

California State Association of Counties 1100 K Street, Suite 101 Sacramento, CA 95814 916/327-7500 URBAN
COUNTIES
of
CALIFORNIA

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April 18, 2019

The Honorable Bob Wieckowski California State Senate State Capitol, Room Sacramento, CA 95814

Re: SB 13 (Wieckowski): Accessory Dwelling Units

As Amended on April 4, 2019 - Oppose Unless Amended

Dear Senator Wieckowski,

On behalf of the California State Association of Counties (CSAC) and the Urban Counties of California (UCC), we regret to inform you that we oppose, unless amended, your SB 13 which would make several changes to state law regarding accessory dwelling units (ADUs).

ADUs will play an important role in addressing the state's housing crisis and CSAC and UCC are pleased that recent changes to state law have helped accelerate the rate of ADU development. As reported by the Terner Center for Housing Innovation, approximately 2,000 ADU permit applications were submitted in the City of Los Angeles and 600 were submitted in San Francisco in 2017 alone. This represents a 25- and 12-fold increase, respectively, over prior years.

While CSAC and UCC are neutral on several of the proposed changes within SB 13, we remain concerned about further restrictions on development impact fees. Pursuant to changes made to state law in 2017, cities, counties, special districts, and water districts are prohibited from considering an ADU to be a new residential use, from requiring a new connection or imposing connection fees on many attached ADUs and conversions, and limits the connection fees for other ADUs to the proportionate burden imposed by the proposed ADU. SB 13 would further amend state law to prohibit all impact fees on ADUs of under 750 square feet, including school district fees, connection fees, capacity charges, and any other fees levied by a local agency, school district, special district, or water corporation.

SB 13 also prohibits local agencies from charging in aggregate more than 25% of the fees otherwise charged to a new single- family dwelling on the same lot. This standard is unclear, especially as it applies to impact fees that are based on the size of the unit rather than charged on a flat per-unit basis.

While CSAC and UCC recognize that development impact fees can make the cost of ADU development more expensive overall, counties, cities, and special districts must be able to collect the appropriate revenue

commensurate to the impact of development to maintain, improve, and increase the capacity of the critical services local government provides to the very residents paying the fees. The Legislature has expressed a strong interest in revisiting development impact fees in many contexts, not just ADUs, and is awaiting a report due this summer from the California Department of Housing and Community Development (HCD) regarding how local impact fees affect the cost of housing. While HCD may not have been required to examine the impact of fees on ADUs specifically, we believe the report will be helpful in determining a comprehensive approach to impact fees going forward. As such, we respectfully request the fee provisions be removed from the bill until HCD releases its findings.

SB 13 also removes the restriction on owner-occupancy requirements. CSAC and UCC understand that the owner-occupancy requirements in state law can present challenges to homeowners seeking to get financing for the development of an ADU. However, some jurisdictions waive the owner-occupancy requirement in exchange for affordability restrictions to ensure ADU development, which benefits from reduced impact fees and a streamlined approval process, helps solve the affordable housing crisis at the local level. We respectfully request consideration of a five-year sunset on this provision so that counties, cities, and the state can review the impact of this policy change and assess whether it had positive impacts on ADU development and addressing the state's affordable housing needs prior to making this provision permanent.

Finally, we also request that the proposed 60-day timeframe to ministerially approve an ADU application start when the agency receives a *completed* application.

Given the potential significant, positive impact ADU development can have on California's housing crisis, CSAC and UCC want to ensure state policy assists homeowners and reduces barriers to development but also recognizes and respects the role local governments play in providing services and infrastructure and provides flexibility to use policy tools to further affordable housing outcomes.

For these reasons, we must respectfully oppose, unless amended, SB 13. Should you have any questions about our position on this measure, please do not hesitate to contact Christopher Lee (CSAC) at 916-327-7500 or clee@counties.org, or Jean Hurst (UCC) at 916-272-0010 or jkh@hbeadvocacy.com.

Sincerely,

Christopher Lee

Legislative Representative

California State Association of Counties

Jean Hurst

Legislative Advocate

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Urban Counties of California

cc: Honorable Members, Senate Appropriations Committee Consultant, Senate Appropriations Committee

Consultant, Senate Republican Caucus