU. This requirement exists regardless of whether or not the JADU has shared sanitation facilities. (GOV 66333).
- 5) Requires that the rental of an ADU be for a term longer than 30 days. (GOV 66323).

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author: "ADUs and JADUs are powerful tools to help homeowners build generational wealth while addressing California's housing shortage. AB 1154 streamlines our housing laws by removing unnecessary barriers that deter homeowners from adding these much-needed units. By eliminating restrictive owner-occupancy requirements and aligning parking mandates for smaller ADUs with JADUs, we are empowering more Californians to maximize their property's potential and increase the availability of affordable housing in our state."

Benefits of ADUs and JADUs: Recently, there has been a national trend to allow for more "gentle density," e.g., ADUs, duplexes, fourplexes, townhomes, and other moderately dense developments that were common before the imposition of zoning. In 2016, SB 1069 (Wieckowski), Chapter 720, and AB 2299 (Bloom) Chapter 735, permitted ADUs by right on all residentially-zoned parcels in the state. SB 1211 (Skinner), Chapter 296, Statutes of 2024 furthered the trend towards gentle density by increasing the number of allowable ADUs on multifamily properties. By allowing attached, detached, and JADUs on all residential lots, these laws, among others, facilitated the construction of missing middle housing in exclusionary single-family neighborhoods.¹ Since then, various pieces of legislation have been passed to establish statewide standards regarding ADU setbacks, height limits, square footage requirements, and other land use controls, regardless of the underlying zoning district. As a result, ADUs are now required to be reviewed within 60 days by local governments in a streamlined and ministerial fashion.

Taken as a whole, ADU and JADU laws have established a fast, predictable, uniform, and enforceable process for the approval of ADUs statewide. These laws have transformed these units from being less than 1% of new construction before 2017 to now being approximately 20%, with over 23,000 new ADUs legally completed in 2023.² The number of ADUs and JADUs is expected to continue growing as the ADU construction and financing industry matures, which will help meet the market feasibility that is estimated to be approximately 1.8 million units in

¹ <https://www.hcd.ca.gov/sites/default/files/docs/policy-and-research/adu-handbook-update.pdf>

² Per HCDs "APR Dashboard" <https://www.hcd.ca.gov/planning-and-community-development/housing-open-data-tools/housing-element-implementation-and-apr-dashboard>. Complete data for 2023 will be made available by June 30, 2024. This statistic relies on data pulled on May 28, 2024.

California.³ With thousands of ADUs being added every year, ADUs have already become an important part of the state's stock of new housing, with a growth potential that is not subject to the state's funding allocations.

These ADUs and JADUs help to address California's severe housing deficit and provide benefits for both the homeowners on which the new units are being built, and the future residents of these units. For homeowners, ADUs and JADUs provide an opportunity to generate rental income, helping to offset mortgage payments or supplement retirement savings. They can also increase property value and offer flexibility for multigenerational living, allowing families to accommodate aging parents, adult children, or caregivers while maintaining privacy. JADUs, which are typically smaller and attached to the main residence, offer an affordable way to create additional living space with minimal construction costs. For renters, ADUs and JADUs help increase the supply of housing in established neighborhoods, providing more rental options in areas where traditional housing may be scarce or expensive.

ADUs are typically smaller than the average home in a community, and often do not have associated land acquisition costs. As such, they tend to be cheaper to build and more affordable to rent than other market rate units, thereby better serving lower-income households. A 2021 survey of owners of permitted ADUs conducted by researchers at UC Berkeley found that the median construction cost of an ADU ranged from \$100,000 to \$177,500, far cheaper than the cost of non-ADU construction.⁴ The construction typology of ADUs does impact the cost, with detached ADUs being more costly to build than garage conversions, but still costing significantly less than a typical new construction unit. The cost of JADUs may be even lower, as these units only require an efficiency kitchen, use existing space in a single-family home, and are not required to have a private bathroom. The same survey of ADU owners in coastal markets found that over a third of the owners rent their ADUs at a rate affordable to lower-income households.⁵

Differences between ADUs and JADUs: ADUs and JADUs are both secondary housing units that the Legislature has allowed to be built on virtually any single-family lot in the state, but they differ in size, configuration, and regulatory requirements. ADUs can be up to 1,200 square feet and may be detached, attached, or converted from existing space, such as a garage or basement. In contrast, JADUs are limited to 500 square feet and must be created within an existing or proposed single-family home, often by converting a bedroom. ADUs must include a full kitchen with a sink, cooking appliances, and counter space, while JADUs only require an efficiency kitchen, which includes a sink, a cooking appliance, and a food prep area. Additionally, ADUs must have a separate bathroom, whereas JADUs can share a bathroom with the main home or have their own.

ADU Law prohibits a local government from imposing parking requirements on all JADUs, and on ADUs in these scenarios:

- 1) The ADU is located within ½ mile of public transit;

³ Monkonnen et al, 2020, *One to Four: The Market Potential of Fourplexes in California's Single-Family Neighborhoods*, UCLA Working Paper Series: <https://www.lewis.ucla.edu/research/market-potential-fourplexes/>

⁴ IBID.

⁵ Chapple et al, *Implementing the Backyard Revolution: Perspectives of California's ADU Owners*, UC Berkeley Center for Community Innovation, April 2021: <https://www.aducalifornia.org/wp-content/uploads/2021/04/Implementing-the-Backyard-Revolution.pdf>

- 2) The ADU is in a historic district;
- 3) The ADU is created from existing space;
- 4) The ADU is built in an area with on-street parking permits, but those permits are not made available to the resident of the ADU;
- 5) There is a car share vehicle within one block of the ADU; or
- 6) An application to build an ADU is submitted at the same time as an application to build a primary residence, and the project would meet any of the conditions in 1-5.

This bill would provide an exemption from parking requirements for ADUs that are 500 square feet or smaller, regardless of whether or not the ADU meets any of the above conditions. This would align ADU law with the same parking exemption currently provided to JADUs, which are required to be less than, or equal to, 500 square feet. By removing parking requirements for smaller ADUs, homeowners may enjoy cheaper construction costs potentially saving thousands to tens of thousands of dollars per parking space, depending on the type of parking (e.g., surface parking, covered parking, underground parking).

Ownership and occupancy rules also differ between these two unit types. There is no owner-occupancy requirement for ADUs. In contrast, JADUs require the property owner to reside on-site in either the primary home or the JADU itself. This bill would remove the owner-occupancy requirement for JADUs that have their own private bathroom, allowing a property owner to rent out both the main residence and the JADU if they so choose. In doing so, this may increase developer interest in JADU construction, and would allow properties with certain JADUs to function as rental duplexes. Owner-occupancy would still be required for JADUs with shared sanitation facilities.

ADUs created under state law are expressly prohibited from being “short-term rentals,” or rented out for periods less than 30 days, while no such language exists in statute establishing a similar restriction for JADUs. This bill would prohibit JADUs from being rented out as short-term rentals, aligning JADU law with ADU law. This may increase the supply of permanent rental housing availability, as property owners who may currently use their JADU as short-term rentals might instead choose to fill their unit with a long-term tenant.

Arguments in Support: California YIMBY, one of the bill sponsors, writes in support: “AB 1154 eliminates these barriers by eliminating owner-occupancy requirements for JADUs without shared sanitation and exempting small ADUs from parking mandates. These reforms will streamline development, lower costs, and expand rental housing opportunities. By expanding ADU and JADU development, especially in high-need areas, AB 1154 accelerates housing production, reduces construction costs, and advances California’s housing goals by eliminating outdated restrictions that hinder affordable housing growth.

Arguments in Opposition: None on file.

Related Legislation:

AB 2533 (Juan Carrillo), Chapter 834, Statutes of 2024. Extended ADU amnesty law to unpermitted ADUs and JADUs built before 2020.

SB 477 (Senate Committee on Housing), Chapter 7, Statutes of 2024: Reorganized ADU and JADU law.

AB 976 (Ting), Chapter 751, Statutes of 2023: Prohibits a local agency from imposing owner occupancy requirements on properties with an ADU.

AB 68 (Ting), Chapter 655, Statutes of 2019, AB 881 (Bloom), Chapter 659, Statutes of 2019, and SB 13 (Wieckowski), Chapter 653, Statutes of 2019: Collectively, these bills made changes to ADU and JADU laws, including narrowing the criteria by which local jurisdictions can limit where ADUs are permitted, clarifying that ADUs must be ministerially approved if constructed in existing garages, eliminating for five years the potential for local agencies to place owner-occupancy requirements on the units, prohibiting an ordinance from imposing a minimum lot size for an ADU, and eliminating impact fees on ADUs that are 750 square feet or less and capping fees on ADUs that are 750 square feet or more to 25 percent

AB 2299 (Bloom), Chapter 735, Statutes of 2016; and SB 1069 (Wieckowski), Chapter 720, Statutes of 2016: Provided legislative intent re ADUs and provided requirements and authorizations for the entitlement of ADUs.

AB 2406 (Thurmond), Chapter 755, Statutes of 2016: Established JADU law.

Double Referred: This bill was also referred to the Assembly Committee on Local Government, where it will be heard should it pass out of this committee.

REGISTERED SUPPORT / OPPOSITION:

Support

California YIMBY (Sponsor)
Office of Lieutenant Governor Eleni Kounalakis (Co-Sponsor)
Abundant Housing LA
Bay Area Council
California Apartment Association
California Community Builders
Casita Coalition
Freemont for Everyone
LeadingAge California
Redlands YIMBY
SPUR
Streets for All
The Two Hundred
UnidosUS

Opposition

None on file.

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