

ADU Study Scope of Work

The Scope of Work presented below is designed to provide all of the services outlined in the Request for Proposals. The task-by-task descriptions that follow present our approach to research, community engagement, concept development, and adoption of products including applicant guides and code amendments. Our proposed participation in public outreach activities is also presented. Any related work that we anticipate would be performed solely by County Staff, such as environmental review, is not detailed in this Scope but is accounted for in the Project Schedule. The Schedule outlines the sequence of work products and outreach efforts for completing the project within the proposed 12-month time frame. Initials in parentheses following the sub-section heading identify the lead firm for each sub-task:

- Dyett & Bhatia (D&B)
- Vernazza Wolfe Associates (VWA)

Task 1: Reconnaissance and Research

Objective: Review and research County regulations and procedures as well as best practices from other municipalities that have been successful in producing ADUs that contribute to meeting affordable housing objectives while maintaining and enhancing the communities where they are located. Augment County staff's identification of issues and obstacles based on research.

Time Frame: August 1, 2016 to October 31, 2016

- A. **Kick-Off Meeting (County Staff, D&B, VWA).** Dyett & Bhatia and all members of the Consultant Team will participate in a kick-off meeting to be organized by County Staff. At the kick-off meeting, we anticipate reviewing the goals of the project; the work program, public outreach plan, deliverables, and schedule as well as and roles and responsibilities. Documents will be shared and a file sharing protocol established.
- B. **Finalized Scope of Work and Schedule/Milestones (D&B).** Provide a revised scope of work, public outreach plan, and schedule reflecting any changes identified at the kickoff meeting, as needed.
- C. **Existing County Planning and Building Regulations and Procedures (D&B, VWA).** Review existing planning and building regulations and practices including zoning, subdivision, and public works regulations, design guidelines, and application requirements as well as County housing assistance programs to identify policies, standards, and procedures that support or may create obstacles to establishing accessory dwelling units. Review list and map of permitted ADUs for location and design information. Review will include the Local Coastal Program and any Coastal Commission requirements that may affect the development of ADUs.
- D. **Review Development Applications and characterize function of ADUs in the local housing market (D&B, VWA).** Review project plans, planning applications, and applications for construction permits for a representative set of accessory unit projects assembled by County staff. To the extent feasible based on available data, collect and review information about the demographics of who currently resides in ADUs (family members versus renter; if renters, what type of renter, such as seniors, students, or small family). Additional data on function of current ADUs may also be collected via the online survey (see Task 1-H). This task may include interviews with applicants as well as staff from County departments and agencies including the Planning Department, Housing Authority, the Assessor's Office, the Central Coast District, and others as necessary. Interviews will take place over the phone.

- E. **Research and Review Best Practices and Programs (D&B, VWA).** Conduct research on regulations, procedures, and practices applicable to ADUs from a variety of municipalities that have programs that have generated documented increases in ADU activity or have been successful in permitting existing non permitted ADUs, such as the Marin County and City of Buenaventura Amnesty programs, the Novato Junior Accessory Unit program, resources available from the State Department of Housing and Community Development and on-line sources such as AccessoryDwellings.org. The investigation will include assembling ordinances, program descriptions, public information materials, existing and pending legislation (e.g. SB 1069), as well as phone interviews with Staff in selected jurisdictions focusing on advantages and drawbacks of program features that may be particularly relevant to Santa Cruz County.
- F. **Stakeholder Interviews (D&B, VWA).** Conduct a series of interviews with individuals who are familiar with issues related to the development, design, and financing of accessory dwelling units in Santa Cruz County. Participants may include developers, architects, affordable housing advocates and non-profit developers such as Senior Network Services, the and Mid-Peninsula Housing, and others from a list developed with input from County staff. Our budget allows for up to eight interviews with two to three participants per interview, and/or larger groups as appropriate (approximately 24 total individuals) over the course of one day. In-person stakeholder interviews will be supplemented by phone calls as necessary.
- G. **Utility Providers Outreach (D&B).** This task will include specific research and outreach to utility companies to identify current requirements, interpretations/implementation of State regulations, and assess options for fee reductions and connection types for ADUs. We will conduct outreach to Santa Cruz County utility providers and research the practices of other providers in similar situations. Results will be summarized in the Issues and Options memorandum (Task 2-A).
- H. **Online Survey (D&B, VWA input).** D&B will design an online survey to gather information on residents' experiences with ADUs, to be administered via the County's website and other means (i.e. possibly through mailing to the list of permitted ADU owners known to the County, and distribution at Planning Department front counter, etc.). The survey will be designed so that information can be gathered both from those who have constructed ADUs as well as those who have not, but who either are interested in doing so in the future, or who have tried in the past and did not proceed. County staff will ensure that the survey is distributed to those residents who have successfully completed ADUs in recent years based on permitting records, especially so that data may be gathered on tenancies, cost to construct by type of cost, and rental rates for current units. VWA will provide input into the survey questions and design. Note: This will not be a *scientific* survey since actual survey respondents will be those who decide to respond. This is a different approach than identifying respondents in advance who meet the characteristics of the entire population of interest. County staff will be responsible for publicizing the survey's availability and for hosting the survey on the County's website. Following the survey period (approximately 3-4 weeks), D&B will prepare a short memorandum summarizing results.
- I. **Project Website (County staff; D&B review).** County Staff will design and host a web page for the ADU project. D&B will review and provide input on informational text, and ensure that work products are designed for easy online posting and viewing.

Meetings	Products
<ul style="list-style-type: none"> • Kick-Off Meeting • Conference calls and phone interviews as necessary • Stakeholder interviews 	<ul style="list-style-type: none"> • Final Scope of Work and Schedule • Public outreach plan and materials • Memorandum summarizing stakeholder interviews • Online survey • Memorandum summarizing survey results

Task 2: Issues and Approach

Objective: Identify issues and propose approaches for presentation to the public and County decision-makers based on Task 1 research.

Time Frame: October 1, 2016 to February 28, 2017

- A. **Issues and Options (D&B, VWA).** Prepare a report on issues and options based on the research and reconnaissance undertaken in Phase I including input from stakeholder and staff interviews, and information from other municipalities as well as the regulatory issues that County staff have already identified. The document will be organized by topic including development and design standards, permitting procedures, "legalization" procedures, financing, and other factors including both County regulations and external factors. This document will also recommend approaches that are most likely to be effective in the County. Revise report based on Staff comments for presentation at a community workshop and to the Planning Commission, Housing Advisory Commission and other relevant advisory bodies.

(A separate Issues and Options memorandum will be prepared summarizing the outcome of the outreach to utility providers; see Task 3-C.)

- B. **Community Workshops (D&B, VWA).** The consultant team will prepare for and participate in two community workshops to present findings and options and receive input on preliminary recommendations. The workshops will present similar material but will be hosted in two different locations in the county (for instance, one targeting more urbanized areas and the other targeting more rural areas). D&B will also provide workshop materials to County staff so that they may conduct additional workshops at other locations and times without the consultant, and provide workshop feedback to D&B in a format to be discussed in advance. Materials or photos of same from workshops will be prepared in a format suitable for posting online. D&B will summarize the findings and feedback from the workshops in a short memorandum, suitable in format for posting online.

Meetings	Products
<ul style="list-style-type: none"> • Community Workshops (2) • Conference calls as necessary 	<ul style="list-style-type: none"> • Draft and final memorandum on issues, options, and best practices • Power Point presentation and materials for community workshops • Summary memorandum of workshop feedback

Task 3: Product Development

Objective: Draft and produce products formulated to implement the best approaches for accommodating accessory dwelling unit in the County including revisions to County ordinances, procedures, and practices and guidance materials for those proposing to develop (or legalize) ADUs. The products developed in this task (Design Book, Financing Guide, Utility Approach Report) will collectively address the “Regulatory Factors to be Evaluated for Change” listed in Exhibit H of the RFP.

Time Frame: November 1, 2016 to April 30, 2017

- A. **County ADU Design Book (D&B).** Prepare illustrated non-regulatory guidelines recommending approaches for design of ADUs in different contexts, such as in rural areas, on existing developed urban lots, and within proposed new single-family residential developments. Guidance for ADUs of different types and sizes (“junior” or “tiny” homes below 200 square feet, as well as “standard” ADUs of approximately 200-500 square feet and larger, up to 1,200 sq ft, which are allowed in the rural area) will be included. Based on feedback received from the public and stakeholders about the type of assistance that would be most helpful for achieving County objectives, this product could be in the form of sample plans or design guidelines that show a variety of configurations such as detached accessory structures, units built over or adjacent to garages, and those incorporated within or as an addition to an existing dwelling unit. The design approaches could also be incorporated in a single County guide to developing accessory dwelling units that includes plain-language illustrated information on both design and finance. A draft Design Book will be presented for staff review, and revised based on staff comments and input from the Community Open House (see Task 3-E).
- B. **County ADU Financing Guide (VWA).** Develop a guidebook for ADU financing to serve as a tool for interested homeowners and/or developers. The information to be obtained for the Guidebook will be collected from a variety of sources and at a minimum will include a review of best practices; interviews with lenders who are active in this area; interviews with realtors who work with buyers of units that include ADUs; on-line research and possibly contacting recent ADU property owners regarding current and potential rents for ADUs; and interviews with contractors to determine typical costs of constructing ADU units. Financing needs and potential approaches to meet these needs will be identified. All possible financing options will be described, including special considerations (such as the requirement for prevailing wages in the event that federal funds are used or local policies are in effect). Finally, a framework for a loan or grant program for ADUs that the County could administer will be developed. A draft guidebook will be presented for staff review, and revised based on staff comments and input from the Community Open House (see Task 3-E). The final form of the financing guide will be discussed with staff—because financing is a topic that is subject to change over time, it may be desirable to have the guide be primarily an online document, to enable easy updating.
- C. **Utility Approach (D&B).** Prepare a memorandum summarizing potential changes to utility provision and connection fees for ADUs to ease the cost burden of connecting ADUs to the infrastructure grid. The memorandum will be based on discussions with County staff to understand current conditions and instances in which utility hookups have posed a constraint to ADU production in the past, as well as the preliminary conversations with utility service providers conducted in Task 1-G. D&B will also interview utility providers a second time to review and refine potential areas for change. Solutions to be explored will include, but are not limited to, potential for reduction in sewer and water connection fees and capacity charges in some circumstances by allowing the use of lower-priced sub-meters for ADUs in detached structures instead of separate meters for new lateral connections to water and sewer infrastructure, and not considering ADUs created within an existing dwelling to be a new residential use for the purpose of calculating utility connection fees.

- D. **Draft Amendments to Santa Cruz County Code (D&B).** Based on comments from Staff, the Planning Commission, the public and other interested and affected parties, prepare administrative draft of proposed amendments to the County Planning and Zoning, Building, Community Facilities, and other County regulations that may impede the development of ADUs including the County's Local Coastal Program. Revise based on Staff comments including review by County Counsel and Regional Coastal Commission staff.
- E. **Community Open House (D&B, VWA).** Present the Design Book, Financing Guide, and draft code amendments to the public for review and feedback at a community open house. The open house will be hosted by the Housing Advisory Commission (HAC). The event will be structured so that participants can visit "stations" presenting various topics and provide feedback that will be considered as the documents are finalized. D&B will prepare workshop materials and facilitate the event with County staff assistance; VWA will attend to answer questions regarding the financing material.
- F. **Planning Commission Work Session (D&B).** Present project overview, draft documents, and proposed amendments to County regulations at a work session with the Planning Commission.

Meetings	Products
<ul style="list-style-type: none"> Community Open House hosted by HAC (1) Planning Commission work session (1) Additional phone interviews with utility providers Meetings and/or conference calls with County and, as needed, Coastal Commission Staff 	<ul style="list-style-type: none"> Draft and final County ADU Design Book Draft and final Financing Guide with supplemental information for County website Draft and final Utility Approach memorandum to staff Administrative and public review drafts of proposed amendments to County Code Power Point presentation and materials for Planning Commission work session

Task 4: Public Review and Adoption of Code Amendments and Guidelines

Objective: Conduct public review and successfully take the Code revisions, Guidelines, LCP amendments and other products through the public review and hearing process. The Code and LCP amendments will be revised as necessary after adoption to reflect the Board of Supervisors and, if required, Coastal Commission's, final decision. Note that this task may be optional if Staff decides not to take the recommended Code revisions through to adoption as part of this process.

Time Frame: May 1, 2017 to July 31, 2017 or as determined by timing and form of required CEQA review.

- A. **Public Hearings (D&B).** Present the proposed revisions to the County Code to the County Planning Commission and to the Board of Supervisors hearings for review and adoption. This task would include preparation for and presentation to the California Coastal Commission.
- B. **Adopted Code Amendments (D&B).** Following adoption by the Board of Supervisors, revise the County Code and LCP amendments to incorporate specific text and diagram changes made by the Board of Supervisors and/or Coastal Commission as part of adoption, if any.

<i>Meetings</i>	<i>Products</i>
<ul style="list-style-type: none">• Planning Commission and Board of Supervisors public hearings (up to 4)• California Coastal Commission Hearing (1) if required• Meetings and/or conference calls with County and, as needed, Coastal Commission Staff	<ul style="list-style-type: none">• Public hearing draft of proposed amendments to County Code• Administrative and public review drafts of proposed amendments to County Local Coastal Program• Power Point presentation and materials for Planning Commission work sessions and Board of Supervisors public hearings• Revised County Code and LCP amendments for adoption