

TRANSMITTED VIA EMAIL

June 24, 2019

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 Jones, and Councilmembers Arenas, Carrasco, Davis, Diep, Carrasco, Esparza, Foley, Khamis, and Peralez,

Item 4.6 – Moderate-Income Housing Strategy and “YIMBY” Accessory Dwelling Unit Proposal

From our inception, SV@Home has worked to support housing for all -- from permanent supportive housing for the formerly unhoused, to market-rate and affordable homes that respond to the broad housing needs of our communities and workforce. We know that different solutions are needed in response to different housing needs.

For families that make too much money to qualify for income-restricted affordable housing but too little to afford the area’s high rents, “missing middle” or moderate-income housing options are needed. We are pleased that the city is exploring cutting edge policy solutions and creative funding measures that will lead to increased availability of housing for families earning moderate incomes.

One important missing middle strategy is the development of Accessory Dwelling Units (ADUs), which can provide more naturally affordable housing choices. When the Council prioritized and implemented reforms to San Jose’s Accessory Dwelling Units policies last year, it acknowledged that the key to unlocking the potential of ADUs was to adopt proactive regulations, reduce cost, streamline the process, and increase visibility and education. The City’s actions have resulted in a doubling of ADU permits issued from 2017 to 2018.

The memo introduced by Mayor Liccardo, and Councilmembers Carrasco, Arenas and Foley, suggests a number of positive actions that further support ADUs, including the development of a new program that provides benefits to homeowners who are building an ADU and agree to renting the unit to a qualified family. We are supportive of these recommendations, particularly those that seek to streamline the development of ADUs to reduce the barriers of construction. Resolving the conflicts between the Fire Department and Planning Department is crucial. We have heard stories from homeowners seeking to build ADUS that the Fire Department is imposing requirements for zero-lot line ADUs that are inconsistent with State law. Considering opportunities for modular construction is also positive; this can significantly reduce both the cost and development timeline for adding an ADU to a property. In addition, we strongly support actions that enable the legalization of garage conversions.

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Leslye Corsiglia
Executive Director

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Along with the recommendations included in the memo, we strongly recommend that the Council take proactive action to incentivize ADUs similar to legislation now being considered by the State legislature:

- **Adopt a 60-day review rather than the current goal of 120 days.**
- **Waive impact fees for those developments that are less than 750 square feet.**

We thank the staff of the Housing Department and the Council for considering these creative funding and policy options and look forward to further discussion in August. San Jose has long been a regional leader on affordable housing solutions. We are confident that this leadership will generate best practices for moderate-income housing production as well.

Sincerely,



Leslye Corsiglia
Executive Director





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**RE: June 25, 2019 City Council, Agenda Item 4.6:
Moderate-Income Housing Strategy Update Including A Forgivable Loan
Program to Incentivize Homeowners to Build Accessory Dwelling Units**

Dear Mayor Liccardo, Vice Mayor Jones, and Honorable Councilmembers,

On behalf of the Silicon Valley Leadership Group, I am writing to express our support for the "Yes, In My Backyard" Affordable Housing Program proposed in the May 14 memo from Mayor Liccardo and Councilmembers Carrasco, Arenas, and Foley (staff's memo recommendation #2) and the ADU streamlining proposed in their June 21 memo. Accessory dwelling units (ADUs) are one of many housing solutions that must be leveraged to help address our affordable housing shortage.

The Silicon Valley Leadership Group was founded in 1978 by David Packard, Co-Founder of Hewlett Packard. Today, the Leadership Group is driven by more than 330 CEOs/Senior Executives to proactively tackle issues to improve our communities and strengthen our economy, with a focus on education, energy, the environment, health care, housing, tax policy, tech & innovation policy, and transportation.

The Leadership Group supports providing forgivable loans to homeowners willing to build an ADU on their property in exchange for renting to low- and moderate-income renters for a specified amount of time.

Development of ADUs are an opportunity to cost-effectively increase the supply of affordable housing in the Silicon Valley in a shorter amount of time if we can address both the financing and the permitting process challenges. We support Councilmember Khamis' memo and proposal to direct staff to explore the opportunity to partner with Housing Trust Silicon Valley to support homeowners who are willing to participate in this program. The Housing Trust is ably positioned and experienced because of their existing work in administering first-time homebuyer and ADU programs in Santa Clara County.

We are encouraged by the City of San Jose and this Council's pursuit of housing solutions to address our deepening housing affordability crisis.

Sincerely,

Carl Guardino
President & CEO
Silicon Valley Leadership Group