



***Home for All Convening Second Units.
The What, the Why, and the How
Answers for questions posed,
but not answered at the Convening***

Are there any programs that have built in some incentives for homeowners willing to rent to local service workers, teachers, or low-income people? Incentives to keep rents affordable?

The Home for All staff are not aware of any second unit incentive programs for homeowners but will research any programs Kol may recommend.

Kol's response follows. Yes, there's a couple programs that have been attempted in Santa Cruz, Austin, with very limited success. The programs that have tried to regulate ADUs as affordable housing have all failed; producing no ADUs whatsoever. New programs in L.A. and in Portland to make ADUs into housing for homeless are completely untested, so I wouldn't suggest using these models until they have proven to work. There may be governmental inventions that could be tested to providing financing perks (\$10-30K) to limit ADUs to being used as Affordable Housing for a period of time (3-5 years), but I personally don't see why it would make sense to limit these perks solely to owners of ADUs.

Please address the increase in cars in neighborhoods with the addition of ADUs

The Home for All staff are not aware of any studies or research that has been done on the relationship between building a second unit and an increase in the number of cars parked on the streets in a neighborhood.

Kol's response follows: There is no statistically noticeable, and mathematically possible impact from additional parked cars as a result of ADUs. ADUs are a very dispersed form of infill, thus it would be extremely unlikely to ever have sufficient ADUs to create noticeable impact. Looked at another way, your neighborhood ALREADY has more parking impact from unpermitted ADUs than there will EVER be from permitted ADUs. If the parking impact from unpermitted ADUs hasn't proven to ALREADY be a problem in your neighborhood, then you have nothing to worry about if/when permitted ADUs start getting built.

Interested in the research about barriers to both amnesty programs succeeding and increasing homeowner buy-in.

San Mateo County is piloting a second unit amnesty program this year. Our plan is to test the concept with one property owner to see if it is viable and then report back to the Board of Supervisors in the fall of 2018.

Kol's response follows. Amnesty programs have not worked. They sound like a logical idea from the government's and advocate's perspective, but the risk to the homeowner is far greater than the reward. There is no rational reason to legalize an ADU unless the unit has been red-tagged. It is possible that innovations in amnesty programs such as the one being conducted by San Mateo may work. But to date, no amnesty programs that I have read about have actually succeeded.

Is there a current source to assist homeowners with funding to bring existing ADUs up to code or to build new ADUs?

The County Board of Supervisors has allocated \$500,000 to a loan program designed to assist owners of unpermitted second units who are participating in the County's Second Unit Amnesty Program for Unpermitted Second Units in Unincorporated San Mateo County. The County Planning and Building Department and Housing Department will recruit participants for a focused pilot of the program. This pilot period will run for five months, from May to September 2018. The full Amnesty program is intended to commence in September 2018 and would last 24 months. Eligible homeowners may apply to the Second Unit Rehab Loan Program for financial assistance in order to complete the necessary alterations required to successfully fulfill the requirements of the Amnesty Program. The Loan Program would launch simultaneously with the Amnesty Pilot and run the length of the full Amnesty Program or until all funds have been committed, whichever comes first. Additional details about Loan Program eligibility and requirements will be made available closer to the launch of the Program in May 2018.

I am just now starting the shopping/bid process & was wondering if there is a list of designer/build companies that have worked with San Mateo County residences in building ADU's?

We have not developed a list of designer/ builder companies and governments can't recommend vendors. However, I can refer you to the Idea Book on the Second Unit Center website www.secondunitcentersmc.org. Some designers and builders are included in the stories the homeowners have shared. We have been told that the most important partner is someone who understands how to do design for this very small space. The construction can be done by a reputable builder, even if that contractor has not built Second Units.

Do Second Units count toward a city’s Regional Housing Needs Allocation?

Baird + Driskell’s response: Second units count towards a city's Regional Housing Needs Allocation (RHNA) and the number of second units produced annually should be assessed in both a city’s housing element and each city's Annual Housing Element Progress Report. Generally, to satisfy RHNA requirements, a city will evaluate how many new housing units can be accommodated on vacant or underutilized land. Then, second units can be added to this number based on recent construction trends and any new programs that are intended to encourage the construction of more second units. When preparing a Housing Element, a city (or 21 Elements) must estimate second unit rents so they can count the units in the appropriate income category. Studies conducted by 21 Elements show that a portion of second unit have rents affordable to lower income households. So, a portion of the anticipated new second units in a city can be applied to satisfy that city's lower income RHNA. Junior second units, home sharing units and legalized units/amnesty are a little more complicated to include toward a city’s RHNA, but a portion can most likely be counted based on documented evidence in some circumstances. The next round of housing element updates will occur in 2022/2023, so there is time between now and then to implement new programs to encourage construction of even more second units than have been built in the past.

The calculations might be something like this:

	Extremely Low	Very Low	Low	Mod	Above Mod
Available site inventory	5	5	5	15	20
Second Units (ADUs)	10	5	5	10	10
Total	15	10	10	25	30
RHNA	10	10	10	10	10
Difference	+5	0	0	+15	+20

Note: The City of _____ produced an average of five second units per year for the past five years. Therefore, we assume 40 units will be produced over the 8-year planning period of the housing element. Affordability assumptions used to assign second units to different income categories are based on rent studies conducted by 21 Elements.

How did LA build 2000 ADUs last year, were these conversions of formally illegal units?

The 2000 ADUs number is from the City of Los Angeles Planning Department. They did not specify if the permit applications were for new construction or for the permitting of existing unpermitted ADUs. I suspect it's a combination of both.

A question for Matt - "policy framework" I believe this presenter stated ADUs could address our Bay Area housing need. What is the number of existing housing need and projected housing needs? What is the projected number of ADUs that could be constructed? I understand that ADUs are an important contributor to address our housing need, but I believe we will need to cobble together multiple tools and measures to attempt to address the actual housing need. Please clarify.

Our current RHNA cycle 2015-2023 projects a regional housing need of new 188,000 units of all construction types; multi family, single family and ADUs. The potential for ADUs is almost limitless. There are 1.5 million existing single-family homes in the Bay Area and if 10% of them build an ADU we will generate 150,000 units. This projection is not completely wide eyed. Vancouver BC which has a similar housing market adopted aggressive pro ADU regulations over a decade ago and today over a third of single family homes have an ADU. BC law now requires that all new home construction be designed in a manner that allows for an easy ADU conversion in the future (the utilities are in the walls).

If we can get the financing tools in place for home owners, we can really scale up ADU construction.