

# Accessory Dwelling Unit Housing Element Recommendations

for the Napa Sonoma Collaborative

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February 2022

Napa Sonoma  ADU



**Presented by the Napa Sonoma ADU Center**

*With thanks to the Casita Coalition, Baird + Driskell Community Planning, for their contributions*



The Napa Sonoma ADU Center is a fiscally-sponsored project of Napa Valley Community Foundation with support from Community Foundation Sonoma County and others.



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# Introduction

The Napa Sonoma ADU Center is a nonprofit that supports homeowners across all 16 jurisdictions in Napa and Sonoma Counties to build accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs)<sup>1</sup> in order to increase housing affordability in our community. We are a fiscally-sponsored project of Napa Valley Community Foundation with support from Community Foundation Sonoma County as well as the Cities of Napa, Calistoga, and the County of Napa.

## About this document

This document provides sample language that Napa and Sonoma County jurisdictions can employ in your Housing Elements to illustrate key ways that ADUs and Junior ADUs will be incorporated into your plans to increase housing affordability in your community. It is designed to support the efforts of the [Napa Sonoma Collaborative](#).

It also outlines a more expansive Menu of ADU Recommendations organized according to a matrix of actionable steps that jurisdictions can take to increase ADU development, categorized by three levels of action as explained in the table below. Appendix B of this document provides additional details to support jurisdictions in how to implement each recommendation.

Categories of recommendations	Level of action to support ADU development
<b>Processes</b> - Internally & externally-facing agency processes at the jurisdiction regarding ADUs	<b>Getting by</b> - Baseline steps jurisdictions can take
<b>Public Education</b> - Information & resources helping homeowners through the ADU journey	<b>Middle steps</b> - Additional steps jurisdictions can take
<b>Policy</b> - Jurisdiction rules regarding ADUs	<b>Bold action</b> - Above & beyond efforts jurisdictions can make

The remainder of the document includes the following Appendices which serve as reference materials for jurisdictions for incorporating these ADU recommendations into their Housing Elements and carrying them out over the course of the Housing Element cycle:

- Guidelines on how ADUs can satisfy RHNA goals
- Additional details further illustrating each element from the Menu of ADU Recommendations
- Insights from a Field Study with Latino/x Homeowners in Napa and Sonoma County about ADUs
- North Bay ADU Affordability Survey Data & Analysis
- Key examples of ADU actions taken by jurisdictions throughout California as an additional reference resource
- A reference table of ADU permits issued and ADUs finalized in all 16 jurisdictions across Napa and Sonoma Counties





## About the Napa Sonoma ADU Center

The nonprofit Napa Sonoma ADU Center launched as a pilot in April 2020 to serve as a neutral third party entity working across the public and private sectors to help increase ADU development across all 16 jurisdictions in Napa and Sonoma Counties. Bay Area housing costs are at an all-time high, especially in North Bay counties like Napa and Sonoma. Due to the limitations of available land and agricultural land uses, there are not many opportunities to build housing, especially housing that is affordable to the workers that keep local industries moving forward. Developing ADUs is one important solution that can help meet our housing challenges.

The organization began our ADU work by conducting a series of surveys, data gathering, and focus groups with city and county staff, builders and architects, as well as homeowners who have built ADUs or are interested in building one in the future in Napa and Sonoma Counties. This information helped shape our website ([www.napasonomaadu.org](http://www.napasonomaadu.org)) and the many ADU tools and resources available on it today, including:

- an [ADU Workbook](#),
- [ADU Calculator](#) tool,
- frequent [ADU webinars](#),
- [ADU feasibility consults](#),
- [ADU Home Match](#),
- [ADU newsletter & blog](#),
- [spotlights](#) of Napa and Sonoma County neighbors who have built ADUs, forthcoming Napa Sonoma Standard & Permit-Ready ADU Plans program,
- and much more.

Homeowners and jurisdictions can Contact Us for more information or help with ADU questions.

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<sup>1</sup> Throughout the remainder of this document for the purposes of brevity we will use the term “ADU” to mean either an ADU or JADU unless a distinction is warranted.

# How can ADUs and JADUs help jurisdictions meet their housing goals?

1

ADUs can significantly help jurisdictions meet their RHNA goals<sup>2</sup>

2

ADUs are naturally affordable housing that helps jurisdictions affirmatively further fair housing (AFFH) and increase equity in our community:<sup>3</sup>



ADUs help diversify neighborhoods and open up more school districts to lower-income households



Can be as large as 1,200 SF so can house families



Can be as small as 150 square feet so can house single individuals including those for whom their lifestyle and financial circumstances have unexpectedly changed



Can help families build wealth by serving as a rental unit that provides a passing income stream

<sup>2</sup> See Appendix A: How ADUs & JADUs can be counted towards RHNA goals for more details and guidance from CA HCD.

<sup>3</sup> A recent statewide study including data from Napa and Sonoma Counties, conducted by the University of California – Berkeley with analysis by Baird + Driskell Community Planning, found that 85 percent of ADUs rented on the open market were affordable to lower or moderate income households. For more details and information see *Affordability of Accessory Dwelling Units: A report and recommendations prepared by the ABAG Housing Technical Assistance Team with Funding from REAP*, available online [at this link](#).

3

**Provides flexible housing as homeowners' and community needs change over time; for example:**



Young families just starting off - jurisdictions can't control skyrocketing property prices but you can encourage development of ADUs that are large enough to house a family long term



**Multi-generational housing**

- Elderly parents can live on adult children's property
- Adult children can live on parents' property
- Meets cultural needs for families that traditionally live multi-generationally



Widows, divorcees, single parents, and other single individuals



Retirees who need to downsize to be able to afford to age-in-place



Independent living for individuals with disabilities



Student housing



4

Few institutional barriers to building. ADUs require only ministerial approval, so aren't met with the same development barriers as other forms of housing

5

Faster form of housing for households that have lost their homes due to natural disaster such as fire or earthquake

6

Financing is available to help eligible homeowners with their ADU projects, including a [California Housing Finance Agency \(CalHFA\) predevelopment grant](#), the [Junior Unit Initiative Program](#) in the City of Napa, an ADU construction loan product launched by the Redwood Credit Union in partnership with the Napa Sonoma ADU Center, and more – with more programs in the pipeline.



# How ADUs & JADUs can be counted towards RHNA goals

To calculate ADUs in the housing element, local agencies must generally use a three-part approach:

- development trends,
- anticipated affordability, and
- resources and incentives.

Development trends must consider ADUs permitted in the prior planning period and may also consider more recent trends.

Anticipated affordability can use a variety of methods to estimate the affordability by income group. Common approaches include rent surveys of ADUs, using rent surveys and square footage assumptions and data available through the APR pursuant to Government Code section 65400. Resources and incentives include policies and programs to encourage ADUs, such as prototype plans, fee waivers, expedited procedures and affordability monitoring programs. (CA HCD, Accessory Dwelling Unit Handbook, Page 19, December 2020.)

Pursuant to Government Code section 65852.2(m), and section 65583.1(a), ADUs and JADUs may be utilized towards the Regional Housing Need Allocation (RHNA) and Annual Progress Report (APR) pursuant to Government Code section 65400. To credit a unit toward the RHNA, HCD and the Department of Finance (DOF) utilize the census definition of a housing unit. Generally, an ADU, and a JADU with shared sanitation facilities, and any other unit that meets the census definition, and is reported to DOF as part of the DOF annual City and County Housing Unit Change Survey, can be credited toward the RHNA based on the appropriate income level. The housing element or APR must include a reasonable methodology to demonstrate the level of affordability. Local governments can track actual or anticipated affordability to assure ADUs and JADUs are counted towards the appropriate income category. For example, some local governments request and track information such as anticipated affordability as part of the building permit or other applications. (CA HCD, Accessory Dwelling Unit Handbook, Page 19, December 2020.)

*For more information, see the Sample Language below and Appendix A: Using ADUs to Satisfy RHNA.*

# Summary of three key avenues for increasing ADUs AND JADUs

Based on our work with hundreds of homeowners across Napa and Sonoma Counties, three key avenues have emerged as the most important elements to an effective ADU program at the jurisdictional level: **1) Process, 2) Public Education, and 3) Policy.**

**1) Process:** Concrete steps jurisdictions can take to improve the ADU planning, permitting and building experience for homeowners. For example, jurisdictions should ensure their departments are all coordinated in facilitating the construction of ADUs by speaking with one pro-ADU voice, from the mayor to the counter staff. All relevant agencies/departments at the jurisdiction should coordinate their reviews of ADU applications and return comments quickly. There should be real time review and ADU office hours, along with designated staff people to ensure consistency in the permitting process.

**2) Public Education:** Information and tools jurisdictions provide that help homeowners understand the value of ADUs and how to build one. For example, jurisdictions can develop clear, consistent, comprehensive, high quality public information for homeowners, designers, builders and others. Have the jurisdiction rules, procedures and process both easy to find and easy to understand. Be proactive about spreading the word to homeowners that they can build ADUs and why doing so benefits them and their neighbors.

**3) Policy:** Systems and guidelines that ensure the jurisdiction's rules are ADU friendly. For example, the minimum is to ensure local rules meet state law requirements, but jurisdictions can go above and beyond to promote ADU development. Jurisdictions can develop programs like fee waivers, other incentives, ADU density bonuses and pre-approved plans. Such policies will help jurisdictions affirmatively further fair housing in our community.

In the next section, we provide a thorough menu overview of these actionable steps and more that jurisdictions can include in their Housing Element to promote ADUs in their community.

# Menu of ADU Recommendations

Click on a bullet point below to be taken to a more detailed explanation of that recommendation outlined in Appendix B

	Getting By	Middle Steps	Bold Actions
<b>Process Improvements</b>	<ul style="list-style-type: none"> <li>• Directive from jurisdiction leadership to all relevant agencies to promote ADUs (e.g., Fire, Well &amp; Septic, Planning, Building, etc.)</li> <li>• Ensure ADU permit applications are fully processed by all relevant agencies within the 60 day turnaround required by state law – and increase staffing as needed to support this goal</li> </ul>	<ul style="list-style-type: none"> <li>• Have an ADU SWAT team with members from all key departments and offer concurrent ADU permit review by designated ADU reviewers, providing a unified set of comments on ADU permit applications across all agencies. Conduct staff training on customer service to homeowners building ADUs.</li> <li>• Produce a game plan that identifies ADU actions in all departments</li> <li>• Continue to collaborate with neighboring jurisdictions</li> <li>• Conduct outreach to additional stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Collaborate with and support the nonprofit Napa Sonoma ADU Center so it can continue to provide ADU technical assistance and information to local homeowners</li> <li>• Designate an ADU ombudsperson</li> <li>• Track your progress and evaluate your success. Set a goal for ADU growth by % increase of permits &amp; final certificates of occupancy each year</li> </ul>
<b>Public Education</b>	<ul style="list-style-type: none"> <li>• Improve jurisdiction website &amp; educational content &amp; link to Napa Sonoma ADU Center website</li> <li>• Message ADU benefits effectively to the community</li> </ul>	<ul style="list-style-type: none"> <li>• Produce comprehensive ADU informational packets</li> <li>• Host ADU information sessions</li> </ul>	<ul style="list-style-type: none"> <li>• Develop ADU homeowner spotlights to promote ADU development</li> <li>• Provide peer-to-peer interactions for local homeowners to support each other's ADU projects</li> </ul>
<b>Policy</b>	<ul style="list-style-type: none"> <li>• Ensure that your code is clear &amp; compliant with state law</li> </ul>	<ul style="list-style-type: none"> <li>• Join the Napa Sonoma Standard ADU Plans Program</li> <li>• Adopt pro-ADU policies that go beyond state law (see examples below)</li> <li>• Launch ADU amnesty program &amp; code enforcement delay policy for unpermitted ADUs</li> <li>• Allow ADUs to be built before the main house in the event of a natural disaster</li> </ul>	<ul style="list-style-type: none"> <li>• Offer fee waivers (e.g., waived impact fees for ADUs over 750 sf, etc.)</li> <li>• Advance equity &amp; affordability:               <ul style="list-style-type: none"> <li>◦ Density – Allow more units if some of them are affordable</li> <li>◦ Subsidy – Provide direct financial incentives for ADUs and/or JADUs</li> <li>◦ Management – Oversee the construction of the ADU, find tenants, or offer property management</li> </ul> </li> </ul>

# Sample ADU Language for your Housing Element

## How to use this sample ADU language

To facilitate the ease of the 16 jurisdictions across Napa and Sonoma Counties incorporating ADUs into their Housing Elements, the Napa Sonoma ADU Center has drafted here sample language that you may copy and paste, with revisions as necessary, into your Housing Elements. This sample language reflects some of the key recommendations outlined in the Menu of ADU Recommendations above. However, your jurisdiction can also add or subtract additional recommendations from the Menu above as desired.

The sample language below can be broken up and pasted into the following sections of your Housing Elements: (1) Sites Inventory; (2) Affirmatively furthering fair housing (AFFH); and (3) Policies & Programs.

In addition, if a jurisdiction would like more tailored assistance from the Napa Sonoma ADU Center on recommendations even more specific to your community please contact us for assistance at [info@napasonomaadu.org](mailto:info@napasonomaadu.org).

## Sample Housing Element ADU language

### Affirmatively furthering fair housing via ADUs & Junior ADUs

*This section can be included in your Housing Element under the “Affirmatively Furthering Fair Housing” section:*

ADUs and Junior ADUs are naturally occurring affordable housing that represent a significant opportunity for us to affirmatively further fair housing and increase equity in our community. A recent statewide study including data from Napa and Sonoma Counties, conducted by the University of California – Berkeley with analysis conducted by Baird + Driskell Community Planning, found that 85 percent of ADUs rented on the open market were affordable to lower or moderate income households.<sup>4</sup>

ADUs help diversify neighborhoods and open up more school districts to lower-income households. They can be as large as 1,200 square feet, creating a safe and habitable living space for a family – or alternatively, they can be as small as 150 square feet, creating an affordable home for a single individual such as a student or an individual whose lifestyle and financial circumstances have unexpectedly changed. ADUs also meet cultural needs for families that traditionally live multi-generationally: They can house elderly parents, grandparents, or adult children and their families.

Furthermore, building an ADU or Junior ADU can also help lower-income homeowners build their wealth by serving as a rental unit that provides them with a passive income stream.<sup>5</sup>

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<sup>4</sup> For more details and information see *Affordability of Accessory Dwelling Units: A report and recommendations prepared by the ABAG Housing Technical Assistance Team with Funding from REAP*, available online [at this link](#).

<sup>5</sup> For example, see the Keys to Equity program that helps Black homeowners build ADUs as a means of wealth-building in the City of Oakland, available online [at this link](#).



And finally, ADUs and Junior ADUs are flexible living spaces that can adapt to the ever-shifting needs of our communities by serving as housing for: Retirees who need to downsize to be able to afford to age-in-place; independent living for individuals with disabilities; student housing, and more.

### ADU and Junior ADU development trends

This section can be included in your Housing Element under the “Sites Inventory” section. Note that ADUs are not listed in the vacant/nonvacant section of the site inventory, rather they are summarized and tallied in their own subsection. Below is a sample write-up prepared by 21 Elements/Baird + Driskell Community Planning. For a full explanation of how you can estimate production of ADUs and determine the income distribution, refer to Appendix A: Using ADUs to Satisfy RHNA.

Over the course of the prior planning period, [insert #] ADUs and JADUs were permitted and [insert #] were issued final certificates of occupancy in [insert jurisdiction name]. More recently, an additional [insert #] ADUs and JADUs have been permitted and [insert #] are in the process of being permitted.

[Insert table illustrating # ADUs permitted over the past Housing Element cycle; a sample is below]:

Year	Building Permits Issued
2017	2
2018	1
2019	10
2020	15
2021	10
2022	16 (estimate based on first 6 months)

We also anticipate a significant increase in the volume of ADUs and JADUs permitted and built in [insert jurisdiction name] thanks to recent improvements we have made in the past two years to our ADU processes, public education, and policies, including:

- **Processes:**
  - Collaboration with the nonprofit [Napa Sonoma ADU Center](#) to which we refer homeowners for [free individualized assistance](#) with kickstarting their ADU projects (the organization has a track record of 64% of homeowners they serve moving forward on ADU projects)

- **Public education:**
  - Key tools and resources shared on our jurisdiction website, including:
    - [ADU Process Map](#)
    - [ADU Building Permit Checklist](#)
    - [ADU Calculator Tool](#)
    - [ADU Workbook](#)
  - Outreach and community engagement to help local homeowners, including:
    - Advertising [free ADU webinars](#) via our city channels educating homeowners about a wide range of ADU topics including financing, design, permits, building, and more
- **Policies:**
  - Adoption of a new ADU ordinance reflecting the January 2020 state laws

In addition, we will be expanding our policies and programs substantially in the coming years to further advance ADU and Junior ADU development (for more information, see the Policies & Programs section of our Housing Element).

### Anticipated ADU & Junior ADU affordability

*This section can be included in your Housing Element under the “Sites Inventory” section. Note that ADUs are not listed in the vacant/nonvacant section of the site inventory, rather they are summarized and tallied in their own subsection. Below is a sample write-up prepared by 21 Elements/Baird + Driskell Community Planning.*

*For a full explanation of how you can estimate production of ADUs and determine the income distribution, refer to Appendix A: Using ADUs to Satisfy RHNA, and see also Affordability of Accessory Dwelling Units: A report and recommendations prepared by the ABAG Housing Technical Assistance Team with Funding from REAP, available online [at this link](#).*

**Sample below:**

*Based on the annual average of 12.75 ADU permits per year since 2019, the City is projecting 102 ADUs being permitted over the eight year planning period and is using ABAG’s survey data to distribute the projected units by income category:*

Income Category	Percentages	Totals
Very low	30%	30
Low	30%	31
Moderate	30%	31
Above moderate	10%	10

Based on these calculations, the City is able to meet approximately 1/7 of its RHNA through ADUs, and must accommodate another 598 units on the sites detailed in the sites inventory. See table below for a summary:

	Very Low	Low	Mod	Above Mod	Total
<b>RHNA</b>	200	200	100	200	700
<b>Pipeline / Approval Units</b>	0	0	0	0	0
<b>ADUs</b>	30	31	31	10	102
<b>Remaining RHNA</b>	170	169	69	190	598

### ADU & Junior ADU resources & incentives

*This section can be included in your Housing Element under the “Policies & Programs” section. This is simply a sample of possible key policies and programs; review the full Menu of ADU Recommendations above for additional options.*

In addition to maintaining the improved ADU programs and policies outlined above, beginning in 2022 and through the 2023 - 2031 Housing Elements cycle we will be further promoting ADU and Junior ADU development via the following resources and incentives:

- **Processes:**

- Track our ADU progress and evaluate our success. Set a goal of increase in ADU permits & final certificates of occupancy each year that includes:
  - Year 1: 15%
  - Year 2: 15%
  - Year 3: 10%
  - Year 4: 10%
  - Year 5: 10%
  - Year 6: 10%
  - Year 7: 10%
  - Year 8: 10%
- Provide financial support for continuation of ADU services & tools such as those currently offered by local nonprofit the Napa Sonoma ADU Center, including ADU feasibility consults and maintenance of an ADU website, webinars, workbook, and calculator tool
- Issue a directive from jurisdiction leadership to all relevant agencies to promote ADUs (Fire, Well & Septic, Planning, Building, etc.) and institute an ADU SWAT team with members from all key departments that offer timely concurrent review and provide a unified set of comments on ADU permit applications. Have an ADU@ email address to streamline responses to ADU inquiries and conduct staff training on customer service to homeowners building ADUs.

- **Public education:**

- Produce a comprehensive ADU informational packet with a universal ADU checklist that outlines ADU requirements across all relevant departments (Fire, Well & Septic, Planning, Building, etc.)

- **Policies:**

- Adoption of a revised ADU ordinance incorporating the following elements that are less restrictive than the state law requirements, such as:
  - Allowing two-story ADUs (including with minimum setbacks)
  - ADUs on corner lots (or specifically having a four feet setback on street-facing side)
  - Front yard setbacks that match the main house
  - Reduced side or rear yard setbacks
  - No parking replacement required
  - Allowing Junior ADUs in an attached garage and defining “attached” as “connected by a common wall, or by a common roof, covered walkway, carport or garage, not more than twenty feet (20’) wide.”
  - Join the Napa Sonoma Standard ADU Plans Program which provides homeowners with low cost, “permit-ready” ADU plans
  - Offer fee waivers (e.g., waived impact fees for ADUs over 750 sf)
  - Explore the possibility of increasing density by allowing more than 1 ADU on single family zoned parcels if some of them are affordable





## Conclusion

The 16 jurisdictions across Napa and Sonoma Counties have already taken incredible strides towards advancing ADUs in our community by contributing to the launch of the nonprofit Napa Sonoma ADU Center and developing other innovative ADU policies and programs. The statewide Casita Coalition featured the ADU efforts of Napa and Sonoma County jurisdictions in its [ADU Best Practices Webinar Series](#) in 2021 and our work is regularly looked to by jurisdictions across the state as a replicable model for how multiple jurisdictions can collaborate effectively to advance housing affordability via ADUs and Junior ADUs in the midst of California's housing crisis. Our organization is available to the Napa Sonoma Collaborative and individual jurisdictions to support you as you incorporate ADUs and Junior ADUs into your Housing Elements and carry out these recommendations. Thank you for taking the time to consider how ADUs and Junior ADUs – as one piece of the housing puzzle – can help advance our community's crucial need to provide roofs over the heads of our friends, family, workers, and neighbors.

# Appendices

## Appendix A:

# Using ADUs to Satisfy RHNA

Prepared by 21 Elements/Baird + Driskell Community Planning



## Background

Jurisdictions are allowed to use ADUs to help satisfy their RHNA requirements; however the process is somewhat different than other aspects of the sites inventory.

The standard method is to estimate the number of ADUs that will be developed in the planning period, and then distribute those estimated units into each of the income categories.

### ***Estimating Production***

The estimate should be based on the average number of ADU building permits issued each year, multiplied by eight (because there are eight years in a housing element cycle). Most cities base their determination of annual ADU permits by averaging the building permits approved each year since 2019, when state law made it easier to construct the units.

There is a small amount of flexibility in the calculations. If numbers were low in 2019 but were high in 2020, 2021 and 2022, a jurisdiction could potential use 2020-2022 as the baseline. This rationale would be bolstered if there was a logical explanation for the change, e.g., the jurisdiction further loosened regulations in 2020.

Projecting a higher number of ADUs than what has been demonstrated through permit approvals in recent years may be possible, but more challenging. A slightly larger number may be warranted if a robust, funded, and clear plan to increase production has been put in place. However, you are strongly encouraged to coordinate with HCD before deviating from the standard methodology.

ADUs are not listed in the vacant/nonvacant section of the site inventory, rather they are summarized and tallied in their own subsection.

### ***Determining the Income Distribution***

ABAG conducted an analysis of ADU affordability and concluded that in most jurisdictions, the following assumptions are generally applicable. Many jurisdictions are choosing to use these numbers in lieu of conducting their own affordability analysis.

Table 1. Percent of ADUs Affordable to Different Income Categories

Percent	Income Category
30%	Very low income
30%	Low income
30%	Moderate income
10%	Above moderate

Please contact your County Collaborative Technical Assistance Provider for more information on affordability.

A few key points are summarized below:

- Use building permits issued for the estimate
- Jurisdictions do not need to list the addresses for potential ADUs.
- Make sure the assumptions in your Housing Element match the numbers reported in past year APRs.

Please visit the [ABAG Housing Technical Assistance page](#) for more information, including a webinar that covers this topic.

## Sample Housing Element Write Up

*The following is what a jurisdiction might include in their sites inventory section of the housing element.*

Since City amended its ordinance in 2019, the numbers of ADUs permitted has significantly increased. City's ordinance goes beyond state law and allows 1200 square foot ADUs. Additionally, the City website has an entire section devoted to ADUs with clear information about the standards and approval process. On average, the building department provides comments to completed ADU applications in 10 days.



Since 2019, the City has issued an average of 12.75 ADU permits per year, as listed below.

Year	Building Permits Issued
2017	2
2018	1
2019	10
2020	15
2021	10
2022	16 (estimate based on first 6 months)

Based on the annual average of 12.75 ADU permits per year since 2019, the City is projecting 102 ADUs being permitted over the eight year planning period and is using ABAG’s survey data to distribute the projected units by income category:

Income Category	Percentages	Totals
Very low	30%	30
Low	30%	31
Moderate	30%	31
Above moderate	10%	10

Based on these calculations, the City is able to meet approximately 1/7 of its RHNA through ADUs, and must accommodate another 598 units on the sites detailed in the sites inventory. See table below for a summary:

	Very Low	Low	Mod	Above Mod	Total
<b>RHNA</b>	200	200	100	200	700
<b>Pipeline / Approved Units</b>	0	0	0	0	0
<b>ADUs</b>	30	31	31	10	102
<b>Remaining RHNA</b>	170	169	69	190	598

For more information reference Affordability of Accessory Dwelling Units, a report and recommendations prepared by the ABAG Housing Technical Assistance Team with Funding from REAP, available online [at this link](#).



# Appendix B:

## Explanations & Background for ADU Recommendation Implementation

*Homeowners need to interact with many parts of a jurisdiction to get permission to build ADUs. It is important to ensure that all departments are committed to the work. What often happens is that some departments, like Planning, are quicker to make changes, while other departments, like Fire and Building, may have other priorities. However, homeowners do not differentiate between different departments and a road block at any point may stop their progress.*

### Process Improvements

Homeowners need to interact with many parts of a jurisdiction to get permission to build ADUs. It is important to ensure that all departments are committed to the work. What often happens is that some departments, like Planning, are quicker to make changes, while other departments, like Fire and Building, may have other priorities. However, homeowners do not differentiate between different departments and a road block at any point may stop their progress.

### Getting By

#### **Directive from jurisdiction leadership to all relevant departments on finding ways to promote ADUs**

Because so many departments need to collaborate to promote ADUs, it is important to have the city manager or elected officials direct all involved departments to prioritize ADU production. We frequently see for example that an ADU permit is processed rapidly via the Planning or Building Department but gets stuck at the Well & Septic Department. Or we see that the Building Department says one thing to a homeowner about the city's ADU guidelines but then later the Fire Department interprets the policy differently, surprising a homeowner later on in the process. Ensuring there is a directive from government leadership to all relevant departments about the importance of ADUs will also help reluctant staff members at all levels make it a priority. Beyond a simple proclamation, all jurisdiction departments should identify specific action steps they can take to address barriers and proactively support ADU development.

*For example, the cities of both Los Angeles and San Jose issued a directive from their mayors to accelerate ADUs as a housing source. This ensured it was a high priority work item for all the necessary departments.*

## **Ensure ADU permit applications are fully processed by all relevant agencies within the 60 day turnaround required by state law**

Multiple jurisdictions are struggling with a dearth of staffing, leading to significant ADU permit application processing delays. Our recommendation is that ADU permit applications be prioritized as a matter of policy by jurisdictions to ensure that they are processed at a minimum within the 60 day timeline required by state law – and preferably sooner. Hand-in-hand with implementation of this policy is the importance of ensuring that homeowners are provided with clear information upfront on your website about what is required for a full, complete ADU permit application in order to reduce the amount of time and resources required by jurisdiction staff to process applications.

Jurisdictions can share the following information with homeowners to aid them in submitting a full, complete ADU permit application:

- [ADU Process Map](#)<sup>6</sup>
- [ADU Building Permit Checklist](#)
- [Webinar Recording](#) - How to Create an ADU Permit

In addition, jurisdictions can join the [Napa Sonoma Standard ADU Plans Program](#) which will help streamline the ADU permit application process for staff and will also provide an easy option to overcome agency staffing shortages by engaging a third party plan check consultant to process ADU permit applications, as desired, by the individual jurisdiction.

And finally, we recommend that jurisdictions prioritize funding as available to increase staffing at relevant agencies to ensure that processing ADU permit applications and supporting ADU housing development can be a realistic and reasonable priority for jurisdiction staff.

For more related information, refer to the recommendation immediately below, “Have an ADU SWAT team with members from all key departments & offer concurrent permit review with a unified set of comments.”

*For example, the City of Napa prioritizes ADU permit applications and has a policy of processing them within 21 days.*

*The City of San Jose provides a unified set of comments on preapproved ADU permit applications, ensuring a timely response.*

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<sup>6</sup> See Appendix G for samples and reach out to the Napa Sonoma ADU Center at [info@napasonomaadu.org](mailto:info@napasonomaadu.org) for support with revising editable versions of these templates to reflect your specific jurisdiction processes and requirements.



## Middle steps

### **Have an ADU SWAT team with members from all key departments & offer concurrent permit review with a unified set of comments**

Have regular check-ins with planning, building, fire, public works and other key departments to evaluate ADU progress and address barriers. Ensure there are designated representatives at each department who are charged with helping reduce barriers.

When reviewing ADU permit applications, have all relevant departments meet and produce a unified set of comments. Have various departments review proposals at the same time rather than sequentially. Homeowners and designers also benefit from receiving ADU comments in real time during designated ADU Office Hours. In particular homeowners, who often lack expertise, appreciate having designated time to ask an ADU specialist their questions.

*For example, Healdsburg has a “One-Stop Shop” program for ADUs, where representatives from all the relevant departments gather with a homeowner to provide their comments to homeowners collectively. This both speeds up the process and avoids conflicting instructions to homeowners from the various agencies at the jurisdiction. It also saves the jurisdiction staff time in the long run, since homeowners are educated prior to submitting a permit application on what obstacles their ADU project could face as well as what must be in the submittal package.*

A designated ADU@ email address at the jurisdiction is also a useful best practice to employ to ensure clearer communication between the jurisdiction and homeowners. Homeowners and designers/architects appreciate having a designated point of contact and having an [ADU@city/county.org](mailto:ADU@city/county.org) can help reassure homeowners that the jurisdiction is committed to ADUs and ensure clearer communication between all relevant government departments and the homeowner.

*For example, the City of San Jose has an “ADU Ally” who helps homeowners through the ADU process at the city to keep communication clear and supportive.*

*“I understand that the Department is overwhelmed. Hiring qualified plan examiners must be a challenge but hiring a communicator that keeps everyone updated would [be helpful].” – Local homeowner feedback on their jurisdiction’s ADU process*

Having a small set of designated ADU reviewers that handle all ADU applications and answer homeowner questions also ensures consistency and a friendly face for applicants. This will also help you meet the state law requirement that a complete ADU permit application be approved or denied within 60 days. Ideally, this process would be completed sooner than that; however in order for this timeline to be feasible jurisdictions must have sufficient staffing and, importantly, staff who are familiar with the local ADU rules.

For example, the City of Napa prioritizes ADU permit applications over other permit applications and as a result they turn around ADU permit applications in 21 days.

In addition, consider conducting staff training on customer service. One of the most persistent challenges for ADU development is staff that have a punitive mentality, rather than a problem-solving attitude. Jurisdictions can avoid this issue by ensuring that staff are not overwhelmed by their workload, educating staff on why ADUs are crucial to meeting our local housing needs, and ensuring staff have access to clear information and resources regarding the most recent ADU rules in the jurisdiction.

*“Move the permits along quicker. When I called the permitting office I received info, but had to ask lots of questions to get clarity about what was going on. It’s hard to know what to ask when you don’t know the process.”*  
– Local homeowner feedback on their jurisdiction’s ADU process

### **Produce an ADU game plan that identifies actions in all departments**

This does not need to be an extensive effort, but it is important to commit explicitly both internally and to the community what steps the jurisdiction is going to take to support ADU development. The plan should lay out a multiyear ADU promotion strategy that looks at the obstacles and opportunities. The most successful jurisdictions have looked comprehensively at near term and longer term programs. This plan should address what each relevant department can do – including the Planning, Building, Well & Septic and Fire Departments.

### **Continue to collaborate with neighboring jurisdictions**

Small and midsized jurisdictions often do not have the resources to take action on all ADU best practices by themselves. Some things, like an ADU website and other public education materials – or even a preapproved ADU plans program – can be shared. Supporting and collaborating with a central entity such as the Napa Sonoma ADU Center is an efficient way to accomplish this goal.

### **Conduct outreach to additional stakeholders**

Appraisers, realtors, bankers, housing professionals, and other stakeholders all are important parts of the system that supports and promotes ADU development.

*For example, San Diego has worked with their assessor to ensure valuations are fair. The city also has had their homeowner taxpayer advocate participate in their ADU outreach events.*

## **Bold Action**

### **Continue to collaborate with & support the nonprofit Napa Sonoma ADU Center**

Nonprofits can be more nimble than jurisdictions and once formed can help reduce the number of hours expended by jurisdiction staff on educating homeowners about local rules and the ADU permitting and building process. Nonprofits can also be beneficial in that they serve as a neutral third party resource for local homeowners who may be mistrustful of local government agencies and housing professionals alike. Napa Valley Community Foundation and Community Foundation Sonoma County, along with many of the 16 jurisdictions across Napa and Sonoma Counties, pooled their resources, time and energy to found the nonprofit Napa Sonoma ADU Center which launched in April 2020. In addition, the Cities of Napa and Calistoga and the County of Napa provided financial support to help launch the organization.

Funding from Napa Valley Community Foundation and Community Foundation Sonoma County currently is slated through June 2023. Sustainability of the organization and its services to the community will be dependent upon annual funding from jurisdictions. If each jurisdiction committed support annually, the organization could be funded to continue providing support to local homeowners to build ADUs.

The Napa Sonoma ADU Center provides technical assistance to homeowners on their ADU projects and also does significant community outreach and education to ensure that local homeowners across all 16 jurisdictions in Napa and Sonoma Counties are aware of their local ADU rules, processes, and resources. It also serves as an innovative public/private partnership that bridges the government, philanthropic, nonprofit and private sectors in order to advance ADUs.

The organization has a comprehensive [ADU website](#) including an ADU calculator tool, Address Lookup Tool, ADU Workbook, frequent ADU webinars and a newsletter and blog that highlight recent developments in ADU policies and innovations. In collaboration with multiple Napa and Sonoma County jurisdictions, in 2022 it will launch a comprehensive Napa Sonoma Standard ADU Plans Program (“pre-approved” plans program) with a gallery of diverse ADU plan sets available at low cost to homeowners. This program will reduce jurisdiction time and resources expended on ADU permitting. For more information on the Napa Sonoma Standard ADU Plans program, see below.

### **Designate an ADU ombudsperson**

In addition to deputizing ADU representatives in each department, designate one person who is in charge of advocating for ADU applicants across all departments. Their position should, ideally, be located in the manager's office so they can more effectively work between departments.

### **Track your ADU progress and evaluate your success**

It is important to have a goal and to evaluate progress towards the goal. This could be a numeric target (e.g. 500 ADUs produced) or a percent increase. It is also important to have specific, measurable actions to evaluate department progress. Set up a framework for each department to report on their progress and a goal for ADU growth by % increase of permits & final certificates of occupancy each year.

For example:

- Year 1: 15%
- Year 2: 15%
- Year 3: 10%
- Year 4: 10%
- Year 5: 10%
- Year 6: 10%
- Year 7: 10%
- Year 8: 10%

*For reference, see Appendix F: ADUs permitted & built in Napa & Sonoma County jurisdictions.*

*For example, San Mateo ran a digital campaign and saw 1,000 more people visit their website. They knew the campaign was effective because one of the metrics they monitor is traffic on the ADU website.*

## **Public Education**

The simplest, most straightforward step that jurisdictions can take to promote ADUs is to improve their information resources and promote ADUs proactively in the community. Homeowners often do not know what to do and get stuck thinking instead of taking action on an ADU project because they do not understand where to begin. Additionally, the public is often convinced that jurisdictions will play gotcha – and good information provided proactively by the jurisdiction itself will help alleviate that concern. Whenever you are producing resources, be sure to remember that the primary audience is homeowners with little to no experience in construction. Architects and designers are a secondary audience, and they will benefit from clear, concise information as well.

## Getting By

### Improve your website & educational content

Conduct a review of your jurisdiction resources to ensure they are answering common ADU questions. It is important to involve a regular homeowner in your evaluation process. You can ask family or friends what they would want to know if they were considering building an ADU. Then ask them to go on the jurisdiction webpage to find the answers to those questions. Watch them and throughout the process ask them why they clicked somewhere or what they are thinking. As you develop material, you can regularly engage non-experts to review your materials to ensure they are clear to the layperson.

After identifying areas for improvement in their public education resources, jurisdictions should make whatever changes are necessary. Homeowners and contractors rely on the jurisdiction's webpage as their first point of information, so a strong ADU website is a high priority. Many jurisdictions choose to have a free-standing ADU website to provide more design flexibility and easier access to information.

We also recommend that each jurisdiction clearly link to the Napa Sonoma ADU Center webpage, along with our nonprofit's ADU tools & resources, including:

- [Napa Sonoma ADU Webpage](#)
- [ADU Calculator Tool](#)
- [ADU Workbook](#)
- [ADU Webinars](#)
- [ADU Feasibility Consults](#)

*Local examples of helpful ADU public education include:*

- *City of Napa [Accessory Dwelling Unit How-To Permit Guide for Homeowners](#) - includes process overview, ADU regulations, plan review submittal checklists, detailed sample fees, & instructions on how to legalize an unpermitted unit*
- *[Permit Sonoma ADU Webpage](#) - includes explanations of ADUs vs. JADUs, ADU regulations, FAQs, a comprehensive ADU checklist, and more*
- *[City of Calistoga ADU Webpage](#) - links to Napa Sonoma ADU Center resources and also uses the ADU Process Map and Building Permit Checklist developed by the Napa Sonoma ADU Center*

### Message ADU benefits effectively

Jurisdictions often struggle to explain the benefits of ADUs and instead fall back on jargon that may not be accessible to homeowners unfamiliar with permitting and construction processes. Key themes to highlight about the benefits of ADUs for homeowners are flexibility of the space over time and their efficacy as a long-term financial investment.

It's also key to message the benefits of new ADU rules for multi-family zoned parcels and consider stakeholders that may not otherwise recognize the benefits of ADUs, such as HOAs that can use unused land to build ADUs.



## Middle steps

### Produce comprehensive ADU information packets

It is helpful for homeowners and designers to know all the steps involved in getting jurisdiction approval on their ADU before starting the process. Identifying all the potential hurdles can actually help reassure applicants upfront. It is important to make sure there are comprehensive information packets for homeowners on ADUs.

For example:

- Explanations of zoning standards and other jurisdiction-specific ADU programs, resources, and processes
- List of required studies and reports before construction can begin
- Easement information
- Contact info and next steps for major agencies like PG&E, water and sewer districts, along with how to find out which sanitation district/water district they are a part of
- Information about special inspections required for most ADU builds
- More granular fee examples for different kinds of projects, e.g. school district fee listings
- ADU Process Map & Submittal Checklist (as needed, you may develop separate checklists for new construction, conversion and multifamily ADUs)

As a key starting point, use the template documents created by the Napa Sonoma ADU Center in order to support all 16 jurisdictions, including an ADU Process Map and ADU Permit Submittal Checklist (see links above as well as Appendix G for templates, and email [info@napasonomaadu.org](mailto:info@napasonomaadu.org) for editable templates for your jurisdiction). These can be on the jurisdiction's homepage and the webpages for the Planning & Building Departments and other relevant departments as appropriate. They should be easy to find – for example, a side bar that says “Thinking about an ADU or Junior ADU? Click here!”

*For example, San Jose was one of the first cities to develop an [ADU submittal checklist](#). This step, while simple, is a key resource for homeowners. As of publication, the Cities of Napa, Santa Rosa, Calistoga and Cotati have put the ADU Process Map and Submittal Checklist developed by the Napa Sonoma ADU Center on their websites and we hope more jurisdictions will do the same.*

### Host information sessions

Meeting jurisdiction staff and having their questions answered is often a key first step for many homeowners, as it alleviates barriers of fear and mistrust that many homeowners have of their local government agencies. The Napa Sonoma ADU Center is available to collaborate with all 16 jurisdictions to host webinars focused on the unique ADU rules and processes at each jurisdiction.

*For example, the Cities of Napa, Santa Rosa, Calistoga, Sebastopol, Healdsburg, and Sonoma County have all partnered with the Napa Sonoma ADU Center to host webinars geared towards homeowners in their jurisdictions to educate them about their local ADU rules and processes. These [webinars are recorded and available](#) for local homeowners to view on demand at any time.*

## **Bold Action**

### **Develop homeowner spotlights**

Real-world local ADU case studies, either in print or video, help homeowners imagine themselves building an ADU and build trust and excitement about the process. Jurisdictions can help ADUs gain traction among local residents by spotlighting these stories in their e-newsletters, social media, website, and other forums.

*For example, the Napa Sonoma ADU Center has a “[Get Inspired](#)” webpage dedicated to stories, pictures, videos, and interviews with local residents who have successfully built ADUs in our community. Local jurisdictions can spotlight these stories in your promotional materials for local homeowners, and help the Napa Sonoma ADU Center continue to update these resources with more real-world ADU stories – or create them on your own.*

### **Provide forums for peer-to-peer interactions**

Find opportunities for homeowners to talk to others who have already built ADUs in your jurisdiction so they can ask questions and see real-world success stories. This is routinely requested by homeowners who are just starting out and want inspiration, reassurance, and support from neighbors through the ADU process.

## **Policies**

While state law relaxed many zoning standards, there is more that can be done proactively by local jurisdictions to promote ADUs. This is an element that is within the jurisdiction’s control to improve. It is also key to affirmatively furthering fair housing via ADUs.

## Getting By

### **Ensure that your ADU code is clear & compliant with state law**

Some local jurisdictions have code requirements that are out of compliance with the Department of Housing and Community Development's interpretation of ADU law. For example:

- Requiring fire sprinklers where they should not be required
- Limiting ADU builds to the lesser of 50% of the main house or 850-1000 square feet
- Applying 4 foot setback rules to conversions of existing legal structures
- Misapplying the ADU rules for multifamily
- Failing to mention Junior ADUs in the local code
- Defining Junior ADUs as limited to conversion of an existing bedroom
- Requiring design review of ADUs by the jurisdiction
- Misinterpreting parking requirements

Many jurisdictions also have code sections that are not clear and lead to inconsistent advice from planners, causing stress for homeowners. For example, the definition of "efficiency kitchen" for Junior ADUs is often vague. Additionally, be sure to have clear, objective standards about windows, stairs and balconies.

The Napa Sonoma ADU Center has provided individualized recommendations to each of the 16 jurisdictions across Napa and Sonoma Counties regarding how their ADU ordinances could be updated where necessary to ensure compliance with state law, and if these have not been implemented yet our organization is available to help jurisdictions understand the requirements in order to effectively do so.

Jurisdictions can also refer to HCD's Technical Assistance Memo on ADUs, [available online here](#).

*For example, when San Diego reviewed their code they realized there were a number of provisions that were not clear. Even worse, different planners were making different interpretations, a huge source of frustration for homeowners. One of the first steps the city took to promote ADUs was to write clearer rules and standardize interpretations.*

## Middle steps

### Join [Napa Sonoma ADU's Standard ADU Plans Program](#)

Co-created by planning & building staff across Napa and Sonoma Counties in collaboration with the Napa Sonoma ADU Center, the Standard ADU Plans Program is a new initiative launching in 2022 to help make it easier for homeowners in Napa and Sonoma Counties to find ADU designs that work for them and to increase the efficiency of the development review process for jurisdiction staff. It aims to make it easier for homeowners to find ADU designs that work for them, and save them time and money along the way; help connect ADU architects with potential customers; and help local jurisdictions support development of more ADUs in response to community housing needs.

The program consists of an onsite gallery featuring:

- Permit-ready plans that have been “pre-approved” for compliance with local building codes, and
- Other “off the shelf” ADU designs available to homeowners at reduced cost but which still need to be reviewed for code compliance.

Plans were selected with multiple criteria in mind, including cost, privacy, compatibility, adaptability, accessibility, and sustainability. The gallery represents a wide diversity of ADU plans that span various aesthetic sensibilities as well as multiple size and layout options. There are plans that are all-electric, energy efficient, net zero, ADA-accessible, and that incorporate universal design elements.

A “preapproved,” “permit-ready” or “standard” ADU plans program can remove significant barriers to building ADUs for homeowners. The most successful programs incorporate a one-stop ADU permit approval meeting where all relevant departments concurrently review the permit application, ensuring uniformity and clear communication across all agencies and a smoother, faster, and clearer process for homeowners. Successful programs also have architects/designers own their plans and cities or nonprofits manage a marketplace of plans.

*Other jurisdictions in California have developed successful “pre-approved” ADU plans programs, including San Jose, which gives homeowners access to multiple pre-approved design options from various different designers, architects, and prefab companies – prioritizing diversity of design options in order to maximize likelihood that a homeowner will find a plan that fits their needs. By choosing from one of the pre-approved layouts, homeowners can reduce the plan check review process from multiple weeks to as little as one day - saving their own time, and the time of jurisdiction staff.*

### **Adopt pro-ADU policies that go beyond state law**

State law sets the minimum standards, but many homeowners do not build ADUs because local standards are still too restrictive. In fact, the State's original intent was that jurisdictions go above and beyond the bare minimum that the state law sets out and enact local ADU ordinances that are more permissive than the state mandates. Successful options for adopting pro-ADU policies include:

- Allowing two-story ADUs (including with minimum setbacks)
- ADUs on corner lots (or specifically having a four feet setback on street-facing side)
- Front yard setbacks that match the main house
- Reduced side or rear yard setbacks
- No parking replacement required
- Larger ADUs
- Greater FAR
- Allow JADUs in an attached garage and define "attached" as "connected by a common wall, or by a common roof, covered walkway, carport or garage, not more than twenty feet (20') wide."
- Allow more ADUs than permitted by state law

*Some successful local examples of pro-ADU local ordinances include:*

- *Cloverdale - allows 2 ADUs per parcel*
- *Rohnert Park - no parking replacement is required*
- *American Canyon - allows 3 foot setbacks*
- *Sonoma County offers a Cottage Housing Development program that allows multiple detached units clustered around a common open space. These proposals can be approved by staff with no hearings if they meet the relevant standards.*
- *Sonoma County defines Junior ADUs as being allowed as a conversion of existing space in the primary home or an attached garage and defines "attached" as "connected by a common wall, or by a common roof, covered walkway, carport or garage, not more than twenty feet (20') wide."*
- *Multiple local jurisdictions (but not all) allow electronic submissions & payment of fees electronically*
- *Multiple local jurisdictions (but not all) don't charge homeowners for time meeting with the planning department or other agencies regarding ADU rules and processes*



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- *Multiple local jurisdictions (but not all) allow electronic submissions & payment of fees electronically*
- *Multiple local jurisdictions (but not all) don't charge homeowners for time meeting with the planning department or other agencies regarding ADU rules and processes*

Similarly, jurisdictions may want to eliminate other barriers where appropriate by reconsidering costly and/or challenging obstacles to building an ADU that may not need to be applied to every single project. For example, many homeowners struggle with the cost and logistics of having a soils report completed for their ADU build. Consider whether this or other requirements are necessary for all projects. In addition, soils waivers still generally cost over \$1,000 and are challenging for some homeowners to obtain as few professionals are willing to complete a soils waiver. To that end, jurisdictions may want to consider whether there is a soils waiver process that does not require the expense of hiring an outside professional.

Similarly, sewer connection fees, while generally waived for ADUs of less than 500 square feet, remain a significant financial impediment to some homeowners on ADU projects over 500 square feet.

### **Launch ADU Amnesty Program & Code Enforcement Delay**

When our systems fail to adequately meet the baseline housing needs of our community, it is inevitable that homeowners will work outside of the existing system in order to develop homes for themselves, friends, family and neighbors. Unpermitted ADUs are a manifestation of inequity that exists in our community, and unpermitted ADUs remain a challenge for jurisdictions that want to support housing affordability yet simultaneously face concerns regarding habitability and safety of unpermitted units. Creating an ADU amnesty program and/or appropriately implementing the January 2020 state law that encourages local jurisdictions to give

homeowners a 5 year delay in code enforcement can help encourage homeowners to address important health & safety concerns while not eliminating much-needed housing unnecessarily.

*For example, Permit Sonoma recently launched an [ADU Rescue Program](#) that allows qualifying ADU owners to ask for an enforcement postponement of up to five (5) years after passing a habitability inspection from a licensed professional.*

### **Allow ADUs to be built before the main house in the event of a natural disaster**

A small but important policy change is to allow ADUs to be built before the main home in the event of a natural disaster, such as wildfire or earthquake. This allows homeowners to complete construction quickly and live in the ADU until their main house is complete. Workarounds, such as having the homeowner permit the first unit built as the primary residence first, then submit a separate permit application to build a primary residence and change the first unit built to an ADU, adds unnecessary time, cost, stress and complications for both the homeowner and jurisdiction staff.

For example, Sonoma County allows homeowners affected by wildfires to build ADUs before the main home.

## **Bold Action**

### **Offer fee waivers**

Fee waivers can make ADUs more financially viable and help induce homeowners to act quickly to build their ADU. Fee waivers can take many forms, including allowing homeowners to waive or at least defer impact fees regardless of the size of their ADU. Financial incentives are the most helpful way for jurisdictions to support the development of ADUs. A key lesson learned by jurisdictions on these financial incentives is that any affordability requirements imposed on the ADU by the jurisdiction in exchange for the incentive must be commensurate with the benefits provided, and be short-term.

### **Adopt policies that advance affordability and equity**

Before launching an affordable ADU program, it is helpful to remember that generally ADUs are naturally affordable. Many are available for free to family, friends or domestic help, but even those rented on the open market tend to be moderately affordable. A recent statewide study including data from Napa and Sonoma Counties, conducted by the University of California – Berkeley, found

that 85 percent of ADUs rented on the open market were affordable to lower or moderate income households and here in Napa and Sonoma Counties the rate is even higher.<sup>7</sup> There are simple steps jurisdictions can take to promote equity, such as offering ADU material in multiple languages, and much more as detailed below.<sup>8</sup>

Additionally, it is important to remember that homeowners are skittish about building an ADU before adding in restrictions associated with affordability. Adding rent stabilization or other controls may convince single family homeowners not to build.

Homeowners are also reluctant to sign long-term affordability controls. They worry about not being able to choose or change their tenant if there is a problem. They want flexibility so they can use their ADU for family or other purposes. Additionally, it can be very difficult to monitor and income-verify tenants in a scattered site program where the landlords are ordinary homeowners.

Finally, it is important for cities to complete the best practices identified in the rest of this set of recommendations before launching an affordable ADU program. This is because those same hurdles that prevent homeowners from completing ADUs for family or open market rentals will stop people from building affordable ADUs as well.

With these caveats in mind, there have been several cities that have started successful affordable ADU programs. Generally, successful jurisdictions provide one of three incentives:

- **Density** – Allow more units on a parcel if some of them are affordable
- **Subsidy** – Provide direct financial incentives
  - *For example, both the County and City of Napa have programs that commit grants to local homeowners who agree to build an interior conversion ADU or JADU and rent them to lower income tenants. Learn more about the City of Napa’s [Junior Unit Initiative Program](#) which also provides construction management and more.*
  - *The City of Pasadena provides homeowners with a loan that can be paid back anytime, as well as project management for the ADU build, in exchange for the homeowner agreeing to rent the unit to a tenant with a Section 8 voucher. Section 8 status is easy to verify and in most regions, it is hard to find landlords willing to accept tenants with vouchers. See [Pasadena’s program](#) for more information.*

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<sup>7</sup> See Appendix D: North Bay ADU Affordability Survey Data & Analysis for more information.

<sup>8</sup> See Appendix C: Insights from a Field Study with Latino/x Homeowners in Napa and Sonoma County about ADUs for more information.

- **Management** – Overseeing the construction of the ADU, finding tenants or providing property management to ADU landlords in exchange for the unit being rented to a lower income tenant.
  - *For example, the Napa Sonoma ADU center has an [ADU Home Match](#) program that jurisdictions can help promote to local ADU landlords which provides free tenant matching, landlord support services, and more in exchange for landlords to rent their ADU to a lower income tenant.*

Crucial best practices to keep in mind when developing these programs include:

- Avoid long term affordability restrictions – Homeowners do not want to make long-term, particularly multi-decade, commitments
- Offer an out for homeowners – Ensure they can pay back the loan and exit the system when desired
- Match the incentives to the requirements – If a jurisdiction wants to offer more restrictive conditions, the incentives need to be large





# Appendix C:

## Insights from a Field Study with Latino/x Homeowners in Napa and Sonoma County about ADUs

Prepared for the Napa Sonoma ADU Center  
By Jesús Guzmán, MPP, Principal, Los Arroyos Consulting

January 2022

### Introduction

The information presented within this report was completed by the Napa Sonoma ADU Center to better understand the specific barriers, opportunities, and needs of Latino/x homeowners in Napa and Sonoma Counties in order to better serve them with respect to accessory dwelling units. The report employed a mixed-method approach in which Latino/x homeowners were engaged through interviews and focus groups to better assess their perspectives and experiences, and complemented with market research that leverages quantitative data from publicly available data sources.

### Key Findings

#### *Comprehensive one-stop shop*

- Findings

- Interview respondents across the board expressed trepidation and concerns about managing the financing and city planning processes en route to building an ADU. Where and how to access financing was a big question mark along with working with their local municipality to secure the appropriate building permits.
- Despite the worries associated with financing and permitting, construction was rated as less of a challenge by respondents with many sharing that they had close ties or relationships with local construction firms capable of building an ADU.

#### *Managing expectations*

- Findings

- Vast majority of homeowners bought their homes ready-made, and nearly all interviewed haven't been involved in a design and construction project of this scale or magnitude. With so much money on the line, project management creates a huge amount of anxiety and stress on homeowners and may function as a deterrent and barrier to those interested in building an ADU.
- Despite there being a measure of excitement about the outcome of owning an ADU, a lot of dread about the process exists largely due to the high investment and large degree of uncertainty associated with the investment. Overcoming that dread about the process can make a measurable difference in a homeowners' willingness to pursue an ADU. Interviewed homeowners expressed a strong desire to have clarity about the various ADU models available to them that connected the blueprints with timelines and costs.



## **Financial Education**

- **Finding**

- Nearly all homeowners interviewed intend to leverage their largest asset, their home, as a source of capital to finance their ADU project. However, a common pattern emerged with many expressing significant uncertainty about the kind of financial product most appropriate for their current position. For example, questions about how a cash-out refinance for a young homeowner, for example, differed as opposed to a HELOC for a homeowner who recently finished paying off their mortgage. Some respondents also expressed interest in tapping their retirement accounts for a construction loan. In general, homeowners expressed a desire to better understand the implications of building an ADU within their overall financial position with many also acknowledging a need to have assistance better understanding their own financial picture.

## **Trust within Community Networks**

- **Findings**

- Interview respondents expressed appreciation for Napa Sonoma ADU Center existing as a resource available to the community. There was a strong desire to work in community and with others throughout the ADU building process, including seeking other homeowners interested in building an ADU in order to work together and provide each other technical and emotional support.
- Several respondents shared that negative past experiences working with city planning departments had curtailed their trust in the planning process and deepened their reservations about pursuing an ADU. Many expressed uncertainty overall about the planning process.

## **Digital Assets**

- **Findings**

- Respondents expressed a strong appreciation for the bevy of educational resources available to homeowners on the Napa Sonoma ADU Center website. The website layout was found to be intuitive and clearly delineated between the three stages: I'm Thinking, I'm Ready, and I've Built.
- Individuals found it helpful and comforting to have a vendor list, which allowed them to have some measure of confidence about starting from a place that has been vetted and trustworthy.
- The floor plans included on the website were interesting to many and helped offer inspiration about the kinds of possible ADUs they could consider for their homes. There were questions about whether these were floor plans that they could select off the shelf and share with a contractor to build, or if they needed to have further design executed by an architect. If the latter, respondents wondered if Napa Sonoma ADU or their local municipality might offer such a service.

# Methodology

## Market Research

This report leverages publicly available data sources like the American Community Survey (ACS) and derivative products like the Integrated Public Use Microdata Series (IPUMS) facilitated by the University of Minnesota. We use an indicator-based framework to analyze quantitative data sets and describe market conditions to identify potential trends, opportunities, or barriers for the construction of ADUs in Sonoma and Napa County among Latino homeowners.

## Interviews

As part of this research, we conducted interviews over the course of 2021 with homeowners interested in building an ADU. The purpose of the individual interviews was to assess the motivations, barriers, and opportunities experienced by homeowners who were interested in adding an ADU to their home. Interviews were conducted virtually over Zoom lasting 40-60 minutes each. Qualitative data collected from the interviews was coded and analyzed to identify common themes and patterns across the data.

We conducted 15 individual interviews with half of the participants preferring to conduct the interview in Spanish. When asked how they identified, 14 out of 15 identified as Hispanic or Latino/x. Eight homeowners resided in Napa County with seven residing in Sonoma County. Nearly all of the respondents in Napa County lived within the City of Napa with only one in Angwin, an unincorporated community of Napa County. Sonoma County respondents showed greater geographic diversity with homeowners residing in cities like Healdsburg, Sonoma, Petaluma, and Santa Rosa.

Respondents shared a few additional demographic or home data points, which included the average homeownership tenure being 10 years with respondents ranging from having owned their home for one year to 20 years. When asked about estimating their home equity, respondent answers revealed an average of \$436,000, and their home equity ranged from \$120,000 to over \$1M. The average age of respondents was 48 with an age range from 27 to 62.

## Focus Groups

Focus Groups were held to offer additional texture to the qualitative data collected from the interviews. In particular, the focus groups reviewed the digital assets offered by Napa Sonoma ADU Center, along with programs and services. Two focus groups were facilitated with one being held in English while the other was facilitated in Spanish. Both focus groups, like the interviews, were conducted virtually and lasted about an hour.

# Market Conditions

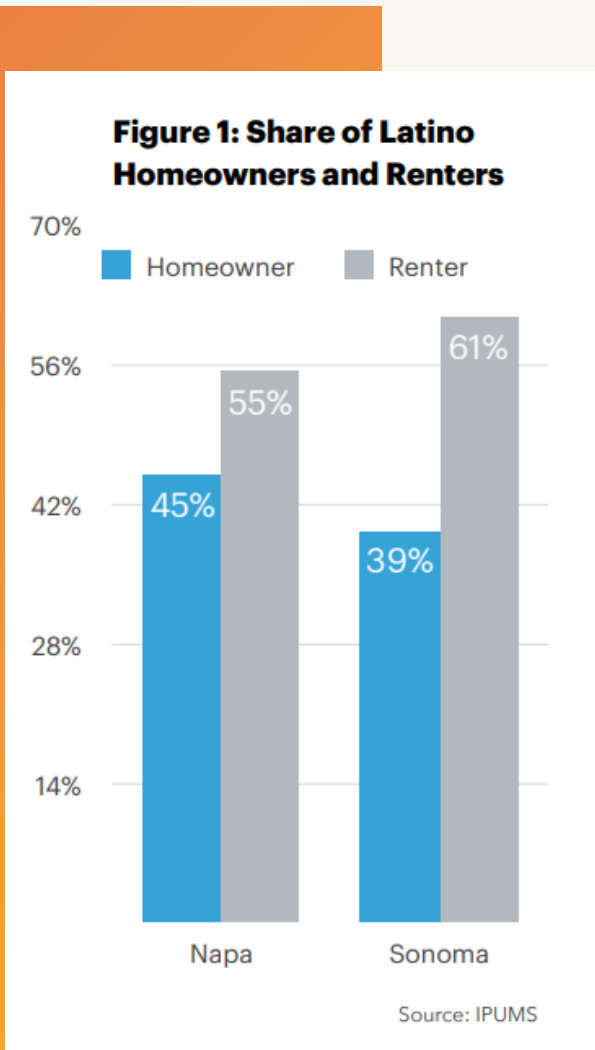
## Introduction

We start by zooming in on owner-occupied single-family homes with the potential to build an ADU. It is also the case that the vast majority of owner-occupied units are also detached single-family homes.

We estimate the universe of homeowners in both Sonoma and Napa County. As Table 1 shows, we estimate nearly 95,000 White homeowners and 13,000 Latino homeowners in Sonoma County. In Napa County, about 45 percent of Latino households are homeowners at nearly 5,200 homeowners. White homeowners constitute 71 percent of all white households at 23,000.

Latinos are slightly less likely to be homeowners in Sonoma County where 39 percent of all Latino households are owner-occupied as compared to Napa (45%). Homeownership rates overall are higher in Napa compared to Sonoma County.

Figure 1 illustrates the differences in tenure for Latinos for both counties. Overall, Latino households are more likely to rent in either Sonoma or Napa County.



In Sonoma County, for example, Latino households increased by 37 percent from 2005 to 2019, but homeownership rates did not keep pace with overall household growth as they lagged behind during those years. From 2005 to 2019, homeownership rates for Latinos in Napa County increased by 24 percent and 10 percent in Sonoma County. This indicates that new household formation for Latinos remains skewed towards renting rather than homeownership despite Latinos composing a growing segment of both counties' populations.

**Table 1: Tenure by Race/Ethnicity and County**

County	Race/Ethnicity	Own	Rent	Homeownership Rate
Sonoma	Latino	13,093	20,239	<b>39%</b>
	White	94,804	46,554	<b>67%</b>
Napa	Latino	5,167	6,347	<b>45%</b>
	White	23,060	9,309	<b>71%</b>

Source: American Community Survey

Table 2 shows significant variation in homeownership rates by city for both counties. American Canyon by far has the highest homeownership rate for Latinos as they own nearly 1 in 4 homes in American Canyon. Conversely, Calistoga has a much smaller rate of Latino homeowners at nearly 6 percent. Windsor posts Sonoma County's largest Latino homeownership rate at almost 19 percent with Sonoma and Sebastopol at the lower rung.

**Table 2: Percent of Latino Homeowners by City**

County	City or Town	Total Owner-Occupied Homes	Latino Homeowners	Percent
Sonoma	Windsor	6,997	1,301	18.6%
	Healdsburg	2,803	397	14.2%
	Cloverdale	2,144	289	13.5%
	Santa Rosa	35,821	4,749	13.3%
	Rohnert Park	8,971	1,187	13.2%
	Petaluma	14,931	1,598	10.7%
	Cotati	1,563	115	7.4%
	Sonoma	3,124	165	5.3%
	Sebastopol	1,661	75	4.5%
Napa	American Canyon	4,103	963	23.5%
	Napa	16,446	3,154	19.2%
	St. Helena	1,590	161	10.1%
	Yountville	865	86	9.9%
	Calistoga	1,292	77	6.0%

Source: American Community Survey

## Extra Space

### Excess Bedrooms

The trend of homebuilding over the last fifty years has led to larger and larger homes despite household sizes decreasing. These countervailing forces have created a surplus in additional bedrooms. As researchers at the Joint Center for Housing Studies of Harvard University found, about 3 in 5 American owner-occupied households have an additional spare bedroom (The State of the Nation’s Housing g 2020).

In Table 3, we tabulate the number of excess bedrooms, which we define as a household with more bedrooms than people. We find that Latino homeowners account for about 8,200 single-family homes with at least one excess bedroom. Across both counties, Latino owner-occupied homes have a significantly smaller share of homes (51%) that include excess bedrooms compared to White owner-occupied households (80-83%). Excess bedrooms in the home open up the possibility for interior conversion ADUs or Junior ADUs.

**Table 3: Count of Homes with More Bedrooms than Inhabitants**

County	Race/ Ethnicity	Total Homes with Excess Bedrooms	Percent of All Owner- Occupied SFH	+1 Bedroom	+2 Bedrooms	3 or More Bedrooms
Napa	Latino	2,184	51%	747	772	665
	White	17,172	83%	4,399	6,491	6,282
Sonoma	Latino	5,660	51%	2,547	1,810	1,303
	White	68,484	80%	17,972	27,684	22,828
<b>Total</b>	<b>Both</b>	<b>93,500</b>	<b>77%</b>	<b>25,665</b>	<b>36,757</b>	<b>31,078</b>

Universe: Owner-occupied households in single-family homes  
Source: Integrated Public Use Microdata Series (IPUMS)

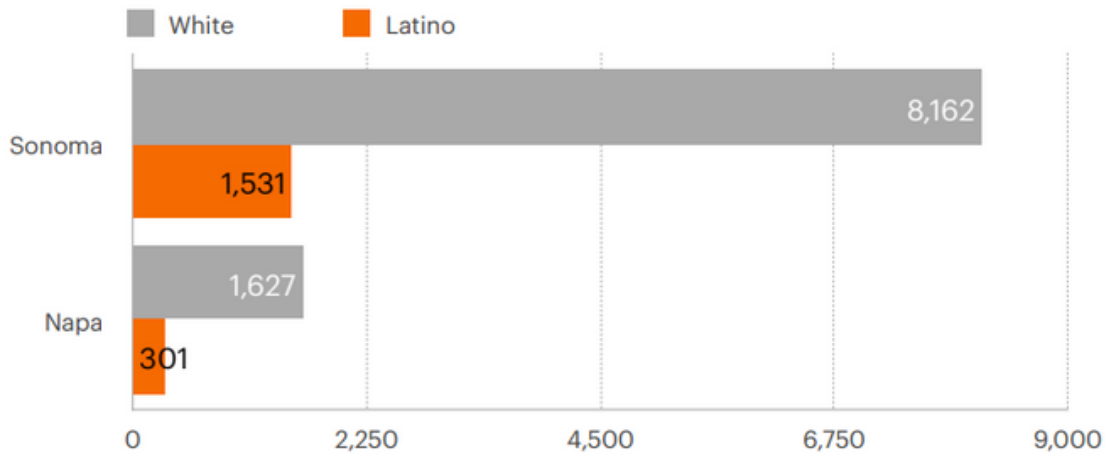
## Income-Seeking Households

### Non-Relatives

Owner-occupied households with roommates, boarders, or non-relatives may be in a financial position in which they are seeking additional income. These households may be potentially motivated to pursue an ADU as part of reconfiguring their home in such a manner that optimizes their ability to accrue income. Figure 4 presents the results showing that there are 1,531 Latino owner-occupied homes in Sonoma County and 301 in Napa County include non-relatives, or 15% and 7% respectively.



**Figure 4: Households with Non-Relatives**



Universe: Owner-occupied households in single-family homes  
Source: Integrated Public Use Microdata Series (IPUMS)

## **Household Income**

Household income offers an insight into the potential desire for homeowners to pursue an ADU, especially in cases where their income is below levels that could offer financial stability. Figure 5 suggests that the household income of Latino homeowners trails behind the household income of white homeowners.

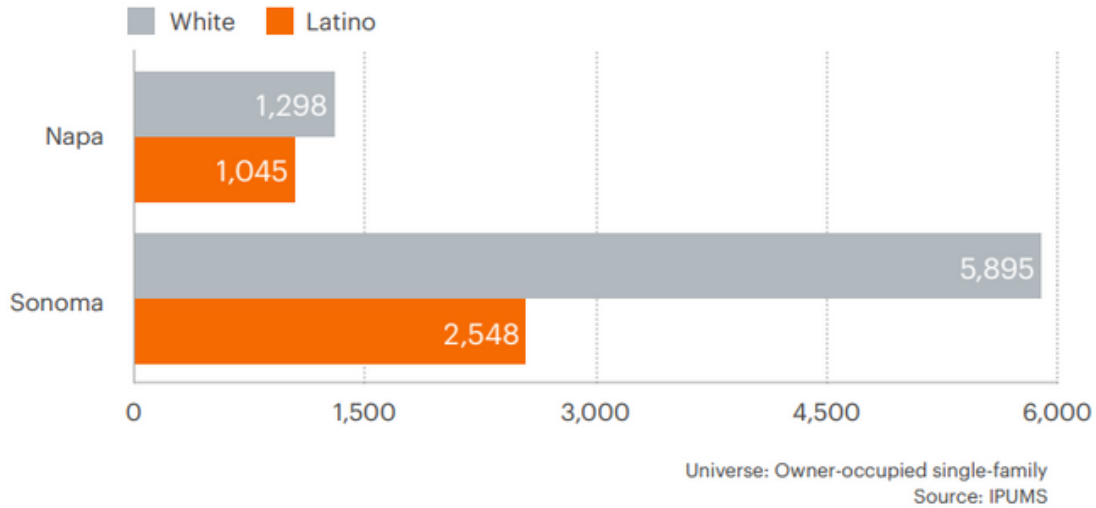
The recent report by Karen Chapple, Dori Ganetsos, and Emmanuel Lopez included findings from the first ever statewide ADU owner survey where the sample demographics reported 1 in 3 respondents earned above \$200,000 and 3 in 4 earned above \$100,000. Comparatively, Latinx homeowners earn below the predominant income brackets typical for an ADU owner in the state, which may indicate an additional barrier to saving or accessing sufficient capital for financing an ADU (Implementing the Backyard Revolution: Perspectives of California’s ADU Owners, 2021). Conversely, that same financial precocity may generate interest in exploring an ADU for rents to garner additional supplemental income.

## **Extended Families**

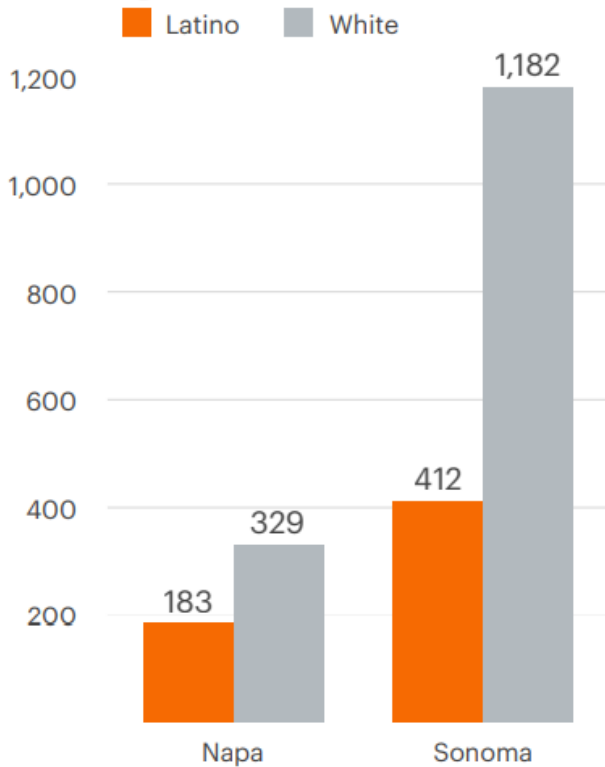
### **At least three adults**

We estimate about 10,800 households with at least three adults between both counties. In Napa County, we find that 1,045 Latino households and 1,298 white households include at least three adults. In Sonoma County, we estimate 5,895 Latino households and 2,548 white households include at least three adults. For Latino households, roughly 1 in 4 households in both Sonoma and Napa County have 3 adults or more. For white households, that’s 1 in 13 and 1 in 15 for Sonoma and Napa, respectively. This data indicates that Latino households may stand to benefit most from building an ADU, in order to house adults independently.

**Figure 6: Share of Homes with at Least Three Adults**



**Figure 7: Senior Parents**



Note: Seniors defined as 65 and older.  
Source: IPUMS

### Senior Parents

Households with senior parents living with them could be a motivating factor to persuade a homeowner to seek additional space. Such accommodations could be achieved by building an ADU on their property.

Proportionally, we estimate about 4% and 4.4% of Latino homeowners and 1.5% and 1.7% of white homeowners have senior parents living in the home in Sonoma and Napa County respectively. But comparatively between Latino and white homeowners in Napa and Sonoma Counties, Latinos are nearly three times more likely to have senior parents in the households than white homeowners.

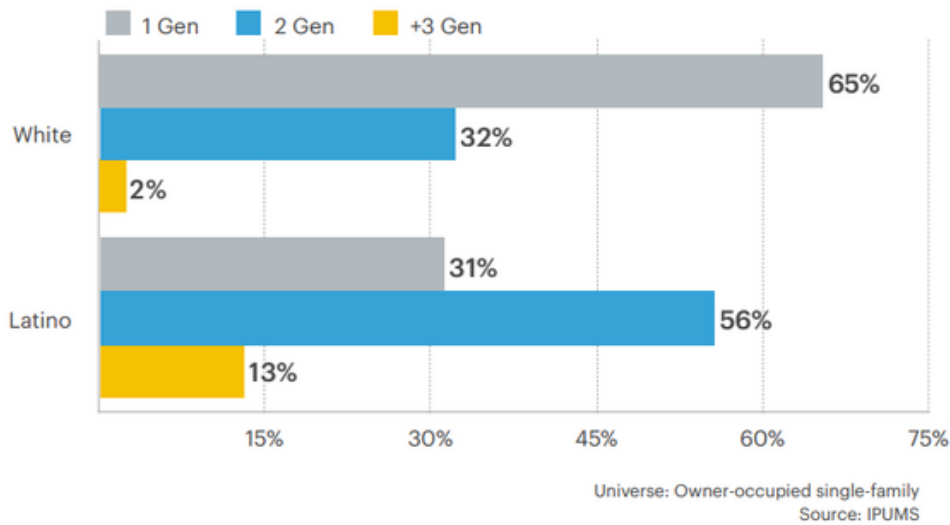
### Multigenerational

Families wanting to care for their loved ones may want to have aging relatives join their household. But having the space necessary to accommodate all generations, from young children to grandparents, under the same roof may be a serious challenge. That's why adding space through the construction of an ADU may be desirable (Nichols et al, 2015).

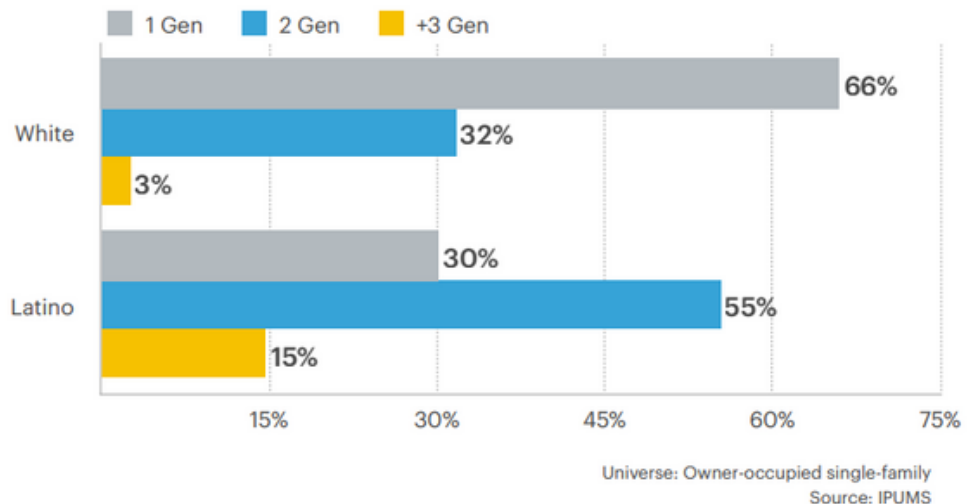
Figures 8 and 9 show the tabulations of homeowner households in Sonoma and Napa Counties with significant divergent multigenerational arrangements among white and Latino households. The data is categorized to reflect the number of generations within a given household. With the same pattern appearing across both counties, Latino homeowner households are far more likely to live in multigenerational households than white homeowners. For example, 65 to 66 percent of white owner-occupied households in Sonoma and Napa County respectively are single-generation households. Conversely, 30 to 31 percent of Latino households in Napa and Sonoma County respectively are single-generation. It's these households, about 1,300 in Sonoma and 600 in Napa Counties, that could be significantly interested in pursuing additional space through an ADU.

The starkest difference is among three-plus generations, which we define as having three or more generations within a given household (e.g. child, parent, and grandparent). Latino homeowners are five to six times more likely to have at least three or more generations within the same households compared to white households. It's these households, about 1,300 in Sonoma and 600 in Napa Counties, that could be significantly interested in pursuing additional space through an ADU.

**Figure 8: Multigenerational Households, Sonoma County**



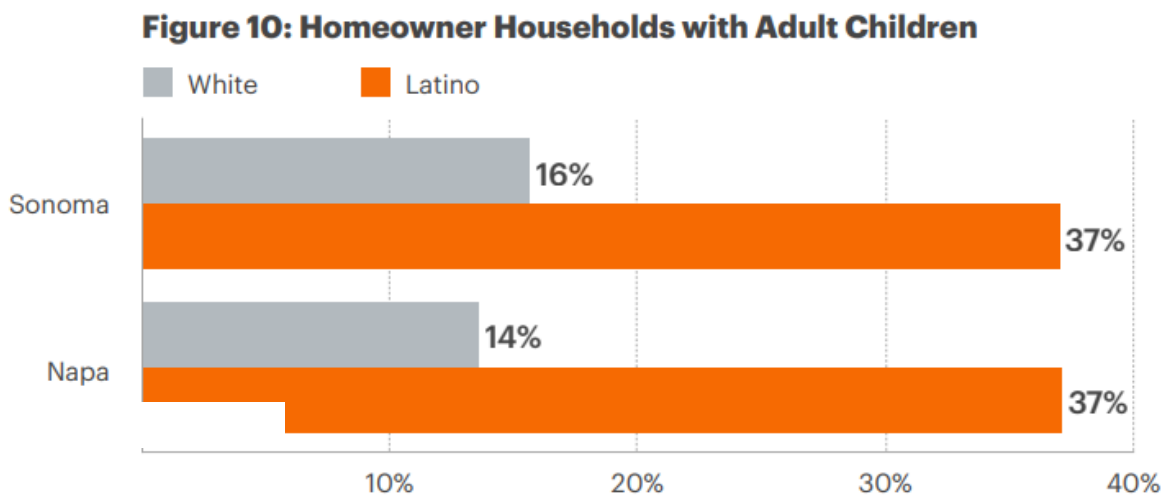
**Figure 9: Multigenerational Households, Napa County**



## Households with Adult Children

Families with adult children may consider housing arrangements in which parents choose to downsize to an ADU or welcome adult children back home to a new ADU. Especially given the high cost of living in the Bay Area, adult children may be more inclined to find more affordable options with family through an ADU offering.

Figure 10 shows significantly higher percentages of Latino homeowner households with adult children, in which more than 1 in 3 adult children live at home with their family. Comparatively, about 14 to 16 percent of white homeowners have adult children at home – less than half the rate of Latino homeowners.



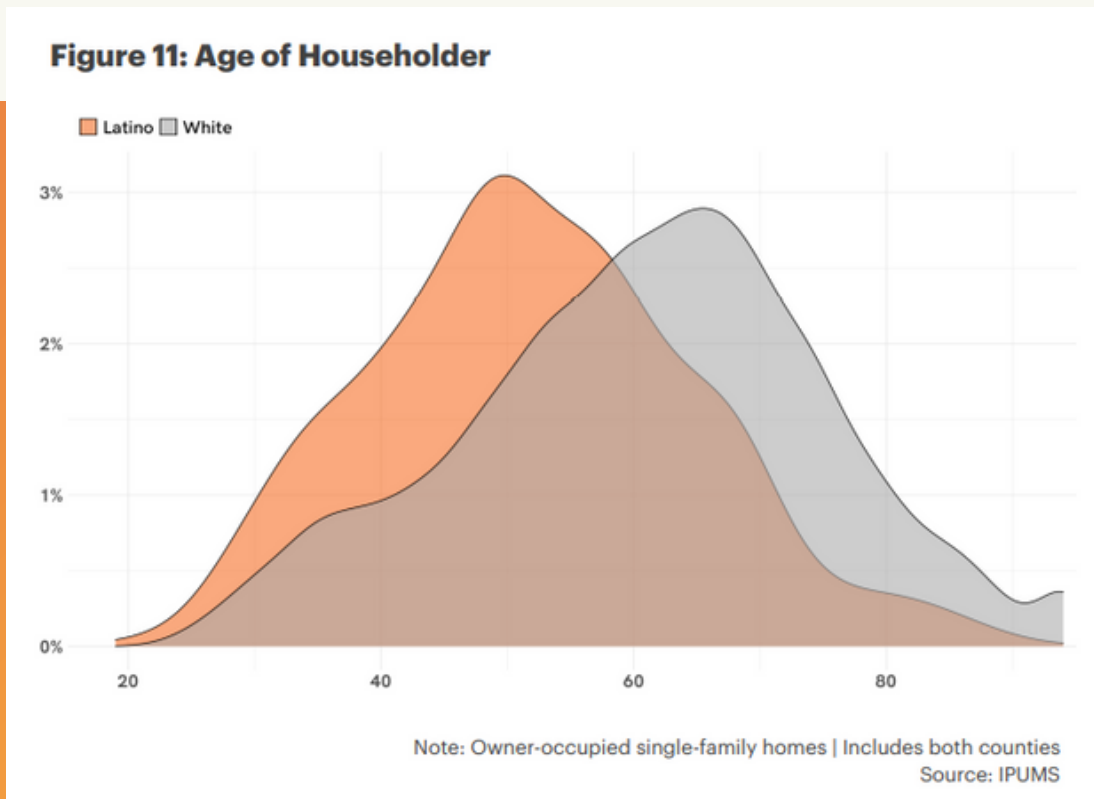
Universe: Owner-occupied single-family with adult children aged 18 and over

Source: IPUMS

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## Householder Age

Figure 11 demonstrates the divergence in the average householder age between Latino and white homeowners in both counties. Latino homeowners are younger on average than white homeowners, which reinforces the prior figures as Latino households trend towards multigenerational households, including being more likely to have adult children and senior parents at home – motivating factors for ADU construction.



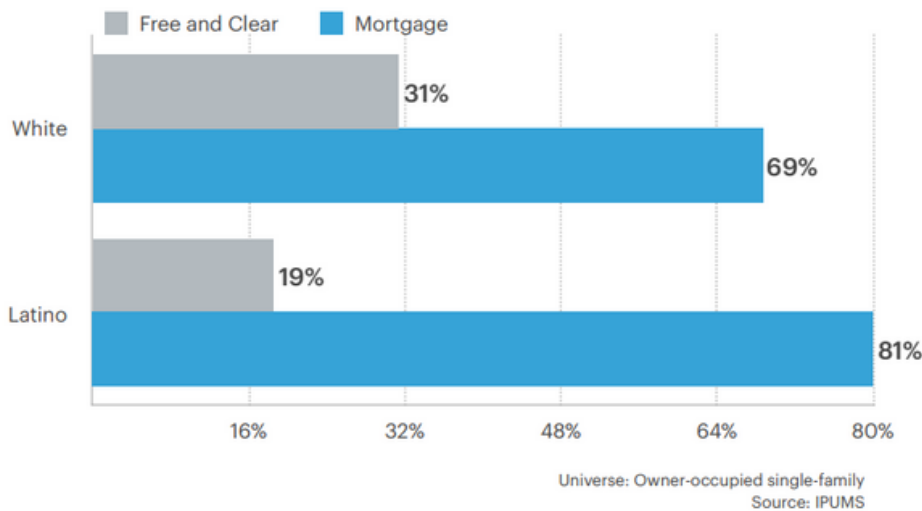
# Homeowners and their equity

## Homes owned free and clear

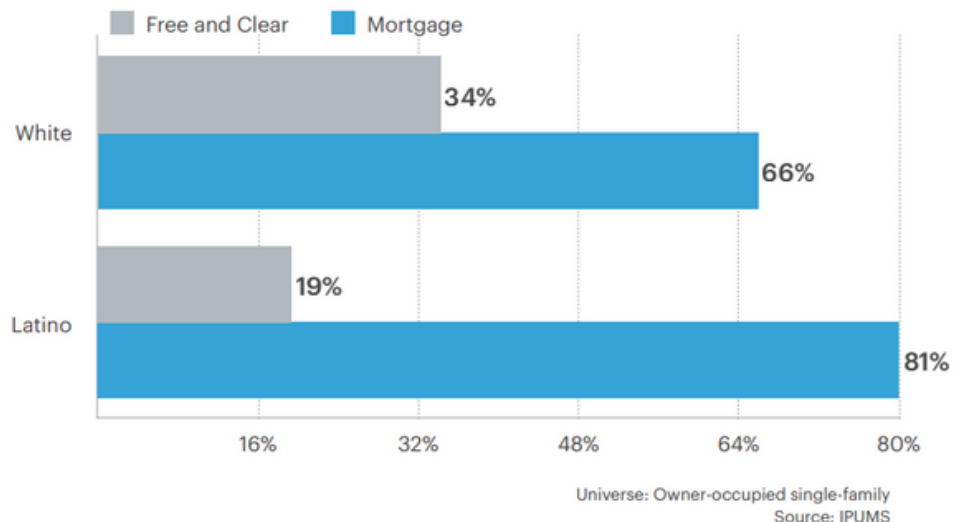
Families who own their home free and clear are in a strong position to leverage their existing home equity as an instrument to finance an accessory dwelling unit. In Figures 12 and 13, the data suggests that the majority of homeowners in Sonoma County own their home with a current and active mortgage. Sonoma and Napa County exhibit similar patterns in terms of mortgage status.

About 1 in 3 white homeowners in both counties own their home free and clear, which is likely a function of white homeowners also being older on average as indicated in Figure 11. By comparison, about 81 percent of Latino homeowners own a home with a mortgage with only about 1 in 5 owning their home free and clear. That finding, too, is largely explained by age with the average Latino homeowner being younger.

**Figure 12: Mortgage Status, Sonoma County**



**Figure 13: Mortgage Status, Napa County**

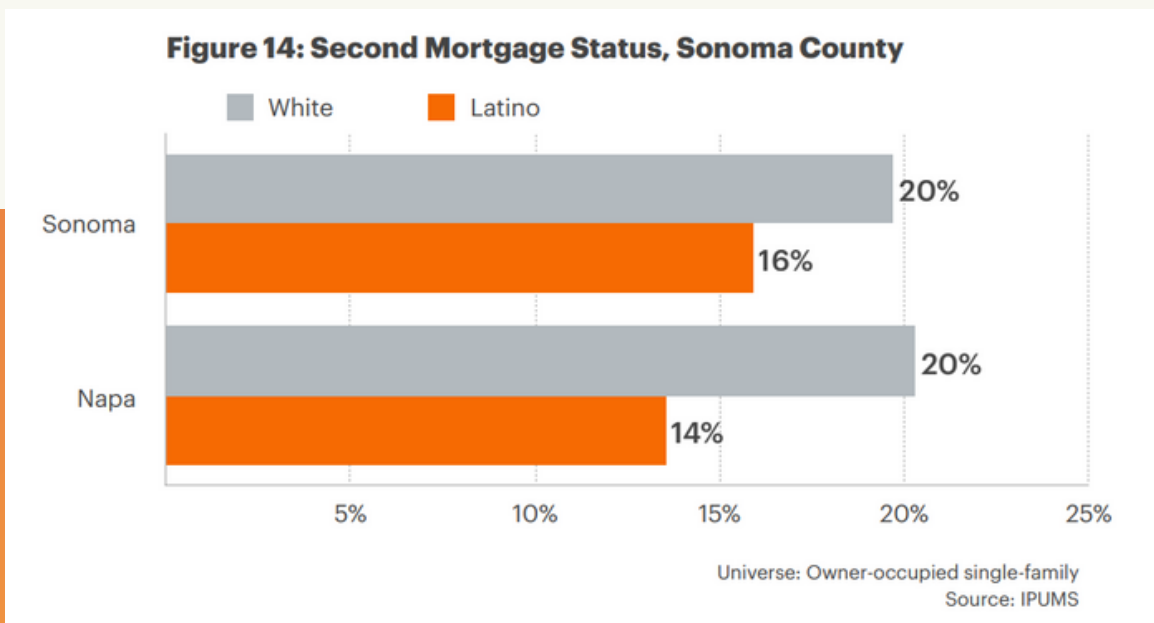




### ***With a second mortgage or equity loan***

Homeowners with a second mortgage or equity loan may be in a more challenged financial position to access additional capital to finance an accessory dwelling unit. Figure 14 reveals the comparative rates for owner-occupied housing units with a first mortgage and whether they are encumbered by a second mortgage or home equity loan.

About 1 in 5 white homeowners with a first were also encumbered with a second or equity loan. For Latino homeowners, 1 in 6 in Sonoma and 1 in 7 in Napa County had a second or equity loan along with a first mortgage. This finding suggests that Latino homeowners with a first are less likely than white homeowners to have a second or equity loan - opening up the possibility to access accrued home equity for an ADU.

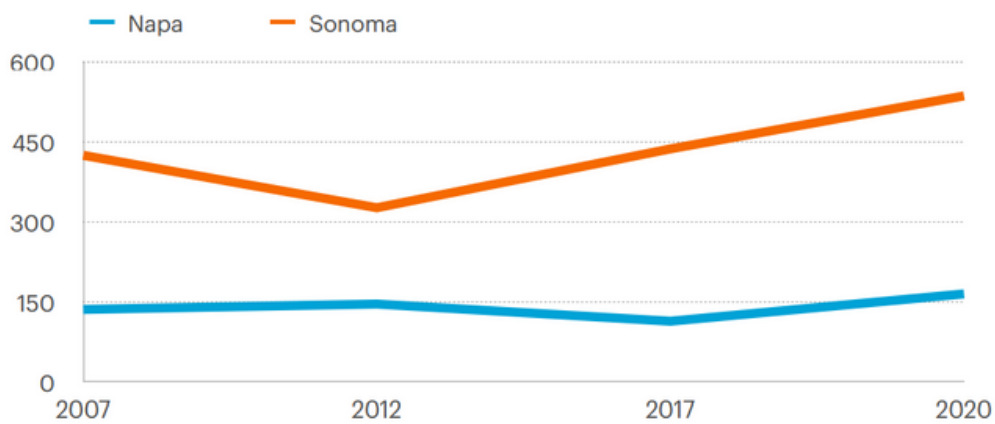


### ***New mortgages and refinancing***

New homeownership trends over the last few years may indicate shifts in the demographics of owner-occupied units in the market. Though newly purchased homes will likely mean homeowners are in a less favorable position to have savings or access home equity to build an ADU, the region's strong home prices may upend that commonly held belief as property values continue to steadily rise year over year. In Figure 15, data from the Consumer Financial Protection Bureau's Home Mortgage Disclosure Act finds a steady flow of new Latino homeowners in Napa at a clip of 150 annually. In Sonoma County, a dip after the Great Recession appears to have worn off as home loan purchases picked up to 535 in 2020 - the highest rate yet.

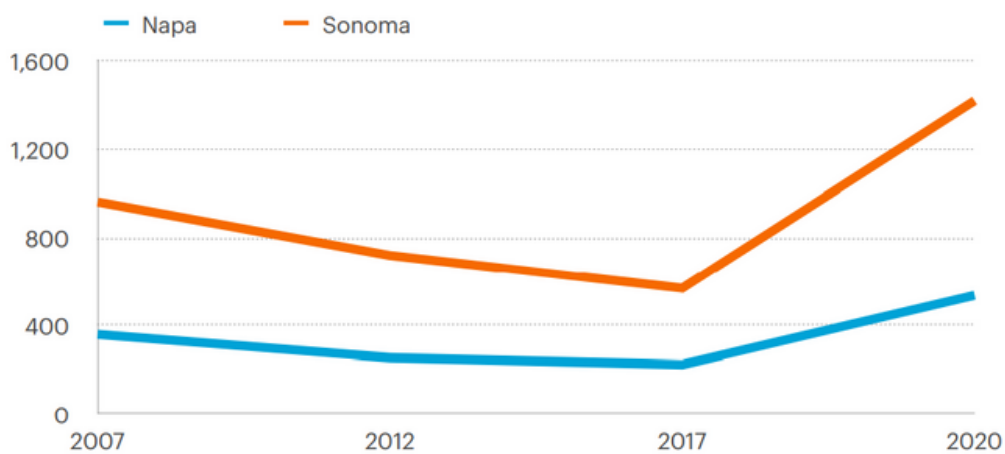
Refinancing can be a powerful tool to help homeowners take advantage of strong market conditions and generous interest rates. As the Joint Center for Housing Studies at Harvard University notes, 2.8 million borrowers with mortgages refinanced their home in the first half of 2020 as interest rates fell, more than triple the rate of the prior year in 2019 (The State of the Nation’s Housing 2020). Figure 16 shows a stark increase from 2017 to 2020 with interest rates dipping over a percentage point during that period. The result was a sharp increase in refinances in 2020 compared to 2017 with nearly 2.5 times as many Latino homeowners refinancing their homes in Sonoma County. In Napa County, Latino homeowners also saw a two-fold increase during the same period. As Chapple, Ganetsos, and López found in their statewide survey, more than 2 in 5 homeowners financed their ADU by refinancing their primary residence.

**Figure 15: Home Loan Purchases by Latino Applicants**



Source: Home Mortgage Disclosure Act | Consumer Financial Protection Bureau

**Figure 16: Refinances by Latino Applicants**



Source: Home Mortgage Disclosure Act | Consumer Financial Protection Bureau

## Insights from Homeowners on Building

Based on the interviews conducted during the research for this report, we provide the following expanded data points that were curated in the Key Findings section at the beginning. The interviews focused on the permitting and building process and assessed interested homeowners' motivations and concerns with original quotes from respondents.

### ***Understanding permitting process***

Interviews reflected several themes generally centered around the uncertainty about the overall permitting process. There was an understanding that respondents needed to hire an architect and a general contractor, and to have the city approve the plans for the ADU. Many homeowners expressed anxiety about the overall scale of the project and their uncertainty about the process contributed to their feeling of being intimidated in having to secure permits from the city. They expressed a sense of needing to have all of the key pieces in place before going to the city. The general view from respondents was that they did not see the city as a partner in helping them build the project, but rather as a gatekeeper. In other words, they did not view local jurisdictions as resource centers, but arbiters, which only serves to heighten the stakes in anticipation of seeking approval.

Some have had prior experiences remodeling their homes where a permit was required, and they felt they at least had an entry point to figure out how to secure permits for an ADU. For example, multiple homeowners shared that COVID-19 interrupted conversations that they were having with city planners about building. Yet, after a period of time and restarting the process, some of the contacts with city staff are no longer there and they are unsure about any rule changes and how to resume conversations with the city.

### ***Concerns about building process***

For those who have had prior experiences with a local planning department, prior negative experiences even with minor items may influence their willingness to pursue this route which is far more involved given the greater uncertainty and higher risk due to being a larger financial investment. One homeowner shared, "I had tried to make a minor adjustment to my home regarding my fireplace. It took me 3 months for a project that should've taken 3 weeks." This left them with a poor taste in their mouth and little faith about the city's ability to manage a more complicated project, like permitting and building an ADU.

Several respondents cited concerns about their neighbors. They shared concerns about how to talk to neighbors because their neighbors have expressed reservations with them about having any more housing in the neighborhood. A neighbor even retold their experience of a neighbor who pushed back against their proposal to build an ADU with concerns about noise and traffic - leaving them moribund about how to broach the conversation again so as to not alienate their neighbors in their pursuit of an ADU.

All of the interviewees expressed trepidation about the high cost to build housing. One homeowner remarked, “It’s like I’m expected to be a developer with zero experience and it’s my first day on the job.” Many worried about delving into a process with so much uncertainty about what process is, not knowing how long the building process might take, and having concerns about project overruns while struggling to save and budget. The experience was described as being “isolating”, but some found mutual support in the process. Two homeowners interviewed had “buddied up” and decided to go it together after they organically created their own support system to build their ADUs, which they described as a form of mutual aid of sorts.

### ***Excitement about the process***

When asked about their excitement for building an ADU, there was a sharp divergence between the process and the outcome. Most expressed anxiety and even used words like “horrified” by the process of building an ADU. That “nothing about the process seemed exciting to them”, but rather worried and gave them anxiety. Those who expressed positive feelings about the process, though with strong reservations as well, mentioned their interest in designing a new addition to their homes, to express their creativity. Most focused on the outcome and the impact of having an ADU.

### ***Financing an ADU***

Nearly all respondents indicated a financing approach that included some mix of using their savings from cash on hand and obtaining a home equity line of credit. This was based on research they had done and conversations with friends. Some expressed interest in learning more about a cash-out refinance, but all had little to no information about the pros and cons of such a measure.



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# Appendix D: North Bay ADU Affordability Survey Data & Analysis

Prepared for the Napa Sonoma ADU Center  
by Baird + Driskell Community Planning

April 2021

During the winter of 2020/2021, we completed a survey of ADU owners. This memo captures some key points about affordability specific to the North Bay region. (Note: The North Bay refers to Napa, Sonoma and Marin. Marin is combined in the analysis to increase the sample size. The affordability analysis excludes ADUs not in the residential market – e.g., those used for home offices.

For more information reference Affordability of Accessory Dwelling Units, a report and recommendations prepared by the ABAG Housing Technical Assistance Team with Funding from REAP, available online [at this link](#).

- **Many units are made available at no rent** – Statewide, 28% of ADUs are made available at subsidized or no rent for friends or relatives. (25% in the North Bay.)
- **Most ADUs rent for low or moderate prices** – Of those ADUs rented at market prices statewide, 42% of ADUs rented for low or moderate prices. The number is higher in the North Bay (84%). Few units are rented for very low income prices (2% statewide and 7% North Bay). 18% of units were available at above moderate prices. 9% in the North Bay.

**Table 4. Affordability of Market Rate Units**

	Very Low	Low	Moderate	Above Moderate
East Bay	0%	15%	70%	15%
Peninsula	66%	31%	48%	15%
North Bay	7%	44%	40%	9%

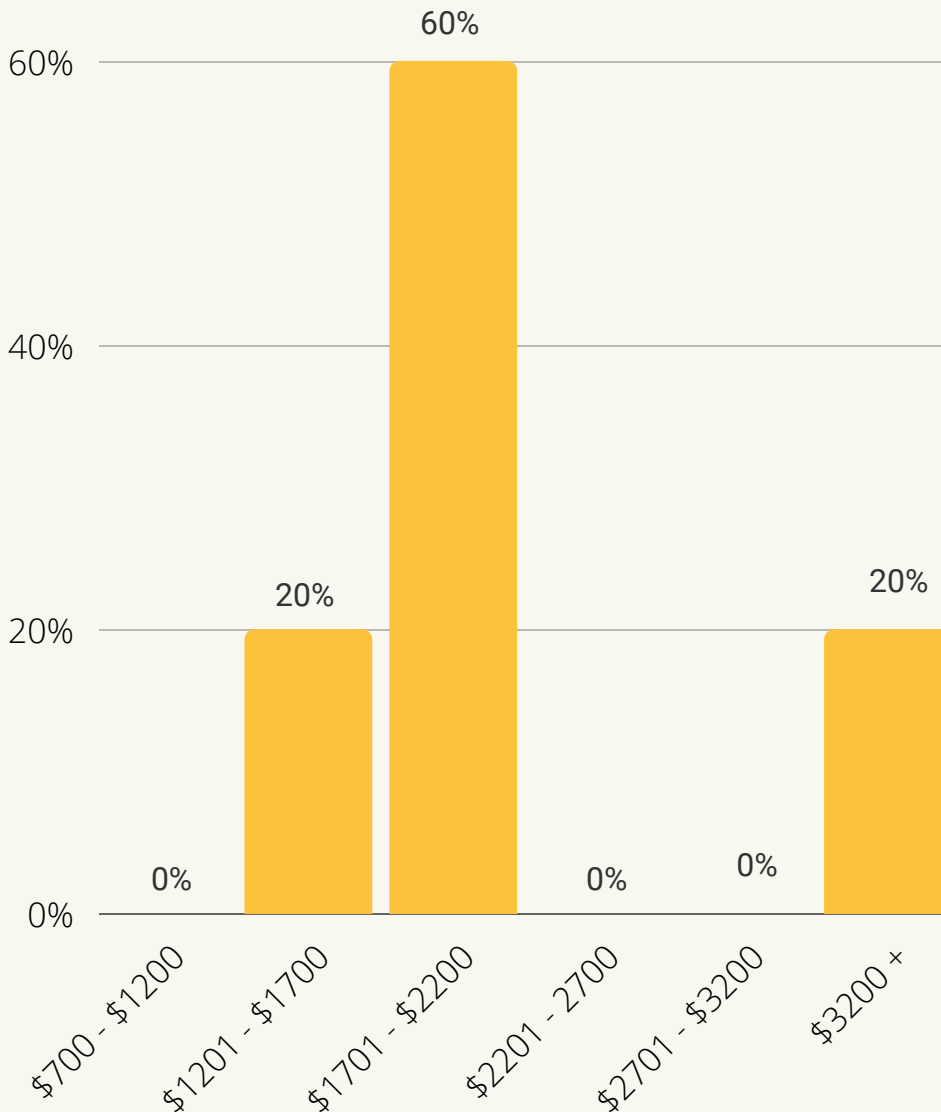
This chart only shows ADUs rented on the open market. The response rate in San Francisco was too low for meaningful comparison so it is excluded from this analysis.



- **Average rent is moderate** – The average rent in the North Bay was \$2072. While the relevant data has not been analyzed, it is likely the rent of Marin County increased this average. Rents in Napa were cheaper, but this may be an artifact of a low sample size.
- **Most rentals are long term** – 93% of units in the North Bay were rented for more than a month.
- **Many seniors live in ADUs** – Approximately one quarter of residents are seniors.
- **Most ADUs are in the rental market** - Approximately 62% of ADUs were being rented or used by family members at the time of the survey. Of those not being rented out, 16% were not rented because they need a renovation to be habitable. This implies an opportunity where grants or loans could get more units on the rental market, potentially at affordable prices.

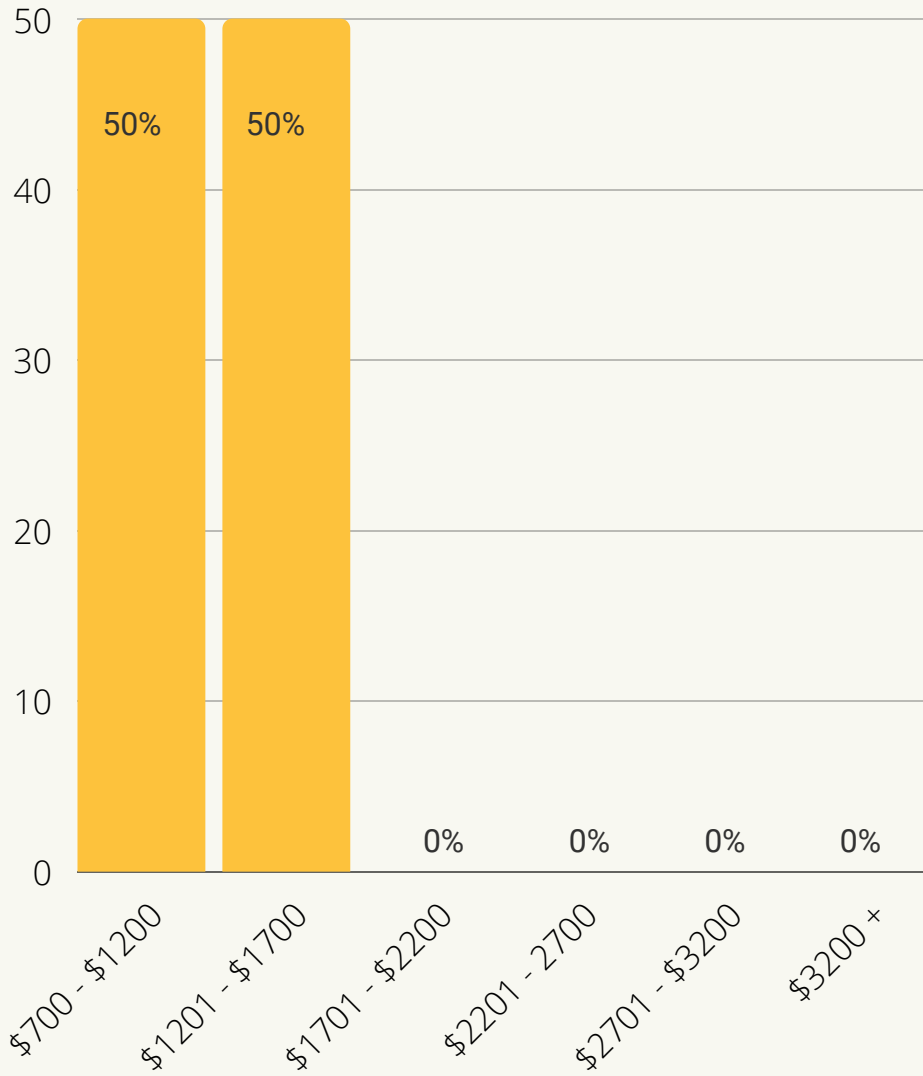
### Average Monthly Rent

Average rent Sonoma County (based on 28 responses, 5 with rent data)



## Average Monthly Rent

Average rent data in Napa (based on seven responses, two with rental data)



*Methodology: Up to three postcards were mailed to all households that built ADUs in the past two years as well as select additional households that built ADUs in previous years. The postcards directed homeowners to an online survey. A Spanish language postcard was mailed to neighborhoods with large numbers of Spanish speakers. Approximately 800 people responded to the survey, half from the Bay Area. Sonoma County had 28 responses and Napa County had nine.*

# Appendix E:

## Sample ADU best practices in California jurisdictions

For more information to support your own jurisdiction in advancing ADU development, check out the information below which is based on the [Casita Coalition's ADU 2021 Best Practices Webinar Series](#).

### San Diego

The City of San Diego offers a density bonus program that allows developers to build a bonus ADU if they also provide an affordable ADU. Near transit, owners can add as many density bonus ADUs as will fit on the lot. The ADU has a 15 year deed restriction.

San Diego attributes their success building ADUs to five key strategies:

- **Outreach** – The outreach program not only included homeowners in general, but focused on underrepresented communities, bankers, real estate professionals, and others.
- **Reduced fees** – This saves homeowners between \$25,000 and \$50,000. They also have clear information about what fees are likely to be.
- **More permissive standards** – Specifically, they allow ADUs up to 1,200, 0 foot setbacks and three stories in height,
- **Clean code** – San Diego staff found the state law too confusing and worked to simplify their rules. They also made sure all staff had the same understanding of the regulations.
- **Better processing** – San Diego has designated ADU staff and office hour where they answer questions or provide real time review.

## **Napa and Sonoma Counties**

The jurisdictions in Napa and Sonoma Counties have been working together for the past three years to promote ADUs via collaboration with the nonprofit Napa Sonoma ADU Center. The Napa Sonoma ADU Center is a nonprofit fiscally sponsored project of Napa Valley Community Foundation with support from Community Foundation Sonoma County as well as the Cities of Napa and Calistoga and the County of Napa. They have created a high-profile shared website, an ADU workbook, adapted an ADU calculator and offer free site assessments to homeowners to help get more ADUs on the ground. Some details regarding the services offered by the Napa Sonoma ADU Center include:

- **ADU Feasibility Consults** - Any homeowner can get a 1:1 consult with an ADU Expert about their ADU project, followed up by an ADU Feasibility Report and the ability to join biweekly ADU Office Hours for help throughout their ADU project.
- **Preapproved designs** - In collaboration with local jurisdictions, the Napa Sonoma ADU Center is also rolling out a comprehensive multijurisdictional preapproved/standard ADU plans program.
- **Affordable ADU program** - The Napa Sonoma ADU Center is also launching an affordable ADU program called [ADU Home Match](#), offering tenant screening, help with leases, security deposit guarantee, and more for homeowners who rent to people at 65% of area median income or below.
- **Webinars, newsletter & informational blog posts** – The Napa Sonoma ADU Center partners with local government agencies to hold educational webinars for local homeowners on ADUs with great success in terms of attendance and learning outcomes. The nonprofit also regularly publishes informative newsletters and blog posts for local homeowners regarding ADUs.

## San Jose

San Jose was one of the first cities in the Bay Area to focus on promoting ADUs, starting to ease regulations even before state law changed. Their efforts touched on all three P's 1) Public education, 2) Policies and, 3) Processes. Some of their key accomplishments include:

- **More permissive standards** - They allow two story ADUs and zero foot setbacks for the first floor. They also allow JADUs in garages.
- **Interdepartmental meetings** – City staff have regular meetings with planning, fire, public works and others.
- **Checklist and Ombudsperson** - They also developed a much-copied ADU checklist and designated an ADU ombudsperson.

## Los Angeles

There are few places that have been as successful at promoting ADUs as Los Angeles. They have over one million square feet of ADUs in the pipeline and ADUs make up almost a quarter of new housing units. All this without significant community pushback. One of the programs that Los Angeles implemented was a Standard Plan (or preapproved design) program. Key details include:

- Started in 2020
- 20 designs by 10 firms, highlighting a variety of different sizes and configurations.
- Review still conducted site-specific factors for the property, including compliance with the Zoning Code and foundation requirements.
- Approvals are often ready in a day, as opposed to more than a month for the typical process.

The initial response to the program has been very positive and the city is planning on allowing more architects to participate soon.

## **Pasadena**

Affordable ADU programs are difficult to manage and Pasadena found a unique angle by tying their affordability program to section 8. This solved several challenges including making it easier to verify renter income. They also chose to avoid deed restrictions and long term requirements. They offer one program for new ADUs and one for unpermitted units:

### **New ADUs:**

- 3 year loan, up to \$150,000, 1% simple interest deferred
- Unit must be rented to Section 8 recipient for seven years
- Priority for low income census tracts, homes below median value and long term occupant

### **Unpermitted ADUs:**

- 20 year, \$75,000 loan, 1% simple interest, 5+ year deferral
- Homeowner income limited to 80% of area median income
- Homeowner chooses the tenant
- You can see more details on their [FAQ](#) page.

## **East Palo Alto**

Like many cities, East Palo Alto was struggling with unpermitted ADUs. They first tried an enforcement approach, but met significant pushback. They then readjusted and began a conversation with the community. With grant funding, they engaged the community in an extended conversation about what could be done. They focused on several aspects:

- **Cooperation between nonprofits** – Their plan allowed several different nonprofits to work together rather than competing.
- **Outreach** – They conducted extensive outreach in churches, community centers and community events.
- **Assistance** – EPA CanDo has funding to meet with homeowners and walk them through the process.



## **San Francisco**

For many years, San Francisco treated ADUs like other developments, meaning lots of process and a thorough, but not fast, review. More recently, Mayor Breed directed the city to “clear the backlog.” In response, the city staff implemented a number of changes, including:

- **Assistance for applicants** - The Permit Center has a designated ADU team that will meet with homeowners during ADU specific office hours. They also published a checklist and step by step ADU guide.
- **Concurrent review and unified comments** – After reviewing an application, city staff meet to discuss their comments. They then provide one set of comments to the applicant.

They also created a program to encourage multifamily ADU owners to build more ADUs in exchange for volunteering for rent restrictions. (They don’t recommend a similar program for single family homeowners.) Specially, owners are exempt from certain zoning standards and can build more ADUs if they agree to limits on future rent increases.

## **San Mateo**

San Mateo County was one of the first places in the state to embrace ADUs. In 2018, they launched a number of tools for homeowners, including:

- **ADU workbook** – This comprehensive guide walks homeowners through each step in the ADU process from setting goals to design and to construction, to renting the unit.
- **Website** – The San Mateo Second Unit Center website offers information such as jurisdiction standards, as well as spotlights from homeowners.
- **Events** – The county has reached over 1000 people through their in person and online events including a resource fair, where they had 40 ADU design, construction and lending professionals available to talk to homeowners.
- **Fast processing** – By contracting with a third part, the County responds to applications in ten days.

They also have an ADU Amnesty program to offer homeowners a path to legalize units built without permits. Equally importantly, they have partnered with the nonprofit Hello Housing to offer 100 hours of one on one technical assistance to homeowners who agree to rent their units at or below 100% of the Area Median Income for three years.

## Oakland

Oakland has taken a thoughtful approach to understanding ADU challenges. Looking at census data and original research, they confirmed the unique issues people of color face when building ADUs. Challenges include:

- Limited access to capital
- Lack of awareness of the government rules
- Fears about tenant protection rules
- Unfamiliarity with the development process

The city addressed these by producing an ADU handbook and a guide for landlords. Equally important, they are partnering with a local community development organization to provide a high level of assistance to guide homeowners through the ADU process. Specifically, the program focuses on these areas:

- **Funding** – There is some predevelopment funding costs;
- **Training** – Homeowners take part in a six-part training series;
- **Financing** – Loans are available from a local credit union;
- **Preapproved designs** – Homeowners can choose one of three designs to cut down on cost and speed up the process; and
- **Construction management** – The nonprofit provides a general contractor to oversee the work.

## Sacramento

Sacramento has embraced housing. They are working on a number of projects, large and small, to speed up the approval process and provide more certainty. For ADUs, they have relaxed many of their standards, including:

- Allowing two ADUs, including two detached;
- Tying the height limits to the main structure; and
- Requiring no side or rear setbacks

They are working on a website, brochure and three pre-inspected (permit ready) ADU plans. They have taken to the road, hosting tours, information sessions and even an ADU bootcamp.

# Appendix F: ADUs permitted & built in Napa & Sonoma County jurisdictions

## ADUs permitted

Jurisdiction	2014	2015	2016	2017	2018	2019	2020
American Canyon	1	1	0	0	3	1	3
Calistoga	0	0	0	2	5	2	4
Napa City	10	3	3	17	20	33	44
Napa County (Unincopr)	8	7	13	15	15	10	8
St. Helena	5	2	1	6	7	3	11
Yountville	2	1	1	1	3	0	1
Cloverdale	N/A	N/A	N/A	N/A	5	5	2
Cotati	N/A	N/A	N/A	N/A	2	4	3
Healdsburg	1	6	4	12	9	17	16
Petaluma	9	7	17	14	19	30	20
Rohnert Park	0	0	0	5	3	0	4
Santa Rosa	4	6	12	14	68	47	63
Sebastopol	0	0	1	3	12	4	8
Sonoma City (Unincorp)	N/A	N/A	N/A	N/A	7	0	0
Sonoma County (Unincorp)	37	52	52	50	88	62	68
Windsor	1	0	2	5	9	6	3
<b>Napa County Total</b>	<b>26</b>	<b>14</b>	<b>18</b>	<b>41</b>	<b>53</b>	<b>49</b>	<b>71</b>
<b>Sonoma County Total</b>	<b>52</b>	<b>71</b>	<b>88</b>	<b>103</b>	<b>222</b>	<b>175</b>	<b>187</b>
<b>Total Total</b>	<b>78</b>	<b>85</b>	<b>106</b>	<b>144</b>	<b>275</b>	<b>224</b>	<b>258</b>

### Notes:

- Building permit issued = Homeowner has paid fees and been given permission to start construction
- Data reporting requirements changed starting in 2018, increasing the reliability and comprehensiveness of the data
- If a permit is listed in multiple years, we just count it in the final year.

## ADUs Built

Jurisdiction	2018	2019	2020
American Canyon		2	2
Calistoga	2	2	2
Napa City	16	21	13
Napa County (Unincorp)	2		
St. Helena	3	5	4
Yountville		3	1
Cloverdale	6		2
Cotati	1	5	3
Healdsburg	1		4
Petaluma	5	3	7
Rohnert Park		1	
Santa Rosa	15	37	47
Sebastopol	7	8	4
Sonoma City (Unincorp)	3		
Sonoma County (Unincorp)	44	65	65
Windsor	2		4
<b>Napa County Total</b>	<b>23</b>	<b>33</b>	<b>22</b>
<b>Sonoma County Total</b>	<b>84</b>	<b>119</b>	<b>136</b>
<b>Total Total</b>	<b>107</b>	<b>152</b>	<b>158</b>

### Notes:

- ADU built = Certificate of Occupancy or Other Final Form of Inspection issued



# Appendix G: Template ADU Process Map & Building Permit Submittal Checklist for Jurisdictions

The Napa Sonoma ADU Center developed these sample documents to help support local jurisdictions to provide clear, comprehensive information to local homeowners about local ADU processes. Reach out to the organization for assistance with using these templates to develop information specific to your jurisdiction's local ADU rules and processes.

## ADU Process Map


Click on the image to download the file.





# ADU Building Permit Checklist

Click on the image to download the checklist



## ADU Requirements and Application Checklist

Are you thinking about building an ADU? The following checklists will help you understand city requirements, what you'll need to consider and what to submit for your building permit application.

This is a sample Permit Application Checklist. Your local jurisdiction may require slightly different information. Most jurisdictions have downloadable checklists available from their websites.

We are here to help. If you need help or have any questions, please contact us or your local planning department. You can also visit [Napa Sonoma ADU](#) for additional resources. Look at sample floorplans and photos, use the [Address Look-Up Tool](#) to find out what you are eligible to build or the [ADU Calculator](#) to estimate costs or rents. Download the [free ADU Workbook](#) with information on the entire process and checkout our [library](#) of on-demand ADU webinars & blog posts. We have a webinar all about [How to Create an ADU Permit Application here](#).

### A Property and Project Information

Use this checklist to help you understand if an ADU is allowed on your property, if there are special issues to be aware of early in the process and which local agencies you may need to follow up with about additional fees or permits.

Owner/Project Contact

Name: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Parcel and Property

Project Address: \_\_\_\_\_

Zoning District:  APN:

Lot Size:  Type of Construction:

Height:  Number of Stories:

Square Footage:  Historic Status:

Additional Parcel Designations:

Flood plain  Steep slopes  Ag boundary  Geohazard or landslide zone  Dedicated easement

Fire Sprinklers in Primary Unit:  Yes  No Fire Alarm (manual/automatic):  Yes  No

Type of ADU and Specifications

Location on Lot:

Type:  Detached  Attached  Conversion  Above Garage  JADU  Legalizing Existing Unit

Size:  Setbacks:  Height:

Special Site Circumstances to Address

Applicable Complete

<b>Soil Study</b> Geotechnical Engineers create soils reports to allow the proper foundation to be designed for your ADU project. If you are planning on an attached, or detached ADU or adding an extension to your existing house where a new foundation would be created, then you will likely need a Soils Study in most jurisdictions. Some projects can qualify for a soils report waiver, which will require engaging a professional to complete. Contact your jurisdiction for further details.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Additional Utilities, Water, or Sewer</b> Will you be creating new connections to utilities outside of your property boundaries, i.e. a new water lateral from the main in the street? Or a new electrical connection at the pole? If so, then check the "Applicable" box.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Fire Sprinklers and Alarms</b> If you will be adding fire sprinklers or grid connected alarms (either for fire or police), then check this box.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Tree Removal</b> Different jurisdictions have specific rules regarding removing existing trees. If your project will require removal of any substantial trees on your property, check this box.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Parking Replacement</b> Will your project remove existing parking on your property, and are you required to replace it? If so, then check this box.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Other</b> This may include additional site improvements such as French drains, parking areas, fire truck access and/or turn-arounds.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Other Agency Fees and Permits</b>	Applicable	Complete
<b>School Fees</b> If your project is larger than 500 sf then you will be required to pay relevant school fees.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Impact Development Fees</b> If your project is larger than 750 sf then you be required to pay some portion (up to 100%) of the 'normal' impact fees.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Conditions of Approval Fees</b> Depending on your project and jurisdiction, some additional fees may be levied, typically only for large or tall projects, or projects that require a variance or other special consideration.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Other</b> Other agencies, such as NapaSAN in Napa County, or PG&E when electrical upgrades are needed, can levy substantial fees on ADU projects. Check with your Planning or Building Department to inquire about fees other agencies may charge.	<input type="checkbox"/>	<input type="checkbox"/>

Napa Sonoma ADU

## B Building Permit Application Checklist

This checklist will help you know what to submit for your building application. Homeowners are encouraged to hire a licensed architect, designer or builder to draw up plans and prepare the application. For more information on hiring a team, download the [free Napa Sonoma ADU Workbook](#).

What to Submit	Complete
<b>Multiple Sets of Plans (typically 6 sets)</b> Plan sets need to be certain minimum size (often 24"x36") and include such things as a north arrow, building and setback dimensions, scale of plans, size of project, owner name and contact info, designer's name and contact info, etc.	<input type="checkbox"/>
<b>Site Plan</b>	<input type="checkbox"/>
<b>Floor Plan</b>	<input type="checkbox"/>
<b>Building and Exterior Elevations</b>	<input type="checkbox"/>
<b>Foundation Plan</b>	<input type="checkbox"/>
<b>Plumbing, Electrical, and Mechanical Plans</b>	<input type="checkbox"/>
<b>Energy Requirements</b>	<input type="checkbox"/>
<b>Tree Replacement Plan (if required)</b>	<input type="checkbox"/>
<b>Calculations (if required)</b>	<input type="checkbox"/>
<input type="checkbox"/> Title 24 State Energy Compliance Documents <input type="checkbox"/> Structural Calculations <input type="checkbox"/> Geotechnical or Soils Reports	<input type="checkbox"/>
<b>Other Agency Permits and Fees Paid (if required)</b>	<input type="checkbox"/>