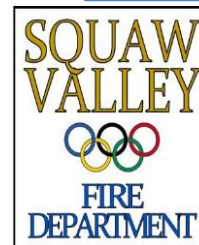




## SQUAW VALLEY PUBLIC SERVICE DISTRICT



### ACCESSORY DWELLING UNIT and JUNIOR ACCESSORY DWELLING UNIT LEGISLATION

**DATE:** September 26, 2017

**TO:** District Board Members

**FROM:** Mike Geary, General Manager and Kathryn Obayashi-Bartsch, Secretary to the Board

**SUBJECT:** New Legislation (SB 1069 and AB 2299) regarding Water and Sewer Connection Fees for Accessory Dwelling Units (ADUs; also referred to as 2<sup>nd</sup> Units, Mother-in-Law Units, Junior Accessory Dwelling Unit).

**BACKGROUND:** In September, 2016 the California State Legislature adopted two bills amending Government Code sections 65852.2, 65583.1, 65589.4, 65852.2 and 66412.2 relating to land use. The intent of these bills, SB 1069 and AB 2299 is to reduce regulatory and financial barriers in constructing ADUs.

SB 1069 and AB 2299 remove barriers to ADUs to encourage creation of more affordable housing statewide. Notably, the new law reduces local agency discretion in reviewing ADU applications, prevents local agencies from requiring separate water and sewer connections or charging connections fees for conversion of existing legally established structures to ADUs in residential zones and introduces a statutory 120-day review period. The law became effective January 1, 2017. Special Districts and water corporations were overlooked in the 2016 legislation which was corrected in 2017.

The Legislature also adopted a bill, AB 2406, enabling local jurisdictions to adopt regulations for Junior Accessory Dwelling (JAD) units (Government Code Section 65852.22). A JAD unit is a very small living unit of 500 square feet or less and created out of an existing, permitted bedroom within a single-family dwelling. State law enables local jurisdictions to allow JAD units in addition to ADUs in residential zones.

**DISCUSSION:** The majority of the legislation's provisions reduce regulatory and financial barriers in constructing ADUs. Specifically:

1. SB 1069 provides that if an ordinance is adopted providing for the creation of ADUs, the ordinance must: (a) designate areas where they may be located, (b) impose various building standards, and (c) provide that ADUs do not exceed the allowable density and that such a use is consistent with the general plan and zoning designation
2. SB 1069 prohibits requiring ADUs to have fire sprinklers if the main residence is not required to.
3. SB 1069 reduces parking requirements to one space per bedroom or unit. The legislation authorizes off street parking to be tandem or in setback areas unless specific findings such as fire and life safety conditions are made. SB 1069 also prohibits parking requirements if the ADU meets any of the following:
  - Is within a half mile from public transit.
  - Is within an architecturally and historically significant historic district.
  - Is part of an existing primary residence or an existing accessory structure.
  - Is in an area where on-street parking permits are required, but not offered to the occupant of the ADU.
  - Is located within one block of a car share area.
4. SB 1069 requires ministerial approval of an application for a building permit to build, within a single-family residential zone, one ADU per single-family lot if the unit is contained within the existing space of a single-family residence or accessory structure, has independent exterior access, and sufficient setbacks for fire safety.
5. SB 1069 prohibits considering ADUs as “new residential uses” for purposes of calculating utility, water, and sewer connection fees.
6. ADUs located within an existing residence cannot be required to install a new or separate utility connection or a related fee or capacity charge.
7. SB 1069 provides that existing ordinances governing ADUs and those enacted after January 1, 2017 must include a ministerial approval process without any discretionary requirements except as allowed in Government Code Section 65852.2(a). If agencies don’t comply, SB 1069 provides that the agency’s entire ordinance “shall be null and void” as of January 1, 2017.
8. SB 1069 provides that an ADU that complies with Government Code Section 65852.2(a) shall not be considered to exceed the allowable density and shall be deemed consistent with the existing general plan and applicable zoning designations.

9. Agencies without an ordinance in place and that receive their first application for an ADU must provide ministerial approval or disapproval of the application within 120 days after receiving it.

SB 229 was introduced in the California Legislature's 2017-2018 regular session and is expected to be signed into law by the Governor later this month. SB 229 amends Government Code Section 65852.2 providing clarification on parking and prohibits the sale or conveyance of the unit separate from the primary residence. SB 229 also extends the applicability to Special Districts and water corporations.

The Squaw Valley Public Service District is not a land use agency and development is subject to Placer County's land use ordinance. The District provides water, sewer, fire protection, and garbage collection services and any connection fees charged by the District are subject to the Mitigation Fee Act Government Code section 66013 which requires fees to be proportional to the actual impact.

The following table summarizes the impact of this legislation:

	<b>NEW ADU</b>	<b>NEW JAD</b>	<b>EXISTING ADU or CONVERSION of LEGALLY ESTABLISHED STRUCTURE into ADU</b>	<b>EXISTING JAD or CONVERSION of LEGALLY ESTABLISHED STRUCTURE into JAD</b>
<b>REQUIRE NEW or SEPARATE UTILITY CONNECTION</b>	May Require Separate Connections for Primary Dwelling and ADU.	Not Allowed. Shall not be considered a Separate or New Dwelling Unit.	Not Allowed.	Not Allowed.
<b>CHARGE CONNECTION or CAPACITY FEE</b>	Any Fee Charged Must be Proportionate to the Impact of the ADU Based on Either Size or Number of Plumbing Fixtures. Fee shall not exceed the reasonable cost of providing this service.	Any Fee Charged Must be Proportionate to the Impact of the JAD Based on Either Size or Number of Plumbing Fixtures. Fee shall not exceed the reasonable cost of providing this service.	Not Allowed.	Not Allowed.
<b>SQUARE FOOTAGE/SIZE</b>	DETACHED UNIT maximum is 1,200 square-feet.	Maximum size limited to 500 square-feet.	ATTACHED UNIT or LOCATED WITHIN LIVING AREA maximum shall not exceed 50% of the existing living area or a maximum increase of 1,200 square-feet.	Maximum size limited to 500 square-feet.
<b>REQUIRE FIRE SPRINKLERS</b>	May Require if Required of Primary Residence by Existing Ordinance.	May Require if Required of Primary Residence by Existing Ordinance.	May Require if Required of Primary Residence by Existing Ordinance.	May Require if Required of Primary Residence by Existing Ordinance.

**ALTERNATIVES:** No action is required of the Board; this is an information only item.

**FISCAL/RESOURCE IMPACTS:** The fiscal impacts of the new legislation are unknown and difficult to estimate. The impact is a function of how many ADUs and JAD units are applied for within our service areas. While the District will collect connection fees for additional plumbing fixtures to create new ADUs or JAD units, it will no longer be able to consider them as separate living units, which will result in less connection fee revenue for each new ADU or JAD unit. The District will continue to collect user fees consistent with our existing Water, Sewer and Garbage Collection Codes.

**RECOMMENDATION:** No action is required of the Board; this is an information only item.

**ATTACHMENTS:** None

**DATE PREPARED:** September 6, 2017