

AB 1033

Affordable Homeownership Units

Assemblymember
Phil Ting
19TH DISTRICT



SUMMARY

AB 1033 repeals a state ban on selling ADUs separately from the main house, allowing local governments to determine how best or if at all to allow the sale of ADUs. Cities that allow for sellable ADUs can create attractive, low cost options for homeownership.

BACKGROUND

The lack of home ownership opportunities in most California communities for working families is contributing to the State's growing population of renters and driving families out of state so that they can buy a home. Many neighborhoods have become de-facto gated communities, with median home prices of \$700K to \$1M keeping out all but a small percentage of Californians from ever dreaming of home ownership, reducing the state's population and harming our economy. The absence of available homes for purchase at rates affordable to moderate-income working families bars wealth-building and housing stability for Californians harmed by historic discriminatory housing policies. This bill would allow local agencies to broaden the availability of homes for purchase by middle-income families by lifting the state prohibition against separate conveyance of ADUs, similar to condominiums.

Condominium ownership is a long-established means of creating ownership opportunities in new and existing buildings and is working well in other regions of North America to create starter homes where there are few other opportunities for home ownership. Allowing a condominium sale of ADUs also will simplify financing for homeowners who may face challenges raising the funds to build an ADU, encourage owners who do not want to be landlords to consider building an ADU for sale, and allow families to offer a separate ownership to family members otherwise priced out of ownership.

THIS BILL

AB 1033 allows cities and counties the freedom to pursue homeownership programs and to create a path to wealth-building for families by repealing the current law prohibiting the separate conveyance of ADUs. Sale of ADUs as condominiums is creating cheaper, first time homebuyer opportunities in Austin, TX, Portland, OR, Princeton, NJ, and British Columbia, Canada. California cities should not be prohibited from pursuing this strategy too.

This bill builds off a successful state law that allows Habitat for Humanity to sell ADUs, but unlike that law, it does not require that local governments to adopt ordinances to facilitate the sale. This bill would require that local governments establish the process by which ADUs could be sold, if the local government chooses to pursue that policy.

SUPPORT

Bay Area Council (Sponsor)
CASITA Coalition (Sponsor)
California Assessors' Association
California Community Builders
California State Association of Counties
City of San Jose
Core SF
LISC San Diego
San Francisco Bay Area Planning and Urban Research Association (SPUR)
The Two Hundred
Easy Bay YIMBY
Facebook
Grow the Richmond
HOO Development
How to ADU
HPP Cares
Inland So Cal Housing Collective
Mountain View YIMBY
Napa Solano for Everyone

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National Association of Hispanic Real Estate Professionals
Norther Neighbors SF
Oak Impact Group
Peninsula for Everyone
People for Housing Orange County
Plus Home Construction
Progress Noe Valley
Rebuilding Green
Samara Living
San Francisco YIMBY
San Luis Obispo YIMBY
Santa Cruz YIMBY
Santa Rosa YIMBY
South Bay YIMBY
Southside Forward
Ventura County YIMBY
Villa
YIMBY Action

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