

San Diego's Bonus ADU Program

Benefits of Aligning San Diego's ADU Regulations to State Law

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Given the problems with San Diego's ADU Density Bonus Program, Neighbors For A Better San Diego (NFABSD) supports the City Council's motion to align San Diego's ADU regulations more closely to state ADU Law.

Over 80% of ADU projects in San Diego involve only a single ADU, consistent with state law. These units would continue to be built if San Diego's regulations were rolled back to the state's regulations.

Many of NFABSD's supporters own or live in an ADU, and our concerns with ADUs are focused on the excesses of the Bonus ADU program, and not ADUs in general.

Benefits of aligning with state ADU law include:

- Meets housing needs, now and in the future
- Applies a single set of regulations across the city, fairly
- Doesn't affect most ADU development
- Tracks future state changes
- Promotes ADUs as a homeowner-driven housing type
- Promotes ADUs as a family housing type
- Tilts the playing field back towards homeowners and first time buyers
- Supports transit adoption and economic development by refocusing higher density development towards neighborhood centering transit corridors
- Protects more open space

These benefits are detailed below.

Detailed Arguments

Meets housing needs, now and in the future – San Diego has a robust market for building ADUs independent of Bonus ADUs. Non-Bonus ADU projects accounted for over 80% of the units permitted since 2021. With SB 9 and ADUs, state law allows the addition of three housing units on every single-family lot, which means that without the Bonus ADU program, San Diego’s 200,000 single-family homes provide the capacity to add 600,000 new units, which by itself is six times San Diego’s projected housing need (RHNA) of 108,036 units. To be clear: San Diego, through its community plan updates, has increased the potential for additional housing by hundreds of thousands of units. ADUs would add even more by densifying single family neighborhoods, but with gentle density.

Applies a single set of regulations across the city, fairly – San Diego allows unlimited ADUs in Sustainable Development Areas (SDAs), which are predominantly located in low and moderate opportunity zones of the city. As a result, the impacts of the Bonus ADU program are particularly acute in these areas, even though transit in those areas does not efficiently transport residents to high opportunity job centers such as University City and Sorrento Mesa. Eliminating the allowance of unlimited Bonus ADUs in SDAs would result in a single set of regulations across the city and ensure equitable treatment of all communities. This would affirmatively further fair housing by creating more economically balanced communities and housing opportunities for all income levels across the city.

Doesn’t affect most ADU development – Most ADUs are already built within the state guidelines. Over 80% of ADU projects in San Diego add only a single ADU, consistent with state law. These units would continue to be built if San Diego’s regulations were rolled back to the state’s regulations.

Tracks future state changes – The California legislature continues to make significant changes to ADU regulations on a yearly basis. Conforming to state law would allow San Diego to easily adapt to new laws and avoid conflicts when state and San Diego regulations diverge. Because San Diego is the only city in California that expanded beyond state law to allow Bonus ADUs, ongoing changes to state ADU law are not written with consideration of how they impact San Diego’s Bonus ADU code.

Promotes ADUs as a homeowner-driven housing type – The state legislature conceived its ADU regulations as a way for homeowners to create “gentle density” within existing neighborhoods, not as a way to create apartment complexes. In fact, California’s ADU Handbook specifically talks about how ADUs can “provide a source of income for homeowners”; “allow extended families to be near one another while maintaining privacy”; and “give homeowners the flexibility to share independent living areas with family members and others, allowing older adults to age in place.”

Promotes ADUs as a family housing type – The economics of multi-family housing development, including Complete Communities Housing Solutions (CCHS), are heavily skewed towards multi-family projects that produce small (less than 500 square feet) studio and one-bedroom units. This is the result of higher square foot rents on smaller units and fee waivers on units that are smaller than 500 sf. Allowing fewer ADUs per parcel by aligning with state law would encourage developers to build larger units, which would address a critical need for family housing, in residential areas that

are well-suited for families. This is why NFABSD proposed an alternative affordability incentive to create a size incentive rather than a unit incentive to promote affordable housing.

San Diego's current zoning provides enough capacity in its multi-family zoned areas to build three times the number of homes as are needed to meet San Diego's housing goals (Regional Housing Needs Allocation, as stated in the City's Housing Element), giving the Council the latitude to consider the unique contribution that single-family neighborhoods and homeowners can make to San Diego's housing production. It is important to note that while the Bonus ADU program was once touted as the sole source of deeded moderate income housing in San Diego, the introduction of moderate deed restrictions in other housing programs, such as CCHS, has resulted in ADUs being a much less significant contributor to San Diego's moderate-income deed-restricted units. This provides further impetus to having affordable ADUs fill the huge need for family housing versus maximizing the same types of units that are being fulfilled elsewhere (e.g., CCHS and Density Bonus Program).

Tilts the playing field back towards homeowners and first time buyers – Under the Bonus ADU program, would-be homeowners are forced to compete with ADU investors/developers for starter homes, which are particularly attractive to developers because they allow more ADUs to be added to the property. This competition adds to the price of starter homes. Aligning with state law would reduce the ADU premium on single-family homes and make it easier for first time buyers to start building family security and generational wealth.

Supports transit adoption and economic development by refocusing higher density development towards neighborhood centering transit corridors – Given San Diego's limited future population growth, aligning with state law and reducing the scale of Bonus ADU projects would shift development back towards transit corridors and neighborhood commercial activity. This is consistent with San Diego's broadly accepted planning principles, including the General Plan's City of Villages, the Climate Action Plan's requirements to create more walkable communities, and the commonly accepted conditions for successful transit-oriented development.

Protects more open space. While ADUs will eliminate some backyard open space, it can be assumed that Bonus ADUs create even more hard surfaces (roofs, walkways, etc.), cutting down trees and generating more water runoff. The state ADU limit provides an environmentally preferable alternative.