



# **ACCESSORY DWELLING UNIT MINI-GRANT PROGRAM GUIDELINES**

**Approved by Town Council on November 28, 2023**



## **Accessory Dwelling Unit Mini-Grant Program**

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## 1. General

The Accessory Dwelling Unit Mini-Grant Program (“Program”) provides eligible homeowners in the Town of Truckee with a \$1,000 grant to assist with costs associated with constructing a new Accessory Dwelling Unit (“ADU”) or Junior Accessory Dwelling Unit (“JADU”); converting existing living space to an ADU or JADU; or permitting an existing and unpermitted ADU or JADU. The grant can also be used for new ADU or JADU construction and/or conversion. The purpose of the Program is to offer financial incentives in order to increase the inventory of safe, long-term rental housing units that serve the workforce in the region. Though long-term rental of the ADU or JADU is not a requirement for the Program, it is encouraged. The Program does not require that funds be paid back and there are no occupancy, rental or tenant income requirements associated with the grant. However, under both the Truckee Development Code and State laws, short-term renting is prohibited.

Eligible uses of grant funds include, but are not limited, to the following:

- Fees paid to the Town or other agencies as part of permitting process
- Design/Architectural/Engineering Expenses/Energy Audit Consulting Services
- Plumbing/Construction/Electrical Expenses
- Construction costs for construction or conversion of a new ADU or JADU.
- For unpermitted existing ADUs, eligible expenses shall be limited to work related to permitting the existing unit and will not include prior work done on the unpermitted unit.

The Accessory Dwelling Unit Mini-Grant Program application period will extend through December 31, 2025. Each Applicant must complete their project and receive a final Certificate of Occupancy within twelve months of receiving a grant award letter in order to receive the funding.

### *Other Town Program*

Recipients of the mini-grant program may not apply for any other Town ADU loan products. However, such applicants are eligible to apply for the Lease to Locals Program once the ADU or JADU is compliant or completed. To learn more about this grant program go to the Town of Truckee Housing webpage.

## 2. Definitions

The following definitions are relevant to the Program:

- A. Accessory Dwelling Unit: An ADU is an attached or detached residential dwelling which provides complete independent living facilities for one or more persons on the same site as a single-family or multifamily residence. The ADU includes permanent provisions for living, sleeping, eating, cooking, and sanitation.
- B. Applicant: The individual(s) applying for the Program who own the Property on which the Unpermitted ADU or JADU is located.
- C. After-the-Fact Permit Process: The process for bringing unpermitted ADUs and JADUs into compliance with Town building and planning codes is known as the After-the-Fact Permit Process. The process requires the Applicant to provide documentation to prove that the existing unit meets today’s building and planning standards and is safe for

habitation. In some cases the After-the-Fact Process may require building improvements to meet building and planning standards.

- D. Junior Accessory Unit: A Junior Accessory Dwelling Unit (JADU) is a unit that is no more than 500 square feet in size and contained within or attached to the living space of an existing or proposed single-family structure.
- E. Property: The legal parcel and all improvements thereon, including the primary dwelling and the ADU or JADU
- F. Unpermitted ADU or JADU: An unpermitted ADU or JADU is a unit that was built without Town required building permits. These units are considered unpermitted until they comply with building and planning code standards of the Town and receive an After-the-Fact permit

For simplicity's sake, both Accessory Dwelling Units and Junior Accessory Dwelling Units will be referred to collectively as "ADU" throughout these Guidelines.

### **3. Program Outreach and Marketing**

- A. Town staff will post application information and materials, on the Town's website. Town staff will also issue a press release and Program information will be provided to all interested parties.
- B. The Fair Housing logo will be placed on all outreach materials and applications.
- C. The Program Administrator ("the Administrator") will work closely with local homeowners providing information for eligible ADU development.
- D. All program information will be offered in English and Spanish.

### **4. Conflict of Interest Requirements**

Town employees excluded from participation in the Program include the Town Manager and the Assistant to the Town Manager and members of the Town Council. Other Town employees are eligible to participate in the Program.

### **5. Non-Discrimination Requirements**

The Program will be implemented in ways consistent with the Town's commitment to non-discrimination. No person shall be excluded from participation in, denied the benefit of, or be subject to discrimination under any program or activity funded in whole or in part with Town funding on the basis of age, ancestry, color, creed, physical or mental disability or handicap, marital or familial status, medical condition, national origin, race, religion, gender or sexual orientation or any other arbitrary cause.

## **6. Applicant Qualifications**

In order to be eligible for this Program, an applicant must be:

- A. A homeowner (s) who owns a home within Truckee Town Limits.
- B. Actively working to permit either an existing or new ADU or JADU on their property.
- C. There are no income limitations or requirements for the Applicant
- D. Applicant is NOT required to occupy the property (main dwelling) as the primary residence.

## **7. ADU Eligibility**

- A. ADUs must be located on a parcel that is geographically located within the town limits of the Town of Truckee.
- B. All ADUs permitted with Program funds must comply with current State and local ADU development codes, building codes and standards in place at the time of permitting. In no case will the unpermitted ADU be held to prior years' building or code standards.
- C. The ADU must be permitted as a separate and independent living unit meeting all Town requirements of an ADU/JADU, including but not limited to a separate entrance, address, etc. Note: Renting a bedroom or part of an existing home that does not meet all Town requirements as an ADU is not eligible.
- D. For After-the-Fact projects, applications will be eligible for projects that received their final Building Permit and Certificate of Occupancy within the previous twelve (12) months.
- E. The After-the-Fact permit project or ADU construction project must be complete and receive a final Certificate of Occupancy prior to the December 31, 2025 program deadline.

## **8. Application Process**

The Town will post Information and Application Forms on the Town Housing Program website page: <https://www.townoftruckee.com/government/housing>

Applications will be processed on a first-come-first-served basis until December 31, 2025, or until Program loan funds are exhausted.

The application process will be as follows:

- A. Applicant submits application.
- B. Staff will review the application and conduct an inspection of the property and may request additional documentation to show proof that the Applicant owns the Property.
- C. Once approved, the applicant will receive a grant award letter outlining the process by which mini-grants will be dispensed pending the submission of documentation.
- D. Applicant will have twelve months to complete their project and receive a final Certificate of Occupancy once they receive notice from the Town that they have been awarded the mini-grant. Failure to provide documentation of a final Certificate of Occupancy within this timeframe will disqualify the Applicant from grant funding.

## **9. Grant Proceeds Distribution**

Once the Town has issued a final Building Permit and Certificate of Occupancy, Applicant may submit required documentation to the Town for disbursement of grant funds. The Town of Truckee Administrative Services Department will be the fiscal agent for the distribution of Program grant proceeds following these steps:

- A. The Applicant will provide copies of invoices for work completed with dates or fees paid as part of the After-the-Fact permit process new construction process for the ADU/JADU. The license number of contractors and subcontractors shall be on all invoices.
- B. Applicant's name is required to be on each invoice.
- C. The date the work was completed or when fees were paid must be on all invoices. Work must have been completed within the previous 12 months.
- D. The Program administrator will review submitted invoices and may conduct a site visit to confirm that work outlined in the invoices was completed. The Program administrator will submit approved invoices to the Administrative Services Department for payment.