



Accessory dwelling units (ADUs) are smaller secondary units built on single-family residential lots. While these units have many names—granny flats, in-law units, casitas—and can take a variety of physical forms—attached, detached, garage-conversion, over-garage, interior conversion, or even prefab buildings dropped into the backyard by a crane—the core concept is quite simple: ADUs are second units built on the site of single-family homes.

Why reform zoning to allow ADUs? Because most of America’s residential land is zoned exclusively for single family homes. Though traditionally associated with the suburbs and rural areas, detached single-family homes are also America’s dominant urban form, in large part because the overwhelming majority of America’s residential land—including in central urban neighborhoods—is zoned exclusively for single family homes. So even though ADUs are small homes, ADU reforms can have a big impact on housing supply.

Single family homes are an increasingly poor fit for how we live now: Single-family zoning is intended to create a wholesome environment for married couples raising school-aged children; but Americans’ family structures are changing away from this ideal. Households have fewer people than they used to: married couples with children are a declining share of households, while one- and two-person households and multigenerational households are on the rise. Single family homes are a poor fit for these diverse needs: they’re too large for single people or couples and they don’t offer the privacy that grandparents or adult children in multigenerational households want.

ADUs add flexibility to rigid one-size-fits-all single family zoning: Allowing homeowners to add an additional unit to their property, whether for an adult child returning home after college, grandparents who want to be near their families, caretakers for seniors, or to generate rental income from a paying tenant, gives them the freedom to adapt their homes to fit their needs and lifestyles.

ADU reform is popular with voters and the risk of backlash is low: Most Americans are homeowners, and homeowners vote at higher rates than renters. ADU reform has proven to be remarkably politically durable in California, likely because it gives homeowners the freedom to do what they want with their property, with minimal impact on neighbors or the look and feel of existing neighborhoods.

ADU reform particularly helps seniors: While many seniors wish to remain in the neighborhoods where they raised their families, single-family homes, especially those with large yards and lots of stairs, can be challenging for people with mobility issues; and exclusive single family zoning can make it impossible to find age-appropriate housing. ADU reforms can help, either by allowing older homeowners to build an accessible, age-appropriate unit on their property or by providing housing for caregivers.

ADUs can provide lower-cost housing in existing neighborhoods: By virtue of their smaller size, lower development cost, and generally negligible land cost (for homeowners), ADUs are naturally affordable.

Key drivers for successful ADU reforms:

- By-right permitting on strict timelines give homeowners certainty that they will actually be able to build, so they feel confident spending money for pre-application expenses.
- Permissive statewide standards allow for the creation of a robust, statewide ADU industry.
- Parking reform makes construction feasible on more lots.
- Occupancy reform helps small scale real estate investors add badly-needed rental stock to the market.