

City of Piedmont
CITY COUNCIL AGENDA REPORT

DATE: January 21, 2025

TO: Mayor and City Council

FROM: Rosanna Bayon Moore, City Administrator

SUBJECT: Consideration of a Resolution Amending the 2024-2025 City of Piedmont Schedule of Fees and Charges to Revise and Include Fees related to AB 1332 Pre-Approved ADU Requests and AB 2533 Legalizing Unpermitted ADU/JADUs

RECOMMENDED ACTION

Adopt the attached Resolution amending the 2024-2025 City of Piedmont Schedule of Fees and Charges to revise the fee related to AB 1332 Pre-Approved ADU Requests and add a fee related to AB 2533 Legalizing Unpermitted ADU/JADU Applications.

BACKGROUND

Assembly Bill 1332 (AB 1332) adds Government Code section 65852.27 which requires local agencies to develop a program for the preapproval of ADU plans by January 1, 2025, and delineates the program's compliance requirements. The Bill also sets guidelines for the approval or denial of an application for a detached ADU under Government Code section 65852.27(b)(1)-(2). The law authorizes a local agency to charge a fee equivalent to that of ADU permit processing fees to an applicant for the review of the requested preapproval of an ADU plan set. The law requires the local agency to post preapproved ADU plan sets and the contact information of the designer of the preapproved plan set on the local agency's website. On October 21, 2024, the City Council amended the City of Piedmont's Fee Schedule to add a deposit for applications related to AB 1332. Staff recommends replacing that with a flat fee consistent with the standard ADU fees.

Assembly Bill 2533 (AB 2533) alters the existing laws regarding the legalization of unpermitted ADUs. With some limited exceptions, Government Code section 66332 already prohibited local agencies from denying a permit to legalize an unpermitted ADU that was constructed before January 1, 2018, if the denial is based on the ADU not complying with applicable Building Code, State or local ADU standards. One exception allowed local agencies to deny a permit to legalize if the agency makes a written finding that correcting the violation is necessary to protect the health and safety of the public or the occupants of the structure. AB 2533 amends existing law to: (1) expand its applicability to JADUs; (2) change the construction cutoff date from January 1, 2018, to January 1, 2020; (3) replace the above exception with a requirement that local agencies find that correcting the violation is necessary to comply with the standards specified in Health and Safety Code section 17920.3 (Substandard Buildings); (4) mandate new public notification requirements about limits on local regulation, substandard building criteria, and pre-application inspection by a private contractor; and (5) address the scope of City inspections and limits on remedial action.

ANALYSIS

AB 1332: Preapproved ADU

The City currently offers preapproved ADU plans developed by the City, included in the Piedmont Design Standards and Guidelines as Appendix A. These plans, covering detached ADUs and garage conversions, are available to property owners at no cost. AB 1332 mandates that cities expand preapproval options. In addition to City-developed plans, cities must allow for preapproval of ADU plans submitted by outside design professionals and builders. This necessitates a new process for City staff to review and approve these submissions. On October 21, 2024, the City Council established a fee in the form of a \$7,986 deposit for an AB 1332 Zoning Ordinance Amendment and/or Design Standards and Guidelines Amendment. Upon further review of State law, staff has determined that preapproved ADU plans require neither a Zoning Ordinance amendment or an amendment to the City's Design Standards and Guidelines.

State law requires that the processing fee for AB 1332 preapproval requests not exceed the current cost of an ADU permit application. Staff recommends amending the 2024/2025 Fiscal Year Schedule of Fees and Charges to replace the current AB 1332 application deposit with an application and **flat processing fee of \$1,015 for AB 1332 preapproval requests**. This fee aligns with existing ADU planning permit fees and excludes building permit plan examination. Building permit plan sets are required at the time of building permit application submission.

Architects and design professionals can request preapproval for their detached ADU prototypes by submitting a title block, cover sheet, and architectural plans to the City. Upon approval, these plans will be available for public use on the City website. It's important to note that while anyone can access these plans, interested parties will need to contact the architect or designer who owns them for any project-specific adaptations and before submitting an ADU permit and subsequent building permit. The City is required to post all pre-approved plans on their website indefinitely. For more information on the preapproval process and to access existing pre-approved plans, please refer to the City website: <https://piedmont.ca.gov/services/permits/ADU/pre-approved-plans>

AB 2533: Legalizing Unpermitted ADUs/JADUs

State law allows for the legalization of certain unpermitted Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs) under specific conditions. These eligible projects must comply with the requirements outlined in Health and Safety Code Section 17920.3 and are exempt from local planning and zoning regulations.

To facilitate the legalization of eligible unpermitted ADUs/JADUs, staff recommends the following:

- **A Simplified Permit:** Implement a streamlined building permit process for eligible projects.
- **A Flat Fee: Establish a flat fee of \$1,081 for the permit.** This fee encompasses all applicable costs, including plan check, planning review, inspections, and other mandatory

fees.

- **Enhanced Inspections:** Due to the mandatory pre-inspection and inspection report required by State law, the inspection fees within this flat fee will be adjusted accordingly.

In addition, the City is obligated to provide clear and accessible information to the public regarding eligibility criteria, Health and Safety standards, third-party inspections and the permitting process. The posting of this information is currently underway.

CALIFORNIA ENVIRONMENTAL QUALITY ANALYSIS (CEQA REVIEW)

The proposed fee amendments are categorically exempt from CEQA because it can be seen with certainty that there is no possibility that the adoption of fee amendments will have a significant effect on the environment. (CEQA Guidelines, 14 Cal. Code of Regs. Sections 15061(b)(3).)

CITY ATTORNEY REVIEW

The proposed fee amendments have been reviewed by the City Attorney.

FISCAL IMPACT

Revising the processing fee for AB 1332 applications and adding a fee for AB 2533 applications will help City staff implement new State laws. Under State law, fees charged for processing applications must not exceed the estimated reasonable cost of providing the service for which the fee is charged. Staff's analysis is that the proposed fees are reasonable in light of the expected City costs needed to process AB 1332 and AB 2533 applications. The fees are based on similar fees for permits of similar complexity and based on the time required to evaluate and process them. Both application types also include a \$29 records management fee.

The establishment of these fees will allow for cost recovery associated with AB 1332 and AB 2533 related applications, preserving General Fund revenue for other essential services and facilities.

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ATTACHMENTS AND RELEVANT DOCUMENTS

Pages

A 4-5 Resolution

RESOLUTION _____

**AMENDING THE 2024-2025 SCHEDULE OF FEES AND CHARGES TO ADD FEES
RELATED TO THE IMPLEMENTATION OF ASSEMBLY BILL 1332 AND
ASSEMBLY BILL 2533**

WHEREAS, Assembly Bill 1332, related to accessory dwelling unit approvals, was signed into law by the Governor on October 11, 2023; and

WHEREAS, Assembly Bill 2533, related to legalization of unpermitted accessory dwelling unit and junior accessory dwelling unit, was signed into law by the Governor on September 28, 2024; and

WHEREAS, the language of AB 1332 requires local jurisdictions, like Piedmont, to preapprove accessory dwelling unit plans and elevations put forward by members of the public with the intent to make them commercially available; and

WHEREAS, the language of AB 2533 requires local jurisdictions, like Piedmont, to develop procedures for approval of an unpermitted ADU or JADU constructed prior to January 1, 2020; and

WHEREAS, on October 21, 2024, the City Council adopted the 2024-2025 Schedule of Fees and Charges, which included a different fee (deposit) for an application type required by AB 1332 and did not include a fee type for applications processed under AB 2533;

WHEREAS, with further clarification on AB 1332 and development of a process for AB 2533, and given the time and effort required by Piedmont staff to process both application types, the fees reflect existing processing charges and do not exceed the estimated reasonable cost of providing the service for which the fee is charged; and

WHEREAS, on January 10, 2025, a public hearing notice was posted regarding the City's consideration of amendments to the 2024/2025 Fiscal Year Schedule of Fees.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Piedmont does hereby resolve, declare, determine, and order as follows:

SECTION 1. The City of Piedmont Schedule of Fees and Charges is amended as follows:

1. The current \$7,986 deposit on page 4 of City of Piedmont 2024-2025 Budget, Planning & Building fees, "Other Review" for AB 1332 Zoning Ordinance Amendment and/or Design Standards and Guidelines Amendment is replaced with a \$1,015 fee for an application for "AB 1332 Preapproved ADU Request."
2. A new fee in the amount of \$1,081 is added to "Other Fees & Permits" on page 2 of City of Piedmont 2024-2025 Budget, Planning & Building fees for a building permit application for legalizing unpermitted ADU/JADUs.

SECTION 2. The Finance Director is hereby directed to codify these fees in the Schedule of Fees and Charges.

SECTION 3. The City Council finds that above fees for processing AB 1332 and AB 2533 related applications do not exceed the estimated reasonable cost of providing the service for which the fee is charged.

[END OF RESOLUTION]