

Item 4.1

ADU Amnesty Program

City Council Priority #7

January 7, 2020

City Council

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*Planning, Building and
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Background

March 2017

City Council first Adopted ADUs & Garage Conversions as Policy Priority

June 2018

City Council direction on ADU Amnesty Program:

“Study an amnesty program that would legalize illegal non-conforming accessory dwellings provided they are brought up to the standards included in the City's ordinance”

September 2019

City Council accepted staff's analysis and recommendation, with further direction items

Recommended ADU Amnesty Program Elements

- Two-year program
- Legally permit ADUs for year built, or as close to year built, determined by Building Official
- Self-assessment checklist for owners
- Third-party Consultant – ADU inspection only; health/safety violations must be addressed
- Waive Unpermitted Construction Penalty Fee
- Use existing Financial Hardship Exemption to waive business tax



September 24, 2019 Council Direction

Waiving Business Tax

The business Financial Hardship Exemption program waives tax for owners of ADUs if they charge \$2,000 or less per month in rent. Staff research indicates the majority of ADU Amnesty units would qualify for this existing program.

Reducing or Waiving Permit and Impact Fees

- SB 13 waives impact fees for ADUs less than 750 square feet.
- Estimated plan review and permit fees = \$5,862 per ADU. 50 applications = \$293,000; 100 applications = \$586,200.

Third-party Inspections and Inspection Scope

Scope of inspection limited to the ADU only, with the exception of any life/safety issues.

Hazardous Health and Safety Code Violations

Most significant health and safety hazards include (1) hazardous wiring, (2) structural hazards, (3) inadequate fire protections/exits, (4) lack of sanitation/water, (5) gas appliance in a sleeping room.

September 24, 2019 Council Direction

State, Federal and Non-Profit Loan/Grant Resources

Staff found no federal, state, or non-profit loans/grant resources for ADU amnesty applicants. Other municipalities with amnesty programs encourage property owners to make use of private financial options (e.g. home equity loans). AB 671 requires HCD to develop a list of State grants and financial incentives for ADUs by December 2020.

Self-assessment Checklist

Checklist outlines the program eligibility guidelines and provides the framework for permit and health/safety requirements.

Zoning Ordinance Amendments

December 17, 2019 Council approval of amendments:

- Junior ADUs allowed
- Minimum lot size eliminated
- Backyard coverage rule is eased
- Attached ADU size eased to 50% of primary home area or 800 SF, whichever is greater
- ADUs allowed on more types of Zoning Districts, including duplex and multifamily lots
- Larger ADUs allowed with up to 2 bedrooms
- Replacement parking for garage/carport conversions no longer required
- Rules for ADUs on historic properties eased
- ADUs owned by qualified nonprofit corporation can be sold separately from primary unit
- ADU rental term no less than 30 days

Amnesty Program Implementation

Launch on January 21, 2020

- Prepare outreach strategy and third party services

AB 881 / AB68

- Property owner can request a 5-year delay of enforcement of ADU building standard violations; City must grant request if correcting the violation is not necessary to protect health and safety

Amnesty Process Diagram



Questions/Discussion