

ADUs & Racial Equity

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Introduction

- Attorney - barred in MD and DC, practice housing law with a legal services organization in D.C.
- Lived in Gaithersburg since 2020
- Teacher / Nonprofit worker / Housing
- Interest in WG/RASEC

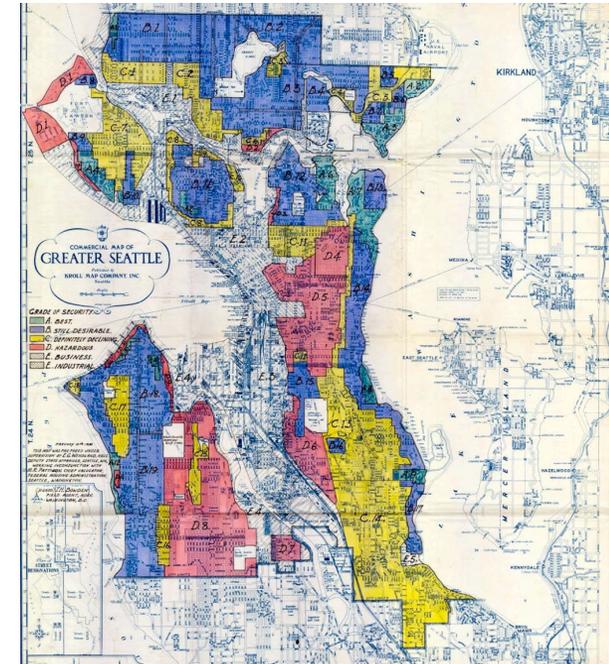
Accessory Dwelling Units (ADUs)

ADUs are self-contained apartments, cottages, or small residential units, that are located on a property that has a separate main, single-family home, duplex, or other residential unit. In some cases, the ADU or in-law is attached to the principal dwelling or is an entirely separate unit, located above a garage or in the backyard on the same property



Racial equity & affordable housing

- No state has an adequate supply of affordable Rental Housing for the Lowest Income Renters
 - DMV has 186,491 low-income renter households
 - DMV has 57,266 affordable and available renter homes
 - Source: NLIHC <https://nlihc.org/gap/state/md>
- People of color represent a disproportionate amount of renters
- Result of centuries of systemic racism both public and private
 - ‘The Color of Law’ Richard Rothstein
 - ‘How the Suburbs were Segregated’ Paige Glotzer
 - ‘Sundown Towns’ – James Loewen

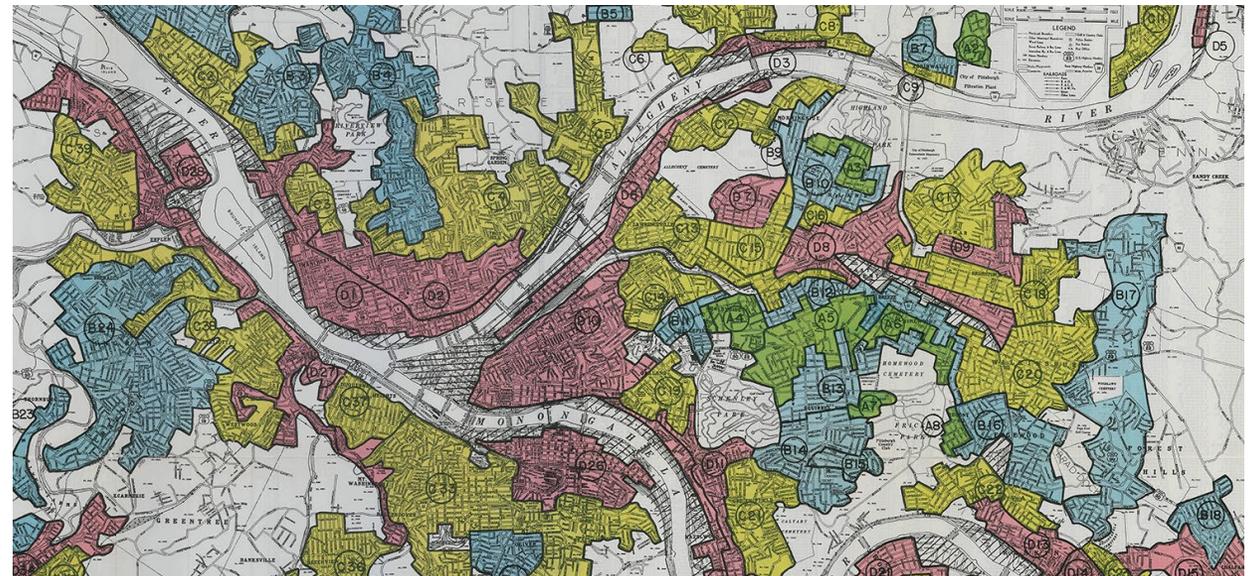


ADUs & Racial Equity

- The research question:
- Do ADUs have a substantive impact on a community's racial/socioeconomic diversity? i.e., Do they increase Racial Equity?
- The short answer:
- Maybe.

Why ADUs may increase racial equity

- There is a demonstrative link between access to affordable housing and increased diversity both socioeconomic and racial.
- ADUs increase the amount of affordable housing in higher-cost of living areas.
- Preservation for low-income homeowners
- Increased housing choice
- Less displacement than trad'l development



Why ADUs may *decrease* racial equity

- ADUs as a method of preserving wealth
- ADUs as family preservation
- Who benefits most from ADUs?
 - Seattle study
- Black wealth and the Great Recession
- Who do owner/operators of ADUs rent to?
 - Oakland Study



Seattle Study – A Racial Equity Toolkit on Policies for Accessory Dwelling Units

- Published in October 2018
 - Focus on centering racial equity at the front end of policymaking
 - Study is a combination of model analysis, focus groups, and interviews of homeowners

Seattle Study – A Racial Equity Toolkit on Policies for Accessory Dwelling Units

- Major concerns:
 - ADUs and displacement
 - Cost
 - Increase in speculation and development

Seattle Study – A Racial Equity Toolkit on Policies for Accessory Dwelling Units

- Key takeaways/potential strategies:
 - Educate homeowners on options to afford staying in place
 - Homeowners prioritized a program design that allows for renting to family/community members
 - Fee incentives
 - Education and outreach

Oakland, CA Study

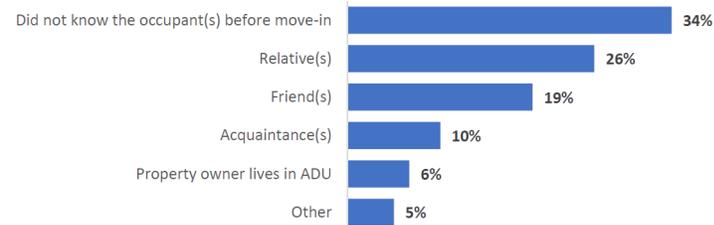
- Published January 2020
- Analysis of ADU demographics in Oakland at time of publishing
- Research methods
- Analysis of permitted ADUs in Oakland
- Analysis of demographic indicators in Oakland of ADU demand
- Focus groups, surveys, and interviews

Oakland, CA Study - findings

- Unpermitted ADUs
- Permitting and financing are the significant burdens to ADU construction/legalization
- Homeowner data and racial equity

Oakland, CA Study – findings

Figure 28. What was your relationship with the current occupant(s) of the ADU at the time of move-in?



As can be seen in **Figures 29 and 30**, the majority of homeowners in our survey rent out their ADU to tenants who are 18-34 years or older (33 percent), female (63 percent), and white (59 percent).

Figure 29. What is the age of the current ADU occupant(s)

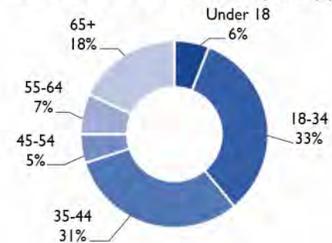
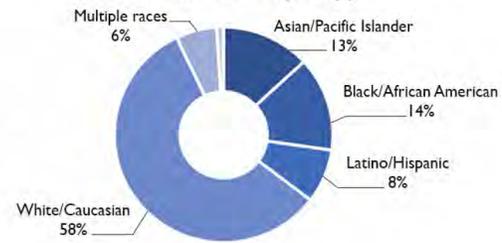


Figure 30. What is the race of the current ADU occupant(s)?





Oakland Study - findings

- Many of the findings pointed out that program design and incentives which target low-income homeowners and renters will be likely to enhance racial equity.
- Outreach is important
- Education is access

The Alley Flats Initiative (Austin)

- Focus on reduced barriers to Detached ADU construction
- Make them more accessible to lower-income renters
- Provide technical assistance and support to homeowners
- Requires commitment to SMART program
- (Safe, Mixed-income, Accessible, Reasonably priced, Transit oriented)
- Tenants limited to households with income at or below 80% MFI
- Similar to IZ



Los Angeles (LA Mas)

The Backyard Home Project

Creation of more housing units for Housing Choice Voucher Program (Section 8) participants.

Agreement to rent out to voucher holders for 5 years

Benefits

Permit fee deferrals

Financing/design/support plans for those who rent to voucher holders.



The West Denver Single Family Plus

- Design-Finance-Build support
- Forgivable loans for homeowners who build and are below 80% AMI
- Affordability use requirements
 - Monthly rent cannot exceed 80 percent of AMI maximum rent
 - No short term rentals (less than 30 days)
 - Property management training
- Preservation AND Affordability oriented
- Results: More ADUs permitted every year since program's development (with exception of 2020).



Dweller (Portland)

- Company that specializes in producing low-cost ADUs offsite and delivering to homeowners.
- Handles permitting, design and construction for one fee at affordable cost.
- Currently not constructing new ADUs because of “challenges in construction industry“



My takeaways (the long answer)

- ADUs are a tool that *can* increase affordable housing and therefore have impacts on racial equity
- With every tool comes along the opportunity for misuse
- Something like a Racial Equity Toolkit is necessary
- Subsidies and financing are vital
- Applicability to Washington Grove

Bibliography & further reading

Background

- [Racial Disparities Among Extremely Low-Income Renters, NLIHC](#)
- Addo, [Disparate Recoveries: Wealth, Race, and the Working Class after the Great Recession](#)
- Tippett et al, [Beyond Broke: Why Closing the Racial Wealth Gap Is a Priority for National Economic Security](#)

The studies

- [A Racial Equity Toolkit on Policies for Accessory Dwelling Units](#)
- [Oakland, CA ADU Research Report](#)
- [ADUs for All: Breaking Down Barriers to Racial and Economic Equity in Accessory Dwelling Unit Construction](#)

The samples

- [The Alley flats initiative](#)
- [The West Denver Single Family Plus Program](#)
- [Dweller \(Portland\)](#)
- [Los Angeles \(LA MAS\)](#)