A PROPOSAL FOR AN ADU INCENTIVE PROGRAM FOR THE CITY OF MILL VALLEY
Approval Page

Title: A Proposal for an ADU Incentive Program for the City of Mill Valley

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A Proposal for an ADU Incentive Program for the City of Mill Valley

by

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Introduction

This report contains a proposal for the City of Mill Valley for a possible incentive program to spur the development of Accessory Dwelling Units (ADUs). It includes an introduction to ADUs, analyzes the City’s need for the program, looks at successful case studies, and introduces a public friendly booklet which outlines the requirements for the allowance of an ADU and the process to be followed when applying.

This project and its location were chosen based on a strong need for an increase in housing throughout the state of California and by the recently effective bills (AD 494 and SB 229) meant to spur the development of ADUs. The City of Mill Valley was chosen in particular as it represents a smaller city within an area of affluence with a growing demand for affordable housing options.

The goal of this report is to not only outline the benefits of an ADU incentive program for the City of Mill Valley, but to present an option for other, like cities, that is approachable and easily implemented.
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CHAPTER 1
ACCESSORY DWELLING UNITS
1.1 WHAT ARE ACCESSORY DWELLING UNITS?

An Accessory Dwelling Unit, or ADU for short, is a small, secondary, housing unit which includes all necessary provisions for daily life. These structures, sometimes referred to as “Granny flats”, “In-law units”, or “secondary dwelling units”, are located on residential lots, in conjunction with an existing single family dwelling, commonly referred to as the primary dwelling. ADUs may be attached or detached from the primary single family residence and can range in size from 100 to 1,200 square feet (California Department of Housing and Community Development, 2016). Most jurisdictions require that these units are used as secondary to the main residence. These units are created with the intent of providing long term tenancy or occupancy for either a family members, guests, or for rental purposes. Additionally, these units are intended to be occupied in conjunction with the primary dwelling and cannot be bought or sold off separately. A cap of one ADU per property is most common and owners are typically required to live on property, either in the ADU or in the primary dwelling. The following is a list of the different forms an ADU may take:

**Attached**
- Above or below garage addition
- Converted garage
- Converted basement
- Addition
- Converted room or floor
- Converted carport

**Detached**
- Tiny home
- Back cottage
- Recreational Vehicles (RVs)
1.2 WHAT IS THE NEED FOR ADUS?

There are many factors which have played a role in the need for a broadening of housing options. One of the most notable factors influencing these changes is the population increase seen in cities and particularly in residential suburbs. This has led to a shift in the location, quantity, and type of housing in demand. This shift has contributed to a more competitive market which has in turn led to a decrease in housing affordability. This disconnect is especially notable in California, where the housing market is continually ranked as one of the least affordable in the nation (Hoffower, 2018). The following describes the events leading to this divide as it was influenced by a population increase in urbanized areas.

Population Increase in Urbanized Areas

The urban form dominating most cities and urbanized areas reflects growth patterns originating in the early 1900’s. Industrialization led to the expansion of urban areas, but with an unexpected population surge, numerous health hazards began to emerge. Those who could afford to, fled to surrounding areas, creating what we now know as suburbs, grouped single family developments connected by sprawling roadways. This development trend continued and led to an increased reliance on autos. Cities attempted to keep up with this growing dependence by widening roadways and creating parking requirements for development to ensure ease of car-based transportation. And so, the development pattern we now know as “sprawl” was established. This pattern dominated the growth of American cities until a shift occurred around the 1970’s, due to increased environmental consciousness. From 1970 to 2010, California had one of the largest decreases in sprawl (Lopez, 2014, p. 5). In recent years, the United States and California in particular, have seen a rise in the population in larger cities without an equivalent increase in residential development, leading to a compressed housing market.

The graphic to the right illustrates the steady growth of urban population worldwide and the predictions of population growth through 2050. The teal line at the very top of the graph represents Northern America which is expected to continue its lead in percentage of population living in urbanized areas.
The appeal of, and subsequent move to urban areas has been on the rise in recent years for several reasons. A major reason is a renewed desire for accessibility, or the ease with which a certain product or place may be accessed (Rode and Floater, 2014). In the past, this meant designing cities which were easily accessible by car, however accessibility is now taking on a new definition, to include everyone and all means of transportation. The contemporary city is moving towards a model that provides for a multiplicity of needs of all its users. Accessibility then must provide for social and economic equity, in ways that are sustainable and environmentally friendly. More accessible urban development means a decrease in sprawl, more compact and denser development, and a decrease in vehicle trips and, consequently, fuel emissions. (Hoornweg, 2010, p. 14). Other efforts which are supported by an increase in accessibility include proximity and availability of employment, interconnection of community, and diversity in activities and amenities offered (United Nations, n.d.).

In addition to the attraction to urban areas, the surge in population reflects the general population growth trends worldwide, as general health conditions improve and life expectancy increases. While the United States has seen a steady decrease in the rate of population growth, the overall population has been increasing steadily (United States Census Bureau, 2018). The following map depicts the most populous areas within the United States based on population density; note that the most populous areas are located near the major metropolis.

Figure 1.4 U.S. Population Density (By Counties)
The map also illustrates the desirability of some states, and particularly California, the Country’s most populous state. California has an estimated population of about 39.6 million and a projected population of 50 million by 2055, with much of this growth associated with steady migration into the state (California Department of Finance, 2017, p. 1). In 2010, 95% of Californians lived in urban areas and, while this number is not expected to change much in the next decade, this is indicative of a trend which will force development to increase to keep up with the growing population (Iowa State University, 2019).

California has already seen issues emerge from a large population influx in its most inhabited urban areas, most noticeable are those along the south-western coast and in the northern hub commonly referred to as the Bay Area. This population increase coupled with changes in societal views on housing has led to an increased demand for a housing, a need that the market is not meeting. According to California’s Department of Housing and Community Development, the state had a deficit of over 80,000 housing units in 2015 (2018, p. 5).

In addition to the increase in the quantity of housing units needed, there has been a shift in the types of housing most in demand. Trends in homeownership rates and household size have led to a larger demand for small, cheaper, renter-friendly options. Census data demonstrates that household size has been steadily declining since the mid-1900’s. As illustrated in the chart below, the average household size was 3.67 in the 1940’s, but by 2016 had dropped to 2.53 persons.

This shift in household size is one of the major factors that prompted a shift in the housing types that are most in demand. However, current development trends continue to develop larger, single-family homes in suburban areas with 90% of single family homes developed in 2017 having three or more bedrooms (United States Census Bureau, 2017). Options for those seeking smaller dwellings are minimal. This means that for most singles and smaller households, particularly for those with a limited income, a single-family residence is hardly a desirable option.
Furthermore, more California residents are moving away from homeownership and towards rentals. Census data indicates that homeownership rates in California have been decreasing steadily since a peak of about 60 percent in 2006. By 2016, California homeownership rates had dropped about six percentage points (Public Policy Institute of California, 2018). This could be a result of the lack of new development occurring in some markets which limits the opportunities of potential home buyers.

This disconnect between housing needs and development trends reflect negatively in housing affordability. Research indicates that in 2018 California became the third most expensive housing market (Hoffower, 2018). The decreasing housing affordability has a number of negative effects in cities. It leads to an increase in spatial inequalities as families with modest incomes are pushed out to areas further from city centers and their jobs. It can also lead to an increase in the jobs-housing imbalance, leading to commuting dependency. Less affordable housing generates an increase in the homeless population, a decrease in discretionary spending, an increase of irregular housing solutions such as overcrowding, lowered quality of life, and a slow in job growth / reduced economic prosperity (County of Sonoma, n.d.)
1.3 ADUS AS A VIABLE SOLUTION

The development of ADUs is an important option for responding to increases in housing demand, increasing the diversity in housing options, broadening the range of space available, addressing varied financial needs, and increasing density. The growing popularity of ADUs is due in part to the following benefits:

- ADUs increase density of currently developed, residually zoned parcels, increasing the efficiency of existing housing stock and infrastructure.
- ADUs increase the range of housing options available to renters.
- ADUs create a secondary, passive income for home owners which can be used to subsidize mortgage payments.
- ADUs help in the creation of a desirable living environment by promoting community and communal living while not detracting from the look and feel of a single-family neighborhood.
- ADUs create an alternative plan for empty nesters and aging residents as housing needs change.
- ADU development standards typically contain strict design criteria which ensures the maintenance of an area's visual integrity.
- Due to their small size, ADUs tend to use less water, gas, and electricity helping to reduce environmental harm.
- ADUs allow for a variety in housing affordability to be located close together which can help to alleviate class separation.

While the benefits of ADUs are numerous, there are still some concerns which have been raised regarding the effect of ADUs on an area. Many believe that parking issues may arise as more density in introduced to an area. In most cases this is a valid concern as most areas tend to support auto dependent lifestyles, however through proper regulation, such as parking permit requirements in certain neighborhoods and the requirement of off street parking, these issues can be addressed. Additionally, it is possible to also use ADUs to encourage the use of nearby public transit and bike or walking paths. Another concern deals with the issue of affordability regulation. Some feel that even with ADUs offered, rental rates would be too high and the restrictions set by the local jurisdiction would not be enough.
It is important that this concern is addressed by municipalities when forming regulations for the use and rental of ADUs. A calculation incorporating the use of adjusted incomes and even certain income caps may be necessary in ensuring truly affordable rental prices. Furthermore, concerns that come with nearly any development project are true too for the development of ADUs. Fear of change or fear of “the other” are strong apprehensions throughout many communities. These concerns are those which should be addressed on a case by case basis by the city or county in which a project is being established.
1.4 ADU REGULATION IN CALIFORNIA

During the boom of suburban development in the 1950’s and 60’s, many cities and local jurisdictions set up strict zoning restrictions to limit the construction ADUs (United States Department of Housing and Urban Development, 2008). By the 1970’s many jurisdictions had loosened their restrictions after seeing an increase in the number of illegally built second units, but it wasn’t till 1982 that California began to lessen the regulations on the construction of ADUs (Ramsey-Musolf, 2018). In the following decades, ADUs saw a growth in proponents who believed that these units offered an inexpensive option for increasing the housing stock, however, their construction was still heavily restricted by zoning ordinances. For many, construction of an ADU was unrealistic due to cost, time, and overall difficulty of receiving any permissions from the local authority (Levin, 2018). It wasn’t until this past year, with the passing of AB 494 and SB 229, that California stepped in and began to set narrower limits on how rigorously a municipality could regulate the development of ADUs.

**AB 1866:**
In 2003, the Governor signed into law Assembly Bill 1866 (AB 1866) which was intended to promote the development of secondary units. In essence, the Bill made the review of permits for ADUs ministerial which meant that ADU projects could not be prohibited if they meet a jurisdiction’s development standards. This was a major move forward in the promotion of ADUs as an option for additional housing and just one of many improvements that the State would make as it attempted to further the development of secondary units.

**AB 494 and SB 229:**
Made effective on January 1, 2018, AB 494 and SB 229 set forth amendments to California laws governing housing development for the regulation of accessory dwelling units. The goal of these amendments is to address existing barriers which restrict the development of ADUs. Some changes made by these amendments are as follows:

- Broadens definitions of what constitutes an ADU
- Allowance of ADUs in any single-family residences
- Reduced number of required parking spaces to one
- Allows for required parking in tandem within driveway space and / or within setbacks
- Allows for permitting and construction of an ADU in concurrence with the permitting and construction of a proposed primary dwelling
- Restricts utility connection fees and capacity charges for new ADUs
INTRODUCTION

In order to prepare this proposal for the City of Mill Valley, research had to be conducted, not only regarding the background of accessory dwelling units, but also the examples of other City's attempts to spur the development of such dwellings. The following section is an examination of example programs or “case studies” from the City of Santa Cruz, the County of Sonoma, and the City of Santa Barbara.

This examination and review of programs is meant to shed light on the effective techniques within each jurisdiction's approach as well as revealing any issues encountered so that this information may be taken into account when compiling a new program and mistakes may be avoided. The cities and county examined were chosen based on their unique approaches to the housing issue and the needs that they addressed through the promotion of ADU development.

The City of Santa Cruz’s ADU Guide is well known and highly praised for giving an in depth look at the ADU permitting process for the City. The County of Sonoma worked at a fast pace to create a new set of standards which not only loosened restrictions on ADU development, increasing the number of ADUs constructed, but also worked towards restricting any rental surges that may have occurred by placing limitations on rental rates for ADU rentals. Finally, the City of Santa Barbara found a middle ground between their design standards and their need for housing by taking a simple and moderate approach to ADU incentivization.

These case studies were analyzed by first assessing the general demographics of the area and taking a look at what spurred their own need for ADUs. Then, the programs and steps taken by each jurisdiction is discussed to show the layers involved in creating the successes seen. Finally, is a look at what, if anything, was criticized about the program and where it got them.

The last portion of this chapter reviews the takeaways from the case studies, as they relate to the City of Mill Valley.
Located in close proximity to the Silicon Valley and home to a growing university, the City of Santa Cruz is a considerably attractive location for homeowners and renters alike. The City had a recorded population of 59,946 in 2010 and was estimated to have a population of about 65,021 in 2017. Nearly three quarters of residents identify as White and the median age of the population is about 29 years of age, considerably younger than the national average of almost 38. On average, 42.4% of residents hold jobs outside of the City and commute on a regular basis. The City has a median income of $62,471, and a poverty rate of 24.1%, nine percentage points above the national poverty rate (United State Census Bureau, 2019).

To house its roughly 65,000 residents, the City has 23,974 housing units, averaging 2.7 persons per housing unit. As of 2017, the median value of a home in Santa Cruz is $918,000 and median rent price is $3,250. Comparatively, the United States has an average of 2.5 persons per housing unit and a median home value of $221,500. Approximately 44% of residents own homes and 56% rent. The national rate of ownership roughly 64%, twenty percentage points higher than Santa Cruz’s rate of home ownership indicating a large portion of renters (United State Census Bureau, 2019).

In 2003, the City adopted what it referred to as the Accessory Dwelling Unit Development Program to provide more affordable rental housing. This was in response to a growing collegiate population which made rental rates spike and caused an increase in home values, making home ownership increasingly difficult. This program included the following four major components:

1) zoning incentives, including modifications to parking and setbacks, allowance of two units on larger parcels, and removal of owner occupancy requirements in exchange for affordability restrictions,

2) financing assistance which included an ADU Loan Program and a Fee Waiver Program,

3) an ADU Manual which was a step by step guide to building an ADU in Santa Cruz, and

4) community education programming consisting of a series of five public workshops.

These four elements were meant to stimulate ADU development and streamline the early stages of the development process.
The use of this program allowed for a more accessible permitting process and a greater public understanding of the development procedure. The City was keen to maintain its small town feel and some residents voiced concerns including that the addition of ADUs to properties would create inconsistently dense areas in comparison to the surrounding uses and neighborhoods.

This program has been active since its adoption in 2003, however has been modified since the adoption of AB 494 and SB 229’s new regulations for ADUs. Within its first two years, the City saw the number of building permits for accessory dwelling units rise three-fold from the previous two years. Following 2015, the City has seen a steady 40 to 50 ADU permits per year, an increase of about 30 permits per year prior to the adoption of the Accessory Dwelling Unit Development Program (Mountain Housing Council of Tahoe Truckee, 2017).

The City has found much success in this program and it is often referenced in ADU incentive strategies and affordable housing development discussions. Most commend the City on its efforts towards community education and overall in-depth assistance. However, some fault may also be found in the program. According to the Mountain Housing Council of Tahoe Truckee, not many people took advantage of fee waivers due to an associated increase in construction labor costs of about 20%. Additionally, many ADU applicants opted to use personalized designs from private architects rather than the prototypes provided by the City because they found the prototypes to not be a “one size fits all” solution (2017).

Figure 2.1 City of Santa Cruz’s Accessory Dwelling Unit Manual
2.2 COUNTY OF SONOMA

The County of Sonoma is located in Northern California and is one of the largest producers of wine in the United States. The County has an estimated population of 504,217 (United State Census Bureau, 2019). Roughly one quarter of these residents live outside of the boundaries of the County’s nine cities and are subject to the County’s regulations. The average resident of the County is white, approximately 41 years old, and has a median income of $35,639. The County’s median household income is $66,833 and the County’s poverty rate is 11.20%, however the poverty rate is estimated to be significantly higher after adjustments. Approximately 50% of residents commute to work daily and the largest employment sectors throughout the County include Trade, Transportation, and Utilities, Government, and Education and Health Services. The majority of the County’s unincorporated areas are dependent on tourism and agricultural industries for employment and residents of these areas tend to make less than the County’s median income (County of Sonoma, n.d.).

There are nearly 208,000 housing units available county-wide and the median home value throughout the County is $642,100, however these figures deviate significantly when looking at the housing units and home values within unincorporated areas. Additionally, the median cost of rent is $2,750. Approximately 61% of County residents own their homes and 39% rent their residences. While unincorporated areas tend to have lower housing costs, demand for housing can still be a definitive issue and growing housing demand within neighboring cities can drive property prices up, causing rent prices also to rise. For these reasons, the County made it a priority to limit the rise of rental rates and minimize the impacts of increasing demand (United State Census Bureau, 2019).

In June of 2003 the County adopted what it refers to as the Affordable Accessory Dwelling Unit Program. This program allowed for larger secondary dwelling unit sizes, both attached and detached and modified minimum lot size restrictions in exchange for an agreement with the owner to maintain the affordability of the unit for a 30-year period. The County implemented this program in order to maintain the affordability of housing for low income residents as well as to discourage sprawling development patterns. The program can be broken down into the following three notable points:

1) Affordability requirements / income limits including an agreement to limit occupancy to families and individuals with an income of less than 80 percent of the area wide median income,

2) Incentives which significantly increase the allowed unit size, and

3) Rent limits which limited monthly rent of the affordable second dwelling unit to 1.5% of the area wide median income.
After large, area wide fires devastated the County, regulations were updated to allow for faster construction and more development to occur. These new regulations loosen the restrictions placed on the development of secondary dwelling units in an effort to increase residential production and to increase density in rebuilt areas. While these changes were made only recently, the County anticipates that they will help in reaching the County’s goal to rebuild 2,000 homes and build 1,000 new ADUs over the next five years (Riley, 2018).

This update includes an increase of ADU size to 1,200 s.f., a reduction in impact fees of a graduated scale, an allowance of one bedroom or (640 s.f.) ADUs on rural parcels of one acre or more and a delay in the collection of fees until time of occupancy to ease the financial burden of development. This update will incentivize the development of more ADUs and, coupled with the County’s Affordable Second Dwelling Unit Program, will ensure an affordable housing stock remains even after a large intake of new developments.
2.3 CITY OF SANTA BARBARA

The City of Santa Barbara is a coastal town located in Central / Southern California. It is a familiar tourist area and is often thought of as a college town. In 2010, the City had a population of 88,410 and was estimated to have a population of 92,101 in 2017. The Santa Barbara resident identifies as White and is about 38 years of age which roughly aligns with the national median age. The median household income is $66,916 and the poverty rate is 13.9%, about two percentage points below the national poverty rate. The majority of the City’s employment is within the health care and social assistance sector and the second most employment in the area is provided through the retail trade sector (United State Census Bureau, 2019).

The City provides an estimated 39,012 housing units for its roughly 92,000 residents, averaging 2.36 persons per household, nearly equal to the national average of 2.4 persons per household. The median home value is $1,175,800 and the median cost of monthly rent is $1,640. Only about 40% of units are owner occupied, compared to the national rate of 64% (United State Census Bureau, 2019).

This high rental rate may be due in part to the fact that the City is home a university as well as a community college contributing to an increased market for temporary housing options. Santa Barbara has become known for its design standards and its cohesive small town look and feel. As a result, development is heavily regulated to ensure that it fits with the City’s goals and many members of the public feel strongly about ensuring the quality of life and design remains the same.

While the City never adopted an official Accessory Dwelling Unit incentive program, it did reform its ordinance standards in 2018 to allow for accessory dwelling units across all residential lots, removed minimum lot sizes, and modified parking standards. Additionally, the City released an informational packet which contained an outline of the permitting process and a regulations checklist. This reform still contained strict design parameters, however the City provided explicit instructions for design and construction. Due to recent nature of the changes made by the City, it is hard to say what exactly the outcome of this revision will be, however, a close eye will be kept on this city as it attempts to balance appeal and demand.

The City of Santa Barbara is an example of the options available for communities which would like to maintain a certain aesthetic quality while still expanding upon the reforms made mandatory by AB 494 and SB 229. Especially notable is the City’s information packet with development checklist. This makes the permitting and construction process more accessible to the public which can itself be a large incentive for development. While the City
did not take drastic measures, it still prompted the furtherance of ADUs by increasing user-friendly features and complying with State standards.

Figure 2.3 City of Santa Barbara Ordinance No. 5834

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**ORDINANCE NO. 5834**

An Ordinance of the Council of the City of Santa Barbara Amending Title 30 of the Santa Barbara Municipal Code Chapter 30.20 Regarding Accessory Dwelling Units in Residential Zones, Chapter 30.25 Regarding Accessory Dwelling Units in Commercial and Office Zones, Chapter 30.30 Regarding Accessory Dwelling Units in the Manufacturing Zones, Chapter 30.35 Regarding Accessory Dwelling Units in the Coastal-Oriented Zones, Section 30.140.020 Regarding Accessory Buildings Types, Front Yard Limitation, and Maximum Floor Area; Section 30.140.150 Regarding Required Features for Residential Units, Amending Chapter 30.185 Establishing Development Regulations for Accessory Dwelling Units, and Amending Chapter 1.28 Regarding Attorneys' Fees and Costs.

The City Council of the City of Santa Barbara Does Ordain as Follows:

**SECTION 1.** Table 30.20.020 of the Santa Barbara Municipal Code is amended to read as follows:

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<td>§30.185.050, Additional Residential Unit</td>
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2.4 CONCLUSION: WHAT THE CASE STUDIES TAUGHT US

As more cities adopt plans to incentivize accessory dwelling unit development the most effective techniques and resources will become available. Until this comes to fruition, a process of trial and error must take place. In order to avoid repeated mistakes, examples of past programs, such as those explored in this case study review, should be examined. The following offers takeaways from this case study review, as they relate to the City of Mill Valley and the suggestions offered in the following chapter.

The City of Mill Valley is a largely suburban area, with many larger single family homes. The City has indicated a need for alternative housing options, that might cater to the population earning less than the median income for the City. To assist in this process, the City has been looking into many options, including a reform of their accessory dwelling unit policies. While none of the cities explored through this case study review were as small as Mill Valley, some techniques still apply and should be considered.

Much like the City of Santa Cruz, the City of Mill Valley has a large commuter population and is in close proximity to many jobs within the Bay Area. This makes the potential for more growth within the City very high and a need for an efficient increase in housing options very necessary. The City of Santa Cruz took an approach which made the action of establishing an ADU as understandable as possible for the residents and homeowners of the area. This helps to increase ADU production as it minimizes barriers and creates a more approachable process. This case study helped to form the ADU User Guide, proposed in Chapter 4. Much like Santa Cruz’s Accessory Dwelling Unit Manual, this guide introduces homeowners to ADUs and offers options based on the City’s standards.

The County of Sonoma took a different approach to encouraging ADU production. In need of a quick solution to a rapid loss of housing due to extreme fires, the County looked towards the minimization of barriers to ADU construction, much like other areas. However, the County took one more step in ensuring that these ADUs would not be treated like other housing through the adoption of their Affordable Accessory Dwelling Unit Program. This put restrictions on rent while not discouraging the actual construction of ADUs. Like many cities in California, and much like Mill Valley, the County wanted to ensure that its lower income residents would not be pushed out with new housing development. It is recommended in the Ordinance review provided in Chapter 4, that the City of Mill Valley consider a reform to their current rent restrictions, to expand the extent of such restrictions (Comment [EDS 22.5]).
Finally, the City of Santa Barbara faces many issues when it comes to design and new development due to its strict design policies and a strong communal desire to keep a cohesive look. Residents of Mill Valley have expressed similar concern in the past, indicating a strong desire to keep with the residential, suburban feel of the area. By taking a moderate approach to the incentivization of ADUs, the City of Santa Barbara avoided some of the conflict that may have come about using a more aggressive approach. By taking small, simple steps (such as those offered in the proposal in Chapter 4), the City of Mill Valley may also be able to avoid public upset. Small changes made to ordinance standards as well as a guidebook meant to help homeowners feel more in control of the process, do not pose a significant threat to the community look and feel, while also moving the City towards the general expansion of ADUs.
CHAPTER 3

THE CITY OF MILL VALLEY
The City of Mill Valley is located within Marin County, 14 miles North of San Francisco. The City spans approximately 4.85 square miles and is accessed mainly through US Highway 101 on its southeastern terminus.

As of 2010, Mill Valley was home to a population of 13,903 and current estimates by the U.S. Census indicate a population of 14,355. As for the City’s demographics, approximately 84.5 percent of residents identify as White with smaller groups of residents identifying as Hispanic (7.91 percent) and two or more races (3.74 percent). English is the predominant language and approximately 75.7 percent of the population has earned a minimum of a bachelor’s degree compared to the national average of 30.9 percent. The median age among Mill Valley residents is 46 years old, a notably older population when compared to the national median age of 38 years old. About 24.2 percent of the population is under 18 years of age and nearly 30 percent of the City’s population is between the ages of 40 and 54 years old (United State Census Bureau, 2019).

The average household size is 2.3 a relatively low number when compared to the national average of 2.4 persons per household. The City has a total of 6,452 housing units and the majority (31 percent) of housing units are two bedroom units. Moreover, about 72 percent of the housing units in the City are owner occupied and 28 percent are renter occupied. The median home value is $1,584,700 and the median household income for the population is $149,336 (United State Census Bureau, 2019).
3.2 THE DEMAND FOR ADUS IN MILL VALLEY

All the information given in the introduction equates to an older, wealthier community of homeowners with relatively small households, living in larger houses. In talking with City representatives, it was found that the City believes there is a great need for alternative housing options, especially those catering to lower income residents. Like many cities in the Bay Area, Mill Valley is seeing an even greater increase in housing prices and the City has seen its lower income residents be pushed out of the area during these pricing hikes. The City is exploring many alternatives as it attempts to create a more equal housing market. While some alternatives may include larger, multi-family developments, however projects like these take time and can take some serious investment.

In the meantime, other actions can be taken, such as the construction of ADUs, on a smaller level that might see a more immediate impact. One of the main benefits that the City would see from the incentivization of ADUs is the quick rate of change seen in its housing make up. This is especially possible in Mill Valley due to the large lot sizes seen throughout the City. Most of these lots are for single family use and could be easily adapted to offer an ADU on site. Additionally, while an ADU can be an investment, the cost is minimal compared to what is needed for a larger scale project and is spread across many individuals instead of relying on one large group investment. This also means that each individual would reap the benefits of renting out the ADU should they choose to do so.

Finally, the City of Mill Valley might consider the promotion of the construction of accessory dwelling units to appease some of the residents who may place significant value on both community aesthetics and community feel. In terms of aesthetics, ADUs offer a great solution for increasing housing while not significantly impacting the look and feel of a neighborhood, the way a larger housing development might. Also, in terms of community feel, ADUs give an opportunity for homeowners to get to know those who are newly moving into the area and might also spark more interaction between single family residence owners and the renters.
The City of Mill Valley, like most cities, has done its part in promoting the construction of accessory dwelling units by maintaining state standards. Up until recently, this technique allowed for cities to place extra restrictions on ADU development likely led to some applicants being deterred. With the passing of AB 494 and SB 229, California made it more difficult for such restrictions to be imposed, however, not impossible. In updating its own ordinance to meet the new standards outlined by AB 494 and SB 229, Mill Valley still has some standards which may deter homeowners from applying for an ADU. This includes simple things such as the overall clarity of the accessory dwelling unit ordinance, but also technical issues arising from requirements which could be loosened in order to prompt the development of ADUs within the City.

The following chapter offers a proposal for creating a more understandable and overall more approachable take on the ADU program of the City. The proposal mainly focuses on an ADU User Guide which will help homeowners better understand what steps are needed before establishing an ADU, but it also proposes some small changes to the City’s ADU Ordinance standards to make the establishment of ADUs more accessible and suggests a more restrictive approach to rent controls placed on such ADUs.
CHAPTER 4
INCENTIVIZING ADUS IN MILL VALLEY
4.1 INTRODUCTION

This chapter offers a proposal to the City of Mill Valley which includes an ordinance review with comments and an example of a possible “ADU User Guide” meant to create a more understandable and approachable take on the ADU program of the City.

Ordinance Review -
Due to the City’s recent ordinance update, most standards have already been changed to meet the new statewide standards which significantly lessen the restrictions placed on ADUs. The majority of the ordinance review focuses on clarifying the ordinance as well as making slight modifications to technical regulations, not addressed by the statewide reform, that might still impede on a homeowner’s ability to establish an ADU on their property. This includes a more relaxed parking requirement (Comments [EDS19] and [EDS20]) and lessened deed restrictions for exceptions (Comments [EDS24] and [EDS25]). Additionally, this review suggests that the City look to expanding its rent restrictions, however this suggestion was not pressed any further due to a lack of information on community sentiment regarding the issue.

ADU User Guide -
The purpose of this guide is to create an easy to understand walkthrough of the general standards set forth by the City for establishing an ADU. It begins with a general introduction to ADUs and the terminology used when discussing them. It aims to help homeowners better understand if they are able to develop an ADU on their lot and what steps are needed before establishing an ADU.
PROPOSED ORDINANCE UPDATES
EXHIBIT A
DRAFT ACCESSORY DWELLING UNIT (ADU) ORDNANCE

Modification of Section 20.08 “Definitions” to modify and replace the following definitions:

20.08.070 Dwelling.
A. **Single Family Dwelling.** “Single Family Dwelling” or “Single Family Dwelling Unit” means a building on an individual lot, designed for and used as a dwelling unit for one family or housekeeping unit, which is not arranged, or designed, or equipped to permit two or more families or housekeeping units to live independently of each other.

B. **Multiple Family Dwelling.** “Multiple Family Dwelling” or Multiple Family Dwelling Unit” means a building or buildings designed for or used as dwelling units for two or more families or housekeeping units living independently of each other, including condominiums, apartment houses, flats, rooming and boarding houses for three or more separate tenants, but not including automobile courts, motels, apartment hotels, or rest homes.

1. **Duplex.** A “Duplex” is a residential development with two primary dwelling units within one structure. This use type is distinguished from a residential ADU, which is an Accessory Dwelling Unit as defined by state law and 20.08.070(E).

2. **Multiplex.** A “Multiplex” is three or more dwelling units on a single lot that may be either attached or detached. Typical uses include condominiums and apartment buildings.

3. **Multi-Family Efficiency.** A “Multi-Family Efficiency Unit” (also referred to as “micro apartment units” or “micro-units”) is a small multi-family dwelling unit that includes a full bathroom and Kitchen and sleeping quarters and functions as an independent housekeeping unit.

C. **Mixed-Use Building.** A “Mixed-Use Building” means any building containing one or more Dwelling Units, together with commercial and/or business and professional office use. Mixed-Use Buildings include, but are not limited to:

   1. **Mixed-Use.** “Mixed-Use” means a property on which various uses such as office, commercial, institutional, and residential are combined in a single building or on a single site in an integrated development project with significant functional interrelationships and a coherent physical design. A single site may include contiguous properties.

   2. **Live/Work Unit.** “Live/Work Unit” is a unit used jointly for commercial and residential purposes where the residential use of the space is secondary or accessory to the primary use as a place of work.

D. **Single Room Occupancy Dwelling.** “Single Room Occupancy Dwelling (SRO)” means a residential building consisting of individual secure rooms that are
each rented to one or two persons. Individual rooms within an SRO may share common Kitchen facilities and may or may not have private sanitation facilities.

E. Accessory Dwelling Unit (also “ADU,” “Second Unit,” “Accessory Dwelling Unit,” or “Granny Unit”) shall mean an Attached or Detached residential dwelling unit which provides complete independent living facilities for one or more persons. It shall include a Kitchen as defined herein, as well as permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel where the Single Family Dwelling Unit is situated. An Accessory Dwelling Unit also includes an “Efficiency Unit” as defined in Health and Safety Code Section 17958.1 and a “Manufactured Home” as defined in Health and Safety Code Section 18007.

1. **Attached ADU** shall mean a new or existing ADU that occupies part of the Floor Area of the Single Family Dwelling Unit or is attached to the Single Family Dwelling Unit by one or more common walls.

2. **Detached ADU** shall mean a new or existing structure that is located on the property such that the unit does not share any walls with the Single Family Dwelling Unit and the distance between nearest point of any portion of the unit and the Single Family Dwelling Unit is six feet or more.

**20.08.160 Residential Accessory Dwelling Unit (or Second Unit).**
See Definition of “Dwelling”.

**Modification of Section 20.08 “Definitions” to add the following to definitions:**

“**ADU CERTIFICATION**” means documentation and certification from the Owner of the Single Family Dwelling Unit that the ADU is being utilized as allowed under provisions of this Chapter, including the monthly Rent and utilities charged, household size and Gross Household Income of ADU occupants.

“**ADULT IMMEDIATE FAMILY MEMBER**” is defined as a parent; sibling; child by blood, adoption, or marriage; spouse (or ex-spouse); grandparent or grandchild that is 18 years of age or older.

“**AFFORDABLE HOUSEHOLDS**” as defined in Section 20.80.040(E).

“**AFFORDABLE RENT**” means a household’s monthly cost of rent, plus the cost of electricity, gas, water and sewer service, and garbage collection (hereinafter “utilities”) is 30% or less than the upper limit of the annual Gross Household Income, divided by 12.

“**BEDROOM**” for the purposes of converting space to a Junior ADU shall mean a sleeping room, meeting California Building Code requirements, including but not limited to safety and egress requirements.
“EFFICIENCY KITCHEN” shall mean cooking facilities with all of the following: 1) a sink with a maximum waste line diameter of 1.5 inches; 2) appliances that do not require electrical service greater than 120 volts, or require the use of propane or natural gas; and 3) food preparation counter and storage cabinets that are of reasonable size in relation to the size of the Junior ADU.

“GROSS HOUSEHOLD INCOME” is defined as the value of total income from all sources for all Household members.

“HOUSEHOLD” as defined in Section 20.80.040(L).

“JUNIOR ACCESSORY DWELLING UNIT” (also known as “Junior ADU” or “JADU”) shall mean a housing unit that is no more than 500 square feet and utilizes an existing bedroom contained entirely within the walls of an existing Single-Family Dwelling. A Junior ADU must include an Efficiency Kitchen, and has the option of independent sanitation facilities or sharing sanitation facilities with the existing Single-Family Dwelling.

“KITCHEN” shall mean a room or portion thereof containing permanent facilities designed and used for food preparation, cooking, eating and dish washing. A Kitchen shall include all of the following: a sink with hot and cold running water; a range or stove-top and an oven; at a minimum, an apartment-sized refrigerator; and built-in dish and utensil storage spaces. In addition to the aforementioned improvements, a Kitchen may also include any of the following: microwave, convection oven, hot plate or automatic dish washer.

“OWNER” includes the beneficial Owners of any trust, limited liability company, corporation or other legal entity that is the legal Owner of the Single Family Dwelling Unit.

“RENT” means to enter into a written agreement whereby the occupant(s) of the ADU makes a monetary payment or exchange of goods or services, in consideration of occupancy of the ADU.

“SERVICE PROVIDER” means a person who provides full time service to one or more occupants of a Single Family Dwelling Unit, including but not limited to childcare, home health care and companion care.

“VACANT” means a Dwelling Unit is entirely empty and unoccupied, without any personal property, inhabitants, or furniture inside.
Replace Section 20.90 “Accessory Dwelling Units” in its entirety with the following:

Chapter 20.90
ACCESSORY DWELLING UNITS

20.90.010 Purpose.
It is the intent of these regulations to provide opportunities for new Accessory Dwelling Units (ADUs) and Junior ADUs (JADUs) consistent with state law and local regulations. Such units are intended to increase the supply of smaller affordable housing within existing residential neighborhoods that provide independent living units for prospective and current residents, including family members, students, the elderly, in-home health and childcare providers, and Service Providers, among others.

20.90.020 Definitions.
See Section 20.08.

20.90.030 Permitted Zoning Districts and Restrictions.

A. ADUs and JADUs are a permitted use in the Single Family Residential (RS) and Planned Residential Districts. ADUs and JADUs may also be permitted in the Multi-Family Residential (RM) and Downtown Residential (DR) Districts on lots that contain a Single Family Dwelling, as defined in Section 20.08.070(A).

B. ADUs and JADUs must be located on a parcel that contains one legal, owner occupied Single Family Dwelling.

C. No more than one ADU or JADU may be built or located on any one parcel, except as permitted under Section 20.90.040(C).

20.90.040 Review and Permit Process.

A. A property Owner shall submit an ADU/JADU permit application and applicable permit fees to the Planning Department.

B. The Planning Director or his/her designee shall consider ministerial approval of the ADU/JADU permit and not require a public hearing, provided that the submitted application is:

1. complete and demonstrates that the ADU or JADU complies with the requirements contained in this Chapter; and

2. does not trigger Design Review based on discretionary exceptions identified in Section 20.90.040(C) below, Floor Area bonus as described in Section 20.90.050(E), or as part of a larger development project subject to Section 20.66.
C. Discretionary exceptions may be granted to the development standards for an ADU described in Section 20.90.050, solely to address: the number of ADUs permitted on a property (to maintain the same number of units on a property); lot size; lot coverage; or Floor Area Bonus for lots less than 8,000 square feet. Exceptions may be granted if all of the following criterion are met:

1. Design Review and findings set forth in Chapter 20.66, and determining that the proposed exception to the development standard, and granting of the ADU permit will not under the circumstances of the particular case, affect adversely the health or safety of persons residing or working in the neighborhood of the property of the applicant and will not be detrimental to the public welfare or injurious to property or improvements in the neighborhood; and
2. Satisfying all applicable development standards and regulations set forth in Section 20.90.050(A) through 20.90.050(C), except as specifically approved, as well as any additional requirements or conditions of approval imposed through the Design Review process.
3. The Single Family Dwelling Unit must comply with current parking requirements set forth in Section 20.60.090 and additional parking may be required for the ADU including correcting legal non-conforming parking conditions.
4. The applicant must satisfy Deed Restriction requirements set forth in 20.90.050(E) and 20.90.050(F).

D. In addition to an ADU/JADU permit, the applicant shall be required to obtain a building permit prior to the construction of the unit, and shall be subject to the payment of all sewer, water, school district and other applicable fees, and to the water meter requirements of the Marin Municipal Water District except as specifically provided in California Government Code Section 65852.2.

E. The development and use of the ADU or JADU shall only be valid and permitted based on the terms established in this Chapter.

F. Any ADU or JADU legally created shall be governed by the zoning regulations in effect at time of approval.

20.90.050 ADU Development Standards.

An ADU shall comply with the following development standards as part of the ministerial approval of an ADU permit (20.90.040(B)). Exceptions to the development standards may be requested and granted through the discretionary Design Review process described in 20.90.040(C).

A. Development Standards.
1. An ADU shall include a Kitchen for cooking and eating and other permanent provisions for living and sleeping.

2. A minimum lot size is not required for an ADU created from existing Floor Area of an existing Single Family Dwelling Unit or an existing structure, nor for those parcels located within the Downtown Residential (DR) Zoning District that conform to parking standards established in Section 20.60.090.

3. A minimum lot size of 5,000 square feet is required for a new ADU created from a proposed addition or expansion of Floor Area associated with an existing Single Family Dwelling Unit, existing accessory structures, or new proposed structures.

4. An ADU shall not exceed 30% of the maximum Adjusted Floor Area as calculated in Section 20.16.040(A)(2) for the subject lot; but in no case shall the ADU be less than 150 square feet, nor more than 1,000 square feet in Floor Area.

5. A Detached ADU that is part of a detached garage, subject to subdivision (3) of this section, shall not, together with the garage, exceed 1,500 square feet in total combined garage and ADU Floor Area.

6. A Detached ADU shall not exceed 15 feet in height; or, when located above a garage, the entire structure shall not exceed 25 feet in height subject to applicable development standards of this chapter.

7. An ADU shall conform to all lot coverage, Floor Area Ratio (FAR), and setback regulations applicable to the Zoning District in which the property is located, except in the following cases:
   a. No additional setback shall be required for an existing garage or accessory/detached building that is converted to an ADU as long as it meets fire and building code requirements.
   b. An ADU constructed above or below a garage shall have a minimum interior setback of five feet from the nearest property line.

B. Architectural Style and Building Form.

1. An ADU shall be similar in material, color, style and form to the Single Family Dwelling Unit. Architectural details, including, but not limited to, windows, roof pitch, and trim shall be similar to the Single Family Dwelling Unit on the property.

2. Lighting shall be shielded or directed so that it does not glare off-site or illuminate the Single Family Dwelling Unit or adjacent property.

3. Windows shall be located to avoid line of sight to windows of adjacent properties. Obscured glass and other techniques may be used to avoid line of sight.

4. An ADU shall have a separate exterior access. The exterior access shall be a standard exterior door and shall be located in a manner that will preserve, to the greatest extent feasible, the privacy of the Single Family Dwelling Unit, other accessory structures and any adjoining residences.

5. A permanent foundation shall be required for all ADUs.
C. **Off-Street Parking.** One off-street parking space shall be provided for the ADU, in addition to those required for the Single Family Dwelling Unit, except as specifically provided below.

1. The location of the required parking space shall not obstruct the parking of the Single Family Dwelling Unit, and shall be a minimum of 18 feet in length. The required parking spaces for each unit shall be independently accessible at all times. The required parking space for the ADU may be uncovered. Parking may be provided within the front setback between an existing driveway and the closest side of the property line if the slope of the site is ten percent or less, with the approval of the Planning Director.

2. For an existing legal, nonconforming ADU recognized by the City, no additional off-street parking, beyond the number of spaces currently provided shall be required for the ADU and Single Family Dwelling Unit, unless the property is redeveloped according to the Design Review requirements of Chapter 20.66 which may trigger a requirement to meet current applicable parking standards.

3. When a garage, carport, or covered parking structure is demolished in conjunction with the construction of an ADU or converted to an ADU, and the City requires that those off-street parking spaces for the Single Family Dwelling be replaced to comply with current parking requirements set forth in 20.60.090. The replacement parking spaces may be located in another configuration on the same lot as the ADU and may be covered, uncovered, or tandem spaces.

4. Off-street parking is not required for an ADU in any of the following instances:
   a. The ADU is located within one-half mile, by public pedestrian or vehicle access, to public transit.
   b. The ADU is located within a historic district.
   c. The ADU is considered an Attached ADU.
   d. The ADU is created from an existing accessory structure.
   e. When on street parking permits are required but not offered to the occupant of the ADU.
   f. When there is a City-approved and dedicated parking space for a car share vehicle located within one block or one quarter mile (whichever is more) of the ADU.

D. **Accessory Dwelling Unit Floor Area Bonus.** An applicant may request additional square footage beyond the Adjusted Floor Area, as defined in Section 20.16.040(A) to create a new ADU, subject to all of the following regulations:

1. The ADU application is subject to Design Review as outlined in Section 20.90.040(C).

2. The proposed ADUs that convert space, including the conversion of an existing garage or accessory building, do not qualify under this Section and cannot utilize the Floor Area Bonus.
3. The following calculation may be requested for ADU applications that propose to construct a new ADU.

<table>
<thead>
<tr>
<th>Lot Size</th>
<th>ADU Floor Area Bonus Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 8,000 square feet</td>
<td>May request the Floor Area Bonus as an Exception under 20.90.040(C), with the additional requirements set forth in 20.90.050E(4)(e) below.</td>
</tr>
<tr>
<td>8,000 - 15,000 square feet</td>
<td>Up to an additional 12% of Floor Area Formula (MVMC 20.16.040(A))</td>
</tr>
<tr>
<td>Over 15,000 square feet</td>
<td>Not Eligible</td>
</tr>
</tbody>
</table>

4. The application must satisfy all development standards outlined in this Chapter, as well as all of the standards established below.
   a. The Single Family Dwelling Unit must comply with current parking requirements set forth in Section 20.60.090, including correcting legal non-comforming parking conditions.
   b. A minimum of one independent parking space shall be provided for the ADU, and additional parking may be required at the discretion of the City.
   c. The ADU shall include a closet no less than 6 feet wide and 25 inches in depth for each bedroom space.
   d. The ADU shall not include an internal connection to the Single Family Dwelling Unit.

E. Deed Restriction for all ADU Permits. Prior to obtaining a building permit for an ADU, a deed restriction, approved by the Planning Director or his/her designee, shall be recorded with the County Recorder’s office, which shall include the pertinent restrictions and limitations of an ADU identified in this Section. Said deed restriction shall run with the land, and shall be binding upon any successor in ownership of the property. A copy of the final recorded deed restriction shall be filed with the Planning Department stating that:
   1. The ADU may not be sold separately from the Single Family Dwelling Unit.
   2. The ADU may be rented but shall not be rented for less than 30 consecutive days.
   3. The Owner and all successors in interest in the subject property shall maintain the ADU in accordance with all applicable ADU standards.
   4. The Owner and all successors in interest in the subject property shall agree to respond to the City of Mill Valley’s annual survey of Owners of all

Comment [EDS21]: Should move to be a standard relating to all ADUs to ensure privacy
ADUs to determine use, code consistency and for reporting purposes to the State Department of Housing and Community Development (HCD).

5. Violations and lack of compliance with any provisions of this Section may result in legal action against the property owner, including revocation of any right to maintain an ADU on the property as outlined in 20.90.070-080, and shall be subject to administrative fines and penalties as contained in Chapter 8.02 of the Mill Valley Municipal Code.

F. Additional Deed Restriction Requirements for ADUs Created with an Exception or Floor Area Bonus. ADU applications that request an exception outlined in Section 20.90.040(C) or a Floor Area Bonus outlined in Section 20.90.050(D) must comply with the deed restriction requirements set forth in Section 20.90.050(E), in addition to the following deed restriction requirements:

1. The Owner is responsible for maintaining space as an ADU in perpetuity;
2. The ADU cannot be converted back to the Single Family Dwelling Unit;
3. The Owner agrees that the ADU shall be used as follows:
   a. The Owner must occupy either the primary dwelling unit or the ADU exclusively occupied by one or more Adult Immediate Family Member(s) of the Owner;
   b. Rented to an Affordable Household (Very Low, Low or Moderate Income Household) based on Affordable Rent levels;
   c. Exclusively occupied by other community members, such as a Service Provider, that satisfies the overall purpose of this Chapter described in 20.90.010 based on the discretion of the Planning and Building Director; or
   d. Vacant.
4. The restrictions shall be binding upon any successor in ownership, lessee, or trustee of the property and lack of compliance with any provisions of this Chapter, may result in legal action against the property Owner, pursuant to Section 20.90.080; and
5. Owners must submit an ADU Certification on an annual basis to the Planning Director.
   a. The specified income category and household size shall be based on the most recently published schedule by the Marin Housing Authority. In determining Affordable Rent levels, the household size for rent-restricted ADUs shall be: studio, 1 person; one-bedroom, 2 persons; two-bedroom, 4 persons; and, three-bedroom, 5 persons. The cost of utilities for the ADU shall be included in the Affordable Rent level.
   b. The City shall provide the form of the ADU Certification to be signed under penalty of perjury by both the Owner and the tenant, if any.
   c. Effective each December 31 and as part of the annual business license application and renewal, and upon any change in occupancy of the ADU, said Owner shall certify whether or not the ADU is being occupied, the monthly Rent charged, the utilities included in the cost of monthly Rent, the household size of the ADU occupants, the Gross Household Income of the ADU household, and other information as

Comment [EDS22]: Owner occupancy
Comment [EDS22.5]: Should be expanded to apply to most, if not all new ADU developments to assist in the City’s efforts towards making more affordable housing options
Comment [EDS23]: provide independent living units for prospective and current residents, including family members, students, the elderly, in-home health and childcare providers, and Service Providers, among others
Comment [EDS24]: Increased number to allow for more equitable access. Parking capacity may change
Comment [EDS25]: Increased number to allow for more equitable access while maintaining suitable number of persons per ADU. Parking capacity may change
determined appropriate by the City, including signed rental
agreement(s).
ADU HOW-TO GUIDE
BUILDING AN ADU IN MILL VALLEY
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  Who can Build?
  Designing Your ADU

SECTION 3: THE PROCESS
  Process Overview
  Preparing Plans

  Frequently Asked Questions

  Contact Information
SECTION 1

INTRODUCTION
WHAT IS AN ADU?

An Accessory Dwelling Unit, or ADU for short, is a small, secondary, housing unit which includes all necessary provisions for daily life. These structures, sometimes referred to as “Granny flats”, “In-law units”, or “secondary dwelling units”, are located on residential lots, in conjunction with an existing single family dwelling, commonly referred to as the primary dwelling. ADUs may be attached or detached from the primary single family residence and can range in size from 100 to 1,200 square feet (California Department of Housing and Community Development, 2016). Most jurisdictions require that these units are used as secondary to the main residence. These units are created with the intent of providing long term tenancy or occupancy for either a family members, guests, or for rental purposes. Additionally, these units are intended to be occupied in conjunction with the primary dwelling and cannot be bought or sold off separately. A cap of one ADU per property is most common and owners are typically required to live on property, either in the ADU or in the primary dwelling. The following is a list of the different forms an ADU may take:

**Attached**
- Above or below garage addition
- Converted garage
- Converted basement
- Addition
- Converted room or floor
- Converted carport

![Figure 1.1 Example of Above Garage Addition](image)

**Detached**
- Tiny home
- Back cottage
- Recreational Vehicles (RVs)

![Figure 1.2 Example of Detached ADU](image)
DEFINITIONS

The following is a list of terms and their associated definitions, provided by the City, common when discussing Accessory Dwelling Units:

**Single Family Dwelling.** A building on an individual lot, designed for and used as a dwelling unit for one family or housekeeping unit, which is not arranged, or designed, or equipped to permit two or more families or housekeeping units to live independently of each other.

**Multiple Family Dwelling.** A building or buildings designed for or used as dwelling units for two or more families or housekeeping units living independently of each other, including condominiums, apartment houses, flats, rooming and boarding houses for three or more separate tenants, but not including automobile courts, motels, apartment hotels, or rest homes.

**Accessory Dwelling Unit.** An attached or detached residential dwelling unit which provides complete independent living facilities for one or more persons. It shall include a Kitchen as defined herein, as well as permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel where the Single-Family Dwelling Unit is situated. An Accessory Dwelling Unit also includes an “Efficiency Unit” as defined in Health and Safety Code Section 17958.1 and a “Manufactured Home” as defined in Health and Safety Code Section 18007.

**Attached ADU.** A new or existing ADU that occupies part of the Floor Area of the Single-Family Dwelling Unit or is attached to the Single-Family Dwelling Unit by one or more common walls.

**Detached ADU.** A new or existing structure that is located on the property such that the unit does not share any walls with the Single-Family Dwelling Unit and the distance between nearest point of any portion of the unit and the Single-Family Dwelling Unit is six feet or more.

**ADU Certification.** Documentation and certification from the Owner of the Single-Family Dwelling Unit that the ADU is being utilized as allowed under provisions of this Chapter, including the monthly Rent and utilities charged, household size and Gross Household Income of ADU occupants.

**Adult Immediate Family Member.** A parent; sibling; child by blood, adoption, or marriage; spouse (or ex-spouse); grandparent or grandchild that is 18 years of age or older.
Affordable Rent. A household’s monthly cost of rent, plus the cost of electricity, gas, water and sewer service, and garbage collection (hereinafter “utilities”) is 30% or less than the upper limit of the annual Gross Household Income, divided by 12.

Kitchen. A Kitchen shall include all of the following: a sink with hot and cold running water; a range or stove-top and an oven; at a minimum, an apartment-sized refrigerator; and built-in dish and utensil storage spaces.

Rent. To enter into a written agreement whereby the occupant(s) of the ADU makes a monetary payment or exchange of goods or services, in consideration of occupancy of the ADU.

Vacant. A Dwelling Unit is entirely empty and unoccupied, without any personal property, inhabitants, or furniture inside.

Additional definitions provided in Section 20.08 of the City’s Municipal Code
SECTION 2
HOW TO BEGIN
WHO CAN BUILD?

If you own and live on a lot within the City of Mill Valley’s Residential Single Family, Planned Residential, Multi-Family Residential, or Downtown Residential Districts, on which you have one single family dwelling and no previous ADUs, you might be able to construct an ADU. Depending on your lot size, lot configuration, size of the existing home, and other factors, the construction of a certain type (attached or detached) of ADU may be permitted. Use the following flowchart to determine if your property is eligible:

Do you own and live on a lot within one of the following districts?*

- [ ] Residential Single Family
- [ ] Planned Residential
- [ ] Multi-Family Residential
- [ ] Downtown Residential

Does your lot have one existing or planned single-family dwelling?

- [ ] Yes
- [ ] No

Does your lot have a previously established ADU that you plan to keep?

- [ ] Yes
- [ ] No

Does your lot have ample space for a new structure or is there an additional room within your single-family dwelling that would allow for separate access from the main house?

- [ ] Yes
- [ ] No

If you checked all blue boxes, your property may be eligible for the development of an ADU. The next section of this guide will assist in determining the type and location of ADU most compatible with your property.

*Zoning designations for your property can be found by calling or visiting the City’s Planning Counter (contact information on page 23) or by referring to the City’s interactive map located at http://www.marinmap.org/dnn/
Now that you have established your property’s eligibility, it is time to get into more detailed design restrictions. These regulations are put into place to ensure that the addition of an ADU does not negatively impact the surrounding neighborhood or existing uses on the property. Additionally, they assist in the enforcement of applicable fire and building codes. Plans submitted for review by both the Planning and Building departments will require architectural review prior to permit approval. The following table is meant to assist you in determining which standards apply to your chosen ADU type.

<table>
<thead>
<tr>
<th>ADU Type</th>
<th>Description</th>
<th>Reference Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detached</td>
<td>This is a unit that is not attached to the primary residence. It would not be created from an existing structure and would not be attached to a garage.</td>
<td>See Page 15</td>
</tr>
<tr>
<td>Attached Addition</td>
<td>This is a unit that <em>would</em> be attached to the primary residence. It would not be created from an existing structure and would not be attached to a garage.</td>
<td>See Page 16</td>
</tr>
<tr>
<td>Existing Detached</td>
<td>This is a unit that is not attached to the primary residence. It <em>would</em> be created from an existing structure and would not be attached to a garage.</td>
<td>See Page 17</td>
</tr>
<tr>
<td>Existing Attached</td>
<td>This is a unit that <em>would</em> be attached to the primary residence. It <em>would</em> be created from an existing structure and would not be attached to a garage.</td>
<td>See Page 18</td>
</tr>
<tr>
<td>Detached Garage Addition</td>
<td>This is a unit that <em>would</em> be attached to either an existing or planned garage that is not connected to the primary residence.</td>
<td>See Page 19</td>
</tr>
<tr>
<td>Attached Garage Addition</td>
<td>This is a unit that <em>would</em> be attached to either an existing or planned garage that <em>would</em> be connected to the primary residence.</td>
<td>See Page 20</td>
</tr>
</tbody>
</table>
Lot Size
No minimum lot size for lots within the Downtown Residential District (if parking requirements are met). For all other lots, a minimum lot size of 5,000 square feet is required.

Size (Floor Area)
Minimum: 150 square feet
Maximum: Thirty percent of the allowable Adjusted Floor Area*, up to 1,000 square feet.
Can be increased through a floor area bonus as provided by the ordinance
*See Page 15 for instructions on calculating allowed Adjusted Floor Area

Height
No higher than 15 feet
If visible from a public road, ADU should not be than 5 feet higher than the existing dwelling

Parking
One additional off-street parking space shall be provided, at least 18-feet in length and not blocking any required parking for the Single Family Dwelling. Exceptions apply as follows:
No additional parking is required if the ADU is within...
- One half mile of public transit, or;
- A historic district, or;
- An area with required street parking permits (No permit offered to ADU occupant), or;
- One block or one quarter mile (whichever is more) of a City-approved and dedicated parking space for car share vehicles

Setbacks
Established by district regulations, see page 16 for instructions for calculating setbacks.
**Lot Size**
No minimum lot size for lots within the Downtown Residential District (if parking requirements are met). For all other lots, a minimum lot size of 5,000 square feet is required.

**Size (Floor Area)**
Minimum: 150 square feet
Maximum: Thirty percent of the allowable Adjusted Floor Area*, up to 1,000 square feet.
Can be increased through a floor area bonus as provided by the ordinance
*See Page 15 for instructions on calculating allowed Adjusted Floor Area

**Height**
No higher than existing primary residence / structure

**Parking**
No additional parking is required

**Setbacks**
Established by district regulations, see page 16 for instructions for calculating setbacks.
Lot Size
No Requirement

Size (Floor Area)
Minimum: 150 square feet
Maximum: Thirty percent of the allowable Adjusted Floor Area*, up to 1,000 square feet.
Can be increased through a floor area bonus as provided by the ordinance
*See Page 15 for instructions on calculating allowed Adjusted Floor Area

Height
N/A

Parking
No additional parking required

Setbacks
No additional setback shall be required for an existing accessory building that is converted to an ADU as long as it meets fire and building code requirements.
Lot Size
No Requirement

Size (Floor Area)
Minimum: 150 square feet
Maximum: Thirty percent of the allowable Adjusted Floor Area*, up to 1,000 square feet.
Can be increased through a floor area bonus as provided by the ordinance
*See Page 15 for instructions on calculating allowed Adjusted Floor Area

Height
N/A

Parking
No additional parking is required

Setbacks
N/A
DETACHED GARAGE ADDITION

Lot Size
No minimum lot size for lots within the Downtown Residential District (if parking requirements are met). For all other lots, a minimum lot size of 5,000 square feet is required.

Size
Combined garage and ADU should not exceed 1,500 square feet. (Consult Section 20.16.040 for tips on calculating floor area)

Height
Total structure (including garage) should not exceed 25 feet in height

Parking
One additional off-street parking space shall be provided, at least 18-feet in length and not blocking any required parking for the Single Family Dwelling. Exceptions apply as follows:
No additional parking is required if one of the following applies:
No additional parking is required if the ADU is within...
- One half mile of public transit, or;
- A historic district, or;
- An area with required street parking permits (No permit offered to ADU occupant), or;
- One block or one quarter mile (whichever is more) of a City-approved and dedicated parking space for car share vehicles

Setbacks
Minimum of 5 foot “interior setback” or setback from the nearest property line
ATTACHED GARAGE ADDITION

Lot Size
No minimum lot size for lots within the Downtown Residential District (if parking requirements are met). For all other lots, a minimum lot size of 5,000 square feet is required.

Size (Floor Area)
Minimum: 150 square feet
Maximum: Thirty percent of the allowable Adjusted Floor Area*, up to 1,000 square feet.
Can be increased through a floor area bonus as provided by the ordinance
*See Page 15 for instructions on calculating allowed Adjusted Floor Area

Height
Total structure (including garage) should not exceed 25 feet in height

Parking
No additional parking required

Setbacks
Minimum of 5 foot “interior setback” or setback from the nearest property line
CALCULATING ALLOWED ADJUSTED FLOOR AREA

Begin by calculating your “Effective Lot Area”. This is found through making the following calculation:
Gross Lot Area - Easement Areas* = Effective Lot Area
*Easement Areas include recorded easements for trails, driveways, landscaping, parking or roadways.

Allowed Adjusted Floor Area should then be calculated as follows:
a. Lots with less than 8,000 square feet of effective lot area: 35% of the effective lot area.
b. Lots with 8,000 to 20,000 square feet of effective lot area: 10% of the effective lot area plus 2,000 square feet.
c. Lots with more than 20,000 square feet of effective lot area: five percent of the effective lot area plus 3,000 square feet, to a maximum of 7,000 square feet.

For information on calculating your existing Adjusted Floor Area, consult Section 20.16.040 of the City’s Municipal Code

ALLOWABLE LOT COVERAGE

RS and Planned Residential Districts:
Zoning District - Maximum Lot Coverage %
RS-6, RS-7.5, and RS-10 - 40 %
RS-15 and RS-20 - 35 %
RS-30 - 30 %
RS-43 - 25 %
RS-3A - 10 %
RS-5A - 7 %
RS-10A - 4 %

RM District:
RM-3.5, RM-M, and RM-B - 50 %
RM-P and RM-PA - 45 %

Downtown Residential (DR) District:
DR - 50 %
RS and Planned Residential Districts:
Exterior: 15 feet
Interior: One foot for every 1,000 square feet of effective lot area, but no less than five feet or more than 15 feet.

RM District:
Exterior: 15 feet
Interior: One foot for every 1,000 square feet of effective lot area, but no less than five feet or more than 10 feet.

Downtown Residential (DR) District:
Exterior: 15 feet
Interior: Minimum of 5 feet to a maximum of 10 feet (1 ft. for every 1,000 sq. ft. of lot area required) (Lots 25 feet or less in width may be reduced to 3 ft. on first floor, except where windows are located, where 5 ft. required)
SECTION 3

THE PROCESS
PROCESS OVERVIEW

Now you’re all set to establish your very own ADU, but before you start any construction or conversions there are some very important steps you must take. The steps below are meant to outline the most critical steps to take in order to complete your ADU in a safe, legal, and efficient manner. Additional, more in-depth questions about the process should be directed to and addressed by city staff either in person or by phone or e-mail (see page 23 for contact information).

1. Sketch / Draw your existing property and all buildings or significant markings it contains. Use a scale and ruler to ensure accuracy.

2. Collect information about your property including any deeds or other legal documents that may be associated with the property.

3. Take photos of your property and the area in which you hope to build your ADU.

4. Sketch / Draw your proposed ADU. This includes drawing a “Site Plan” and “Elevations”. (See page 20 and 21 for details)

5. Bring materials into planning counter located at City Hall (26 Corte Madera Avenue) and discuss with a planner the various restrictions of your lot and the most viable options for placement and design of your ADU.

6. A planner should assist in the initial process of completing an application.
7. After review by a planner, preliminary construction drawings should be drafted indicating the general scope of the project.

8. Next, an application for a construction permit will need to be completed.

9. Once the project is reviewed for compliance with building codes, plans should be revised to reflect any necessary changes to the project.

10. Once plans are in accordance with requirements of the City, a building permit should be issued.

11. Next, a contractor should be hired and construction should commence.

12. Once erected, inspections, as required by the City, should be performed and a certificate of occupancy should be obtained.

*** Should a discretionary permit be required, a planner will give information regarding the additional steps necessary to permit the construction of an ADU.
PREPARING PLANS FOR REVIEW

While official building / construction plans should be completed by a hired professional, preliminary plans may be prepared in a less formal manner. The following tips should provide some guidance for creating such plans on your own. If any additional questions should arise, please contact the City's Department of Planning and Building (contact information is provided on page 23 of this document).

Materials Needed:
- Pencil
- Black Pen
- Large paper (11in X 17in is suggested)
- Ruler

1. Begin by drawing your property lines (also referred to as lot lines). These should be drawn using a scale or a ruler to assist in accuracy.

2. Next, draw the outlines of any buildings or structures that may be on site. (Remember to label them and add in dimensions)

3. Add any other significant markings in including trees, grass areas, etc. and label each

4. Next, measure / label the distance between the structures and the property lines (these are referred to as building setbacks and should be measured using a line perpendicular to the property line). This completes all steps necessary for your “existing lot” or “site map”.

5. Finally, make a copy of your existing map. On this copy add in the proposed location of your ADU including dimensions and setbacks.

See the following page for an example of a completed map
Example of a Completed Map
Adapted from “Building an ADU” by Dana Cuff and Jane Blumenfeld. Retrieved May 21, 2019, from: https://citylab.ucla.edu/adu-guidebook
FAQS

How much will it cost to create my ADU?
The cost of establishing an ADU varies from project to project. Costs include permitting costs, contractor and construction labor costs, materials costs, etc. For more information on calculating the costs of an ADU, contact the planning counter and / or your architect and contractor.

What effects will an ADU have on the environment?
An ADU is expected to have minimal effects on the environment, similar to, if not less than those caused by the creation of a new single family home. The construction techniques used and the appliances installed in the new ADU all play a role in determining the overall environmental effects that will occur as a result of an ADU.

Will my bills increase as a result of my new ADU?
This depends again on the kinds of construction techniques used and the appliances installed in the ADU. It is likely that some change will occur, however significant increases should not be seen.

Can I put my ADU up for sale?
No. An ADU can be rented, however may not be sold separately from the main home on the property.

Must the homeowner live on property?
No. The City of Mill Valley requires that a homeowner occupy either the ADU or the single family dwelling, only if a restriction is placed on the deed. This occurs if an ADU is created with an exception or a Floor Area Bonus and would be mentioned by a planner during the permitting process.

Does this guide cover all the possibilities for ADUs in Mill Valley?
No! There are many exceptions that can be made and the standards of the City are subject to change. To ensure you are getting the most accurate information, be sure to reach out to the City of Mill Valley's Department of Planning and Building (contact provided on the following page)
CONTACT INFORMATION
Should any additional questions arise, you are able to reach the City of Mill Valley Department of Planning and Building using the following contact information:

IN PERSON
26 Corte Madera Ave
Mill Valley, CA 94941

PHONE
(415) 388-4033

EMAIL
planning@cityofmillvalley.org
REFERENCES


