

Accessory Dwelling Units: A look at the policy and practice behind this affordable housing strategy

Haewon Ma



Edward M. Gramlich Fellowship

Spring 2024

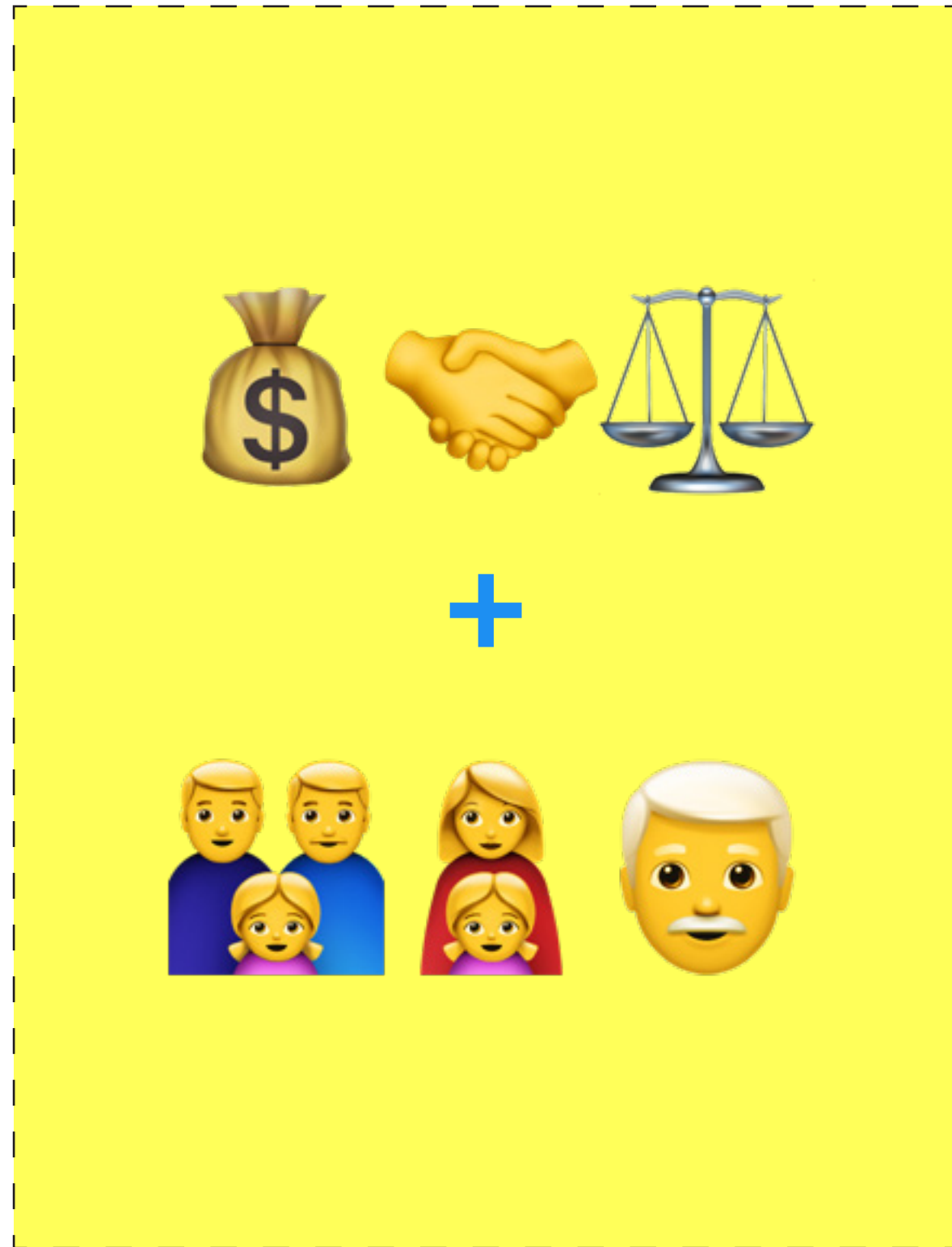
Key Points

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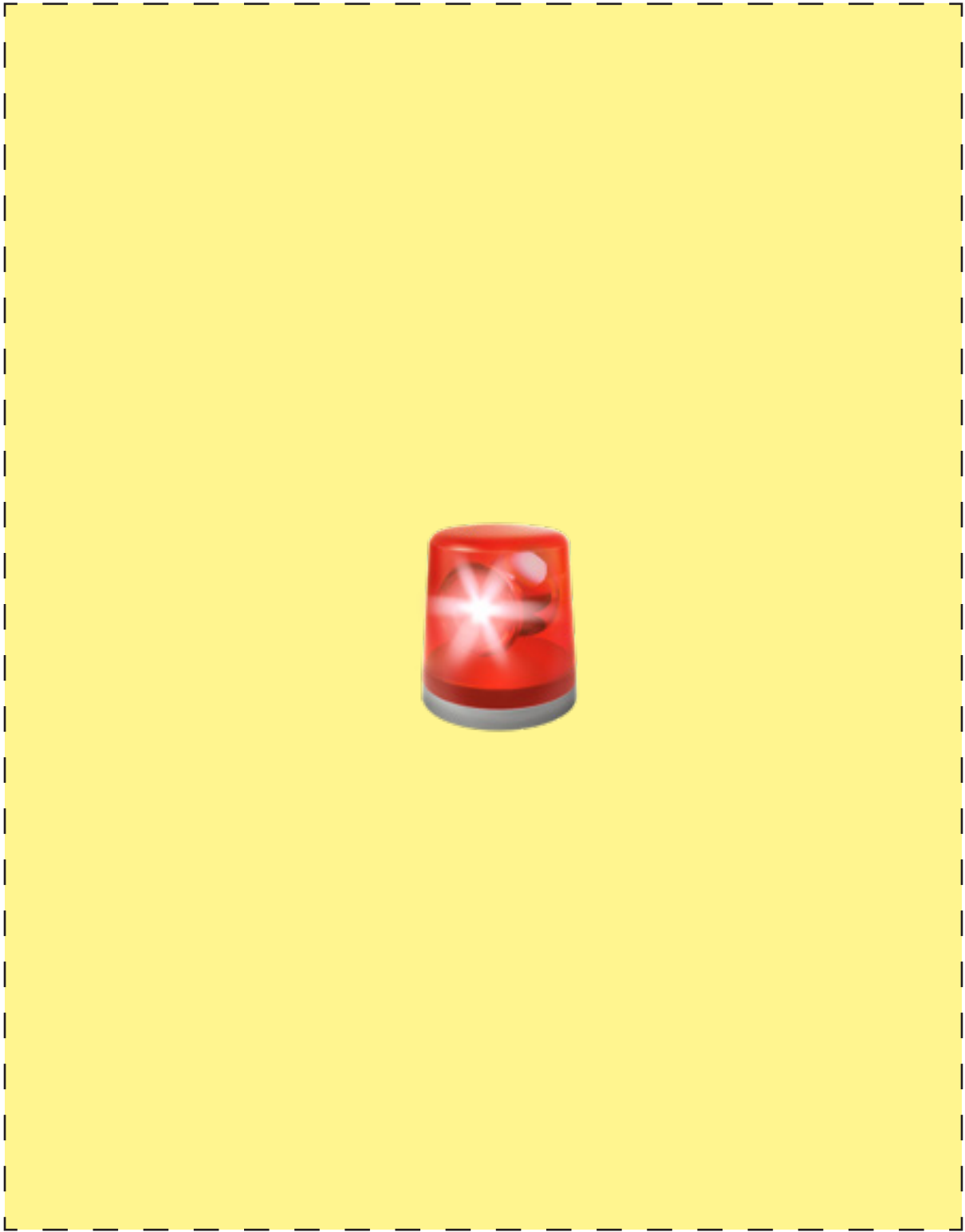
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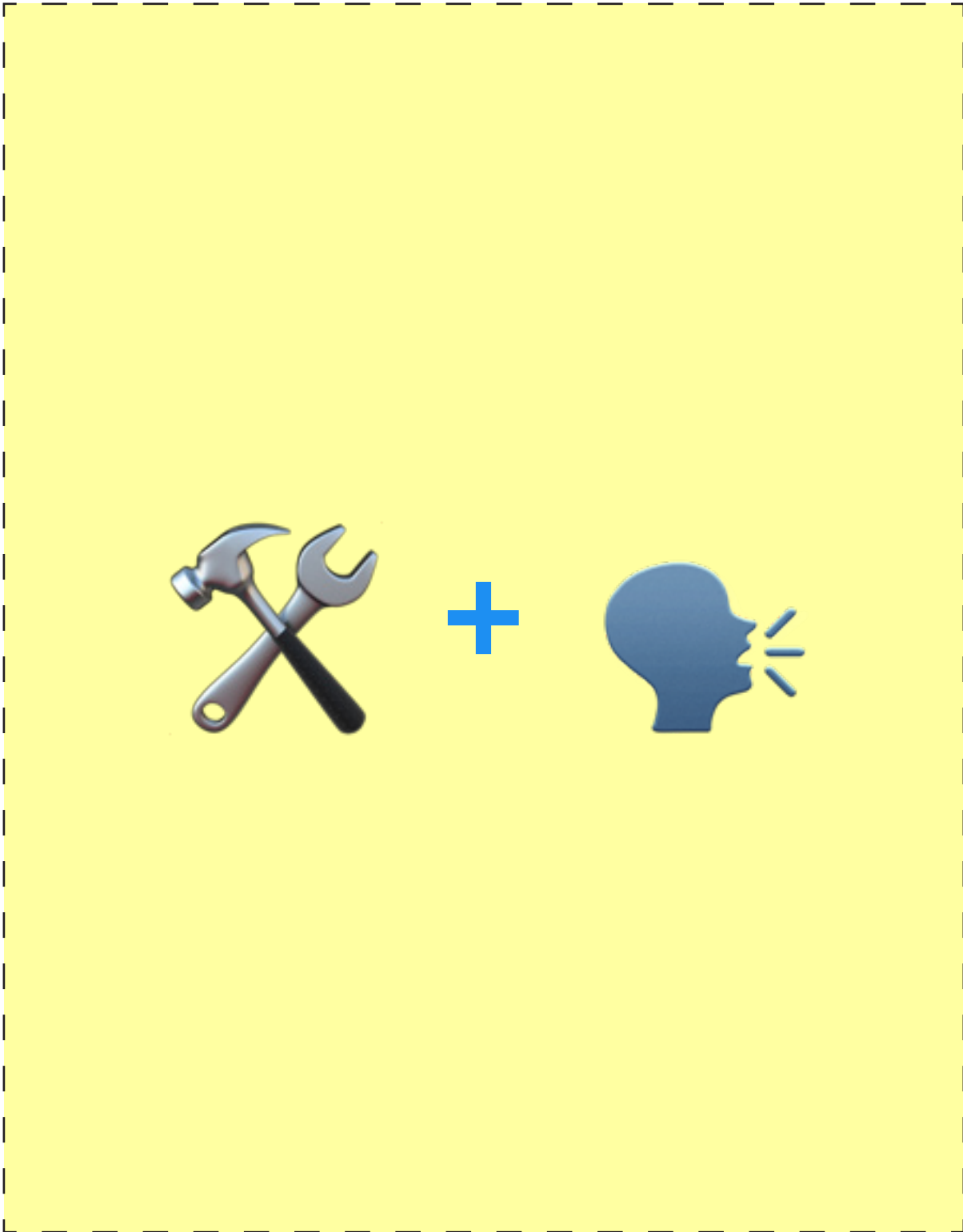
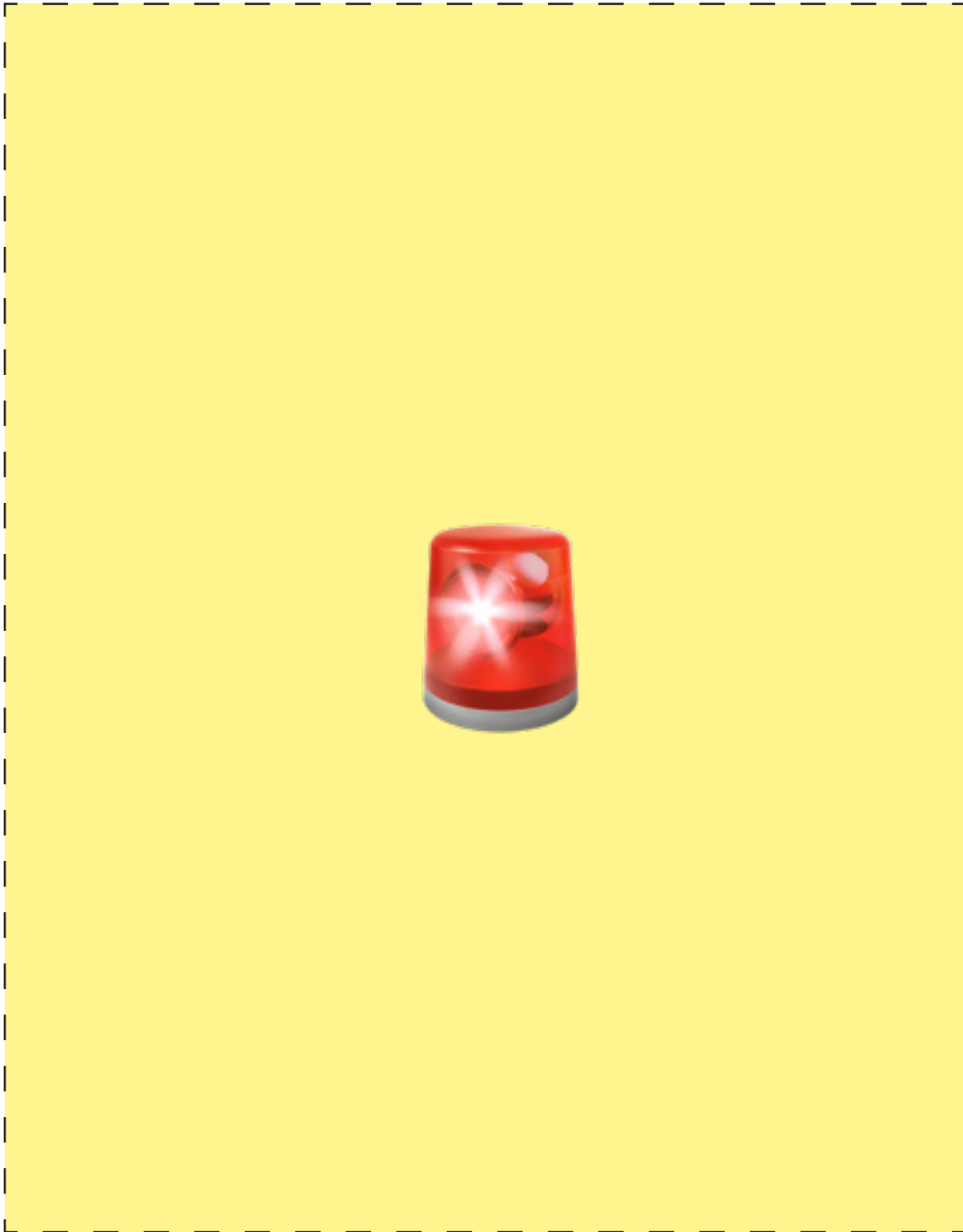
Key Points



Key Points



Key Points



**Context &
History**

**Research
Questions**

**Orgs &
Initiatives**

**Findings &
Discussion**

Accessory dwellings offer one solution to the affordable housing problem

By Haisten Willis
January 7, 2021 at 8:00 a.m. EST

Newsletters

The Atlantic



Uptick in Backyard Dwellings Gets Pandemic Push

Modern sheds, prefab 'pods' become home offices, living spaces for aging parents
by Stacey Freed, AARP, September 28, 2020

IDEAS

The Housing Revolution Is Coming

Accessory dwelling units might just spell the end of the American suburb as we know it—in the best possible way.

By M. Nolan Gray

The New York Times

THE NEW OLD AGE

Senior Housing That Seniors Actually Like

“Granny flats” are popping up in backyards across the country, affording Americans a new housing option. Some communities are not happy about it.

Bloomberg Cities Network



About Opportunities News

Small homes play big role in cities' fight for affordable housing

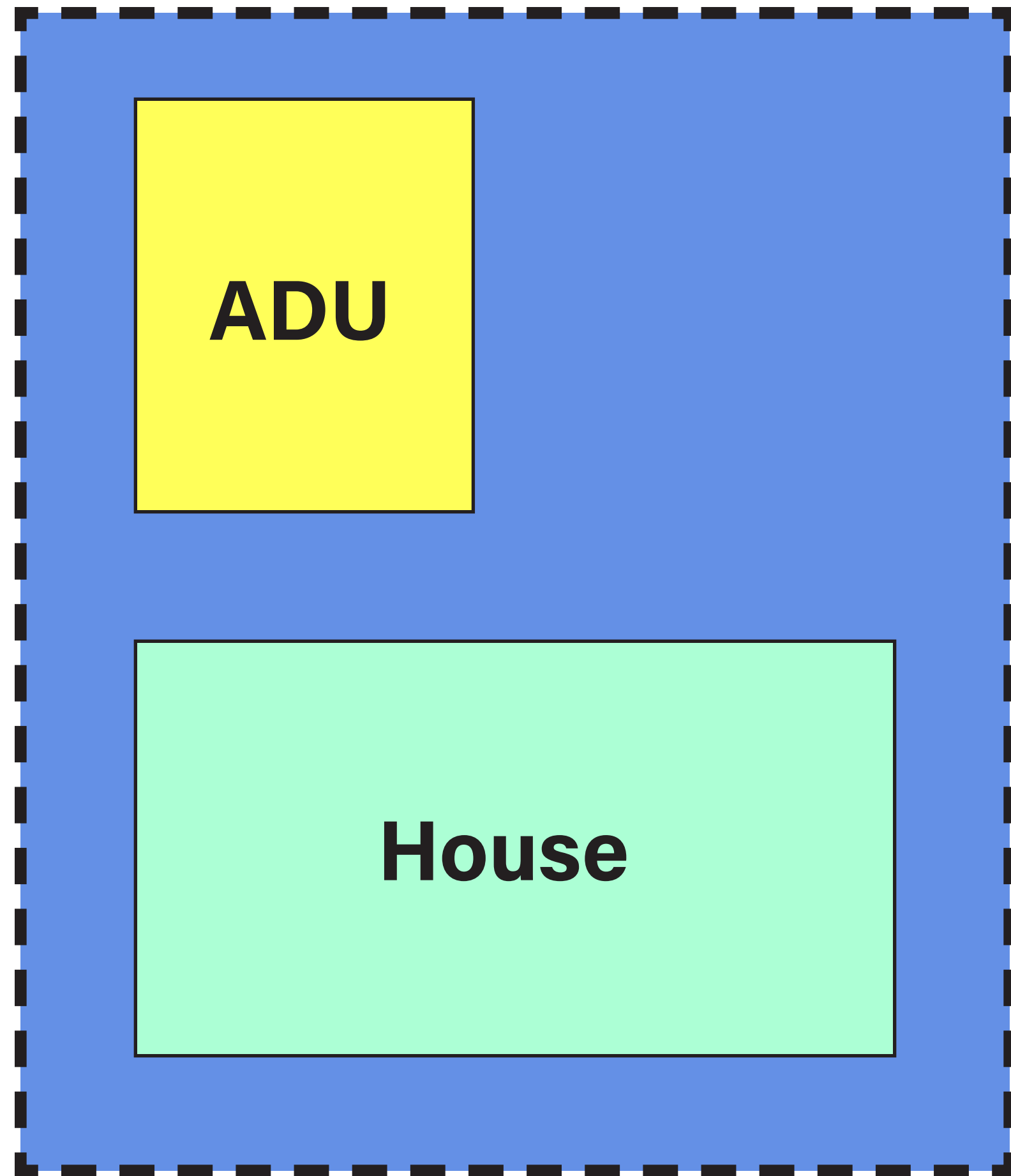


What is an accessory dwelling unit or ADU?

ADUs go by many names.

accessory apartment	granny cottage	house
accessory dwelling	granny flat	“mother/daughter”
accessory dwelling unit	granny pod	house
accessory suite	granny unit	multigenerational
accessory unit	home within a home	homes
ADU	in-law	Next Gen
ancillary unit	in-law suite	Ohana unit
backyard cottage	in-law unit	SDU
basement apartment	“JADU” (“junior	secondary suite
carriage house	accessory dwelling	secondary unit
dawdy house	unit”)	secondary dwelling unit
garden cottage	laneway house	sidekick
garden suite	mother-in-law flat	tiny house
Grand Retreat	“mother-daughter”	two-family house

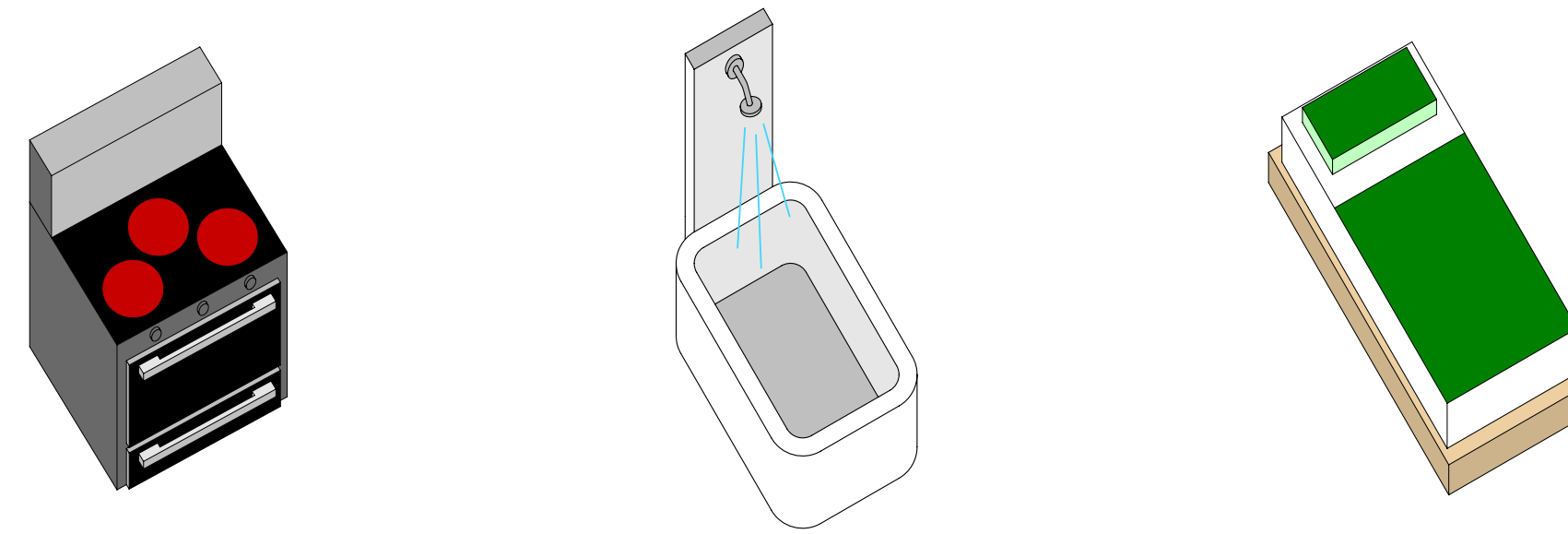
source: accessorydwellings.org



“a small residence that shares a single-family lot with a larger, primary dwelling”

source: AARP Livable Communities

ADU

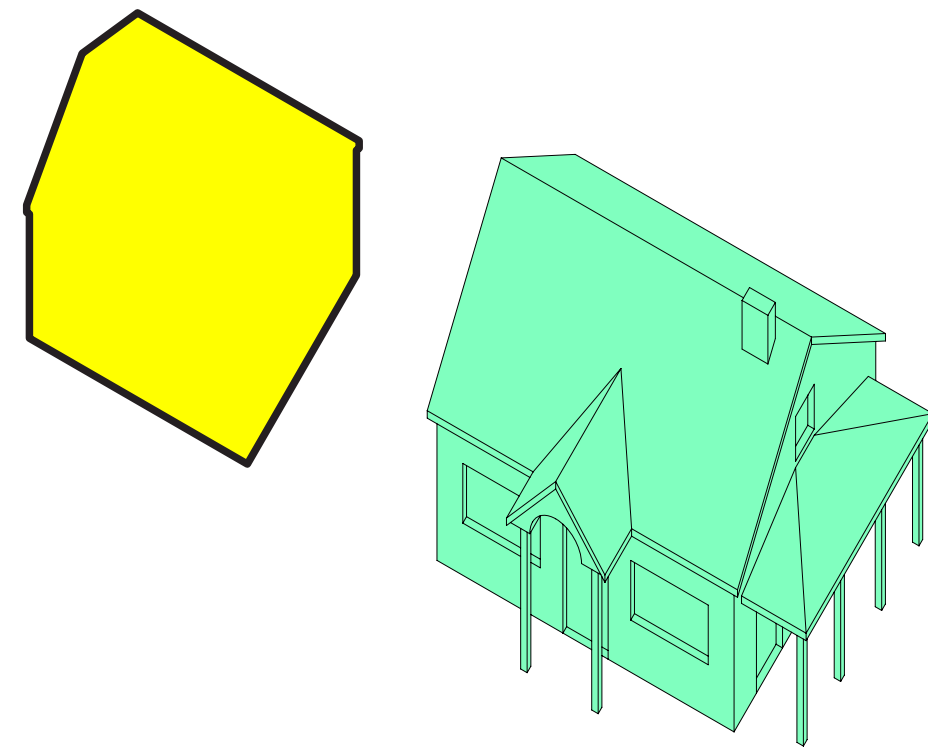


“an independent, self-contained living space with its own kitchen or kitchenette, bathroom and sleeping area”

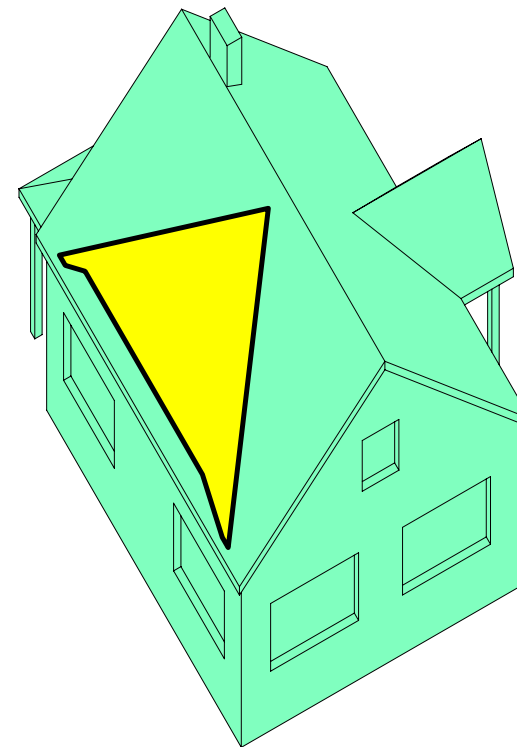
source: AARP Livable Communities

ADUs come in many shapes, styles, and sizes.

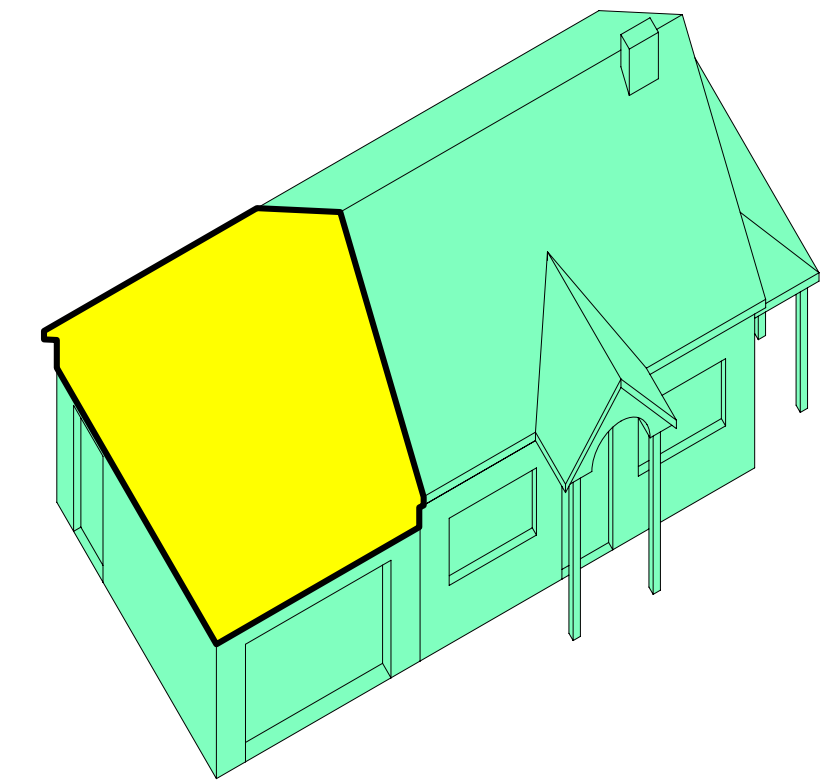
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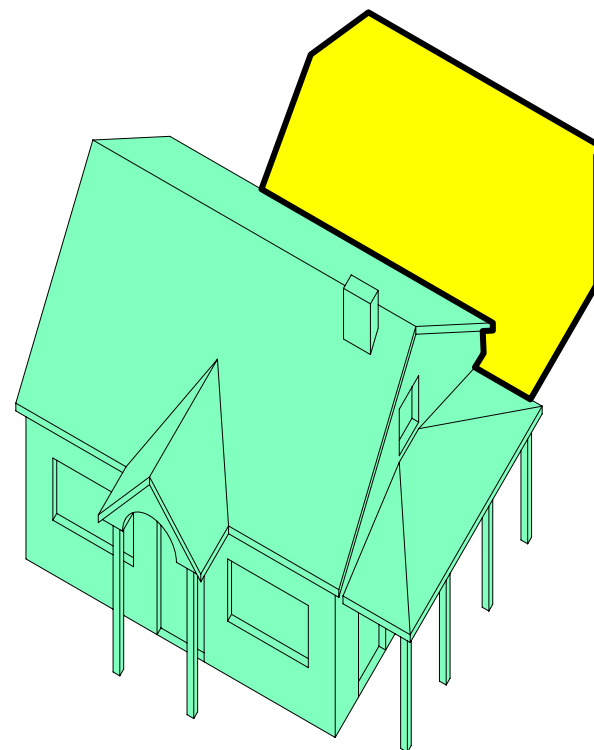
Interior (Upper Level)



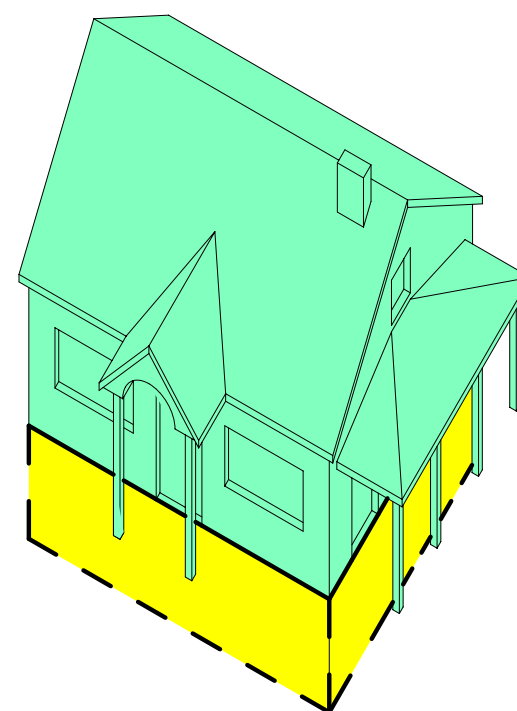
Above Garage



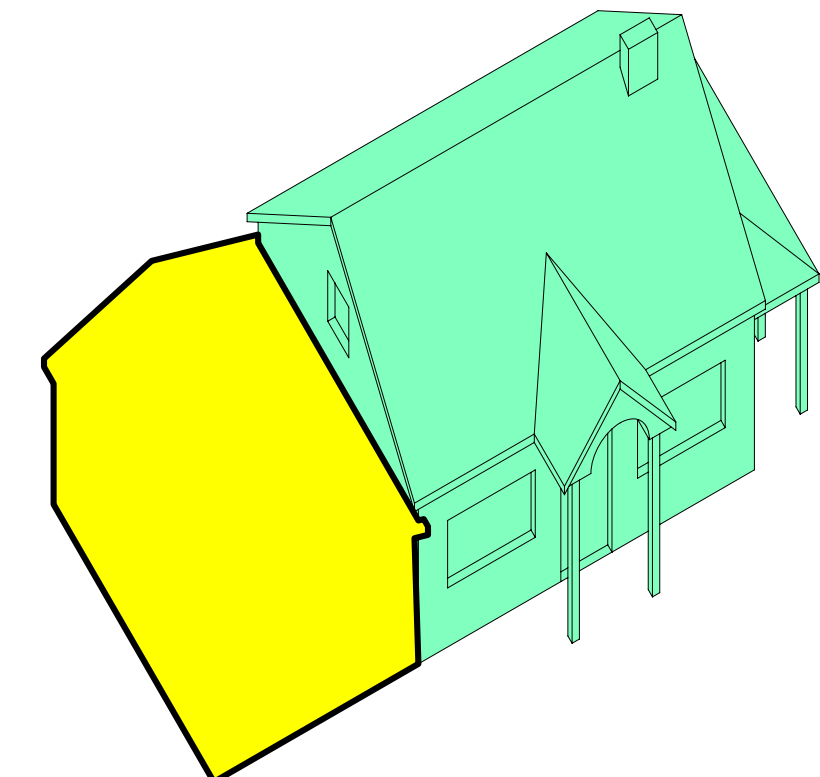
Attached



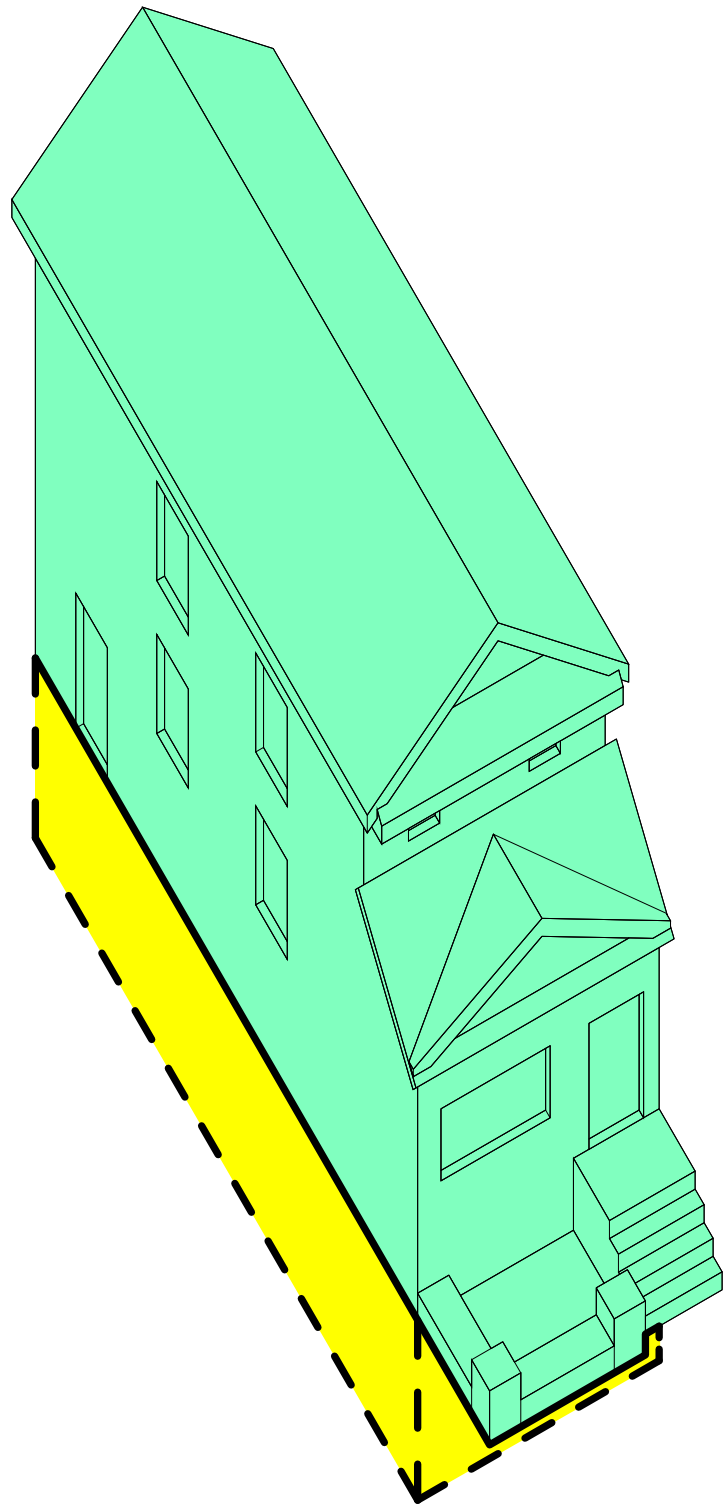
Interior (Lower Level)



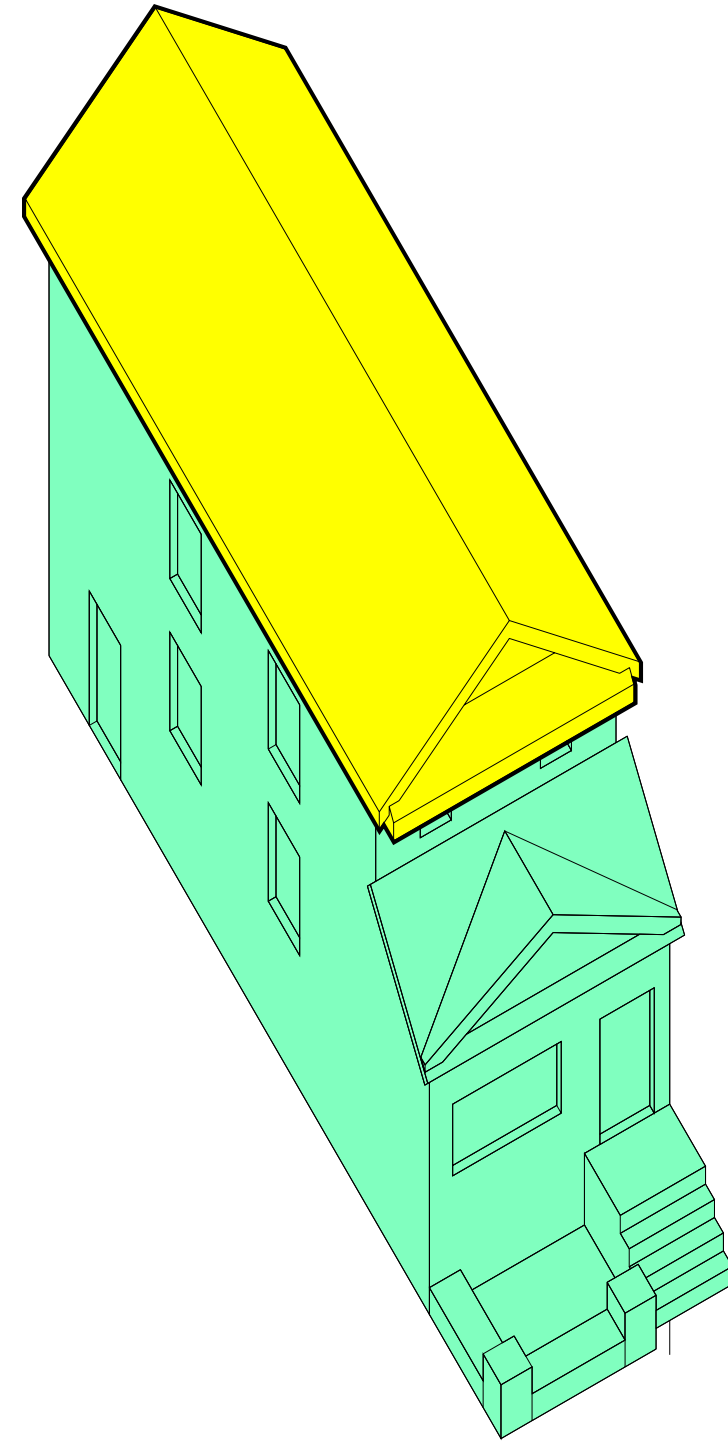
Garage Conversion



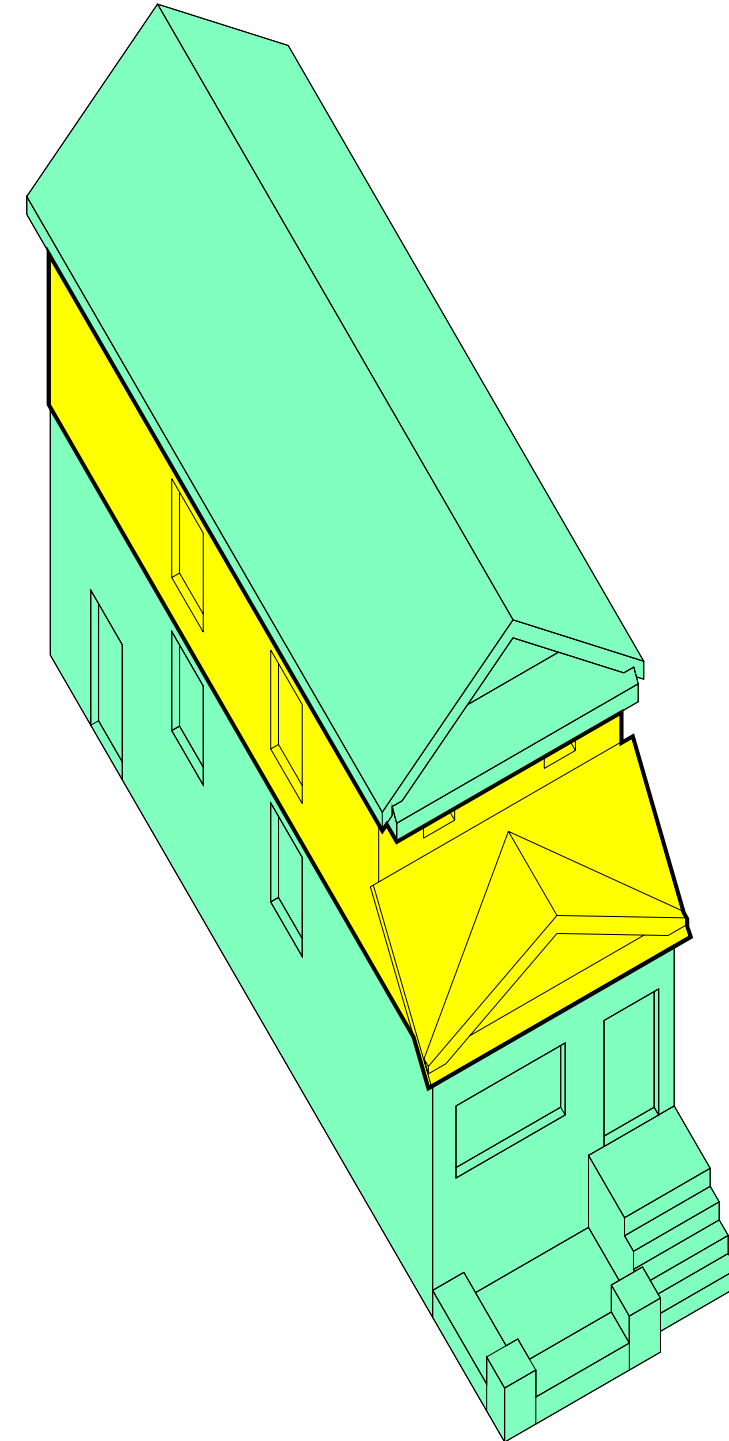
Interior ADUs are often found in higher density areas.



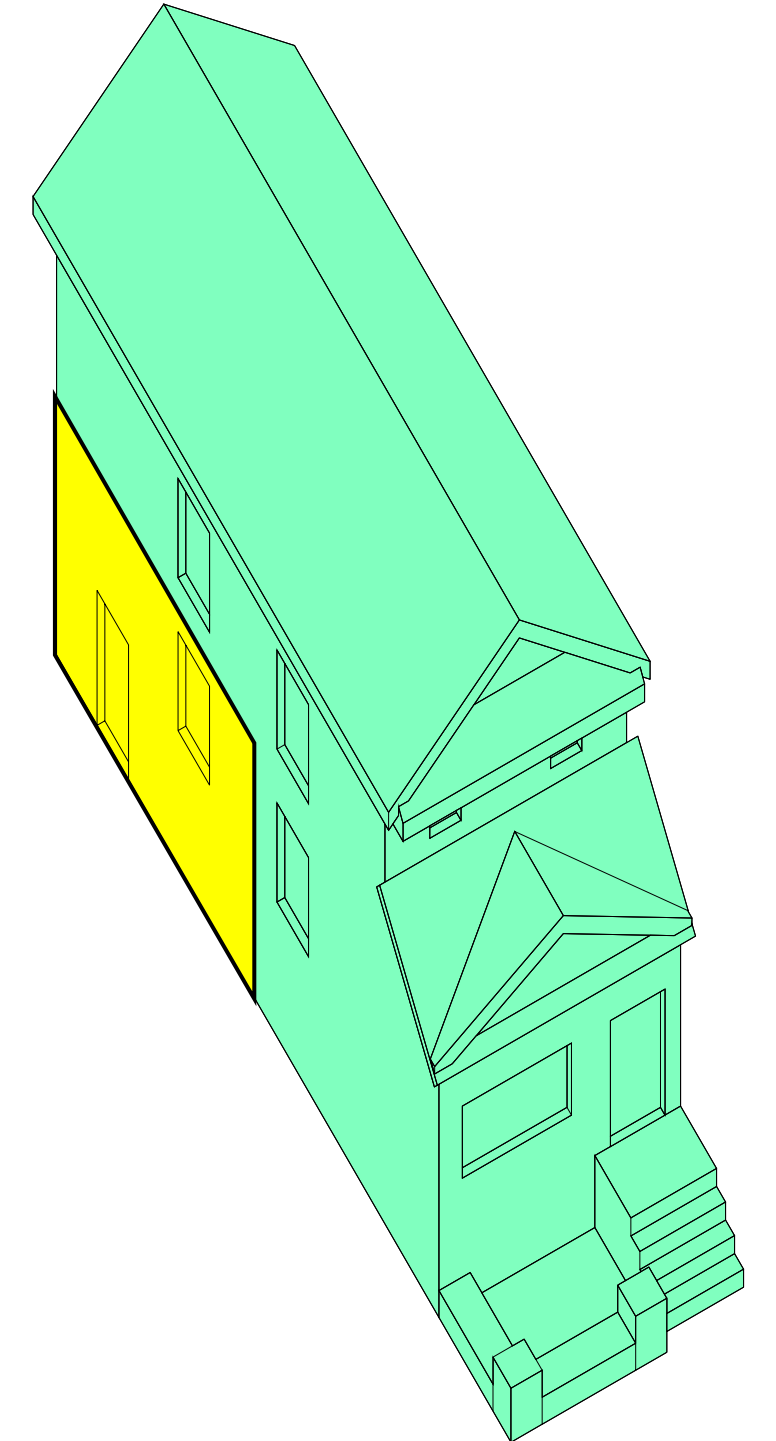
**Interior (Lower Level)
or Basement Apartment**



**Interior (Upper Level)
or Attic Apartment**



**Interior
(Existing Floor)**



**Interior
(Studio Unit)**

ADU Uses

**Caregiver/
Relative**



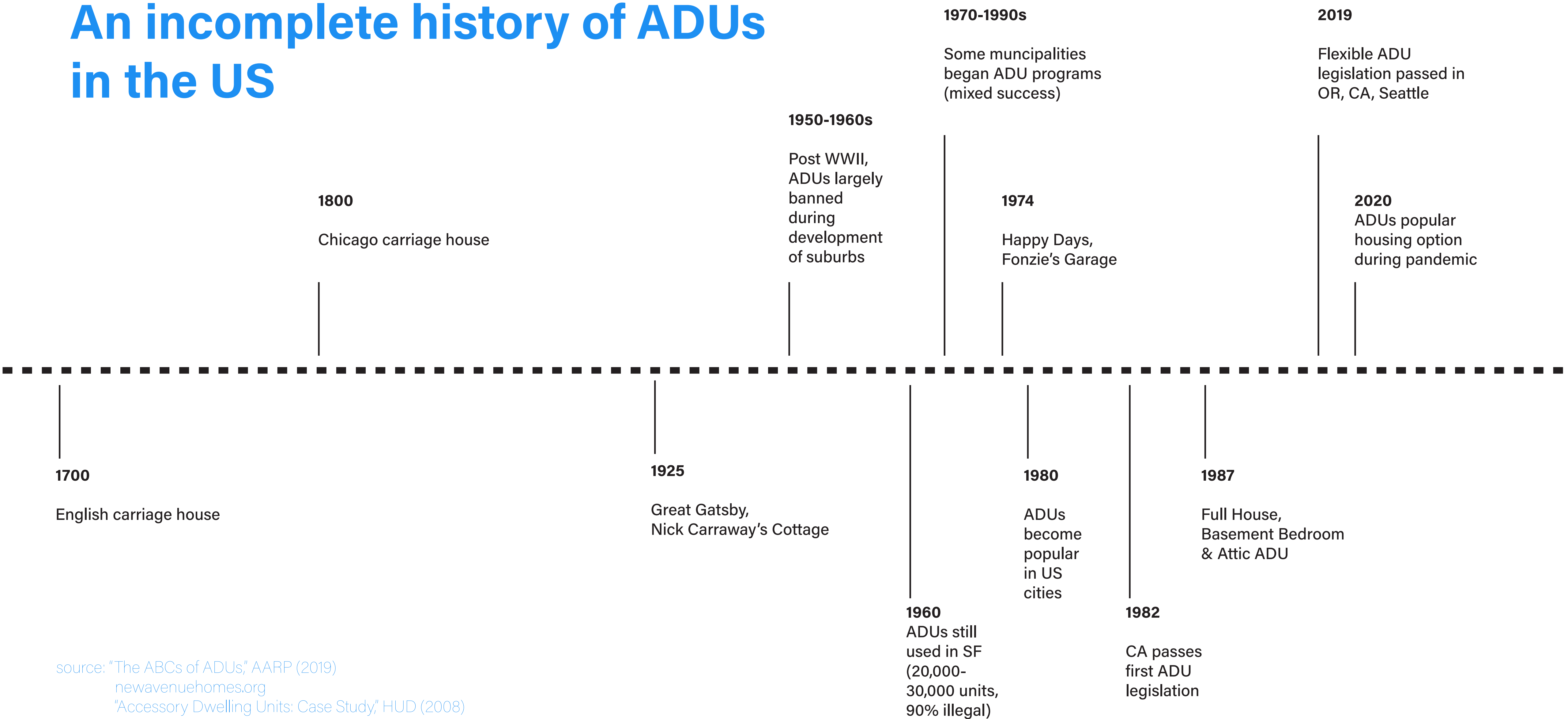
Age in Place



Rental Income



An incomplete history of ADUs in the US



source: "The ABCs of ADUs," AARP (2019) newavenuehomes.org
 "Accessory Dwelling Units: Case Study," HUD (2008)
 "The Promising Results of Accessory Dwelling Unit Reform," CATO Institute (2023)
 "ADU Legislative Initiatives- History in the Making (Part I)," accessorydwellings.org (2019)

A 2020 Freddie Mac study identified 1.4 million* ADUs in the US dating back to the late 1990s.

***This figure is likely underrepresented.**

Accessory dwellings offer one solution to the affordable housing problem

By Haisten Willis

January 7, 2021 at 8:00 a.m. EST



Reggie Tucker, 38, stands with his dog, Jack, outside the building that houses his garden-unit apartment, which is considered an accessory dwelling unit connected to a main dwelling. Chicago is allowing ADUs under a pilot program. (Taylor Glascock for The Washington Post)

Bloomberg Cities
Network

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About

Opportunities

News

Small homes play big role in cities' fight for affordable housing

f t in e o



Encouraging construction of small backyard homes like this one in Menlo Park, Calif., is one strategy cities are using to overcome housing shortages. (Michael Macor/San Francisco Chronicle via AP)

MARCH 29, 2023

Insight Articles | December 30, 2021

ADUs Offer Promise as a Viable Affordable Housing Supply Solution



The Single-Family Team
Freddie Mac

Share t f in e o

Duty to Serve

Community Lending

How can a detached garage help address the shortage of affordable housing? Look to better awareness and understanding of accessory dwelling units (ADUs) among homeowners and future borrowers for part of the answer.

The lack of affordable homes is top of mind for the housing industry and potential homebuyers. Exacerbating an already-tight housing market, the COVID-19 pandemic has had a chilling effect on new construction, which has priced out many potential moderate- and lower-income homebuyers and shut out of the opportunity to build wealth through responsible, sustainable homeownership.

The housing industry is working collaboratively on solutions to address affordability and housing supply challenges. ADUs also have a growing role to play.

ADUs are a burgeoning tool for nonprofit organizations to provide affordable housing.

Initial Research Questions

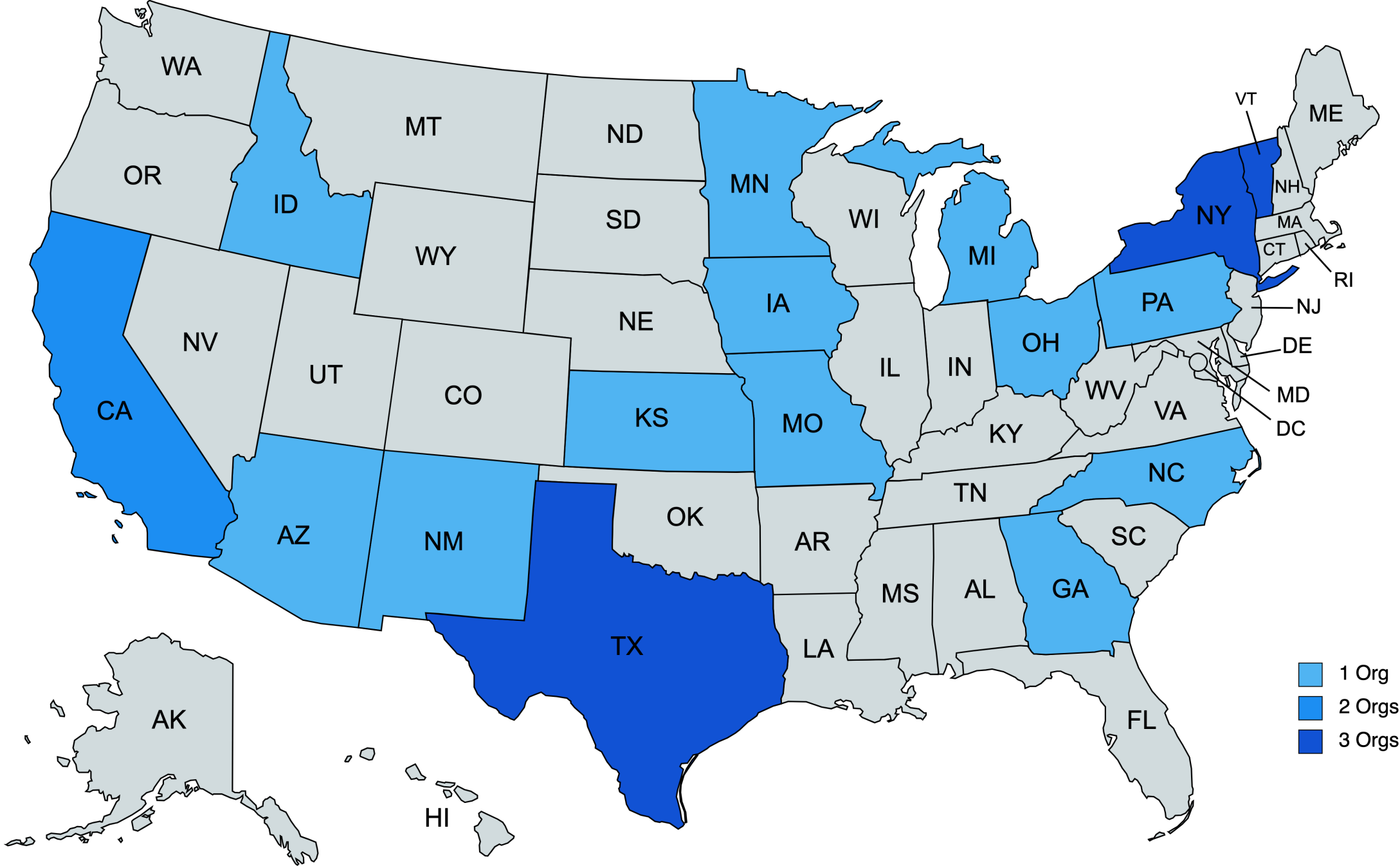
How are nonprofit organizations using ADUs to provide affordable housing?

How are ADUs being adapted to serve different needs and populations?

What challenges are orgs facing in rolling out these initiatives?

NeighborWorks Network Organizations that Reported ADU Development or Plans to Develop ADUs in 2022

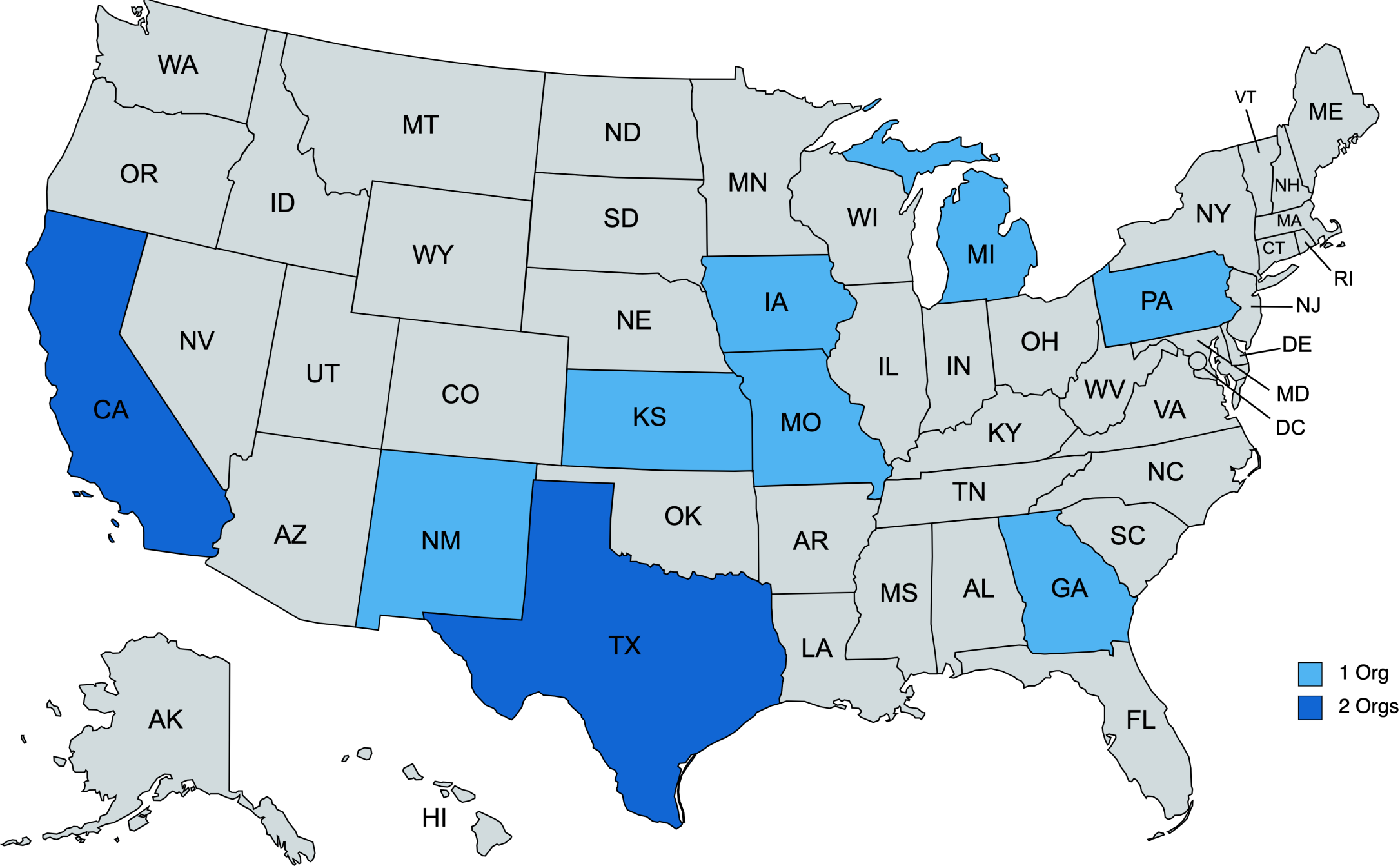
Atlanta Neighborhood Development Partnership Inc
 Avenue Community Development Corporation
 cdc | come dream. come build.
 Champlain Housing Trust
 Chicanos Por La Causa
 CHWC, Inc.
 Community Development Corporation of Long Island, Inc.
 Dayton's Bluff Neighborhood Housing Services
 Durham's Community Land Trustees
 Fifth Ward Community Redevelopment Corporation
 Ithaca Neighborhood Housing Services, Inc.
 Kalamazoo NeighborHood Housing Services, Inc.
 Mission Economic Development Agency
 Neighborhood Finance Corporation
 Neighborhood Housing Services of Los Angeles County
 NeighborWorks Boise
 NeighborWorks Home Partners
 NeighborWorks Northeastern Pennsylvania
 RUPCO, Inc.
 RuralEdge
 Tierra del Sol Housing Corporation
 Westside Housing Organization, Inc.
 Windham & Windsor Housing Trust



source: NeighborWorks America Annual Survey 2022
 illustration created with mapchart.net

NeighborWorks Network Organizations that Developed ADUs in 2022

- Atlanta Neighborhood Development Partnership Inc
- Avenue Community Development Corporation
- cdcb | come dream. come build.
- Champlain Housing Trust
- Chicanos Por La Causa
- CHWC, Inc.**
- Community Development Corporation of Long Island, Inc.
- Dayton's Bluff Neighborhood Housing Services
- Durham's Community Land Trustees
- Fifth Ward Community Redevelopment Corporation
- Ithaca Neighborhood Housing Services, Inc.
- Kalamazoo NeighborHood Housing Services, Inc.**
- Mission Economic Development Agency
- Neighborhood Finance Corporation
- Neighborhood Housing Services of Los Angeles County
- NeighborWorks Boise
- NeighborWorks Home Partners
- NeighborWorks Northeastern Pennsylvania**
- RUPCO, Inc.
- RuralEdge
- Tierra del Sol Housing Corporation
- Westside Housing Organization, Inc.
- Windham & Windsor Housing Trust



source: NeighborWorks America Annual Survey 2022
illustration created with mapchart.net

NeighborWorks Network Org	Name of ADU Program (Year Launched)	#
Atlanta Neighborhood Development Partnership Inc	ANDP Loan Fund (1991, 2021* reported ADU development)	2
Avenue Community Development Corporation	Partnership with National Assoc. of Latino Community Asset Builders (2020/2021)	1
cdcb come dream. come build.	Mi Casita (2018, informed by RAPIDO program)	5
CHWC, Inc.	ADU Development (2015 *Sam LaTronica's Gramlich)	1
Kalamazoo NeighborHood Housing Services, Inc.	Partnership with City of Kalamazoo (2022)	1
Mission Economic Development Agency	Small Sites Program (2019 *reported ADU development)	6
Neighborhood Finance Corporation	Updated Lending Guidelines (2022 *reported changes)	1
Neighborhood Housing Services of Los Angeles County	Affordable Lending	3
NeighborWorks Northeastern Pennsylvania	Elder Cottage Housing Opportunity (2021)	2
Tierra del Sol Housing Corporation		3
Westside Housing Organization, Inc.		2

Nonprofit-led ADU programs are relatively new.



Before 2015

2015

2023

*This graphic is not a comprehensive list of every affordable housing nonprofit with ADU programs.

Methodology

Literature Review

AARP
Freddie Mac
Turner Center
Academic (law reviews, journals, books)
Policy briefs
Zoning ordinances
Etc.



Interviews

23 with NeighborWorks staff, network orgs, and experts in the field



Site Visits

NeighborWorks
Northeastern Pennsylvania
(Scranton, PA)

Asian Americans for
Equality (Chinatown, NYC)



Based in New York

BASE Campaign

Chhaya Community Development Corp.
(NYC/Queens, NY)

NY ADU Legalization Coalition & Landlord Repair Fund

Asian Americans for Equality
(NYC/Chinatown)

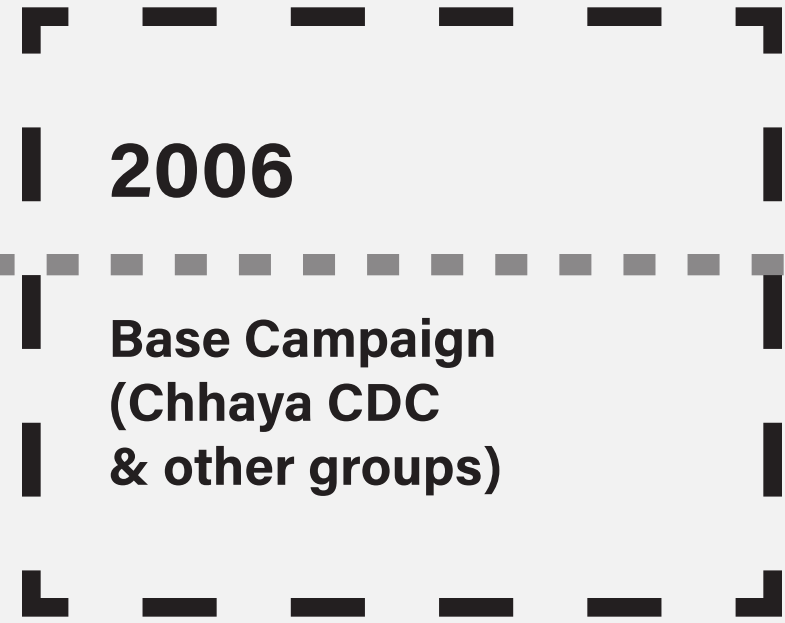
Plus One ADU Program

Long Island CDC
RUPCO
Ithaca Neighborhood Housing Services
(New York State)

Elder Cottage Housing Opportunity

NeighborWorks Northeastern
Pennsylvania
(Scranton, PA)

General Timeline of Programs



Base Campaign
(Chhaya CDC
& other groups)

2019

Landlord Repair Fund/
HomeFix
(AAFE)

2021

Elder Cottage Housing
Opportunity
(NeighborWorks Northeastern
PA)

2021

NY ADU Legalization Coalition
(various groups)

2023

Plus One ADU Program
(Long Island CDC, Ithaca
Neighborhood Housing Services,
RUPCO & others)

KEY

Built ADUs

Policy Advocacy

Advocacy + Built ADUs

Elder Cottage Housing Opportunity

Scranton, PA

**NeighborWorks
Northeastern
Pennsylvania**

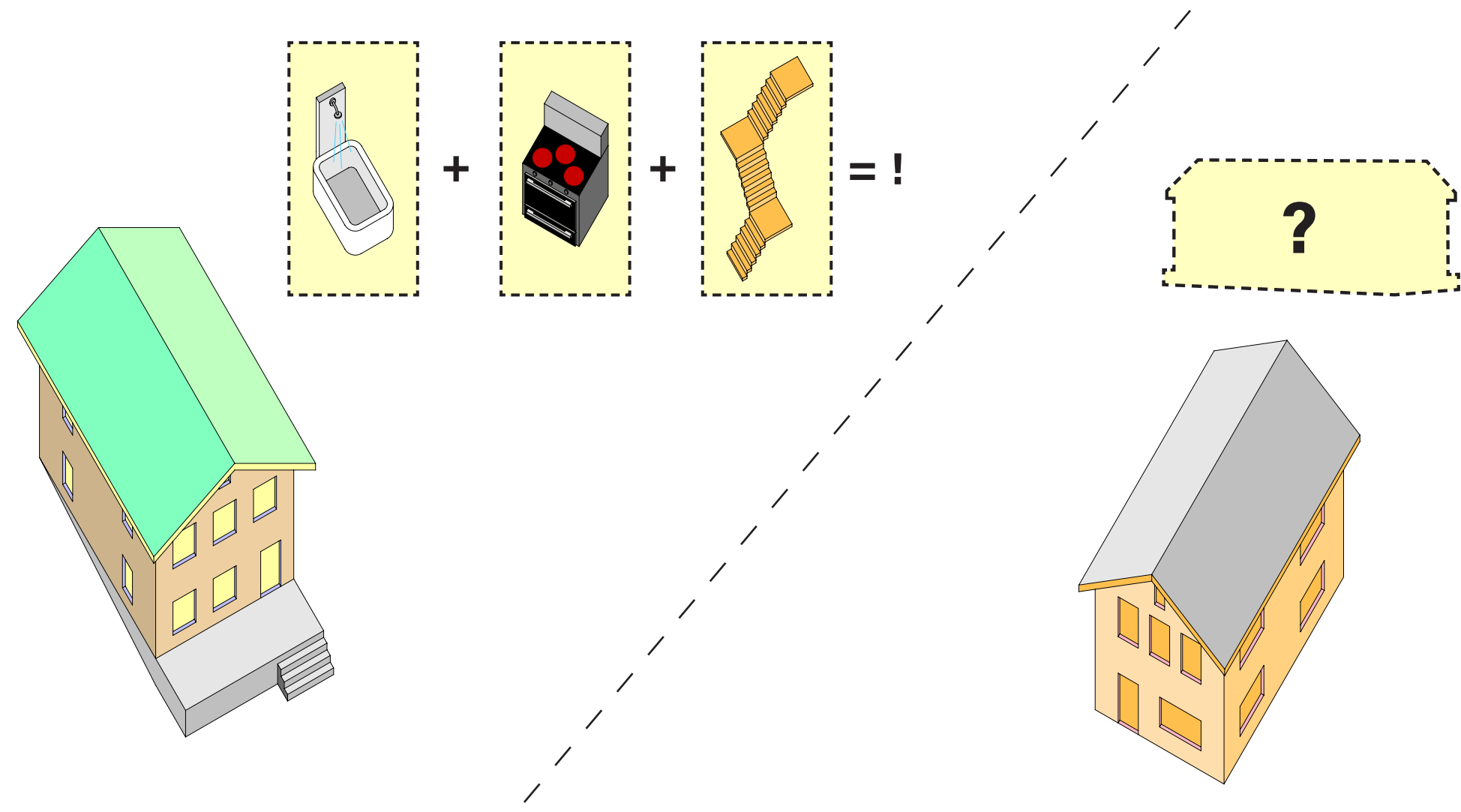


Available In:

- Centre
- Clearfield
- Fayette
- Huntingdon/Bedford/Fulton
- Lackawanna**
- Wayne**
- Westmoreland

Benefits to Older Adults

- Emotional Support/Community
- Residence designed for aging bodies (accessible)



1 Older adult finds living at home challenging; considers moving to home of adult child/caregiver

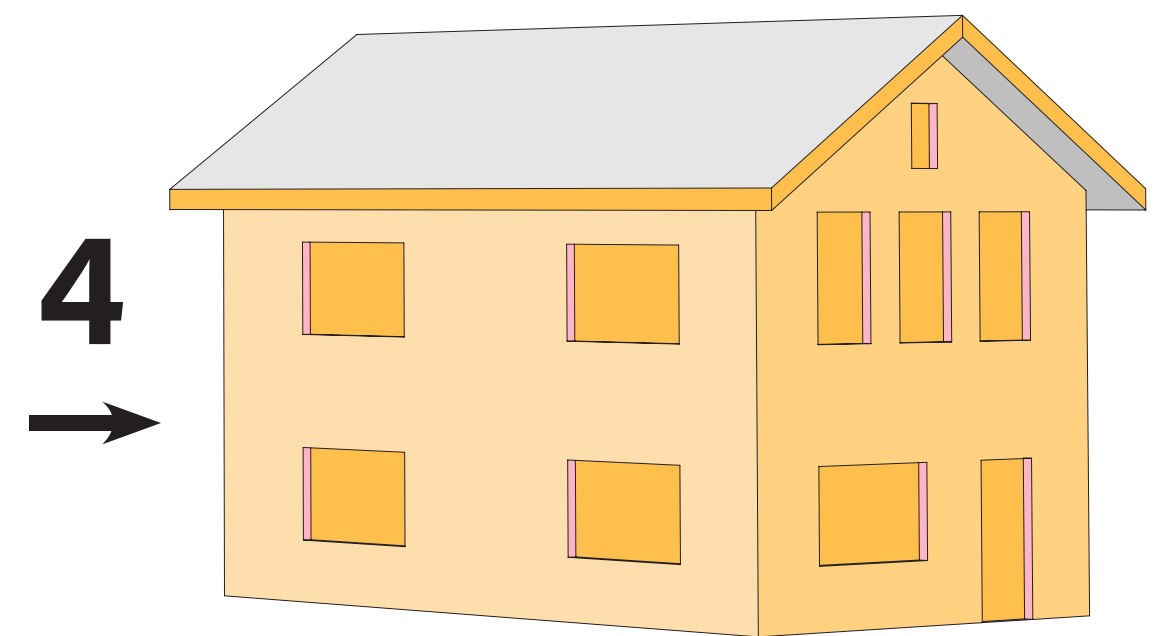
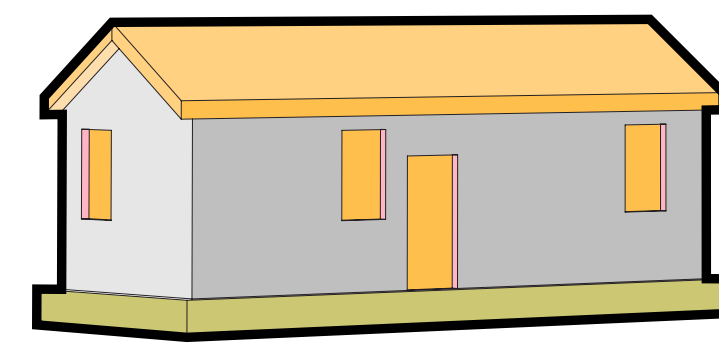
2 NW NEPA's ECHO program allows for older adult and adult child/caregiver to live independently but together

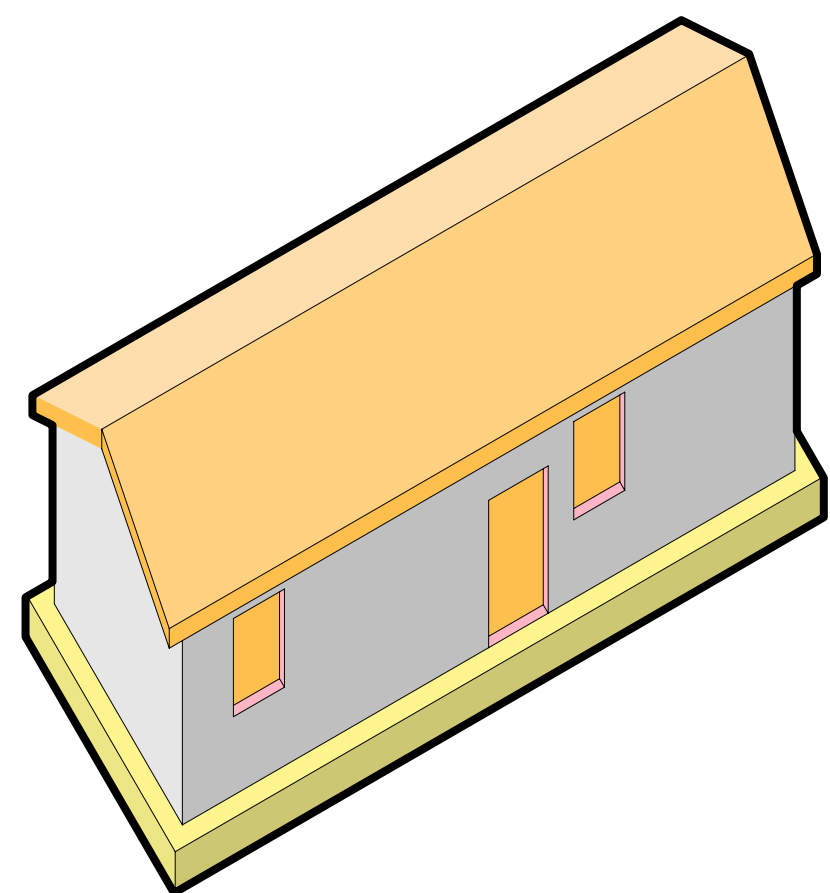
NeighborWorks®
NORTHEASTERN PENNSYLVANIA

3 NW NEPA owns the ECHO unit, which is rented out to the older adult.

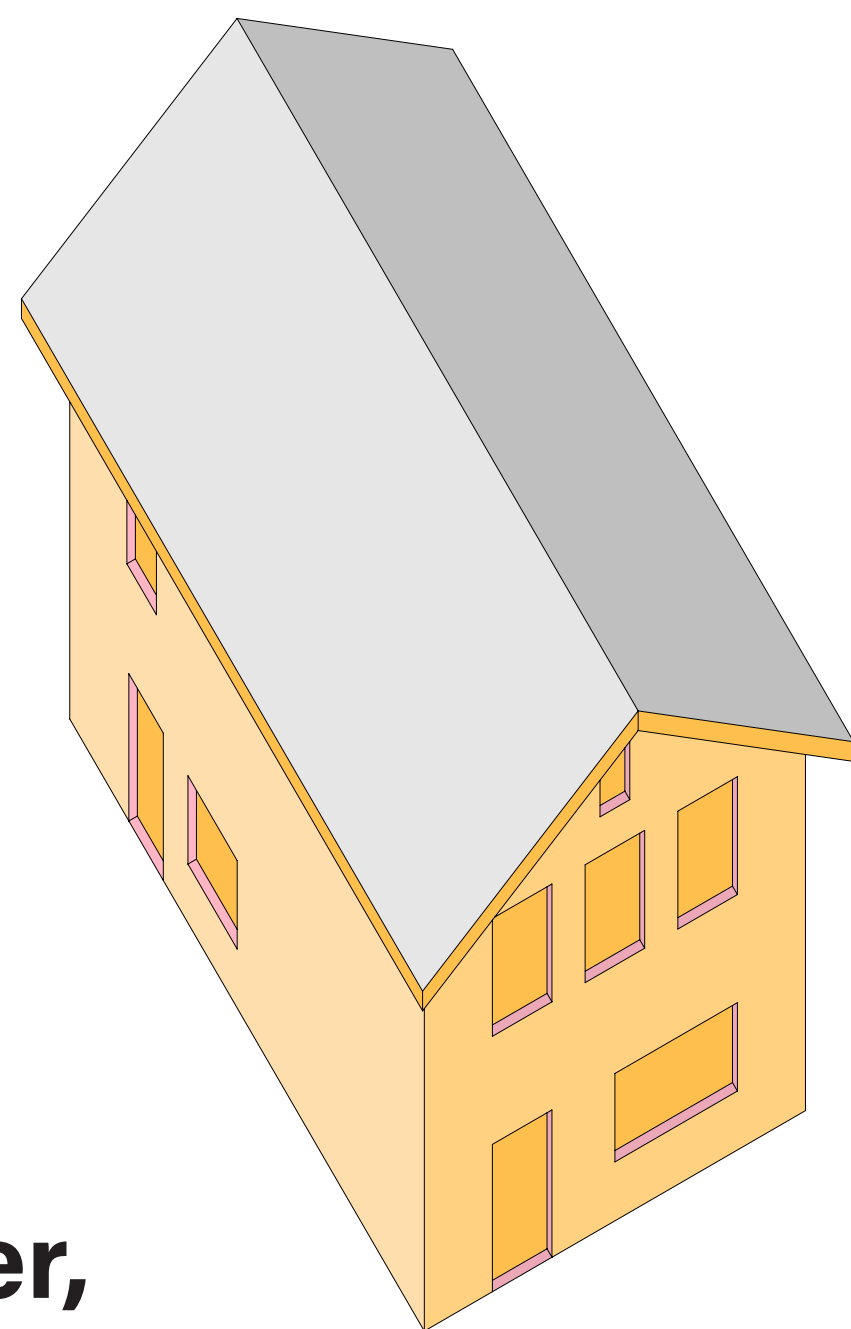
5 The ECHO unit is considered a temporary residence and is removed by NW NEPA after it is no longer needed. That unit can then be moved to another residence.

NW NEPA works with third parties to gain permits for unit and place it onsite





ECHO Unit



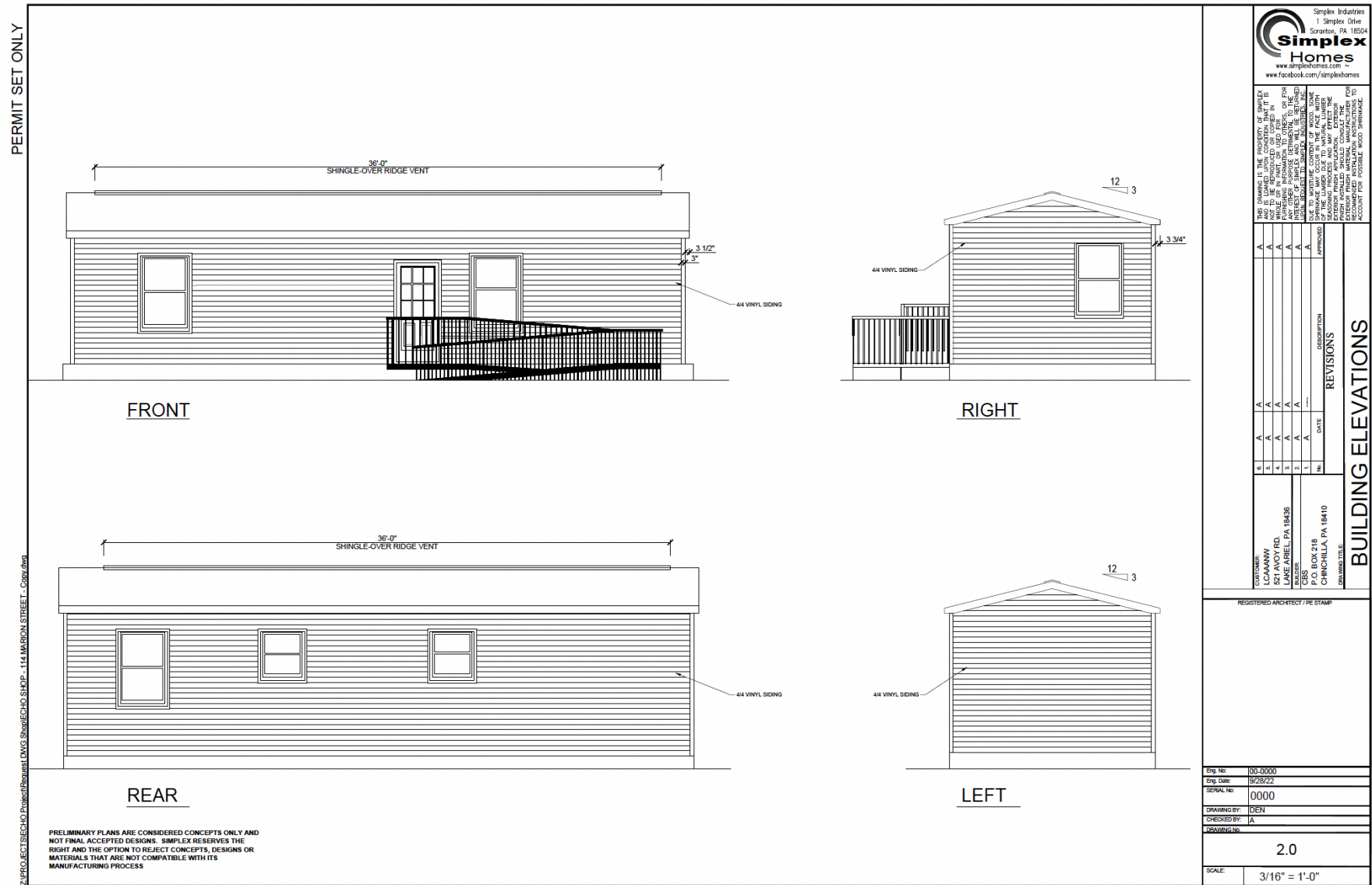
**Home of Adult
Child, Caregiver,
Relative**

Parameters for Participating:

- 60 years and older
- Older adult income below 80% AMI (*income recertified annually)
- Relative/caregiver or resident must live in either Lackawanna or Wayne county
- Older adult able to live independently but require occasional caregiver assistance
- Older adult must be agreeable to paying affordable rent.

NW NEPA's Responsibilities

- Rent collection
- Unit maintenance
- Handling any issues or concerns that come up re: unit/living situation
- Connecting older adult and/or family to community resources if needed
- (The money collected from the "rent" of the units is then put back into the program as a whole to cushion anything fiscal that isn't covered by the grant.)*



Partners

Johnson College (students designed ECHO units)
 Simplex (manufacturer)



Basement Apartments Safe for Everyone (BASE) Campaign

NYC/Queens

Chhaya Community Development Corp.
Citizens Housing and Planning Council
Communities Resist
Cypress Hills Local Development Corp.
Queens Legal Services
Center for NYC Neighborhoods
Pratt Center for Community Development

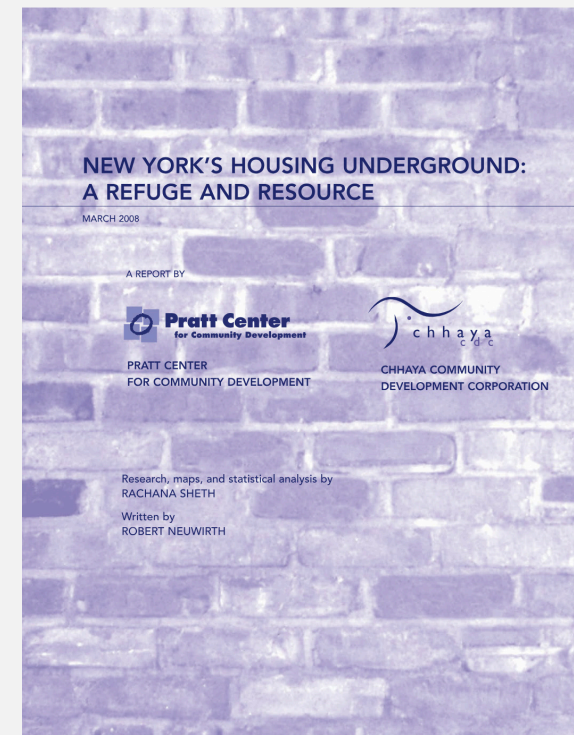
Timeline of Base Campaign's Projects

2006

BASE Campaign begins

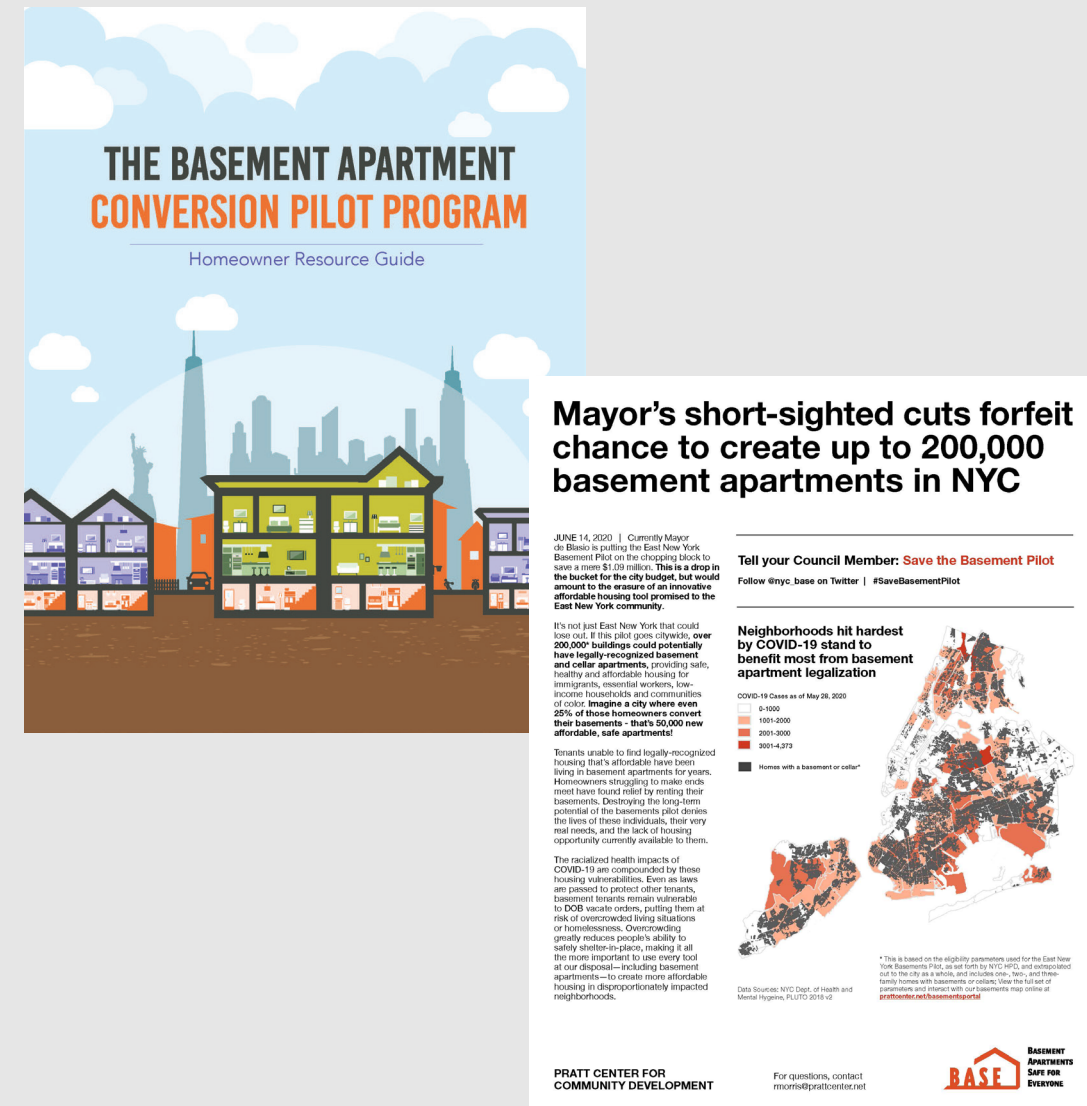
2009

Report published on basement apartments



2019-2020

Pilot program established and defunded.



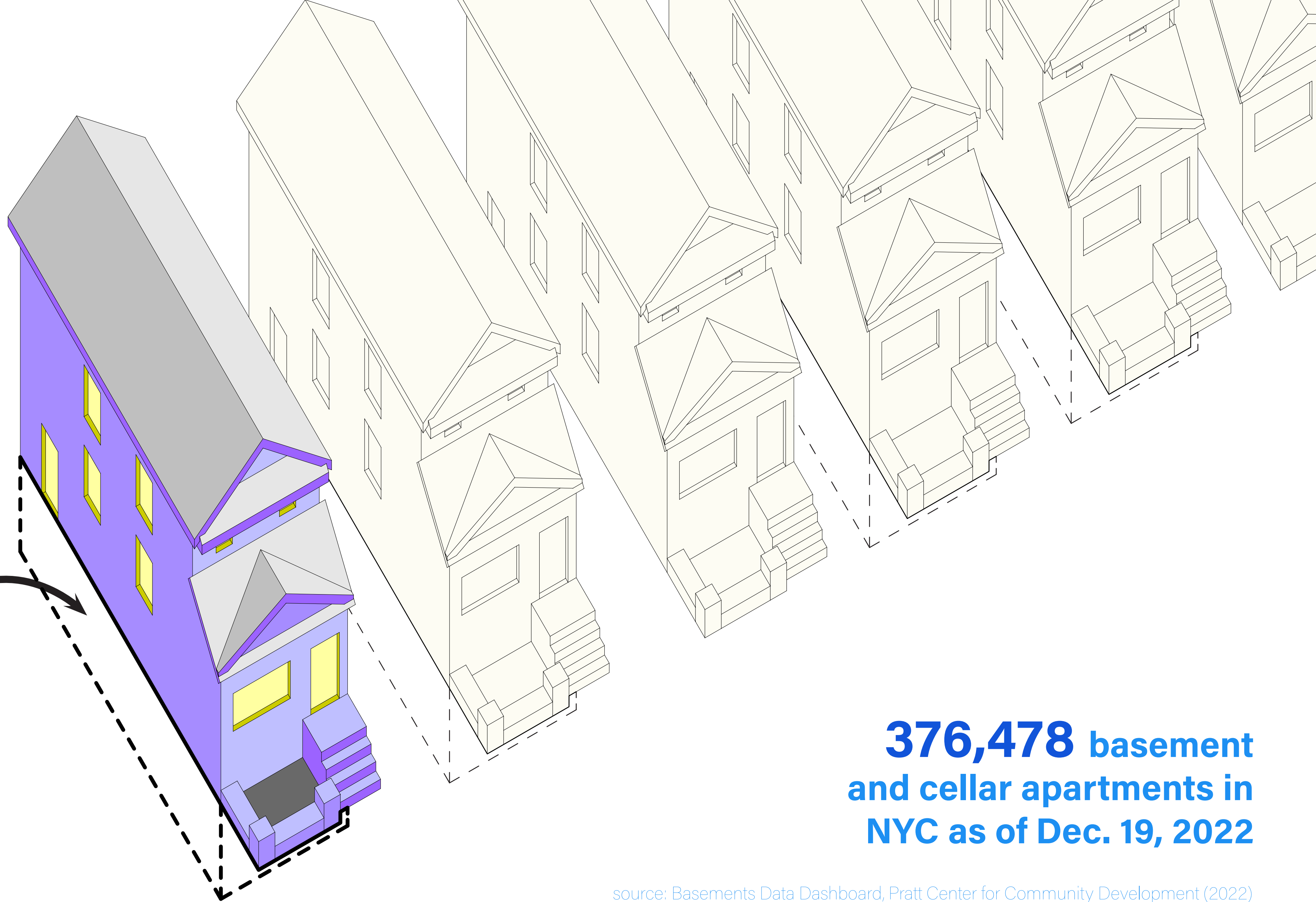
2021-2023

Focus pivots to ADU legislation; scaled down pilot program



source: "Basement Apartment Conversions, Affordable Housing New York City Needs Now," BASE Campaign (2020)

**Basement
Apartment**



376,478 basement
and cellar apartments in
NYC as of Dec. 19, 2022

source: Basements Data Dashboard, Pratt Center for Community Development (2022)

Adapting their strategy

**Drawing in
Homeowners**



**Particularly
older adults**



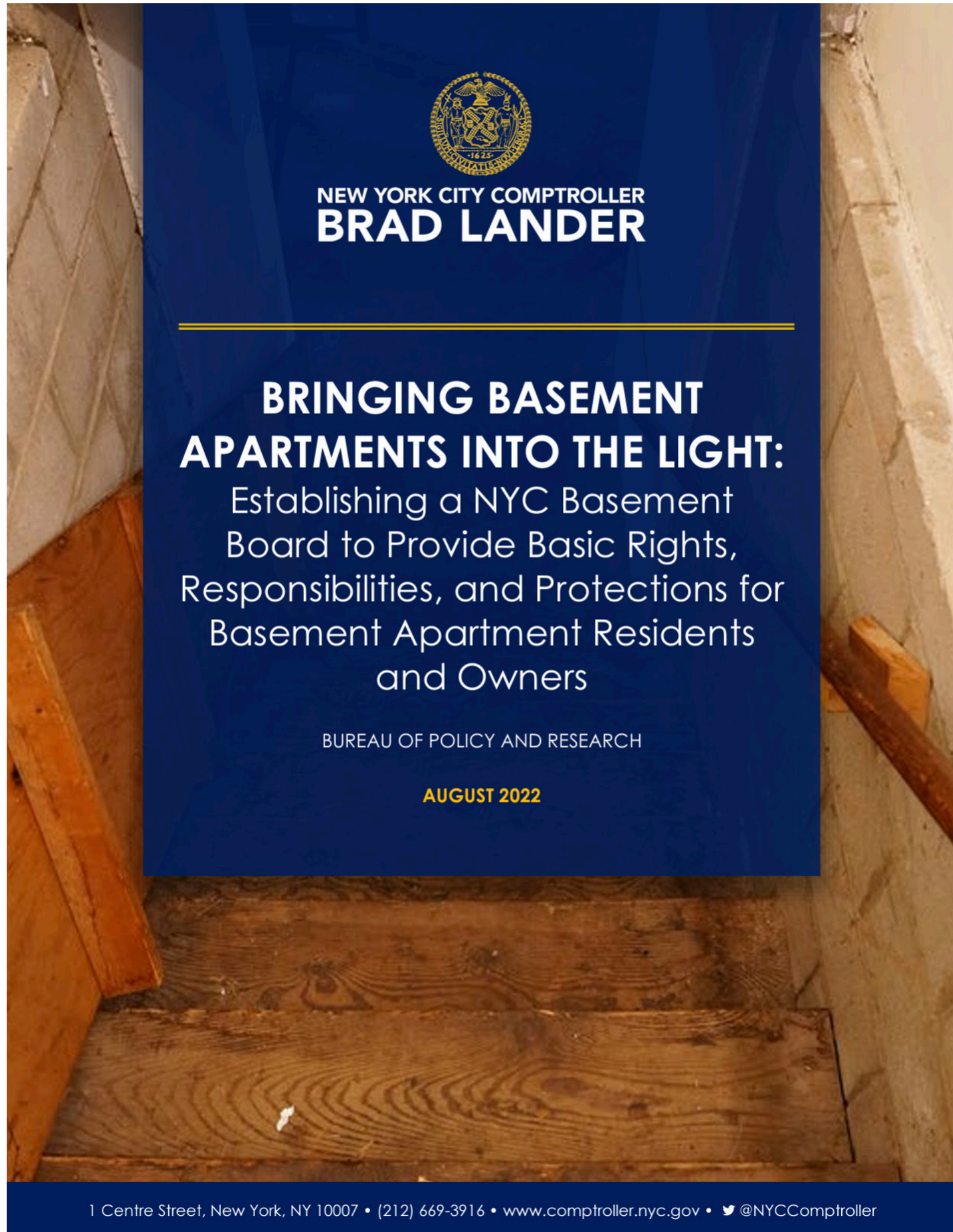
**Outreach at
churches,
mosques,
temples, banks**



Supporting ADU Legalization and Repairs

NYC/Chinatown

Asian Americans for Equality



NY ADU Legalization Coalition

Asian Americans For Equality

- AARP New York
- Allied Community Enterprises
- Basement Apartments Safe for Everyone (BASE) Campaign
- Center for New York City Neighborhoods
- Chhaya CDC
- Citizens Housing and Planning Council
- CNY Fair Housing
- Coalition for Community Advancement: Progress for East New York and Cypress Hills
- Community Housing Innovations

Community Development Corporation of Long Island

- Cypress Hills LDC
- Dutchess County Government
- Enterprise Community Partners
- ERASE Racism
- Fair Housing Justice Center
- Habitat for Humanity New York City and Westchester

- Habitat for Humanity New York State
- Health and Welfare Council of Long Island
- Housing Help Inc.
- Housing Justice For All
- Housing Rights Initiative
- Kinetic Communities Consulting
- LiveOn NY
- Long Island Builders Institute
- Long Island Coalition for the Homeless
- Long Island Housing Services, Inc.
- New York Housing Conference
- New York State Builders Association
- NHS of Jamaica
- Open New York
- Partnership for New York City
- Pratt Center For Community Development
- Rebuilding Together NYC
- Regional Plan Association
- Restored Homes Housing Development Fund Corporation
- Westchester County Association
- Westchester Residential Opportunities

1982

Loft Law precedent

2021

NY State Bills S4547A and A4854A introduced

AAFE urges New York State to legalize accessory dwelling units



“Asian Americans For Equality (AAFE) is proud to have worked together with many of the housing advocates on an Accessory Dwelling Unit (ADU) standardization and legalization bill, which is the de facto affordable housing type for thousands of low-income, and often immigrant, New Yorkers in our neighborhoods,” said **Thomas Yu and Jennifer Sun, Co-Executive Directors of AAFE**. “Tenants who have no other means to afford a place to live need a regulated and protected space, based on the avenues provided in this Bill. Meanwhile, homeowners and primary tenants also will benefit, since they themselves are often living paycheck to paycheck and need extra rental income resiliency. The stresses brought on by pandemic in our neighborhood housing, lay bare that now is the time to make clear legalization pathways for ADUs.”

source: “Landmark Bill to End Bans on Accessory Homes Across New York State to be Introduced by Assemblymember Epstein and Senator Harckham,” New York ADU Legalization (2021)
“AAFE urges New York State to legalize accessory dwelling units,” AAFE (2022)

Plus One ADU Program

New York State

Town of Amherst
Community Development Corp. Long Island
Habitat for Humanity of NYC & Westchester
Long Island Housing Partnership
Cypress Hills Local Development Corporation
Ithaca Neighborhood Housing Services
RUPCO/Ulster County
Neighborhood Restore



Homes and
Community Renewal

PLUS ONE ADU PROGRAM

(Accessory Dwelling Units)

<https://hcr.ny.gov/ADU>

What it Offers

Up to \$ 125,000 in forgivable grant funds for low to moderate-income homeowners

Build a new ADU
Legalize an existing ADU

Depending on the locality, ADUs can be detached or attached

Some programs may offer ADU designs

Town of Amherst

Community Development Corp. Long Island

Habitat for Humanity of NYC & Westchester

Long Island Housing Partnership

Cypress Hills Local Development Corporation

Ithaca Neighborhood Housing Services

RUPCO/Ulster County

Neighborhood Restore

source: "Plus One ADU Program," NY state website

CBO Responsibilities

Pre Development

Identify homeowners, assist with design, budget, permitting, environmental assessment appraisals, etc.

Construction Oversight

Contractor bidding, selection, coordination between owner and contractors, etc.

Post-Construction Monitoring

10 years; annual compliance certifications, incl. confirmation that ADU is being used as permanent housing rather than short-term rental; site visits every 2 years

Parameters for Participating:

Income restricted

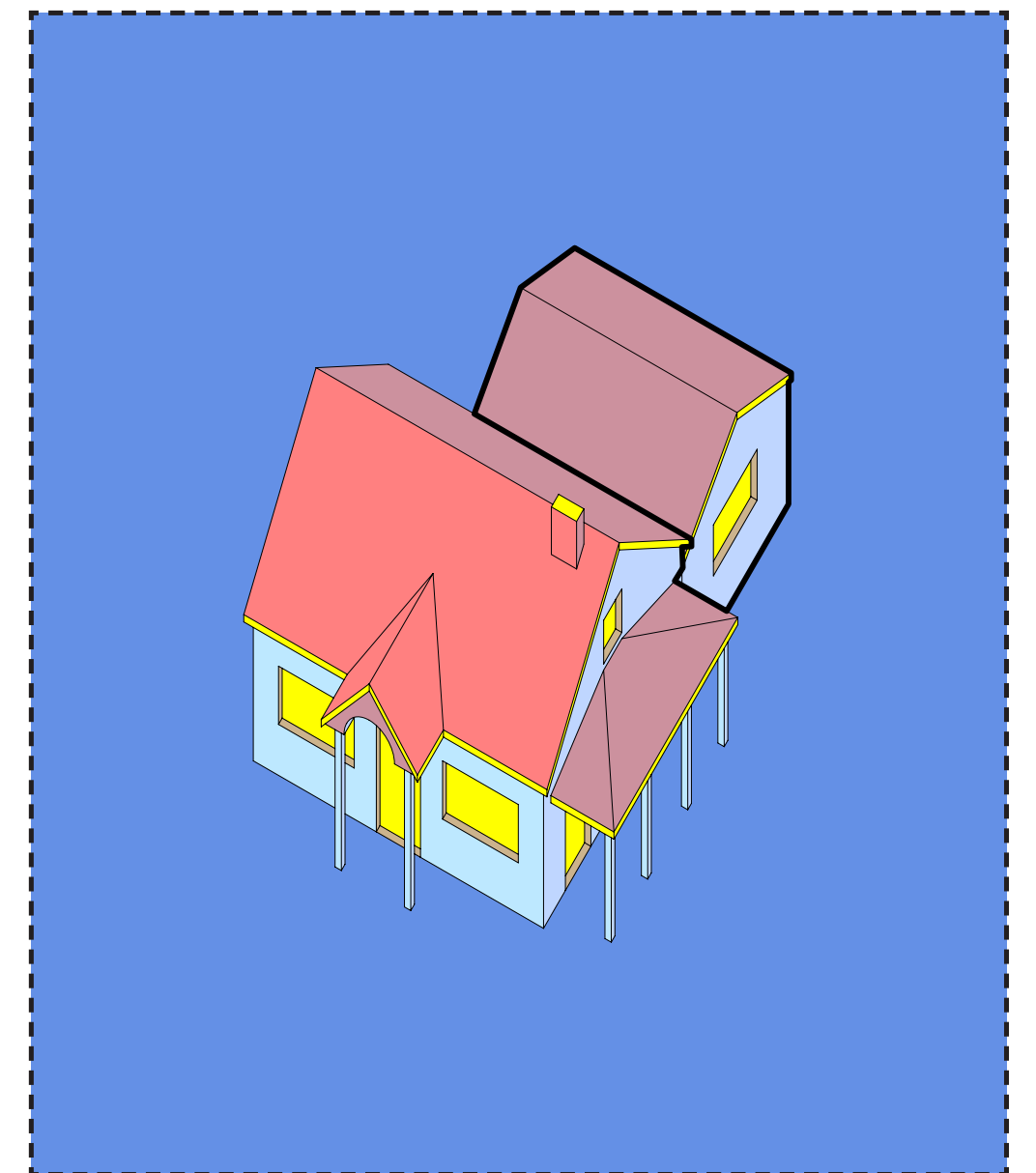
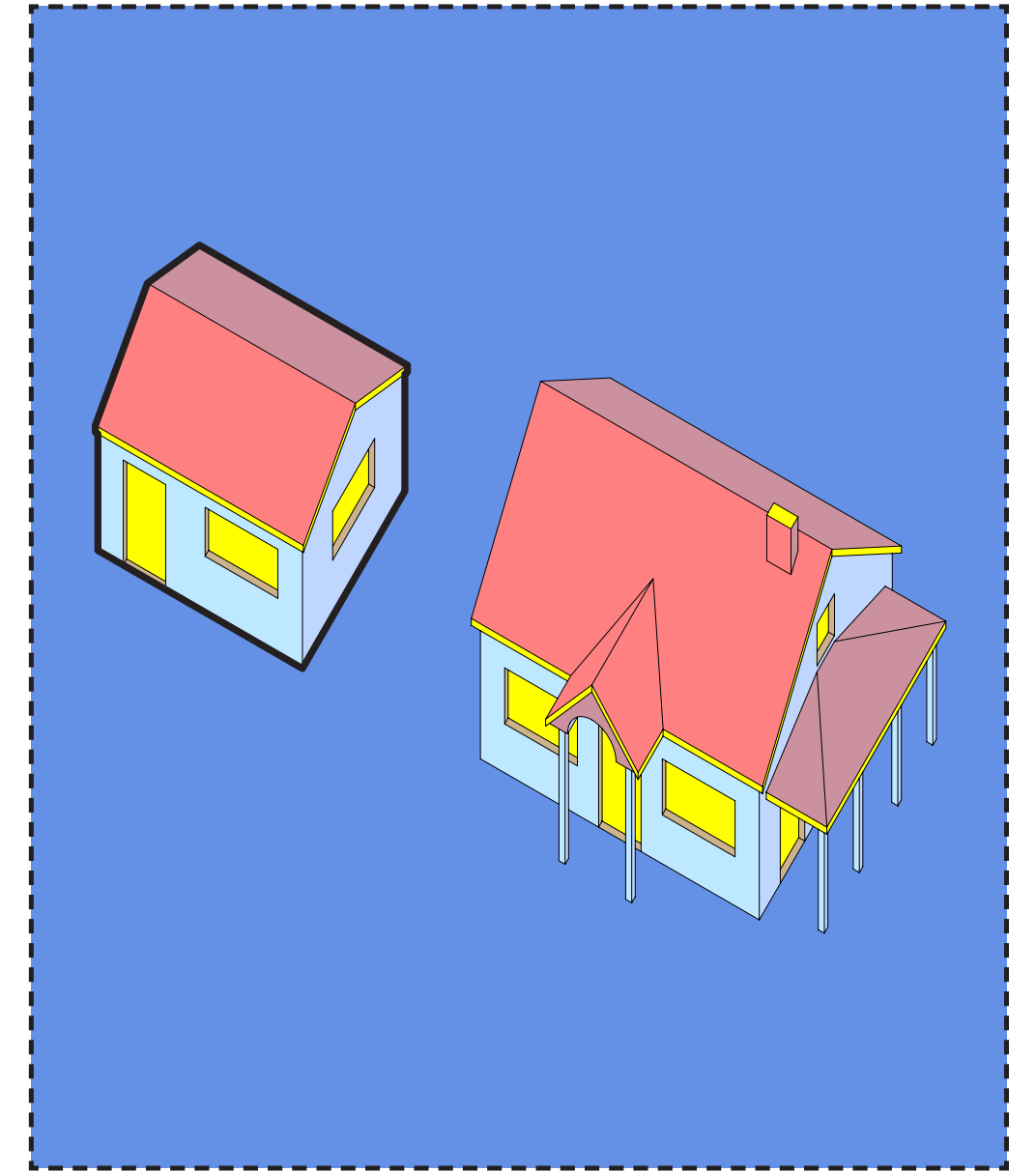
Keep rent at affordable rate (RUPCO)

Cannot be used for short-term rental

Must be owner-occupied primary residence

No additional rentals on property

Homeowners must obtain permits



Findings & Discussion

Hurdles in developing ADUs

ADU Literacy

Zoning/permitting/local laws
Visualizing ADUs in a community
Homeowner/tenant relations



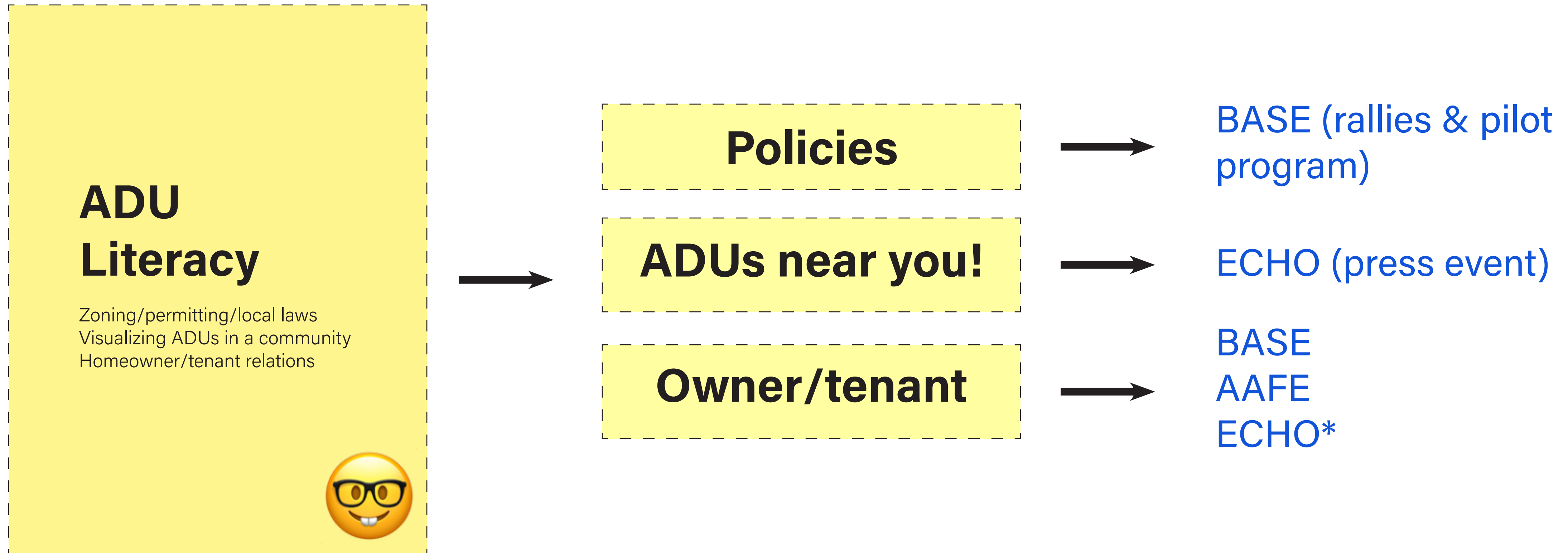
Financing



Rules & Regulations



What are ADUs? How does the program work?

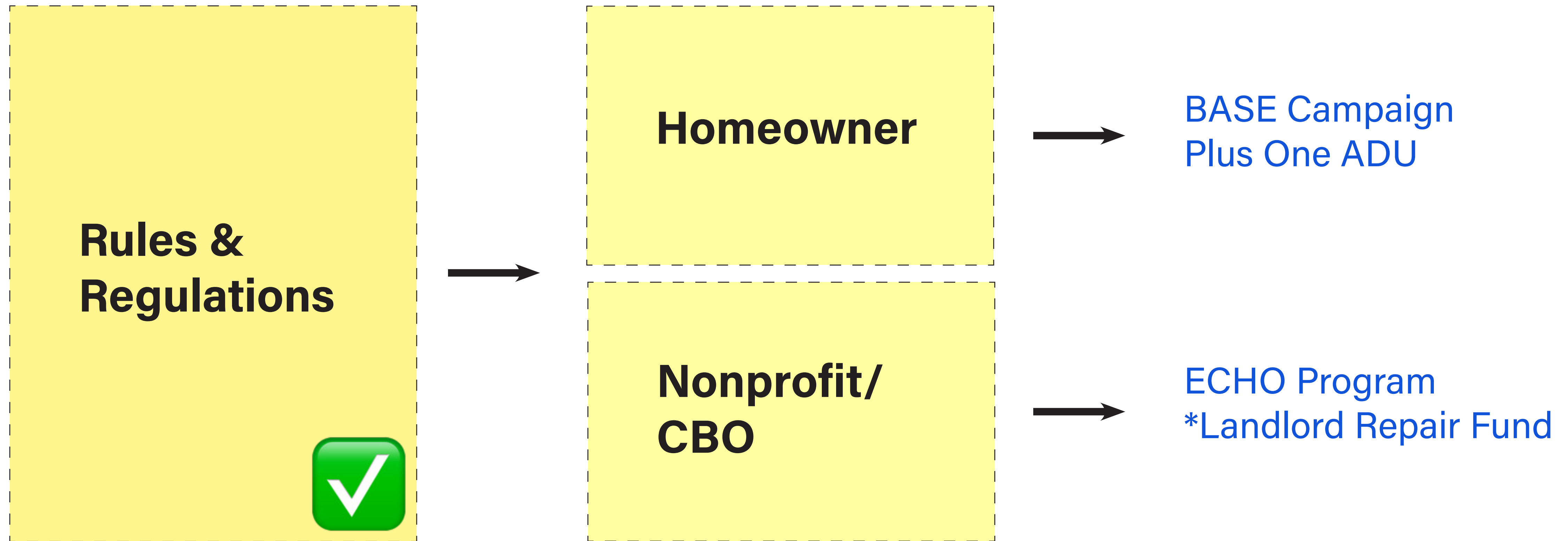


Name of Program	ADU Use	New or Existing ADU	Housing Type	How long does the ADU stay onsite?
ECHO	Aging in Place	Creation of New Units	Single-family	Temporary
BASE Campaign	Rental Income	Updating Existing Units Creation of New Units	1-3 units*	Permanent
Landlord Repair Fund**	Rental Income	Updating Existing Units	1-4 units	Permanent
Plus One ADU	Aging in Place Rental Income Caregiver/Relative	Updating Existing Units Creation of New Units	Varies	Permanent

*within a single building that is owner-occupied (primary residence, defined as residing in the home for 270 days/year)

**The Landlord Repair Fund is not limited to ADUs/basement apartments.

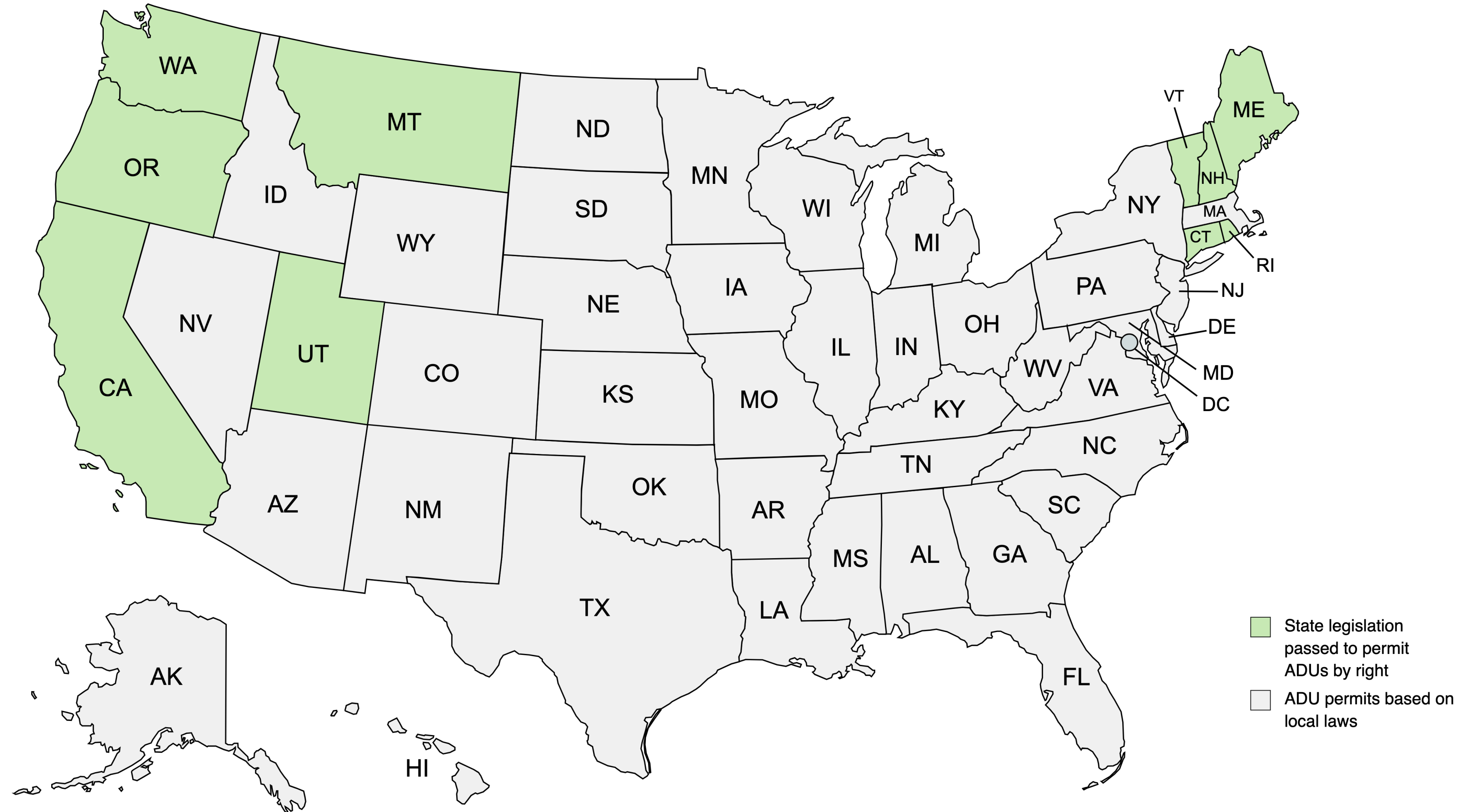
Who handles the permitting and zoning?



*The Landlord Repair Fund does not focus specifically on ADUs.

Rules & Regulations

Statewide ADU legislation has been passed in 10 states to date.



1993

Washington

2003

Maine

2005

Vermont

2017

California
Oregon
New Hampshire

2021

Utah
Connecticut

2022

Rhode Island

2023

Montana

source: illustration created with mapchart.net

In what capacity are orgs taking on unpermitted ADUs?

Legalizing ADUs



Advocating for ADU laws

BASE Campaign, Chhaya CDC & others

NY ADU Legalization Coalition, AAFE, CDCLI & others

Upgrading existing units

BASE Campaign, Chhaya CDC & others

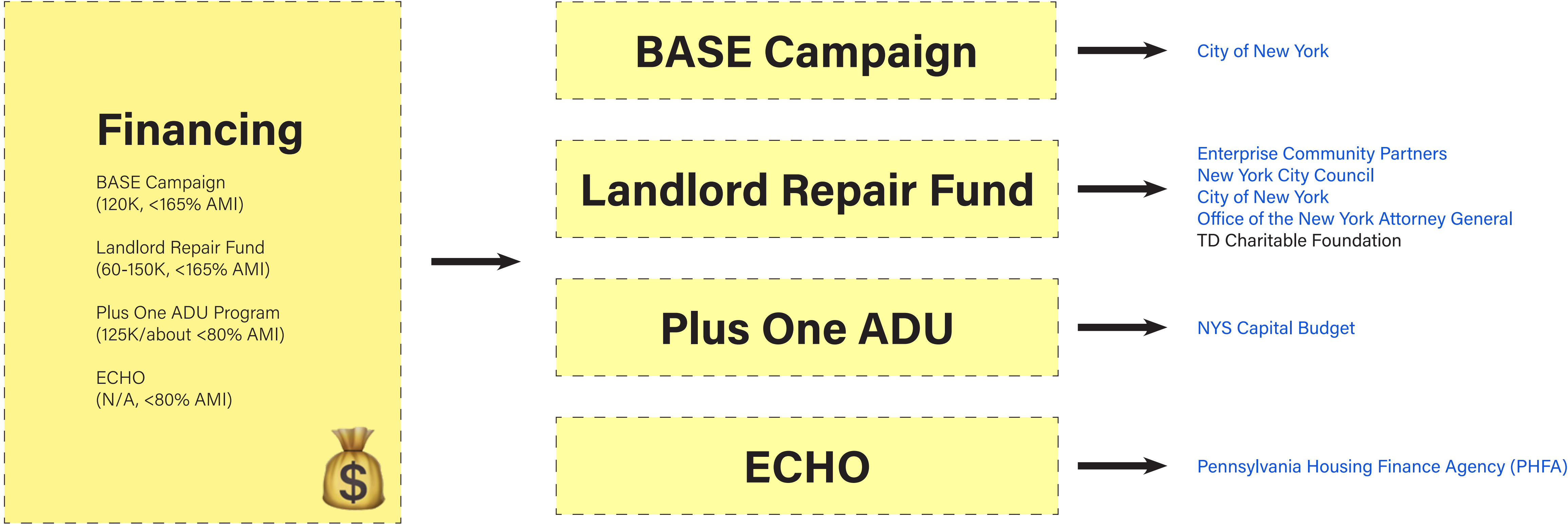
Landlord Repair Fund, AAFE

Plus One ADU Program, CDCLI, RUPCO, INHS

Acquiring permits for new units

ECHO Program, NW NEPA

Where does funding come from? Does that impact ownership?



ADU Ownership & Program Models

CBO

ECHO Program, NW NEPA

Private homeowner

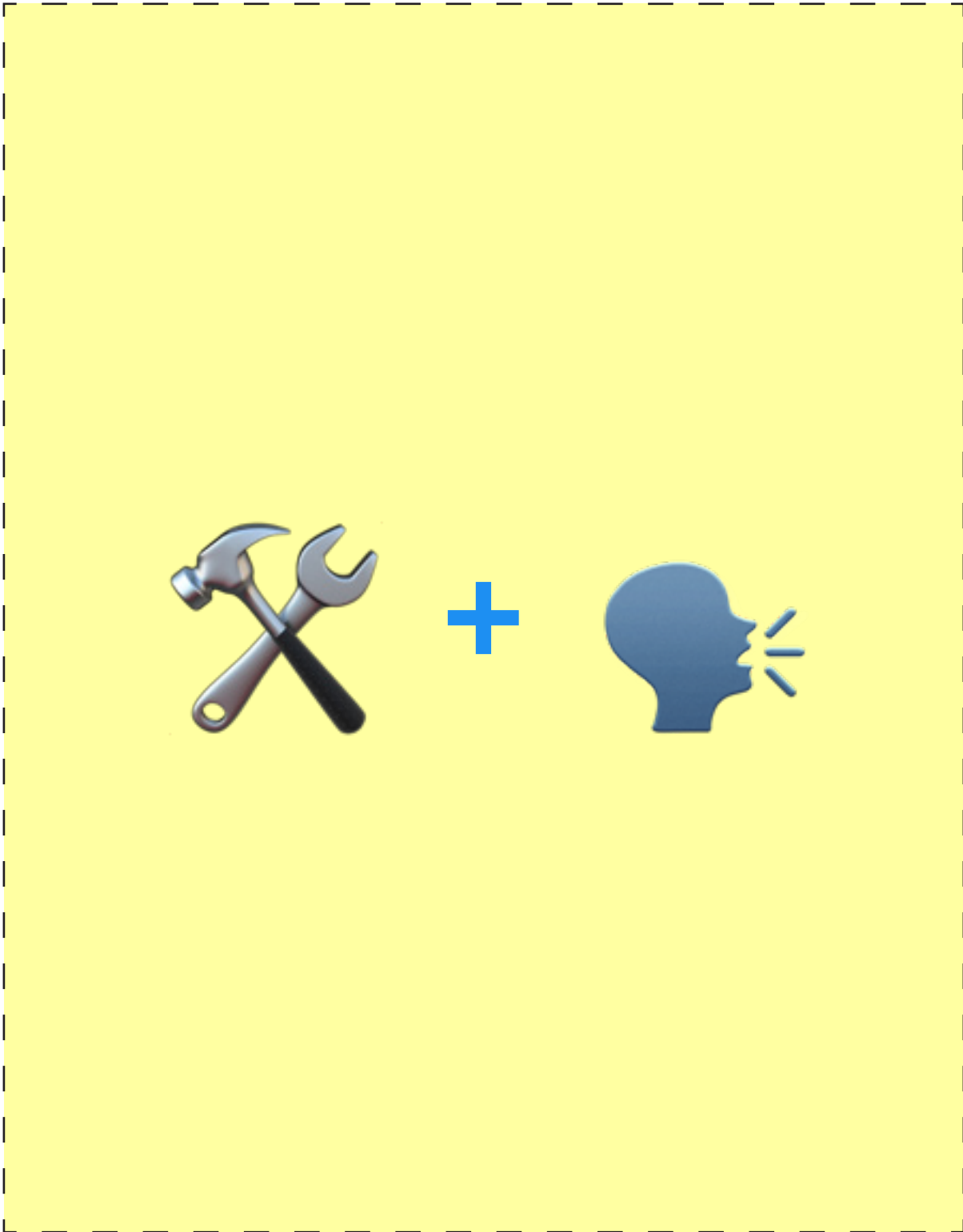
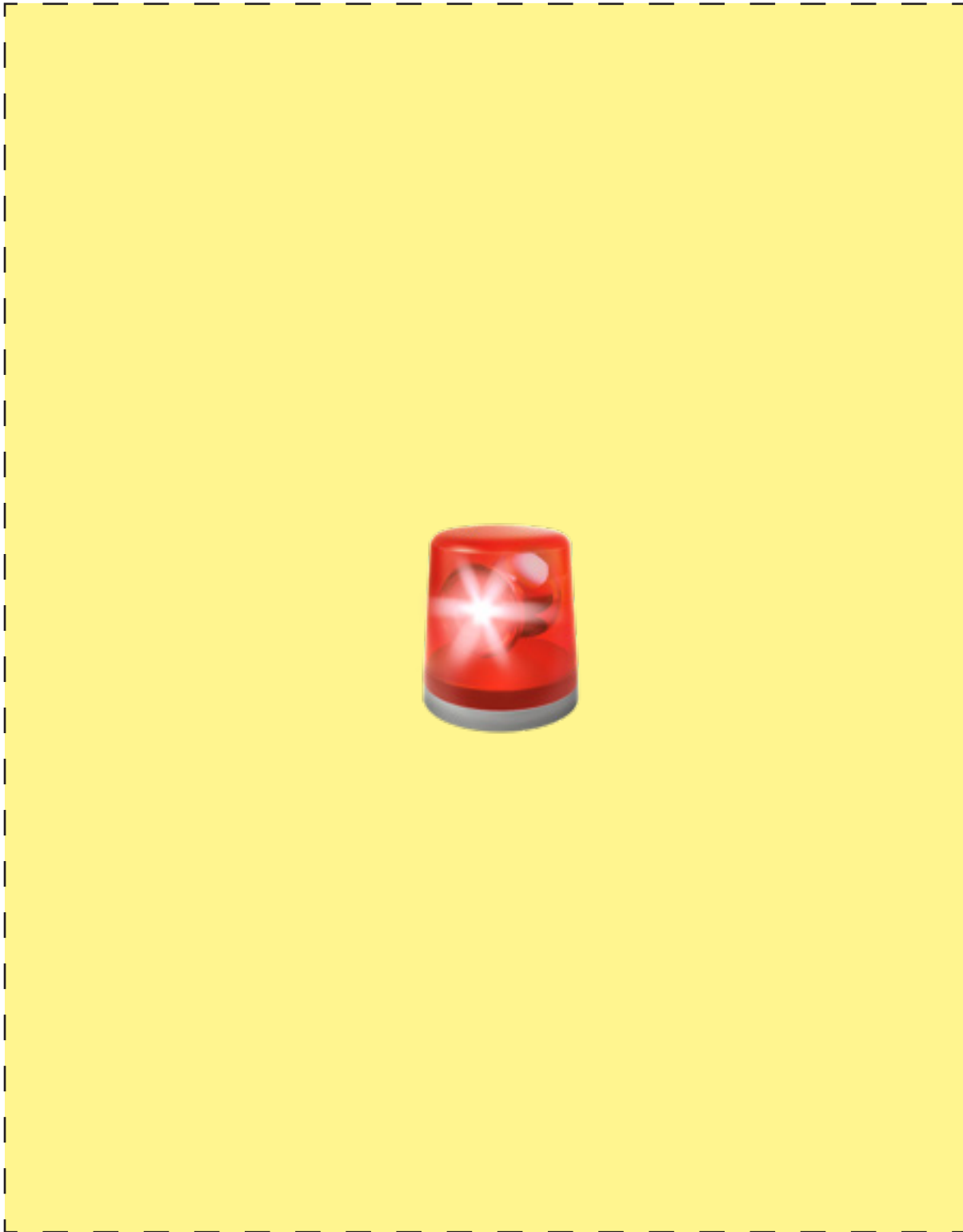
BASE Campaign, Chhaya CDC & others

Landlord Repair Fund, AAFE

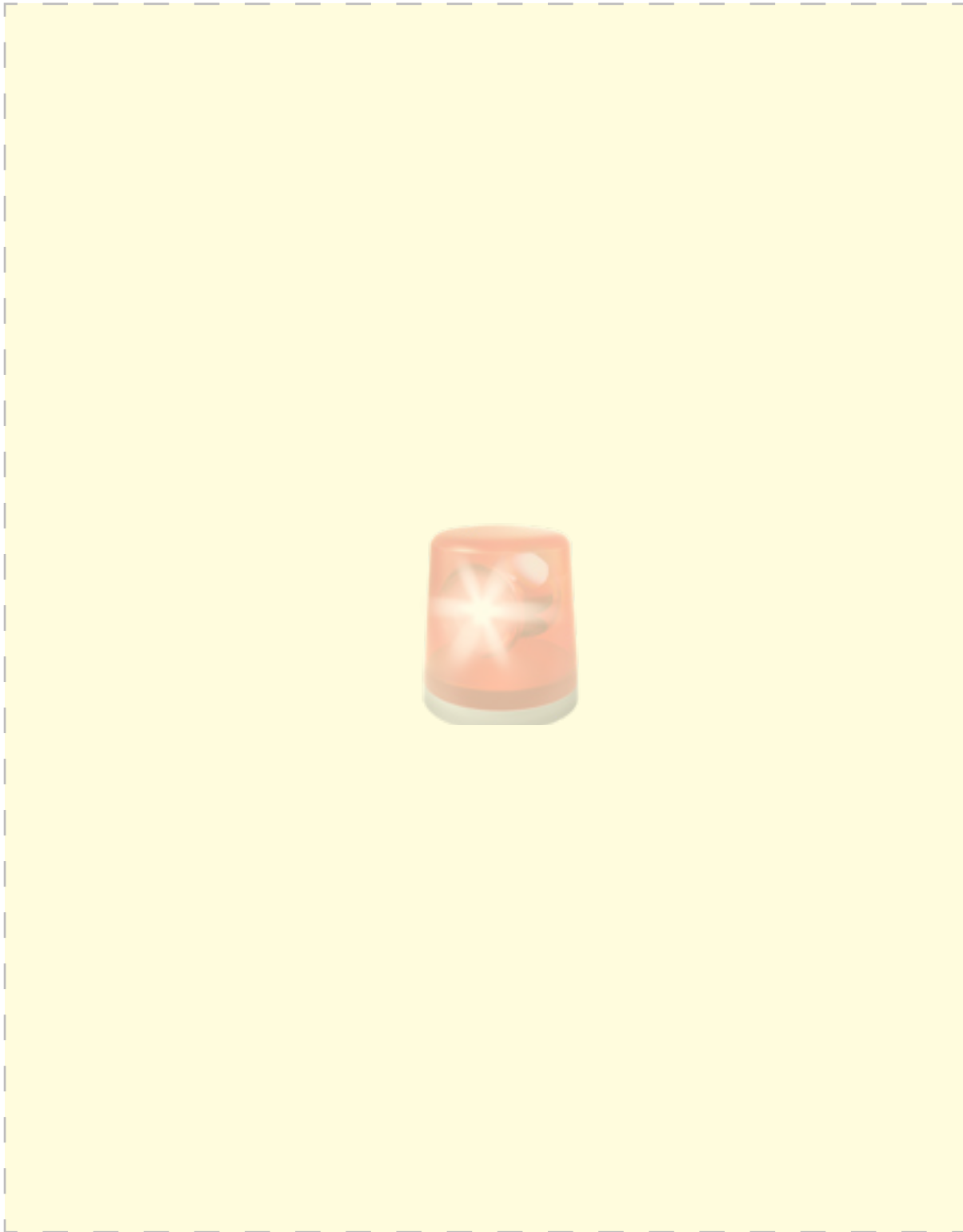
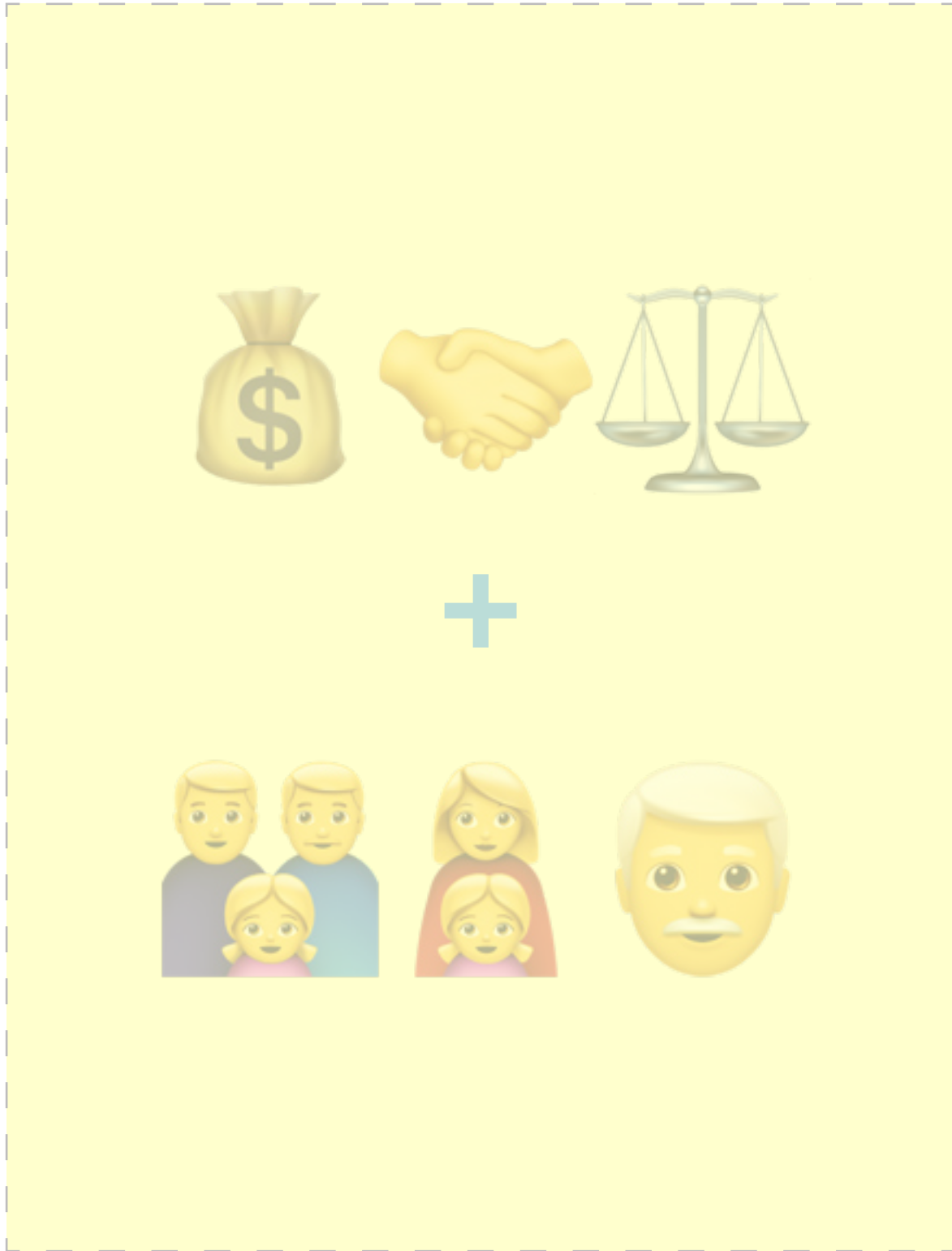
Plus One ADU Program, CDCLI, RUPCO, INHS

**ECHO/Plus One ADU
are state-initiated
programs w/ local
twist.**

Revisiting Our Key Points



Key Points & Case Studies



Potential Strategy

Repairs Program



Aging in Place

General Maintenance

ADU Pilot Program

Landlord Repair Fund (not targeted at basement ADUs)



Emergency Housing Voucher Program

The U.S. Department of Housing and Urban Development (HUD) has awarded a limited number of **Emergency Housing Vouchers (EHV)** to the New York City Housing Authority (NYCHA) and the NYC Department of Housing Preservation and Development (HPD).

EHVs are limited to families and individuals who are:

- Homeless;
- At-risk of homelessness;
- Fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking; or
- Recently homeless and at high risk of housing instability.

Preliminary eligibility for each applicant must be made by designated City agencies and their contracted service providers (program). Staff at the program (caseworkers or housing specialists) must first complete an initial screening for potentially eligible clients using the Coordinated Assessment survey (CAS) available in the online NYC Coordinated Assessment and Placement System (CAPS). The screening takes approximately 30 minutes to complete. A new CAPS consent form is required to be considered for EHV referral.

Once the CAS is submitted, program staff must review the Housing Option Result section, which will indicate if the client is potentially EHV eligible and provide instructions about next steps. If the CAS determines that a client is potentially eligible, program administration must then determine whether the client is also in a priority group for EHV assistance. If the client is eligible and in a priority group, the staff will be notified by their program administration to start an EHV application through the NYCHA self-service portal. Completed EHV applications and supporting eligibility documentation are required to receive EHV assistance. **Please note: Clients cannot apply directly to NYCHA or HPD for EHV assistance without a referral.**



Visit nyc.gov/ehv to learn more about the Emergency Housing Voucher Program, including FAQs, trainings, and more.

AAFE receives \$250,000 "Housing for Everyone" grant from TD Charitable Foundation



Potential Strategy

Repairs Program



ADU Pilot Program


1

**Need/
Potential/
Willingness**




2

**Potential
Challenges**



3

**Partners/
Contacts**



Thank you.

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Emerging Research Questions

- 1. How can designers become a more integral part of policy advocacy?**
- 2. To what extent do ADU programs need to include education?**
- 3. Can ADUs become scalable as an affordable housing strategy?**
- 4. What's working in this research and what can be made clearer?**