

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

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August 12, 2026

Brandon Phipps, Interim City Manager
Community Development Department
City of Sausalito
420 Litho Street
Sausalito, CA 94965

Dear Brandon Phipps:

**RE: City of Sausalito – Accessory Dwelling Unit (ADU) Completeness Review and
Applicable Development Standards – Letter of Technical Assistance**

This letter provides technical assistance to the City of Sausalito (City) regarding application completeness determinations and applicable development standards with respect to a specific ADU application.

Background

The California Department of Housing and Community Development (HCD) was recently contacted by the property owner (Requester) at 426 Pine Street, Sausalito, regarding a proposed 696 square-foot ADU in the rear yard (Project). The Requester provided a copy of a “Notice of Incomplete Application” dated July 7, 2026, issued by the City with respect to the project (Notice). Of the four reasons the Notice provided for determining the application incomplete, the fourth stated reason was that the application was missing a building coverage diagram and an impervious surface coverage diagram. The Requester asks if the lack of the two diagrams was an appropriate basis for the City to determine the application incomplete. As part of its investigation into this matter, HCD met with City staff and reviewed follow-up questions sent by the City. This letter addresses questions from the Requester and the City which were posed directly to HCD, to the extent HCD is able to respond.

Analysis

Question 1 - Did the City properly determine the application incomplete in part due to the lack of a building coverage diagram and an impervious surface coverage diagram?

Yes, the City may properly determine the application to be incomplete based on the lack of a building coverage diagram and an impervious surface coverage diagram. These items are required by the City's ADU application checklist, which the City shared as part of the Notice. State ADU Law does not prescribe the contents of an application checklist and instead leaves the creation of a checklist to the local agency. Thus, as long as the requested items on the checklist are reasonably related to the entitlement and construction of an ADU, an applicant must provide them. Building coverage information is reasonable for the City to collect when new floor area is proposed on a property because it could be relevant to the analysis of future projects that may be proposed on the property. For certain ADUs, such as those proposed under Government Code section 66314, development standards like maximum lot coverage may be applicable, and hence it is understandable to see this information required on an ADU application checklist. Also, it is reasonable for the City to require information about impervious surface coverage because this has a bearing on certain building standards.¹ ADUs must comply with all applicable provisions of the California Building Standards Code.

The project plans dated June 17, 2026, show a proposed 696 square-foot, two-story detached ADU, which would be connected to the primary house by a breezeway. This ADU is properly classified as detached, because the connection created by the unenclosed breezeway is minor in nature, and the ADU would not be attached to the house by a common wall, ceiling or floor. The proposed ADU is a single-family detached ADU that meets the description provided by subdivision (a)(2) of [Government Code section 66323](#), because the primary dwelling is a single-family home and the floor area of the ADU is less than 800 square feet of livable space. Such ADUs are subject to the following rule: "A local agency shall not impose any objective development or design standard that is not authorized by this section upon any unit that meets the requirements of any of paragraphs (1) to (4), inclusive, of subdivision (a)."² Maximum building coverage is not one of the development standards authorized for ADUs under Government Code section 66323. Hence, while the City may require building coverage information as a matter of determining whether the application is complete, once the City receives a complete application, it must take care not to apply development standards prohibited by Government Code section 66323, such as maximum building coverage, to an ADU which is exempt from those standards, including the proposed detached ADU.

Question 2 – Can an applicant rely on Government Code section 66321, subdivision (b)(3) to avoid a denial of an ADU of up to 800 square feet proposed under Government Code section 66314, where FAR and/or coverage limits are exceeded on the lot and a detached ADU under Government Code 66323 is also being permitted on that lot?

¹ See, for example, California Residential Code § R401.3.

² Gov. Code, § 66323, subd. (b).

The answer is “yes.” The context for this question includes the requestor’s separate application to rebuild a single-family residence as a larger home with an attached ADU, as well as the current detached ADU proposal, all on the subject property. State ADU Law provides: “a local agency shall not establish by ordinance any of the following ... Any requirement for a zoning clearance or separate zoning review or any other minimum or maximum size for an accessory dwelling unit, size based upon a percentage of the proposed or existing primary dwelling, or limits on lot coverage, floor area ratio, open space, front setbacks, and minimum lot size, for either attached or detached dwellings that does not permit an accessory dwelling unit with at least 800 square feet of interior livable space and with four-foot side and rear yard setbacks to be constructed in compliance with all other local development standards.”³ Thus, the City must waive the development standards listed in Government Code section 66321, subdivision (b)(3) to the extent that they would prevent an ADU proposed under Government Code section 66314⁴ of up to 800 square-feet, and which is set back at least four feet from the side and rear property lines, from being built. This is true regardless of whether an applicant is proposing another ADU under section 66323, as is the case here.⁵ Nothing in State ADU Law limits the applicability of subdivision (b)(3) of section 66321 because an applicant is also proposing an ADU under section 66323.

Question 3 - May an applicant expand (either under Government Code section 66314 or 66323) a previously approved Government Code section 66314 ADU of approximately 428 square feet up to 800 square feet permitted with a single-family residence, even it would remove one of the parking spaces required to issue a land use permit for the prior approved single-family residence and which would also be necessary to obtain a certificate of occupancy for that primary residence?

HCD respectfully declines to provide technical assistance specific to this question at this time. HCD’s understanding is that the question relates to a hypothetical application which the City does not currently have under review. If the City receives such an application and requires technical assistance, it may request such assistance from HCD at that time. This approach avoids potential confusion which may arise if the details of a future application happen to differ from the scenario posed here. The City may also consult the technical assistance on conversion ADUs provided in HCD’s ADU Handbook.⁶

³ Gov. Code, § 66321, subd. (b)(3).

⁴ Such as the ADU which the requestor is proposing to attach to the rebuilt house on the separate application mentioned above.

⁵ Note that there are different pathways in State ADU Law to waive certain development standards based on the type of ADU proposed. Subdivision (b)(3) of Government Code section 66321 waives certain development standards for ADUs permitted under Government Code section 66314, whereas ADUs permitted under Government Code section 66323 are only subject to the development standards authorized by section 66323.

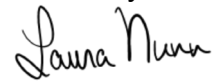
⁶ The ADU Handbook is posted here: <https://www.hcd.ca.gov/sites/default/files/docs/policy-and-research/adu-handbook-update.pdf>.

Conclusion

In summary, the City may require all items on its ADU checklist, including building coverage and impervious surface coverage diagrams, when determining whether an ADU application is complete. However, in assessing whether a complete application for an ADU proposed under Government Code section 66323 complies with all applicable development standards, the City must limit itself to applying the development standards authorized by section 66323. Furthermore, the limits on development standards in subdivision (b)(3) of Government Code section 66321 apply to an ADU proposed under Government Code section 66314, even when another ADU is proposed on the same property under section 66323.

HCD remains committed to supporting the City in facilitating housing at all income levels and hopes the City finds this clarification helpful. In addition, HCD has enforcement authority over State ADU Law, among other state housing laws.⁷ Accordingly, HCD may review local government actions to determine consistency with these laws. If HCD finds that a jurisdiction is in violation of state law, HCD may notify the California Office of the Attorney General. HCD requests a written response from the City by September 11, 2026, indicating how the City plans to implement the guidance provided in this letter. If you have any questions about this letter or require additional technical assistance, please contact David Barboza at david.barboza@hcd.ca.gov.

Sincerely,



Laura Nunn
Housing Accountability Unit Chief

⁷ Gov. Code, § 65585, subd. (j)