

San Jose Aims to Make Building a Granny Flat Easier

Mayor Sam Liccardo wants San Jose to be a leader when it comes to accessory dwelling units

By Emily Deruy, The Mercury News, August 27, 2019

Staring down a statewide housing crisis and scrambling to meet an ambitious building goal in San Jose, Mayor Sam Liccardo on Tuesday unveiled a series of measures aimed at making it easier to construct granny flats in the nation's 10th largest city.

Backyard cottages, Liccardo said in a statement, are "the single fastest and most efficient step in addressing the city's affordable housing crisis." And with the city struggling to meet the mayor's goal of building 25,000 units — including 10,000 affordable homes — by 2022, accessory dwelling units are also a way to add to the city's housing stock.

"We're looking for ways to do it faster," Liccardo said at a news conference at the city's permit center, flanked by fellow City Council members from across the political spectrum.

San Jose is not alone in taking steps to ease the building process. Across the Bay Area and state, cities are encouraging residents to build more backyard homes. Several years ago, Oakland loosened restrictions on granny flats, including easing parking requirements. San Mateo County has created a one-stop portal with everything from a price calculator to an idea book.

To simplify the process, San Jose has created an ADU master program where residents can select from several pre-approved designs to get permits faster, and launched "ADU Tuesdays," an express lane at the city's permit center where homeowners and developers should be able to get a building permit within 90 minutes. The city has also hired a full-time "ADU ally" to help homeowners navigate the procedures and launched a new [online ADU portal](#) where residents can find out if they are eligible to build a secondary dwelling and see the required steps.

For Brian Lam, an ADU designer with All Phase Construction, the express service has saved valuable time.

"I walked in with my plans and walked out with the building approval in less than two hours," Lam said. "This is what ADU applicants need to help get the building permit quickly."

Steve Vallejos, president of prefabADU, is hoping to have at least several models pre-approved by the city.

It can be a “struggle to connect all the dots” for people embarking on the process of having a flat built on their property, Vallejos said, calling the changes San Jose is making “really, really necessary.”

Other cities in the region are implementing their own changes. David Garcia, policy director for the Turner Center for Housing Innovation at UC Berkeley, pointed to Santa Rosa, which has lowered ADU fees as it tries to rebuild from the devastating fires of 2017; Santa Cruz, which set up a loan fund to help people build ADUs and offered some amnesty for residents willing to bring un-permitted dwellings up to code; and San Francisco, which has taken the unusual step of allowing people to build granny flats even in multifamily buildings — utilizing storage space and parking garages.

And those policy tweaks are paying off. More residents are choosing to build the flats, sometimes in their backyards and sometimes by converting existing garage space.

Applications have [risen significantly](#) across the region, including in San Jose, as more adult children remain at home and families turn to multi-generational living arrangements.

By the end of June, San Jose had issued 191 permits, surpassing the 190 the city issued for all of 2018, and well above the 91 it issued in 2017. Polling data — drawn from a recent online survey of more than 3,600 registered voters in the city — showed that not quite a third of respondents would be interested in having an ADU in their backyard. According to the city, more than half of San Jose’s 180,000 single-family homes would qualify.

“The interest is there to build new affordable rental housing,” Liccardo said. “Now we need to remove friction points and speed up the process.”

If the City Council approves a program to offer [forgivable loans](#) worth as much as \$20,000 to residents willing to rent backyard flats to low-income tenants, as expected, the online portal will include information about how to access such funds.

Up the Peninsula, several startups, including ADU Builder and Point, similarly aimed at alleviating some of the burden of paying for an ADU — which can run north of \$100,000 — have [launched in recent years](#), taking either a percentage of rental income or a portion of the appreciation of the property in exchange for financing.

“We have teachers, nurses, college students, seniors, first responders, and so many others desperate to find an affordable place to rent,” Liccardo said. “And at the same time, we have thousands of homeowners interested in creating affordable rental options. The city can and must act as a catalyst to speed up construction of these new units.”