

5. INCENTIVES TO ENCOURAGE ADUS

The Town can take a number of steps to incentivize ADU production, whether by streamlining and simplifying the process or providing financial incentives to interested homeowners. Below are some incentives the Town could potentially offer. Would these incentives motivate you to build an ADU? Rank each potential incentive.

Potential Incentive	Benefits/where it's been used	Ranking Scale				
		1 weak incentive	2	3 fair incentive	4	5 strong incentive
<p>Amnesty for Unpermitted ADUs</p> <p>There are likely some properties in Ross with separate living units – either in the home or on the lot – that were constructed without a legal permit. While the units may be perfectly livable, insurance companies will not cover a fire, damages, or injuries relating to an unpermitted unit. To help reduce liability and increase the supply of workforce housing in Ross, the Town could waive penalties and reduce fees for owners who choose to legalize their unpermitted units.</p>	<p>San Francisco, San Jose, Santa Cruz County, and San Mateo County have amnesty programs that save applicants between \$6,000 and \$10,000 per unit.</p>	1	2	3	4	5
<p>Pre-Approved ADU Plans</p> <p>Designing an ADU can be a long and complex process. To streamline and simplify things for interested homeowners, the Town could offer a variety of pre-approved ADU building plans designed by qualified architects. Homeowners could then pick from a menu of options knowing their choice is approved and ready to build. The Town could offer multiple pre-approved design options from different firms that accommodate a range of homeowner needs, from small studio ADUs to larger, two-story layouts.</p>	<p>In the City of Los Angeles, plan check review process was reduced from 4 to 6 weeks to as little as one day. Pre-approved design also offer homeowners substantial savings on architect/professional design fees.</p>	1	2	3	4	5
<p>Technical Assistance</p> <p>The Town already offers homeowners interested in ADUs an array of information and tools through ADU Marin, a partnership between ten Marin County jurisdictions formed to facilitate ADU construction. This includes a step-by-step workbook and interactive website with sample floor plans, a calculator to estimate construction costs, and inspirational stories from Marin residents who have already built an ADU. The Town could complement these resources with technical assistance, such as information on cost-saving building materials and construction techniques; a referrals list of pre-qualified architects, landscape architects, and civil engineers; consultation with design and permitting professionals.</p>	<p>Santa Cruz County and the City of LA offer similar services to residents.</p>	1	2	3	4	5
<p>Property Tax Relief</p> <p>Constructing an ADU will add value to your home. For example, a newly constructed 850 square foot ADU is estimated to add \$290,000 to the value of a home in Ross, according to ADU Marin, a partnership between ten Marin County jurisdictions formed to facilitate ADU construction. As a way to incentivize the creation of workforce housing for home help workers, teachers, firefighters and others who work in Marin, the Town could offer tax exemptions to homeowners on the portion of the property that is rented as an affordable unit.</p>	<p>The Town of Wellfleet in Cape Cod, Massachusetts has run a program like this since 2006. The savings compensate income that would have been earned if the unit were rented at market rate.</p>	1	2	3	4	5
<p>Development Fee Waivers</p> <p>As with any construction project, building an ADU typically involves permit and application fees charged by the Town to cover the cost of services provided. These fees can run on the order of \$45,000 for an ADU. The Town could waive these fees for ADUs made available for home help workers, teachers, firefighters and others who make less than 80 percent of the Marin County annual median income.</p>	<p>The City of Santa Cruz has offered this incentive as part of a wide-ranging ADU Development Program since 2003. City staff estimates the program has resulted in an average of 40 to 50 ADU permits approved annually. San Anselmo also offers similar waivers.</p>	1	2	3	4	5
<p>Forgivable Loan Program</p> <p>ADU design and construction involves a significant up front investment from the homeowner. To assist with these costs and incentivize the creation of workforce housing, the Town could offer forgivable loans for homeowners who make their units available to home help workers, teachers, firefighters and others who make less than 80 percent of the Marin County annual median income.</p>	<p>The County of Santa Cruz offers loans of up to \$40,000 to homeowners willing to rent their ADU to low income households at affordable rents for up to 20 years. The ADU Loan is provided at 3 percent simple interest, deferred for 20 years, and will be forgiven after 20 years if the ADU has been rented in compliance with the low-income restriction for the entire 20-year term. Homeowners may opt out of the deed restriction agreement at any time.</p>	1	2	3	4	5

