



City of Palo Alto

City Council Staff Report

(ID # 11464)

Report Type: Informational Report **Meeting Date: 8/17/2020**

Summary Title: ADU Quarterly Report (Quarter 1 and Quarter 2)

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From: City Manager

Lead Department: Planning and Development Services

Recommendation

This is an informational report and no action is requested.

Executive Summary

The Accessory Dwelling Unit (ADU) Quarterly Report keeps track of the ADU permit applications received, approved and finalized yearly by the City, as well as the details of quarterly applications received. Since 2015, the City has issued a total of 135 permits; 45% of these permits were issued during 2019. During each of the first and second quarters of 2020 Palo Alto received a total of 32 ADU building permit applications, 16 per each quarter. The details of the applications are provided in Attachment A of the staff report.

Background

In June 2017, the City Council amended the Zoning Code (Title 18) to update ADU regulations to comply with State requirements. Council then directed staff to provide quarterly reports on the number of permits filed for the construction of ADUs. The City Council received the last development report for the fourth quarter 2019 on May 18, 2020 ([Report ID # 10999](#)).

In mid-January 2020, Council adopted an Interim Urgency Ordinance to update the City's ADU regulations to comply with new State requirements in effect as of January 1, 2020. The [Interim Ordinance](#) is in effect through January 2021 and implemented minimal required changes to the Palo Alto Municipal Code (PAMC) for compliance, pending preparation of a more comprehensive ordinance update. Staff prepared a new ADU ordinance, which the Planning and Transportation Commission reviewed on May 27, 2020 and recommended for adoption by the City Council.

Discussion

This report tracks the ADU permit applications filed with the City and the status as to permit issuance and completion of construction to final inspection since 2015. The following table (Table 1) is a “snapshot” of the increase in ADU permit applications before and after the adoption of new regulations.

Table 1: Summary of ADU Permits from 2015-2020						
Category	2015	2016	2017	2018	2019	2020
New ADU Applications Filed ¹	10	9	28	55	75	32
Permits: Ready to Issue (City Approved) ²	8	5	12	39	62	8
Permits: Issued (Permit Obtained) ³	8	5	12	35	62	13
Permits: Final Inspection Approved ⁴	3	4	9	12	33	23
Permits Expired			1	1		
Detached ADUs (Submitted) ⁵			20	35	52	23
Detached ADUs (Issued) ⁵			8	24	41	9
Attached ADUs (Submitted) ⁶			8	20	23	9
Attached ADUs (Issued) ⁶			4	11	21	4
Junior ADUs (Submitted) ⁷				1	1	1
Junior ADUs (Issued) ⁷				1	1	0
Average Application Processing Time (Days Including Weekends) ⁸	127	214	118	183	135	92
Average Construction Time (Days Including Weekends) ⁹	578	751	330	287	173	439
Total City Impact Fees Collected for New ADUs ¹⁰			\$451,514	\$402,012	\$198,962	\$7,511
Source: City of Palo Alto Accela Data January 2015 through June 2020						
Notes:						
1. Any ADU/JADU Application SUBMITTED for the year						
2. Any ADU/JADU application Permit 'READY TO Issue 'includes application permits processed by the City and waiting to be picked up by applicants for the year (regardless of the year when it was submitted).						
3. Any ADU/JADU Permit ISSUED for the year (regardless of when it was submitted)						
4. Any ADU/JADU Permit receiving a Final Inspection (Ready to Occupy) for the year, regardless of when the application was submitted. Years 2015-2017 data point not available.						

5. Any Detached ADU Permit Application submitted for the year/Any Detached ADU Permit Issued for the year, regardless of when the application was submitted. Years 2015-2016 data point not available.
6. Any Attached ADU Permit Application submitted for the year/Any Attached ADU Permit Issued for the year, regardless of when the application was submitted. Years 2015-2016 data point not available.
7. Any JADU Permit Application submitted for the year/Any JADU Permit Issued for the year, regardless of when the application was submitted. Years 2015-2016 data point not available.
8. Average number of days from permit application submittal to when permit is approved and ready to issue. This average includes weekends and days application is pending due to applicant preparation of resubmittal or additional information from applicant.
9. Average number of days from permit issued to final inspection completed. This average includes weekends and days staff is waiting for applicant to schedule the next required inspection.
10. Total Impact Fees collected for new ADU/JADU's. Years 2015-2016 data point not available.

Data from Table 1 shows that 13 ADU/JADU permits were issued in the first two quarters of 2020. In the first two quarters of 2020, the City received a total of 32 ADU building permit applications. Twenty-eight (28) of these ADU applications were for properties within the R-1 single family zone district, while two applications were for properties within the RE zone, and two in the R-2 zones. About 65 percent of the applications filed were for properties in South Palo Alto, South of Page Mill Road/Oregon Expressway. Seventeen (17) ADU applications were for construction of new units, while the remaining 15 applications were for conversions of existing spaces, namely detached garages. The majority of the ADU applications filed were for one-bedroom units. The unit sizes ranged from 208 to 900 square feet, with an average unit size of 450 square feet.

ADU applications represent just over 24 percent of the City's market rate Regional Housing Need Allocation (RHNA) for the current RHNA Cycle.

Next Steps

On August 17, 2020, Council will also review the updated ordinance with streamlined and simplified ADU/JADU regulations, complying with California's laws (ID # 11118). The updated ordinance would amend the following PAMC provisions:

- Title 18, Chapter 18.04, addressing the applicable definitions, and adopting a new Chapter 18.09 to contain updated zoning regulations for ADUs and JADUs;
- Title 16 (Building): Sections 16.58.030 (Exemptions) of Chapter 16.58 (Development Impact Fees), 16.04.300 of Chapter 16.04 (California Building Code), 16.06.240 of Chapter 16.06 (California Residential Code, and 16.14.080 of Chapter 16.14 (California Green Building Standards Code).

Following Council's adoption of the updated Ordinance, staff anticipates the number of building permits issued for ADUs and JADUs may increase.

Resource Impact

None.

Timeline

This is a quarterly report published by the Planning and Development Services Department.

Stakeholder Engagement

This is a quarterly Informational Report for the City Council and does not require any stakeholder engagements.

Environmental Review

Construction of ADUs does not require any environmental review.

Attachments:

Attachment A: List of ADU Permit Applications, Quarter 1 & 2, 2020

Building Permits Applied in 2020 (Q1 & Q2)

Number of Applications	DWELLING TYPE	Project Location	Zoning	Date Filed	Application Status	Building Permit Issued	New Construction		Conversion		Type of Conversion		# of Bedrooms	ADU Size (SQFT)
							Attached	Detached	Attached	Detached	Garage	Other Accessory Structure/ Space		
Quarter 1, 2020														
1	ADU	North Palo Alto	R-2	01/22/2020	Permit Issued	Yes			x		x		1	370
2	ADU	North Palo Alto	R-1	02/06/2020	In Plan Check	No				x	x		1	330
3	ADU	North Palo Alto	R-1	02/06/2020	In Plan Check	No			x		x		1	429
4	ADU	North Palo Alto	R-1	02/11/2020	In Plan Check	No				x	x		2	647
5	ADU	South Palo Alto	RE	02/11/2020	Permit Issued	Yes		x					1	600
6	ADU	South Palo Alto	R-1 (8000)	02/13/2020	In Plan Check	No				x	x		1	527
7	ADU	South Palo Alto	R-1	02/13/2020	In Plan Check	No		x					1	561
8	JADU	South Palo Alto	R-1 (8000)(S)	02/18/2020	Incomplete				x			x	0	0
9	ADU	South Palo Alto	R-1	02/20/2020	In Plan Check	No		x					2	900
10	ADU	South Palo Alto	R-1 (7000)(S)	02/26/2020	In Plan Check	No				x	x		0	263
11	ADU	North Palo Alto	R-1	03/05/2020	In Plan Check	No				x	x		1	350
12	ADU	South Palo Alto	R-1	03/09/2020	In Plan Check	No			x			x	1	438
13	ADU	North Palo Alto	R-1	03/10/2020	In Plan Check	No			x			x	1	441
14	ADU	South Palo Alto	R-1	03/10/2020	In Plan Check	No	x						1	208
15	ADU	South Palo Alto	R-1 (S)	03/10/2020	In Plan Check	No		x					2	748
16	ADU	North Palo Alto	R-1	03/31/2020	In Plan Check	No		x					2	799
Quarter 2, 2020														
17	ADU	South Palo Alto	R-1 (7000)(S)	04/09/2020	In Plan Check	No		x					1	357
18	ADU	South Palo Alto	R-1	04/13/2020	In Plan Check	No		x					1	412
19	ADU	South Palo Alto	R-1	04/15/2020	In Plan Check	No		x					2	799
20	ADU	South Palo Alto	RE	04/16/2020	In Plan Check	No		x					0	494
21	ADU	South Palo Alto	R-1	04/29/2020	In Plan Check	No		x					1	312

Number of Applications	DWELLING TYPE	Project Location	Zoning	Date Filed	Application Status	Building Permit Issued	New Construction		Conversion		Type of Conversion		# of Bedrooms	ADU Size (SQFT)
							Attached	Detached	Attached	Detached	Garage	Other Accessory Structure/Space		
22	ADU	South Palo Alto	R-1 (S)	05/01/2020	In Plan Check	No			x		x		1	405
23	ADU	South Palo Alto	R-1	05/20/2020	In Plan Check	No		x					0	625
24	ADU	North Palo Alto	R-1	05/27/2020	In Plan Check	No		x					0	521
25	ADU	South Palo Alto	R-1	06/01/2020	In Plan Check	No		x					0	327
26	ADU	North Palo Alto	R-1	06/03/2020	In Plan Check	No				x	x		2	396
27	ADU	South Palo Alto	R-1	06/04/2020	In Plan Check	No	x						1	600
28	ADU	South Palo Alto	R1	06/05/2020	Submitted	No				x			0	0
29	ADU	North Palo Alto	R-2	06/17/2020	In Plan Check	No		x					0	0
30	ADU	South Palo Alto	R-1	06/24/2020	In Plan Check	No				x	x		0	431
31	ADU	North Palo Alto	R-1	06/30/2020	Submitted	No				x	x		0	416
32	ADU	South Palo Alto	R-1	06/30/2020	Submitted	No		x					0	800

Source: City of Palo Alto Accela Data January 1, 2020 to June 30, 2020.