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## **Mayor Sam Liccardo Introduces Proposal to Incentivize Construction of ADU's as Affordable Housing**

*Partnership with Housing Trust of Silicon Valley would provide forgivable loans to homeowners who build ADU's and rent to low--to-moderate income residents*

SAN JOSE, CALIF.- Mayor Sam Liccardo today, in partnership with the [Housing Trust of Silicon Valley](#), unveiled [a proposal](#) to spur construction of accessory dwelling units (ADUs), also known as “granny units,” to help address the housing crisis. The “Yes in My Backyard” program would waive City impact fees and provide forgivable loans- up to \$20,000-- for homeowners in San José who build an ADU, or convert a garage into a housing unit, and agree to restrict rents to a level that is affordable to low-to-moderate income households.

“Our housing crisis requires we pursue creative and innovative approaches to spur more housing development at all income levels,” said Mayor Liccardo. “This unique opportunity to partner with the Housing Trust will help us leverage the City’s affordable housing dollars more efficiently, and increase the stock of affordable housing for families struggling to keep up with the high cost of living in our Valley.”

In his memo, Mayor Liccardo directs the City Manager to evaluate the allocation of up to \$5 million from the City’s Multi-Source Housing Fund for the loan program. To participate in the program, interested homeowners would agree to deed-restrict their ADU for low- to mid-income households in return for a forgivable loan they could use to pay permit fees and construction costs. A portion of the loan would be forgiven on an annual basis -- over the course of five years -- as homeowners establish that they have complied with the deed restriction.

“Creating accessory dwelling units is a great way to add more housing opportunities in existing single-family neighborhoods that fit with the fabric of the community,” said Kevin Zwick, CEO of Housing Trust Silicon Valley. “We’re happy to see San Jose continue to use innovative tools to address housing in the region and invite everyone from philanthropic and corporate partners to homeowners to become part of the solution.”

In a memo outlining the proposal, the Mayor also expresses interest in working with business, advocacy, and philanthropic organizations to explore ways to scale the program. The proposal comes as the City is set to discuss its Moderate-Income Housing Strategy at a June 11 City Council hearing.

This is the latest in a series of proposals Mayor Liccardo has offered to identify strategies that the City can undertake to address the housing crisis, including facilitating the development of secondary units. In late 2018, the City passed a series of measures to streamline the ADU process and eliminate unnecessary regulations. In just the first four months of 2019, the City issued over half the number of permits issued in all of 2018.

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