



County of Santa Cruz
Community Development and Infrastructure Department

Consideration of Assembly Bill 1033 Allowing ADUs to be Sold Separately

Housing Advisory Commission
September 10, 2025

AB 1033 – The Basics

- Allows jurisdictions to adopt an ordinance that allows separate sale of Accessory Dwelling Units (ADUs)
- Goal is to create more homeownership opportunities
- ADUs and primary units sold as condominiums, subject to Davis Stirling and Subdivision Map Acts

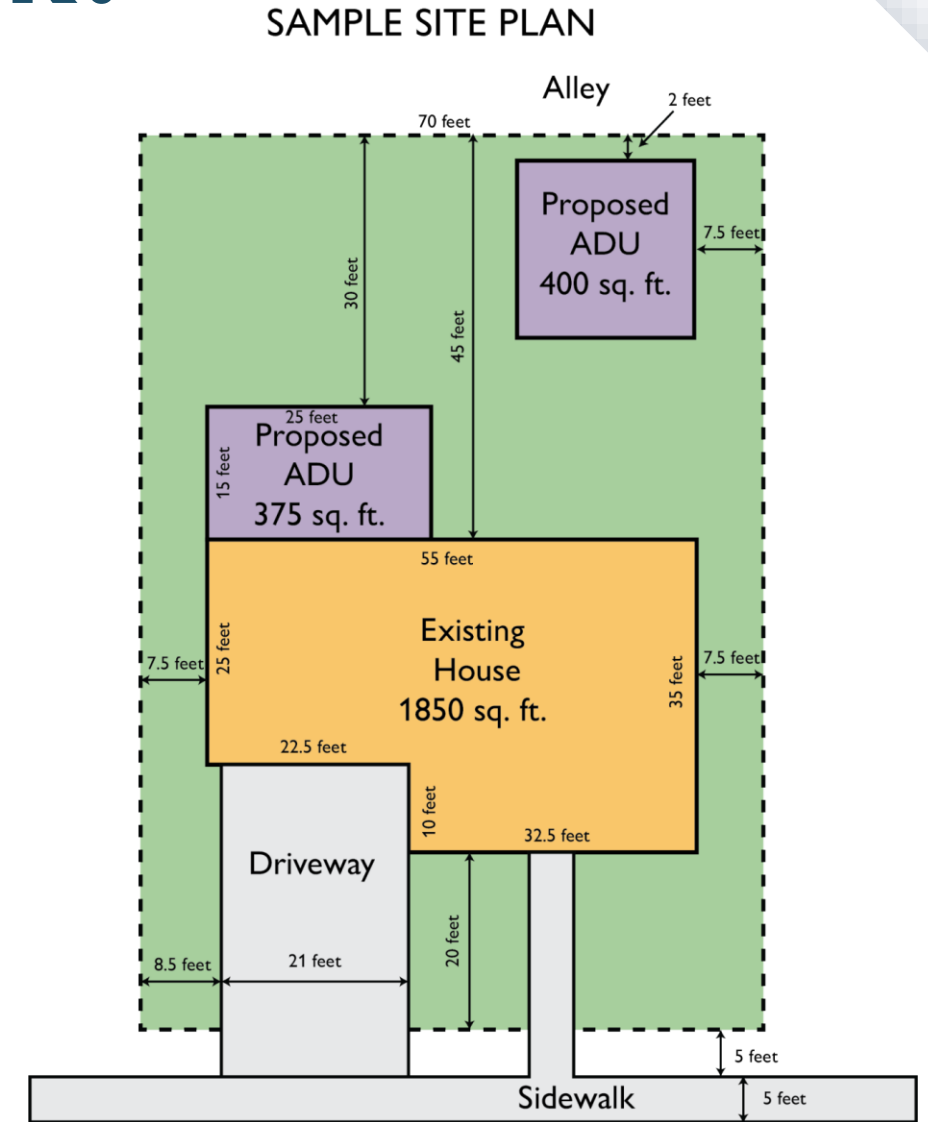


How Does AB 1033 Work?

1. Jurisdiction adopts AB 1033 Ordinance

Owner Steps:

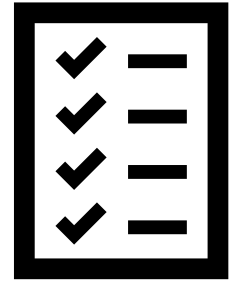
1. If property is mortgaged: Obtain lender's consent to subdivide & sell ADU
2. If ADU is not yet built, apply for building permit
3. Create & file Condo Map & Condo Plan
4. Contact utilities to establish separate connections
5. Form a Homeowners' Association (HOA) or Maintenance Agreement per Davis Stirling Act
6. Pass building inspection, get Cert of Occupancy
7. Record the condominium map and sell ADU



Pros & Cons

For Whom	Pros	Cons
Applicant/ Homeowner	• Generate revenue at once, vs. rental income over time • No additional parking required	• Need preapproval of mortgage lender, HOA if any • Costly & time-consuming mapping & condo plan/HOA process • Possible conflicts between HOA members
Prospective ADU Buyer	• New home listings to view, bid on • Possibly more affordable than other purchase options (MHs, Condos, SFDs)	• HOA conflicts/dynamics (just 2 members) • ADU may not be that affordable • Possible lack of onsite parking
ADU Tenant	• Potential option to purchase ADU they're currently renting	• May need to move out if can't afford to buy • Possibly fewer ADUs for rent
Jurisdiction	• More zoning capacity for lower-cost homes for sale • More property tax base	• Possible loss of rental ADUs • May use up sites for larger projects
Neighbors	• New neighbors are homeowners	• ??

Next Steps on ADUs for Sale



1. Next HAC Meeting: HAC to make recommendation to the Board regarding Allowing ADUs for Sale
2. Report back to Board of Supervisors with HAC Recommendation; Board provides direction to CDI on potential AB 1033 Ordinance and workplan
3. If so directed, draft Ordinance goes to Planning Commission and Board hearings for consideration and potential adoption
4. Ordinance requires Coastal Commission certification within Coastal Zone

Questions? Discussion

Thank You

