

Date of Hearing: April 15, 2026

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

Matt Haney, Chair

AB 2127 (Johnson) – As Amended April 6, 2026

SUBJECT: Accessory dwelling units: private sewage disposal systems

SUMMARY: Prevents local governments from prohibiting the construction of new accessory dwelling units (ADUs) in an area solely because the lots are served by private sewage disposal systems. Specifically, **this bill:**

- 1) Prevents local governments from prohibiting ADUs solely because the lots are served by private sewage disposal systems rather than by a public sewer system.
- 2) Provides that a local health officer shall not withhold approval based on a minimum lot size requirement if the private sewage disposal system meets the operating requirements established by the State Water Resources Control Board pursuant to the Water Code for that lot size.
- 3) Further provides that if an existing private sewage disposal system is verified to be functioning properly, as determined by a qualified professional, based on the operating requirements of the Water Code for that lot size, and has the capacity to serve the additional load of an ADU, the local health officer shall not require the installation of a new or alternative system as a condition of approval, unless there is specific, substantial evidence that the existing system creates a present risk to public health or water quality.

EXISTING LAW:

- 1) Allows a local agency to adopt an ordinance to provide for the creation of ADUs in areas zoned for single-family or multifamily residential uses. (Government Code (GOV) 66314)
- 2) Requires the ordinance in 1) to:
 - a) Designate areas within the jurisdiction of the local agency where ADUs may be permitted, as follows:
 - i) The designation of areas may be based on the adequacy of water and sewer services and the impact of ADUs on traffic flow and public safety; and
 - ii) A local agency that does not provide water or sewer services shall consult with the local water or sewer service provider regarding the adequacy of water and sewer services before designating an area where accessory dwelling units may be permitted. (GOV 66314)
 - b) Mandate approval by the local health officer where a private sewage disposal system is being used, if required. (GOV 66314)

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author, "For too long, rural homeowners have been denied the right to build ADUs due to an inconsistent patchwork of local septic regulations and arbitrary lot-size mandates that ignore modern engineering. AB 2127 removes these barriers by ensuring that if a septic system works and meets state environmental standards, a homeowner can build. By shifting the permitting process from discretionary judgment to objective, evidence-based standards, we are providing rural families with the same housing opportunities as their urban counterparts. This bill protects our groundwater while removing the \$40,000 infrastructure barriers that have stalled rural housing production for a decade."

California's Housing Crisis: California's housing crisis is a half-century in the making.¹ After decades of underproduction, supply is far behind demand, and housing and rental costs are soaring. As a result, millions of Californians must make hard decisions about paying for housing at the expense of food, health care, child care, and transportation, directly impacting the quality of life in the state.² One in three households in the state doesn't earn enough money to meet their basic needs.³ In 2024, over 187,000 Californians experienced homelessness on a given night.⁴

To meet this housing need, HCD determined that California must plan for more than 2.5 million new homes, and no less than one million of those homes must be affordable to lower-income households, in the 6th Regional Housing Needs Allocation (RHNA) cycle. By contrast, housing production in the past decade has been under 100,000 units per year – including less than 10,000 units of affordable housing per year.⁵ Increasing the overall supply of housing, both market-rate and deed-restricted affordable, is essential to reducing upward pressure on rents and home prices, and to creating a more stable, accessible housing market for Californians across income levels.

The state's housing crisis is not equally experienced by all Californians. Testimony by the UC Berkeley Turner Center to this Committee showed that the impacts of the housing crisis are significantly more severe for lower-income individuals, single-earner households, Black and Latino Californians, younger and older populations, and those who reside in, or aspire to live and work in, the state's highest-cost regions.⁶

ADUs and Gentle Density as a Solution: Recently, there has been a national trend toward allowing more "gentle density," such as ADUs, duplexes, fourplexes, townhomes, and other moderately dense housing types that were common before zoning restrictions took hold. In 2016, SB 1069 (Wieckowski), Chapter 720, and AB 2299 (Bloom), Chapter 735, allowed ADUs by right on all residentially zoned parcels in California. SB 1211 (Skinner), Chapter 296, Statutes of 2024, continued this trend by increasing the number of allowable detached ADUs on multifamily properties from two to as many as eight, depending on the number of existing multifamily units on the site. Additional legislation has established statewide standards for ADU setbacks, height limits, square footage, and other land use regulations, regardless of local zoning. ADUs are now required to be reviewed within 60 days by local governments through a streamlined, ministerial

¹ California Department of Housing and Community Development, *A Home for Every Californian: 2022 Statewide Housing Plan*. March 2022, <https://storymaps.arcgis.com/stories/94729ab1648d43b1811c1698a748c136>

² IBID.

³ IBID.

⁴ U.S. Department of Housing and Urban Development, Point in Time Counts.

<https://www.huduser.gov/portal/datasets/ahar/2023-ahar-part-1-pit-estimates-of-homelessness-in-the-us.html>

⁵ <https://www.hcd.ca.gov/policy-research/housing-challenges.shtml>

⁶ UC Berkeley Turner Center Testimony by Ben Metcalf, Managing Director, at the State Housing Production Legislation: Actions, Outcomes, and Opportunities Informational Hearing, February 12, 2025

process. By permitting attached ADUs, detached ADUs, and junior ADUs (JADUs) on all residential lots, these and other laws have facilitated the construction of "missing middle" housing in exclusionary single-family zones and across all residential neighborhoods in the state.

Taken together, these reforms have created a fast, predictable, uniform, and enforceable approval process for ADUs statewide. As a result, ADUs have gone from representing less than 1% of new housing construction before 2017 to approximately 20% today, with more than 20,000 ADUs legally completed in 2024.⁷ Their numbers are expected to continue growing as the ADU construction and financing industry matures, helping meet an estimated market potential of 1.8 million units in California.⁸ Because ADUs are not dependent on state funding allocations, they are poised to remain a significant and growing part of the state's new housing stock.

ADUs address California's severe housing deficit and offer benefits to both homeowners and future residents. For homeowners, ADUs can generate rental income to help offset mortgage costs or supplement retirement savings. They may also increase property value and support multigenerational living, allowing families to house aging parents, adult children, or caregivers while preserving privacy. JADUs, typically smaller and created from existing space in the main residence, offer a lower-cost way to add living space using existing infrastructure. For renters, ADUs and JADUs expand the housing supply in established neighborhoods, creating more rental opportunities in areas where housing is often scarce or expensive. Because they are typically smaller than average homes and do not require land acquisition, ADUs are generally cheaper to build and rent than other market-rate units, making them more accessible to lower-income households.

ADUs and Private Sewage Disposal Systems: Existing ADU law permits local agencies to require approval by a local health officer for ADUs served by private sewage disposal systems, reflecting that septic capacity and groundwater protection are legitimate public health concerns. In many rural and semi-rural areas, septic constraints are not theoretical. Systems may be aging, undersized, or located in areas with poor soil or high groundwater, and cumulative impacts can affect drinking water quality and surface water. Under current law, local agencies retain authority to apply objective health and safety standards and to deny or condition an ADU where a system is not functioning properly, lacks sufficient capacity, or would pose a risk to public health or water quality.

At the same time, both existing law and this bill seek to ensure that this authority to ensure health and safety of private sewage disposal systems is applied in a manner consistent with the state's ministerial ADU framework. This bill clarifies that septic-related review must be grounded in objective, site-specific health considerations, rather than broader policy judgments about residential growth or density. In practice, however, some local standards, particularly minimum lot size requirements tied to septic systems, can function as a proxy for land use regulation by effectively limiting where ADUs are feasible, even where a system may otherwise be capable of supporting additional load.

⁷ 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 March 30, 2026.

⁸ Monkkonen 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/>

This bill responds to this tension by narrowing the circumstances under which septic requirements may be used to deny or condition ADUs. This bill prohibits denial based on minimum lot size where the system meets State Water Resources Control Board standards, and limits the ability to require system replacement where an existing system is functioning properly and has adequate capacity. At the same time, it preserves local authority to deny or impose conditions where there is substantial evidence that a system cannot safely accommodate an ADU or would create a risk to public health or water quality. In this way, this bill attempts to differentiate between legitimate health-based regulations and the use of septic constraints as a de facto land use control.

Arguments in Support: None on file.

Arguments in Opposition: None on file.

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

REGISTERED SUPPORT / OPPOSITION:

Support

None on file.

Opposition

None on file.

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