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UNFINISHED BUSINESS

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Bill No: SB 543  
Author: McNerney (D), et al.  
Amended: 7/8/25 in Assembly  
Vote: 21

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SENATE HOUSING COMMITTEE: 11-0, 4/22/25  
AYES: Wahab, Seyarto, Arreguín, Cabaldon, Caballero, Cortese, Durazo,  
Gonzalez, Grayson, Ochoa Bogh, Padilla

SENATE LOCAL GOVERNMENT COMMITTEE: 7-0, 4/30/25  
AYES: Durazo, Choi, Arreguín, Cabaldon, Laird, Seyarto, Wiener

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

SENATE FLOOR: 39-0, 5/27/25  
AYES: 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, Richardson, Rubio, Seyarto, Smallwood-  
Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener  
NO VOTE RECORDED: Reyes

ASSEMBLY FLOOR: 75-0, 8/28/25 - See last page for vote

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**SUBJECT:** Accessory dwelling units and junior accessory dwelling units

**SOURCE:** Casita Coalition

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**DIGEST:** Makes numerous organizational, technical and clarifying changes to  
Accessory Dwelling Unit (ADU) Law and Junior ADU (JADU) Law.

*Assembly Amendments of 7/8/25*

- 1) Clarify the process for a developer to appeal a local decision on an ADU by adding language, currently contained in GOV 65913.3 as it pertains to the processing of postentitlement phase permits for housing development projects, to ADU Law and JADU Law, respectively.
- 2) Add language pertaining to the processing of JADU permits, to mirror the existing statutory requirements of ADU permit processing.
- 3) Add language regarding the adoption and HCD review of JADU ordinances, to clarify that local governments must resubmit subsequent ordinances to HCD and follow existing statutory adoption procedures. This aligns JADU Law with a proposal currently contained for ADU Law in SB 9 (Arreguín) of this Legislative Session.

**ANALYSIS:**

## Existing law:

- 1) Governs the creation of ADUs and JADUs and related ordinances. Four articles in Planning and Zoning Law comprise ADU and JADU law and govern the creation of ADUs and JADUs and related ordinances, specifically:
  - a) Article 1. General Provisions. Establishes definitions and provisions that are applicable to ADUs and JADUs.
  - b) Article 2. ADU Approvals. Governs the creation of ADUs and related ordinances.
  - c) Article 3. JADU Approvals. Governs the creation of JADUs and related ordinances.
  - d) Article 4. ADU Sales. Governs the ability of a property owner to sell an ADUs separately from the primary residence on the property.
- 2) Establishes standards and requirements for local agencies to review non-discretionary post entitlement phase permits (PePPS), including time limits within which local agencies must either approve or disapprove PePPS.

## This bill:

- 1) Makes the following organizational changes to ADU and JADU Law:

- a) Removes references to JADUs from statutes in "Article 2. ADU Approvals" that specifically govern the creation of ADUs;
  - b) Recasts provisions in "Article 2. ADU Approvals" that have JADU references removed, as new statutes specific to JADU approvals in "Article 3. JADU Approvals;"
  - c) Renumbers statutes located in "Article 2. ADU Approvals" that contain provisions that are applicable to ADUs and JADUs and recasts those statutes in "Article 1. General Provisions;" and
  - d) Adds references to JADUs, in "Article 1. General Provisions."
- 2) Makes the following clarifying changes:
- a) Specifies that statutory references to the allowed square footage of an ADU or JADU are referring to square footage of "interior livable space;"
  - b) Specifies that the obligation of a local agency to ministerially approve an application for a building permit for an ADU or JADU applies to any combination of ADU or JADU, as specified;
  - c) Specifies that an ADU or JADU that contains less than 500 square feet of livable space constitutes "other residential construction" for the purposes of Section 17620 of the Education Code, clarifying that these developments are not subject to school impact fees; and
- Specifies that ADUs and JADU approval are subject to postentitlement permitting time limits governing local government reviews and approval of housing development permits.

## Background

*ADUs and JADU Law.* ADU and JADU law has evolved over the years to lower barriers to development which has resulted in a surge in ADUs and JADUs built in California. In 2024, SB 477 (Committee on Housing, Chapter 7, Statutes of 2024) reorganized ADU and JADU law into a single chapter with distinct articles governing ADUs and JADUs.

## Comments

*Author's Statement.* "Over the past decade, the Legislature has passed numerous laws designed to increase the supply and affordability of housing. However, many

such laws contain vague and unclear provisions, causing conflict and confusion over fee levels, permitting timelines, and other aspects of the homebuilding process. Many of the most frequently misinterpreted laws pertain the construction of low-cost housing, specifically accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs). The Department of Housing and Community Development (HCD) reports that over fifty local governments have incorrectly applied state laws for ADUs and JADUs. SB 543 is a clean-up bill that clarifies existing state laws for ADUs and JADUs to align with interpretations and guidance issued by HCD. The legislation also codifies specific HCD guidance pertaining to the 90-day permitting rule for all housing types. The amendments made by this bill would not constitute a change in, but are declaratory of, existing law.”

*Reorganizing ADU and JADU Law.* Prior to the enactment of legislation in 2024 that reorganized ADU law into a single chapter, ADU law was spread across five sections of the Government Code. ADU law was amended 26 times from 2016 to 2024, making the law difficult to navigate. Across the five code sections governing ADU law, the law inconsistently referenced ADUs and JADUs. JADUs are implicitly considered a type of ADU, but inconsistent references made it difficult to verify which aspects of the law pertained to ADUs, which aspects pertained to JADUs, and which pertained to both. In 2024 ADU law was moved into a new chapter with distinct articles establishing standards unique to ADUs and standards unique to JADUs. However several references to JADUs remain strewn throughout the new sections specific to ADUs. This bill clarifies and recasts aspects of ADU and JADU law to clarify which provisions of law that apply to both ADUs and JADUs, and which provisions of law are unique to ADUs and JADUs respectively.

*Clarifying floor area standards.* ADU law provides that impact fees cannot be assessed on ADUs that are less than 750 square feet in size. This definition should be interpreted in a manner consistent with the California Building Code, which defines floor area as specific to the interior perimeter of the exterior walls, or the livable space in the ADU. Several jurisdictions have adopted ordinances interpreting the 750 square foot limitation as applying to the footprint of the ADU. This bill will clarify that that the 750 square foot limitation should be measured against the livable space contained in the ADU.

**FISCAL EFFECT:** Appropriation: No Fiscal Com.: Yes Local: Yes  
According to the Assembly Appropriations Committee:

- HCD anticipates minor and absorbable costs to update existing guidelines, provide technical assistance, and more closely monitor local compliance.

- Costs to local agencies to implement the changes in this bill are not state-reimbursable because local agencies have general authority to charge and adjust planning and permitting fees to offset any increased costs associated with new planning mandates.

**SUPPORT:** (Verified 8/28/25)

California Yimby  
Casita Coalition  
Unidosus

**OPPOSITION:** (Verified 8/28/25)

Neighbors for a Better San Diego  
New Livable California Db a Livable California

**ARGUMENTS IN SUPPORT:** Casita Coalition, the sponsor of this bill, writes, “[S]ome of the new state housing laws, including those on ADUs and JADUs, contain provisions that have led to confusion and conflicts among some cities and counties. HCD has circulated interpretations of these provisions in an effort to ensure the statutes are applied consistently across municipalities. Yet some local agencies have rejected these interpretations in favor of their own, resulting in conflicts over fee levels, permitting timelines, and other aspects of the homebuilding process. According to HCD, over 50 local governments have incorrectly applied state laws for ADUs and JADUs.

“SB 543 cleans up existing state laws governing ADUs and JADUs to eliminate confusion and conflicts at the local level.”

**ARGUMENTS IN OPPOSITION:** Livable California has an ‘oppose unless amended’ position and writes, “This law would revise the requirements applicable to approval of an Accessory Dwelling Unit (ADU) or Junior Accessory Dwelling Unit (JADU) to require the local agency to determine if any application is complete and notify the applicant within fifteen (15) business days. If such notification is not provided, the application is to be deemed complete and subject to ministerial approval.

“LC believes the rigid fifteen day deadline is unduly oppressive. Public agencies can be understaffed and overworked. The bill should recognize this, and provide that if the agency timely notifies the applicant of the need for more time, and provides a reasonable explanation for the delay, the review period be extended by an additional fifteen days.”

ASSEMBLY FLOOR: 75-0, 8/28/25

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

NO VOTE RECORDED: Alvarez, Berman, DeMaio, Valencia

Prepared by: Hank Brady / HOUSING / (916) 651-4124  
8/28/25 16:50:11

\*\*\*\* END \*\*\*\*