



# A Racial Equity Toolkit on Policies for Accessory Dwelling Units

*A letter from Councilmember O'Brien:*

As we make policies, in addition to determining if we think a policy is good for meeting our objectives overall, we need to understand if the policy will impact some communities differently, and specifically understand how or if the policy will impact race-based disparities in our community. The Racial Equity Toolkit (RET) is a tool designed to help us answer these questions.

When considering actions the City could take to make it easier for people to build accessory dwelling units (ADUs), we want to understand how the policy might increase or decrease racial disparities. What we learned through both the environmental review and RET process is that removing regulatory barriers in the Land Use Code will help us achieve the objective of increasing the number and variety of housing choices in single-family zones. This change would have a positive impact on affordability and decrease potential economic displacement because the additional housing supply could marginally reduce upward pressure on rents and housing prices. In addition, we learned that proposed Land Use Code Changes could result in fewer teardowns of existing single-family homes, which could reduce the potential for physical displacement in these neighborhoods.

However, the analysis also highlighted that the Land Use Code changes alone are insufficient to address racial disparities that have resulted from a history of race- and class-based planning and housing policies. This is due, at least in part, because absent other policy interventions, wealthy, primarily White homeowners are most likely to have access to the capital needed to construct an ADU. Further, because of the high cost of construction, while ADUs may rent at lower price points than a traditional single family home due to the smaller size, they are still typically priced above what households with lower-incomes and households of color can afford. As a result, the benefits associated with increasing the rental housing stock through the creation of ADUs will disproportionately be accrued by wealthy, primarily White, households.

As is often the case with a RET, the answers on how to address racial inequities are complex. This doesn't mean that we shouldn't pursue a policy that broadly addresses city objectives by increasing housing supply, but rather, that we must consider actions beyond regulatory changes if we want to ensure that the policy more equitably benefits households with lower-incomes and households of color. The analysis that follows describes in more detail the potential for increased ADU production to contribute to disproportionate impacts, and how additional City actions could ensure homeowners with lower-incomes and homeowners of color benefit from the City's efforts to increase ADU production.

Sincerely,

Mike O'Brien

## **Racial Equity Toolkit**

A Racial Equity Toolkit (RET) is a process and set of questions to guide the development, implementation, and evaluation of policies, initiatives, programs, and budget issues to address their impacts on racial equity.

## Introduction

The vision of the [Seattle Race and Social Justice Initiative](#) is to eliminate racial inequity in the community. To do this requires ending individual racism, institutional racism and structural racism. The Racial Equity Toolkit (RET) lays out a process and a set of questions to guide the development, implementation and evaluation of policies, initiatives, programs and budget issues to address the impacts on racial equity. The most effective RETs are done early in a process, to help gain insight as we develop a program or policy change.

The [Housing Affordability and Livability Agenda \(HALA\)](#) from 2015 included recommendations to lower the barriers to building Accessory Dwelling Units (ADUs) as a strategy to help create more housing opportunities in single family neighborhoods. The work over the last few years has focused on amending our Land Use Code to lower regulatory barriers to development. As this work has progressed, lowering these barriers raised concerns about the potential unintended consequences to communities of color.

ADUs support affordability in an informal sense because renting an ADU tends to be affordable to more households than renting a single-family house. This is likely due to the smaller size and lack of additional land costs to create an ADU. That said, high construction costs mean that most households able to create an ADU are disproportionately wealthy or have access to substantial equity in their home. Further, though ADU rents may be lower than renting a single-family home, they are not low enough to provide housing that is affordable to households with lower-incomes. This phenomenon will likely persist absent other actions beyond Land Use Code changes to reduce costs and support households with lower-incomes.

In addition to questions around who benefits economically from expanding ADU production, we also heard concern that ADUs could increase the risk of displacement. This question was considered in the Environmental Impact Statement (EIS) on the proposed Land Use Code changes. Further, we recognize that for homeowners with lower-incomes and homeowners of color, ADUs could be an anti-displacement strategy through the creation of additional housing units that can provide housing for family members or community members, or can provide rental income that can help a family afford to stay in their home.

We are exploring ideas for programs and investments that could help ensure homeowners with lower-incomes and homeowners of color can benefit from the City's efforts to increase ADU production. The focus of this RET is to identify opportunities to expand access to ADUs across the city and address racial disparities in who benefits from ADU production. As the City

### **Accessory Dwelling Units (ADUs)**

A detached accessory dwelling unit (DADU) is a secondary unit located in a separate structure from the principal dwelling unit (i.e., the main house). DADUs are often called backyard cottages and carriage houses.

An attached accessory dwelling unit (AADU) is a secondary unit located within or connected to the main house. AADUs are often called in-law apartments, basement apartments, garden apartments, units and granny flats.

### **Affordable Housing**

Housing affordability is typically expressed as a measure of housing costs in relation to household income. The standard for housing affordability is housing costs, including basic utilities, that amount to 30 percent or less of a household's gross income.

To be considered affordable to a two-person household making 60% of area median income (AMI) (60% AMI = \$48,150) rent could not exceed \$1,353 for a two-bedroom unit. According to 2016 Dupre + Scott survey data, average rent for a two-bedroom single-family house was \$2,237. An 800-square foot ADU would, on average, rent for approximately \$1,850 per month.

evaluates policy changes to remove barriers to constructing ADUs, we want to ensure that communities of color across the city benefit from these new opportunities.

As a key step in the RET, we established three key racially equitable community outcomes:

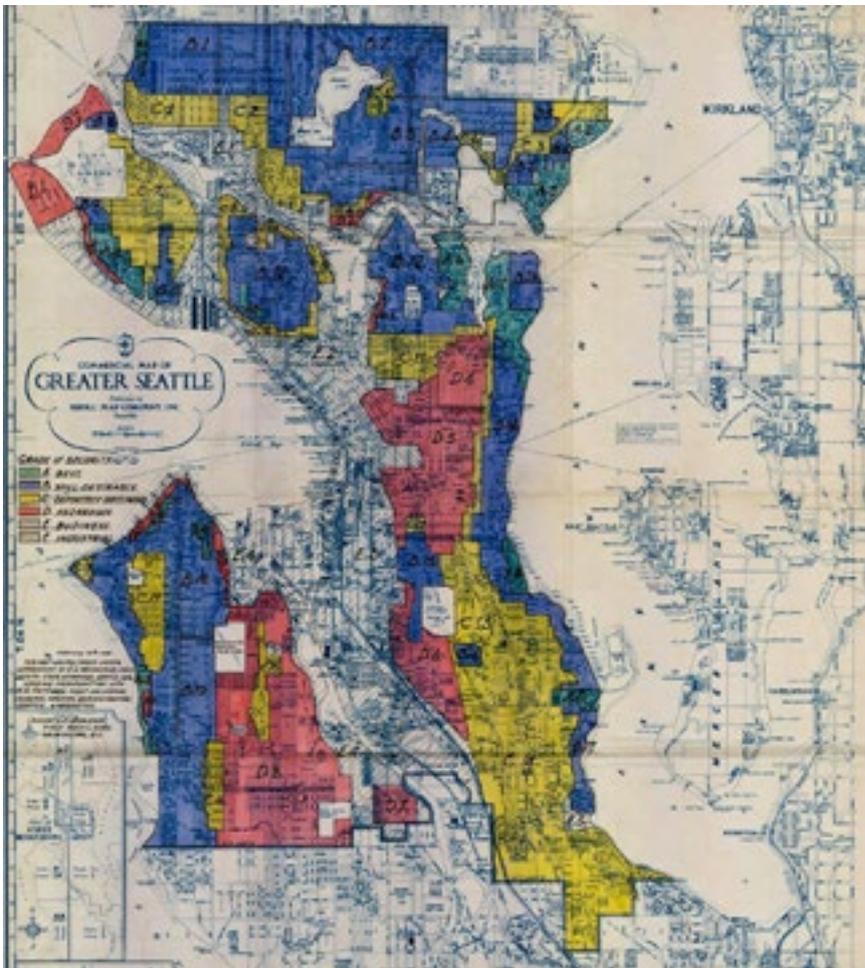
- Increase housing choice for people of color (POC) renters across the city in single-family zoned areas
- Avoid increasing displacement risk of POC homeowners and renters
- Decrease disparity of who is benefiting economically from ADU policy

## Background

### *Seattle ADUs in Context*

We recognize that those most able to benefit economically from the proposed Land Use Code changes are likely to be wealthy, primarily White, homeowners due to Seattle's history of racial segregation and redlining. Through practices of denying mortgages based on race and ethnicity, the federal government played a significant role in the legalization and institutionalization of racism and segregation. Exhibit 1 is an example of a Seattle 1936 redlining map with areas deemed "hazardous" for mortgage investments shown in red. For years, these restrictions prevented people of color from buying, improving, and developing property and building wealth. Until the 1960s, racial restrictive covenants kept people of color from moving to residential neighborhoods throughout the city, where they still compose a small

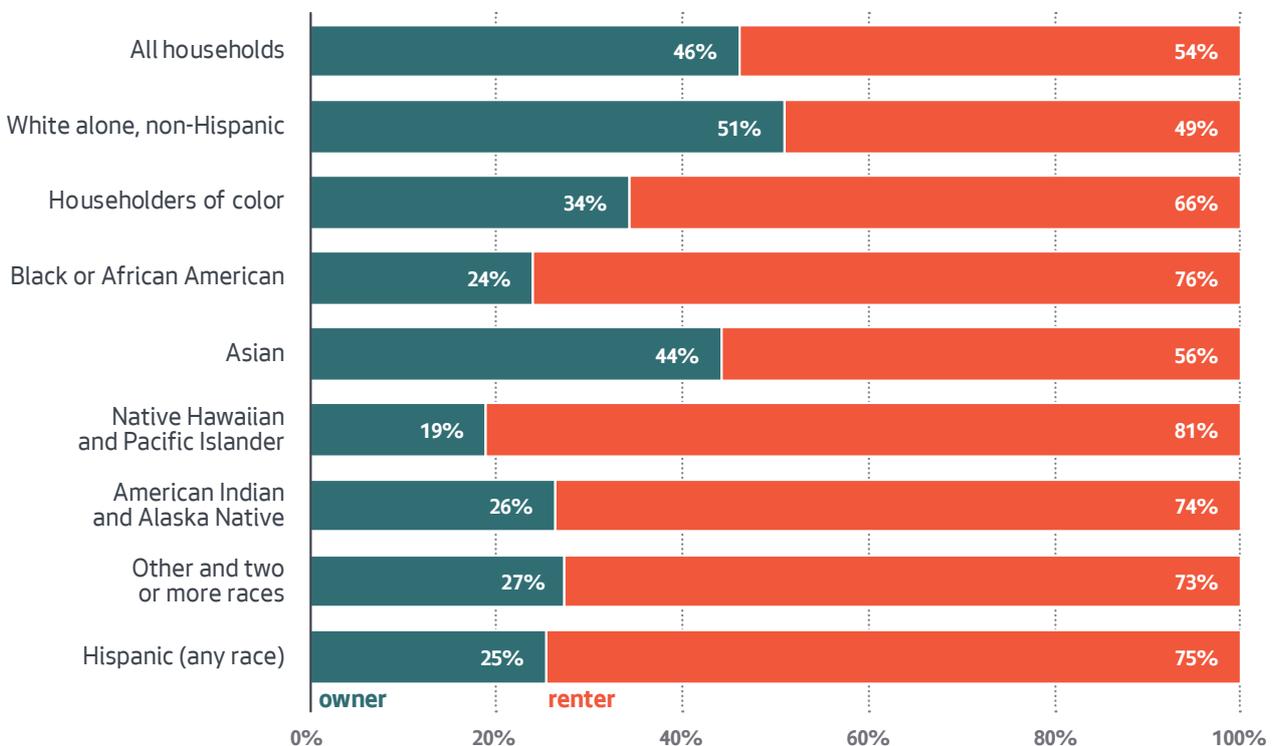
Exhibit 1: 1936 City of Seattle Redlining Map



share of the population. Further, by limiting access to homeownership, these policies have contributed to the growing wealth disparities by race and ethnicity. For more information about the history and context of ADUs in Seattle please see [Chapter 3 of the ADU Final Environmental Impact Statement](#).

Exhibit 2 shows housing tenure (owner- versus renter-occupied housing units) by the racial or ethnic group of its householder. In Seattle, 51 percent of non-Hispanic White households own their homes, while only 34 percent of households of color and 24 percent of Black households own their homes. For the purposes of considering racial equity outcomes, understanding the racial makeup of homeowners, renters, and cost-burdened households across the city is important.

Exhibit 2: Housing Tenure by the Householder's Racial or Ethnic Group, Seattle

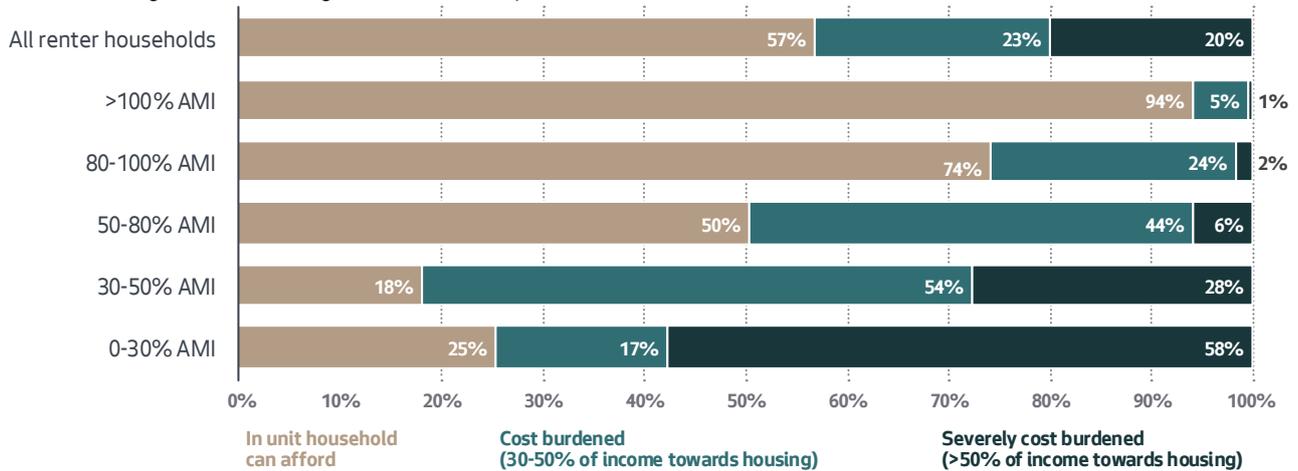


Generally, housing found in single-family zones has a pattern of high housing cost and disparities in household income according to race. Median income for households in detached one-unit structures is \$98,000. Only 22 percent of these households earn \$50,000 or less, which is where the median income for Black or African American households falls in the Seattle metropolitan region. These disparities are slightly sharper if we look specifically at households living in detached one-unit structures that own their home: 42 percent of these households earn more than \$120,000.

Housing affordability is typically expressed as a measure of housing costs in relation to household income. The standard for housing that is affordable is housing costs, including basic utilities, that amount to 30 percent or less of a household's gross income. The U.S. Department of Housing and Urban Development (HUD) considers households paying more than 30 percent of their income for housing as "cost-burdened" with respect to housing. Households that pay more than 50 percent of their income for housing costs are considered "severely cost-burdened." Housing cost-burden is a key measure of housing need. HUD estimates that 37 percent of all Seattle households are either cost-burdened or

severely cost-burdened. While overall, households that own their homes are less likely to be housing cost-burdened than renters (72% vs 57%) individuals and families of color, both renters and owners are more likely to be cost-burdened. For White residents, 66% are in housing they can afford, while 20% are cost-burdened and 14% are severely cost-burdened. Only 53% of households of color are in housing they can afford, and for Black or African American and American Indian or Alaska Native Households, less than half (45% and 44% respectively) are in units they can afford. Exhibit 3 illustrates how cost-burden varies among renter households at various income levels.

Exhibit 3: Housing Cost-burden among Renter Households by Household Income



**Does ADU development cause displacement?**

The ADU EIS explored questions around the impacts of potential Land Use Code changes to increase ADU production in single family areas. We used the Seattle 2035 displacement risk index, which came out of the Seattle 2035 Growth and Equity Analysis to contextualize the results of the analysis conducted for the ADU EIS to evaluate how the potential changes to the Land Use Code may affect physical, economic, and cultural displacement. This index combines data about vulnerability, development potential, and market conditions to illustrate variation in displacement risk across the city. Physical displacement could occur if policy changes to promote ADU development increase the feasibility of demolishing an existing house relative to other development outcomes, especially in areas at higher risk of displacement. The highest and best use analysis conducted in the ADU EIS for all of the action alternatives shows that fewer teardowns would occur in all single-family neighborhoods throughout the city compared to the no action alternative (see <http://www.seattle.gov/council/adu-eis> for more information).

As we continue to see displacement occurring in neighborhoods around the City, there remains concerns that an overall increase in development feasibility for ADUs could have an adverse impact on economic or cultural displacement by accelerating redevelopment generally (i.e. increase speculation), even if the resulting increase in rental housing supply may have a positive impact on housing affordability. Our analysis shows that in lower priced neighborhoods, the changes to the rate of development would be smaller when compared to high- and medium-priced neighborhoods, and that overall, the potential code changes would reduce the number of teardowns of existing single-family homes, reducing the potential for physical displacement.

### Learning from other cities—models to consider

Given the finding that Land Use Code changes alone are insufficient to address racial disparities that have resulted from a history of race- and class-based planning and housing policies, we began to explore additional ways to lower the costs and barriers to building ADUs (both backyard cottages and basement units) so that more people could benefit from the ADU work. As part of this work, we looked to other jurisdictions across the region and country who envision ADUs not only as a housing option, but as an anti-displacement strategy. While many ideas are being explored and tested across the country, the cities we reviewed are in the early stages of program development or implementation with only a few ADUs in the ground. Some program examples we have learned about include:

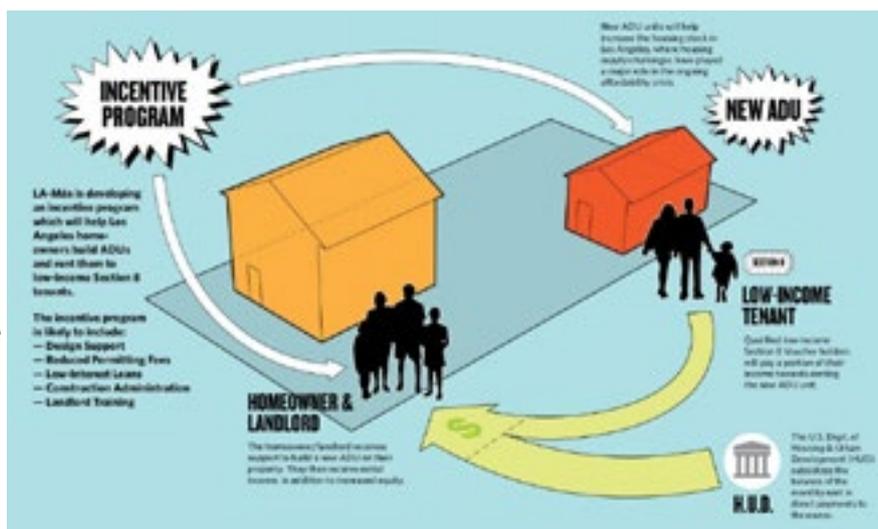
#### Austin—[The Alley Flats Initiative](#):

The goal of the Alley Flats Initiative is to reduce barriers to Detached Accessory Dwelling Units (DADU) construction, make DADUs accessible to lower-income renters, and provide technical assistance and support to homeowners that want to construct DADUs. They provide homeowners with a design catalogue that includes a step-by-step guide to development and City-approved building plans for various models. To participate in the Initiative and receive reduced fee services, clients must commit to the City of Austin’s [S.M.A.R.T. Housing program](#) for the first five years after their Alley Flat is completed. The acronym stands for Safe, Mixed-income, Accessible, Reasonably-priced, Transit-oriented. Benefits to S.M.A.R.T. housing participants include fee waivers for permitting and some Capital Recovery fees, expedited review through the permitting process, and advocacy in resolving issues that may arise with other City departments. Per the program, tenants are limited to households with income at or below 80% MFI (Median Family Income) and rent may not be more than 28% of a tenant’s household monthly income for the unit size.

#### Los Angeles—[LA-Más](#):

LA-Más, is working to create The Backyard Home Project: An Affordable Housing Initiative - which aims to support the creation of more affordable housing units in the City of LA for Section 8 voucher holders. Their goal is to create a program that enables low-moderate income homeowners to finance, design, and build affordable ADUs and in turn rent them affordably to Section 8 housing voucher holders.

If a homeowner agrees to construct an ADU and rent it out to a Section 8 voucher holder for a minimum of five years they may be able to access: program oversight by the Housing Authority of the City of Los Angeles, tenant support provided by low-income/homeless housing service providers, potential permit fee deferrals, access to a new low-barrier financial mortgage product, and discounted architectural and project management services.



Denver- [The West Denver Single Family Plus \(WDSF+\)](#):

WDSF+ is a homeowner-focused initiative addressing the threat of involuntary displacement in west Denver. The WDSF+ initiative will offer homeowner forums that connect homeowners to essential resources and to existing housing service providers. The WDSF+ will also include a new ADU Pilot Program to help qualified homeowners design-finance-build an ADU. The WDSF+ services and resources, including the ADU pilot program, will be rolled out as funding becomes available.

Portland—[Dweller](#):

Dweller is a Portland-based company that specializes in producing ADUs in a low cost, efficient manner to allow as many homeowners and renters to benefit from this affordable housing option as possible. Their model is unique because instead of requiring the homeowner to manage a lengthy design, permitting and construction process, Dweller builds and installs an ADU at an affordable cost to the homeowner. For homeowners unable to obtain the financing to purchase the ADU, Dweller has an innovative lease option to allow the homeowner to realize additional income from their property.

***Some specific ideas we have explored include:***

***Financing:*** Access to financing is often described as a key barrier for homeowners interested in adding an ADU to their property. Strategies the City could pursue include a programmatic or financial partnership with a nonprofit, lender, or other organization working to facilitate the financing and development process for homeowners building ADUs. Alternatively, a City loan program similar to the City's existing Home Repair Loan Program, could support the development of ADUs to provide housing for low-income households.

***Reducing construction costs:*** Construction cost is a primary factor in a homeowner's ability to create an ADU, especially since obtaining financing is more difficult for larger loans. Efforts to lower construction costs therefore support the City's goals of increasing access to ADUs and could make developing an ADU more feasible for lower-income homeowners. While the City could directly pursue strategies to lower costs, we also recognize that ongoing private-sector innovation in design, construction, and ownership of ADUs could result in new, lower-cost models of ADU delivery in the future.

***Pre-approved DADU plans:*** Independent of the Land Use Code changes, the City is exploring options for developing pre-approved DADU designs. Under this program, Seattle Department of Construction and Inspection (SDCI) permitting staff would review and pre-approve standard plans that conform to applicable building and energy codes. Homeowners interested in creating a DADU would save time and money by using a pre-approved plan, which would expedite the plan review process and reduce permit fees.

## Community Outreach: Who and What

To explore these issues, the RET work focused on engaging community members and stakeholders to identify additional actions the City can take to ensure homeowners and renters of color could benefit from ADU policies. We focused our community and stakeholder engagement on a few key strategies: 1) connecting with community organizations and coalitions that work on housing affordability and anti-displacement issues; 2) reaching out to low-income homeowners who have accessed Office of Housing resources; and 3) having conversations with individual stakeholders.

We held three focus group conversations with organizations/coalitions that included renters and owners. We shared a thirty-minute presentation that included background on the proposed Land Use Code changes to support ADU production, findings from our environmental review and displacement analysis, and examples of programmatic options from other cities that a Seattle program could be modeled after. We then had open-ended conversations with the groups, focused on two key questions:

- 1) How do you see ADUs benefitting or harming your communities?
- 2) What opportunities do you see? What challenges?

The following groups participated in the focus group discussions:

- Duwamish Valley Affordable Housing Coalition (Southpark)- Six members of the coalition attended this meeting and provided feedback on the proposal.
- Seattle Renters' Commission- the housing supply subcommittee
- SouthCORE -a coalition of south-end community organizations hosted by Puget Sound Sage including: African Diaspora of Washington State, Asian Counseling & Referral Services, El Centro de la Raza, Eritrean Association of Seattle, Ethiopian Community Services, Filipino Community of Seattle, Got Green, HomeSight, Horn of Africa, InterIm CDA, One America, Puget Sound Sage, Fair Work Center, LGBTQ ALLYSHIP, Tenants Union, Rainier Beach Action Coalition, Urban Impact, UNITE-HERE Local 8, GABRIELA, SCIDPDA, Somali Health Board, UFCW 21, Vietnamese Friendship Association

In addition to the focus groups, we conducted phone interviews with 16 low-income homeowners. In May 2018, we sent out 124 postcards to households that used the Office of Housing's Home Repair program in the past three years and whose incomes are 50-80% AMI. The postcard invited recipients to sign up for a phone interview to discuss their interest in and barriers they face building a basement unit or backyard cottage. Our office conducted 16 half-hour interviews to collect information about the primary motivations for building an additional rental unit on one's property, as well as people's knowledge of and experience with the processes involved including: financing, permitting and construction.

It is important to note that the method used for recruiting interviewees did not limit the conversation specifically to people of color. Of the 16 interviews conducted, five were with people of color (POC). This is lower than the percent POC served by our Office of Housing's home loan and weatherization programs during the same time period (38% compared to 51% households with people of color including those with incomes below 50% AMI).

Finally, we met with an individual City staff member who provided feedback based on their experience as a community member and African American homeowner in the Central District with interest in building an ADU.

## Resulting feedback

### Key takeaways from focus groups:

The focus groups provided valuable feedback, not only on ideas for ADU affordability, but more broadly, on the City’s need to urgently act to counter displacement of communities of color. Through our conversations, some of our key assumptions were challenged, and the groups, particularly the SouthCORE and Duwamish Valley Affordable Housing Coalition, highlighted some key issues for us to consider. First and foremost, while there was interest in hearing and learning about possibilities to expand ADUs, the focus groups stressed the urgency of acting more broadly to address displacement. Many highlighted that the tools we were discussing still required significant capital and homeownership, which few in the communities they represented had.

Initially we considered the creation of rental income as a primary motivator for building an ADU. While we have been considering programmatic goals from this perspective, we heard quite clearly from our focus groups that for people to consider taking on any financial risk, the motivator would be housing family members and community members as a strategy to prevent displacement.

### Focus Groups

Key Takeaways	Potential Strategies
<p>Displacement is a key concern and there is need for urgent actions to address the crisis in communities most at risk.</p> <p>The Duwamish Valley Affordable Housing Coalition specifically highlighted the need to consider neighborhood-specific anti-displacement strategies and investments in affordable housing.</p>	<ul style="list-style-type: none"> <li>• The City should create a comprehensive anti-displacement strategy that weaves together existing and future efforts and works collaboratively with community-based organizations. Consider neighborhood-based strategies and investments in areas with high risk of displacement.</li> <li>• As SouthCore and others highlighted in their letter to the Executive and Council in regard to MHA, the City should create strategies that create opportunities and educate homeowners on options to stay in place, despite pressure to sell. ADUs may be one of these strategies.</li> <li>• Continue and expand investments in existing anti-displacement strategies such as the Equitable Development Initiative and community ownership models such as limited equity housing cooperatives and community land trusts.</li> </ul>
<p>Interest in building ADUs focused on housing family and community members to help keep people in place—rental income to supplement their household income was not a key motivator.</p>	<ul style="list-style-type: none"> <li>• Ensure program design allows for owners to prioritize housing a family member or community member as a potential tenant if that is the owners preference.</li> <li>• Consider the expansion of existing Office of Housing (OH) homeowner stabilization programs, which offer low-interest loans/ grants and supports homeowners on essential repairs. This could be expanded to create additional habitable space in the existing housing envelope, at a lower cost. While many prefer DADUs for their flexibility, for family members, AADUs or creating additional bedrooms, etc., may be a more cost-effective strategy.</li> </ul>

Key Takeaways	Potential Strategies
<p>Concern that even with financial support like low-interest loans, etc., the cost of an ADU seems out of reach for the lowest income community members who are barely getting by. Many people are making less than \$50K per year and taking on any additional risk feels impossible.</p>	<ul style="list-style-type: none"> <li>As discussed previously, expanding our existing OH programs to create lower-cost options that leverage the value of existing property such as basement units, legalizing existing units, and creating additional habitable space under one's current envelope are a fraction of the cost of building a backyard cottage.</li> <li>Continue to look at lower-cost options or options that don't require the same level of financial risk on the homeowner such as a land-lease option like the Dweller model.</li> </ul>
<p>There is an information gap in terms of existing homeowner stabilization programs—people were really interested but had not necessarily heard about the existing OH home repair and weatherization opportunities that support low-income homeowners.</p>	<ul style="list-style-type: none"> <li>OH recently brought on an outreach staff member for the weatherization program.</li> <li>Council can consider directing additional resources for OH to work with community-based organizations to get the word out about existing and future homeowner stabilization programs.</li> </ul>
<p>Many voiced continued concern that proposed Land Use Code changes would lead to an increase in speculation and displacement.</p>	<ul style="list-style-type: none"> <li>Although the analysis in the ADU EIS suggests that removing barriers to ADUs would not increase speculation, to address this concern, the preferred alternative in the EIS would only allow two ADUs on the same lot if a lot has been in the same ownership for at least one year.</li> </ul>

**Key takeaways from interviews:**

When sending out the 124 postcards, we had hoped to have three to five conversations with homeowners, which would have represented a 2.5-4% response rate. We were overwhelmed by the level of response and interest in building ADUs. Twenty-four people responded to our brief survey expressing interest, a 19% response rate, and we were able to hold 16 phone interviews. We learned a lot about the reasons why people are interested in creating additional living space on their property and what their experience has been researching the process. Half the group have owned their home for over fifteen years. Of the 16 homeowners we spoke to, five were people of color. There were not significant differences in responses between the White homeowners and the homeowners of color.

A key theme that emerged across the homeowners we spoke to was a desire for more flexibility through the creation of an additional unit. Many talked about wanting to adapt the use of their home as needs change over their lifetime, such as housing a family member or caregiver, earning supplemental income, and helping house community members. Most homeowners were interested in building a backyard cottage over a basement unit. Some do not have basements to convert into living space. At the same time, many respondents did not have a clear idea about the cost of building a DADU and were surprised that a DADU often cost \$200,000 or more. Some had not previously considered less expensive options such as creating an additional bedroom or apartment and may be open to converting existing space as a lower-cost option.

The challenges to building ADUs identified by low-income and low-income POC households are in line with general feedback we have received from homeowners across income levels about building ADUs. Respondents reported that they needed help: navigating the permitting process; learning about what building options would work for their property; understanding the costs; financing the project; understanding the zoning regulations and inspection process; and navigating the laws once becoming

a landlord. One non-English speaker also highlighted the need for language access in city information and support around ADUs. Multiple homeowners envisioned a government-supported program to help them navigate the permit, financing, and construction process, even if it only helped them understand if a project is possible and financially feasible.

**Interviews**

Key Takeaways	Potential Strategies
<p>There is interest from low-income homeowners, including POC homeowners, in building ADUs.</p>	<ul style="list-style-type: none"> <li>Continue exploring programmatic ideas for affordable ADUs alongside strategies to address outcomes suggested in focus groups.</li> <li>While most interviewees were more interested in a detached unit, given the cost-burden to lower-income households, the City should continue to consider how people can re-purpose their existing structure (garage or basement) to create additional habitable space while still maintaining flexibility and privacy.</li> </ul>
<p>Homeowners we spoke to are seeking flexibility in using their home as needs arise over their lifetime such as housing a family member or caregiver, earning supplemental income, and helping house community members.</p>	<ul style="list-style-type: none"> <li>Ensure that as we explore programmatic approaches and investments, there would be flexibility for the homeowner to meet their housing needs while complying with any program requirements. This should not include options for short-term rentals as they do not meet our goals of creating long-term housing units.</li> </ul>
<p>Multiple homeowners envisioned a government supported program to help them navigate the permit, financing, and construction process, even if it was just to help them understand if it is possible and financially feasible.</p>	<ul style="list-style-type: none"> <li>Over the next 12 months, the Office of Planning and Community Development is leading an interdepartmental team with representatives from the Seattle Department of Construction and Inspections, Office of Housing, Planning Commission, and Council Staff, to participate in the Urban Sustainability Accelerator program, a year-long cohort of city and county teams from across the country working to promote ADUs. The teams work will focus on programmatic ideas that align with addressing the challenges we hear from homeowners and will prioritize programs that further racial equity.</li> </ul>
<p>While interviewees were open to a pre-fab ADUs, most people reacted with overall skepticism about the land-lease model. Specifically, giving control of some portion of their property to a property and tenant management was a concern.</p>	<ul style="list-style-type: none"> <li>Work on better understanding the land-lease model and how the City could ensure protections for homeowners.</li> <li>Explore how such a model could still allow for flexibility for family members while still complying with any rent-and-income restriction qualifications.</li> </ul>

**Next steps and remaining questions:**

As we move forward, the RET process highlighted the following key questions that must be explored:

1. What is the City's overall comprehensive anti-displacement strategy? How might homeowner-stabilization fit into that?
2. Should the City consider an ADU focused program as an anti-displacement strategy? Is this the right place to invest our limited resources?
3. As we explore ADU affordability strategies, how can we ensure we center communities of color in our planning?
4. How will we measure and ensure we meet our racial equity goals?

Moving forward, we want to ensure we consider racial equity as we continue exploration of program design to address ADU affordability. The key motivations and needs of communities of color should be prioritized as the City looks at programmatic options and investments. In the short term, there are some ideas we propose moving forward:

1. Expanding our existing home repair program to create more habitable space: currently, OH runs a home repair program that provides low interest loans or grant (depending on qualification) to low-income homeowners to address critical health and safety concerns. We propose expanding the program and use of existing resource to allow for property improvements that create additional habitable space within the existing envelope of the property. This could include finishing a basement, creating an AADU, upgrading a garage, or bringing an existing unregistered rental unit up to code. These improvements could allow a homeowner to house additional family members or generate additional rental income. In its initial year, we would hope to serve 5-10 low-income homeowners and build a better understanding of the needs, project costs, and challenges, of helping people stay in their homes. This strategy allows people at risk of displacement to leverage the value of their property without having to sell, and without taking on the level of risk or debt required at this stage in our exploration of DADUs.
2. Community outreach resources: from our focus groups, it was made clear that while we have multiple existing OH programs that support low-income homeowners to stay in their homes, many people who are eligible for them do not know about them. Providing resources for OH to contract with community-based organizations to share about existing, and possible future programs, will help ensure we meet our racial equity goals.
3. Land Use Code Changes: with the finalizing of the EIS and the defining of a preferred alternative, we hope to move swiftly with Land Use Code changes to address some of the barriers to expanding ADUs in Seattle. In terms of RET outcomes, we will include a new provision that does not require owner occupancy but does require that the property has been in the same ownership for at least one year before a second ADU could be built on the property.
4. Urban Sustainability Accelerator: As the interdepartmental team participates in the program, they should prioritize strategies that further racial equity.

### Acknowledgments:

This RET process was led by Susie Levy of Councilmember Mike O'Brien's office with support from several individuals and groups. First and foremost, we want to acknowledge and thank the community groups and homeowners who took the time to meet with us, talk on the phone, share their insights and experiences and provide feedback to inform our thinking.

Additionally, Jen LaBrecque from the Office of Housing, Nick Welch from the Office of Planning and Community Development, Jackie Mena and Virginia Weihs from the Department of Neighborhoods, Aly Pennucci from the Council Central Staff, Joseph Peha from the Legislative Department, and Alisha Dall'Osto from Councilmember O'Brien's office, contributed to this Racial Equity Toolkit process.