



COMMUNITY DEVELOPMENT DEPARTMENT

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CITY COUNCIL STAFF REPORT

Meeting: September 21, 2021

SUBJECT

Study Session to provide an update on the Pre-Approved Accessory Dwelling Unit Program and Accessory Dwelling Unit implementation.

RECOMMENDED ACTION

That City Council receive the presentation and provide comments.

DISCUSSION

Background

The City's Housing Element encourages the increased supply of ADUs to provide affordable housing opportunities that meet the City's Regional Housing Needs Allocation (RHNA) for moderate level housing. In order to implement this General Plan policy, the City has worked to incentivize the production of Accessory Dwelling Units (ADUs) under the Community Livability and Sustainable Infrastructure sections of the FY18/19 and FY19/20 City Work Programs. As part of these efforts, the City has reduced building permit and impact fees and adopted modifications to development standards.

The direction from Council in implementing this FY20/21 City Work Program included an item to establish Pre-approved ADU plans to help property owners by reducing/eliminating design costs and creating procedures and policies on streamlining the ADU review process.

Planning Commission Review

An update on Accessory Dwelling Unit production and implementation of incentive programs was provided at a study session to the Planning Commission on June 23, 2020. At the study session, staff presented a review of programs other cities had created for pre-approved ADUs. The City of San Jose's ADU Ally Program was discussed in depth as it was successful in facilitating ADU education and development. This program offers pre-approved plans from selected vendors that helps quicken the review process while

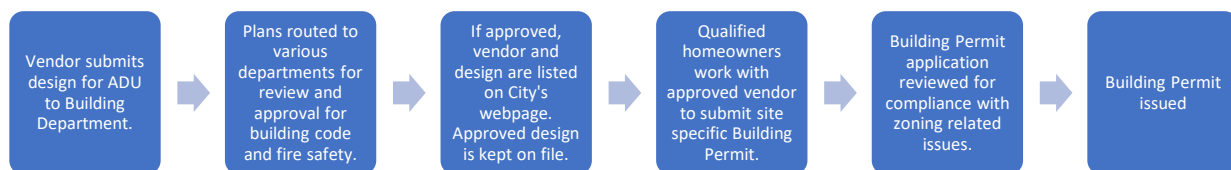
saving the applicant money.¹ The Planning Commission's direction was to return for a follow-up study session on the progress of the City's own pre-approved ADU program.

On August 24, 2021, the Planning Commission heard the Staff presentation on the update of the Pre-approved ADU program, as well as status of permitted ADU production in the city. The Planning Commission asked questions and staff received comments from the community. No substantial changes to the program were proposed.

Analysis

Pre-Approved ADU Program

Upon completion of the review of other City's programs, the discussion at the Planning Commission, Planning Staff in winter 2020 initiated the City's pre-approved ADU program in collaboration with Building Division staff. The City's webpage for the program can be viewed [here](#). The program's process is based on the San Jose ADU Ally Program, which enables residents to choose a pre-approved ADU design from a specific vendor, saving the applicant time, and potentially money. All pre-approved ADUs must be detached but can be stick-built or prefabricated. The program functions as follows:



Any homeowner applying for a site specific pre-approved ADU must continue to submit the vendor's approved design, boundary survey, site plan, and if proposing to install an HVAC system, the specs for the outdoor condenser.

Homeowners can only qualify for a pre-approved ADU if their residence is in the Valley Floor geologic designation. This is the area that includes all relatively level valley floor terrain, primarily not adjacent to any waterways, and not included in the following categories:

- Fault Rupture
- Slope instability
- Hillside
- Liquefaction/Inundation

¹ More information about San Jose's ADU Ally Program is located online at:

<https://www.sanjoseca.gov/business/development-services-permit-center/accessory-dwelling-units-adus>.

To assist potential applicants in identifying their property's qualification for the Program, the Program's webpage contains a mapping feature that can identify whether a parcel in the City is eligible.

Planning staff developed handouts with FAQs, basic development standards, and description of the pathway to applying for a permit and obtaining a building permit for the public. These have been attached as Attachments 1 and 2.

Accessory Dwelling Unit Development

California General Plan law requires each city and county to have land zoned to accommodate its fair share of the regional housing need as part of its Regional Housing Needs Allocation (RHNA). Over the 8-year projection period (January 1, 2014 through October 31, 2022) for the City's Housing Element, the City's fair share allocation is 1,064 new housing units, which is divided into four income categories: very low, low, moderate, and above moderate. Consistent with Government Code Section 65583(c)(1) and HCD technical guidance documents, the City is applying ADU development towards its moderate income RHNA.

Prior to 2014, the city approved an average of four ADUs per year. The current Housing Element anticipated that the same number of ADUs as that produced during the 2007-2014 cycle (32 ADUs) would be permitted in the 2014-2022 cycle. However, between 2014 and August 3, 2021, there have been 118 ADUs permitted. Please refer to Table 1 to see a year-by-year breakdown of the units permitted thus far.

Table 1 Accessory Dwelling Units Permitted by Year and Type

	2014	2015	2016	2017	2018	2019	2020	2021
Attached/ Conversion	0	1	11	9	10	8	12	18
Detached	8	4	7	3	5	7	8	7
Total	8	5	18	12	15	15	20	25

Although only midway through the 2021 calendar year, based on the data, it appears that the city has surpassed its most prolific year (20 in 2020) for ADU development.

Table 2 has a breakdown the types of ADUs and sizes of units that residents have been permitted to be built in the 2020-2021 calendar years. Under state law, conversions of garages/enclosed parking spaces into ADUs do not require replacement parking. There have been ten instances of garage conversions so far – four detached garages and six attached garages. To date, no applications for ADUs within existing multi-family developments have been received in the city, though there have been some inquiries about addition of ADUs on duplex properties.

Table 2 Types and Size of ADUs and JADUs in the City (2020 -2021)

	JADU	Detached ADU	Attached ADU	Conversion
Average Size (Size Range)	0	652 s.f. (406-995 s.f.)	625 s.f. (425-800 s.f.)	503 s.f. (395-864 s.f.)
Number	0	15	18	12 ²

Sustainability Impact

No sustainability impact.

Fiscal Impact

No fiscal impact.

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ATTACHMENTS

A - Steps to a Completed ADU Handout

B - ADU FAQs handout

² Ten of these are garage conversions.