

Episode 9: San José's ADU Program

Welcome to Dwellings, a podcast from the City of San José Housing Department, where we talk with experts about ending homelessness, building affordable housing, and exploring housing policies at the city and state level. I'm your host Alli Rico. On today's episode, I'm joined by Sarah Shull, the ADU Ally for the city of San José to learn all about the City's ADU program.

Sarah Shull: program. My name is Sarah, Sarah Shaw. I work at the City of San José in the Planning, Building, and Code Enforcement department, and the building division specifically, as the ADU ally, I'm a coordinator for ADU projects in San José and also, customers reach out to me, anybody asking general questions, if they started a project and kind of gotten stuck, or they don't know where to start again, finding a path. That's where I kind of jump in. I also internally take lessons learned and feedback from customers or internal staff members to usher forward these process improvements and, you know, make this program better than before.

Alli Rico: So, first question, what is an ADU?

Sarah: On our webpage, I'll read what it says on the landing page. Accessory dwelling units, they are called ADUs, secondary units, second units, or granny flats. They're small living units that include a kitchen and a bathroom, on properties zoned residential with a single family home, duplex home, or multi-family building in place. Basically, they're small single-family homes, small-scale single-family homes that may be proposed on qualifying lots.

Alli: And then we also have junior ADUs, right? So what are, what, what's the difference between a regular ADU and a JDU?

Sarah: So when we're getting down into the particulars, uh, there are three different types of ADUs in San José. There's the ones we've just covered that have the, um, the small-scale family home with the kitchen and the bathroom. Junior ADUs are smaller scale. They're less than 500 square feet. They are required to be, uh, converted existing portions of the single-family home that is on the lot. Um, and then we have tiny home on wheels. And those are not affixed to a permanent foundation. There is a separate permitting checklist for that. Um, and they're always less than 400 square feet, at least 150. And those are the three different types.

Alli: Cool. So a junior ADU would be like, if you converted your basement?

Sarah: Correct, or an attached garage, or maybe you have, uh, you know, a bedroom that you want to convert. It does also need to have an efficiency kitchen. So plug-in appliances, there, there are additional, um, you know, standards that you'll need to meet for all of them. And all of that information is online. And if anybody has any general questions, of course, they can reach out to me.

Alli: So, what is the appeal of an ADU for a homeowner? Like if I owned my own home, why would I want to build one on my property?

Sarah: So the appeal or the reason for an ADU is different for each customer applicant. Many of the homeowners that I have spoken with build ADUs for themselves or their family members, friends, or, uh, they become a landlord and they rent the ADU. Um, ADUs as a construction option offer infill. So

you're using that land that's not currently used as a habitable space to, you know, infill for a living unit. Um, and it allows those property owners to increase number of living units, of course, on the qualifying lot without having to purchase more land or another house or having to develop undeveloped land. The average cost of a single-family home in San José is about \$1.2 million. And the estimated cost of an ADU in San José, with the construction and permitting, we're estimating around \$250,000. So that's 21% of the cost of an average single-family home in San José right now. So that, that kind of makes ADUs affordable for homeowners who want to provide that infill or have that additional income for them or provide a space for them to age in place or have their family member come and live.

Alli: And San José specifically, we've had a lot of success with our ADU program. Can you talk about how our ADU program got started, and how it's evolved since its inception and since you've come on board and like what the future of the program might look like?

Sarah: Sure. So, um, it's gotten bigger and better, of course. Uh, we'll start kind of with the, a little bit of the beginning. So in 2016 and 2018, the City of San José allowed ADUs through a pilot program. And in 2018, ADUs were officially allowed in San José. So they were no longer having the pilot program. And it just was allowed in 2016. That's when we start seeing, you know, more interest. And the city and state regulations have been updated many, many times since then to make it easier for a lot to qualify for an ADU and have it built there. Um, the city's ADU program launched in August of 2019, to introduce ADU Tuesdays, which was, and is expedited plan review for qualifying ADU projects. And the pre-approved ADU program, which is a fast-track for permitting ADUs that are already have pre-approved plans providing certain vendors, the pre-approved vendors. Um, and we were also launched the ADU Ally position, which I was filling and I serve as a coordinator, uh, and still do, um, to help us customers understand and navigate the ADU permitting process. Our city ADU team is always working to make, uh, all of our processes more streamlined and coordinate directly with homeowners and the pre-approved vendors to help them understand any changes in the process and our ADU requirements and permitting process.

Of course, this coordination is really key because we're getting more and more volume of submittal and the size and scope of work for these projects are getting larger. Not only that the ADU. But we're seeing more projects come along with ADUs: a new pool, single-family addition, alteration, new single-family home, all sorts of stuff. So since the applications are at all-time high, we're going to talk about some more data. In 2016, we received 51 ADU applications. And in 2019 and 2020, we received more than 500. Right now in 2021, we have received. About 480 applications. So we will get over 500. And I get this question a lot, so I did want to cover it. And then also really kind of solidify the scope of work that we're talking about for these ADUs, the total size that we're allowing, of course, it's been increasing over the years and right now on properties that are 9,000 square feet, they could potentially propose a 1000 square foot ADU, and a lot of course does need to qualify. And if the lot is over 9,000 square feet, you could potentially propose up to a 1,200 square foot ADU. So this is definitely why I say they're small-scale single-family homes. I grew up in an 1100 square foot home.

Alli: That's a lot bigger than I would think about an ADU being. That's a small house.

Sarah: Yes. Two bedrooms, two bathrooms. And my favorite resource is the ADU universal checklist to kind of figure out, you know, is an ADU project right for me? What are the requirements? And any applicant can use it without the help of a professional to, you know, understand the requirements on a particular lot and see if they want to move forward.

Alli: Wow. That's awesome. Just like thinking, because, so I live in, uh, in Hensley, which is an older district and some of the houses in my neighborhood aren't even 1000 square feet. So that's fascinating that now it's like, you've got enough land. You can qualify for a 1000 square foot ADU if you wanted to. That's so cool.

Sarah: Absolutely could. Yes. Yes. Um, and for historic lots, you just kind of got to be a little bit more careful about what you're proposing and when. Attached ADUs might be subject to the historic requirements for a historic lot. So anybody looking into that, I mentioned the ADU universal checklist, it gives you steps to do some basic property research, uh, at [SJPermits.org](https://www.sjpermits.org). Um, and you can look up that information, answer those questions, find out if it is historic or not. And if you're proposing an attached ADU, go ahead and check with a planner and they can help you move forward.

Alli: Cool! And so you said ADU Tuesday is still happening?

Sarah: ADU Tuesday is still happening pretty much on a daily basis, because it is that project coordination. Uh, previously when we did launch, ADU Tuesdays was to provide that expedited review. We also did regular intake for ADUs. And that piece is why it's every single day, because we do submit every single day for ADUs. Um, we have, I believe it's four appointments every single day. Uh, customers schedule those online and you can access, um, our virtual appointments webpage to start scheduling those.

Alli: Cool. And you, um, you had mentioned that statewide legislation has also evolved since 2016. The way I understand it there are state laws that help with ADU development. What do those state laws do?

Sarah: So the, the state regulations, they provide kind of the basic information and what to adhere to for ADUs. So most recently the junior ADU information has been updated to allow them to be attached to the single-family home, along with an attached ADU. That's a new regulation that kind of filtered down to us. They make kind of the basic information and then the local jurisdictions take that and kind of filter it for their local...what the local community wants and needs. So San José is really, really friendly to ADUs, and that's also why you see those sizes being as large as we could get them, because we know that's what San José wants. We want ADUs on smaller lots, and we want them to be as big as we can get them. Of course, depending on the lot, you may not be able to have a 1200 or 1000 square foot ADU, but you still could have an ADU potentially. You know, you gotta read those requirements and see, um, what your lot, what the characteristics of the law are and what you can propose within those, uh, requirements.

So they are Senate bills that, um, you know, kind of housed all of this information. And then it comes down to the local level and we write that information in two hours zoning ordinance and that's, that's where it starts. And then it, it goes to the local level we create what is kind of best for us. And then those are the local regulations, which is what we see.

Alli: Gotcha. Cool. And how does the city help homeowners that are interested in adding an ADU to their property? Like, are there any fees or requirements that might be waived? Does the city like incentivize it at all?

Sarah: Getting back to some of the state regulation. The state in, um, in 2019, decided that in January, ADUs that are 750 square feet or less are not required to pay impact fees. And that could

be in the thousands. So the impact fees or school fees and parkland fees, they're public fees. You're paying those for habitable space, whoever would be living there might be using those public services, the school or the parks. So you're paying an amount based on, you know, where you live for the parkland fees or what the school district designates for that particular property. So one of those fees could be waived, if you propose an ADU that is 749 square feet or less, you could save those fees. Um, customers also have the benefit of contacting me as a central resource and a coordinator to kind of get started or, um, if they don't know where their project is or how to get started again, then they can contact me. And we also have the pre-approved ADU program to incentivize the fast track and reduce some fees because the vendors have already gone through and paid to have those pre-reviewed. So the owner has the benefit of a one hour expedited meeting, during ADU Tuesday, um, to have those plans reviewed. And if they're approved, they do stand to have that permit issued to them that same day. And if it's issued to you the same day, you're approved to do that work.

Alli: And speaking of the prefabs, do you have to do a prefab pre-approved or can you build your own custom ADU? What are the benefits and drawbacks of both of those options?

Sarah: So no one's required to do a prefab ADU, and that could be a separate option. The prefab ADU and pre-approved ADUs are different. You could contact a vendor who has this unit and they must meet the local ADU requirements because it's prefab, it's built offsite. Someone is approving the work inside of that and saying, this does meet these requirements, and it does need to meet San José local requirements. So it needs to meet our reach code and Title 24 as well. Title 24 is the California code requirement, and our reach code is the City of San José's local, um, ordinance prohibiting natural gas. So all new detached ADUs, um, will need to be all electric and be solar-ready. And if, uh, if a homeowner has questions about what exactly that is and what it means to be solar-ready, they can talk to the person who was creating Title 24 for them, and they can act as the energy consultant. So prefab or manufactured ADUs are, you know, something in and of themselves as being built off site and it's being, you know, approved and certified by a third party or different agency, that's not the city of San José, so you can propose that, but I really, really suggest that any vendor you work with, they make sure that they're meeting San José's requirements before submitting.

The pre-approved ADUs are vendors that have come to us and, um, had their plans pre-approved. And [we do have a web page for that](#), you can go and look at what units are pre-approved, contact those vendors and they will act as like the project coordinator for you. They've been through the process. They send an email directly to me to ask for that ADU Tuesday appointment if the project qualifies. Of course you want to make basically no changes. It's the out of the box option and what a lot of customers expect as the ADU experience: I want this, on this slot. How do I get it as fast as possible? And that would be the pre-approved ADU route. You're choosing a vendor and they do all of those steps for you, to get it submitted and some of them do cover all of the construction. Um, so the pros for that is the fastest permitting option. It's a lower cost because of the streamlined permitting fees and that expedited appointment. Those are the that's the time you're paying for as a homeowner. It requires less time on the homeowner's side because they're not hiring their own team and finding the people to create those plans.

So there are some cons to the pre-approved ADUs, um, that we've talked about. It can't really be changed, so it's not a custom ADU to that applicant. And pre-approved ADUs must qualify. So, um, it has to be a detached ADU project. Um, it has to be zoned residential and have an existing single-family home or duplex. Um, and the lot cannot be located in a geohazard zone, a landslide zone or a flood zone or a wild land-urban interface zone. So if customers have questions about that, they can check the ADU universal checklist or they can contact the pre-approved vendor and say, "hey, does

my lot qualify? Cause I really like your unit.” And also one of the other potential drawbacks is that currently the largest pre-approved ADU that we have is 750 square feet. None of them are two stories, but we do have, um, a 900 square foot pre-approved ADU in review right now. So they are applying to have it posted and become a vendor with us. So those are kind of some cons.

The custom ADUs, of course, they're tailored to the homeowner, exactly what they want. And one of the cons for that is that the owner would be hiring their own team, and that would take a little bit more time. And of course, education on their part that they're, you know, kind of building from the ground up as well. So pre-approved ADUs are definitely faster, but you can't customize it entirely for yourself. Maybe you can change like some surface options, um, like marble countertops or something like that, but you can't really change the size or, you know, windows and things like that.

Alli: How many pre-approved vendors do we currently work with?

Sarah: Currently we have seven vendors that are offering 14 different ADU unit or pre-approved ADU units.

Alli: So you get a decent amount of variety within that pre-approved bunch, that's nice.

Sarah: Yeah. I think it ranges from around, uh, 360 square feet to 750 with mostly one bedrooms that I think there are a few, two bedrooms in there.

Alli: And then I also understand that we have an ADU amnesty program. Can you talk about what that program is?

Sarah: Certainly. So, um, the ADU amnesty program is aimed to help homeowners legalize an unpermitted ADU on their property. Uh, the program will be in effect until January 2022. ADUs that qualify for the ADU amnesty program, are units that have a place to sleep, a kitchen and a bathroom, they must have been built or converted before December 31st, 2019. They must also have an occupant currently - or a resident currently occupying the unit and, um, cannot have an existing building permit application to legalize the unit. So if an applicant is hearing this and kind of like, Ooh, where do I go to find that out? You would go to [SJPermits.org](https://www.sjpermits.org) and look up a permit and file information for that particular lot. Um, they could also go to code enforcement's webpage and use their interactive map to search the address and see if there were any active, uh, folders associated with it.

Alli: Okay. And so that's, if - that's to help unpermitted units like up to code and safe and everything.

Sarah: Yes. Yes. It's to legalize the unit and reducing the risk to the occupants inhabiting it. It reduces liability, it increases property values, and it gives the owner some peace of mind, um, and all of the program applicants, um, or participants, qualify for a waiver of illegal construction penalty fee, which is kind of key for some people, you do stand to save some money. And owners that are interested in that program to legalize the unpermitted ADU, they would go to the [ADU amnesty webpage](#) and complete that self-assessment checklist that is there, and send the completed checklist in an email to the ADU amnesty coordinator. It is a different person and they work, um, in the code enforcement department to partner with everybody for safety. Um, so then they can schedule that conversation and see if it's right for them, um, without really locking it into the program at all.

Alli: So as you are aware, we're in a pretty dire housing crisis. How does the city of San José see ADUs as part of our toolkit for addressing the housing shortage and the housing crisis?

Sarah: So I mentioned really briefly the infill. So that's, that's part of the key of it that we're, we're not relying on large structures with multiple units being built over the span of a few years and it takes time, of course. And then you have to fill those units with tenants. So that's part of it that it's, it's taking and empowering the homeowners in any way that they would like to - their friend, their family, have it as an affordable unit or a unit to rent on the market. Um, harnessing that power with the, the land that they already have. So an initiative through the Mayor's Office, um, and his, his SJbackyardhomes.com page is really great. It's a, it's a great place to kind of springboard, you know, learning a little bit about ADUs. If anybody's interested in kind of general information or current events for ADUs, that's a page to go to and register.

So their page says that one of the most powerful innovations to address the housing crisis is literally right in your own backyard, by building ADUs for the rental market. We can create new housing supply in a dramatically faster and less expensive way. Plus homeowners can generate additional income for their families. So that's kind of the city's stance, and as a permitting aspect, when it comes down to like, you know, the permit center level, we're helping to streamline, you know, that infill. Reaching the wishes of these customers, hopefully as fast as possible by accessing that information online, making sure that they're prepared for their submittal appointments, scheduling on time, um, and scheduling as much in advance as possible, especially right now, because we have a very large volume of ADU applications coming in. Um, so being as prepared as possible, I kind of equate it to a test. It's a final exam. You want to make sure that when you, when you schedule your virtual appointment, that's the five exam date and time. And you, you should prepare, prepare, prepare, and study until then. And, you know, let me be your tutor.

Alli: If there's anything that I didn't ask that you want to make sure gets shared, or if there are any stories that you wanted to share? I think the ADU program here is really cool. And I'm glad that it's like part of our toolkit. So any, any wisdom you want to share?

Sarah: Well, I wanted to revisit the ADU Tuesdays question. I really feel like the preparation and understanding the requirements is really key for customers, and accessing that information online. ADU Tuesday, like we said before, launched in late 2019 to offer appointments for regular and expedited plan review for qualifying projects. Um, during the expedited appointments, uh, if the plans are approved, potentially they have the option or possibility to have that permit issued to them the same day. And we're offering remote ADU Tuesday expedited plan review appointments for the pre-approved ADUs. So the vendors would contact me and schedule those appointments. If they're approved, they stand to get the, um, uh, permit issued the same day. Um, and it's one of the fastest ways to get through if a homeowner chooses one of those, they're working with the vendor contacting me. And scheduling a regular submittal through the ADU permit service - [ADU virtual appointment service webpage](#), um, applicants, you know, they would schedule that appointment, do all of their preparation, reading the webpage, making sure they're meeting all of those requirements. And during the virtual appointment, they'll use Microsoft Teams to attend that appointment and upload their files, ask any general questions that they might have, and have that submitted and routed for plan review after they pay those fees.

So ADU Tuesday is still on, every day of the week, it's remote. Customers are scheduling appointments online themselves. When I had originally been scheduling all of the appointments. So that's easier. But it also, fortunately, gives me more time to answer those customer questions. Spend a little bit more time on the phone or scheduling these Microsoft Teams meetings with

customers who might not, um, understand the information on the webpage or not know how to navigate it. That's a lot of the questions I do get over the phone of, "Can you help me find this?" Yeah. So let's, let's take about 20 minutes together. And we can kind of, you know, look side by side, which of course customers can call and schedule and ask to, to book a Microsoft Teams meeting with me. And I can, you know, visually on the screen, show them they don't have to show their camera if they don't want to. I can show them the webpage and kind of walk them through those resources. It would be easy. Um, I'm not sure if it would be easy for them to have another attendee, but if they wanted someone else, I could totally book a Zoom meeting or something because a lot of it is about the teams.

If you're doing a custom ADU, like we said before, you're hiring your own team. The homeowner needs to hire someone to create the plans for them and then possibly do the work, construct the ADU. Um, so there it's, it's a lot of new information and homeowners expect it to be really quick. That's why I say that the pre-approved ADU option is what a lot of customers expect, but they want the custom ADU. So then they're hiring their own teams and kind of getting into this project that they never, maybe planned for or expected that, oh, it's so huge now, what am I going to do? I'm so to relieve some of those fears or anxiety, you know, I am here as a resource. We can book appointments if you'd like to virtual, um, to be preserved, you know, care for everyone's health and also kind of bridge the gap between what we were, our in-person world and our virtual world to have a better understanding of, you know, what is this new information? What is expected? And do you want to commit to this project and build your small scale, single family home?

Alli: So if somebody, cause like we know there are a fair amount of people in San José that don't have great access to internet or any internet, um, if they still wanted to build an ADU, can they come to City Hall to make an appointment? Or how, how would you recommend that people that don't have the best way to access things online, come to make an appointment?

Sarah: So we do of course have options for equity. And, um, so we're talking about, uh, applicants that are hiring their own teams. So if they have an architecture engineer who is creating those plans with a digital program and able to save those files as a PDF, of course, we would really like them to submit electronically and go through the Microsoft Teams option. But if we have an applicant that is using hand drawn plans and meeting those requirements, we can certainly probably schedule a submittal appointment in the office at City Hall, but of course I would need to be involved to help coordinate that because we are open to the public. Uh, we are doing submittal, but it is for certain projects and they typically are smaller scale. Um, because to take in those ADU projects, it may take a little bit more time than a typical project, not to say it's impossible because we're always willing to be flexible and work. And certainly if, if you want an ADU and you don't have, uh, the electronic capacity to do so, we can certainly work around that for you.

Alli: So would you recommend that like the first step, regardless of whether or not you're going to be able to complete everything virtually or will need to come in, would be to call and schedule a phone appointment first to just like, get everything figured out? Or can people just walk in?

Sarah: To visit you'll need an appointment for sure. Absolutely. So to visit City Hall, everybody's going to need an appointment if they want to talk about the possibility of submitting, um, in-person with hard copies, uh, definitely reach out to me. Uh, my contact information is on our ADU webpages telephone number and the email address, and they can, you know, ask to schedule a meeting with me and then we can chat about it and find a, a way forward for them.

Thanks so much to Sarah for joining me on today's show. To learn more about the ADU program for the city of San José, please visit <http://www.sanjoseca.gov/ADUs>.

Thanks for listening to *Dwellings*, the City of San José Housing Department podcast. Our theme music is "Speed City," composed and performed by Ettaine Charles. Thanks to San José Jazz for letting us use your music.

If you like the show, please subscribe and share with your friends and family. If you're looking for more ways to get involved with housing and homelessness response, please check out the [show notes](#).

You can follow the Housing Department on social media. We're on [Twitter](#) and [Facebook](#) at S J city housing. If you have questions or comments about today's episode, please send them to housingcomms@sanjoseca.gov. Our artwork is by Chelsea Palacio. *Dwellings* is produced by me, Alli Rico, and Jeff Scott of the Housing Department.