



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Jacky Morales-Ferrand

**SUBJECT:** SEE BELOW

**DATE:** September 10, 2019

Approved

*D. DSYL*

Date

*9/10/19*

## SUPPLEMENTAL

**SUBJECT: AWARD \$5 MILLION TO THE HOUSING TRUST SILICON VALLEY TO IMPLEMENT AN ACCESSORY DWELLING UNIT FORGIVABLE LOAN PROGRAM AND WAIVE CERTAIN CITY FEES TO FACILITATE FURTHER ADU DEVELOPMENT AND APPROPRIATION ACTION**

## REASON FOR SUPPLEMENTAL

The Administration is recommending dropping this item under Orders of the Day at the September 10, 2019 City Council Meeting.

The forgivable loan program creates opportunities for moderate income households, however it may not meet the additional goal of jump starting the production of Accessory Dwelling Units (ADU). In addition, the program as designed, does not allow the Park Impact In-Lieu Fees to be waived because of the timing of the loan which comes after the Park Impact In-Lieu Fees is paid.

Finally, the California Legislature is still moving forward Senate Bill 13 Accessory Dwelling Units which provides a tiered schedule of impact fees based on the size of ADUs. For units that are less than 750 square feet zero fees would be allowed. For units greater than 750 square feet the fee would be proportional to the size of the primary dwelling unit. This is the last week that the legislature can pass a bill and the Governor will have a month to sign and approve it.

Therefore, staff needs additional time to work with Housing Trust Silicon Valley to review the program design to determine if both objectives, incentivizing and providing moderate income housing can be met, and the results of SB 13.

/s/

JACKY MORALES-FERRAND  
Director Housing Department

For questions, please contact Jacky Morales-Ferrand, Director of Housing, at (408) 535-3855.