

ADU: Solving the Bay Area Housing Crisis with an Inexpensive and Efficient Method

The automobiles that line the streets of Mountain View have long been the subject of an important argument: What do we do with the homeless? The problem also extends to those who have no permanent residence. Importantly, this second group contains those who live in Recreational Vehicles, which make up the majority of the automobiles that are causing a problem in Mountain View. “As of January 2019, the number of people sleeping in their cars, on the streets, and in shelters within San Jose city limits had increased by 42 percent”, writes Matt Hickman for The Architect’s Newspaper. Such a large increase has been seen in similar or lesser magnitudes in cities all across California in recent years—but this has been happening for decades. However, this problem is not occurring just in California. According to Tschinkle, “The city of Seattle is helping those without stable housing right now stay protected by fast-tracking several communities of tiny houses, offering somewhere safe for them to stay sooner rather than later”. Even on the other side of the country, this problem is occurring—underlining the magnitude of the problem. All of these people have no other place to go, so kicking their vehicles off the street is inhumane. As well, any group willing to do so would be subject to litigation. And moving these automobiles somewhere else does not solve the problem—it only delays things, as counties will be arguing over which has to harbor these people, rather than working together to find a solution. Yet, leaving the RV’s lining our streets and clogging intersections is not a pleasant thought. The reason there is argumentation in the first place resulted from the Mountain View legislature ignoring the problem. However, a solution is not

quite as far out of reach as some may think. One way to solve this problem is with ADU's. An ADU, known as an "accessory dwelling unit", granny flat, tiny house, or other similar name, is a secondary housing unit on a single-family residential lot. One may ask, how can ADU's solve the homeless problem? There are a multitude of answers: cost, size, availability, interest... the list goes on. They are a form of relatively inexpensive housing that provides all the furnishings of a full home—this includes water, electricity, plumbing, and perhaps multiple rooms. While considered "inexpensive", there is a great range in terms of the cost to purchase an ADU. ADUs can be purchased commercially for anywhere from under ten thousand dollars to the neighborhood of three hundred thousand dollars. Generally, full-custom ADUs are more expensive, as the design process is far longer, but size greatly affects cost, too.

These cheap houses can be built via government contracts by ADU agencies to quickly help the displaced, as explained by Todd Su. Todd Su is the CEO of Advantage Homes, one of the many ADU sellers of manufactured ADU's in the Bay Area. Advantage Homes, like many other ADU companies in the Bay Area, receives government contracts to build shelters *en masse* for those in need. Todd mentioned that his company "use[s] modular hotels, modular apartments [...which is] a quicker way to build in a controlled environment". Modular ADUs, also known as prefabricated ADUs, or "prefabs" for short, are manufactured in large numbers, and companies like Advantage Homes take the shell and alter it to match buyer's needs. In Todd's own words, modular housing is "the wave of the future as far as building". Since modular ADU's are particularly cheap and quick to manufacture, with enough willing buyers the Bay Area could possibly bring its housing crisis to an end. However, contracts for ADUs have been dampened by current events. However, a few critical contracts remain. During the time of an outbreak of

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SARS-CoV-2 (WHO), the majority of new contracts pertain to building small shelters for those who have the virus and need to stay separated from others. With hospitals filling up, those who are carriers, but are not physically affected by the disease, can live in these temporary homes (KIRO-7). “Tiny homes are especially important amid the outbreak, helping those in need avoid shelters with dorm-style sleeping arrangements, and hopefully allowing them space to socially distance from others around them”, adds Arielle Tschinkel of Apartment Therapy. Many recognize the benefits of Tiny Houses because of the virus, but how and who else do they help? Todd Su mentioned that before the outbreak of COVID-19, elderly people comprised a major portion of Advantage’s business. Todd also stressed the importance that ADU’s have for older people. They can receive a source of income through an ADU by living in it and renting out the primary residence, or vice versa. It is a good option if they want to downsize but stay in the same neighborhood. Optionally, they can have younger family members live in the primary residence, bringing the family together. Besides the elderly, potential buyers include those looking for another source of income. “I think people have realized that- where we lack land in the area. So, with them owning their own home and not being able to generate income from that one home, they find that ADU's are a great alternative. Being able to put those units in and being able to generate another 2000 to 3000 dollars a month. We have some clients actually sell or rent out their front unit and end up living in the ADU unit or vice versa. So, they'll use Airbnb to rent out their backyard unit, or Craigslist, or whatever the case may be,” Todd mentioned. “We think that's a great thing for our economy because it creates more housing, which ... can lower the rents in the area, [giving] more opportunities for people to live”. ADUs can help those with poor

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finances, as they are often cheaper to rent than traditional apartments. In turn, this can greatly alter social and economic structures of neighborhoods.

Another important factor of ADU's is the diversity that can be brought to neighborhoods. If homeowners build an ADU in their backyard and rent it out, people who could previously not afford the neighborhood can move in, and the owners have a source of income. Inclusive and diverse neighborhoods see economic benefit. Neighborhood diversity positively impacts everyone—from companies who gain a differing source of potential workers, to businesses being able to cater to multiple types of people, to a less homogenized society. In short, one of the economic benefits to an ADU from a renter's point of view is that they pay for the price of the building, and don't have to worry about compensating for the high land value. These temporary shelters can also house the homeless, particularly those participating in government programs that aim to move the homeless onto the path of obtaining a permanent residence, with ADU's as a stepping stone(Tschinkel, Hickman).

Authors Margaret F. Brinig and Nicole Stelle Garnett, who wrote *A Room of One's Own? Accessory Dwelling Unit Reforms and Local Parochialism*, explain the history of ADUs in great detail. Brinig and Garnett write, “ Over the past decade, a number of local governments have amended land use regulations to permit or encourage the construction of so-called ‘accessory dwelling units’ (ADUs) in residential (especially single-family) neighborhoods”. In 2002, California attempted to force municipalities out of their “regulatory intransigence” (Brinig). It was unsuccessful, and localities were able to continue to slow the ADU process, and still do to this day. However, with the Bay Area housing crisis, the need for ADUs has increased, and small companies and organizations have risen to the occasion (Negrin). In 2003, California tried again.

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“The California Association of Realtors also played a key role, pushing to mandate ministerial rather than discretionary approval of ADU permitting”, Brinig and Garnett claim. This slightly different approach was successful, and over one hundred cities that tried to block the legislation failed. In 2004, these small cities were able to convince then governor Arnold Schwarzenegger to veto an even more aggressive piece of legislation. Cities ended up skirting the law: as Brinig and Garnett explain, “most California cities appeared to comply with the state mandate by amending their zoning rules to permit ADUs, but they imbedded many costly regulatory requirements within the "authorization" that dramatically curtail the likelihood that ADUs will actually be developed”. These requirements include complex size and shape regulations, parking requirements, and forcing the lots to meet certain sizes for ADUs to be implemented. The paperwork was made slow and costly as well, further reducing the possibility a homeowner would try to obtain ADU certification. The key takeaway is that the cities and state have long been wrestling for control on ADUs. The state, recognizing the problem, attempts to alter legislation to favor ADUs, but the cities, which fear low land values and social changes push back. Neither group seems to have greater sway: the state has more power, but federal legislation allows the cities to push back with a majority. However, even the most devout of the “anti-ADU” cities are letting up, as they come to recognize the economic benefit to ADUs. While land value may decrease, in the long run ADUs provide a city with more taxpayers. As well, increased diversity oftentimes can make a city more appealing, as well as helping the economy. For complex reasons, a more diverse city’s economy can weather problems better than homogenized cities, and rebound faster. Another group which has pushed for ADUs are the “New Urbanists”. “In recent years, ‘new urbanist’ architects and planners have become the regulatory reformers *du*

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jour. Over the past few decades, new urbanists have launched an expansive and increasingly influential attack on traditional zoning practices”, claim Brinig and Garnett. “The new urbanists claim that mixed land use patterns generate social capital while single land use ones inhibit it. Thus, it follows that zoning laws that mandate a single land use, ‘suburban’ built environment ought to be scrapped [...However,] new urbanists arguably invite the introduction of costly regulations into land use planning codes by championing swapping a system of regulation of building use with careful control over the building form”. Homeowners in suburban environments do not want to convert their neighborhoods to cities, and instead concede on one point: ADUs. In return for maintaining a suburban environment, homeowners and their local municipalities are increasingly easing traditionally tight legislation on ADUs. Although homeowners and cities still fight against the introduction, the amount of pushback on legislation has greatly reduced. As of 2017, the California legislature legalizing ADUs everywhere, including in cities where they had previously been illegal, greatly aided the fight for ADUs. With ADUs legalized, companies can now build them freely, and the ADU spread does not seem like it will have a stopping point any time in the near future.

Throughout the Bay Area, one will find ADU businesses sprouting everywhere. Since the start of this millenium, ADUs have become far more popular, and greater demand calls for greater supply. Companies have different approaches, such as Advantage Homes with its alterable factory-built ADUs and Acton with its completely custom design process. They all cater to those in need of a cheap, easy housing solution. Another thing to note about these companies is their nature: many of them aren’t in it just for the profit. Take Acton’s story, for example. The founder was originally in high tech, and studied for it in college. However, he took

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a carpentering class in college, and fell in love with the craft. According to Stanley, “After four years, I [talked] to my dad [and] said, “You know, sometimes I just wish I could go back and be a carpenter.” And he said, “You know, I've got an idea, Stan, why don't you go back and be a carpenter?” I said, “Dad, that's a great idea.” I quit high tech and I went back to be a carpenter, and then after about a year my boss ran out of work. And so I went out on my own. That's when Acton Construction, [...] which eventually became Acton ADU, was formed.” Many of these companies were founded with love and care—one can tell if they attend a community event hosted by Advantage Homes. Todd told me about how they host easter-egg hunts for the children of less fortunate families. Cotton candy and prizes are given out every year! Todd provided me with another heart-touching story: “There was a family that [whose] home actually burnt down. Two 10-year-olds and an uncle were in the fire. [...]We were blessed enough to step in. We ended up finding out that they didn't have any insurance, [and donated] a home valued at 250,000.”

What lies ahead is an important question for ADU businesses, and ADUs in general. In an era of Coronavirus, are ADU businesses struggling? I asked Stanley Acton, the owner and founder of Acton ADU. On the business side, ADU companies are moving to virtual tours and digitally-based operations. He mentioned that there is an increase in demand for ADU's for older people, as families are pulling their parents out of community eldercare communities for safety. With many people out of work, ADUs can be the primary source, or even the sole source, of income. As the need for ADUs rises, groups which do not want ADUs, such as homeowners who fear a drop in land value, must give way (Brinig). Groups fighting for ADUs have succeeded in pointing out the need for ADUs and their uses (Campbell).

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In their history, ADU's have long been oppressed by cities and homeowners fearing economic and social downturn with the introduction of low-cost housing. However, the need for housing has forced some to allow ADUs. With the introduction of ADUs, cities have noted the net benefit ADUs have and both society and the economy. This has led to reduced pushback. With more exposure, and a little time, ADUs should be able to proliferate and spread throughout the country. They will bring with them an economic and social boost, providing inexpensive housing efficiently. For those with a little more in their pockets, these ADU can be custom built to specifications and truly made into their own works of art. For places in desperate need of housing, ADUs will be the cheap, fast solution they look to for relief. In short, the ADU is an über-house, providing benefits in all aspects: one should ask themselves why ADUs aren't as common as they should be—clearly, there seems to be little if any downside and plenty of good reasons for the spread of ADUs.

In my second and final interview with Todd Su, I asked him again about the importance of ADU's. As he so inimitably put it, "Oh, I think they're tremendously important in our economy in our area. I think that ADU's are a great help to seniors, I think there's a lack of land out there, with the cost of housing being so expensive, especially in the high density areas, especially in San Jose, especially in LA, where the price per square foot is tremendous, and people cannot afford to live. I think it creates a big opportunity for people to be able to increase housing and drive down some of the values as far as rentals so that it can become more affordable. And some people who wouldn't be able to live in the area now could actually afford to live. Some of my friends [have been] impacted by that. So I think it's a tremendous tool for

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people to use. Obviously, I think it's also a good income producer for [owners] as well. And I think that overall it's a very, very good thing.”

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