

**INSIGHT**FORMATION INC.

# Beyond Zoning: Co-creating a Community Strategy for Accessory Dwelling Units

**Bill Barberg**

President, InsightFormation, Inc.

# Agenda

1. The Value and Concerns about ADUs
2. The Need for an ADU Strategy
3. Tour of an ADU Ecosystem Strategy Map
4. The Community Strategy Engagement Accelerator (CSEA)
5. Q & A

# The Need to Increase Housing Supply

**Forbes**

BREAKING | Jun 16, 2021, 05:34pm EDT | 43,847 views

## The Housing Shortage Is Worse Than Ever—And Will Take A Decade Of Record Construction To Fix, New Reports Say



**Graison Dangor** Forbes Staff

Health

*I cover breaking news with a focus on health stories.*

Follow

# A Crisis for Employers, Schools, and Local Governments

Worker shortages often driven by the lack of suitable housing.

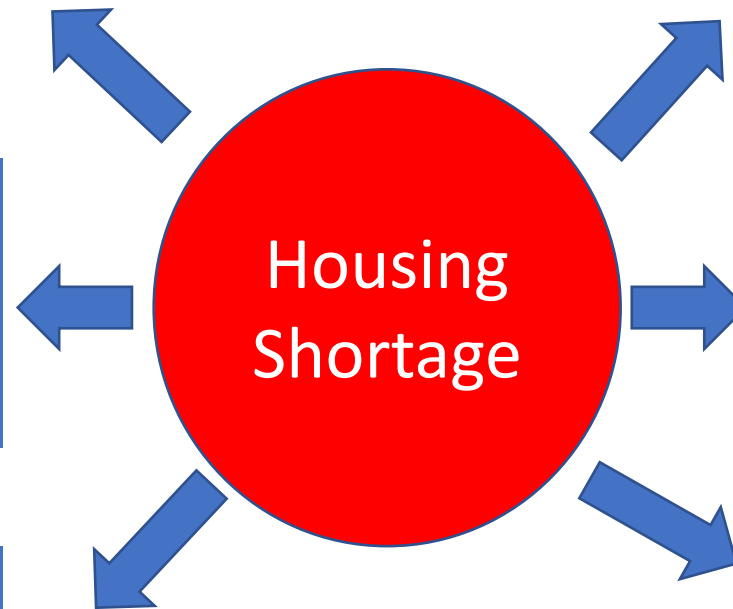
Schools struggle to find and keep teachers.

Empty houses owned by speculators cause neighborhood problems.

Absentee landlords neglect properties.

Sales tax revenue declines as money is drained from the local economy.

A “Eviction Industry” drives the vulnerable to homelessness.



# The Changing Nature of Homelessness in the U.S.

- In 1990, among unhoused single adults without children, the percentage **older than 50** was **11%**

**More seniors are becoming homeless, and experts say the trend is likely to worsen**

Nation Mar 3, 2023 5:41 PM EDT

Today, that number is **nearly 50%**

Dr. Margot Kushel, director of UCSF's Center for Vulnerable Populations

# The Changing Nature of Homelessness in the U.S.

**“Elderly homelessness has been rare... It’s now arguably the fastest rising group.”**

**Dennis Culhane, professor of social policy at the University of Pennsylvania**

<https://www.pbs.org/newshour/nation/more-seniors-are-becoming-homeless-and-experts-say-the-trend-is-likely-to-worsen>

About **half** of these people over 50 had **never been homeless before.**

**Dr. Margot Kushel, director of UCSF’s Center for Vulnerable Populations**

**These are rarely people with an addiction**

**Mainly driven by a lack of money, not serious mental health problems**

**Disproportionally affect BIPOC seniors who had barriers to building savings for retirement**

# Positioning of ADUs in Communication

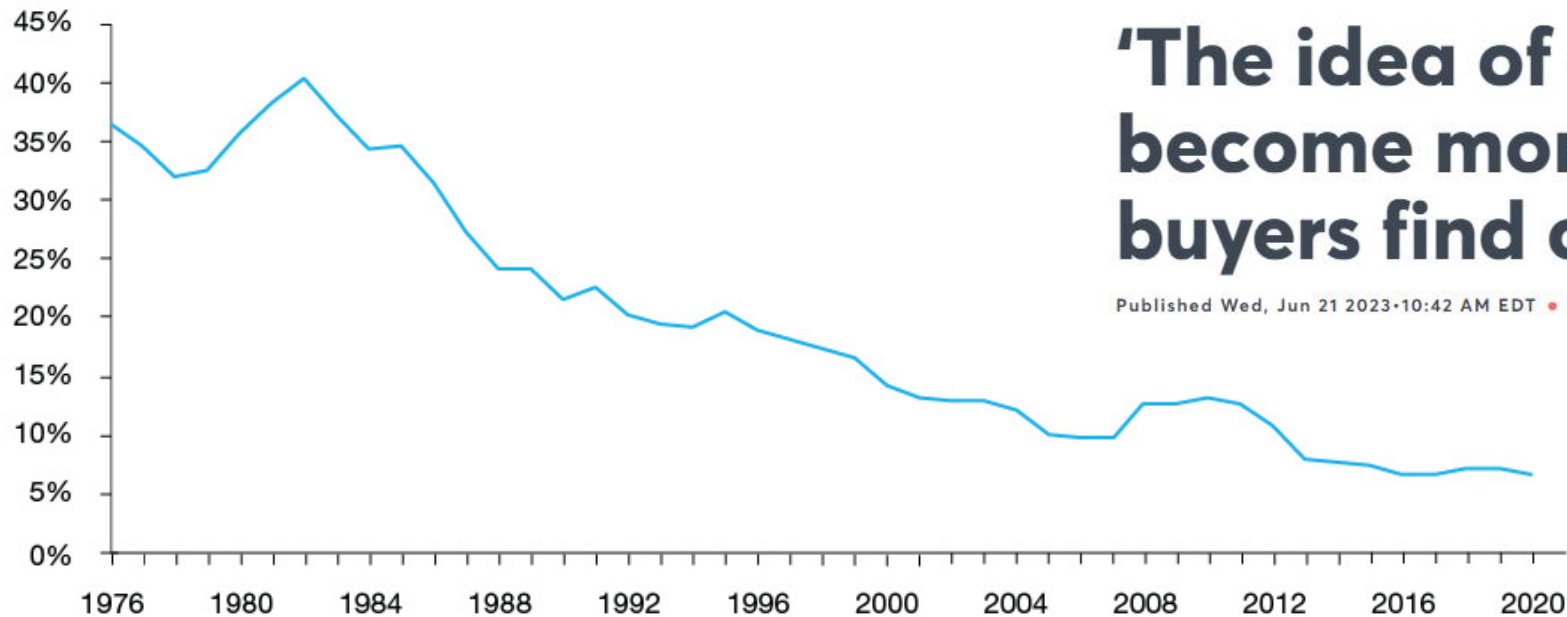
- **Not as a **RESPONSE** to homelessness (or even homeless seniors)**
  - People tend to think of stereotypical homeless people and don't want them in their neighborhoods
  - People tend to think of tiny houses built for homeless people (often 120 to 200 sq. ft.)
- **Rather, as Proactive **PREVENTION** of seniors becoming homeless**
  - We need more small, senior-optimized housing units that seniors on fixed incomes can afford
  - These can be very nice 400 sq. ft. to 800 sq. ft units that increase property values
- **A good **STRATEGY** to support the right kind of housing options is not costly**
  - Very little taxpayer subsidy
  - Leverage existing infrastructure (roads, fire department, etc.)
  - Generates wealth for existing homeowners and can cause property values to rise.

# There are very few "Starter Homes"

## EXHIBIT 3

### Percent of new homes below 1,400 square feet

Entry-Level home construction consistently declined as a share of new construction and is at near a 50-Year Low



**'The idea of a starter home has become more of a fairy tale': How buyers find creative alternatives**

Published Wed, Jun 21 2023 10:42 AM EDT • Updated 3 Hours Ago

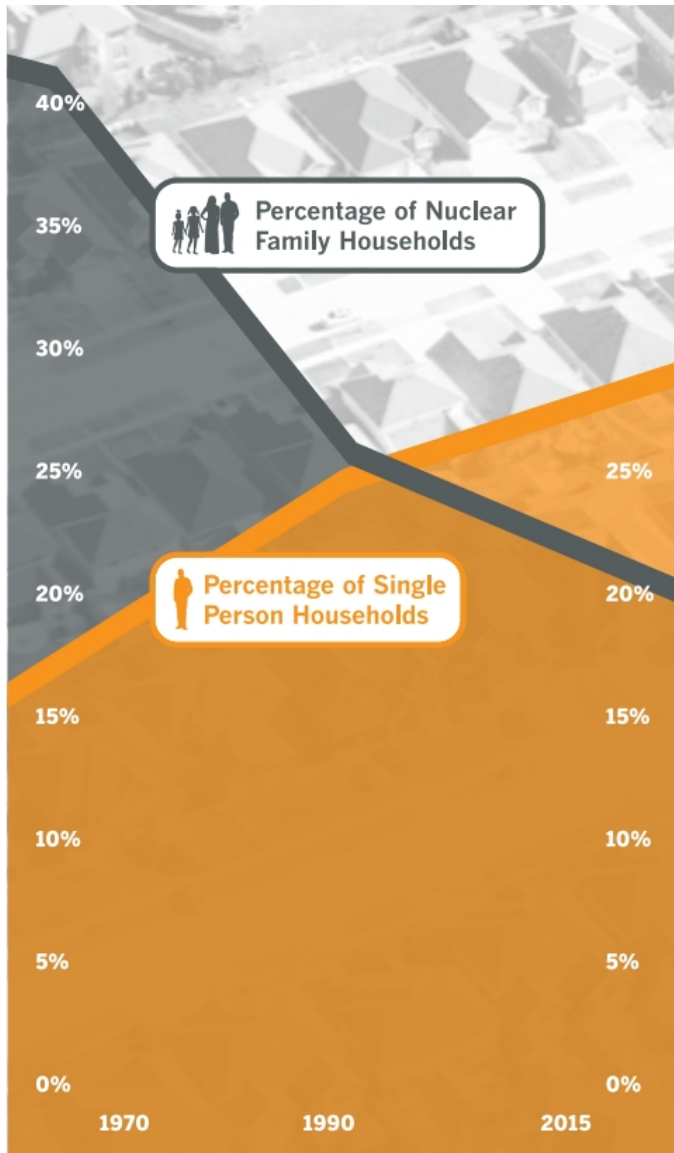
Source: U.S. Census Bureau.

**It's generally more PROFITABLE to build BIG houses**

**High rents make it hard to save for home ownership**



# The Housing Supply is not Matching the Needs



Homes become unsafe for aging residents

Data Source: 2015 American Housing Survey, U.S. Census Bureau  
Graphic: AARP Report, "Making Room: Housing for a Changing America" 2019

# Shortage of Small Housing Options

## U.S. Housing Stock by Number of Bedrooms



Data Source: 2015 American Housing Survey, U.S. Census Bureau

Graphic: AARP Report, "Making Room: Housing for a Changing America" 2019

# A Core Message

Our Communities and neighborhoods need more **small** housing options – especially housing that **can be owned** to begin building wealth rather than enriching investors and landlords.

**ADUs built on existing lots, using existing infrastructure, are the most economical option**

# The Impact of Zoning on the Supply of Housing

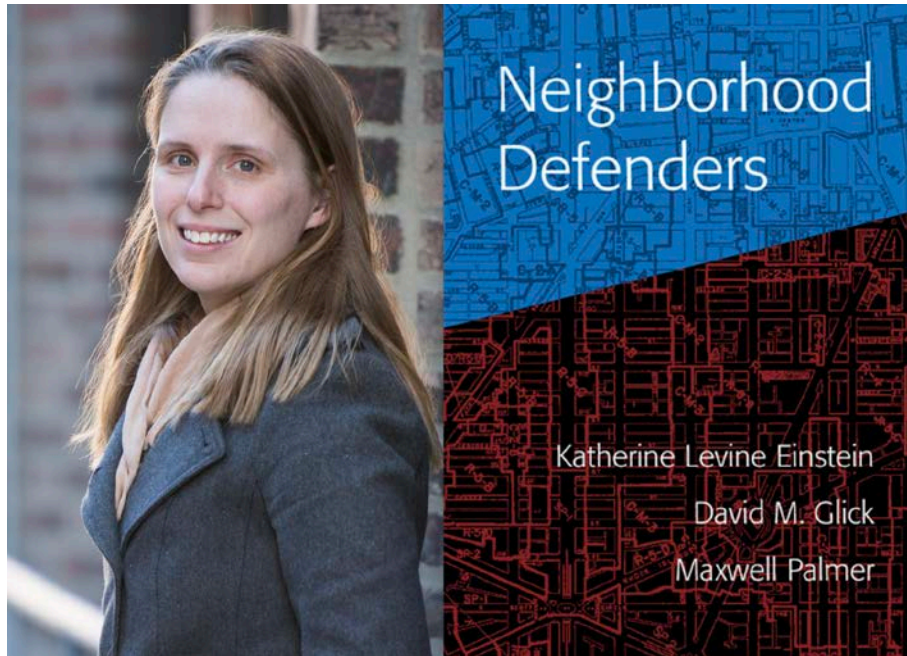
“It is illegal on 75 percent of the residential land in many American cities to build anything other than a detached single-family home.”

June 18, 2019 New York Times

*Cities Start to Question the American Ideal: A House with a Yard on Every Lot*

# Conflict over UpZoning Residential Neighborhoods

## NIMBY



“Protect or property values!”

“Maintain our quality of life.”

“Keep crime and poverty out of our neighborhoods.”

## YIMBY

“Gentle Densification”  
Neighbors for More  
Neighbors

“Allow ADUs and Duplexes!”

“Expand housing options that are affordable.”

“Support equity; Redress racism”

# Risks and Benefits of ADUs

## How ADUs could create **problems**

Cheap “shacks” undermine the character of the neighborhoods

“Slumlords” add ADUs on their rental properties and cycle through a series of bad characters—increasing crime, drug use, and other problems.

Increased residents with cars cause parking problems.

## How ADUs could create **benefits**

Long-time residents can grow older in their neighborhoods, living in a senior-friendly ADU.

“Essential workers” and lower-income workers can live in the city where they work.

Home ownership becomes possible due to rental income from an ADU.

Kids can afford to live near their parents—building wealth in an ADU

# Allowing ADUs is not a Strategy for Success

## Minneapolis



Several years of allowing and easing restrictions on ADUs.

A typical approach...

Change the Zoning to  
*make ADUs legal* and  
**HOPE** it works out well.

Between 2014 and 2022...

A total of **176 ADU Permits**  
issued

# Poll 1





# Deep Dive Day 3

ADUs

INCREASING THE HOUSING SUPPLY WITH  
ACCESSORY DWELLING UNITS

SEPTEMBER 21 | 8:30 am CT | Tuesday



[www.HousingSolutionSummit.com](http://www.HousingSolutionSummit.com)

# Deep Dive Day on ADUs (Morning Schedule)

Central Time	Slot 1	Slot 2	Slot 3	
8:00	Welcome (East & Central)			
8:30	01 - How Suburban Up-Zoning and Densification Can Benefit Everyone (57:52)	02 - The Community Benefits of ADUs (25:52) Bill Barberg	03 - Practical Examples of Streamlining Bureaucracy to Reduce the Cost of Housing (49:44) - Maria Spera	
9:00	Alan Mallach			
9:30	04 - Lessons from Minneapolis and Their Award-Winning 2040 Plan	05 - Breaking Out of the Housing Trap ( 59:29) Charles Marohn		
10:00	Robin Garwood, Cam Gordon & David Schultz		06 - Getting Real Estate Professionals Excited About ADUs - Rogelio Martinez	
10:30	09 - The Tupelo Miracle. A Case Study that Gives Hope! (26:02)	08 - Doing Greater Things Together! (29:55) Natosha Reid Rice	07-The Emerging Policy and Legislative Landscape for Addressing the Housing Crisis(30:00) Bryan Greene	
11:00	10 - Practical Steps to Managing Local Opposition (58:17)	11 - Addressing Housing and Whole Person Care Through Community Referral Management - Joe Hinderstein	13 - Simplifying the Process of Fixing your Zoning and Policy Issues (59:36)	12 - Affordable Cohousing Options (and the Secret Sauce of "Communification") (38:50) - Alan O'Hashi
11:30	Tim Iglesias J.D. & Katherine Levine Einstein	14 - A Strategy Map for Scaling up the Building of ADUs (22:09) - Bill Barberg	Bud Tymczyszyn	
Noon	18 - Building Tiny Transitional Homes for the Homeless Using a Unique Build System Barb Oliver	15 - Harnessing the Power of Youth for Affordable Housing (39:52) Scott Burke, Eric Eggleston & Michael Keck	17 - Creative Business Models for Adding ADUs (52:58) Nichol Beckstrand & Patrick Quinton	16 - South Dakota Governor's Homes: A Statewide Program for Affordable, Ownable Housing for Low Income Individuals and Households (52:42) Mike Harsma
12:30	Making the Most of Federal, State & Local Efforts to Increase the Housing Supply – Russell Riggs	19 - Ten Creative Ways to Finance ADUs Rogelio Martinez		
	20 - Enabling			

# Resource Page (Please fill out Survey)

## Beyond Zoning: Co-creating a Community Strategy for Accessory Dwelling Units

06-22-2023

### Post-webinar Materials & Resources

#### Webinar Recordings:

- 6-22-23 - Beyond Zoning: Co-creating a Community Strategy for Accessory Dwelling Units

#### Webinar Slide Sets:

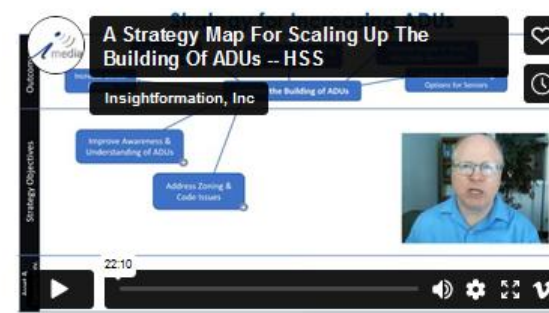
- 6-22-23 - Beyond Zoning: Co-creating a Community Strategy for Accessory Dwelling Units

#### Videos from the Housing Solution Summit's Deep Dive Day:

##### The Community Value of ADUs



##### A Strategy Map for Scaling Up ADUs



# Common ADU Scenarios

- **Landlord with a Rental Property Adds an ADU and rents it out.**
  - Adds a small, rental unit to the market (increases supply) -- more affordable than a large unit
  - New unit is likely to be healthier (e.g. asthma), safer (for seniors) and more energy efficient
  - “Gentle densification” enhances use of roads, infrastructure, etc.
- **Homeowner adds ADU to their lot and rents the ADU.**
  - Added revenue stream for homeowner (builds self-sufficiency)
  - Builds wealth due to appreciation of house + ADU
  - Adds a small, market-rate housing unit to the market (relatively affordable) without subsidy
- **Homeowner adds ADU to their lot, moves into the ADU, and rents out their main house**
  - ADU can be senior-optimized (and part of a care coordination network with services)
  - Adds a larger house to the market—with lower demand for wood, labor and other resources
  - Creates a “starter home” opportunity for a family with opportunity for “sweat equity”

# Creative ADU Ownership Options

- **Lot-Split:** Homeowner **sells** part of the lot to someone who builds an ADU on it and owns the ADU and lot.
- **Lot-Lease Contract:** Homeowner **leases** part of their lot for an Owned ADU
- **Two-Unit Condo Association**

# Combine ADU with a CLT

- ADU is added to a lot owned by a CLT and **rented** to create added revenue for CLT
- ADU is added to a lot owned by a CLT with a CLT Lot Lease and ADU **owned** by occupant
- ADU added to CLT Lot and is **owned by a Housing Non-profit** (rent share with homeowner on CLT)

# “Granny Flats” (and Grandkid Flats)

- **Adult Child ads ADU for an aging parent**
- **Adult Child—perhaps with spouse and child(ren)—move into parents’ backyard**
- **Grandchild builds an ADU on grandparent’s property**

# Developing a Positive Neighborhood Strategy

- Proactively support housing that **builds the wealth of residents** rather than **extracting wealth** to distant investors.
- Enable housing options that encourage **stability, social connections,** and **safety.**
- Improve the neighborhood's ability to maintain the infrastructure.
- Enable housing to **support upward economic mobility,** rather than just trying to keep poor people out of the neighborhood.
- Allow ADUs to be purchased like **“starter homes”**
- Take proactive steps to **minimize the potential negatives**



# Lots of Obstacles to ADU Success Stories

Financ

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Insurance

Utilitie

ng



# Forthcoming Federal "Assists" for ADUs

- **FHA loans should soon allow 50% of projected ADU rental income to count as qualifying income**
- **203(k) rehabilitation loans should soon be allowed value the property with the added ADU**
- **Value of ADU should soon be include in the home value for refinancing**
- **Freddie Mac ruling changes will allow ADUs in more situations (adding to a duplex)**
- **Government supporting education of lenders, appraisers, landlords and homebuyers**

# Biden's Housing Supply Action Plan

## **Passed:**

- **Reward jurisdictions that have reformed zoning and land-use policies.**
- **Encouraging use of CDBG for local acquisition and local sales to owner-occupants and mission-driven entities.**
- **Ensure that more government-owned supply of homes and other housing goes to owners who will live in them – or non-profits who will rehab them – not large institutional investors.**

## **Proposed:**

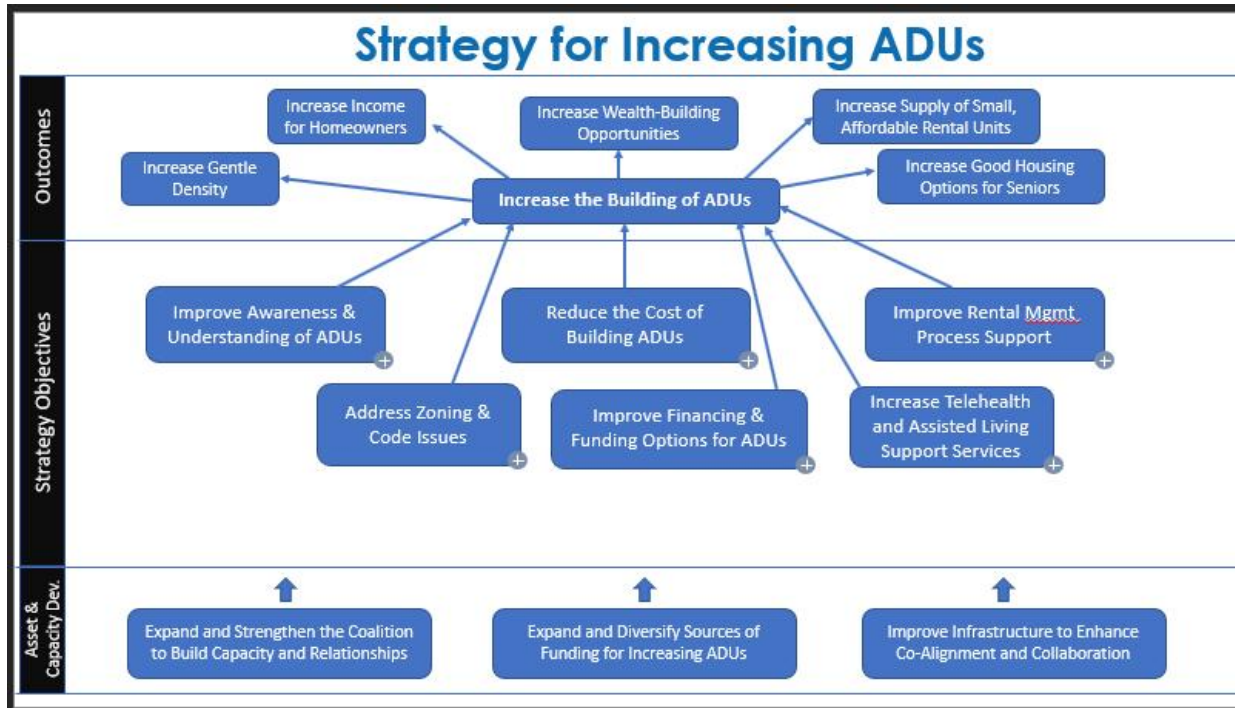
- **Unlocking Possibilities Program**
- **Scaling Up ADUs and piloting ADU and home renovation financing tools.**

# New: Local Housing Policy Grant Program

- **Omnibus Spending bill passed in February 2023 allocated \$85 million to HUD for a new grant program to local governments**
- **An evolution of the bi-partisan “Housing Supply and Affordability Act”**
- **Details still being worked out... but most likely, it will**
  - **A competitive grant program to fund local strategy and planning to address zoning and other regulatory barriers that block or limit ADUs and otherwise restrict the housing supply.**
  - **Will favor local coalitions that have a strategy with broad community buy-in**
- **Now is the time to get to work on your local housing coalition and strategy!**

# Two Integrated Concepts

## Strategy Mapping



Upgrading from a Theory of Change to  
A Theory of Transformation

## OMTA Model




**O**bjectives  
**M**easures  
**T**argets  
**A**ctions

A powerful upgrade from  
SMART Objectives

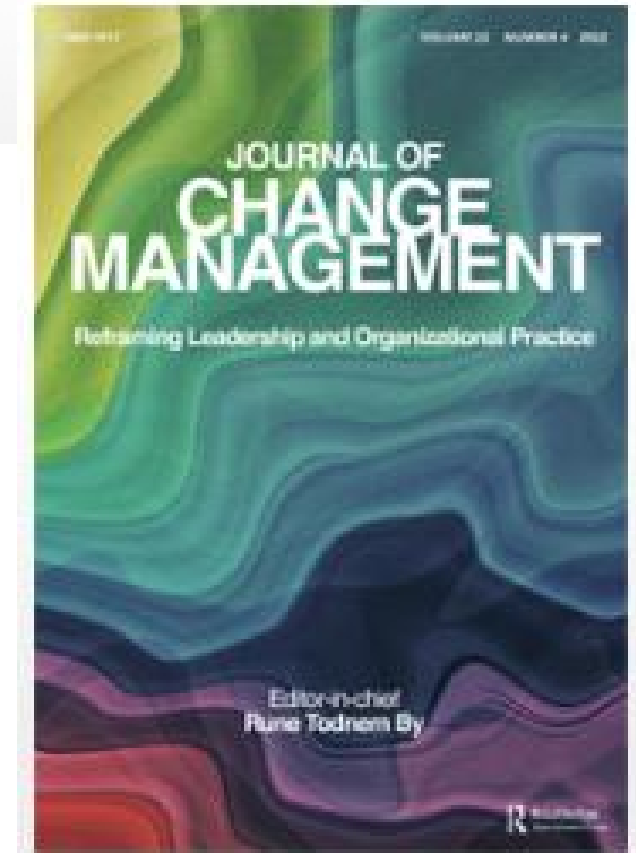
# Peer-Reviewed Article Showcases Strategy Mapping

Research Article

## Leading Social Transformations: Creating Public Value and Advancing the Common Good

John M. Bryson  , Bill Barberg, Barbara C. Crosby & Michael Quinn Patton 

Published online: 04 May 2021



# A Strategy Map Template for Increasing ADUs

INSIGHT *FORMATION* INC.

Bill Barberg, President & Founder



**PopHLC**

Population Health  
Learning Collaborative

[www.ImprovePopHealth.org](http://www.ImprovePopHealth.org)

**Bill Barberg**

# Structure of a Strategy Map

Outcomes

Increase Income  
for Homeowners

Increase the Building of ADUs

Strategy Objectives

Address Zoning & Code  
Issues

Reduce the Cost of Building  
ADUs

Asset & Capacity  
Development

Expand and Strengthen the Coalition  
to Build Capacity and Relationships

Expand and Diversify Sources of  
Funding for Increasing ADUs



# Benefits of Strategy Maps



A way to develop and communicate a “system thinking” approach



A Framework to “Co-Align” the efforts of many organizations that support the desired changes



It allows different organizations to focus on what they are best at—be part of team



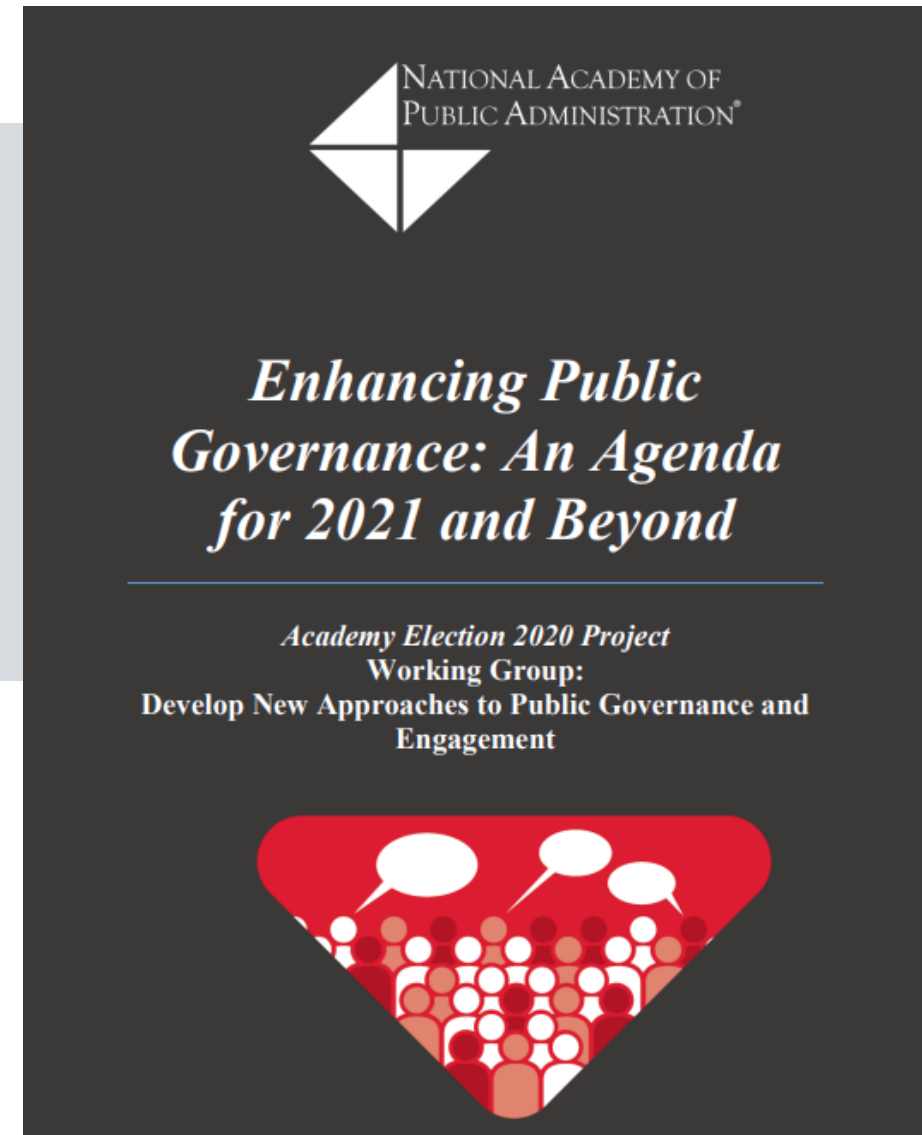
A communication tool to get (and keep) people on the same page



A structure to organize strategic measures and dynamic action plans

# Aligns with the NAPA Recommendations

- Recommendations for OMB as well as federal and state agencies/programs
- Encourages Strategy Mapping
- Links to a Video by Bill Barberg



# Growing Momentum for Strategy Mapping

IBM Center for The Business of Government

## Complex and Cross-Boundary Challenges in Government:

The Value of Strategy Mapping

January 2023

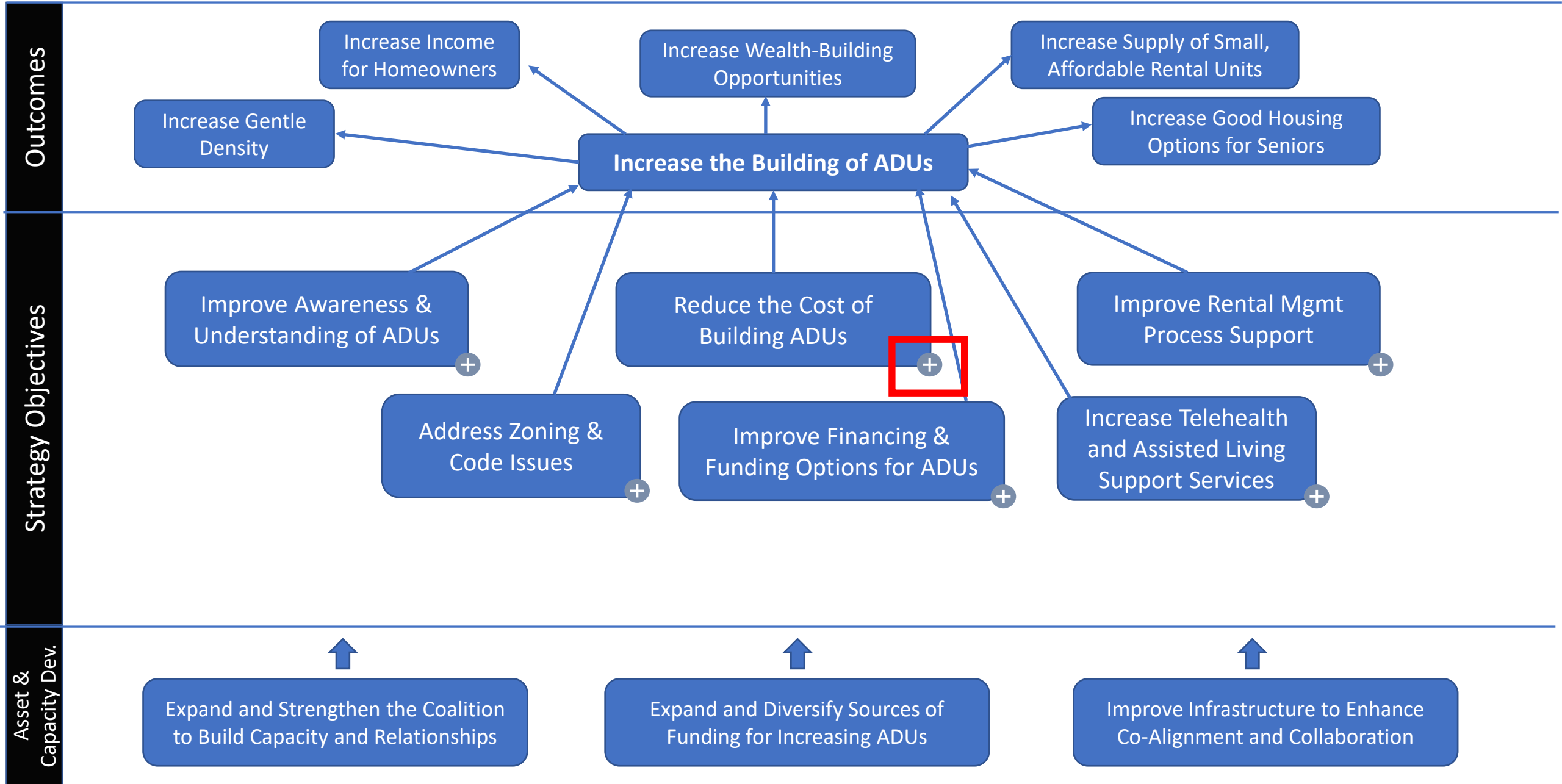
## EXECUTIVE SUMMARY

**Communities, regions, and nations increasingly face boundary-crossing challenges that require the efforts of many organizations and groups to address them effectively.**

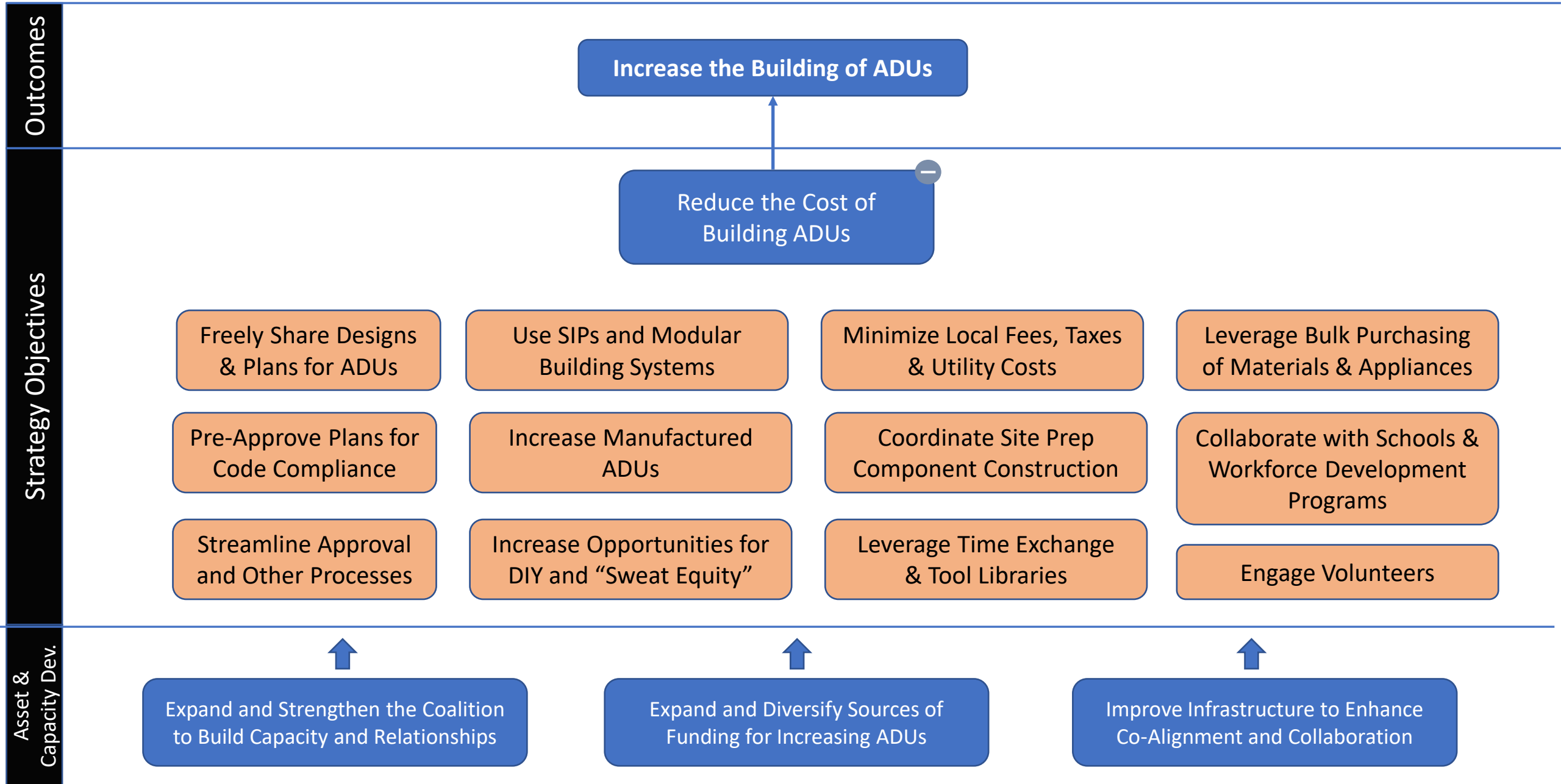
**John M. Bryson, with Bill Barberg, Anne Carroll, Colin Eden, Bert George, Jose J. Gonzalez, Jessica Rochester, Laure Vandersmissen, and Bishoy Zaki**

# Poll 2

# Strategy for Increasing ADUs

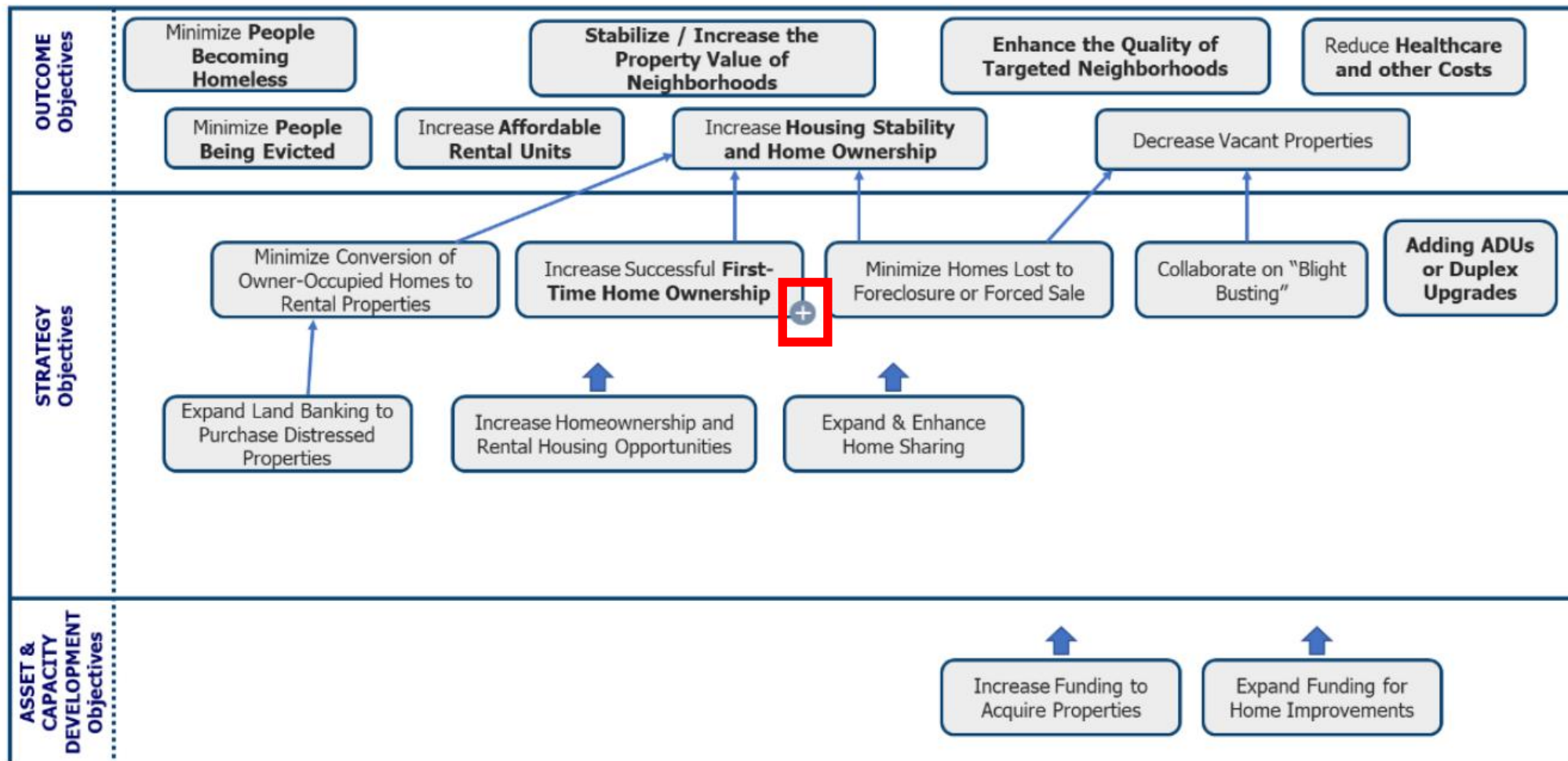


# Zoom: Reduce the Cost of Building ADUs



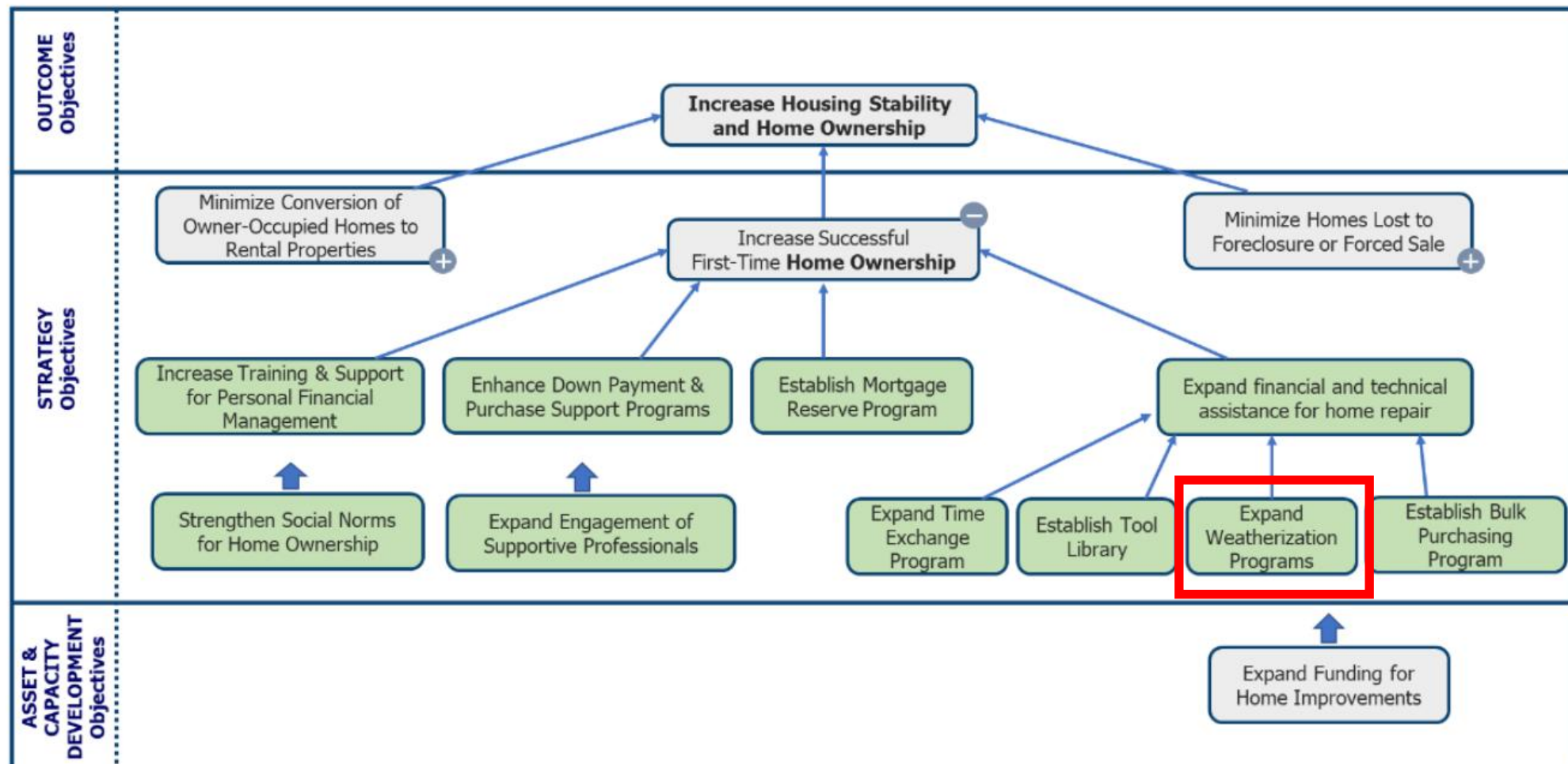


# Top Level Housing Strategy Map





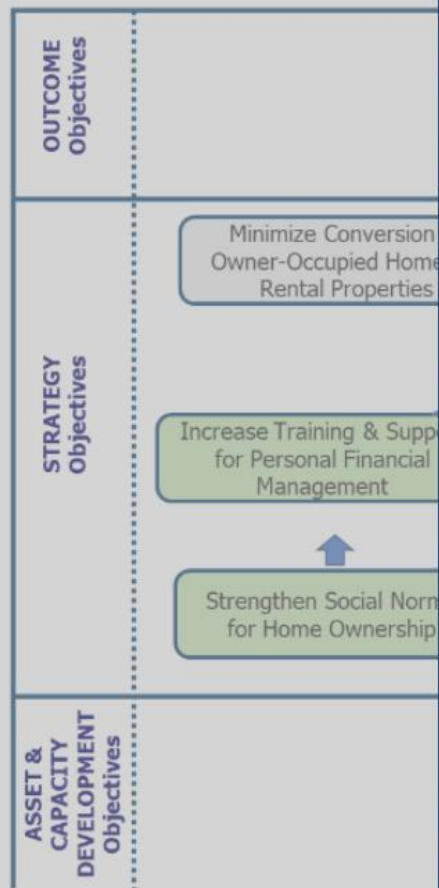
# Zoom: Successful First-Time Homeownership





Housing - Increase Home

Zoom: S



### Objective Presentation



AllNeigh : Expand weatherization programs to help lower utility costs for low-income homeowners

Display Settings

Apply



Edit



Print to PDF

Description From-To Gap Existing Efforts

Notes

Edit

### Expand weatherization programs to help lower utility costs for low-income homeowners

Explore creating a permanent funding source for home weatherization programs.

Consider expanding weatherization program to rental properties owned by responsible landlords providing nonsubsidized affordable units. This would benefit renters by lowering utility bills.

Positive impacts of weatherization programs:

- 12% annual energy cost savings.
- Saves an average of \$514 in out-of-pocket medical expenses.
- \$583 per day due to fewer missed days of work.
- Returns \$2.78 in non-energy benefits for every \$1.00 invested.
- Improves health and job stability.
- Creates jobs and other trade training opportunities.

**Lead Advocate:** Name, E-mail, Phone

**Action Team:** Margo, Name, Name, Name

[Return to Strategy Map](#)



### Measures

Tablet



AllNeigh : # of Low Income homeowners receiving the weatherization subsidies

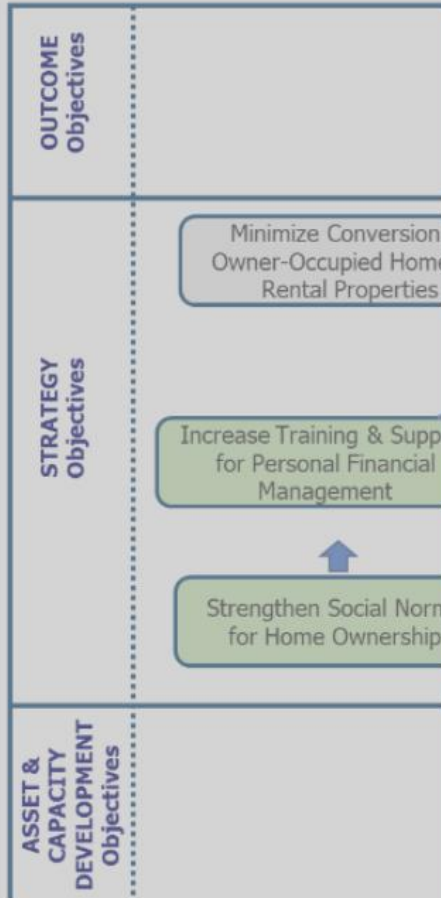


2019

89

Housing - Increase Home

Zoom: S



Objective Presentation



**AllNeigh**: Expand weatherization programs to help lower utility costs for low-income homeowners

Display Settings

Apply



Edit



Print to PDF

Description From-To Gap Existing Efforts

Notes

Edit

From (Current State) in 2020	To (Desired State) in 2025
Many low-income homeowners don't have the money to make energy-efficient upgrades and are not aware of the assistance programs.	After effective outreach, many new homeowners are taking advantage of...
Low-income homeowners don't get the subsidies for energy-saving weatherization that could allow them to make the improvements to their homes. This increases the odds of them losing their homes due to financial problems.	As a result of targeting the subsidies to the low-income homeowners, they save money, reduce energy consumption, and are less likely to lose their homes.

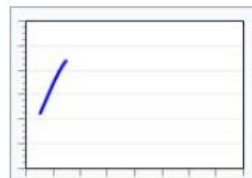


Measures

Tablet



**AllNeigh**: # of Low Income homeowners receiving the weatherization subsidies



2019

89

# Practical Strategies to Increase the Supply of Housing (*Home-Sharing and More*)



knowledgeable, stand practical is."



"Best way to spend an hour! Bill provides engaging conversation/insights and excellent graphics to explain each topic."



"Covered a range of issues and potential resources to plan on housing supply and address homelessness."



"I absolutely value the commitment and effort that you are undertaking to communicate the need for a variety of affordable housing solutions to include Homesharing! It is one of the valuable tools in the housing toolbox that more people need to be aware of!"



"Information is delivered in a fact-based way that I can assimilate into my work, Often inspiring new approaches to problems."



"I was impressed with the well-rounded approach to looking at housing. I like the advocacy for strong healthy communities that benefit everyone not just a few who want make money at the expense of others. They provided really practical solutions backed up by good data."



"Provided to address housi



Community Strategy Engagement Accelerator

August 1, 2023 - July 31, 2024

## Get the Tools and Coaching Your Community Needs to Implement a Collective Impact Model.

*Engage and equip your coalition with game-changing resources in this powerful **12-month program** that helps you break down silos and begin working as a collaborating, cohesive community to address your most complex priority issues.*

The CSEA 2023 Program will run from:  
August 1, 2023 to July 31, 2024



Watch this 60-second video

# Overview Course on Community Strategy Engagement



Module	Videos	Video Time (min)
<b>Module 1: Welcome to the Course</b>		
	A Brief Welcome Message from your instructor (BB)	5:44
	Introducing Additional Instructors (BB)	3:45
<b>Module 2: Overview on Learning Objectives</b>		
	Developing Strategic Skills and Approaches to System Change (BB)	6:17
	From Program Evaluation and Collective Impact to Transformation (MQP)	14:31
	Good Intentions are Not Enough: Need for System Thinking (DPS)	1:01
	Key Issues for System Thinking (DS)	3:40

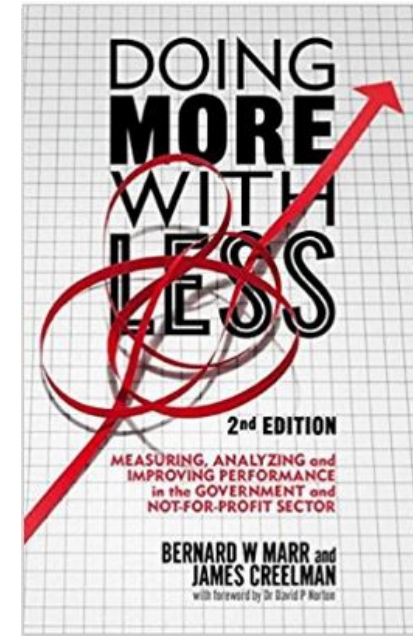
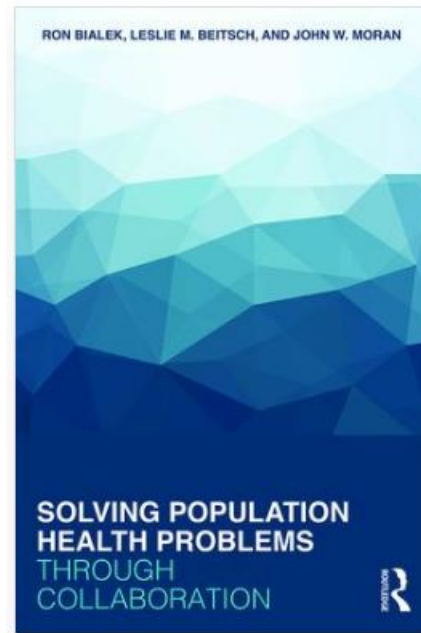
**Partner with your Local Health Department or City Government and  
use Workforce Development dollars**

# Meet Your Instructors

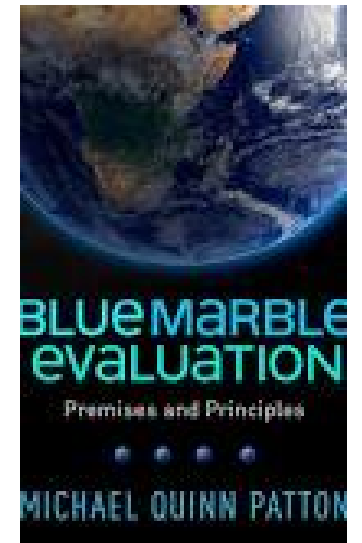
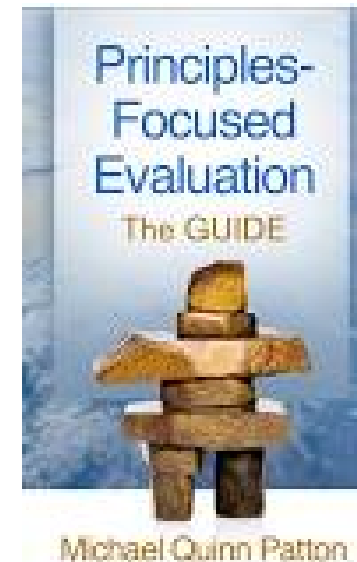
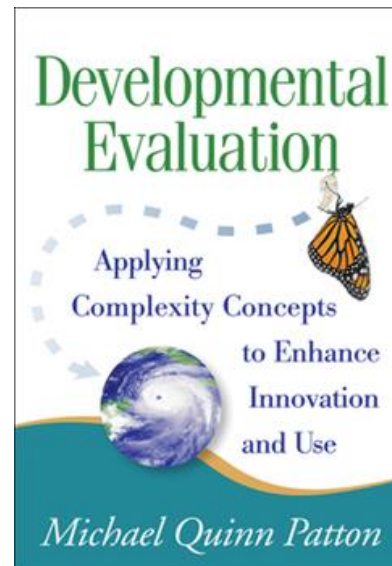


Bill Barberg

**Chapter 22:**  
“Implementing  
Population Health  
Strategies”



Michael Quinn  
Patton



# Meet Your Instructors



Liz Weaver

Co-CEO and Director  
of the Learning Center



Collective  
Impact



Community  
Engagement



Collaborative  
Leadership



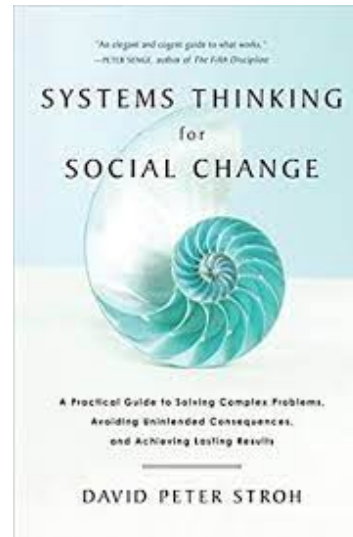
Community  
Innovation



Evaluating  
Community Impact



David Stroh



Academy for Systems Change

# Divide the Work and Share the Outputs

- Different teams will work on different parts of a strategy map
- Use a common process so everyone understands the outputs
- Search for, create and share time-saving toolkits and strategy details
- Share details in a wiki or other sharing platforms

**Minimize** Re-inventing the Wheel **without forcing** One-Size-Fits-All



# Improvements from the ARRC Action Network

- Extended to 12 months
- Adopt consulting practices in workshops (gather information)
- Consulting help each month
  - Helping to recruit and on-board partners
  - Helping to refine content from workshops
  - Helping find promising practices, toolkits, and technologies
  - Refining content among peer cohorts

**More than teaching... Were HELPING you with your Housing Strategy**

# “That seems like a lot of work!”

- Responding to people becoming homeless is a LOT MORE work
- Responding to the economic decline when external investors buy up houses is a LOT MORE work
- Attempting to do something all on your own is a LOT MORE work

**A proactive strategy is the “Ounce of Prevention” and a key to a prospering community.**

# The Cost of Participating in the CSEA-23

## Pricing

### ◆ Price for a Coalition Pass

Each community with a coalition pass can have a group of unlimited size — sharing resources and materials with anyone in the city or county that can assist the coalition to be successful (just not beyond your community).

Coalition: \$9,500 USD (\$12,950 CAD)

ARRCCAN Alumni: \$4,750 USD (\$6,475 CAD)

Includes an All-Access Pass for all 5  
Deep Dive Days of the HSS

### ◆ Price for a Single Organization

*Up to 12 people with a single organization can join.* They will be grouped with other similar organizations or teamed up with a coalition for work on that coalition's topic. All members of that organization (staff and direct volunteers) can access the foundational eLearning Course on Community Strategy Engagement and access program recordings.

Organization \$2,950 USD (\$3,950 CAD)

### ◆ Price for an Individual Pass

Individual Pass holders will be added to another coalition group with a similar focus area)

Individual: \$1,450 USD (\$1,950 CAD)

Set up your community to get *hundreds of thousands of dollars* via the  
**Local Housing Policy Grant** program.

# Next Steps?

- Fill out the survey to get the additional resources
  - Share the webinar recording and resources with the appropriate people in your community
  - Sign up for the July 10 webinar on the **CSEA-23 Program** details
  - Make plans to participate in the **CSEA-23 Program in August**
  - Contact [Elizabeth.Gallagher@insightformation.com](mailto:Elizabeth.Gallagher@insightformation.com) to stay updated on the other programs and webinars
-