



# Memorandum

**TO:** CITY COUNCIL

**FROM:** Mayor Sam Liccardo  
Councilmember Magdalena Carrasco  
Councilmember Sylvia Arenas  
Councilmember Pam Foley

**SUBJECT:** SEE BELOW

**DATE:** June 21, 2019

Approved:

**SUBJECT: MODERATE-INCOME HOUSING STRATEGY UPDATE INCLUDING A FORGIVABLE LOAN PROGRAM TO INCENTIVIZE HOMEOWNERS TO BUILD ACCESSORY DWELLING UNITS.**

## RECOMMENDATION

1. Accept staff recommendation
2. Direct staff to continue to pursue process improvements that can streamline the ADU permitting process, including the following:
  - a. Develop a universal checklist for initial plan submittals that encompasses requirements from Planning, Building, Public Works, and Fire.
  - b. Create an ABC intake form to triage (a) a subset of “basic” ADU projects meeting specific criteria that can move on to an express check, (b) projects that may need minor adjustments, and (c) projects that will require finer tuning.
  - c. Develop a master plan process that would allow contractors and pre-fabricated manufacturers to have a standard set of ADU plans pre-approved.
  - d. Develop an automated permit issuance process based on specified site criteria.
  - e. Refine and ensure conformity of fire department requirements—including standard water line capacity, sprinklers, and setbacks/zero lot lines—with those of PBCE.
3. Direct staff to present quarterly updates on ADU process improvements to the AD-HOC Committee for Housing Construction and Development Services.
4. Adopt Councilmember Foley’s memorandum to the extent that a loan program or subsidy can feasibly be crafted in light of the substantial affordability gaps that remain. Consider targeting the very limited funding in the program strategically to support key City objectives, such as part of a retention strategy for teachers.

## BACKGROUND

The Planning, Building and Code Enforcement Department has made progress in reducing several longstanding barriers in the ADU permitting process and in promoting various ADU

activities and educational events. PBCE staff are currently exploring the idea of an “ADU Day” in the permitting center, and process improvements to facilitate the review and permit process for ADUs. In alignment with the Council Priority #7: Accessory Dwelling Units & Garage Conversions, the Council should encourage staff across all departments to align with PBCE efforts to continue to reduce processing time.

Over the past month, we have had conversations with more than half a dozen local builders and manufacturers who specialize in ADUs. Some common themes have emerged from these conversations. While they appreciate the changes that have been made in the ADU ordinance, they have also identified areas where we can reduce delays for both homeowners and the City.