

Memorandum

DATE: January 11th, 2024

TO: Planning and Housing Departments, San Mateo County Jurisdictions

FROM: Joshua Abrams, Evan Seitz, Emily Robbins
21 Elements / Community Planning Collaborative

RE: Funding a new ADU Resource Center for San Mateo County

21 Elements, in collaboration with the jurisdictions of San Mateo County, is developing a nonprofit ADU Resource Center that will assist jurisdictions in meeting their RHNA 6 housing element ADU goals and commitments and help get more housing/affordable housing in the county. This memo provides information about programs, benefits, and costs that can assist jurisdictions in deciding whether or not to financially support the Center. If you would like to support the Center, please put a placeholder in your FY 24/25 budget.

Sections

1. What is the ADU Resource Center?
2. Summary of Services Offered
3. Additional Benefits to Jurisdictions
4. Draft Funding Request

What is the ADU Resource Center?

The ADU Resource Center will be a nonprofit that helps homeowners in San Mateo County to create ADUs. The primary goal of the Center is to help jurisdictions meet their ADU production and affordability commitments in their housing elements and follow State law rules more generally, so they do not get in trouble with HCD. The Center will result in more housing, and more affordable housing, in the County.

The Center will be modeled on the award winning Napa Sonoma ADU Center (napasonomaadu.org), which was started in 2018. The Napa Sonoma ADU Center has been very effective at increasing ADU production.

The Center will be staffed (initially with a full time director, part time ADU technical associate and part time communications/admin associate) and will coordinate services through a multilingual interactive website.

An Advisory Committee composed of jurisdiction staff have guided the development of the Center. Members of the Committee are Kevin Gardiner, Community Development Director, City of Burlingame; Zach Dahl, Interim Community Development Director, City of San Mateo; Liz Ruess, Assistant Director of Building and Planning, Town of Hillsborough; and Michael Smith, Senior Planner, City of San Bruno.

Summary of Service Offered

The Center will offer public facing materials and resources, an affordable ADU program, and services directly for jurisdictions. The public facing materials will both increase ADU production and reduce jurisdiction workload answering basic ADU questions.

Public Facing Materials

Answers to Homeowner Questions

The Center's staff will be available (by phone, email, possibly in-person) to answer questions and provide assistance for homeowners navigating their local ADU development process. This service saves significant time for planning counter staff.

ADU Assessments

The Center will provide homeowners with personalized assessments of what type and size of ADU can be constructed on a homeowner's property. These assessments have been extremely popular in Napa and Sonoma counties.

ADU Affordability Programs

The Center will offer a grant or loan program to support low-income homeowners to construct ADUs or incentivize homeowners to construct deed-restricted affordable ADUs. This program is planned to launch in year 2 and would likely be funded by affordable housing trust funds.

Webinars and In-Person Education Events

The Center will offer webinars and in-person events, providing homeowners information and advice on all aspects of ADU development. Both live events and webinars can be customized for specific jurisdictions.

Plans Gallery

The online plans gallery will allow homeowners to browse a collection of jurisdiction pre-reviewed and pre-approved ADU plans that can be downloaded for free or purchased from the designer. Homeowners can search for specific types, sizes, and architectural styles of ADUs. This will satisfy AB434, which requires cities to have a pre-approved plans program by January 1, 2025.

Guidebook and Other Handouts

The visually appealing, comprehensive guidebook will help homeowners navigate the ADU development process - from initial ideas to permitting and selecting contractors.

ADU Calculator

The calculator is an online tool to help homeowners understand how much it will cost to build their ADU, and how their choices affect the price and payback period.

Website

The ADU Center will maintain/take over/improve the existing Second Unit Center website. The website is a visually appealing, easy to navigate hub that summarizes the rules in each jurisdiction and provides resources. It will answer homeowners' most common questions. Jurisdiction specific resources will be developed in consultation with local staff.

Services for Jurisdictions

Assistance with HCD Compliance & Housing Element Implementation

The Center will support jurisdictions in meeting commitments made in their Housing Elements. For example, twenty jurisdictions committed to improved public information on ADUs, fourteen committed to providing pre-approved plans, and thirteen committed to providing ADU affordability programs. All of these programs will be offered by the Center.

Updating ADU Ordinances and Complying with New Laws

The Center will assist jurisdictions in updating their ADU ordinances, ensuring compliance with new state laws. Best practices and model ordinances will be provided. Jurisdiction staff will be available to consult on jurisdiction's ordinances.

ADU Process Improvements

The Center will assist jurisdictions in improving their ADU permitting and public outreach processes, as requested. Many jurisdictions have committed to process improvements in their housing elements.

Support on Opt-In Programs and Best Practices

The Center will assist jurisdictions with optional programs to increase ADU production or affordability such as setting up a robust ADU legalization program, ADU condoization, or supporting non-profit ADU developers.

ADU Affordability Monitoring

The Center will assist with annual affordability monitoring and reporting, allowing jurisdictions to track ADU affordability year to year and compare progress against benchmark goals. Specifically, it will write text jurisdictions can use in their APRs.

Jurisdiction-Specific Educational Materials

The Center can provide webinars, in-person educational events, and written materials that explain your jurisdiction's ADU development and permitting processes.

Additional Benefits to Jurisdictions

Higher Quality Services and Cost Savings

The Center will provide higher quality products and services at a much lower cost to jurisdictions. There are significant economies of scale achieved when jurisdictions pool their resources to create these products and services.

More ADUS in Your Jurisdiction

While in recent years ADUs *made up nearly one third of new housing in San Mateo County*, ADU production is still significantly lower here than in comparable southern California counties. We know from the Napa Sonoma ADU Center's experience that supporting homeowners through the entire development process will result in more ADUs being produced.

More Affordable Housing

ADUs are naturally more affordable than many other forms of housing. In addition, the Center will offer loans or grants to homeowners who agree to rent their ADU affordably for five or more years, resulting in even more units at 80% AMI or below.

Access to a Growing Network of ADU Centers

San Mateo would be joining a growing network of ADU Centers in the Bay Area. At the request of jurisdictions, the Napa Sonoma ADU Center is expanding in 2024 to offer ADU Centers for Marin and Solano Counties. Santa Clara County jurisdictions have also

expressed interest in a Center. We expect that by 2025 the majority of Bay Area Counties will have an ADU Resource Center.

Ability to do More with a Limited Budget

The ADU Resource Center will allow jurisdictions to meet their ADU obligations using less staff time, and potentially saving the jurisdiction from having to hire additional staff to meet housing element obligations.

Mitigation of Legal Risks

Housing advocates are watching closely whether jurisdictions follow up on their commitments to produce the number of ADUs planned for in their housing elements. The County's 2023 Civil Grand Jury Report (<https://bit.ly/3Sdtwn9>) on ADUs raised questions about jurisdictions' ability to produce affordable ADUs. The programs offered by the Center demonstrate that jurisdictions are taking their commitments to affordable ADU production seriously.

Draft Funding Request for FY 24/25

The ADU Resource Center will be funded primarily by jurisdiction contributions, with additional support from local foundations and Measure K (County of San Mateo tax revenue) possible, but not assured. The table below indicates jurisdiction support at two levels: the worst case scenario represents funding that would be required if the Center did not receive Measure K funding or significant foundation support. The best case scenario represents funding levels if the Center received Measure K support and/or significant foundation support. In either case, for budgeting purposes we have assumed approximately half of the twenty one jurisdictions will contribute to the Center in year one.

Contribution tiers are based on the number of ADUs projected to be constructed in each jurisdiction's RHNA 6 housing element. The Advisory Committee (composed of jurisdiction staff) guiding the development of the Center felt that this was the most fair way to divide the costs.

If jurisdictions are interested in being part of the ADU Resource Center, we encourage them to budget for the larger contribution tier, with the hope that the actual amount may be lower.

The first year budget can be found at <http://bit.ly/48R4XCi>.

Requested Jurisdiction Contribution Levels for FY 24/25			
Jurisdiction	Projected ADUs	Best Case	Worst Case
Redwood City	506	\$19,000	\$39,000
Daly City	503	\$19,000	\$39,000
San Mateo	440	\$19,000	\$39,000
Hillsborough	400	\$19,000	\$39,000
South San Francisco	376	\$19,000	\$39,000
County of San Mateo	355	\$19,000	\$39,000
Atherton	280	\$14,000	\$34,000
San Bruno	228	\$14,000	\$34,000
San Carlos	203	\$14,000	\$34,000
Pacifica	187	\$14,000	\$34,000
Burlingame	168	\$14,000	\$34,000
Woodside	160	\$14,000	\$34,000
East Palo Alto	115	\$14,000	\$34,000
Half Moon Bay	112	\$14,000	\$34,000
Millbrae	112	\$14,000	\$34,000
Portola Valley	92	\$9,000	\$29,000
Menlo Park	85	\$9,000	\$29,000
Belmont	80	\$9,000	\$29,000
Brisbane	40	\$9,000	\$29,000
Foster City	24	\$9,000	\$29,000
Colma	4	\$9,000	\$29,000

For questions, please contact Josh Abrams, abrams@planningcollaborative.com, 510.761.6001; or Evan Seitz, seitz@planningcollaborative.com, 413.687.8444.