

SANTA CRUZ COUNTY: ADU TOOLKIT

OVERVIEW

Santa Cruz County addressed the housing crisis by creating an enhanced Accessory Dwelling Unit (ADU) program empowering residents to be part of the solution, simplifying and incentivizing the permitting processes.

CHALLENGE

Among the many solutions for the statewide housing crisis is clear direction from the Legislature to simplify and expand the use of ADUs to provide additional housing options for residents. ADUs provide a flexible housing option that increases the supply of dwelling units, while preserving existing neighborhood character. As such, it is ideal for established communities in unincorporated areas, which tend to have larger lots. ADUs can be a key housing strategy, particularly in counties where additional housing is constrained by a lack of land and other obstacles.

SOLUTION

Led by the Board of Supervisors, the County recognized the importance of a comprehensive approach to enhancing its ADU program. The approach included changing its land use policies to allow ADUs on almost any single-family parcel, identifying and removing or reducing other barriers to construction, developing an interactive, web based ADU Toolkit, providing additional financial incentives to construct ADUs, and collecting follow-up data through monitoring and reporting.

The County's **Interactive ADU Toolkit**, accessed at <http://www.sccoplanning.com/ADU.aspx>, includes:

- A GIS tool for property owners to enter their address or parcel number and receive answers to the most common starter questions: is the property eligible for an ADU?, what is the maximum allowed size?, zoning information, and guidance about special districts, which vary around the County but which are influential in the decision to build an ADU because of fees.
- An on-line fee and construction cost estimator, so residents can analyze the feasibility of various types of ADU construction, and a cash flow estimator tool that allows users to plug in various loan parameters and possible rental incomes to see how various scenarios of financing and construction will result in cash flow benefits over time.
- Three graphic-rich guides: How-To Guide, Design Guide, Financing Guide and an information booklet on the basics of ADU construction including tear sheets (see <http://www.sccoplanning.com/ADU.aspx>).

Through the **Interactive ADU Toolkit** website, <http://www.sccoplanning.com/ADU.aspx>, viewers can also access a FAQ and links to online resources, including links to builders websites and pre-designed ADU plans. . The County created financial incentives for residents to pursue ADUs.

- A forgivable loan program of up to \$40,000, applicable to units designated for income-qualified renters. If homeowner maintains the unit for 20 years for residents at 80% of Area Median Income or below, the loan would be forgiven.
- "My House My Home" . The County partnered with Habitat for Humanity and Senior Network Services to create a program that provides elderly residents with income while increasing local housing inventory. The My House My Home

program provides loans of up to \$80,000, at three percent simple interest, deferred for up to 30 years or payable upon sale or transfer of the home.

- Eliminated planning permit fees for ADUs under 640 sf and reduced certain other permit processing fees for ADUs.

INNOVATION

The program is innovative in how comprehensively the barriers to creating ADUs are addressed, and in the various points of entry for potential ADU builders. Before beginning to develop the ADU Toolkit, the County surveyed potential permit applicants to identify barriers. Code changes associated with the program went beyond state requirements, including allowing more relaxed development standards for conversion units. The County sought to demystify what can be a nerve-racking process for homeowner, and to do so on the platform where a younger and more diverse group of people access information. We created a program with a low bar for entry, targeting early inquiries and offering analysis, process and financial support before people decide the process is too complicated to pursue. The ADU Toolkit, allows residents to find answers to many questions in one place, without having to make and meet appointments or even leave the comfort of their home. The “How To” guides, GIS tool, financial calculator and other aspects of the Toolkit are all available over the Internet. The program was promoted with local media and advertised on social media. Finally, providing financial tools, making loans available, and reducing permit fees rounded out the proactive approach to helping homeowners move forward with ADUs.

RESULTS

The ADU Toolkit was launched in May 2018, with the cost estimator added in October 2018. The ADU Toolkit website has had over 21,000 hits since its launch, and ADU applications have steadily risen since that time. Applications in 2019 are on target to surpass the previous year by more than 65%.

REPLICABILITY

The housing crisis is prevalent throughout the state of California, and ADU construction can be an effective method of creating additional supply while maintaining neighborhood scale. Our comprehensive approach catalyzed our regulatory changes using a six-step approach to implementation (identifying barriers, code amendments, ADU Toolkit, marketing, financial incentives, and follow-up monitoring). The Santa Cruz County **Interactive ADU Toolkit** is highly replicable by other counties who wish to encourage construction. We put in many months of work of thought, research and design into our materials, and they are available to other counties for inspiration if not replication. The materials are scalable to any county regardless of size. We are happy to share more information about the process to anyone interested.

PROGRAM CONTACT

Paia Levine, Assistant Planning Director, 701 Ocean Street, Room 400, Santa Cruz, CA 95060,
paia.levine@santacruzcounty.us or 831-454-5317