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TRANSMITTED VIA EMAIL

June 18, 2018

Honorable Mayor Sam Liccardo and Members of the City Council  
City of San Jose  
200 East Santa Clara Street, 18th Floor  
San Jose, CA 95113

Dear Mayor Liccardo, Vice Mayor Carrasco, and Councilmembers, Arenas, Davis, Diep, Jimenez, Jones, Khamis, Nguyen, Peralez and Rocha,

RE: Accessory Dwelling Unit Policy

On behalf of the undersigned partner organizations, we are pleased to share the following comments on the proposed revisions to the City's Accessory Dwelling Unit (ADU) Policy. We are in strong agreement with many of the proposed reforms and look forward to a robust discussion of ways to further simplify and strengthen the ordinance.

ADUs are an important source of affordable housing. Although not deed restricted, due to their size, they are more naturally affordable and can provide new opportunities for lower- and moderate income households currently priced out of the rental market. In addition to increasing the supply of affordable homes, ADUs can also provide income to homeowners who need the revenue stream to stay in their home, thereby reducing displacement of current homeowners. Finally, ADUs, sometimes called granny flats or second units, offer flexibility in responding to the housing needs of aging family members.

We thank the staff for all of its work and for its outreach process. The staff recommendations include several important features:

- Integrating new State standards on parking requirements near transit
- Lowering minimum lot sizes to 3,000 square feet (currently 5,445)
- Creating additional flexibility around replacement parking
- Allowing second story units over garages

We support these changes, but request that the Council consider the following additional changes:

- Staff recommends that ADUs incorporate the architectural style and similar materials of the primary dwelling, including but not limited to roofing, siding, windows, and doors. **While we agree that the ADU should blend in with the primary home, we believe this requirement is overly prescriptive, adds costs, and makes it more difficult to consider modular design.**

- Staff recommends no change to the number of bedrooms allowed, even though the size of allowable ADUs is increased. **We recommend that the staff allow up to two bedrooms for larger ADU sizes to accommodate individual needs.**
- Staff recommends that rear yard coverage requirements remain at 40%. **We strongly recommend that this percentage be changed to 50% or 60% given the increase in unit size and decrease in lot size recommendations. If it remains at 40%, then most of the smaller lots will be infeasible, and many of the larger units will be infeasible.**
- Staff recommends allowing a second story to an existing zero lot line structure such as a garage, but is requiring a 5-foot setback on the second floor. **We recommend that the second floor be aligned with the first floor, but that for privacy, no windows or only high window sills be included on the lot line side.** Requiring a 5-foot setback on an existing unit will decrease the potential size of the unit and make the design look awkward.
- While we appreciate the plans to extend a period of amnesty to allow owners of illegal accessory units to bring them up to code, this is a complex process. We recommend that the city develop a deliberate engagement plan for currently illegal units.

**In addition, while not under consideration today, we have the following recommendations:**

- **Eliminate fees for ADUs to reduce costs and increase feasibility.** This change is now included in legislation being considered in Sacramento.
- **Establish a robust communications program.** Most people still don't know that ADUs are now legal. We were heartened to see that the Housing Department and PBCE have plans to launch an educational and promotional campaign, and to coordinate with the Housing Trust of Silicon Valley.
- **Create a simplified process.** At each step along the way, the process to get a permit and build a unit should be simplified, shortened, and made more transparent. Creating a one-stop shop for ADUs, or having a single point of contact would make it easier for residents who want to build an ADU but don't understand how to navigate the development process.

It is exciting to see the rapid increase in ADU applications between 2016 and 2018, a pattern observable throughout the county. PBCE staff now predicts that the number of new applications per year could reach 200. As the number of sites eligible for ADUs increases, word gets out, and regulations are streamlined, this prediction can be met and even exceeded.

We thank you for your leadership and for your ongoing efforts to prioritize affordable housing in San Jose. We look forward to working with you to ensure that ADUs are a viable and attractive option for naturally affordable housing. Thank you in advance for your consideration of our recommendations.

Mayor Sam Liccardo and Members of the City Council  
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June 18, 2018  
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Sincerely,

Silicon Valley at Home

Bay Area Council

South Bay YIMBY

Greenbelt Alliance

Santa Clara County Association of REALTORS

