



SUBJECT: Accessory Dwelling Unit Grant; and amend the 2024/25 Operating Budget

DEPARTMENT: Community Development

STAFF: Alexis Morris, Director of Community Development
Tim Nielsen, Development Services Manager

TITLE/RECOMMENDATION

Adopt a Resolution amending the 2024/25 Other Grants Fund Operating Budget in the amount of \$121,195.00 for the grant revenue and expenditures to allow distribution of up to \$121,194.85 in Program grant funds.

FISCAL IMPACT

The City was awarded \$121,194.85 in grant funds for the Accessory Dwelling Unit (ADU) Accelerator Program, which was created for jurisdictions located in California Senate District 7. An amendment to the 2024/25 Other Grants Fund Operating Budget in the amount of \$121,195.00 for both the grant revenue and program expenditures is required to facilitate the distribution of grant funds directly to Brentwood property owners who qualify.

If approved, this action will have no direct impact on the General Fund Operating Budget. Participation in the program does not require the City to match funding or otherwise contribute to the Program.

BACKGROUND

Brentwood General Plan Housing Element Action H.1b ('Accessory Dwelling Units') provides that "[t]he City shall support and accommodate the development of Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs) during the 2023-2031 planning period". Further, the objectives following Action H.1b exhort the City to "[r]esearch potential State and Regional funding sources for affordable ADUs and make information publicly available".

The California Department of Housing and Community Development (HCD) is administering a pilot program to accelerate the development of up to 350 ADUs across 15 cities and towns in Alameda and Contra Costa counties that fall within California Senate District 7 (Glazer), and would help comply with our Housing Element



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Action H.1b. This Program is intended to help develop more affordable housing across the region. The amount of funding available in each jurisdiction is determined by population, and Brentwood’s maximum available funding amount is \$121,194.85.

ADU Accelerator Program grants are available to incentivize property owners to construct accessory dwelling units through a rebate program. Property owners who obtain building permits to construct an ADU and complete construction of their ADU within 18 months of issuance, but no later than 9/30/2026, are eligible for the following rebate amounts:

Size of Unit	Low-Income Restricted ADUs	Non-restricted ADUs
<500 square feet	\$15,000	\$7,500
501-750 square feet	\$10,000	\$5,000
751-1,000 square feet	\$5,000	\$2,500

All funds must be expended by September 30, 2026. Locally, this Program is estimated to benefit up to 17 non-restricted and four income-restricted accessory dwelling units, although the final mix will depend on the projects proposed by Brentwood property owners. Funds will be distributed on a first-come/first-served basis and the Program will cease to be available once all eligible funds are expended, unless additional funds become available. Any funds remaining at the conclusion of the pilot will be re-distributed to other jurisdictions who apply for the additional funding.

The Program also made up to \$50,000 in funds available for cities to develop permit-ready ADU plans. Staff did not pursue this portion of the grant, given the significant staff resources needed to administer this portion of the program and the limited amount of time available to comply. In compliance with State law, Brentwood does have a permit-ready ADU program through which architects and designers can have ADU plans reviewed and pre-approved for use on any eligible property. Design professionals may also ask to have previously-approved ADU plans added to the permit-ready list.

Only ADUs constructed on a permanent foundation with proper utility connections may be considered for the Program. Mobile homes, including trailer homes, recreational vehicles and other structures on wheels, do not qualify for this rebate program. Additionally, junior accessory dwelling units do not qualify for this Program.



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Should Council accept this grant, staff will set up a web page specific to the ADU Accelerator Program and begin publicizing the availability of the grant funds.

CITY COUNCIL STRATEGIC INITIATIVE

Not Applicable.

PREVIOUS ACTION

Not Applicable.

DATE OF NOTICE

Not Applicable.

ENVIRONMENTAL DETERMINATION

Not Applicable.

ALTERNATIVE OPTION(S)

Alternative Options to the Staff Recommendation:

1. Do not approve the resolution and preclude Brentwood's participation in the ADU Accelerator Program. This would make Brentwood homeowners ineligible for these rebates funded by the state.

ATTACHMENT(S)

1. ADU Accelerator Program Funding Resolution
2. ADU Accelerator Program Guidelines from Senator Glazer's Office