



COMMUNITY DEVELOPMENT AGENCY
HOUSING AND FEDERAL GRANTS DIVISION

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February 27, 2024

Board of Supervisors
County of Marin
3501 Civic Center Drive
San Rafael, California 94903



SUBJECT: Housing Element Implementation: Development Fee Waivers for Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs)

Dear Board Members:

RECOMMENDATIONS:

1. Consider adopting a resolution extending previous delegation of authority to the Community Development Agency Director and the Public Works Director to waive and reduce fees for eligible ADUs and JADUs through December 31, 2024 as specified below:
 - a. Extension of the Community Development Agency Director's authority to waive building permit fees for eligible ADUs in amounts not to exceed \$2,500 per unit;
 - b. Approve waiving and reducing fees for eligible ADUs that are rented under affordable housing parameters for up to \$10,000¹
 - c. Extension of the Community Development Agency Director's authority to waive or reduce building permit fees for eligible JADUs in amounts not to exceed \$1,500 per unit; and
 - d. Extension of the Director of Public Works authority to waive Roadway Impact Fees for eligible JADUs.

SUMMARY:

ADUs are an important tool to address our housing production goals and increase the stock of available housing options. The County's most recent Housing Element (2023-2031) identifies a goal to produce 280 ADUs across the eight-year time period from 2023 to 2031. Program 4 of the Housing Element includes incentives and resources to support the development of ADUs and JADUs and includes a goal to assist with the creation of five ADUs for lower-income households annually. This fee waiver supports this goal by reducing permitting fees associated with building an ADU.

¹ Affordable units are defined as those that are rented up to 80% Area Median Income (AMI) referred to as low-income units, and units that are rented between 80-120% Area Median Income (AMI), referred to as moderate-income units.

On May 25, 2021, your Board passed Resolution 2021-34 authorizing the Director of the Community Development Agency (“CDA”) and the Director of Public Works to waive or reduce certain development fees through December 31, 2023, with the goal of increasing production of Accessory Dwelling Units (ADU) and Junior Accessory Dwelling Units (JADU) in unincorporated Marin. The proposed resolution would extend the fee waiver for the January 1, 2024 through December 31, 2024 period.

The fee waivers are part of a larger suite of incentives and resources the County is offering to support the development and rental of ADUs and JADUs. On December 12, 2023, your Board approved a contract for Marin County to merge with the Napa Sonoma ADU Center to form the “ADU Center”. This three-year pilot program will provide a “one-stop shop” to assist property owners in planning and developing ADUs including one-on-one customer service, facilitation between Marin jurisdictions and contractors, along with guides and resources specific to building ADUs in Marin. Staff will be monitoring this program and consulting with the ADU Center to develop updates, if needed, to the fee waiver program for your Board’s consideration in early 2025.

BACKGROUND:

Since 2017, as a response to the North Bay Wildfires, your Board has authorized the Community Development Agency Director to waive or reduce building permit fees for JADUs to create supplemental rental housing within the footprint of existing residential properties.

In January 2020, your Board approved an expansion of ADU and JADU fee waivers through December 31, 2020, in response to the affordable housing crisis in Marin County by offering higher fee waivers for the development of ADUs that are rented to low- and moderate-income households. Your Board approved an additional extension of this program on May 25, 2021, which applied to the period January 1, 2021, through December 31, 2023. This program included a waiver of:

- up to \$2,500 for eligible ADUs;
- up to \$5,000 in fees for eligible ADUs rented to a moderate-income household (between 81-100% of Area Median Income guidelines²), which equates to an annual income between \$133,801 and \$189,000 for a household of three;
- up to \$10,000 in fees for eligible ADU rented to a low-income household (up to 80% of Area Median Income guidelines), which equates to an annual income of \$133,800 or below for a household of three; and
- up to \$1,500 for eligible JADUs.

² 2023 Income Limits. Marin Housing Authority. <https://www.marinhousing.org/eligibility-requirements>

To qualify for a waiver, the property owner must affirm that the ADU will not be used a short-term rental. Attachment 2 provides more background details on the County's ADU fee waiver program. Waived fees may include Community Development Agency fees, such as planning, building and safety, and environmental health services, and Department of Public Works fees, such as traffic mitigation.

DISCUSSION:

Since the inception of the fee waiver program in 2017, the County has seen a significant increase in interest to develop ADUs and JADUs. During this timeframe, several State laws have been passed to ease development of ADUs, including the elimination of a discretionary permit pathway and allowance of additional ADUs on some eligible lots. On December 19, 2023, your Board approved amendments to the Marin County Development Code to ensure consistency with State ADU law³.

Over the last five years, the County received the following applications for ADUs in each calendar year:

- 2019: 35
- 2020: 49
- 2021: 154
- 2022: 97
- 2023: 81

To receive a fee waiver, the property owner must submit a permit application to the Building and Safety Division⁴ and affirm that the unit will not be used as a short-term rental. To receive one of the higher tiered waivers intended for moderate and low-income households, the property owner will also need to place a deed-restriction on the property confirming the unit will be rented to a household at the income level specified. The application for these fee waivers is available on the Housing & Federal Grants website:

<https://www.marincounty.org/depts/cd/divisions/housing/accessory-dwelling-unit-resources>

In 2022, the County processed 39 ADU and 1 JADU fee waivers, totaling \$97,500 and \$1,500 respectively. In 2023, the County processed 47 ADU and 2 JADU fee waivers, totaling \$117,500 and \$4,000 respectively. All the fee waivers processed to date have been for ADUs without affordability restrictions. Staff are currently processing one application for an ADU to be rented to a low-income household, and one for an ADU to be rented to a moderate-income household and anticipate more applications as additional resource become available through the ADU Center this year. As previously noted, the County continues to expand resources and incentives to support

³ December 19, 2023. [County of Marin Board Letter: Accessory Dwelling Unit Development Code Amendments \(Marin County Code Title 22\)](#).

⁴ Applicant may need to consult with the Planning Division beforehand if the project requires planning or septic permits prior to building stage.

property owners in the production of second units. With the incorporation of the ADU Center in 2024, staff anticipate additional support and education opportunities for homeowners to make ADU development more feasible in unincorporated Marin, especially for ADUs rented to lower-income households.

EQUITY IMPACT:

The County is committed to advancing equitable communities, where all community members have access to healthy, affordable housing. Evidence shows that access to stable, affordable housing in high-resourced communities has broad, positive impacts, leading to better health and education outcomes and higher lifetime earnings, especially for children.

Marin County presents highly segregated communities, with high concentrations of non-Hispanic white households in communities with a prevalence of single-unit zoning⁵. According to UC Berkeley’s Othering and Belonging Institute, some of the most segregated communities in the Bay Area are located in Marin⁶. Accessory Dwelling Units can create more affordable housing opportunities in existing community footprints and help open access to historically exclusionary single-unit zoned communities, many of which in Marin are high-resourced⁷. ADUs available to lower-income households address one of the goals in the County’s Housing Element Program 4 (Accessory Dwelling Units) and supports the County’s mandate to affirmatively furthers fair housing.

FISCAL IMPACT:

ADU and JADU fee waiver records from the previous two years (2022 through 2023) show steady interest in ADU development, with an annual average of \$110,250 in non-affordability deed restricted fee waivers issued. No affordability deed restricted units have been developed to date. Staff anticipates the program will reduce fees by approximately \$115,000 in FY 2024-25 based on prior years trends.

Consistent with prior year actions, non-Departmental General Fund will reimburse CDA for fee waivers for non-affordability deed restricted units. The Affordable Housing Fund will reimburse fees waived for affordability deed restricted units. If the volume of fee waiver requests exceeds the predictions detailed above, staff will work with the OCE to develop potential program funding opportunities and will report back to the Board of Supervisors.

⁵ 2020. County of Marin Multi-Family Land Use Policy and Zoning Study. Section 7: Impediments to Fair Housing.

⁶ 2021. UC Berkeley Othering and Belonging Institute. “The Most Segregated Cities and Neighborhoods in the San Francisco Bay Area. <https://belonging.berkeley.edu/most-segregated-cities-bay-area-2020>

⁷ 2024. HCD/CTCAC Opportunity Map. <https://belonging.berkeley.edu/final-2024-ctcac-hcd-opportunity-map>

The recommended actions would have a net County cost of an estimated \$115,000.

REVIEWED BY:

- | | |
|---|---|
| <input checked="" type="checkbox"/> County Administrator's Office | <input type="checkbox"/> N/A |
| <input checked="" type="checkbox"/> County Counsel | <input type="checkbox"/> N/A |
| <input type="checkbox"/> Department of Finance | <input checked="" type="checkbox"/> N/A |
| <input type="checkbox"/> Human Resources | <input checked="" type="checkbox"/> N/A |

Respectfully submitted,



Aline Tanielian
Senior Planner

DocuSigned by:
Sarah Jones
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Sarah Jones
Director

Attachments:

1. Resolution delegating authority to waive Roadway Impact Fees for Junior Accessory Dwelling Units and Building Permit Fees for Junior Accessory Dwelling Units and Accessory Dwelling Units
2. JADU/ADU Fee Waiver background