

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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September 11, 2024

Timmi Tway
Director of Community Development
City of San Luis Obispo
919 Palm St
San Luis Obispo, CA 93401

Dear Timmi Tway:

**RE: Review of San Luis Obispo's Accessory Dwelling Unit (ADU) Ordinance
under State ADU Law (Gov. Code, §§ 66310 – 66342)**

Please Note: As of March 25, 2024, with the Chaptering of Senate Bill (SB) 477 (Chapter 7, Statutes of 2024), the sections of Government Code relevant to State ADU and Junior Accessory Dwelling Unit (JADU) Law have been re-numbered (Enclosure 1).

Thank you for submitting the City of San Luis Obispo (City) ADU Ordinance No. 1705 (Ordinance), adopted December 7, 2021, to the California Department of Housing and Community Development (HCD). HCD has reviewed the Ordinance and submits these written findings pursuant to Government Code section 66326, subdivision (a). HCD finds that the Ordinance fails to comply with State ADU and JADU Laws in the manner noted below. Under section 66326, subdivision (b)(1), the City has up to 30 days to respond to these findings. Accordingly, the City must provide a written response to these findings no later than October 11, 2024.

The Ordinance addresses many statutory requirements; however, HCD finds that the Ordinance does not comply with State ADU Law in the following respects:

1. *Statutory Numbering* - The Ordinance contains several references to code sections that were deleted by SB 477, effective March 25, 2024. These include Government Code sections 65852.2, 65852.22 and 65852.26. The contents of these sections were relocated to Government Code, Title 7, Division 1, Chapter 13 (sections 66310-66342, see Enclosure). The City must amend the Ordinance to refer to the correct code sections.
2. Section 17.86.020 B.3.a. – *Zones* – The Ordinance creates a discrete list of zones that permit ADU development, namely “AG, C/OS, R-1, R-2, R-3, R-4, or O” zones. HCD requests and requires more information on this limitation on zones that permit by-right residential development within the City. Government Code section 66314, subdivision (d)(2) allows ADUs wherever a “lot is zoned to

allow single-family or multifamily dwelling residential use and includes a proposed or existing dwelling.”

3. Section 17.86.020 B.3.a. – *Mixed Use* – The Ordinance states, “Structures that contain both commercial and residential uses are not considered residential structures.” However, this will likely have the effect of disallowing ADU development in or with mixed-use lots, otherwise authorized under state law. Government Code section 66323, subdivision (a) specifically requires that “A local agency shall ministerially approve an application for a building permit within a residential or mixed-use zone to create any of the following...” before referring to units with existing or proposed single-family dwellings (in subdivisions (a)(1) and (a)(2) and multifamily dwellings (in subdivisions (a)(3) and (a)(4). Additionally, Government Code section 66317, subdivision (d)(2), permits ADUs where “The lot is zoned to allow single-family or multifamily dwelling residential use and includes a proposed or existing dwelling.” Therefore, the City must amend the Ordinance to comply with State ADU Law.
4. Section 17.86.020 B.3.b.1. – *Max Sizes* – The Ordinance states, “The gross floor area of an accessory dwelling unit shall be no less than 150 square feet and shall not exceed 850 square feet for a studio or one -bedroom unit, or 1,000 square feet for a unit containing two or more bedrooms.” Although the City may impose maximum sizes for ADUs, some types of ADUs may not have size limitations under state law. For example, ADUs created pursuant to Government Code section 66323, subdivisions (a)(1), (3), and (4) do not have size limitations. Therefore, the City must remove or amend the referenced Ordinance language.
5. Section 17.86.020 B.3.c and B.3.i. – *ADU Allowance* – The Ordinance states, “Only one accessory dwelling unit is permitted per lot.” It later notes that while an ADU subject to Government Code section 66323 will receive ministerial approval, “The provisions of Government Code Section 65852.2(e) cannot be combined with other accessory dwelling unit provisions of Section 17.86.020 and no exceptions are available for projects subject to Section 65852.2(e).” These provisions unlawfully limit ADUs to one per lot, regardless of the format of the ADU.

Government Code section 66323 states, “Notwithstanding Sections 66314 to 66322, inclusive, a local agency shall ministerially approve an application for a building permit within a residential or mixed-use zone to create any of the following: (1) One accessory dwelling unit and one junior accessory dwelling unit per lot with a proposed or existing single-family dwelling...(A) The accessory dwelling unit or junior accessory dwelling unit is within the proposed space of a single family dwelling or existing space of a single-family dwelling or accessory structure.” Subparagraph (2) permits “[o]ne detached, new construction, accessory dwelling unit that does not exceed four-foot side and

rear yard setbacks.” The use of the term “any” followed by an enumeration of by right ADU types permitted means that any of these ADU types can be combined on a lot zoned for single-family dwellings.

This permits a homeowner, who meets specified requirements, to create one converted ADU; one detached, new construction ADU; and one JADU. Thus, if the local agency approves an ADU that is created from existing (or proposed) space, and the owner subsequently applies for a detached ADU (or vice versa) that meets the size and setbacks pursuant to the subdivision, the local agency cannot deny the application, nor deny a permit for a JADU under this section. HCD notes that the Legislature, in creating the list, did not use “or” nor “one of” to indicate only one or another would be applicable to the exclusion of the other.

Limiting single-family lots to one ADU would prevent property owners from creating ADUs by-right under section 66323. Therefore, the City must amend the Ordinance to allow for all by-right ADU combinations.

6. Section 17.86.020 B.3.d.3. and 4. – *Height* – The Ordinance allows, “Walls up to 16 feet in height” and states “Accessory dwelling units that include the creation of new square footage shall be limited to sixteen feet in height.” However, Government Code section 66323, subdivision (a)(2)(B), directly refers to Government Code section 66321 (b)(4), which increases height maximums under certain conditions. The City must amend the Ordinance to comply with State ADU Law.
7. Section 17.86.020 B.3.e. and C.3.4. – *Sprinklers* – The Ordinance states, “Accessory dwelling units shall not be required to provide fire sprinklers if fire sprinklers are not required for the primary residence.” A similar statement is made for JADUs. However, Government Code section 66314, subdivision (d)(12) and 66323, subdivision (c) specifies an important additional limitation: “The construction of an accessory dwelling unit shall not trigger a requirement for fire sprinklers to be installed in the existing primary dwelling.” Therefore, the City must add this language to the Ordinance to comply with State ADU Law.
8. Section 17.86.020 B.3.g. – *Historic Resources* – The Ordinance states, “Accessory dwelling units on listed historic properties and in historic districts shall be consistent with the historic preservation ordinance, including historic preservation guidelines and Secretary of the Interior standards for the treatment of historic properties.” However, the parameters of historic property listing, or historic districts is unclear. HCD requires more information – are local historic registries or locally designated historic districts relevant criteria for this section? Government Code section 66314, subdivision (b)(1) refers only to the “California Register of Historical Resources”.

9. Section 17.86.020 B.4.a. – *Denial Requirements* – The Ordinance states, “Within sixty days of receiving a complete application, the city shall approve any such application which complies with all applicable requirements and development standards identified in this chapter. When an accessory dwelling unit is proposed within a new residential structure, this sixty-day requirement shall only apply once all other aspects of the permit are approved.” However, Government Code section 66317, subdivision (a) states, “The permitting agency shall either approve or deny the application to create or serve an accessory dwelling unit or a junior accessory dwelling unit within 60 days from the date the permitting agency receives a completed application,” and subdivision (b) states, “If a permitting agency denies an application for an accessory dwelling unit or junior accessory dwelling unit pursuant to subdivision (a), the permitting agency shall, within the time period described in subdivision (a), return in writing a full set of comments to the applicant with a list of items that are defective or deficient and a description of how the application can be remedied by the applicant.” As written, the Ordinance does not address state law requirements for denials. Therefore, the City must amend the Ordinance to reflect the entirety of the approval and denial process to comply with State ADU Law.
10. Section 17.86.020 C.2.f. – *JADUs on Multiple SFH Lots* – The Ordinance states, “A junior accessory dwelling unit may only be located on a lot that contains one permitted single-family structure or in connection with the construction of a single-family structure.” This would unlawfully restrict JADUs on any lot with more than one single-family primary dwelling. However, Government Code section 66333, subdivision (a) permits “one [JADU] per residential lot zoned for single-family residences with a single-family residence built, or proposed to be built, on the lot.” Note that this says “a” single-family residence, not “one” single-family residence built.
11. As Government Code section 66336 states, “A local agency shall not deny an application for a permit to create a junior accessory dwelling unit pursuant to this article due to the correction of nonconforming zoning conditions, building code violations, or unpermitted structures that do not present a threat to public health and safety and that are not affected by the construction of the junior accessory dwelling unit.” Multiple single-family homes on a single lot would be a nonconforming zoning condition that may not preclude the creation of a JADU. Therefore, lots with multiple single-family homes may have *one JADU per lot*. The City must amend the Ordinance to comply with State ADU Law.
12. Section 17.86.020 C.3.a.2. – *JADUs, Sanitation, and Interior Entry* – The Ordinance makes no reference to sanitation for JADUs, and states “The interior connection to the main living area may be maintained or removed.” However, Government Code section 66333, subdivision (e) states, “If a permitted junior accessory dwelling unit does not include a separate bathroom, the permitted

junior accessory dwelling unit shall include a separate entrance from the main entrance to the structure, with an interior entry to the main living area.”

Therefore, the City must amend the Ordinance to comply with State ADU Law.

13. Section 17.86.020 C.7. – *Short Term Rental* – The Ordinance states, “A junior accessory dwelling unit cannot be rented for a period of less than thirty days. Homestay use of a junior accessory dwelling unit is prohibited.” However, Government Code section 66333 does not reference term limits for JADUs and therefore such a requirement would be unlawful and inconsistent with State JADU Law. The City must amend the Ordinance accordingly.

The City has two options in response to this letter¹. The City can either amend the Ordinance to comply with State ADU Law² or adopt the Ordinance without changes and include findings in its resolution adopting the Ordinance that explain the reasons the City believes that the Ordinance complies with State ADU Law despite HCD’s findings³. If the City fails to take either course of action and bring the Ordinance into compliance with State ADU Law, HCD must notify the City and may notify the California Office of the Attorney General that the City is in violation of State ADU Law⁴.

HCD appreciates the City’s efforts in the preparation and adoption of the Ordinance and welcomes the opportunity to assist the City in fully complying with State ADU Law. Please contact Mike Van Gorder, of our staff, at (916) 776-7541 or at mike.vangorder@hcd.ca.gov if you have any questions or would like HCD’s technical assistance in these matters.

Sincerely,



Jamie Candelaria
Senior Housing Accountability Unit Manager
Housing Policy Development Division

¹ Gov. Code, § 66326, subd. (b)(2).

² Gov. Code, § 66326, subd. (b)(2)(A).

³ Gov. Code, § 66326, subd. (b)(2)(B).

⁴ Gov. Code, § 66326, subd. (c).

State ADU/JADU Law Statutory Conversion Table

New Government Code Sections	Previous Government Code Sections
Article 1. General Provisions	
66310	65852.150 (a)
66311	65852.150 (b)
66312	65852.150 (c)
66313	General Definition Section 65852.2 (j) 65852.22 (j)
Article 2. Accessory Dwelling Unit Approvals	
66314	65852.2(a)(1)(A), (D)(i)-(xii), (a)(4)-(5)
66315	65852.2 (a)(8)
66316	65852.2 (a)(6)
66317	65852.2 (a)(3), (a)(7)
66318	65852.2 (a)(9), 65852.2 (a)(2)
66319	65852.2 (a)(10)
66320	65852.2 (b)
66321	65852.2 (c)
66322	65852.2 (d)
66323	65852.2 (e)
66324	65852.2 (f)
66325	65852.2 (g)
66326	65852.2 (h)
66327	65852.2 (i)
66328	65852.2 (k)
66329	65852.2 (l)
66330	65852.2 (m)
66331	65852.2 (n)
66332	65852.23.
Article 3. Junior Accessory Dwelling Units	
66333	65852.22 (a)
66334	65852.22 (b)
66335	65852.22 (c)
66336	65852.22 (d)
66337	65852.22 (e)
66338	65852.22 (f)-(g)
66339	65852.22 (h)
Article 4. Accessory Dwelling Unit Sales	
66340	65852.26 (b)
66341	65852.26 (a)
66342	65852.2 (a)(10)