



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** November 21, 2017

**TO:** Mayor and Councilmembers

**FROM:** Water Resources Division, Public Works Department

**SUBJECT:** Introduction Of Ordinance Regarding Water Metering Requirements For Accessory Dwelling Units

### **RECOMMENDATION:**

That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending Section 14.08.150 of Chapter 14.08 of Title 14 of the Santa Barbara Municipal Code Regarding the Water Metering Requirements for New Dwelling Units and Accessory Dwelling Units.

### **DISCUSSION:**

On October 24, 2017, Council directed staff to introduce an ordinance amending Title 14, Water and Sewer Ordinance, of the Santa Barbara Municipal Code (SBMC). The proposed Title 14 amendments would exempt all Accessory Dwelling Units (ADUs) from installing a separate direct connection to the City's water system.

Under existing SBMC Section 14.08.150, the City requires all new dwelling units to be served by a separate City water meter. The City's individual metering requirement dates back to the late 1980s and is recognized as a robust water conservation tool for multi-unit residential properties. It allows direct communication between the City and end water users regarding their water usage and water billing, and helps with leak detection efforts in larger buildings with multiple dwelling units.

In September 2016, the State Legislature passed AB 2299 and SB 1069 in response to the growing state-wide housing crisis, making significant changes to the manner in which local municipalities can regulate ADUs. The amended state law, California Government Code Section 65852.2, now prohibits the City from requiring separate City water meters for certain ADUs. The City may require a direct connection (and City meter) between an ADU and the water utility only when an ADU is not completely contained within the existing space of an existing structure. However, the State is likely to view a separate City water meter as an excessive burden for some applicants since the new square footage proposed for many ADU projects is minimal.

Staff is proposing an amendment to Section 14.08.150 of the Municipal Code that would waive the separate City water metering requirement for all ADUs. Since ADU projects are subject to size restrictions and are generally smaller structures, there is less investigation needed for potential leaks as compared with larger multi-unit structures. In addition, if the property owner is proposed to reside onsite, there is more potential for the City to maintain direct communication with the property owner regarding water usage and billing.

While the proposed amendment waives the separate City water meter requirement for ADUs, there are separate metering requirements for all newly constructed multi-family residential structures under California Water Code Section 537.1. This section of the California Water Code was added with the passage of SB 7 in September 2016, and takes effect January 1, 2018. To meet the requirements of this new section of the Water Code, the amendments to SBMC propose that a separate privately owned and maintained water submeter be installed for ADUs that are newly constructed from the ground up. In these cases, the City would not be responsible for the installation, certification, maintenance, reading, billing, or testing of the privately owned and maintained water submeter, nor would the property owner be required to pay capacity charges (sometimes known as buy-in fees). The submeter would, however, provide the property owner information regarding water usage of the accessory dwelling unit.

In any case, ADUs will need to be evaluated to determine whether the existing City water meter has sufficient capacity to serve both the existing and proposed dwelling units, per the California Plumbing Code. In addition, property owners may voluntarily apply for a City water meter for their ADU. Council recently adopted updated water and sewer capacity fees on October 3, 2017 (Resolution 17-099), which will be charged if a larger meter size is required to accommodate the ADU, or if a separate City water meter is requested by the property owner. The City's adopted capacity fees are in compliance with the requirements of the amended state law.

At their meeting on September 21, 2017, the Water Commission recommended to forward the proposed Title 14 ordinance amendments to Council for approval.

At its meeting of October 24, 2017, Council directed staff to initiate an amendment to Titles 28 and 30 of the SBMC, Zoning Ordinance, establishing regulations for ADUs. At the same time, Council directed staff to introduce an ordinance amending Title 14 of the SBMC, Water and Sewer Ordinance, ahead of any amendments to Titles 28 and 30. The proposed Title 14 amendments would not be affected by subsequent policy decisions related to the Title 28 and Title 30 amendments.

**PREPARED BY:** Kelley A. Dyer, Water Supply Manager/DH/SP

**SUBMITTED BY:** Rebecca J. Bjork, Public Works Director

**APPROVED BY:** City Administrator's Office