

Santa Clara County Planning Collaborative

August 10, 2023



Agenda

- Welcome
- MTC-ABAG Announcements – Manuel Ávalos
- Collaborative Announcements – Collaborative Staff
- ADU Program Update – Samantha Dolgoff
- ADU Affordability – Evan Seitz
- Upcoming Work Plan Items – David Driskell
- Inclusionary Zoning Standards – Josh Abrams & Rick Jacobus
- Pending Housing Bills – Josh Abrams

MTC-ABAG Announcements Manuel Ávalos, MTC-ABAG

- Plan Bay Area 2050+ Kickoff & Summer Engagement
- Plan Bay Area 2050+ Partner and Stakeholder Workshops
- Transit Oriented Communities (TOC) Policy Implementation
- BAHFA 2024 Regional Housing Bond
- Regional Housing Technical Assistance Program
- REAP Suballocation Invoicing Deadline is September 30
- Priority Conservation Area (PCA) Refresh
- Sea Level Rise Adaptation Funding and Investment Framework
- Priority Sites Pilot Program – Webinar this Month

Pro-Housing Designation

- In-Person Work Session
- Thursday, August 31 11am-12:30pm
- Burlingame Community Center, Magnolia Room
- Calendar invite has been sent



Housing Element Status Update

- What's the status of your Housing Element?
- How likely are you to have a certified HE (letter of substantial compliance) by end of 2023?
 - Fill out the ABAG tracker: [LINK](#)
 - How likely are you to have a certified HE by end of year? [LINK](#)
 - Jurisdictions with HCD compliance letter:
 - Campbell, Los Altos Hills, Milpitas Mountain View





**Has anyone seen received a
builders' remedy application?**





SB 330: Developers and relocation benefits



RHNA & Student Housing

Potential Changes in HCD's RHNA Methodology

- Should certain populations that live in group quarters be included in the Regional Housing Needs Determination?

Drafting a Response to HCD

- **Position:** Student housing that consists of shared housing, apartments, or separate living quarters with bathrooms and kitchens should count towards RHNA.
- Currently gathering signatures from staff at impacted universities, colleges, towns
- Deadline to add signature: August 23

ADU Program Update

Samantha Dolgoff, Collaborative Staff





Final Drafts in Progress
Soft Launch August 18
Let's get the word out!
What resources do you need to share with your community?

Launch email and PPT slides to share with your PIO, communications office, and/or elected officials.



Build small and make a big difference

THERE'S NEVER BEEN A BETTER TIME TO BUILD AN ACCESSORY DWELLING UNIT (ADU) IN SANTA CLARA COUNTY.

GET STARTED	LEARN THE RULES	BUDGET	DESIGN	PERMIT	BUILD	RENT
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QUICKLINKS

RESOURCES FOR EVERY STEP OF THE WAY

ADU GUIDEBOOK	PROCESS AT-A-GLANCE
ADU CALCULATOR	LOCAL ADU RULES



SUPPORTING ALL OF SANTA CLARA COUNTY
What is Santa Clara ADU?

Santa Clara ADU is a collaborative effort of all Santa Clara cities and Santa Clara County, led by the Santa Clara County Planning Collaborative in partnership with the Cities Association of Santa Clara County. These resources support all residents of Santa Clara County through the process of building an Accessory Dwelling Unit (ADU).

[ABOUT SANTA CLARA ADU](#)

ADU Affordability

Evan Seitz, Community Planning Collaborative

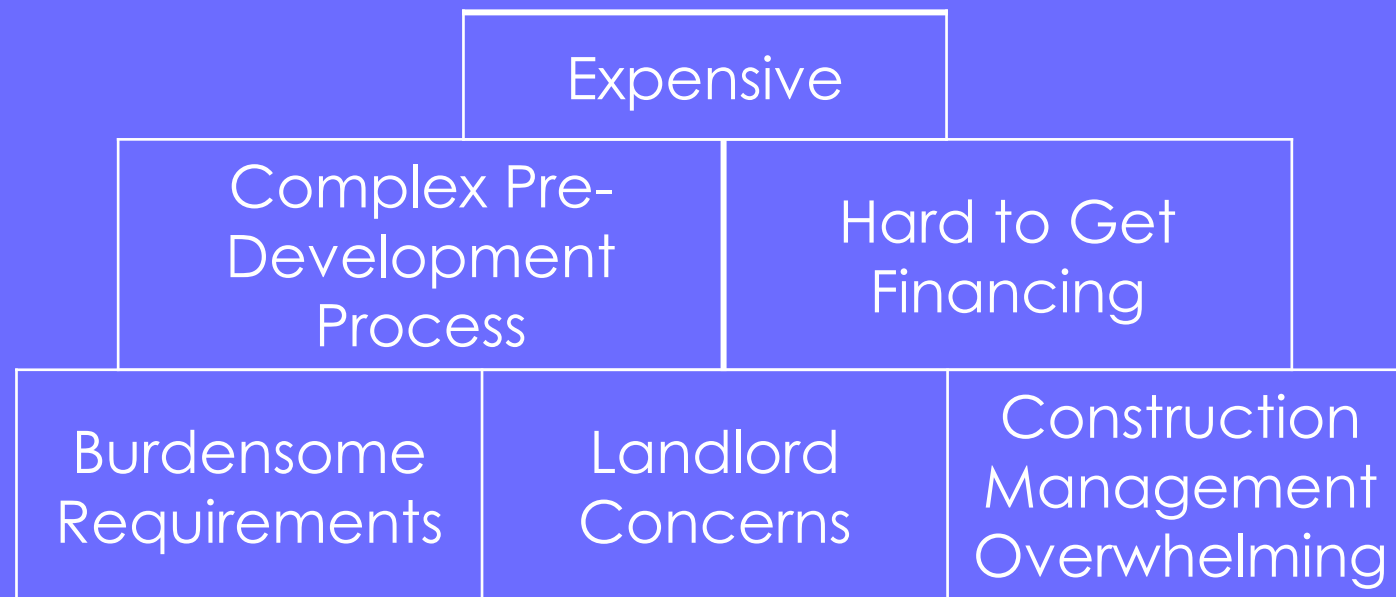




Why ADU Affordability Programs?

1. Increases production
2. Increases affordability
3. Assists low-income homeowners in housing stability and wealth creation
4. Assists in Meeting Jurisdiction AFFH and RHNA goals

Barriers to Affordable ADU Production



Affordability Programs Address Barriers



Reduce Cost
Ease Financing



Assist with
Project
Management



Simple
Program
Requirements

Barriers to Tenant Access

- ADUs built but not rented
- Unit is simply not affordable
- Unit is rented only to family or friends



Requirements Balance Incentives

Homeowner Incentives

Subsidizing Costs
Easing Development
Landlord Support

Affordability Requirements

Affordable unit(s)
Low-Income Homeowners



Programs are flexible and structured to meet local community needs and housing goals.

Affordability Incentives



Financial
Incentives



Zoning
Changes



Project
Management
Support

Incentives Financial Assistance

Loans

- Reduce upfront costs
- Opt-out by paying back loans

Jurisdiction Fee Waiver

- Short-term waivers spur action

Grants

- Cal HFA grant
- Combine with other programs

Get up to \$105,000 as a forgivable loan to build an ADU that is kept affordable for 5 years




Benefits of building an affordable ADU:

- Increase value of your home
- Create an additional revenue stream for your household
- Provide much needed affordable housing in desirable residential neighborhoods
- Promote sustainable, compact development and reduce environmental impact
- Create long-term flexibility on property
- Reduce cost of building ADU with loan that doesn't need to be paid back after renting unit to low-income resident for 5 years



NAPA County Housing & Homeless Services ADU Guidelines, February 2023 3 of 16



Pasadena Second Unit ADU Program

Home · Pasadena Second Unit ADU Program

Interested in additional monthly income by adding an affordable rental unit to your property?

The Pasadena Second Unit ADU Program is an affordable housing initiative that incentivizes homeowners to create an affordable rental unit on their property through an Accessory Dwelling Unit (ADU) loan.

The program offers Pasadena homeowners "Comprehensive Assistance" for financing, designing, permitting, and constructing a new ADU in the City of Pasadena. Specifically the program provides homeowners financial assistance to build an ADU through new construction, garage conversion, or bring up to code an existing unpermitted "granny flat" or illegal garage conversion.

Borrowers may be eligible for grant through the California Housing Finance Agency (CalHFA) to cover pre-construction costs. If approved, the grant is automatically credited to the ADU loan with the City of Pasadena. CalHFA also has a list of approved financial lenders to apply for a loan to build ADU at [ADU Grant Program](#) | CalHFA.



California Housing Finance Agency

Home About Contact Select Language

HOME / ADU Grant / ADU For Lenders / ADU Resources [Ask Us](#)

[ADU Grant](#) [ADU For Lenders](#) [ADU Resources](#)


[What is an ADU?](#) | [FREE Resources](#)

ADU Grant Program

The ADU Grant provided up to \$40,000 towards pre-development and non-reoccurring closing costs associated with the construction of the ADU. Predevelopment costs include site prep, architectural designs, permits, soil tests, impact fees, property survey, and energy reports.

News & Updates

All funds for the Accessory Dwelling Unit Grant program were fully reserved as of **03/01/2023**. We are keeping grant program information available to help borrowers and lenders as they continue to process grants in their pipeline.



Incentives

Zoning Changes



- Increase FAR Densities
- Reduce Setbacks
- Additional ADUs
- Additional Height or Size
- Separate Unit Sale
- Condo-izing

Incentives Support Services



Non-Profit Development

- Nonprofit acts as developer and builds ADU in backyard
- Finds tenants and manages affordable unit
- Often best choice for low-income or low-equity homeowners

Project Management Support

- Discounted or free professional services

Tenant Matching

- Finding and vetting tenants
- Consider using Section 8 Program

ADU Affordability Requirements

Homeowner rents ADU affordably for set time period.

Things to Consider:

- How will you monitor affordability?
- How long will you require the unit be affordable?
- How affordable?
- How can homeowners opt-out?

Prioritizing Lower-Income Homeowners

- Goal is housing stability
- May offer incentives and **allow market-rate rents**

Where are you in the process?

- What's in your housing element?
- Where are you in the process?

Best Practices



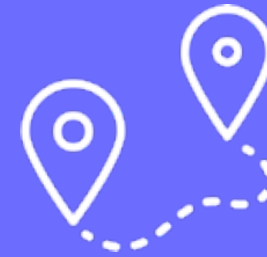
Keep it Simple

Avoid Complexity.
Information and applications should be straightforward.



Easy Opt-Out

Allow homeowners to exit early with loan or grant pay back.



Keep it Short

Max 5-10 years.
Longer programs have less participation.

Best Practices

Use Existing Monitoring

Use Zoning Tools

Balance Incentives and
Requirements

Budget for Administration

Budget for Outreach



Choosing a Program for your Community

YOUR CONTEXT:

CONSIDER:

Limited availability of funding to offer financial incentives

- Zoning changes
- A fee waiver program

Low- or moderate-income homeowners need additional rental income to stay in their homes

- A loan or grant program that reduce upfront cost and allows the ADU to be rented at market rates
- A fee waiver program for income qualified household
- Prioritize applications for program from low-income homeowners, or homes in low-income census tracts

Goal is to increase the number of affordable ADUs rented in your community

- A loan or grant program that requires ADU be rented at affordable rates
- Zoning changes that allow concessions if ADU is rented affordably
- Zoning changes to allow nonprofit development of ADUs

Jurisdiction has access to funding for a loan or grant program

- A loan or grant program that requires ADU be rented at affordable rates
- Can also include zoning changes, and a fee waiver program

Choosing a Program for your Community

YOUR CONTEXT:

CONSIDER:

Jurisdiction has limited staff capacity to run a new program

- Utilizing existing monitoring programs (such as Section 8) to monitor for affordability compliance
- Zoning changes
- A fee waiver program
- Grants to nonprofits to run programs
- Programs that are only open to nonprofits

There are strong nonprofit partners in the community

- Nonprofits assist homeowners with project management of ADU construction,
- OR assistance with finding tenants
- OR landlord education
- OR allow nonprofits extra rights (e.g. sale of units)

Jurisdiction has AFFH goals to increase affordable housing in high resource areas

- Zoning changes such as increased FAR, reduced setbacks, increased size, or a bonus ADU if the ADU is rented affordably
- A loan or grant program that requires ADUs to be rented at affordable rates



Unpermitted ADUs

Amnesty in exchange for renting affordably.

- Provide homeowners with low-cost, penalty-free pathways for legalization.
- Bring units up to health and safety code.
- Require affordable renting for set time period.
- Partner with established nonprofits for technical assistance and monitoring.

Case Study:



Affordability program to Section 8:

- Less expensive to manage.
- Easier to verify renter income.
- Does not include deed restriction or long-term requirements.

NEW ADUS:

- 3-year loan, up to \$150,000, 1% simple interest deferred
- Must rent to Section 8 recipient for 7 years
- Rent at HUD Fair Market Rate
- Homeowner chooses tenant from Section 8 applicants
- Free project management assistance
- Priority for low-income census tracts, homes below median value, and long-term residents

UNPERMITTED ADUS:

- 20-year, \$75,000 loan, 1% simple interest, 5+ year deferral
- Homeowner income limited to 80% AMI
- No restrictions on tenants; rented at market rate
- Free project management assistance

Questions?



ADU Work Group

Presentations, analysis, case study examples, guidance and customized tools to encourage ADU production.

Contact Samantha Dolgoff to join.
dolgoff@planningcollaborative.com

5 ADU Workshops starting in September:

- Session 1: ADU Landscape: Where are we now?
- Session 2: Best Practices to Promote ADUs
- Session 3: Affordable ADUs
- Session 4: Amnesty and Legalizing Unpermitted Units
- Session 5: Plans and Homeowner Resources

2023 Collaborative Work Plan

Next Step Priorities

David Driskell, Collaborative Staff



Key Priorities, August – October 2023

- **Continue to support HE completion and adoption**
- **Countywide ADU Program and Support**
 - Launch new website and resources (+ get the word out!)
 - ADU Affordability programs support
 - ADU Work Group for interested jurisdictions
 - ADU Nonprofit conversations
- **Training / Support for New Laws**

Key Priorities, August – October 2023

- **For interested jurisdictions:**

- Pro-Housing Designation application support
- Grand Nexus study
- Shared housing staff

- **Next Up...**

- Affordable Housing Finance
- Tools for Talking About Density and Design
- Fall 2023 In-Person Meeting!

Inclusionary Housing Standards Survey

Regional Housing Technical Assistance

- Interactive Trainings
- County-based planning collaboratives
- Suballocation or REAP Funding
- Work Groups and Peer Cohorts
- Data Tools

Trainings thus far

- Session 1 - Inclusionary Introduction and Evaluation
- Session 2 - Economic Feasibility
- Session 3 - Fees or Units / Compliance Alternatives

Coming Resources

- Inclusionary and Impact Fees Spreadsheet
- Guidebook for Affordable Housing + State Density Bonus
- Local Ordinance Inventory
- Public / Elected Communication PowerPoint Template
- Memo on Inclusionary Housing Ordinance Revision
- Coordination of County Nexus/ Feasibility Consultant RFP
- Office Hours



Technical Assistance
for Local Planning

HOUSING



2023 New Housing Legislation Overview

Josh Abrams

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Density Bonus Law

AB 1287 Expands max number of concessions to 5. Allows density bonuses of up to 88.75% for a project that includes 25% VLI. **High Impact**

Accessory Dwelling Units

AB 976 Permanently prohibits owner occupancy rules. **High Impact**

AB 1332 Requires local jurisdiction to develop a program for the preapproval of ADU plans. **High Impact**

Development Projects

AB 1218 Expands replacement housing requirements to non-residential developments. **High Impact**

Land Use and Zoning

AB 747 Amends the Surplus Land Act to allow local jurisdictions to bypass affordable housing requirement for economic development. **High Impact**

SB 894 Jurisdictions must allow shared parking if deemed feasible. **High Impact**

Land Use and Zoning

SB 423 Extends SB 35 until 2036 and amends the labor standards. Now applies to coastal zones and local governments without approved housing element. **High Impact**

Land Use and Zoning

SB 684 Jurisdictions must ministerially approve a parcel map or a tentative and final map for 10 units or less that meet specified requirements. **High Impact**

Land Use and Zoning

AB 821 Requires local jurisdictions, if asked, to make zoning consistent with general plan within 180 days.

AB 1308 Prohibits a jurisdiction from increasing the parking minimum for single-family residences for remodels.

AB 1317 Requires landlords to “unbundle” parking costs from rent. Only applies in Bay Area to Alameda and Santa Clara Counties.

Additional Lower Impact Bills

AB 1490 Establishes new rights for applicants to reuse existing structures to provide extremely affordable housing..

SB 469 Expands exemptions from the state constitution's Article 34 requirement for TCAC and other funded programs

AB 1307 Noise by occupants is not a CEQA impact for residential.

AB 1505 Funds the Seismic Retrofitting Program for Soft Story Multifamily Housing.

AB 309 Creates the California Housing Authority, as an independent state body, to develop mixed-income social housing developments on state-owned property, preempts local zoning on up to 3 properties.



Thank You.

For more information, contact the Regional Housing Technical Assistance Program, HousingTA@bayareametro.gov

Next Meeting:

Thursday, September 14
12pm-1:30pm

