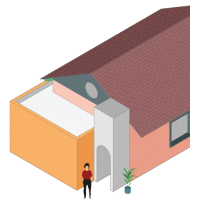
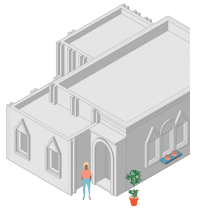
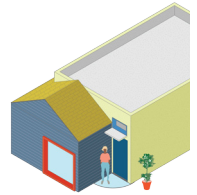
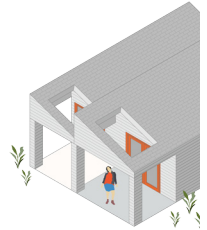
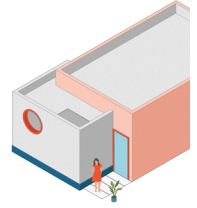


# Building & Renting Affordable ADUs in Los Angeles



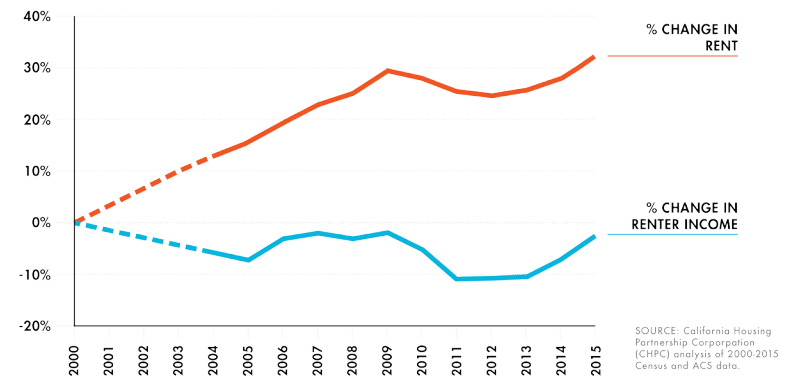
# Context:

## LA's Housing Crisis

We all know Los Angeles is experiencing an unprecedented housing crisis. We **need over half a million more affordable rental homes** to meet the current demand in Los Angeles County. The high cost of housing, relative to income levels, has led to Los Angeles having the **third highest rent burden in the nation**.

Government subsidized housing and large-scale developments are essential, but not enough to meet demand. We need more solutions and some can be led by individuals like you!

While income of LA renters has declined by 3% since 2000, rents have increased by 32%.



# An Affordable Housing Solution Right in Your Backyard

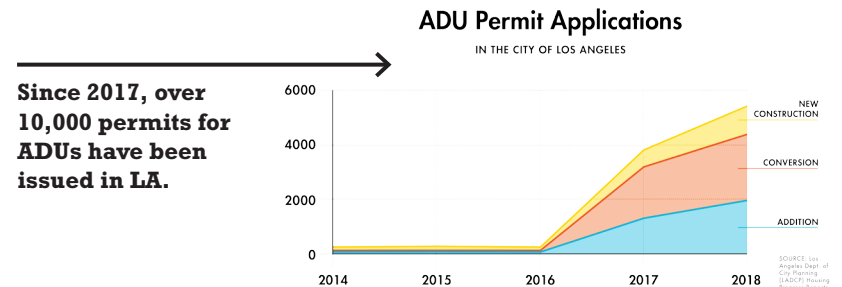
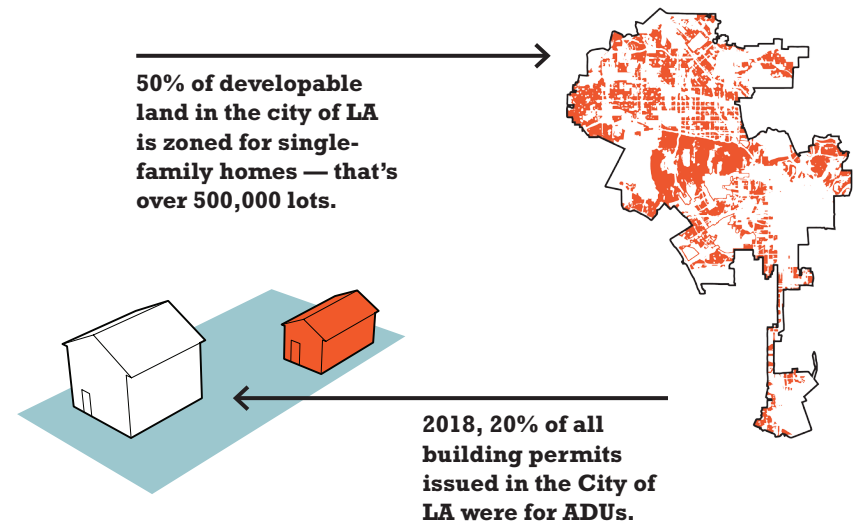
There are many efforts to address our housing shortage and we want to highlight a solution right in your backyard! By building and renting an affordable ADU, you can help create more housing for your neighbors.

## What is an ADU?

An ADU is an **Accessory Dwelling Unit** – also called a backyard home, in-law unit, or granny flat. An ADU is a secondary residential unit that can be added to a lot with an existing single family home. ADUs are independent rental units that have their own entrances, kitchens, bathrooms, bedrooms, and living rooms. They can be attached or detached from the primary residence, or they can be garage conversions.

## Why ADUs?

In the midst of LA's housing crisis, the traditional model of affordable housing is not enough. ADUs can be built more quickly at a lower cost and help homeowners build wealth. California is a leader in progressive ADU policy, and LA is leading the way. In 2018, 20% of all housing permits issued in the City of Los Angeles were for ADUs. Since 2017, over 10,000 permits for ADUs have been issued. Many are being rented at market rate, but there is an opportunity for more ADUs to be built as affordable housing.

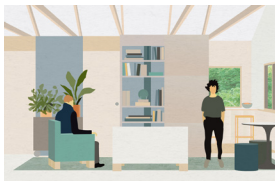


## L.A. Initiatives

Lots of ADUs are being built, and we want more housing units to be **built and rented affordably!** LA-Más is proud to be part of a growing movement to elevate ADUs as an affordable housing solution in Los Angeles. Read on to learn more about how to get involved with one of these programs today.

## Backyard Homes Project

- Led By** LA-Más; Genesis LA Economic Growth Corporation; Self-Help Federal Credit Union; Restore Neighborhoods LA; LA Family Housing; St. Joseph Center; Housing Rights Center; Housing Authority of the City of LA
- Goal** Increase the number of neighborhood-scale affordable rental units in residential neighborhoods through the construction of backyard homes or ADUs
- Who Can Participate?** Homeowners who own a single family property in the City of Los Angeles and commit to being a Section 8 landlord for 5 years
- The Backyard Homes Project is set to expand to Unincorporated Los Angeles County in 2020, through a partnership with the Los Angeles County Development Authority*
- How Does It Work?** LA-Más supports low to moderate income homeowners in constructing ADUs that will house Section 8 voucher holders. As a “one-stop-shop”, the *Backyard Homes Project* offers homeowners financing, designing, permitting, constructing and leasing support to build an ADU. The program offers a unique financing product that factors in the future rental income of the newly constructed ADU – making this investment opportunity a more affordable option for homeowners.
- How Do I Sign Up?** Fill out an application at [www.mas.la/affordable-adus](http://www.mas.la/affordable-adus). Contact [adu@mas.la](mailto:adu@mas.la) for more information.



## LA ADU Accelerator Program

- Led By** City of Los Angeles
- Goal** Address the high cost and limited supply of housing in Los Angeles by providing financial incentives to homeowners who build and rent ADUs to residents in need
- Who Can Participate?**
- Homeowners in the City of Los Angeles who have a legally permitted ADU with a certificate of occupancy already on their property
  - Homeowners who are in the ADU permitting or construction process will be eligible to apply in early 2020.
- How Does It Work?** To help combat the challenges of high cost of living and limited housing supply in Los Angeles, the *LA ADU Accelerator Program* provides financial incentives to homeowners who build an ADU on their property or who have existing units and rent them to residents in need.
- Homeowners who have existing units and commit to housing a low-income or housing insecure tenant for a minimum of 3 years are eligible for a \$10,000 grant. Homeowners who are in the process of building their units will be eligible to apply for incentives in 2020, which includes a \$50,000 forgivable loan in exchange for a 10 year affordability commitment.
- How Do I Sign Up?** Visit *LA ADU Accelerator Program's* website (<http://adu.lacity.org>) and click APPLY NOW. The first round of applications is due October 25, 2019 at 11:59pm. The second round of applications will open in early 2020. Visit the website in January for more information.

### LA ADU Accelerator Program

The LA ADU Accelerator Program provides financial incentives for homeowners to rent their ADUs to someone in need. Eligible homeowners include residents who have an existing legally permitted ADU on their property or who are in the ADU permitting or construction process.



**LA ADU  
Accelerator  
Program**



## United Dwelling

**Led By** United Dwelling

**Goal** Provide affordable housing to communities in need by constructing ADU conversions that also create rental opportunities for homeowners at no cost

**Who Can Participate?** Homeowners who agree to lease their garage to United Dwelling can participate. The tenant pool will be open to everyone.

**How Does It Work?** Homeowners lease their underutilized, detached garages for 12 to 25 years to *United Dwelling*, who then builds, manages and pays for the ADU conversion. There is no cost to the homeowner, unless they decide to eventually buy out the lease.

*United Dwelling* maintains the unit and manages tenants. Rents are below-market, with amounts varying depending on the length of the lease and local rent levels. The homeowner receives a small return on the rent each month. As a recipient of Los Angeles County's Housing Innovation Challenge, *United Dwelling* is able to offer an additional \$250/month on top of this rental share.

**How Do I Sign Up?** Homeowners: Fill out a short survey at [uniteddwelling.com/rental-application](http://uniteddwelling.com/rental-application) to schedule a free consultation.

Prospective Renters: Fill out an interest form at [uniteddwelling.com/rental-application](http://uniteddwelling.com/rental-application) to be notified when a home is available to rent.



## Everyone In

**Led By** United Way of Greater Los Angeles

**Goal** Activate the millions of people across L.A. County who support real solutions to ending homelessness. *Everyone In* is a community movement to end the homelessness and housing crisis by fighting for solutions that work: affordable and supportive housing in every part of L.A. County.

**Who Can Participate?** Everyone!

- Campaign Highlights**
- 100,000+ people signed up for *Everyone In*
  - Supported over 6,000 units of supportive housing across L.A. County by working with partners on community engagement and organizing
  - 6,000+ people have attended *Everyone In* regional events
  - 600+ people have attended *Everyone In* Trainings
  - 130+ organizations have endorsed the *Everyone In* campaign
  - 9 state and local laws passed - making it easier to create supportive and affordable housing

- How Do I Sign Up?**
- Sign up for *Everyone In* emails
  - Follow *Everyone In* on social media (@everyonein\_la)
  - Attend an *Everyone In* event or training ([everyoneinla.org/events](http://everyoneinla.org/events))
  - Can't find one in your neighborhood or have questions? Contact your friendly neighborhood organizer by visiting [www.everyoneinla.org/organizers](http://www.everyoneinla.org/organizers).



# Renting Affordably

## Become a Section 8 Landlord

### What is Section 8?

Section 8 is a federal government voucher program that helps low-income families, the elderly, and people with disabilities afford decent housing in the private market.

**Section 8 offers a consistent, reliable rental stream for homeowners.** The tenant pays 30% of their income towards rent, and the housing authority pays the remainder.

**The demand for more Section 8 units far exceeds the supply** as only half of those who receive vouchers are able to use them. The rental market has a low vacancy rate and high rents, but you can change that!

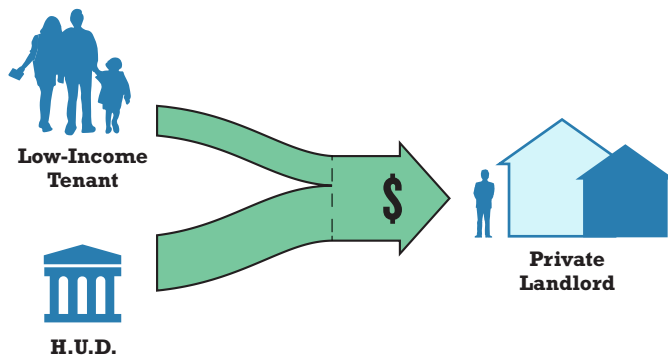
### Benefits for Section 8 Landlords

Within Section 8, there are various voucher programs that serve different populations and offer different levels of rent. Through programs like the Homeless Incentives Program and Veterans Affairs Supportive Housing Program, landlords can receive benefits such as:

- Up to one month's rent to hold available housing units for eligible tenants
- Move-in assistance (security deposit, utility assistance, and furniture)
- Financial assistance for damage claims
- Financial assistance during vacancy loss
- Payment of rental application fees

### Section 8 Landlord Process

- 1. Contact the housing authority that serves your area.**  
Housing Authority of the City of Los Angeles (HACLA) serves areas in the City of LA. Los Angeles County Development Authority (LACDA) serves unincorporated areas of LA, the county, and other cities.
- 2. Have a vacant property available for rent.**  
The role of the private landlords in the Section 8 program is to provide decent, safe, and sanitary housing to a tenant at a reasonable rent.
- 3. Select a tenant.**  
You can find an eligible voucher holder through a local housing service provider (such as LA Family Housing, St. Joseph Center, or PATH) or directly through the housing authority. They will provide you with a tenant pool, but you will ultimately be able to screen & select your future tenant.
- 4. Submit forms to housing authority.**  
These include a Request for Tenancy Approval & W-9 tax form.
- 5. Pass a housing inspection.**  
The unit must pass HUD's Housing Quality Standards; these standards must be upheld for the entire duration of your program participation.
- 6. Tenant moves in!**  
Once the unit passes inspection, the housing authority will finalize the rent and obtain a lease agreement, allowing your new tenant to move in!



## House the Homeless: LeaseUp LA

An initiative of People Assisting the Homeless (PATH), LeaseUp LA offers an easy way for property owners to provide housing to their neighbors living on the streets. LeaseUp offers financial incentives, a dedicated team, and consistent support to ensure a smooth process, so that property owners and managers can fill their vacant units and work toward ending homelessness.

[www.leaseuplosangeles.org](http://www.leaseuplosangeles.org) | (323) 428-4742 | [leaseupla@epath.org](mailto:leaseupla@epath.org)

# Additional ADU Resources

There are so many ADU resources out there! Here are a few to get you started:

- **cityLAB** cityLAB created a guidebook to ADUs in the City of LA, which can help you prepare the basic information needed to start building an ADU. Keep an eye out for their ongoing ADU research & resources! [www.citylab.ucla.edu/adu-guidebook](http://www.citylab.ucla.edu/adu-guidebook)
- **YimbyLA!** YimbyLA! can show you how to properly permit and legalize your unpermitted guest house, garage conversion, granny flat, backyard house, or other accessory structure into a legal ADU that can be used as a rental unit. [www.yimbyla.com](http://www.yimbyla.com)
- **Building Blocks** Building Blocks provides design, permitting and construction services, so that you can build an affordable ADU on your property. [www.buildingblocks.house](http://www.buildingblocks.house)

# Join the Affordable ADU Movement!

- **Build an ADU.**  
Tap into any of the Los Angeles ADU initiatives or find your own architect and contractor!
- **Rent affordably.**  
Become a Section 8 landlord, sign up for LeaseUp LA, or provide naturally affordable housing to your neighbors.
- **Advocate for backyard affordable housing.**  
Spread the word about ADUs as a housing solution by joining a campaign or doing outreach in your community.



**LA-MÁS**

Learn more at [www.mas.la/affordable-adus](http://www.mas.la/affordable-adus).