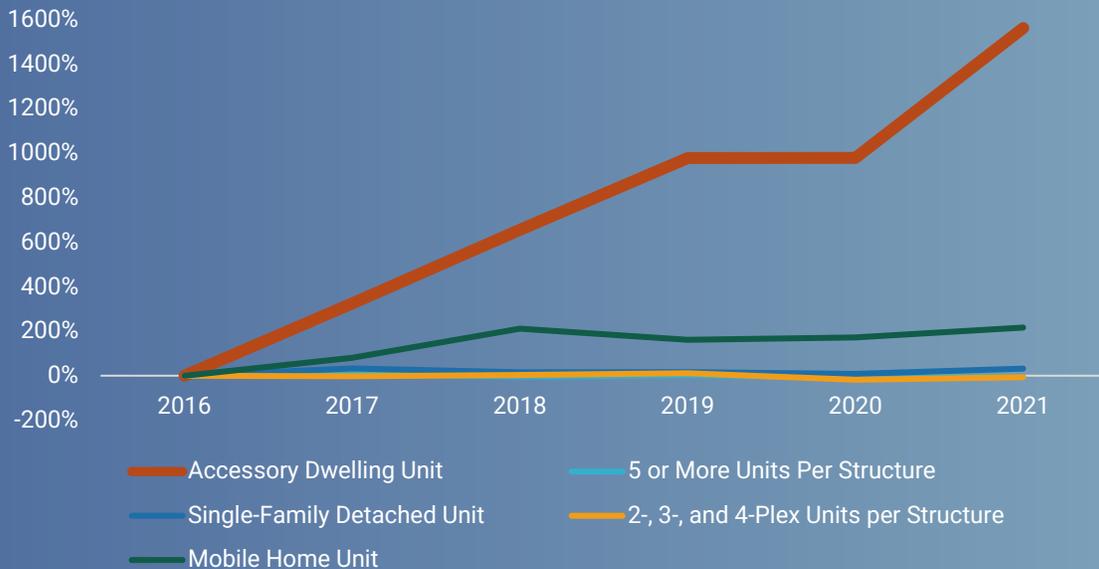


# Individualized ADU Analysis and Planning for Localities

**ADU growth is outpacing all other forms of housing in California, having increased by nearly 1600% in units permitted per year from 2016 to 2021**



**LeSar Development Consultants crafts locality-specific ADU policy analysis and planning. We have knowledge of dozens of ADU incentive programs that address funding, project streamlining, density, and more. Our consulting staff can assist localities with several key areas of work:**



Data driven analysis of housing needs, potential ADU impacts, and ADU growth projections



Spatial analysis of sites that can accommodate ADUs



Analysis of potential funding sources for incentive programs

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# ADU Incentive Programs

LDC has knowledge of a wide range of local ADU incentive programs through California and nationwide, with innovative examples that can be adapted for unique local conditions.



## Financial Subsidies

Grants, loans, and other financing can help provide support for units to help low-income residents.

**Example:** The County of Napa offers forgivable loans for new affordable ADUs. LDC is working with County to expand the loan program.



## Streamlining

Many localities have pre-approved designs that homeowners can use for a shorter process, with a lower cost.

**Example:** The City of Los Angeles' Standard Plan Program created 30 pre-approved designs



## Density Bonuses

Localities can allow more ADUs if some are affordable.

**Example:** The City of San Diego allows a bonus ADU if one is rented at an affordable price for moderate-income.



## Project Assistance

Experienced professionals can help homeowners take their ADU through permitting and construction.

**Example:** The City of Austin's Alley Flat Initiative provides homeowners key assistance.



## Amnesty for Unpermitted Units

By bringing projects into compliance, cities can create safer homes and earn RHNA credit.

**Example:** The City of Encinitas will permit such units with an affordability agreement.



**Best practice:** To implement a successful ADU incentive program, a robust outreach effort is key. LDC can help create awareness of valuable new programs.

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# Targeted Beneficiaries of ADU Incentive Programs



## Low- to Moderate-Income Homeowners

- ADUs have largely benefitted higher-income homeowners. Access to financing has been a major challenge for those without cash or major equity.
- Many localities target incentives to low- and moderate-income homeowners, with an income cap that varies but is usually around 100% to 120% of AMI.
- These incentives tend to be subsidy programs, sometimes paired with project assistance; often the subsidies come as low-cost or forgivable loans.



## Low-Income Renters

- Some programs offer benefits for building an ADU that is kept affordable for a given period.
- This can be accomplished with a grant or forgivable loan to support homeowners in exchange for accepting below-market rents for several years.
- Potential for collaboration with Housing Authorities to match Section 8 voucher holders with ADUs.



## Universal

- Efforts can encourage ADU production with the result addressing broader housing needs. Lighter incentives and project support then can be offered to any homeowner who builds a unit.

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## Different types of ADU incentives can promote production



Pre-approved designs



CalHFA grant/loan program and other financing



Promoting ADUs for intergenerational households



Bonus ADUs