

Senate Bill 1210

Capping the Cost of Utility Hook-Ups on New Housing Senator Nancy Skinner (D-Berkeley)

THIS BILL

SB 1210 will help reduce the overall cost of new housing units by capping utility connection and hook-up fees. SB 1210 will also require utilities to provide information on their connection and hook-up fees to customers, and give customers more time to pay. As California faces skyrocketing costs for each and every unit of new housing, SB 1210 will help lower the overall cost and increase the affordability of housing state-wide.

ISSUE

California is in desperate need of more housing, and particularly more affordable housing. Hook-up fees for electric, gas, sewer, or water service can add tens of thousands of dollars to the cost of all new housing units. The final cost often comes as a surprising shock, as the cost per hook-up is most commonly charged per unit, whether for a single family home, ADU or multi-family building, and the fees per each different type of hook-up can run in the tens of thousands of dollars. These exorbitant fees add significantly to the cost of each and every housing unit at a time in which California is focused on streamlining and other measures to reduce housing costs.

Utilities are not always transparent or forthcoming about their utility connection and hook-up fees. A report by the [Turner Center at UC Berkeley, *It All Adds Up: The Cost of Housing Development Fees in Seven California Cities*](#), states that researchers had great difficulty in determining what the fees were for new utility connections and hook-ups. Full estimates were not provided, and warnings were issued by utilities that estimates could be off by tens of thousands of dollars, leaving the builder of a housing unit, whether a family or a developer, guessing about anticipated costs.

There are also no rules for enabling customers to pay utility connection and hook-up fees over time versus upfront, resulting in massive and surprising fees having to be paid all at once.

Expensive connection and hook-up fees *also* make Accessory Dwelling Unit (“ADU”) development more costly for California families.

ADUs (also known as granny flats or in-law units) are the fastest growing sector of California’s housing market with [20,000](#) being built annually. Reducing utility fees for newly built ADUs *in addition to* newly built homes of every type is crucial in the fight to provide more affordable housing state-wide.

SOLUTION

SB 1210 will:

- Prohibit utilities from charging more than 1% of the value of a new housing unit for utility connection or hook-up fees (based on the building permit value of the new home);
- Require utilities to provide at least 10 years from the date of occupancy for customers to pay utility connection or hook-up fees;
- Require utilities to post their utility connection and hook-up fees on their websites; and
- Ensure utilities prioritize utility connections and hook-ups for homes over other development types ensuring that during this housing crisis, housing units are not left sitting vacant and otherwise ready to occupy, while waiting for a utility hook-up.

SUPPORT

Housing Action Coalition (Sponsor)

CONTACT

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