

## County of San Diego: 2020 CSAC Challenge Awards Executive Summary

**PROJECT/PROGRAM:** Accessory Dwelling Unit Program

**OVERVIEW:** The County of San Diego has spearheaded the development and implementation of an Accessory Dwelling Unit Program to assist housing affordability across the region.

**CHALLENGE:** Housing affordability continues to be a concern across California. Recent studies by UC Berkley identify the removal of financial barriers as a best practice in response to California's housing shortage. Accessory Dwelling Units (ADUs) provide more affordable housing options due to their size. An ADU can provide homeowners with the flexibility to respond to changing family needs, accommodate multi-generational families, as well as provide additional income through rental opportunities. However, the costs and permitting processes associated with building an ADU can be prohibitive.

**SOLUTION:** To remove these barriers and create incentives for more property owners to build ADUs, the County has spearheaded the development and implementation of a cumulative ADU Incentive Program that 1) waives building permit, plan check, and impact fees, 2) provides pre-approved plans, and 3) expedites plan check services. Collectively, the ADU incentive program can save applicants approximately \$30,000 in costs, thereby reducing the upfront construction cost burden. County staff has developed and executed an outreach campaign, including holding events and workshops to inform the public and encourage participation.

**INNOVATION:** The comprehensive ADU Incentive Program consists of three unique incentives for property owners. The first incentive waives building permit, plan check, and County impact fees for ADUs. In January of 2019, the Board took action to waive these fees for a 5-year pilot program. County departments that would typically collect these fees are provided General Purpose Revenue in an amount equal to what the customer building the ADU would have paid in fees. While fees vary based on each community, this fee waiver saves applicants approximately \$15,000 per unit.

The second component of the County's ADU Incentive Program is the provision of pre-approved ADU building plans. In 2019, staff developed six sets of unique building plans that a property owner could use to construct an ADU. There is no cost to the customer to use these plans, and without changes, the building permit is issued over the counter, without requiring the usual plan check submittal process. Similarly, they

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save time and money by avoiding a plan check process with the County. Staff estimates that the use of the pre-approved plans can save each customer roughly an additional \$15,000 in costs by avoiding the need to pay a private designer.

The third component of the ADU Incentive Program is an expedited plan check. For customers proposing privately designed ADUs (not the pre-approved plans), County staff expedites the plan check with a target for completing the first plan check within five business days.

In our outreach, staff highlighted each of the tools available in the ADU Incentive Program, as well as the cumulative savings for the ADU Incentive Program, which can be up to approximately \$30,000 for the applicant in combined County costs and designer fees.

**RESULTS:** The County has seen an influx of ADU permits with the establishment of the ADU Incentive Program. In 2019 there were 225 ADU related permits compared to the 147 ADU related permits in 2018. The pre-approved plans were deployed in phases from summer through the fall of 2019, with outreach occurring in September of 2019. There has been a great deal of interest thus far, but it will be several more months until the results of this component of the ADU Incentive Program materialize.

PDS workload reports now track ADU permits issued each month to monitor changes to the ADU Incentive Program as a part of the broader Housing Affordability metrics. Since launching the program, there has been a 50% increase in ADU permit applications as compared to the same period two years ago.

**REPLICABILITY:** The County's cumulative Accessory Dwelling Unit Program can be replicated to achieve measurable housing affordability results by other California Counties since housing affordability continues to be a concern across the entire state. This program is an example of a positive way for a County, as a local jurisdiction, to go beyond State and Federal efforts to remove some of the barriers and challenges typically associated with housing and housing affordability.

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