

ADUs for All: Breaking Down Barriers to Racial and Economic Equity in Accessory Dwelling Unit Construction

Authors:

Julia Greenberg, Research Manager, Center for Community Innovation

Hannah Phalen, Graduate Student Researcher, Turner Center for Housing Innovation

Dr. Karen Chapple, Director of the School of Cities at the University of Toronto and Professor Emerita, City and Regional Planning, UC Berkeley

David Garcia, Policy Director, Turner Center for Housing Innovation

Muhammad Alameldin, Policy Associate, Turner Center for Housing Innovation

Introduction

Accessory dwelling units (ADUs) have become an increasingly popular strategy for expanding the supply of housing in California, particularly of lower cost units in single-family neighborhoods that may not otherwise welcome new development. California's ADU laws are only a few years old, and recent research indicates that early adopters tend to be higher-resource households with greater access to information, capital, and professional services. Past research revealed racial and socioeconomic disparities in early adoption of ADUs, suggesting that additional policy or other interventions may be needed to close the capital and information gaps that are keeping lower income and households of color from building ADUs. In particular, sources of finance and technical assistance are needed, and local governments must begin to simplify and lower the cost of obtaining an ADU permit so that permitting itself does not remain a barrier to equitable ADU adoption.

This report seeks to understand the barriers to ADU construction for low- and moderate-income BIPOC (Black, Indigenous, and People of Color) households in California and presents findings from focus groups and interviews from across the state. Focus group participants included homeowners at various stages in the ADU process, including some who would like to build an ADU but do not know where to start, some who attempted but had to stop the process for various reasons or were still trying to work through challenges, and others who were almost finished with construction but had faced significant challenges along the way. The report concludes with specific policy recommendations to remove barriers to ADU construction for low- and moderate-income BIPOC households, along with broader recommendations to facilitate greater ADU uptake overall.

Background

ADUs have many social, economic, and environmental benefits. For homeowners, ADUs can provide additional revenue while also increasing property values, providing an avenue for wealth building.¹ They also offer flexible, affordable housing options for households of different sizes, ages, and income levels. Because ADUs can be rented out to tenants and provide an additional source of income, they can make homeownership more attainable for low- and middle-income households and cushion against foreclosure during times of economic hardship.²

Constructing ADUs requires less time and money than other forms of housing (traditional affordable units cost nearly twice as much to build)³ and can increase socioeconomic integration;⁴ provide independent living for disabled family members, elderly parents, and adult children;⁵ and meet cultural needs of some communities for multigenerational living while typically facing less opposition from neighbors than larger developments.⁶ Moreover, California cities can get credit for ADUs in their state Housing Element and Regional Housing Needs Allocations (RHNA) obligations.⁷ In addition, ADUs allow jurisdictions to increase their housing supply through urban infill, which helps limit sprawl, conserve undeveloped land, and utilize existing infrastructure efficiently.⁸

Given these benefits, California policymakers have passed several laws in recent years to encourage the creation of ADUs, specifically by reforming how local jurisdictions regulate their approval and development. In 2016, the state legislature passed Senate Bill 1069 and Assembly Bill 2299 to explicitly allow homeowners to build ADUs or Junior ADUs (JADUs).⁹ Since 2017, other state policies (Assembly Bill 68, Assembly Bill 881, Senate Bill 13) have created guidelines for ADU zoning, streamlining, and development at the local level. Passed in 2021, the parcel subdivision provision of Senate Bill 9 further opened up potential new financing options and wealth-building opportunities for low- and moderate-income homeowners by adding the option of traditional construction financing

to build more homes on a property.¹⁰ These new laws have spurred public-private partnerships between local governments and banks, nonprofits, and other stakeholders to increase production of ADUs throughout the state.¹¹

While statewide legalization of ADUs has led to rapid growth in the permitting and construction of these units in California,¹² the benefits of this new housing are more widely accessible to households with greater awareness of recent law changes and greater access to funds to pay for professional assistance and construction. Past research suggests that unpermitted ADUs are more highly concentrated in communities of color and lower income areas,¹³ whereas homeowners who build legally permitted (or formal) ADUs—like homeowners in the state overall—are disproportionately White, high-income, and highly educated.¹⁴ A previous study authored by the Terнер Center and Center for Community for Innovation found that ADUs in the state are disproportionately built in higher-resource neighborhoods.¹⁵ The racial homeownership gap—fueled by a century of racist housing policies that explicitly subsidized single-family homes for White households while denying these opportunities to households of color—means that fewer BIPOC households own property, a prerequisite for building an ADU. An analysis of ADU construction and permit data reveals that neighborhoods where a higher proportion of permitted units are successfully constructed generally have larger white populations and higher median incomes,¹⁶ indicating that lower-income households and households of color may be more likely to fall out of the process even after obtaining a permit. These findings suggest that local governmental and market barriers may still be inhibiting a key goal of recent legislation—expanding access to homeownership and opportunities to build equity for low- and moderate-income BIPOC homeowners.

Some areas of California, most notably Los Angeles, have achieved relatively higher rates of ADU construction among Black and Hispanic/Latino residents and in lower-resource areas compared to the rest of the state.¹⁷ This high rate may be due to higher homeownership rates, lower construction costs in Los

Angeles compared to the Bay Area,¹⁸ large numbers of construction companies and workers available in the community, and higher proportions of people of color and majority non-White neighborhoods.¹⁹ A higher prevalence of existing unpermitted ADUs in Los Angeles may also contribute to this higher rate, as more homeowners decide to retroactively permit these units and bring them up to code. The wider adoption of ADUs in the Los Angeles area suggests that perhaps some of the barriers to ADU construction are lessened in BIPOC communities when ADUs become more widely accepted and familiar and where local contractors that can provide information and building assistance are more accessible. In other parts of the state, rates of ADU adoption among homeowners of color are lower. These lower rates suggest that more significant barriers exist that must be identified and removed to ensure more widespread and equitable adoption in other parts of the state.

Methodology

To understand barriers to ADU construction facing low- and moderate-income BIPOC homeowners, we conducted four, 90-minute focus groups with homeowners throughout the state of California.²⁰ The focus groups were organized in partnership with local nonprofits in East Palo Alto, the East Bay, and the Inland Empire²¹ that provide services related to homeownership or ADUs. During these focus groups, participants were asked questions about their experiences with ADUs, challenges they faced when trying to build and resources that helped them throughout the process.

Each focus group included between two and 11 participants, for a total of 32 participants in all. At the beginning of the focus group, we asked each participant to complete an online demographic survey, but only 23 did so. More than half of respondents identified as Black or African American, about a fourth as Hispanic or Latino, and approximately nine percent as Native American or Alaskan Native. More than half of survey respondents were simply interested in building an ADU but had not begun the process; almost a fifth had

applied for or obtained a permit but had not started building; and almost a fifth were in the construction phase. Almost a third had incomes under \$25,000. (See Table A1 in Appendix A. for more demographic information.)

In addition, we interviewed 30 practitioners at 14 nonprofit and research organizations located throughout California—some of whom work directly with homeowners—to learn more about the challenges of building an ADU and strategies for addressing barriers.²² These interviews provided insight into the nuanced problems that homeowners encounter when attempting to implement ADU projects.

Findings

Across our focus groups and interviews with practitioners, several themes emerged. Focus group participants expressed interest in building ADUs to create flexible, affordable living arrangements for extended family or to add an income stream. They also, however, consistently noted how expensive it is to build an ADU. And, practitioners often raised that mainstream financial products are not well-suited for ADU construction. Furthermore, both focus group participants and practitioners noted that since homeowners are not professional housing developers, the process of permitting, designing, and building an ADU can be complicated and frustrating. Some focus group participants worked with community-based organizations that supported them through the process, but such organizations do not exist in every city or region. Several participants reported that they were unable to find reliable information about building ADUs. Focus group participants observed that state and local regulations around ADUs are often unclear, and local government staff are not always knowledgeable or supportive throughout the permitting and construction process. Lastly, some participants feared potential negative consequences of building an ADU, given that ADUs have been illegal in many parts of the state until recently.

Focus group participants wanted to build an ADU to house family and friends, expand their living space, and build wealth.

Focus group participants mentioned three main reasons for wanting to build an ADU: providing housing for family or friends, adding extra space to their home, and building wealth through rental income and increased property value.

Some focus group participants want to build an ADU to provide an independent living space for adult children moving back home, caretakers, or elderly parents. For example, some reside in multigenerational households and view ADUs as a way to keep their families close by while maintaining some privacy and independence. One East Palo Alto resident explained:

“My interest in adding an ADU to my property is because my mom is aging and I’d like to have her close to home. Family’s really important to me; so, I’d like to take care of her at home.”

Other focus group participants said they want to build an ADU to provide housing for family members who could not otherwise afford the local housing market. A homeowner in East Palo Alto described their motivation:

“Currently my daughter, her husband, and my granddaughter are living with me at this house. And they obviously pretty much cannot afford to go really anywhere to purchase. Their income is not great enough for them to do this. [ADUs] became a perfect opportunity for us to put an additional dwelling unit for them to be able to actually afford to live in this area.”

In addition to providing housing for others, some focus group participants mentioned wanting an ADU for the extra space. As remote work has become increasingly common due to the COVID-19 pandemic, more people are looking to create or expand their workplace; as a result, home offices are particularly in demand.

“Homeownership is so important to me because it creates generational wealth...”

Lastly, some focus group participants described building an ADU as an investment, a way to build equity in their property, and a source of passive rental income. Some view the additional income from ADUs as part of their retirement planning and/or are considering moving into the ADU themselves and renting out their main home. One Inland Empire resident explained that building an ADU would support a transfer of wealth to future generations:

“Homeownership is [...] so important to me because it creates generational wealth, especially when we’re not able to receive any type of land or homeownership passed down from generations before me. I think it’s excellent for me to be able to provide that to my children, and so the ADU fits into that because not only will I be able to pass that down to my children but also to my community members as well.”

Building an ADU can be prohibitively expensive, and few financing products are available.

For focus group participants looking to build an ADU, cost was the most prevalent challenge. This finding is supported by a previous survey of California homeowners, which found that the most significant barrier to ADU development was financial.²³ A 2021 survey showed the median statewide construction cost of an ADU to be \$150,000, or \$250/square foot, but there is wide variation depending on region, size of the ADU, and quality.²⁴ Additional costs like permitting fees and geological surveys put ADUs even further out of reach for many households. Some focus group participants explained that these initial costs led them to drop out of the ADU process early on. One homeowner said:

“I needed to come up with \$45,000 just for permits, and I couldn’t get that. So, I am stuck at the beginning.”

Among focus group participants who were able to obtain permits and begin construction, some described numerous unexpected costs, such as needing to buy building materials out of pocket or being required to add a fire sprinkler system, that added to their initial estimates for the project.

Frustration with the lack of available financing options was also a commonly expressed theme among focus group participants. While some local credit unions have begun to create ADU-specific loan products, the only mainstream financial products available to homeowners looking to build an ADU have been cash-out refinancing, home equity loans or lines of credit, and renovation financing, none of which are well suited to ADU construction. Fannie Mae, Freddie Mac, and the Federal Housing Administration limit cash-out refinancing to 80 percent of a home's value, which means many homeowners with an existing mortgage would not be able to take out enough money to build an ADU.²⁵ Additionally, these financial products do not consider the prospective income that ADUs can generate. Because ADUs have relatively low development costs and can provide steady rental income, homeowners should in theory be able to borrow against at least a portion of the future value of an unbuilt ADU. However, lending institutions generally have not allowed this, further constraining the ability of homeowners to pay for ADUs projects.²⁶

Given the lack of available financing options, 62 percent of homeowners depend at least partially on cash savings or money from a friend or a relative to finance their ADU,²⁷ and our focus groups similarly confirmed that many homeowners are not able to find a financing option that would fit their situation. Without cash savings or support, households must have sufficiently high incomes, home equity, and credit scores to qualify for the limited pool of mortgage products that could be used to construct an ADU.²⁸ Low-income households are less likely to have access to substantial amounts of cash on hand and have debt-to-income ratios that are too high to qualify for loans with preferable interest rates.²⁹

The process of building an ADU can be complicated and frustrating.

Focus group participants discussed how the complexity of building an ADU presented significant obstacles and, in some cases, discouraged them from starting the process at all. When building an ADU, homeowners are responsible for contracting with designers and builders, navigating local permitting procedures, and overseeing construction. Each step of the process can be confusing and overwhelming, especially for someone without expertise in real estate, design, or city regulations. Some focus group participants explained that they were so confused by the permitting process that they did not even attempt to start and felt that they would need significant help to move forward. Others mentioned the difficulty of finding a reliable, affordable contractor.

“I wanted a one-stop shop, but I’ve become my own project manager.”

Focus group participants expressed deep frustration with months-long delays at several points in the process. One homeowner said that simply obtaining a permit took almost a year; another described how delays forced them to push back their tenant's move-in date by several months:

“It’s been a long road. I actually broke down [...] because I was so frustrated with the process. And that’s because it’s taken so long. I wanted a one-stop shop, but I’ve become my own project manager. I’ve had to order items myself to try to finish this project and expedite it and not lose momentum. And there’s no recourse. I’m disappointed that I just have to sit and wait. My tenant has been very patient and she was ready to move in August 1. But here we are coming into the new year and I still don’t have a move-in day for her.”

These findings are consistent with past surveys on the topic. In a survey of ADU owners in Portland, Seattle, and Vancouver, 70 percent of respondents experi-

enced unanticipated events that led to delays and cost increases to the project, most commonly issues with the permitting process (36 percent), poor professional assistance (22 percent), and existing infrastructural problems on their property (16 percent).³⁰ While these challenges are universal, they may disproportionately burden low-income households, who are less likely to have the time or resources necessary to navigate the complicated process and find a tenant quickly enough to cover the loan payment. There may also be cultural and language barriers that make it difficult for some households, particularly immigrants, to navigate the process. A recent study by the nonprofit Napa Sonoma ADU Center, which focused on Hispanic/Latino homeowners in Napa and Sonoma counties, found that translated materials such as ADU workbooks and resources and digital resources would make a meaningful difference to the homeowners they spoke to. Their research also found that case management service advisors, who can connect these homeowners with various community resources related to ADUs, are an important source of support.³¹ While some local jurisdictions have designated ADU programs that help guide residents through each step, many do not, forcing households to rely on their own knowledge and networks.

State and local regulations are often unclear, and local government staff are not always knowledgeable or supportive.

Some focus group participants said they felt that local government staff lacked knowledge about the most up-to-date state policies regarding ADUs and were therefore not in a position to provide support through the permitting process. One participant explained:

“I got a package from the state that is [...] supposed to help me facilitate building an ADU. But when I went to the city, I encountered a whole bunch of challenges. [...] I could see the confusion in them. [...] If in fact the legislation is supposed to help us bypass or alleviate some of the restrictions that the local cities have in place, they seem to not have any idea of what I was talking about. I won't be able

to build my ADU even though it physically makes sense because of the rules that they have in place. I just don't know how to get past that challenge. How can I inform them or educate them on what I see in the packet?”

A homeowner living in the Inland Empire described a similar experience working with their city:

“Walking in there, I saw that it was just very routine. I went in there trying to do this myself. They didn't volunteer any information. They weren't facilitating anything. It felt like going to court without a lawyer. So, it felt like I was just holding up the line. They just basically handed me back information. [...] They just didn't have the time to educate you or help you.”

Some participants also felt that their jurisdictions do not prioritize ADU development:

“I don't really believe that [the city where I live] really relaxed [any ADU regulations], I think they are super slow and delayed. I've seen like when I started my [ADU] permit, people building houses everywhere while we were on a back burner waiting. It appears to me for whatever reason the city did not really want to make it any kind of priority in sequence with larger projects going on.”

Past research supports the finding that many homeowners find it extremely difficult to understand and abide by local regulations around ADUs. A 2020 statewide survey in California found that half of respondents found it difficult to obtain an ADU permit, and the same percentage found it difficult to build their ADUs to their jurisdiction's development standards. Recent state legislation requires local jurisdictions to ease such rules and regulations as parking require-

“I got a package from the state that is supposed to help facilitate building an ADU. But when I went to the city, I encountered a whole bunch of challenges.”

ments, minimum lot sizes, and owner-occupancy requirements, but unclear and inconsistent application of these policy changes—and a lack of information about these changes from local jurisdictions—can be confusing to homeowners and deter them from building an ADU.

Homeowners are concerned about the potential negative consequences of building an ADU.

Given the lack of clarity around ADU laws and regulations, some focus group participants expressed hesitancy to build an ADU out of fear that their property taxes would increase or that the unit would be built improperly or torn down. One participant explained:

“We wanted to do it the right way because the last thing we want is to build and spend money and have the city come out and tear it down, or for it not to be safe or for it to be a fire hazard.”

One homeowner recalled that their family member’s ADU was forcibly removed a few years ago, which made them confused about whether they were legally allowed to build one:

“My cousin [...] built one years back, and I remember his neighbor complained or I guess told the city and they actually had to tear it down. And so, when I saw my neighbor do it, I was like, I wonder if they’re gonna make them take it down.”

Other focus group participants described similar experiences, explaining that family members, friends, or neighbors had to remove an ADU. In fact, unpermitted ADUs currently account for a significant share of housing in California. Before ADUs were legalized statewide and local jurisdictions relaxed zoning restrictions to accommodate secondary units, many households built unpermitted dwellings. Unpermitted ADUs are often created out of financial necessity or overly restrictive ordinances. In San Francisco and Oakland, where rents are increasingly out of reach for even high-income households, instances of unpermitted living arrangements have increased not only

among low-income and immigrant residents but also among tech workers, teachers, and college students living in converted garages, basements, and warehouses.³² It is estimated that in Oakland, 11 to 20 percent of single-family homes have an unpermitted ADU.³³ Unpermitted ADUs have also proliferated in Los Angeles, where there are an estimated 200,000 units—many with poor living conditions.³⁴

While unpermitted ADUs can be a liability and create significant safety and habitability concerns, there are also many unpermitted ADUs that do not pose a habitability concern and provide much-needed housing. Practitioners who work with low- and moderate-income BIPOC homeowners in California explained that prior efforts to “tag” unpermitted units by city code enforcement staff can result in fines for homeowners and the removal of units from the housing stock, both of which disproportionately impact low-income residents and residents of color. Practitioners explained that these actions erode homeowners’ trust in the city and increase skepticism around ADUs, making residents wary of additional penalties and fees, increased debt, or loss of their ADU altogether.

Lastly, a common concern expressed by focus group participants was dealing with tenants. Some participants shared that they were uncomfortable with the prospect of being a landlord and were anxious about the security implications of living so close to a stranger:

“My mom did express that [...] she would be scared to get a tenant because she’s never rented anything to anyone before [...]. She heard horror stories.”

Practitioners emphasized that landlord education, ADU designs that prioritize privacy, and sharing of homeowner ADU success stories were potential ways to mitigate homeowners’ concerns about these issues.

“We wanted to do it the right way because the last thing we want is to build and spend money and have the city come out and tear it down, or for it not to be safe or for it to be a fire hazard.”

Many homeowners do not know where to go for reliable information about building ADUs.

Many of the focus group participants had very limited knowledge about ADUs. In fact, some asked the research team and each other where they could find reliable information about how the process works and how to get started. Some of the community organizations that helped recruit focus group participants were clear that they did not know whether the homeowners they work with had ever heard of an ADU or knew about the potential benefits of building one. Some homeowners who participated in the focus groups expressed a desire for dedicated spaces—such as a social media group or city-run program—to share information and support others who are going through the process of building an ADU. A few participants suggested that outreach, either in-person at home building stores like Home Depot or through online posts or newsletters, could help encourage more homeowners to consider an ADU.

In addition to these suggestions for initial outreach, focus group participants also expressed desire for a “one-stop shop” that could provide homeowners with information and support at each step of the ADU process. For example, a dedicated organization could connect residents with permitting department staff, help them find a reputable contractor, and even help with tenant screening. While there are some organizations, such as East Palo Alto Can Do, Hello Bright, Napa Sonoma ADU Center, Keys to Equity, LA Más, and others, most are highly localized because of the fractured nature of local ADU regulations. Several focus group participants who utilized the services of such an organization mentioned how helpful it was and how they likely would not have been able to complete their ADU without the help.

Recommendations

Several areas of concern regarding the adoption of ADUs surfaced from the focus groups and interviews. While many intersect with challenges to scale ADUs more broadly, some stood out as specific to low- and moderate-income BIPOC homeowners. To that end, we have a handful of recommendations to directly address these issues and broader recommendations to help facilitate greater ADU uptake in general, which would also have positive impacts for low- and moderate-income BIPOC homeowners.

Build community organization capacity.

Public entities and philanthropic organizations should explore and expand strategies to create and improve the capacity of local community organizations to facilitate ADU interest and engagement for low- and moderate-income BIPOC homeowners. In our focus groups, we heard that connections to these organizations greatly increased the likelihood that these homeowners would successfully pursue adding an ADU to their property. By facilitating connections among homeowners building ADUs, these organizations can foster a network and sense of community that many focus group participants told us they would have benefitted from when going through the process. For example, many local agencies and nonprofits such as



Photo credit: LA Más and Stephen Schauer

the Casita Coalition are starting to run ADU information fairs for homeowners. These organizations could provide critical assistance with key components of the development process, such as interfacing with permitting department staff, creating a budget, connecting homeowners with reputable contractors, and helping with tenant screening once the ADU is constructed and ready to rent. More organizations like these, and more access to widespread homeowner education, is needed to facilitate greater access to ADU information and processes.

In addition to providing technical support to homeowners, community-based organizations can also create and expand opportunities for historically excluded groups to benefit from the production side of ADUs. For example, Hello Bright, an initiative by the Bay Area-based organization Hello Housing to help homeowners build ADUs, has a values-based contracting matchmaking program that prioritizes women-owned businesses and/or developers of color.

Despite these organizations' benefits, their capacity and reach are limited and not all interested homeowners have access to their services. We recommend two avenues for cultivating greater community organizational capacity:

- State funding could be used to support existing community organizations in either establishing or expanding ADU homeowner outreach and assistance. In California, this funding could include Regional Early Action Planning grants (REAP), which are administered through the regional Councils of Government (COGs). Other avenues to provide this type of assistance could be local governments' general revenues or federal Community Development Block Grant (CDBG) funds.
- Philanthropic funding could also be used to increase local organizational capacity. There are several examples of these partnerships specific to ADU creation, such as the Chan Zuckerberg

Initiative's work with the Richmond Neighborhood Housing Services to fund Keys to Equity. This program provides one-on-one guidance and access to financing for homeowners in areas that are at-risk of displacement, focusing on expanding access to wealth-building for Black homeowners in Oakland. Another example is the Napa Sonoma ADU Center, which receives funding from Napa Valley Community Foundation and Community Foundation Sonoma County to provide technical assistance to homeowners and local jurisdictions to catalyze ADU development. The organization creates and distributes informational resources, holds regular webinars, and partners with financial institutions to create new loan products targeted towards lower-income homeowners.

Expand and invest in programs that provide targeted financial resources to BIPOC and/or low- and moderate-income homeowners.

While financing more broadly is a challenge for many homeowners interested in ADUs, there is a particularly acute financing gap for low-income homeowners. To address this gap and provide a pathway for these households to take advantage of the wealth-building opportunities provided by ADUs, the creation and expansion of tailored financing options should be pursued. In addition to opening up financing options offered by government-sponsored entities (i.e., the Federal Housing Administration, Fannie Mae and Freddie Mac), state programs could be developed or expanded to provide financing assistance to low- and moderate-income homeowners interested in building an ADU. These programs could take a focused approach by offering such assistance to low- and moderate-income BIPOC homeowners who otherwise may not be aware of other financing opportunities. For example, CalHFA's new ADU grant program offers low- and moderate-income homeowners with up to \$40,000 to reimburse pre-development and closing costs associated with the construction of an ADU.

Credit unions or portfolio lenders, which may not be reselling their mortgages to the secondary markets, could also play a key role in broadening access to financing options for lower-income homeowners and homeowners of color. Governments, nonprofits, and philanthropy should engage credit unions more widely across California to create ADU financing tools for their borrowers. Napa Sonoma ADU Center and Oakland’s Keys to Equity both partnered with local credit unions to provide additional financing options for low-income homeowners in their areas. Patelco Credit Union and San Mateo Credit Union are both offering ADU construction loans that consider future rent and future value as part of the underwriting process. Both products require a neutral third-party project manager to support the homeowner through the process, which creates opportunities for natural partnerships with community-based organizations able to provide direct services and education in order to protect homeowners against default. For example, Hello Housing is preparing to co-facilitate webinars with San Mateo Credit Union and Patelco to educate homeowners about ADU financing options. In addition, the Napa Sonoma ADU Center has partnered with Redwood Credit Union to launch a new ADU construction loan that considers future potential rental income and the future value of the ADU to unlock capital up to \$300,000 while leaving the homeowner’s existing mortgage in place. This loan would serve as a second lien product to the homeowner’s existing mortgage and would be further complemented by CalHFA’s \$40,000-per-household grant program, given that Redwood Credit Union is working to become an approved lender through CalHFA.

In addition to targeted financing, these efforts should be complemented by expanding homeownership counseling. For example, homeowners using FHA or other loan products originated by state housing finance agencies are typically required to undergo financial counseling to understand the risks and responsibilities of homeownership. As part of this counseling, specific training on the potential benefits and dangers of pursuing an ADU could be incorporated—even if

homeowners don’t have immediate plans to construct an ADU—so that owners are aware of their future options in this space. This counseling would benefit low- and moderate-income BIPOC households, given that FHA and state HFA loan products are geared more towards buyers who have a difficult time accessing other sources of financing.

Promote improved local agency ADU administration to reduce cost and complexity to homeowners.

Local agency permitting reform has begun to lower the cost and reduce the complexity of ADU permitting in California, so that local government permits can be obtained more equitably by homeowners with limited funds and information. Local agency-controlled barriers can be especially prohibitive for low- and moderate-income BIPOC homeowners. Overall costs are mostly a function of the market, but some costs are squarely under the control of government. Specifically, reduction of utility fees, duplicative metering requirements, and connection charges would offer potentially significant cost savings. Moreover, adopting streamlined processes and support at the local level—such as dedicated planning staff or pre-approved ADU designs and permits and over-the-counter permitting of ADUs—could limit the confusion and complexity that some of our focus group participants reported experiencing. Many of the emerging ADU streamlining and local agency permitting reform innovations across California have been documented by the Casita Coalition’s ADU Best Practices Guide.³⁵ Local agencies should be encouraged to undertake cost reduction and permit streamlining for ADUs.

Streamline process for formalizing informal ADUs.

More attention should be focused on addressing existing unpermitted ADUs. Promoting and subsidizing new ADUs at the same time that homeowners with existing informal units face heightened scrutiny or expensive fees will undermine the relative efficacy and equity in the formalization of ADUs.³⁶

Policymakers should consider creating a clearer pathway for bringing existing, unpermitted ADUs up to code and exempting them from hook-up charges and other fees, even if only for a limited amnesty period. We heard from our focus groups that a comprehensible and straightforward process for legalizing unpermitted units could be a significant catalyst for low- and moderate-income BIPOC homeowners who have already created informal ADUs. Many were not aware that ADUs are legal throughout the whole state, and some expressed feeling a sense of hesitation around ADUs after hearing that a friend or family member's unit was torn down. Widespread "red tagging" of unpermitted ADUs in some cities contributes to this concern and creates a barrier for many homeowners who may otherwise be interested in constructing or formalizing an ADU. Information about recent ADU legislation should be disseminated widely at homeowner fairs or through state and local outreach campaigns to allay fears and to encourage more homeowners to explore legalization options.

Significant safety and health risks can result from failure to comply with building codes, and the informality of these units can lead to insecure tenure for both homeowners and renters.³⁷ On the other hand, there are numerous benefits to legalizing unpermitted ADUs, including bringing the unit up to code, increasing a property's value, ensuring the property will be covered by insurance, and decreasing the risk that a tenant will take legal action against the homeowner.³⁸ The way local agencies manage this issue, however, raises questions of equity and access. Punitive approaches to policy and enforcement could result in homeowners removing units entirely and harm tenants who rely on this housing. Policies should allow tenants to come forward with complaints of habitability or harassment without fear of losing their home.³⁹ Further, many unpermitted units are in good condition, and homeowners may be able to get them up to code relatively easily given an appropriate channel to do so.⁴⁰ Literature on this topic also suggests that unpermitted ADUs are more highly concentrated in communities of color and lower income areas.⁴¹ Forcing the demolition of

unpermitted ADUs has significant racial equity implications that should be considered when drafting and enforcing ADU standards and legislation.

Recent state legislation makes it easier for homeowners to bring unpermitted units up to code. Senate Bill 13, passed in 2019, requires local agencies to delay code enforcement against substandard ADUs for up to five years to give homeowners time to correct violations, as long as the jurisdiction concludes that the unit has no health and safety problems. However, this provision is only in effect until 2030. Senate Bill 1226, passed in 2018, gives local building officials the discretion to apply the building standards that were in effect at the time of a building's construction. If a local building official agrees to apply the building standards that were in effect for a unit built in 1960, the homeowner would only have to meet the 1960 building code instead of today's more restrictive requirements. While both laws should facilitate the formalization of informal ADUs, they may not be widely known among homeowners and do not provide resources to help for renovation costs.

Some local jurisdictions already have existing programs that help homeowners legalize unpermitted ADUs.⁴² For example, the City of Milpitas's Safe ADU Legalization Program connects homeowners with a program coordinator to get answers for their questions without having to reveal their name or address. If the homeowner chooses to proceed, the program sends an inspector to examine the property at no cost and to create a detailed report outlining what the legalization process would require.⁴³ Other similar programs include San Jose's ADU Amnesty Program⁴⁴ and San Mateo County's Accessory Dwelling Unit Amnesty - Health & Safety Certification Program.⁴⁵

To support homeowners in legalizing their unpermitted units, jurisdictions should provide sufficient technical assistance and allow for flexibility in building codes.⁴⁶ Other steps that jurisdictions can take to encourage the legalization of unpermitted units include pre-application reviews, where homeowners can meet with local government staff to learn about the required

changes to their unit—and estimated cost—before submitting an application or hiring an architect; implementing protections from code enforcement actions; conducting health and safety certifications; waiving penalty or application fees; and applying building codes that were in effect when unit was built.⁴⁷ The Casita Coalition conducted a webinar⁴⁸ about unpermitted ADUs, which suggests a number of local agency approaches to balance the issues raised here in order to make unpermitted ADUs safe, to retain the existing tenants, and to ensure homeowners are able to keep their ADUs. More work in this area is encouraged.

Conclusion

In addition to increasing the affordable housing stock, ADUs have the potential to be a powerful wealth-building tool. Racial and socioeconomic disparities, however, indicate that barriers to building ADUs remain for many low- and moderate-income BIPOC households. By holding focus groups with homeowners throughout the state of California, we learned that the major obstacles to ADU construction include prohibitive costs coupled with a lack of financing options. Other substantial barriers include the complexity of the process, insufficient local support and access to information, unclear regulations that make it difficult to know how or what to build, and concerns about dealing with tenants or having the unit torn down. To lower these barriers and facilitate the construction of ADUs among low- and moderate-income BIPOC homeowners, policymakers should invest in building the capacity of existing community organizations and programs that provide education, community outreach and technical assistance to these homeowners, encourage local and state agencies to reduce fees and streamline permitting to reduce the cost and complexities of building an ADU, and share solutions that make it easier to bring unpermitted units up to code.

While BIPOC households make up a disproportionate proportion of low- and moderate-income homeowners facing the challenges noted above, many of these challenges—and policy solutions—are relevant to all homeowners interested in building an ADU. Additionally, more research is necessary to understand how barriers to ADU construction vary by racial and ethnic group in order to generate recommendations that will identify more targeted solutions for specific communities.

Appendix A

Twenty-three focus group participants, across all four focus groups, completed a survey that was shared at the beginning of the focus groups. The questions and responses are described below:

Current stage in ADU process (N = 22)	Age, in years (N = 21)	City/town of residence (N = 21)	Gender (N = 23)	Annual household income (N = 21)	Race/ethnicity (N = 23)
12 (54.5%) were interested in building an ADU	[26-30]: 7 (33.3%)	East Palo Alto, CA: 6 (28.6%)	Female: 14 (60.9%)	[\$50k-\$74,999]: 5 (23.8%)	12 (52.2%) Black or African American
4 (18.2%) applied for or obtained a permit but had not started building an ADU	[31-40]: 4 (19%)	Outside of CA: 5 (23.8%)	Male: 8 (34.8%)	[\$100k-\$149,999]: 5 (23.8%)	6 (26.1%) Hispanic or Latino
4 (18.2%) had started building an ADU	[41-50]: 6 (28.6%)	San Bernardino, CA: 3 (14.3%)	Prefer not to say: 1 (4.3%)	[\$25k-\$34,999]: 3 (14.3%)	3 (13%) White or Caucasian
1 (4.5%) started the process but was not able to get a loan to build an ADU	[51-60]: 2 (9.5%)	Berkeley, CA: 2 (9.5%)		[\$35k-\$49,999]: 2 (9.5%)	2 (8.7%) Native American or Alaskan Native
1 (4.5%) was given an estimate and layout of a proposed ADU	[70+]: 2 (9.5%)	Moreno Valley, CA: 2 (9.5%)		[\$75k-\$99,999]: 2 (9.5%)	1 (4.3%) Asian or Pacific Islander
		Victorville, CA: 1 (4.8%)		<\$10k]: 1 (4.8%)	
		California [unspecified city]: 1 (4.8%)		[\$10k-\$14,999]: 1 (4.8%)	
				[\$15k-\$24,999]: 1	

Endnotes

1. Chapple, K., Wegmann, J., Nemirow, A., & Dentel-Post, C. (2012). “Yes in My Backyard: Mobilizing the Market for Secondary Units.” The Center for Community Innovation, UC Berkeley. Retrieved from: https://communityinnovation.berkeley.edu/sites/default/files/yes_in_my_backyard_mobilizing_the_market_for_secondary_units.pdf?width=1200&height=800&iframe=true.
 2. Mukhija, V., Cuff, D., & Serrano, K. (2014). “Backyard Homes & Local Concerns: How Can These Concerns Be Better Addressed?” UCLA Luskin School of Public Affairs and CityLab. Retrieved from: https://static1.squarespace.com/static/58e4e9705016e194dd5cdc43/t/58fb35bf20099eb9a7159970/1492858335968/2014_BYH+Report+cityLAB+UCLA.pdf.
 3. Garcia, D. (2017). “ADU Update: Early Lessons and Impacts of California’s State and Local Policy Changes.” Turner Center for Housing Innovation, UC Berkeley. Retrieved from: <https://turnercenter.berkeley.edu/research-and-policy/adu-update-early-lessons-and-impacts-of-californias-state-and-local-policy-changes/>.
 4. Infranca, J. (2016). “Spaces for Sharing: Micro-Units amid the Shift from Ownership to Access.” Suffolk University Law School. Retrieved from: <https://ir.lawnet.fordham.edu/cgi/viewcontent.cgi?article=2646&context=ulj>;
- Salvador, A. (2017). “Much “ADU” About a Lot: How Social Relations Influence the Affordability of Accessory Dwelling Units in Edmonton, Alberta, Canada.” Dalhousie University, Honours Thesis. Retrieved from: <https://dalspace.library.dal.ca/xmlui/handle/10222/72852>.
5. Crane, R. (2020). “Is Granny in that Flat?: How Regulations Shape the Construction and Use of Accessory Dwelling Units in Los Angeles.” UC Los Angeles, PhD Dissertation. Retrieved from: <https://escholarship.org/uc/item/2wh204vz>.
 6. Chapple, K., Ganetsos, D., & Lopez, E. (2021). “Implementing the Backyard Revolution: Perspectives of California’s ADU Owners.” The Center for Community Innovation, UC Berkeley. Retrieved from: <https://www.aducalifornia.org/wp-content/uploads/2021/04/Implementing-the-Backyard-Revolution.pdf>.
 7. California Department of Housing and Community Development (HCD). (2020). “Accessory Dwelling Unit Handbook.” Retrieved from: https://www.hcd.ca.gov/policy-research/docs/adu_december_2020_handbook.pdf.
 8. Salvador, A. (2017). “Much “ADU” About a Lot: How Social Relations Influence the Affordability of Accessory Dwelling Units in Edmonton, Alberta, Canada.” Dalhousie University, Honours Thesis. Retrieved from: <https://dalspace.library.dal.ca/xmlui/handle/10222/72852>;

- Chapple, K., Ganetsos, D., & Lopez, E. (2021). "Implementing the Backyard Revolution: Perspectives of California's ADU Owners." The Center for Community Innovation, UC Berkeley. Retrieved from: <https://www.aducalifornia.org/wp-content/uploads/2021/04/Implementing-the-Backyard-Revolution.pdf>.
9. According to California's HCD's ADU Handbook, a JADU is "a specific type of conversion of existing space that is contained entirely within an existing or proposed single-family residence." For more information, see: https://www.hcd.ca.gov/policy-research/docs/adu_december_2020_handbook.pdf/.
 10. Garcia, D. (2021). "Single-Family Zoning Reform Highlights a Breakthrough in California Housing Policy." Turner Center for Housing Innovation, UC Berkeley. Retrieved from: <https://turnercenter.berkeley.edu/research-and-policy/single-family-zoning-reform-highlights-a-breakthrough-in-california-housing-policy/>.
 11. Chapple, K., Lieberworth, A., Ganetsos, D., Valchuis, E., Kwang, A., & Schten, R. (2020). "ADUs in California: A Revolution in Progress." The Center for Community Innovation, UC Berkeley. Retrieved from: <https://www.aducalifornia.org/wp-content/uploads/2020/09/ADUs-in-California-2.pdf>.
 12. Metcalf, B., Garcia, D., Carlton, I., MacFarlane, K. (2021). "Will Allowing Duplexes and Lot Splits on Parcels Zoned for Single-Family Create New Homes? Assessing the Viability of New Housing Supply Under California's Senate Bill 9." Turner Center for Housing Innovation, UC Berkeley. Retrieved from: <https://turnercenter.berkeley.edu/wp-content/uploads/2021/07/SB-9-Brief-July-2021-Final.pdf>.
 13. Healy, M. (2019). "Secondary Units for Whom? Assessing Interventions into Informal Housing in San Francisco and Oakland." UC Los Angeles Electronic Theses and Dissertations. Retrieved from: <https://escholarship.org/uc/item/9j3087fn>.
 14. Chapple, K., Wegmann, J., Nemirow, A., & Dentel-Post, C. (2012). "Yes in My Backyard: Mobilizing the Market for Secondary Units." The Center for Community Innovation, UC Berkeley. Retrieved from: https://communityinnovation.berkeley.edu/sites/default/files/yes_in_my_backyard_mobilizing_the_market_for_secondary_units.pdf?width=1200&height=800&iframe=true.
 15. Chapple, K., Ganetsos, D., & Lopez, E. (2021). "Implementing the Backyard Revolution: Perspectives of California's ADU Owners." The Center for Community Innovation, UC Berkeley. Retrieved from: <https://www.aducalifornia.org/wp-content/uploads/2021/04/Implementing-the-Backyard-Revolution.pdf>.
 16. Center for Community Innovation analysis of Annual Progress Report (APR) ADU permit and construction data from the California Department of Housing and Community Development (see <https://www.aducalifornia.org/>).
 17. Crane, R. (2020). "Is Granny in that Flat?: How Regulations Shape the Construction and Use of Accessory Dwelling Units in Los Angeles." UC Los Angeles, PhD Dissertation. Retrieved from: <https://escholarship.org/uc/item/2wh204vz>.

18. Chapple, K., Garcia, D., Tucker, J., & Valchuis, E. (2020). “Reaching California’s ADU Potential: Progress to Date and the Need for ADU Finance.” The Terner Center for Housing Innovation and the Center for Community Innovation, UC Berkeley. Retrieved from: <https://ternercenter.berkeley.edu/research-and-policy/reaching-californias-adu-potential-progress-to-date-and-the-need-for-adu-finance/>.
19. “An Equity Profile of the Los Angeles Region” PolicyLink. Retrieved from: https://www.policylink.org/sites/default/files/LA_County_Profile_Final.pdf.
20. The focus groups were conducted in partnership with the following groups on the following dates:
 - East Palo Alto Can Do, based in the Bay Area, conducted on December 15, 2021
 - Neighborhood Housing Services of the Inland Empire, based in the Inland Empire, conducted on January 11 & January 13, 2022
21. East Palo Alto Community Alliance and Neighborhood Development Organization (EPA CAN DO), Neighborhood Housing Services of The Inland Empire (NHSIE), and Richmond Neighborhood Housing Services (RNHS), which runs the Keys to Equity program in Oakland.
22. These organizations include the three partner we partnered with (EPA CAN DO, NHSIE, and RNHS/Keys to Equity), as well as the Community Housing Development Corporation in Richmond, LA Más, the Casita Coalition, Hello Housing, the Napa Sonoma ADU Center, NeighborWorks, Stanford University, the Unity Council, Neighborhood Partnership Housing Services Inland Empire, the Center for Responsible Lending, and Inclusive Action for the City. See Acknowledgments for a full list of names.
23. Chapple, K., Lieberworth, A., Ganetsos, D., Valchuis, E., Kwang, A., & Schten, R. (2020). “ADUs in California: A Revolution in Progress.” The Center for Community Innovation, UC Berkeley. Retrieved from: <https://www.aducalifornia.org/wp-content/uploads/2020/09/ADUs-in-California-2.pdf>.
24. Chapple, K., Ganetsos, D., & Lopez, E. (2021). “Implementing the Backyard Revolution: Perspectives of California’s ADU Owners.” The Center for Community Innovation, UC Berkeley. Retrieved from: <https://www.aducalifornia.org/wp-content/uploads/2021/04/Implementing-the-Backyard-Revolution.pdf>.
25. Goodman, L., & Greene, S. (2020). “To Unleash Housing Supply, Allow and Finance Accessory Dwelling Units.” Urban Land Institute. Retrieved from: <https://www.urban.org/urban-wire/unleash-housing-supply-allow-and-finance-accessory-dwelling-units>.
26. Chapple, K., Wegmann, J., & Mashood, F. (2017). “Jumpstarting the Market for Accessory Dwelling Units: Lessons Learned from Portland, Seattle, and Vancouver.” The Center for Community Innovation and The Terner Center for Housing Innovation, UC Berkeley, and Urban Land Institute. Retrieved from: https://ternercenter.berkeley.edu/wp-content/uploads/2020/08/ADU_report_4.18.pdf.

27. Chapple, K., Ganetsos, D., & Lopez, E. (2021). "Implementing the Backyard Revolution: Perspectives of California's ADU Owners." The Center for Community Innovation, UC Berkeley. Retrieved from: <https://www.aducalifornia.org/wp-content/uploads/2021/04/Implementing-the-Backyard-Revolution.pdf>.
28. Chapple, K., Abdelgany, S., Ecker, A., & Cooper, S. (2017). "A Solution on the Ground: Assessing the Feasibility of Second Units in Unincorporated San Mateo County." The Center for Community Innovation, UC Berkeley. Retrieved from: https://www.planningsustainableregions.org/sites/default/files/a_solution_on_the_ground_report_9-27.pdf.
29. Chapple, K. (2022). "How can ADUs boost the supply of affordable housing?" White House Webinar. Retrieved from: <https://www.youtube.com/watch?v=C-vzPIHUTts>.
30. Chapple, K., Wegmann, J., & Mashood, F. (2017). "Jumpstarting the Market for Accessory Dwelling Units: Lessons Learned from Portland, Seattle, and Vancouver." The Center for Community Innovation and The Terner Center for Housing Innovation, UC Berkeley, and Urban Land Institute. Retrieved from: https://ternercenter.berkeley.edu/wp-content/uploads/2020/08/ADU_report_4.18.pdf.
31. Guzmán, J., Schomp, R. (2022) "Casitas Para Más Vecinos/House of for More Neighbors: Accessory Dwelling Units and Latino/x Homeowners in Napa and Sonoma Counties." Napa Sonoma ADU.
32. Healy, M. (2019). "Secondary Units for Whom? Assessing Interventions into Informal Housing in San Francisco and Oakland." UC Los Angeles Electronic Theses and Dissertations. Retrieved from: <https://escholarship.org/uc/item/9j3087fn>.
33. Casita Coalition. (2022). "Unpermitted ADU Webinar." Hot Topics in Small Housing Series. Retrieved from: <https://www.youtube.com/watch?v=FXTU2I6t9wI>.
34. Brinig, M., & Garnett, N. (2013). "A Room of One's Own? Accessory Dwelling Unit Reforms and Local Parochialism." Urban Lawyer, Notre Dame Law School. Retrieved from: https://scholarship.law.nd.edu/law_faculty_scholarship/286/.
35. See the Casita Coalition's ADU Best Practices Guide here: <https://static1.squarespace.com/static/5f2c2d67c58236227115e0de/t/6256fcf9985211152d4e8788/1649868027576/ADU-Best-Practices-Casita-Coalition-First-Edition-BD-ADA-04132022.pdf>.
36. Healy, M. (2019). "Secondary Units for Whom? Assessing Interventions into Informal Housing in San Francisco and Oakland." UC Los Angeles Electronic Theses and Dissertations. Retrieved from: <https://escholarship.org/uc/item/9j3087fn>.
37. Wegmann, J. (2015). "Financing Ancillary Apartments on Residential Properties: Challenges and Solutions." UC Berkeley Institute of Governmental Studies. Retrieved from: https://www.urbandisplacement.org/wp-content/uploads/2021/09/financing_ancillary_apartments_on_residential_properties.pdf.

38. Casita Coalition. (2022). “Unpermitted ADU Webinar.” Hot Topics in Small Housing Series. Retrieved from: <https://www.youtube.com/watch?v=FXTU2I6t9wI>.
39. Healy, M. (2019). “Secondary Units for Whom? Assessing Interventions into Informal Housing in San Francisco and Oakland.” UC Los Angeles Electronic Theses and Dissertations. Retrieved from: <https://escholarship.org/uc/item/9j3087fn>.
40. Crane, R. (2020). “Is Granny in that Flat?: How Regulations Shape the Construction and Use of Accessory Dwelling Units in Los Angeles.” UC Los Angeles, PhD Dissertation. Retrieved from: <https://escholarship.org/uc/item/2wh204vz>.
41. Healy, M. (2019). “Secondary Units for Whom? Assessing Interventions into Informal Housing in San Francisco and Oakland.” UC Los Angeles Electronic Theses and Dissertations. Retrieved from: <https://escholarship.org/uc/item/9j3087fn>.
42. Casita Coalition. (2022). “Unpermitted ADU Webinar.” Hot Topics in Small Housing Series. Retrieved from: <https://www.youtube.com/watch?v=FXTU2I6t9wI>.
43. City of Milpitas. (2022). Safe ADU Legalization Program. <https://www.ci.milpitas.ca.gov/milpitas-departments-building-and-safety-department-safe-adu-legalization-program/>.
44. City of San Jose. (2022). ADU Amnesty Program. <https://www.sanjoseca.gov/business/development-services-permit-center/accessory-dwelling-units-adus/adu-amnesty-program>.
45. City of San Mateo. (2022). Accessory Dwelling Unit Amnesty - Health & Safety Certification Program. <https://planning.smcgov.org/second-unit-amnesty>.
46. Casita Coalition. (2022). “Unpermitted ADU Webinar.” Hot Topics in Small Housing Series. Retrieved from: <https://www.youtube.com/watch?v=FXTU2I6t9wI>.
47. Casita Coalition. (2022). “Unpermitted ADU Webinar.” Hot Topics in Small Housing Series. Retrieved from: <https://www.youtube.com/watch?v=FXTU2I6t9wI>.
48. See the Casita Coalition’s “Unpermitted ADU Webinar” here: <https://www.youtube.com/watch?v=FXTU2I6t9wI>.

About the Turner Center

The Turner Center formulates bold strategies to house families from all walks of life in vibrant, sustainable, and affordable homes and communities. Our focus is on generating constructive, practical strategies for public policy makers and innovative tools for private sector partners to achieve better results for families and communities. For more information visit: www.turner-center.berkeley.edu

About the Center for Community Innovation

The Center for Community Innovation's (CCI) mission is to nurture effective solutions that expand economic opportunity, diversify housing options, and strengthen connection to place. CCI works toward more equitable, resilient futures for communities. We conduct community-engaged research to understand the problems and identify solutions around pressing housing, land use, and urban sustainability issues. For more information visit: <https://communityinnovation.berkeley.edu/>

Acknowledgements

We would like to acknowledge and thank everyone who helped with this research and report and each of the organizations who partnered with us. This research would not have been possible without the expertise and outreach support from Iliana Nicholas and Duane Bay from East Palo Alto Community Alliance and Neighborhood Development Organization (EPA CAN DO); Kailin Scott, Alisa Cota, and Felicia Brown-Smith at the Neighborhood Housing Services of The Inland Empire; and Dolores Johnson and Nikki Beasley of East Bay Neighborhood Housing Services' Keys to Equity Program. We are also grateful for the insight granted to us from Rita Dorton-Curtis, Nicole Ennix, and Donald Gilmore of Community Housing Development Corporation; Tom Limon, Celeste Goyer, Deb Sanderson, Denise Pinkston, Jared Basler, and Caleb Smith of the Casita Coalition; Lisa Hasegawa of NeighborWorks; Helen Leung and Alexandra Ramirez Stege of LA Más; Derek Ouyang, a researcher at Stanford University; Aubra Levine, Karely Ordaz, and Chris Iglesias of the Unity Council; Jenny Ortiz and Fabian Casarez from Neighborhood Partnership Housing Services Inland Empire; Renée Schomp of Napa Sonoma ADU Center; Marisabel Torres and Steve Zuckerman of the Center for Responsible Lending; Lyric Kelkar and Prince Osemwengie from Inclusive Action for the City; and Jennifer Duffy of Hello Housing. Special thanks as well to Ben Metcalf and Muhammad Alameldin for advising throughout the project and to Elizabeth Kneebone and Carolina Reid for their comments and review. We also thank Cora Johnson-Grau and Aditi Subramanian for their help with the publication of the report.

Finally, we are grateful to the Wells Fargo Foundation and Kaiser Permanente for their support of this work.

This research does not represent the institutional views of UC Berkeley, the Center for Community Innovation (CCI) or of the Terner Center's funders. Funders do not determine research findings or recommendations in Center for Community Innovation (CCI) and Terner Center's research and policy reports.