



AGENDA REPORT

Department: Community Development
Prepared by: Martin Reeder, AICP – Asst. Director of Community Development
Meeting Date: Tuesday, May 6, 2025
Approved by: Scott W. Huth, Interim City Manager

SUBJECT:

Update on the Development of Accessory Dwelling Units

RECOMMENDATION:

File the report

BOARD/COMMISSION/COMMITTEE PRIOR ACTION:

Not Applicable.

EXPLANATION:

The City adopted an Ordinance regulating Accessory Dwelling Unit (ADU) and Junior Accessory Dwelling Unit (JADU) development in 2021. The purpose of the Ordinance was to provide for the construction of ADUs in areas zoned to allow residential uses pursuant to Government Code Section 65852.2 related to addressing the state's housing crisis. In addition to being compliant with state code, ADUs help advance the goals and policies of the city's housing element related to affordability, neighborhood preservation, housing choice, and income preservation.

ADU production

In the years 2022, 2023, and 2024, 10, 23, and 22 ADUs (including JADUs) were produced, although 108 permits were issued. 108 issued permits would be an average of 36 ADUs per year. Planning Division records show over 200 projects related to ADU deed restrictions. However, the discrepancy is likely due to projects that are still in review. The 108 units were reported in the City's Annual Progress Reports (APR), which inform the state of the City's progress in meeting its Regional Housing Needs Allocation (RHNA) commitments.

In 2023, the City received a SANDAG technical assistant grant for the production of an ADU Handbook, which was published in March 2024. The handbook has been a useful tool for both the public and for staff to understand and implement the City's ADU program. The Handbook is published on the City's website¹ and includes all information needed by prospective homeowners and developers, including utilities, fire protection, parking, design, and permit processing.

State Bills

There were many new bills introduced in 2024, as noted below, all of which are mandatory. The City may be more permissive than the State on ADUs. All new laws from 2024 are addressed in the updated ADU Handbook from January 2025.

¹ <https://www.nationalcityca.gov/home/showpublisheddocument/33455/638603728477570000>

- **SB 1211:** Increases the number of detached ADUs that can be approved ministerially in multifamily residential projects.
 - Allows up to eight detached ADUs on a lot with an existing multifamily dwelling.
 - Allows up to two detached ADUs on a lot with a proposed multifamily dwelling.
- **AB 2533:** Addresses unpermitted ADUs built before January 1, 2020, allowing them to be legalized.
 - Prohibits local agencies from penalizing applicants for having unpermitted ADUs.
 - Requires local agencies to approve necessary permits to correct noncompliance with health and safety standards.
- **SB 1077:**
 - Streamlines the permitting process for ADUs in coastal zones.
- **AB 1332:**
 - Imposes additional obligations on local agencies to accelerate ADU approvals and reduce bureaucratic barriers.
 - Requires local agencies to establish a preapproval program for ADU plans.
 - Requires agencies to publish pre-approved ADU plans online.
 - Requires agencies to recognize and post plans pre-approved by other local or state agencies.
- **AB 434:** Requires all California cities and municipalities to have a pre-approved ADU plan scheme in place by January 1, 2025.
- **AB 976:** Removes the requirement that homeowners looking to rent out their ADU or their single-family home must live on the property.
- **SB 684:** Makes it easier to divide up large parcels of land for modest clusters of townhomes and cottages, but only in areas already zoned for multifamily housing.
- **SB 1037:** Cracks down on local governments that block or delay approved housing, imposing penalties up to \$50,000 per month, with funds going towards affordable housing.
- **AB 2221:** Streamlines California ADU law, facilitating easier construction, especially in unused commercial spaces.
 - Allows builders to seamlessly propose and construct ADUs in new multifamily housing plans.
 - Reduces arbitrary decisions blocking ADU construction.
- **SB 1123:** Requires local agencies to ministerially approve the subdivision of vacant, single-family lots to allow for up to ten units, as specified.

There are also pending bills for 2025, not yet approved. Because the state's legislative session has not yet ended, some of these pending bills may change or be deleted. A final list of adopted bills is usually published in the Spring.

- **SB 79:** Allows multi-family homes near transit.
 - Not ADU-specific, but multi-family properties can yield more ADUs than single-family properties.
- **AB 253:** Allows for third party permit review for residential projects, which could include ADUs.

- **AB 1308:** Allows for third party inspections for residential projects, which could include ADUs.
- **AB 1154:** Clarifies existing language related to JADUs and small ADUs.

Challenges

ADU production has proven to be of great benefit to the region in the realm of housing production, especially by providing housing without the cost of acquiring new land, dedicated parking, and costly infrastructure. However, it has not been without its downside. Other cities in San Diego County have received significant pushback on their regulations, the City of San Diego in particular.

San Diego's ADU Bonus Program (2021) allows a property owner to build a second "bonus" unit if they agree to construct an ADU and restrict the rent to an affordable level. The program also allows for a maximum of five units on one property in areas not served by public transit. In transit priority areas, the number can be even higher.

The City of Chula Vista voted late last year to not increase the number of allowable ADUs in the City. A consideration to allow up to two detached ADUs with a cap of four total units was rejected by both their Planning Commission and City Council.²

In researching other issues in the state related to ADUs, there are some references to concerns over parking, but most of the news articles on ADUs in California have a positive tone. Outliers are the coastal communities due to the views (Laguna Beach) and outright disdain (Huntington Beach). There were also concerns raised about areas with wildfire risk a few years ago, but not recently.

FINANCIAL STATEMENT:

Not Applicable

RELATED CITY COUNCIL 2020-2025 STRATEGIC PLAN GOAL:

Not Applicable

ENVIRONMENTAL REVIEW:

This is not a project under CEQA, and is therefore, not subject to environmental review. CCR15378; PRC 21065.

PUBLIC NOTIFICATION:

The Agenda Report was posted at least 72 hours before the Regular Meeting date and time, and 24 hours before a Special Meeting in accordance with the Ralph M. Brown Act

ORDINANCE:

Not Applicable

EXHIBITS:

Not Applicable

² <https://www.kpbs.org/news/economy/2024/10/14/chula-vista-granny-flat-adu-rules>