



## Accessory Dwelling Unit Accelerator Program

It is no secret the State of California is facing a shortage of available and affordable housing, and no one knows this better than our local cities and towns. From my first days in the State Senate, I have been a staunch supporter of cities seeking new and unique ways to spur the production of housing while blending new developments within the fabric of their communities.

I would like to announce the newly created *ADU Accelerator Program*. The ADU Accelerator Program offers rebates of up to \$15,000 for qualifying ADU plans and projects. This \$2.5 million state-funded initiative is intended to encourage and facilitate the construction of 350 ADUs in 15 cities and towns in Contra Costa and Alameda Counties.

Please see attached an overview of this exciting new program along with everything needed to apply and receive funds. Our goal is to have all 15 of our eligible cities participate to show local governments statewide what can be achieved when cities work together with the state on an incentivized program aimed at producing more affordable housing. Should you have any questions, please don't hesitate to reach out to me.

Sincerely,



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## Senate District 7 - ADU Accelerator Program | PACKET OVERVIEW

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This ADU Accelerator Program information packet includes:

- Cover Letter from Senator Glazer
- ADU Accelerator Program - Guidelines
- ADU Accelerator Program - Application Form
- ADU Accelerator Program - Biannual Progress Report Form
- ADU Accelerator Program - Sample Regulatory Agreement
- ADU Accelerator Program - FAQ
- ADU Accelerator Program - Per Capita Allocation (Attachment A)

Section 19.564 of the Budget Act of 2023 provides \$2,500,000 to be allocated to select cities in Contra Costa and Alameda Counties to encourage the production of accessory dwelling units (ADUs) to help address California's housing crisis. This new program, piloted by Senator Glazer, will be composed of 15 cities in the East Bay of the San Francisco Bay Area located in Senate District 7.

As authorized through the California Budget Act of 2023 and the California Department of Housing and Community Development, the Town of Danville will act as the fiscal agent to receive fund applications and distribute Program funds.



Program and application materials can be accessed via:

- Scanning the QR code; or
- [www.danville.ca.gov/SD7Accelerator](http://www.danville.ca.gov/SD7Accelerator)

Email applications, biannual reports and related correspondence to [SD7.ADUProgram@danville.ca.gov](mailto:SD7.ADUProgram@danville.ca.gov)



## Senate District 7 - ADU Accelerator Program | GUIDELINES

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Cities across California are ramping up efforts to encourage the production of accessory dwelling units (ADUs) to help address the housing crisis. Some cities are taking steps to encourage and facilitate the construction of ADUs through the development of permit-ready plans, including architectural design work. Other cities are waiving processing fees to bring down the cost of housing.

This new program, piloted by Senator Glazer, will be composed of 15 cities in the East Bay of the San Francisco Bay Area. The program will be administered by the California Department of Housing and Community Development for the purpose of advancing or “accelerating” the production of 350 ADUs through a series of programs.

### **Program Funding**

Section 19.564 of the Budget Act of 2023 provides \$2,500,000 to be allocated to select cities in Contra Costa and Alameda Counties to encourage the production of accessory dwelling units (ADUs) to help address California’s housing crisis.

### **Program Details**

1. **Incentive Program.** Available Funding: \$1,725,000

#### *A. Low-Income Restricted ADUs*

Provide individual rebates of up to \$15,000 to property owners who obtain building permits to construct an ADU and receive a certificate of occupancy within 18 months of issuance. Rebates will be provided for units that are deed restricted



to low-income households for a minimum of 20 years (see sample regulatory agreement provided); based on the following sliding scale:

- \$15,000 for units < 500 square feet
- \$10,000 for units between 501-750 square feet
- \$5,000 for units between 751-1,000 square feet

No rebates for units over 1,000 square feet.

### ***B. Non-restricted ADUs***

Provide individual rebates of up to \$7,500 to property owners who obtain building permits to construct an ADU and receive a certificate of occupancy within 18 months of issuance. Funds are awarded based upon the following sliding scale:

- \$7,500 for units < 500 square feet
- \$5,000 for units between 501-750 square feet
- \$2,500 for units between 751-1,000 square feet

No rebates for units over 1,000 square feet.

The total available funding amount allocated to each qualifying city is based on population and a per capita calculation of \$1.87. For example:

- City of Dublin has a population of 72,917 (as of January 1, 2024)
- Per capita - \$1.87
- Eligible for Award of \$136,352 ( $\$1.87 \text{ per capita} \times 72,917 \text{ population}$ )
- Divided by average of \$5,000 per unit (unrestricted)
- Potential ADUs Added = 27 ADUs

## **2. Permit Ready Prototype ADU Plans. Available Funding: \$750,000**

Qualified cities receive funding toward preparing prototypical permit-ready ADU plans (“ADU Plans”), including design elevations and construction drawings. Permit-ready plans are intended to streamline the ADU development process and facilitate additional ADU development in the community. Cities may partner with other cities on applications in this category to leverage investment. The maximum grant per city will be \$50,000.

Cities may not be reimbursed for permit-ready ADU plans that were prepared prior to the launch of this program. Program funds may be used to modify or update existing permit-ready ADU plans or to create additional permit-ready ADU plans. Cities may also seek compensation from other eligible cities they share plans with.

## **Application Process**

To receive funds, qualified cities must complete and submit an *electronic* application to the Fiscal Agent, Town of Danville.

All funds must be expended by the city as prescribed below and no later than **September 30, 2026**, after which these funds would be considered unexpended "Excess Funds" subject to re-allocation.

### ***Incentive Program***

An application must include (a) the anticipated number of units proposed to be produced through the program; and (b) amount requested based on the per capita amount identified in the Funding Eligibility section.

Funding will be distributed to cities upon receipt of the application. Any unused funding must be returned to the Town of Danville, Fiscal Agent, at the end of the 18-month period and may be reallocated to cities that meet their targets and have additional need.

### ***Permit-Ready Prototype ADU Plans***

An application must include (a) brief description of the plans to be developed including the number of floor plans and ADU sizes; and (b) requested funding amount. The maximum funding is \$50,000 per agency. Cities may partner with other eligible cities on applications in this category to leverage funding investment.

Funding will be distributed to cities upon receipt of the application. Permit-ready plans must be completed and available to prospective permittees within 12 months of grant award and include a city resolution adopting the ADU Plans.

## **Funding Eligibility**

There are 15 cities of varying size within Senate District 7. Funding eligibility for the Incentive Programs will be based on a per capita amount of \$1.87 per resident. Population will be based on the January 1, 2024 Department of Finance Population Estimates.

Eligible recipients shall be cities in Contra Costa and Alameda Counties, specifically Dublin, Livermore, Pleasanton, Antioch, Brentwood, Clayton, Concord, Danville, Lafayette, Moraga, Oakley, Orinda, Pittsburg, San Ramon and Walnut Creek.

Eligible cities have eighteen (18) months, until September 30, 2026 to utilize funding received through this program.

## **Excess Funds**

Any funding that has not been expended pursuant to these program guidelines by *September 30, 2026*, must be returned to the Fiscal Agent, the Town of Danville. These Excess Funds will be reallocated to other eligible agencies pursuant to the Incentive Program Guidelines. Funds will be re-allocated on a first come, first served basis. In the event of multiple requests, consideration will be given to which city or cities will generate the largest number of affordable units.

## **Application Deadlines**

Applications are accepted via electronic submittal only

*Incentive Program: September 1, 2024 - March 31, 2025* (may be extended if additional funds are available to be rolled over from the Permit-Ready program).

*Permit-Ready Prototype ADU Plans: September 1, 2024 - March 31, 2025.*

Note: Receipt of ADU Accelerator Program funds from State HCD is expected by October and available for disbursement by November 2024.

## **Program Administration**

As authorized through the California Budget Act of 2023 and the California Department of Housing and Community Development, the Town of Danville will act as the fiscal agent ("Fiscal Agent") to receive funding applications and distribute Program funds. The Town of Danville will receive a 1% fee (\$25,000) for administering the program.

Program questions and applications can be submitted to the Town of Danville Planning Division c/o Jessica Lam, at [SD7.ADUProgram@danville.ca.gov](mailto:SD7.ADUProgram@danville.ca.gov).

## **Biannual Reporting**

Eligible recipients will be required to submit Biannual Progress Reports which summarize the number of ADUs that have been permitted and finalized for the reporting period as well as cumulatively for the life of the program through September 30, 2026.

Biannual Progress Reports will be filed with the Fiscal Agent at [SD7.ADUProgram@danville.ca.gov](mailto:SD7.ADUProgram@danville.ca.gov).

\*Biannual reports are accepted via electronic submittal only.