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## SENATE COMMITTEE ON LOCAL GOVERNMENT

Senator María Elena Durazo, Chair

2025 - 2026 Regular

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**Bill No:** AB 1154

**Author:** Carrillo

**Version:** 7/3/25

**Hearing Date:** 7/9/25

**Fiscal:** Yes

**Consultant:** Favorini-Csorba

### ***ACCESSORY DWELLING UNITS: JUNIOR ACCESSORY DWELLING UNITS***

*Limits owner-occupancy requirements for Junior ADUs.*

#### **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 property owners encountered while trying to develop them (AB 1866, Wright, 2002).

Legislators have enacted a flurry of changes to ADU laws in recent years. Beginning in 2016, the Legislature revised ADU laws to address some of the barriers to ADU creation that local governments had adopted (SB 1069, Wieckowski and AB 2299, Bloom). These changes prohibited local ordinances from banning ADUs and required a local agency to, among other provisions:

- Designate areas within the jurisdiction where ADUs may be permitted;
- Permit ADUs that do not exceed various zoning requirements set in statute, such as minimum lot sizes and distances from property lines (“setbacks”);
- Limit parking to one space per ADU;
- 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 those fees to be proportionate to the burden created by the ADU.

***Junior ADUs.*** AB 2408 (Thurmond, 2016) also allowed local agencies to adopt an ordinance regulating Junior ADUs (JADUs), which are smaller ADUs under 500 square feet, are contained entirely within an existing single-family residence, and may or may not have separate sanitation facilities.

A JADU is a residential unit up to 500-square feet constructed entirely within the walls of a proposed or existing single-family residence. A JADU is required to include an efficiency kitchen but is not required to include its own bathroom. A JADU that does not include a bathroom is required to have access to the bathroom and living space in the primary dwelling unit. A JADU could look like a studio apartment built within the walls of an existing home or an attached garage, effectively adding a new dwelling unit to the rental market; alternatively, a project to convert a basement into a poolroom or home theatre with a small kitchen/bar could be considered a JADU and afforded all of the streamlined permitting benefits of JADU law, and counted as a new residential unit.

More recently, SB 477 (Committee on Housing, 2024) was chaptered as an urgency measure to relocate and renumber ADU statutes to make them clearer and more readable. SB 477 also reorganized ADU law with distinct provisions establishing standards unique to ADUs and standards unique to JADUs.

***Owner occupancy requirements for JADUs.*** Owner occupancy requirements differ between ADUs and JADUs. In 2023, the Legislature permanently prohibited local governments from requiring owner-occupancy for ADUs (AB 976, Ting) and authorized local governments to adopt ordinances that permit property owners to sell or otherwise convey their ADU separately from the primary residence (AB 1033, Ting). JADUs, on the other hand, require the property owner to reside on-site, in either the primary home or the JADU itself.

Lieutenant Governor Eleni Kounalakis, California YIMBY, and Unidosus want the Legislature to clarify owner-occupancy requirements for JADUs.

### **Proposed Law**

Assembly Bill 1154 eliminates owner-occupancy requirements for JADUs if the JADU has sanitation facilities that are separate from the existing structure. The bill also requires that a rental of a JADU be for a term longer than 30 days.

### **Comments**

1. **Purpose of the bill.** 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 for JADUs that do not share a bathroom with the existing structure, we are empowering more Californians to maximize their property’s potential and increase the availability of affordable housing in our state.”

2. **Uncle!** Local planning officials must update their zoning codes or procedures every year to reflect new state laws. As the volume of changes grows, so does the workload. After nearly a decade of multiple changes a year to ADU law, AB 1154 proposes additional changes. While these changes are minor, they are not without cost at a time when local governments face budgetary challenges. For example, the City of Los Angeles faces a budget deficit of nearly \$1 billion and has proposed layoffs in the city planning department. The Committee may wish to

consider whether AB 1154's changes are sufficiently important to merit the added workload on local planning officials.

3. Mandate. The California Constitution requires the state to reimburse local governments for the costs of new or expanded state mandated local programs. Because AB 1154 imposes new duties on local governments with respect to the approval of JADUs, Legislative Counsel says it imposes a new state mandate. AB 1154 disclaims the state's responsibility for providing reimbursement by citing local governments' authority to charge for the costs of implementing the bill's provisions.

4. Incoming! The Senate Rules Committee has ordered a double referral of SB 92: first to the Committee on Housing, which approved AB 1154 at its July 1<sup>st</sup> hearing on a vote of 11-0, and second to the Committee on Local Government.

5. Related legislation. The Legislature is considering two additional measures that modify ADU and JADU laws:

- SB 9 (Arreguin), which the Committee approved at its May 7<sup>th</sup> hearing on a vote of 5-0, specifies that a local ordinance implementing ADU law is null and void if the local agency adopting the ordinance fails to submit a copy of the ordinance to the Department of Housing and Community Development as required by existing law.
- SB 543 (McNerney), which the Committee approved at its April 30<sup>th</sup> hearing on a vote of 7-0, makes a series of organizational, technical, and clarifying changes to ADU and JADU law.

### **Assembly Actions**

Assembly Housing and Community Development Committee:	10-0
Assembly Local Government Committee:	10-0
Assembly Appropriations Committee:	15-0
Assembly Floor:	70-1

### **Support and Opposition** (7/3/25)

Support: California Yimby (Co-Sponsor)  
 Lieutenant Governor Eleni Kounalakis (Co-Sponsor)  
 Unidosus (Co-Sponsor)  
 Abundant Housing LA  
 Bay Area Council  
 California Apartment Association  
 California Community Builders  
 Casita Coalition  
 Circulate San Diego  
 Fieldstead and Company, INC.  
 Fremont for Everyone  
 House Sacramento  
 People for Housing - Orange County  
 Redlands Yimby

San Fernando Valley for All  
Spur  
Student Homes Coalition  
The Central Valley Urban Institute  
The Two Hundred  
Ventura County Clergy and Laity United for Economic Justice  
Ventura County Yimby  
Westside for Everyone

Opposition: City of Lake Forest  
City of Santa Clarita  
Hello Housing

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