

ADUS AS AFFORDABLE HOUSING: CASE STUDIES FROM AROUND THE COUNTRY

SEEMA KAIRAM
JULY 2022

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Author: Seema Kairam, Able City

Special thanks to program leads interviewed:

- Pavan Iyer, eightvillage
- Miriam Gee, CoEverything
- Jennifer Duffy, Hello Housing
- Renee Martinez Stone, West Denver Renaissance Collaborative
- Nichol Dehmer, YardHomesMN
- Kate Allen, Kate Allen Community Development Services
- Alex Salazar, Salazar Architects

Thanks to those who have supported, edited and encouraged this project:

- Mario Peña, Able City
- Elizabeth O'Toole, Able City
- Ray Demers, Enterprise Community Partners
- Siboney Díaz-Sánchez, Opportunity Communities
- Nick Guertin, Coalfield Development
- Garrett Jones

This publication is part of a larger body of work led by Enterprise Community Partners, who is working to advance the development of Accessory Dwelling Units as a form of affordable housing.

This case study document is intended as a companion to the policy brief, [Overcoming Barriers to Bringing ADU Development to Scale](#), published by Enterprise Community Partners in September of 2020.



Able City is an integrated architecture, planning, and economic development firm started in Texas. Able City provides strategic services for an engaged city at the intersection of local government with civic engagement; planning and policy; economic development; and design of and in the built environment.



Enterprise is the only national nonprofit that addresses America's affordable housing crisis from every angle, combining 40 years of experience, thousands of partners and the expertise of over 1,100 employees nationwide. Our mission is to make home and community places of pride, power and belonging, and platforms for resilience and upward mobility for all.

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INTRODUCTION: Why Explore Innovative Affordable ADU Programs?

Accessory dwelling units (ADUs) are increasingly recognized as an important typology for new housing in cities and towns across the country. In recent years, there has been a lot of success in reducing the regulatory barriers to ADU development. However, it is not enough for ADUs to just be legal, they need to be accessible as well.

Like many other opportunities in real estate development, it appears that the recent boom in ADU construction is having inequitable outcomes. According to UC Berkeley Center for Community Innovation's *Implementing the Backyard Revolution* report, homeowners with newly built ADUs in the state of California are much more likely to be affluent (70% of homeowners have a household income over \$100,000 compared to the state average of 40%) and non-hispanic white (only 14% of homeowners identify as Latino compared to the state average of 29%).¹

This is not surprising, considering that developing a small building on one's property is a complicated and expensive process. Generally, those who have the financial resources, access to professionals to help them navigate the design, permitting and construction process and the ability to take on the risk of development are able to build them.

However, our case studies show that ADUs can be a powerful opportunity to increase a neighborhood's affordable housing stock, resist gentrification and invest in low-income communities. To develop ADUs in an equitable way that serves low-income and historically-disinvested communities, there needs to be a concerted effort to uniquely tailor policies and programs to those goals. Homeowners and communities will need easy access to education, feasibility assessments, financing, development expertise, design professionals, project and construction management and landlord and maintenance training.

Over the last few years a number of for-profit, public and non-profit led efforts have built comprehensive programs that tie all of the necessary components to build a successful affordable ADU program. This report identifies the common themes and innovative solutions of these efforts and highlight the specific inner workings of five promising programs.

This report is geared towards city officials, non-profits leaders, mission-oriented developers, funders and community members who have some knowledge of affordable housing and development. The hope is interested stakeholders in other cities around the country will learn from these successes and develop an affordable ADU program of their own.

¹ Dr. Karen Chapple, Dori Ganetsos, and Emmanuel Lopez. *Implementing the Backyard Revolution: Perspectives of California ADU Owners* (UC Berkeley Center for Community Innovation, 2021). www.aducalifornia.org/wp-content/uploads/2021/04/Implementing-the-Backyard-Revolution.pdf



Backyard ATL ADU unit. Image credit: eightvillage

THE CASE FOR ACCESSORY DWELLING UNITS

ADU How-To Guides:

The ABC's of ADUs: A Guide to Accessory Dwelling Units and How They Expand Housing Options for People of All Ages (AARP, 2021). www.aarp.org/content/dam/aarp/livable-communities/housing/2021/ADU-2021-WEB%20singles-1109.pdf

Accessory Dwelling Units: A Step by Step Guide to Design and Development (BlinkLAB, 2019). www.aarp.org/content/dam/aarp/ppi/2019/04/accessory-dwelling-units-flyer.pdf

Home + Home: Twin Cities ADU Guidebook (Family Housing Fund, 2019). www.fhfund.org/report/adu

Backdoor Revolution: The Definitive Guide to ADU Development (Kol Peterson, Accessory Dwelling Strategies LLC, 2018). www.buildinganadu.com/backdoor-revolution/

What is an ADU?

An accessory dwelling unit (ADU) is a small residence that shares a single-family lot with a larger, primary residential structure. Around the country, ADUs go by different names such as: casita, carriage house, alley flat, back house, backyard bungalow, granny flat, garage apartment, in-law suite and many more.

Typically ADUs are independent living spaces that include a kitchen or kitchenette, bathroom, living and sleeping areas. Unlike tiny homes, which are designed to be mobile, ADUs are permanent buildings connected to public utilities. ADUs are often separate buildings that are detached from the primary structure. However, they can be attached to or inside of the primary structure, above a garage or a garage conversion.²

² The ABCs of ADUs: A Guide to Accessory Dwelling Units (AARP, 2021). www.aarp.org/content/dam/aarp/livable-communities/housing/2021/ADU-2021-WEB%20singles-1109.pdf

Why Invest in ADU Development?

MAKES DIVERSE, SUSTAINABLE NEIGHBORHOODS

ADUs are typically built by homeowners on underutilized portions of lots within existing neighborhoods, thus they provide new housing units within the established infrastructure of the city. The 'gentle' increase in density allows new residents access to existing networks of utilities, transit, community and commercial centers, without overwhelming them. These new units can contribute to the vibrancy of neighborhoods by adding to the customer base for nearby businesses and increasing the socio-economic diversity.

SMALLER HOUSING OPTIONS

As individuals decide to wait or not to marry or have children and as lifespans increase, small households are a rapidly growing demographic around the country. Between 1950 and 2017, the average size of new single family homes increased from 983 sf to 2571 sf, while at the same time the number of people per household has decreased from 3.8 to 2.5.³ ADUs are an excellent way to increase production of smaller housing units that better meets current housing needs. In addition, smaller housing units are typically more environmentally sustainable because they use fewer materials and less energy.



Photo credit: Declan Keefe, CoEverything

FLEXIBLE BUILDING AMENITIES

ADUs can be designed to suit a variety of needs. Newly constructed detached ADUs can more easily be designed to be ADA-accessible to accommodate seniors or other residents with disabilities. ADUs can also include porches and integrated in the existing homeowner's backyard to create dynamic multi-generational households.

SUPPORTS FAMILIES

ADUs can create flexibility and opportunity to support families. Homeowners may use their ADU to house an aging parent, a boomerang child, a friend or family member, caregivers, generate extra rental income, or downsize themselves. Over time, families can transition between uses as household needs change.

COST-EFFECTIVE AND REPLICABLE

ADUs are built on existing lots, therefore they do not require expensive land acquisition costs. The buildings themselves can be relatively simple and easy to construct, making development accessible to individual homeowners. Designs can be repeated across many sites, especially if the designer can tailor the units to local codes, construction techniques and typical lot dimensions.

³ The ABCs of ADUs: A Guide to Accessory Dwelling Units (AARP, 2021)

Why ADUs as Affordable Housing?

INVESTMENTS BY RESIDENTS, FOR RESIDENTS

Housing development is typically limited to professional or institutional developers, leading to the commodification of housing. ADUs allows community members, especially those assisted by financial incentives and logistical support, to be small-scale developers of new housing options. Homeowners can benefit financially from investing in their property while also creating increased personal connection between renters and landlords.

BUILDS WEALTH

ADUs can help homeowners leverage their most valuable asset, their property, to increase their financial stability. ADUs will both increase the value of their home as well as create the opportunity for a long-term stream of passive income. As our case studies show, given the right support, this wealth building opportunity can be made available to low and moderate income households.

RESISTS GENTRIFICATION

ADUs can add resiliency in neighborhoods facing the pressure of gentrification. Flexible housing options offered by family, friends and neighbors can strengthen a community's ability to assist families in need. At the same time, the investment can increase equity and create passive income which can help stabilize a homeowner facing increased housing costs or rising property taxes.

REMOVING BARRIERS TO ADU DEVELOPMENT:

Zoning laws enacted throughout the later half of the 20th century largely restricted ADU development through burdensome requirements related to lot size, parking, building massing, owner occupancy and other issues. While not covered in this publication, there are important research and advocacy efforts focused on addressing the regulatory and policy barriers to ADU development. Resources include:

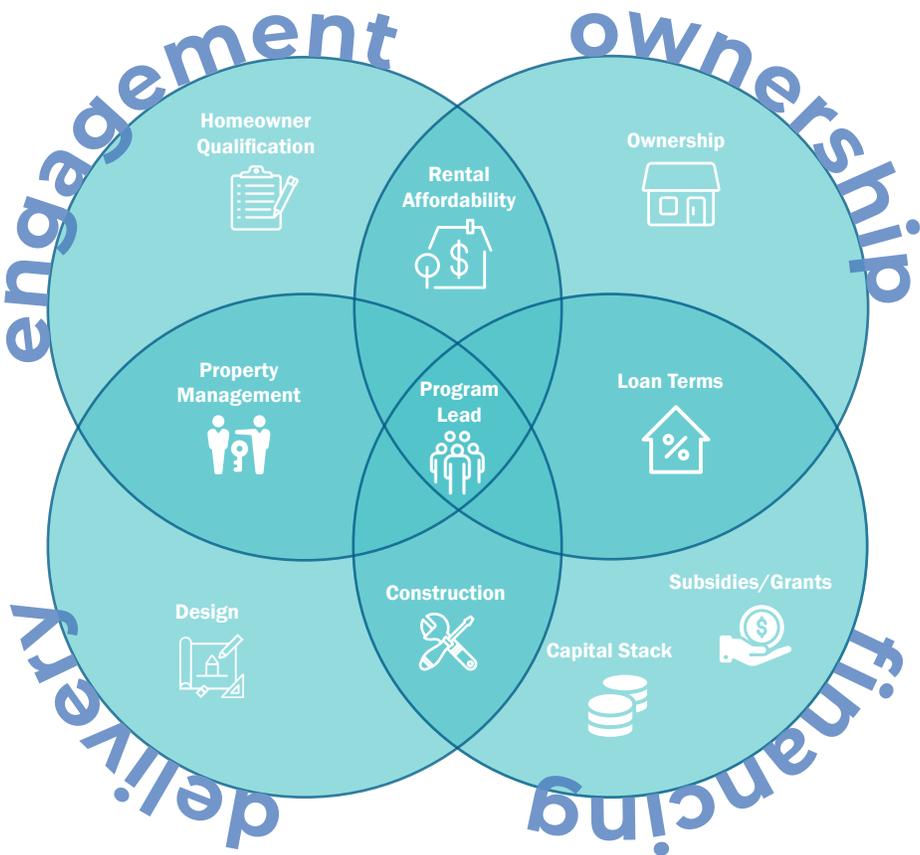
- Ahmad Abu-Khalaf, Overcoming Barriers to Bringing ADU Development to Scale (Enterprise Community Partners, 2020). www.enterprisecommunity.org/resources/overcoming-barriers-bringing-adu-development-scale-11049
- Be my Neighbor: Untapped Housing Solutions: ADUs and Conversions, (Regional Planning Association, 2020). <https://rpa.org/work/reports/be-my-neighbor>
- Jumpstarting the Market for Accessory Dwelling Units: Lessons Learned From Portland, Seattle and Vancouver, (Urban Land Institute, San Francisco Chapter, 2017). https://turnercenter.berkeley.edu/wp-content/uploads/pdfs/Jumpstarting_the_Market_-_ULI.pdf

Building Blocks of an Affordable ADU Program

The five programs featured in this report are working to bringing ADU's to scale as a meaningful form of affordable housing and wealth-building for those historically excluded from the development process. Each program has developed strategies to address homeowner engagement, ownership structure, financing and project delivery in order to guide homeowners through the ADU development process from start to finish.

COMPREHENSIVE PROGRAM LED BY CAPABLE AND TRUSTED PARTNERS

At the core of each of the case studies is a program lead focused on bringing together all of the components required to make ADU development approachable to an average homeowner. The organizational structures vary. Some teams have a clear lead organization that has integrated all of the required services in-house, while other teams are a partnership of multiple organizations, each bringing a particular skill set to the table. As organizational structure varies, so does financial structure. Some programs are led by non-profit and others are for-profit models. The common thread is that each program has built relationships and developed models, to ensure that community members and potential homeowners can trust the process and the outcomes.



Other Affordable ADU Programs To Follow:

- Boston: Additional Dwelling Unit Program (City of Boston)
- Oregon: Small Homes Northwest (Hacienda CDC)
- Austin TX: Alley Flat Initiative (Community Powered Workshop)
- Los Angeles CA: Backyard Homes Project (LA MAS)
- Seattle WA: The Block Project
- Pasadena CA: Pasadena Second Homes Program (City of Pasadena)
- California: Small Homes, Big Impact (Silicon Valley Housing Trust)



Detached Garage ADU. image credit: Hello Housing

Community and Resident Engagement

COMMUNITY ENGAGEMENT

When conceiving an ADU program, one must engage the community to understand potential roadblocks and identify opportunities. Often program developers must work through barriers, such as mistrust and fear of development. All of the teams featured in the case studies either have a long-standing relationships in the target areas or work with partners who do. Based on their engagement, they have specifically tailored the program to ensure the new ADU units best serve the homeowners and future renters in their community.

RESIDENT EDUCATION AND FEASIBILITY ASSESSMENT

Development, even for a small backyard build, is a complicated process with a steep learning curve. Since the ADU development programs generally work with homeowners who have no experience with this scale of building, the program operator must lend a guiding hand. One must develop a robust and hands on approach to engage and build trust with interested homeowners. Each program helps homeowners one-on-one to determine the feasibility of ADU development on their particular site, review local codes, determine feasibility of financing and offer guidance through design and construction.

HOMEOWNER QUALIFICATION

Program leads must establish the type of homeowners they are plan to serve. Some work within a geographic region, others focus on a particular income-range while others do both. The target income range is determined by balancing the goals and values set out by the program lead, partners and community and the feasibility of securing financing for the ADU development. In addition, each program must balance serving lower-income homeowners, who might not have as much capital or equity to bring to the project with serving lower-income renters, who may limit the amount of income generated by the ADU.

Ownership Structure

LAND LEASE OR HOMEOWNER-OWNED?

Two of the case study programs work with the homeowner to secure financing. In these programs, the homeowner owns the improvement and immediately benefits from the increased equity, although the ADUs may have restrictions about rental arrangements. In these examples, homeowner-eligibility may be limited by their financial credentials, such as required equity or credit score. The other programs lease the land in the homeowner's backyard themselves and take on the development process and costs entirely. These programs can develop more certainty about rental income, construction quality or put up collateral funds, so they can negotiate better financing terms.

MANAGING RISK

ADU development is an expensive and unpredictable process. When working with homeowners with little disposable income it is important to carefully consider how to manage risk. What if the build takes longer than expected or the unit has a vacancy? If the homeowner holds the debt, the developer and lender needs to have planned redundancies to make sure that the homeowner is not at risk of a lien being placed on their property or foreclosure. If the program lead takes on the debt or ownership through a land-lease, they must manage the associated risks internally. If feasible, a program may pass that risk on to risk-tolerant investors or pad the financing with public or philanthropic dollars.

RENTAL INCOME

There is a wide range of solutions for how each program deals with the ADU rental. Some provide subsidized rentals through housing choice or Section 8 vouchers, others require a rent cap and others offer flexibility. Each program has a unique strategy about how rental affordability is enforced, some are enforced by the program, others by deed restriction.

Access to Financing

MISSION ALIGNED LENDING PARTNERS

Our case studies show, that most units can produce enough income to service the monthly debt required to cover the development costs. However, it is still a challenge for low- to moderate- income families to access upfront capital. To overcome this barrier, each case study program has developed unique and often quite innovative relationships with their lender, whether it is a Community Development Finance Institution (CDFI), impact investor or local bank. Often, the lender or investors have developed special underwriting terms or are willing to accept below-market-rate returns because they are interested in supporting the mission of the program.

SUBSIDIES TO BRIDGE THE DEVELOPMENT GAP

All the case study programs engage some type of subsidy or grant from a philanthropic or public partner. Many have used those funds to research and develop the program to support the launch of a pilot phase or to generate capacity for the program partners to offer the wrap-around services for the homeowners. Some programs have secured public funding to support the actual ADU development costs. The funding needed to make these programs viable is a fraction of what is typically spent per unit of affordable housing.

TAILORING DESIGN AND PERMITTING

All of the case study programs are focused on detached ADU structures. Detached structures allow the teams to develop a small number of options that have already been designed and engineered. Having a pre-determined design can drastically reduce cost, timeline and complexity for ADU builds. In addition to offering options for unit size and number of bedrooms, some programs give homeowners the ability to choose design features such as the exterior siding material or roof shape. A program that is limited to a specific municipalities can shorten the development timeline by pre-permitting the design, which speeds up and increases predictability of the process.

CONSTRUCTION MANAGEMENT AND EFFICIENCIES OF SCALE

The regularity and simplicity of the ADUs buildings offer opportunities for programs to collaborate with local contractors. Some programs are prefabricating the whole structure or modules and others are relying on the simplicity of a traditional stick built construction. As programs grow, there will be opportunities to build in economies of scale, for example, they can buy materials in bulk and engage trades across multiple jobs, which increases predictability, reduces construction schedule and costs.

PROPERTY MANAGEMENT AND LONG TERM MAINTENANCE

When the build is complete, the project is not done. Generating rental income is an important component for servicing debt, recouping expenses and/or generating passive income. Therefore, it is important to ensure the unit stays rented and in good-repair. To this end, most programs offer homeowners support ranging from landlord training to leasing and managing the units themselves.



ADU under construction. image credit : WDRC

BACKYARD ATL

ATLANTA, GA

Backyard ATL is an ADU development program launched in 2019 that works with Atlanta homeowners to design, finance and construct detached accessory dwelling units in their backyards. Backyard ATL utilizes a land lease model, where the lead partner, eightvillage, takes ownership of a portion of a homeowner's backyard, raises capital, constructs the ADU and manages the rental.

The land-lease model gives the homeowner the opportunity to have their land developed without financial risk or upfront capital to finance the project. For the duration of the lease, the homeowner receives a monthly payment. Once the homeowner is financially ready and the rental unit is established, they are able to purchase the unit outright, if desired.

Backyard ATL is able to scale their ADU development by balancing the needs of the low to middle-income homeowners they serve, while creating modest returns to attract financing capital from impact investors.

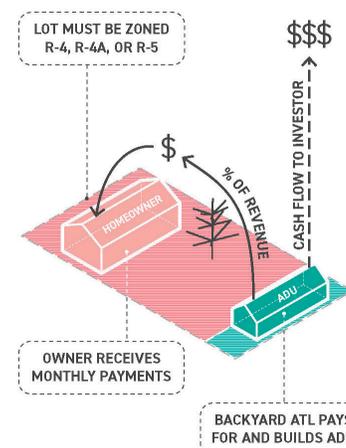


Image credit: eightvillage

looking ahead

Backyard ATL has recently completed their first three ADU builds. The team is currently raising money to start development of the next 30 units in Q1 of 2022. Over the next five years, they hope to scale the program to develop 250 ADU units per year.

lesson learned

“Philanthropy is not an option as it does not offer a mechanism to scale the operations of this business. A for-profit model allows for the potential scale of Backyard ATL through access to a larger pool of capital. In other words, investors can take a reduced return with the knowledge that for each basis point they give up, they can create that much more affordable housing and reduce the socioeconomic and racial gap that much more.”

small projects for big impacts

| Category | Description |
|--|--|
|  Program Lead | <p>Backyard ATL is a program conceived of and managed by eightvillage, a small for-profit design and development firm based in Atlanta, GA with a mission to create positive change in communities by leveraging their expertise in architecture, urban design, sustainability and community development. eightvillage works in partnership with Focused Community Strategies CDC, a CDFI who brings their community relationships and lending experience to the project team. Reinvestment Fund and Atlanta Neighborhood Development Partnership provided the construction loan for the first 3 demonstration units.</p> |
|  Homeowner Qualification | <p>Backyard ATL focuses its efforts in historically disinvested neighborhoods in South Atlanta like Historic South Atlanta, Grove Park, English Avenue and Vine City. While the program does not have specific income qualifications, it prioritizes working with low- and middle- income homeowners. The program is designed to help long-term residents resist displacement and stabilize communities in gentrifying neighborhoods by creating a smaller and more diverse housing stock and supporting homeowners in their efforts to build equity and a long-term stream of passive income.</p> |
|  Ownership | <p>Backyard ATL enters into a 30- 99 year land lease on a portion of the backyard of a single-family home. For the duration of the land-lease, the program pays the homeowner 10% of the revenue in rental income, typically about \$150-\$250 a month. Once Backyard ATL has built the unit and established a rental history, the homeowner can obtain long-term financing to buy out the lease from Backyard ATL. The program is designed to offer the homeowner flexibility, managing the rental property for as long as it takes for the homeowner to become financially ready to take over ownership of the ADU, typically 3-7 years. If the homeowner sells the home, the ADU can be either bought out or the lease transferred to the new owner. In the future, Backyard ATL is exploring partnerships with CDCs to provide turnkey delivery of ADUs on non-profit owned land.</p> |
|  Subsidies/ Grants | <p>Backyard ATL is building a financially-sustainable model by attracting interest from a growing pool of impact investors. Backyard ATL aims to provide these investors market rate returns at a 5-10 year hold. So far, eightvillages has found that investors are excited to support the development of affordable housing and reduce the wealth gap in their community. For future builds, Backyard ATL is pursuing subsidies that multifamily housing developers are currently receiving from the City of Atlanta. Backyard ATL intends to build a growing pool of capital to rapidly scale up the construction and delivery of their ADUs.</p> |
|  Loan Terms | <p>Backyard ATL leverages the funds from the impact investors to secure a CDFI loan. Currently they are looking for a 5-7 year, semi-permanent loan at a 5-6% interest rate. Between years 5 and 7, Backyard ATL plans to refinance the loan with a institutional lender or sell the ADU to the homeowner.</p> |

learn more at <https://eightvillage.com/byatl>

| Category | Description |
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|  Capital Stack | In 2021, Backyard ATL was able to build their units at an average cost of \$115,000 . For each unit, Backyard ATL raised \$100,000 from social-impact private investors , which is has been leveraged to secure a CDFI loan for the remaining development costs. In 2022, Backyard ATL is planning their next tranche of 30 units that will require \$850,000 from equity investors and a CDFI loan. In future rounds, Backyard ATL hope to replace 25%-50% of the private equity with public subsidy. |
|  Rental Affordability | Backyard ATL does not have any binding arrangements that guarantees the affordability of its units. However, for the duration of time that Backyard ATL owns and rents the unit, they focus on providing workforce housing by providing rents that are affordable to those making 60-80% AMI . eightvillages is working with partners to find tenants, like local school teachers, who are integral members of their community but struggling to find affordable housing. Initially Backyard ATL wanted to focus on providing deeper affordability but have had to balance rental prices with providing market rate returns to the investors financing the project . In the future, Backyard ATL plans to provide opportunities for homeowners below 60-80% AMI to develop market-rate rentals, so they can generate a more substantial flow of passive income. Once the homeowner buys out the land lease any rental rate requirements are lifted. |
|  Property Management | Backyard ATL owns and manages the full portfolio of ADU rentals. They work closely with community organizations to find tenants and have engaged a third-party property management company to support the day to day operations. Effective property management is the lynchpin of Backyard ATL's success. After finishing their first three units, the team spent Q3 and Q4 of 2021 refining their property management strategy. By establishing a good track record with property management and a consistent revenue stream , Backyard ATL hopes to attract better terms with their capital partners in future rounds of funding. |
|  Design | eightvillages is a full service design firm and has developed the architectural design for the Backyard ATL ADU units. The program offers five units, ranging from 200 sf to 750 sf , including a studio, one-bedroom, two-bedroom and garage apartment. The units are designed to be both durable and sustainable. The designs include 2x6 construction, greater-than-code insulation and helical piers. |
|  Construction | The ADUs are traditional stick built homes meant to be easy to build. Backyard ATL has developed relationships with a number of local contractors who have become familiar with the design and construction who can streamline the builds. In the future, Backyard ATL plans to build the ADUs in batches of 30 or more. At that scale, they hope to be able to coordinate construction scheduling and material purchasing, build strong relationships with sub-contractors and develop other efficiencies. |

“I went to hang out with Focused Communities Strategies in South Atlanta to understand the gentrification and displacement issues... They said that one of biggest issues was that people don't have any way to tap into passive income, particularly low-to moderate-income homeowners. There is a big disconnect between the passive income that accessory dwelling units can offer and the fact that ADUs are not accessible to the people who need it the most. Most of the low -to moderate-income homeowners, at least in this neighborhood, don't yet have the equity built up in their home to finance one, and they certainly don't have the passive time to oversee a construction project.”

- Pavan Iyer, eightvillage

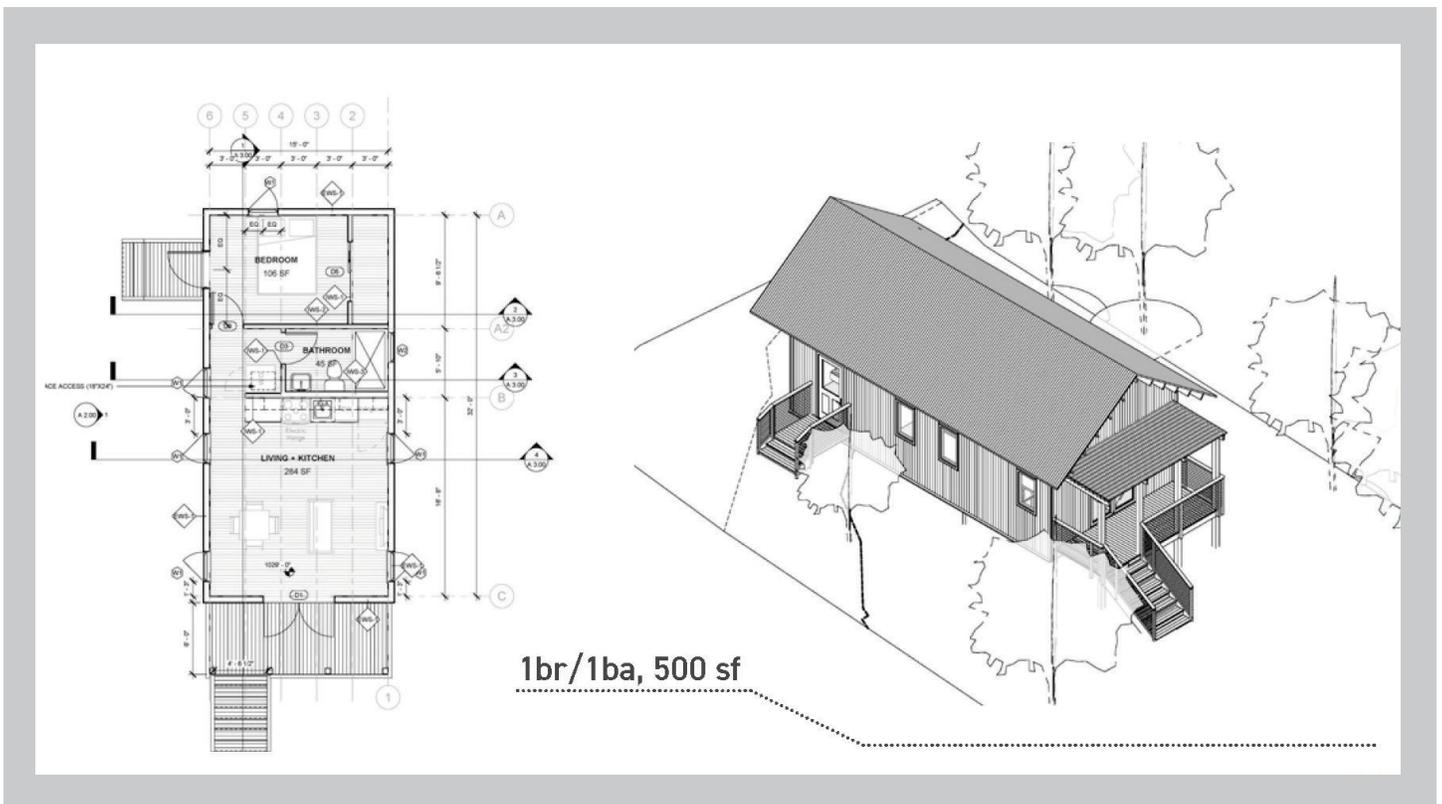


Image credit: eightvillage

WEST DENVER SINGLE FAMILY +

DENVER, CO

West Denver Single Family Plus (WDSF+) ADU Pilot Program is an initiative of the West Denver Renaissance Collaborative (WDRRC) and Denver Housing Authority. The WDSF+ program, launched in 2019, supports both low- to moderate-income homeowners and low-income renters. Homeowners are able to build detached ADUs that increase the overall equity in their house, add living space, and earn a supplemental monthly income. In turn, the new affordable rental units in the community support families and community members, making the neighborhood more resilient against the pressures of gentrification and displacement.

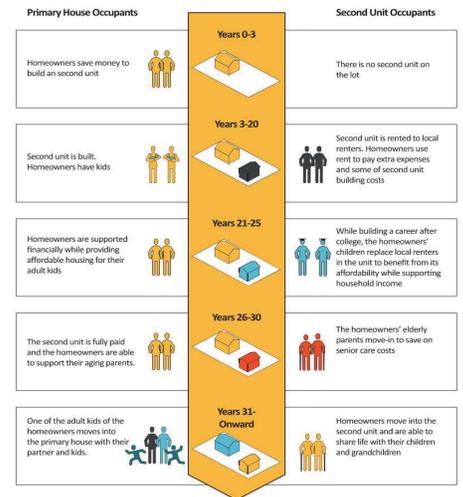
The program provides homeowner engagement and education, subsidies, low-cost financing, pre-approved ADU designs, project management support, predevelopment bridge costs, and guidance through the development and construction process.

LEARN

WDSF+ ADU Handbook

1.D - Example Life Cycle of an ADU or Tandem House Property

Homeowners are starting to benefit from second units in Denver and throughout the country. See the life cycle scenario below to learn how a second unit can provide a household with increased living options. Then read Lisa Deon-Gray's ADU story in the following pages to see how an ADU has benefited her and her elderly mother, Shirley.



WDSF+ Materials © 2018 WDRRC - All Rights Reserved

Image credit: WDRRC

looking ahead

As of the end of 2021, WDRRC has 10 units in permitting or construction. The program is aiming to complete 15 additional ADUs in 2022, with a handful in various stages of predevelopment. WDRRC hopes to expand the program after the City of Denver approves modifications to the existing ADU regulations. The program goal is to continue to increase production capacity in 2023 and beyond.

lesson learned

ADUs in Denver have historically been the product of the privileged, because they are so complicated, unpredictable, and burdened by high permitting and inspection costs. Current ADU standards focus on garage ADUs. The square footage of garage ADUs is driven up because the second-floor ADU can only be 75% of the garage footprint. But what WDRRC is finding in West Denver is that families really want an ADA accessible, ground level unit that has a porch so that families can age in place. No homeowners in the WDSF+ program have requested an ADU above a garage.

| Category | Description |
|---|---|
|  Program Lead | <p>The West Denver Renaissance Collaborative (WRDC) is a collective impact initiative located within the Denver Housing Authority created in 2016 to advocate for equitable solutions to West Denver's top priorities and needs. WRDC has collaborated with national funders to research ADUs and partnered with many local organizations to pilot the WDSF+ pilot program. The City of Denver and Habitat for Humanity provide subsidies in support of the initiative.</p> |
|  Homeowner Qualification | <p>To participate in the WDSF+ program, homeowners must live in one of twelve West Denver neighborhoods and be able to qualify for financing. Homeowners who have lived in the neighborhood for over 5 years are given priority. In the pilot phase, WRDC initially prioritized homeowners that had incomes at 80% AMI or below. However, they found that many participants in the pipeline were hard hit by the pandemic, so in 2021 they eliminated their program participant income-qualification requirement. Moving forward, anyone will be eligible for the program. However, homeowners who earn less than 120% AMI are eligible for additional grant funds to subsidize their ADU build. In 2021, all participating homeowners were below 120% AMI and half were below 80% AMI; 83% were persons of color, and a quarter were female head of households.</p> |
|  Ownership | <p>The homeowner is responsible for providing the land and taking on the financial responsibility for the development of the ADU, with the assistance of WRDC, including grant funding and access to ADU financing. The program requires that the ADU must be used for residential occupancy in addition to the occupancy requirements mandated by city zoning code. Either the ADU or primary house must be occupied or rented by a household initially qualifying at or below 80% AMI for a 25 year term.</p> |
|  Subsidies/ Grants | <p>The WDSF+ program is supported through a mix of public and private funds. With these funds and a per-unit development fee, WRDC provides community outreach, individual homeowner education, feasibility analysis, project management and referrals to ADU financing. In addition, all homeowners in the WDSF+ program are eligible for a \$30,000 affordable ADU silent loan offered by the City of Denver. Homeowners who earn less than 120% AMI are eligible for an additional \$35,000 Affordable ADU construction waiver offered by Habitat for Humanity.</p> |
|  Loan Terms | <p>The loan arrangements for each homeowner vary based on their individual circumstances. The most frequently used financing is a construction improvement refinance loan, developed in partnership with Denver-based First Bank. With this loan, homeowners can refinance their existing mortgage plus the amount needed to cover the development cost of the ADU. In 2021, this 30-year fixed loan was offered at an interest rate of 2.25%-3.65%. These loans have the option at the end of construction for any remaining funds to be re-amortized bank into the loan, lowering the principal and monthly payment at no added costs and allowing the homeowners to create a buffer for unexpected costs during the construction. All homeowners participate in housing counseling where they budget and review their loan eligibility with experienced staff.</p> |

learn more at mywdrc.org/adu-pilot-program

| Category | Description |
|--|---|
|  Capital Stack | In 2021, the total development costs for ADUs in the WDSF+ program ranged from \$160,000 for a studio to \$220,000 for a three-bedroom . All homeowners are eligible for a \$30,000 subsidy and low to moderate-income homeowners are eligible for an additional \$35,000 grant. For the remainder, the homeowner can contribute their own capital and/or secure financing through a loan offered by First Bank. |
|  Rental Affordability | To provide maximum flexibility and to respond to individual family and community needs, the homeowner can use the ADU how they wish , as long as it is used for residential occupancy (not including short-term rentals). The homeowner can live in the ADU themselves, provide housing for a friend or family member or rent the unit to a tenant. If rent collected, the monthly rent must be affordable to a tenant at or below 80% AMI. These restrictions on the ADU, which are recorded on the property deed, are applicable for 25 years. After the affordability restriction expires, the homeowner is free to use the structure how they wish. |
|  Property Management | Each homeowner is responsible for managing and maintaining their ADU. To ensure that each homeowner has the tools and confidence they need to manage the unit, WDRC provides homeowners with landlord training and property management support . |
|  Design | At the outset of each project, WDSF+ provides homeowners with individualized project feasibility assessments, zoning review and cost estimates. In partnership with Habitat for Humanity, WDSF+ has developed six ADU designs. The layout, construction methods and finishes of the studio, 1, 2, and 3-bedroom unit designs are standardized. WDRC has found that while many market-rate ADUs in the city are garage units, WDSF+ participants want accessible, ground-floor units with porches. (see lessons learned). In addition, WDRC continues to work with the City of Denver planning department to create an expedited permit review process to simplify and speed up permitting process and increase flexibility in the typically one-size-fits-all development requirements of the current regulations. |
|  Construction | WDSF+ has partnered with Habitat for Humanity Metro Denver (HFHMD) to construct their ADU units. With this arrangement, participants do not need to bid out the project and there is a reliable network of subcontractors to facilitate the job. WDRC provides owner representation services alongside the construction administration provided by HFHMD. The ADUs are designed and built using a building method pioneered by Habitat for Humanity that relies on pre-fabricated walls and maximizes the effectiveness of volunteer manpower . Together WDRC and HFHMD have reduced the overall costs and streamlined the construction process. |

“For homeowners in West Denver, ADU provide additional living space for doubled-up households, extended family, and create an intergenerational investments for families to stay in place. There has been such a steep rise in Denver housing costs in the last 10 years. We looked to see who was being displaced, where they were going and built the program around them. Together the program partners are creating a pathway for helping families to build affordable units, stay in place and build intergenerational wealth.”

- Renee Martinez Stone, West Denver Renaissance Collaborative



Completed WDSF+ ADU. Image credit: WDRC

Y-HELP

MINNESOTA

Y-HELP is a ADU program run by YardHomesMN, an ADU developer working in partnership with several local non-profit housing and supportive service partners. Launched in March of 2020, Y-HELP is developing new ADUs for high-need residents in the Minnesota Twin Cities area. In the Y-HELP model, YardHomesMN leases a portion of the properties owned by a local non-profit housing partner looking to develop or increase the density of land they own. A second non-profit service provider finds and qualifies potential tenants. By utilizing housing vouchers the team can offer the ADU as income-qualified affordable housing. After 10 years, when YardHomesMN has re-couped their investment and made a small profit, the ADU and the land lease is transferred back to the non-profit housing partner, for them to maintain as affordable housing in perpetuity.

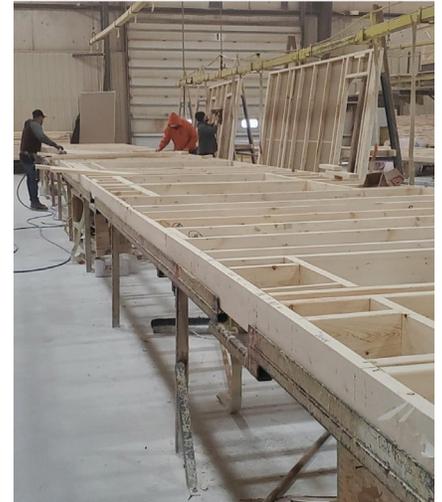


Image credit: YardHomesMN

YardHomesMN is able to support and scale the Y-HELP program in tandem with its market-rate ADU business. Both programs benefit from a streamlined design, a prefabricated delivery methodology, and affordable and flexible loan arrangement with local financial partner, Drake Bank.

looking ahead

The YHELP pilot program is on track to complete 12 new ADUs by the end of 2021. In addition to the completed units, the team is currently raising capital to develop the next 24 units. In the long term they hope to securitize their loans and have access to a broader group of investors, so that they can build batches of 100+ units.

lesson learned

When the loan amount is less than \$400,000, federal appraisal standards don't require an appraisal to make a loan. The bank just has to document and support what they believe the value is. Thus, YardHomeMN is working with banking partner, Drake Bank, to review the ADU manufacturing process so they can develop their own valuation process, and make ADU financing accessible. Homeowners are eligible for larger loans because Drake Bank recognizes the value of the future ADU in addition to the value of the primary structure on their property.

creating more homes for more people in more places

| Category | Description |
|---|--|
|  Program Lead | <p>YardHomesMN is a MN-Benefit Coporation, that manufactures and delivers market-rate pre-fabricated ADUs throughout the Twin Cities and a growing number of cities around Minnesota. For it's Y-HELP program, which develops ADUs as affordable housing, YardHomesMN works in partnership with local non-profits, such as the City of Lakes Community Land Trust (CLCLT) and Minnesota Assistance Council for Veterans (MACV). YardHomesMN develops the units while the non-profit partners provide the land, identify and qualify homeowners, provide rental vouchers and supportive services.</p> |
|  Homeowner Qualification | <p>In the pilot phase, Y-HELP ADUs are being developed in partnership with a local non-profit housing partner, City of Lakes Community Land Trust. Through this model, YardHomesMN avoids complicated land acquisition and can negotiate multiple builds across multiple sites. The process is further streamlined because CLCLT has many years of housing development experience, existing relationships with homeowners and is committed to ensuring the success of the property. In return, YardHomesMN provides CLCLT with new housing units that increase density on land they own and will help them deliver on their mission of developing housing that is permanently affordable. In the future, Y-HELP is exploring opportunities to develop units directly with interested homeowners or businesses looking to offer backyards to develop an ADU as affordable housing.</p> |
|  Ownership | <p>The Y-HELP program is based on a 10 year land-lease agreement with a non-profit housing partner offered for \$1. Over the 10-year period the ADU is rented with the assistance of a housing voucher provided by a different non-profit service provider. In the pilot phase, YardHomesMN is partnering with the MACV, who is providing vouchers and wrap-around services for low-income veterans in the community. The availability of the housing voucher ensures stable and predictable rental income which YardHomesMN collects to recoup the cost of the investment and turn a modest profit. After the lease term expires, the property and the ADUs are transferred back to the housing partner, who can incorporate it into their portfolio of affordable units.</p> |
|  Subsidies/ Grants | <p>In the pilot phase, Y-HELP seeded a revolving program-related investment (PRI) loan fund with charitable donations from two local foundations as well as a personal investment from YardHomesMN founders. The revolving fund, provides low-interest, patient and risk-tolerant capital. In addition, the program takes advantage of in-kind services provided by its non-profit partners, access to developable land and housing vouchers that subsidize the tenants' monthly rent.</p> |
|  Loan Terms | <p>Leveraging their experience as bankers, the YardHomesMN team has developed a special loan product with Drake Bank for both their for-profit customers and their YHELP program. After reviewing the development model, the manufacturing process and the final product, Drake Bank has agreed to consider the value of the future ADU in the underwriting process (see lesson learned). By including the contributory value of the future ADU, the bank is able to offer a larger loan amount.</p> |

learn more at yardhomesmn.com/y-help

| Category | Description |
|--|---|
|  Capital Stack | <p>YardHomes was able to secure pricing early 2021 that insulated them from the dramatic price increases during the later part of the pandemic, which meant they were able to build and install their pilot ADUs for \$100,000. YardHomes raised the first 25% of the ADU costs through the Venn PRI loan fund, which allows impact investors to invest in a revolving 11-year loan where they can expect to receive a 1.5% interest-only payment in year one and a principal + 3% interest payments in years 2-11. Taking advantage of tailored appraisal process that includes the contributory value of the future ADU, YardHomesMN was able to obtain financing from Drake Bank to cover the remaining 75% of the development cost.</p> |
|  Rental Affordability | <p>In the pilot round of the program, MACV is working to house housing-insecure veterans in the YHELP ADUs. MACV provides access to housing vouchers that cover the difference between the rent paid by the tenant, which is capped at 33% of their monthly income, and the fair market rent for the ADU unit (which is approximately \$1000 for a one-bedroom). The vouchers ensure affordability for the tenant and a consistent and predictable income stream to the development team. In addition to finding tenants and providing the vouchers, MACV is able to provide the necessary supportive services to help the tenants thrive in their new ADU. In the future, YHELP will look to expand its partnerships to other service providers to help other high-need community members; currently, they are exploring an opportunity to house youth aging out of foster care.</p> |
|  Property Management | <p>For the duration of the land lease, YardHomesMN provides the maintenance and upkeep of all of the Y-HELP units. The non-profit service provider is responsible for finding, qualifying and providing vouchers for tenants.</p> |
|  Design | <p>The YHELP program offers a 510 sf, fully ADA-accessible one-bedroom ADU. The massing and layout of the units are standardized, however the upgrades, such as different siding material or the addition of solar panels, are available.</p> |
|  Construction | <p>Key components of YHELP's success are the efficiencies and predictability they have built in their construction process. Each home is pre-fabricated in a warehouse by an experienced construction company that is unencumbered by the logistics of weather and managing varied backyard construction. Once the unit is completed, it is shipped to the site and craned onto a foundation that has been poured. Between its market rate ADU product and the YHELP program, YardHomes is producing enough units to develop economies of scale in material purchasing, dedicated crews and warehouse space.</p> |

“If I can get to 100 units of housing, then I can go to the Chicago securitization market and securitize these assets. They become an investable pool. The payment stream is a government-guaranteed payment from a voucher program, so that’s very attractive. These are really good assets to be CRA credits for financial institutions and family foundations that have to prove their commitment to the community. If we get to at least 100, we can sell that future payment stream so I can get my cash back and do this again. Once I can get to that level, then I can scale this over time.”

- Nichol Dehmer (YardHomesMN)



Image credit: YardHomesMN

BRIGHT IN YOUR OWN BACKYARD

SAN MATEO COUNTY, CA

Bright in Your Own Backyard (BYOB) is an ADU development assistance program designed to help homeowners in South San Francisco, Pacifica, East Palo Alto, Unincorporated Alameda County, Redwood City and Unincorporated San Mateo County.

The program is designed for motivated homeowners interested in developing an ADU on their property. BYOB provides homeowners up to 100 hours of project management support, development expertise and guidance to homeowners that build confidence, streamlines design and construction and reduces development risk. In return, homeowners are required to rent their ADU's between 80% and 100% AMI for 3 years, depending on the jurisdiction.

In addition to the project management support, some local jurisdictions are developing further incentives, financing and subsidies. For example, San Mateo County is providing a specialized ADU loan to aid ADU projects built in county-limits.



Image credit: Hello Housing

looking ahead

Bright in Your Own Backyard is currently finishing development on its pilot phase of 17 ADU units. As of the end of 2021, 5 have been completed, 7 are in construction and 6 are permitted. The team is currently doing outreach for the next cohort of 36 homeowners and developing new partnerships with more jurisdictions to tailor services and incentives to new geographies.

lesson learned

A big concern that homeowners have in working with public partners is that the burden of the restrictions doesn't match the size of the incentive. If the public subsidy is only \$20,000 per unit but they are trying to put a 15-year income-restriction, that doesn't make sense. Homeowners need to have confidence and control over their property. Their investment needs to be flexible, over time, such that they can utilize it in different ways to meet their needs. If the jurisdiction offers a bigger incentive, that reduces the risk and burden to the homeowner, then that is a different conversation.

A One Stop Shop for Homeowners with Hustle

| Category | Description |
|---|--|
|  Program Lead | <p>The Bright in Your Own Backyard program is run by Hello Housing, a bay area non-profit committed to executing housing solutions that strengthen undeserved communities. A number of local city governments, philanthropic sponsors and local employers provide funding to Hello Housing to run the Bright in Your Own Backyard program. In addition to the individual homeowner support, the program aims to reduce regulatory barriers, lead community engagement and education as well as financial consulting for each jurisdiction the program operates in.</p> |
|  Homeowner Qualification | <p>The BYOB program is tailored to individual motivated homeowners looking for support in developing an ADU in their own backyard. While there is no income-based requirement to participate in the program, Hello Housing has a strong equity lens in how they target their outreach and education. In the pilot phase, of the 17 homeowners, 63% were between 80-120% AMI.</p> |
|  Ownership | <p>Hello Housing provides feasibility, design and construction management support to the homeowner; however, the homeowner is fully responsible for the development process. They must raise the capital, hold all contracts with designers and contractors and will own the ADU outright. Once complete, the ADU must be rented at a rate affordable to an individual at 100% AMI for three years.</p> |
|  Subsidies/ Grants | <p>The individualized homeowner assistance offered through the BYOB is supported through public and philanthropic funds. The pilot phase was funded jointly through San Mateo County and the three pilot cities: Redwood City, East Palo Alto, Pacifica and Unincorporated San Mateo County. This \$500,000 initial investment funded Hello Housing to support the development of 17 new ADU units. This return on investment is significantly more than the typical per-unit cost required to incentive a new unit of housing. All public entities involved were encouraged by how many units of housing were built through their initial investment and are developing new opportunities to expand the program.</p> |
|  Loan Terms | <p>For most of the BYOB program areas there is no financial assistance beyond the 100 hours of support and project management provided by Hello Housing, per household. In the pilot phase, the majority of the participants took advantage of the low-interest rates available throughout 2021 and financed through a cash-out refinance.</p> <p>During the pilot phase, San Mateo Credit Union launched a special ADU loan in San Mateo County and East Palo Alto which three homeowners were able to utilize. The loan is an interest only (2%) HELOC construction loan that is advanced monthly for a maximum term of 12 months. The borrower can borrow up to 90% of the future value of their home and can qualify using up to 75% of the future rental income from the ADU. Funds can be drawn as required by the construction schedule to minimize the monthly payments. Once the unit is completed the homeowner is pre-approved to refinance the unit into a long-term mortgage with the credit union.</p> |

learn more at <https://www.hellobright.org/>

| Category | Description |
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|  Capital Stack | <p>The capital for each ADU build comes directly from the homeowner. Homeowners can raise funds for their project with their own equity, a commercial bank loan or other funds available to them personally. BYOB provides homeowners with a financial assessment, support with developing a project budget and guidance towards finding suitable financing.</p> <p>If the ADU development is within San Mateo County, the homeowner can pursue a customized ADU loan offered by San Mateo Credit Union.</p> |
|  Rental Affordability | <p>Hello Housing and its partners have found that strict or lengthy affordability requirements are a disincentive for homeowners to participate in the program and income-based rent rates are difficult to qualify and enforce. Therefore, the Bright in Your Own Backyard program has no renter qualification process. Instead they only require that the unit is rented at a rate that is affordable to someone making 80%-100% AMI for three years (depending on the jurisdiction). This small obligation deters predatory rental practices but also allows the homeowner to charge enough to be able to pay back their loan. In the pilot phase the program they have seen ADUs in the program rented at affordable rental rates and reported that over 50% of ADUs were rented to family members.</p> |
|  Property Management | <p>As part of the requirements of the program, participants must participate in landlord training and provide copies of their lease agreements with the new tenant, upon completion of the ADU. In addition, BYOB provides leasing and property management assistance, such as lease templates, property management training, tenant matchmaking and property management referrals.</p> |
|  Design | <p>Currently, BYOB helps homeowners by assessing their property for feasibility and establishing a project vision that fits within their available resources. As the program moves forward BYOB hopes to identify third-party professionals to coordinate design, cost evaluation, bidding and value engineering as well as assist homeowners through the permitting process. Homeowners are able to choose from pre-fabricated ADUs or custom designed ADU, depending on their program needs and site requirements. In addition, some local governments in the program have collaborated with BYOB to develop pre-approved plans or streamlined permitting processes to reduce the barriers to development.</p> |
|  Construction | <p>BYOB provides homeowners with consultants who are well-versed in the ADU construction process and have relationships with code reviewers and contractors. When the homeowner is ready to build, Hello Housing helps identify qualified and trustworthy general contractors and is available to evaluate bids and review contract language. Hello Housing staff coordinate permit submittals, plan check review, provide construction management support and help review and approve construction draws. The program also helps to coordinate public utilities, city inspections and product warranties.</p> |

“It is really critical when you are thinking about the design of an affordable housing program that you bring the right financial tools to the table. What I mean by that is, you must create loan terms and loan obligations that, should something change for you and your family, you have the ability to pay off that loan and get out of the obligation. Versus layering on a deed-restriction. It is hard to get out of a deed restriction, it is hard to finance or refinance against a deed restriction. You need flexibility in the loan product, still achieving the public benefit but making sure there is a mechanism in place so that, as life changes, that housing unit and family can still stay stable.”

- Jennifer Duffy, Hello Housing



Image credit: Hello Housing

OUR BACKYARD (OBY)

OAKLAND, CA

Our Backyard (OBY) is a cooperative ADU development startup launched in Oakland, CA, in the fall of 2020. OBY's ADUs are financed, designed and built by the OBY Cooperative on land leased in the backyards of interested homeowners across the Bay Area. Once built, OBY rents the ADUs to section 8 tenants, manages and maintains the units and pays the homeowner a monthly payment. After 10 years, the homeowners will be offered the opportunity to buy-out the cooperative by purchasing the unit and ending the land lease.

The OBY model is fully cooperative. The designers, developers, organizers and property managers are worker-owners of the OBY Cooperative. The units are built by Arizmendi Construction Cooperative, who prefabricate the elements of the OBY homes and act as the on-site general contractor. An investor cooperative raises capital through shares sold to community members. Everyone in the cycle of development has a stake in the company, building stability and opportunity for themselves while also investing in the production of much needed affordable housing.



Image credit: OBY

looking ahead

OBY completed their first ADU pilot build in January 2022. In 2022, they are poised to build 2 more units. In the long run, OBY hopes to develop the model and attract capital from community investors so they can sustain 10 ADU projects per year.

lesson learned

OBY has designed a fabrication model that distributes production of the component pieces to the community. The model is based on the structural design which gig carpenters or weekend warriors can build on their own. Individuals commit to an order through the 2x app. OBY ships the components: zip sheathing, 2x6's, SDS screws and a jig. The builders make the panels, which are generally 2' x 8' x 6" and designed to be easy to maneuver. If the panels meet the nailing patterns and qualifications, they are delivered to the site. Once the components are on-site, OBY hosts a barn-raising.

fight the housing crisis, resist climate catastrophe and make some extra money

| Category | Description |
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|  Program Lead | OBY Cooperative is a collaboration between architect and business model consultant - CO-Everything , builder - Arizmendi Construction Cooperative , trusted community partner - Arizmendi Cooperative , the investment platform - Community Investor Cooperative and 2x - a network of prefabrication builders. This group of worker-owners have come together with homeowners and community investors to develop and manage ADUs as new units of affordable housing. |
|  Homeowner Qualification | Currently OBY is serving homeowners in Oakland, Berkeley, El Cerrito and Alameda, California. The property must be the homeowner's primary residence. While not income-restricted, the program is specifically looking to serve low-income homeowners of color living in historically-disinvested Bay Area communities. Arizmendi Cooperative, a local co-op with a 30+ year presence in the community, has helped build networks, educate residents about the program and recruit participants. |
|  Ownership | In their pilot build, the OBY entered into a 34.9-year backyard ground lease that was recorded with the deed of the main property , which will remain, even in the event of a sale. In return, the homeowner will receive a monthly payment of approximately \$500 , depending on the size of the unit. OBY is planning to offer an opportunity for the homeowner to buy-out the unit and the land lease 10 years after development at a cost that would allow OBY to re-coup the cost of their investment. |
|  Subsidies/ Grants | The initial capital for the pilot build was raised through the OBY cooperative. Worker-owners of the cooperative were offered an equity stake of the cooperative for \$1000/share . In addition members provided additional loans to OBY cooperative to help raise capital at a rate of 5%. This initial equity was leveraged to secure a line of revolving credit with a CDFI to cover the remaining development costs. Members will eventually recoup their investment, but over a longer-than-usual timeline. This patient capital allows the cooperative to invest in the development model without having to generate returns quickly. Moving forward, OBY Cooperative is looking to sell “community investor” shares of the cooperative through their sister platform: Community Investor. Through recent legislation, California residents have the opportunity to invest up to \$1000 in non-voting shares of the business as a whole. OBY expects to offer these investors a modest return . Community Investor funds will provide longer term, more flexible, lower cost financing that will cycle profits directly into the community. |
|  Loan Terms | For OBY's pilot build, Boston-based Local Enterprise Assistance Fund (LEAF), a CDFI, provided a revolving loan to support the total \$200,000 development cost at a 5.5% interest rate . At the end of construction, the loan converts to permanent financing. |

learn more at <https://obyhouse.com/>

| Category | Description |
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|  Capital Stack | <p>For the pilot build, OBY raised \$220,000 in member loans from their worker-owners. In the future, OBY is looking to expand their work with CDFI's and impact investor funds as well as develop flexible and low costs loans from the Community Investor Cooperative. In their next round of builds, OBY hopes to finance \$80,000 of the development cost through the cooperative, \$10,000 through community investors and \$111,000 through CDFI financing.</p> |
|  Rental Affordability | <p>OBY units will be rented to Section 8 voucher-holders, which are offered to individuals and families earning at or below 80% of Area Median Income (AMI). OBY hopes to serve the thousands of voucher holders in the Bay Area who have been provided vouchers but are still struggling to find eligible housing units. In addition, OBY prioritizes renters who hold essential service jobs (teachers, food workers, etc.) and have long-established connections in their communities. OBY works in close collaboration with local community organizers active in ADU advocacy and housing issues who help with outreach to future homeowner hosts.</p> |
|  Property Management | <p>OBY Cooperative is responsible for all of the property management functions for the ADU unit. In coordination with community partners, OBY screens potential tenants and arranges interviews in order to find a good match for the homeowner. OBY maintains the building and manages vacancies. OBY has identified that good homeowner-tenant relationships are important to the long term success of the program and are identifying best practices as they anticipate renting their first unit.</p> |
|  Design | <p>OBY ADU houses are designed by the lead partner and architect Co-Everything. Each unit is designed to be compact, efficient and carbon-negative. The 625 sf two-bedroom units are designed with custom-built elements made of natural materials selected because of their low impact on the climate and human health. The pilot ADU build tested new strategies, such as helical pile instead of concrete slab foundation and exterior-grade cork as a facade material. In addition, the home does not use any petroleum-based insulation, has a white cool roof to reduce heat gains. The pilot ADU has a 2.2kW thin-film solar array, which allows the building to be net-positive energy.</p> |
|  Construction | <p>OBY Houses are built with the support of 2x, a new cooperative distributed network of fabricators in a matter of days, at a fraction of the cost. 2x acts as the on-site general contractor, coordinating the install of the foundation and building utilities. Meanwhile, remote, distributed fabricators build the parts of the pre-fabricated kit off-site. The parts are delivered to the project site, carried into a backyard and assembled. Each of the carpenters on the network will eventually have the opportunity to be cooperative owners of the 2x business and benefit from the network's success. OBY was able to deliver their first ADU build for a total development cost of \$220,000, they anticipate lowering their construction costs for future builds.</p> |

“A lot of the loan is coming from us, having capital and being worker-owner investors to kick off the whole thing. We hope to have more and more community investors at \$1000, every year. There are thousands of people in the Arizmendi network that support cooperatives throughout California. I think, once we open this opportunity to everyone, there will be a lot of support.”

- Miriam Gee, CoEverything



Image credit: OBY