

CONCURRENCE IN SENATE AMENDMENTS

CSA1 Bill Id:AB 1154 Author:(Carrillo)

As Amended Ver:July 3, 2025

Majority vote

SUMMARY

This bill limits owner-occupancy requirements for junior accessory dwelling units (JADUS).

Senate Amendments

Remove provisions of the bill that would have prohibited a local agency from imposing parking standards for accessory dwelling units (ADUs) that are 500 square feet smaller.

COMMENTS

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. 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. 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 California. 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.

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.

Ownership and occupancy rules differ by unit typology (ADU versus JADU). State law currently prohibits owner-occupancy requirements, where the property owner must reside in either the main residence or in the ADU, 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.

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."

Arguments in Support

A coalition of groups forming the California Home Building Alliance (HBA) writes in support: "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

The City of Los Alamitos writes in opposition: "AB 1154 eliminates the owner-occupancy requirements for Junior Accessory Dwelling Units (JADU) if the JADU has sanitation facilities separate from the main residence. Lastly, the bill requires that rentals of JADUs must be for a term longer than 30 days. Owner occupancy requirements for lots that contain an ADU play an important role in ensuring community safety and compliance with local ordinances."

FISCAL COMMENTS

According to the Assembly Committee on Appropriations, local costs resulting from this bill are not reimbursable by the state because local agencies have general authority to charge and adjust planning and permitting fees to cover their administrative expenses associated with new planning mandates.

VOTES:**ASM HOUSING AND COMMUNITY DEVELOPMENT: 10-0-1**

YES: Haney, Patterson, Ávila Farías, Caloza, Kalra, Lee, Quirk-Silva, Ta, Wicks, Wilson

ABS, ABST OR NV: Gallagher

ASM LOCAL GOVERNMENT: 10-0-0

YES: Carrillo, Ta, Hoover, Pacheco, Ramos, Ransom, Blanca Rubio, Stefani, Ward, Wilson

ASM APPROPRIATIONS: 15-0-0

YES: Wicks, Sanchez, Arambula, Calderon, Caloza, Dixon, Elhawary, Fong, Mark González, Hart, Pacheco, Pellerin, Solache, Ta, Tangipa

ASSEMBLY FLOOR: 70-1-8

YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Berman, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Jackson, Kalra, Lackey, Lee, Lowenthal, McKinnor, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NO: Boerner

ABS, ABST OR NV: Bennett, Flora, Irwin, Krell, Macedo, Muratsuchi, Sanchez, Solache

SENATE FLOOR: 40-0-0

YES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

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