

MEMORANDUM

TO: Ordinance Committee
FROM: Maureen O'Meara, Town Planner
DATE: July 15, 2022
SUBJECT: ADU Reform Webinar

Introduction

The Town Council has referred to the Ordinance Committee preparation of Zoning Ordinance amendments initiated by LD 2003. There have been comments that provisions in LD 2003 are unprecedented with unknown consequences. I attended a webinar on June 28th that focuses on lessons learned with ADU (Assessory Dwelling Unit) reform adopted elsewhere. A principal convener of the webinar was Greg Payne, Senior Housing Policy Advisor to Governor Mills. The webinar was hosted by Up For Growth and the American Planning Association, as part of the Pro-Housing Webinar Series. The webinar link follows, as well as a summary of webinar highlights.

[So You've Passed ADU Reform. Now What?](#)

Highlights

- Greg Payne, Senior Housing Policy Advisor to Governor Mills: LD 2003 “operationalizes new property rights that owners will have.”
- California adopted ADU reform in 2016. There was little uptake until additional legislation was adopted restricting local regulations that limited ADUs with height, setback and minimum lot size restrictions. In 2020, ADU production increased. Of the 100,000 housing units built last year, 20,000 were ADUs.
- Some municipalities have adopted affordable ADU programs.
- Freddie Mac has made rule changes to allow and make financing of ADUs more affordable.
- AARP (American Association of Retired Persons) housing policy strongly supports development of ADUs to benefit seniors. They recommend:
 1. Pass legislation that removes ADU restrictions
 2. Educate homeowners on the benefits of ADUs
 3. Streamline the building process
 4. Make financing accessible

- The California experience is that ADUs are disproportionately built in affluent communities, but housing policy should allow equity and wealth for all, so access to financing ADU construction should be considered. Most ADU construction is financed by cash savings or equity.
- Even when ADUs are allowed to be STRs (Short Term Rentals), for seniors, only 10% of ADUs operate as STRs. Over time, they tend to convert to non STRs. ADUs operated as STRs happens more often in affluent communities. The AARP ADU survey of members found that 86% of seniors want the ADU for a senior family members. 76% want the ADU for a caregiver.
- AARP has an “[ABCs of ADUs](#)” document available.
- [San Jose](#) and [Seattle](#) have a program of pre-approved ADU plans that saves on costs, permitting, less uncertainty. The pre-approved plans work best with single family homes.