SENATE COMMITTEE ON HOUSING Senator Nancy Skinner, Chair 2023 - 2024 Regular

Bill No:	SB 1211		Hearing Date:	3/19/2024
Author:	Skinner			
Version:	2/15/2024	Introduced		
Urgency:	No		Fiscal:	Yes
Consultant:	Mehgie Tabar			

SUBJECT: Land use: accessory dwelling units:

DIGEST: This bill increases the allowable detached accessory dwelling units (ADUs) on a lot that has an existing or proposed multifamily dwelling from no more than two detached ADUs to up to 25% of the existing multifamily dwelling units, as specified.

ANALYSIS:

Existing law:

- 1) Defines an ADU as an attached or a detached residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence. It must include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family or multifamily dwelling is or will be situated on.
- 2) Requires a local agency to ministerially approve, within specified timelines, an application for a building permit within a residential or mixed-use zone to create one or more ADUs that meet all state and local requirements.
- 3) Provides that a local agency is limited in its ability to establish local development standards that differ from specified standards for such issues as height, square footage, and setbacks.
- 4) Requires a local agency to allow for at least one ADU within an existing multifamily dwelling (i.e., attached to the primary building) and allow up to 25% of the existing multifamily dwelling units.
- 5) Requires a local agency to allow for no more than two detached ADUs that are located on a lot that has an existing or proposed multifamily dwelling.

This bill:

- 1) Increases the allowable detached ADUs on a lot that has an existing or proposed multifamily dwelling from no more than two detached ADUs to up to 25% of the existing multifamily dwelling units.
- 2) Clarifies that regardless of whether the ADU is attached or detached from the multifamily dwelling, the ADU shall count towards the maximum number of accessory dwelling units allowed (*i.e.*, up to 25% of the existing multifamily dwelling units).
- 3) Specifies that when a carport, covered parking structure, or uncovered parking space is demolished in conjunction with the construction of an ADU or converted to an ADU, the local agency shall not require offstreet parking spaces replacements.

COMMENTS:

- Author's statement. "One of California's success stories in our effort to build more housing has been ADUs. Over the past decade, numerous laws have been enacted to incentivize ADUs, which are generally cheaper to build than other housing. Today, ADUs are the fastest growing sector of California's housing market. Existing law allows multifamily properties to add a number of ADUs equivalent to 25% of the number of units on the property. However, the law limits the number of detached ADUs on a multifamily property to no more than two, a restriction that unnecessarily limits these units. SB 1211 will provide additional flexibility on where ADUs can be sited on multi-family properties while maintaining the current 25% cap. The limitations in current law do not account for the fact that there are multi-family properties with underutilized areas or space on the site that is separate from the primary building, including surface parking, carports, service areas, or landscaped areas, that could all be used for housing."
- 2) Second Units as a Solution to the Housing Crisis? California's high and rising land costs necessitate dense housing construction for a project to be financially viable and for the housing to ultimately be affordable to lower-income households. Yet, recent trends in California show that new housing has not commensurately increased in density. In a 2016 analysis, the Legislative Analyst's Office (LAO) found that the housing density of a typical neighborhood in California's coastal metropolitan areas increased only by four percent during the 2000s. In addition, the pattern of development in California

has changed in ways that limit new housing opportunities. A 2016 analysis by BuildZoom found that new development has shifted from moderate but widespread density to pockets of high-density housing near downtown cores surrounded by vast swaths of low-density single-family housing. Specifically, construction of moderately-dense housing (2 to 49 units) in California peaked in the 1960s and 1970s and has slowed in recent decades.

Recently, there has been a national trend to allow for more "gentle density" (*e.g.*, ADUs, duplexes, four-plexes, townhomes, and other moderately dense developments that were common before the imposition of zoning). The Legislature has also taken a more active role in facilitating this type of gentle density. In 2016, AB 2299 (Bloom) and SB 1069 (Wieckowski), permitted ADUs by-right on all residentially-zoned parcels in the state. By permitting an ADU as a second unit on all single-family lots, these laws effectively doubled their allowed density.

A research paper by UCLA's Lewis Center for Regional Policy Studies, *One to Four: The Market Potential of Fourplexes in California's Single-Family Neighborhoods* (June 2020), found that because state law now requires cities to allow ADUs and JADUs in single-family neighborhoods, there is potential for 1.5 million new units in the form of ADUs and JADUs.

3) *How Many ADUs are Being Built in California?* Recent ADU legislation, especially the bills that went into effect on January 1, 2020, are having a significant impact. Prior to the Legislature requiring ministerial approval of ADUs in 2017, ADUs were less than one percent of permitted new construction. Now they are approximately 10%, at over 9,600 completed units in 2022.

According to cities' and counties' latest Annual Progress Reports, nearly 25,000 ADUs were permitted statewide in 2022.

The graph below shows the increase in ADU permits statewide from 2013 to 2022.



Source: HCD's Housing Element Implementation and APR Dashboard

Most of the ADU activity is concentrated in metropolitan areas, particularly areas with high home values and rents, though ADU development in Los Angeles is taking place in more low-resource areas. The median lot size for ADUs is 6,930 square feet, and most ADUs (about 80%) are built on lots ranging from 3,000 to 14,000 square feet. Homeowners who build ADUs are disproportionately likely to have bought their property within the last five years; those who have owned for more than 10 years are slightly less likely to build an ADU. In general, properties held by individuals rather than companies are most likely to build ADUs.

4) *Maximizing space*. Another way to facilitate more housing is to maximize the utilization of existing residential parcels. While current law allows for the construction of attached ADUs up to 25% of the existing multifamily dwelling units, this does not apply to detached structures, which is capped at no more than two allowable ADUs. If an older multifamily property has a large number of detached garages, developers would be limited by the number of garage to ADU conversions. This may be missing an opportunity to increase gentle density through underutilized detached buildings.

This bill would facilitate the improved utilization of existing space by increasing the allowable detached ADUs on a lot that has an existing or proposed multifamily dwelling from no more than two detached ADUs to up to 25% of the existing multifamily dwelling units.

5) *Clarifying amendments*. **Due to timing, the committee agreed to accept the following author amendments:**

- a) The intent of the bill is to allow for flexibility in the construction of detached ADUs on multifamily properties and not to reduce the total number of allowable detached ADUs on smaller properties. Amendments will clarify that a local agency shall allow for at least two detached ADUs plus an additional 25% of the existing multifamily dwelling units
- b) Technical amendment to move a provision related to parking to more appropriate subsection.
- 6) *Opposition*. Local neighborhood groups and homeowners write in opposition to this bill, citing concerns over the loss of local control.
- 7) *Double-referral*. This bill is also referred to the Senate Local Government Committee.

RELATED LEGISLATION:

SB 897 (Wieckowski, Chapter 664, Statutes of 2022) — increased the allowable ADU height limit that a local agency may impose depending on specified property features (i.e., access to high quality transit, attached to primary dwelling, or on a multifamily property) and establishes streamlining measures for the development of ADUs (e.g., standards must be objective, permitting agencies must act by approval or denial, etc.).

AB 916 (Salas, Chapter 635, Statutes of 2022) — prohibited a city or county from requiring a public hearing as a condition of reconfiguring existing space to add up to two bedrooms within an existing dwelling unit.

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

POSITIONS: (Communicated to the committee before noon on Wednesday, March 13, 2024.)

SUPPORT:

California YIMBY (Co-Sponsor) Casita Coalition (Co-Sponsor) Abodu Abundant Housing LA ADU Geeks ADU Homes Avalonbay Bay Area Council Bequall California Building Industry Association (CBIA) California Community Builders CoreSGB **Cottage Technologies Crest Backyard Homes** Dirt to Keys East Bay YIMBY Grow the Richmond **HelloADU** Housing Action Coalition Housing Trust Silicon Valley How to ADU Midpen Housing Mountain View YIMBY Napa-Solano for Everyone Northern Neighbors Peninsula for Everyone People for Housing Orange County Progress Noe Valley San Francisco YIMBY San Luis Obispo YIMBY Santa Cruz YIMBY Santa Rosa YIMBY **SnapADU** South Bay YIMBY Southside Forward SPUR Streets for People Studio KDA **Tentmakers INC** The Two Hundred Urban Environmentalists Ventura County YIMBY Villa Homes **YIMBY** Action **3** Individuals

OPPOSITION:

Catalyst for Local Control Save Lafayette 9 Individuals

-- END --