

City of Novato
General Plan 2035 Policy White Paper



JUNIOR SECOND UNITS
April, 2014



The Issue

Accessory dwelling units (ADU - sometimes called “second dwelling units” or “granny units”) are allowed in all California jurisdictions, but creation of legal ADUs is often constrained by zoning requirements and fees. This White Paper offers an alternative for consideration – a “Junior Dwelling Unit” (JDU) which entails repurposing a portion of an existing home to create a small caregiver or rental unit which would be subject to less strenuous zoning regulations and fees as an inducement to expand opportunities to create such units.

Background

What is an Accessory Dwelling Unit?

Accessory dwelling units are small, self-contained living units that typically have their own kitchen, bedroom(s), and bathroom space. ADUs are self-contained living units that can be located within the walls of an existing or newly constructed single-family home or can be an addition to an existing home, either attached or within a detached accessory structure. By design and regulation, ADUs are smaller than the principal residence, and are sited in a way to preserve the single-family character of a neighborhood. Most jurisdictions place size limitations on ADUs, and many require that the property owner reside on the premises. ADUs differ from duplexes which contain two primary dwelling units located on a single parcel, both of which can be equally sized and rented separately without the requirement for owner occupancy.

The benefits of ADUs are numerous. For the homeowner, ADUs provide the opportunity to provide an affordable and independent housing option to a family member, or can be rented to help defray costs of home ownership. ADUs typically rent for less than a comparably sized apartment or condominium, but provide housing within an existing single-family neighborhood setting. In many cases, property owners and renters of ADUs are able to share responsibilities for property maintenance and security.

Regulating Accessory Dwelling Units

In 1982, the State of California enacted Government Code Section 65852.2, which established a mandate that every local agency in the state adopt provisions for permitting second dwelling units. The stated purpose for this law was to encourage housing for extended family members and to increase the available stock of rental housing.

In 2002, the State amended Government Code Section 65852.2, precluding local governments from requiring discretionary review and permitting for ADUs (e.g., eliminating requirements for a Use Permit or design review) which meet specific, adopted development and design standards. The purpose of this legislation was to encourage the creation of ADUs by minimizing obstacles in the review process.

The cities, towns and County of Marin define and regulate ADUs in various ways. Most limit the maximum size of ADUs, the minimum lot size necessary to locate an ADU and parking requirements (see the following summary table). In addition, some jurisdictions such as Fairfax

and Marin County, require that ADUs have a separate exterior entry and an associated bathroom.

Agency	Max. Size or Size Range	Min. Lot Size	Parking Req.
Sausalito	New units not allowed	n/a	n/a
Belvedere	750 sf max.	8,000 sf	1 addnl. space/bedroom
Tiburon	500 sf max. for new; 1/3 allowable floor area up to 1,000 sf for existing units	10,000 sf	1 addnl. space/bedroom
Corte Madera	350-700 sf	?	1 addnl. space/bedroom
Larkspur	320-700 sf	7,000 sf	1 addnl. space
Ross	700 sf max.; Town Council can approve up to 1,000 sf	?	1 addnl. space
San Anselmo	150-800 sf	?	1 addnl. space
Fairfax	320-700 sf	?	1 addnl. space
San Rafael	800 sf max.; up to 1,000 sf with a Use Permit	5,000 sf	1 addnl. space for studio/1 bedroom; 2 spaces for 2+ bedrooms
Novato	150-750 sf; up to 1,000 sf on lots over 10,000 sf	n/a	1 addnl. space
Marin County	220 sf min./no max.		?

Construction of Legal Accessory Dwelling Units

Most jurisdictions promote ADUs as a source of affordable housing in their adopted Housing Elements, and many contain programs calling for additional efforts to encourage property owners to implement legal ADUs. In addition, the State Department of Housing and Community Development (HCD) allows jurisdictions to count the future production of ADUs towards meeting their Regional Housing Needs Allocation (RHNA) based on the rate of past construction of ADUs and if a survey documents that rental rates charged of occupants of existing ADUs fall within the range of household affordability.

Approximately 200 ADUs were legally constructed in all jurisdictions within Marin County between 2007 and 2014, constituting about 3% of total new housing units built. In Novato 10 accessory dwelling units were built between 2007 and 2014.

San Rafael conducted a comprehensive survey of legal accessory dwelling units in 2009 and found that 25% of ADUs were not rented (e.g., provided to family members without rent or vacant). Of the rented units, half were rented at rates affordable to low-income households and half were affordable to very-low income households. Novato’s survey of built accessory

units in 2011 found that 66% are affordable to very low income households and 34% are affordable to low income households.

In 2007 San Rafael conducted numerous focus groups to determine why more property owners do not attempt to create ADUs. The two principal reasons cited included the inability to provide the additional required parking space(s) and the costs of the constructing the units vs. potential rental return. The costs for ADUs include permit costs and impact fees, including traffic and street impact fees, utility connection fees, school district fees and the costs associated with installation of fire sprinklers. In Novato, for example, City and Utility/Fire/School District fees commonly reach \$40,000 for an ADU, including an \$8,950 sewer connection fee and \$17,200 water connection/meter fee. San Rafael actively lobbied utility districts to reduce fees for ADUs and lowered City permit fees, including eliminating their traffic impact fee in order to incentivize owners to create new ADUs. Fees for new ADUs in San Rafael now approach about \$15,000 each. San Rafael saw a small increase in the number of new ADUs applied for following the fee reductions. However, San Rafael abates three times as many illegal ADUs on average each year through code enforcement actions compared to creation of new, legal ADUs, suggesting that there remains a strong market for rental units, but reluctance on the part of property owners to create units subject to required permits and fees. The City of Novato reduced its application and impact fees by 50% for second units in August, 2013, reducing the typical cost by approximately \$7,500.

A New Option to Consider – “Junior Second Units”

During preparation of the 2007-2014 Housing Elements in Marin, residents in various communities encouraged the creation of ADUs as a preferable alternative to construction of new multi-family developments. As noted above, it is very likely that new ADU construction will continue to be constrained by parking and fee requirements under current regulations. A different way of envisioning accessory dwelling units may entail repurposing existing space within existing single-family dwellings. Household size in Marin County has decreased significantly since much of our housing stock was built. In 1960 and 1970 the average household size was 3.1 and 2.9 persons/household respectively, declining to 2.3 persons/household today. This has resulted in many housing units being underutilized, particularly with aging inhabitants who could possibly utilize in-home assistance or additional income that a renter or caregiver could provide.

In an attempt to define a smaller, less impactful shared living situation, the Marin County planning directors have discussed the potential for creating regulations for a “Junior Second Unit” that would not entail repurposing existing space within a dwelling to create a semi-private living situation in conjunction with the owner-occupied unit. A Junior Second Unit (JSU) would be limited to conversion of an existing bedroom, incorporating a small wet-bar kitchen, an exterior entrance and a limited size (maximum of 500 square feet). The wet-bar kitchen would have a limited sink size (14”x16” max.), a small drain line (max. 1.5” diameter) to preclude a larger sink or garbage disposal, limitation on the length of associated counter and cabinets (6 feet max.), prohibition on natural gas or 220v electrical service to preclude a full-sized cooking appliance, and a prohibition on installation of a dedicated electrical circuit, gas

line, gas stubout or plumbing stubout to preclude future service expansion. Since the JSU would not result in an additional bedroom, no additional parking beyond that required for the single-family home, would be necessary. On-site owner occupancy would be required. A comparison between ADU regulations and those proposed for a JSU is provided below.

	Accessory Dwelling Unit	Junior Second Unit
Size	Max. size varies by jurisdiction (see table above). May be conversion of existing or new floor area.	220-500 sf – conversion of existing bedroom required, no building expansion.
Kitchen	Kitchen components typically defined but not limited.	Wet-bar type kitchen only. Limits on sink and counter sizes; limit on size of drain line; no gas service and limit on electrical service (110v)
Bathroom	Typically required as part of the unit	Separate bathroom for unit not required – shared bathroom OK
Access	Interior access generally not required	External and internal access required
Parking	Required	Not required if existing dwelling meets current parking standards
Owner Occupancy	Owner occupancy required	Owner occupancy required
Approval Process	Ministerial unless project deviates from standards (e.g., upper story addition, exceeds size limit, etc.)	Ministerial
Deed Restriction	Most jurisdictions require the recordation of a deed restriction requiring owner occupancy	Require recordation of a deed restriction requiring owner occupancy

Analysis

To be a preferable alternative to a normal ADU, a Junior Second Unit would need to satisfy the interests of local agencies to have such units count towards RHNA numbers as well as being more cost-effective for property owners.

Counting Junior Second Units towards Regional Housing Needs Allocation

Staff from HCD have confirmed that they base their determinations on whether units count towards a jurisdiction’s RHNA numbers based on the definitions in the California State Building Code. The 2010 California Building Code defines “Dwelling Unit” as, “a single unit providing complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation.” HCD staff have indicated that the proposed provisions for Junior Second Units would meet the CBC definition and would therefore count towards RHNA allocations.

Fee Reductions

Staff has contacted a number of utility districts in Marin to determine connection fees associated with Junior Second Units. All confirm that they would not charge connection or meter fees for installation of a wet bar within a single-family residence, when defined as a separate unit, they would impose some level of connection fee. Some districts seem willing to consider a reduced fee based on the smaller size or a JSU and the requirement that an existing bedroom be utilized, but district staff have asked that cities and towns adopt new zoning regulations for JSUs prior to requesting reconsideration of fee levels by the utilities.

The fire marshals of Marin have discussed the concept of a JSU and generally have expressed a willingness to not automatically require installation of fire sprinklers in conjunction with creation of the new internal unit.

Policy Options

If interested in pursuing a regulatory approach to allowing smaller, repurposed rental units within existing single-family homes as an alternative to current allowances for accessory/second dwelling units, a program could be added to the Draft Housing Element calling for subsequent consideration of such a model ordinance. If sufficient interest exists, a model ordinance will be developed to be considered by each interested jurisdiction.

Example of a Junior Second Unit:







