



## AB 1154 – Increasing Parity in JADU Regulation

### PURPOSE

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Assembly Bill 1154 will create parity between small Accessory Dwelling Units (ADU) and Junior Accessory Dwelling Units (JADU). This bill will incentivize homeowners to utilize these units as a tool to build generational wealth and further increase the amount of housing units on the market.

### BACKGROUND

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Between 2016 and 2022, over 80,000 new ADUs were approved in California, a 15,000% increase, alternative to combat the state’s housing shortage<sup>1</sup>. ADUs provide an opportunity for low-income homeowners to build generational wealth, increase property value, and create additional income if owners rent out their ADU.

Some state incentive programs, like the CalHFA ADU Grant Program, treat standard attached and detached ADUs like JADUs. However, JADUs differ in being built within a main home and can be a maximum of 500 square feet, while ADUs can be up to 1,200 square feet.

California law differentiates between JADUs and ADUs through permitting processes, fees, and construction requirements. This creates confusion and can complicate the ADU production process. The legal distinctions between them can lead to varying regulatory requirements, impacting the development of small, affordable housing units within an existing home.

Requiring owner-occupancy for JADUs limits homeowners’ ability to create rental units, discouraging investment and reducing long-term affordable housing. It also prevents renting both the primary home and JADU, disproportionately affecting low- and moderate-income homeowners

who rely on rental income. Similarly, parking requirements for small ADUs add unnecessary costs and, in dense urban areas, can make projects financially unfeasible, further restricting housing development.

### EXISTING LAW

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Section 66322 of the Government Code (GOV) states that parking standards will not be required for an ADU if it is part of the proposed or existing primary residence or an accessory structure.

Section 66333 of the GOV states that owners are required to occupy the single family residence in which the JADU will be permitted. Owner-occupancy shall not be required if the owner is another governmental agency, land trust, or housing organization.

### SOLUTION

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Specifically, this bill will remove owner-occupancy requirements for JADUs that do not share sanitation facilities with the existing structure. It will also exempt small ADUs under 500 square feet from parking requirements, similar to existing exemption for JADUs.

### SUPPORT

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California YIMBY (Co-Sponsor)  
Lieutenant Governor Eleni Kounalakis (Co-Sponsor)

### CONTACT

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<sup>1</sup> [CAY-ADU\\_Report-2024-v4.pdf](#)