



CALIFORNIA STATE SENATOR

Jesse Arreguín

REPRESENTING SENATE DISTRICT 07

SB 9 – ADU Owner-Occupancy Removal

SUMMARY

SB 9 clarifies that previous legislation, AB 881 (Bloom, 2020) and AB 976 (Ting, 2022), which prohibit local jurisdictions from imposing owner-occupancy requirements on Accessory Dwelling Units (ADUs), applies to all ADUs and not only to units built after the laws went into effect.

BACKGROUND

ADUs, or “granny flats,” are homes that are built on an existing lot to provide critically needed housing units in California.

Since 2016, the state legislature has passed a significant number of policies to develop clear and consistent statewide standards for building ADUs, streamlining their permitting processes and approvals, and legalizing construction more broadly. As a result, ADU development is booming: ADUs have added more than 35,000 units to California’s housing supply, creating new opportunities for tenants. One in five¹ new homes built in California in 2024 was an ADU.

PROBLEM

In 2020, the Legislature passed AB 881 (Bloom), which established a five year moratorium for owner-occupancy requirements on properties where ADUs are built. Prior to AB 881’s enactment, many local governments required the property owner to live in either the ADU or primary home – which blocked the construction of many affordable rental ADUs by making lending less attractive and constraining natural housing supply.

After the moratorium on owner occupancy requirements went into effect, there was a marked uptick in the number of ADU’s permitted and built, indicating a correlation between a lack of owner-occupancy requirements and the ability to build these units. By removing this restrictive covenant, property owners

have an easier time financing the units and are able to rent out both the main property and the ADU if they so choose – allowing for more rental opportunities for tenants and more flexibility for homeowners.

Most recently, the Legislature passed AB 976 (Ting, 2022), which removed the sunset provisions in AB 881 and permanently ensured that property owners would be able to provide more rental homes by building low-cost ADUs without the requirement that they live in the home.

Despite technical assistance from the California Department of Housing & Community Development (HCD) on this subject, some local jurisdictions have interpreted the 2020 legislation to apply only to ADUs built after the date of enactment and continue to impose owner-occupancy requirements on ADUs built prior to AB 881’s passage. The best way to ensure these loopholes are closed is for the Legislature to clarify its intent that all ADUs are exempt from owner-occupancy requirements.

SOLUTION

SB 9 would prohibit a local agency from imposing an owner-occupancy requirement for a proposed or existing accessory dwelling unit regardless of whether a local agency had previously adopted owner-occupancy standards for ADUs in order to further housing production in the state and help alleviate the housing crunch for tenants and working families.

CONTACT

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SUPPORT

California YIMBY (Sponsor)

¹ https://dof.ca.gov/wp-content/uploads/sites/352/Forecasting/Demographics/Documents/E-1_2024_Press_Release.pdf