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Leslye Corsiglia
Executive Director

TRANSMITTED VIA EMAIL

December 17, 2017

Mayor Liccardo & 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: Item 5.1 – Actions Related to the 2017-18 Annual Adjustment for
Park Impact Fees and High Rise Fees**

On behalf of our members, we write today to urge the City Council to **consider a temporary waiver of Park Impact Fees for Accessory Dwelling Units (ADUs).**

ADUs (commonly known as second units) are a potentially easy way to increase housing for the missing middle—those who make too much money to qualify for traditional affordable housing, but too little to afford the area’s high rents. The City recently made changes to its ADU ordinance to conform with new State law, and has made it a priority to consider additional changes to streamline and increase the potential for ADUs.

There is not an existing subsidy source for ADU development; as a result, homeowners wishing to add an ADU unit must borrow funds to cover the entire construction costs. There is not a way to determine the total fees the City charges to ADUs, though the Planning Department has indicated that fees for permits—plan review for Building, Public Works, Fire, and Planning-- run between \$4,000 and \$9,000 per unit. Current Park Impact Fees for ADUs average \$3,000 per unit, but are as high as \$8,300 in North San Jose.

Reducing fees for ADUs, along with increasing the number of lots that qualify for building a second unit, streamlining processes, and providing technical assistance, will make it easier for San Jose residents to add these second units, an environmentally smart way of increasing the housing stock. This would not be an unprecedented action. The City has incentivized the development of high rise units in the Downtown with a temporary fee waiver.

San Jose has an estimated 180,000 single family homes, yet it has approved an average of only 13 ADUs a year. If the City had waived the fees in the past, it would have lost less than \$40,000 in park funds annually. The City has highlighted the need to identify

San Jose City Council

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options for missing middle housing. Because federal and State housing subsidies are largely targeted to households earning less than 60% of median income, this requires creative solutions. One of these solutions is ADUs.

We appreciate the opportunity to provide our comments, and look forward to partnering with you to develop ADU policies and programs that increase missing middle housing options in San Jose.

Sincerely,



Leslye Corsiglia
Executive Director

