

Balancing Stable and Safe Housing

The Need: Affordable, Stable and Safe Housing Options

[People who live in healthy, affordable places live longer, healthier lives.](#)ⁱ One way low-income communities have been coping with the affordability crisis is by subdividing their single-family homes and converting their garages into second units to accommodate friends, relatives or renters. Second units have been a part of low-income communities before they became a popular strategy in recent years to augment the much-needed supply of housing in suburban environments. Whether they were built to increase household income or house a relative, many of these units are unpermitted or non-compliant which

“There are a lot of people violating codes in EPA, so I was very thankful that the city put me in touch with this group [Rebuilding Together Peninsula]. In fact, it was a blessing to get all of this done. They completed everything and more – everything was perfect.” - Joseph Puckett, Homeowner participating in the Garage Conversion Pilot Project

can lead to health and safety hazards for tenants. And if this leads to a red-tag situation, homeowners are at risk of financial insecurity



Mr. Puckett's Up-to-Code Garage Conversion
Photo Credit: RTP

and tenants could be left without a place to call home.

Across the county and Bay Area, cities are trying to bring units up to code and ensure people are not living in unsafe conditions. For example in East Palo Alto alone, 65 units were red-tagged in the last few years leading to an increase in evictions of low-income tenants which exacerbated the ongoing displacement crisis impacting the region. Cities and the community are concerned about the health and safety of residents and also very concerned with displacement challenges. While evictions due to red-tagging have decreased in the last year due to the community working more closely with the City and the City working closely with homeowners to address the

corrections, there continues to be a significant number of code cases related to unpermitted units. From January to March 2019, there were 54 code cases that were opened in the City of East Palo Alto with 21 of these cases being resolved within that same time period. Twenty-nine (29) of the code cases were related to unpermitted dwelling units with garage conversions being the most common one (15 out of the 29).ⁱⁱ

The Solution: Multiple Stakeholders Finding Common Ground

Get Healthy SMC funded Rebuilding Together Peninsula (RTP) to launch the East Palo Alto Garage Conversion Initiative as a pilot. In addition to RTP staff, this initiative brings together planning and code enforcement staff from the City of East Palo Alto, community organizers from Faith in Action, engineers from City Systems, and more recently the collaboration expanded to add staff from Soup Inc. and EPA Can Do to help think through financing mechanisms to help low-income homeowners afford the needed upgrades or building new second units.

“Building on our history of working with low-income homeowners in the community and our ability to engage partners from different sectors and backgrounds in the process, Rebuilding Together Peninsula is proud to take the lead in addressing the critical issue of informal dwelling units in our community.” – Cari Pang Chen, Rebuilding Together Peninsula Associate Director

Each of these partners brings a unique area of expertise. Through a guided facilitation process by RTP, partners regularly assess the progress of four pilot garage conversion projects that are illuminating the challenges of bringing these units up to code for low-income homeowners and identify policy opportunities for legalizing unpermitted housing while not displacing local tenants.

The Essential Ingredients for Success: Community Trust, Pilot Projects, and Multicultural Competency

- **A trusted local partner:** RTP is well-positioned to facilitate the Initiative as they are a trusted local partner with years of experience working with low-income homeowners in the City of East Palo Alto. The Initiative is building upon ideas and lessons that emerged at the Accessory Dwelling Unit Task Force which was convened for six months by the City of East Palo Alto in 2017. In addition to RTP playing a facilitation role, they are also project managing the four pilot garage conversions which give them hands-on experience in the day-to-day challenges experienced by low-income homeowners going through the legalization process of their units and an account of the costs.
- **Piloting Garage Conversions:** four East Palo Alto low-income homeowners with unpermitted garages volunteered to participate in a pilot project to bring their units up to code while ensuring their existing tenants can come back to the unit once legalized. Although these are all garage conversions, because of their different type of conversions (from garage to bedroom or studio apartment) each of them present unique opportunities to better understand the challenges faced by the homeowners in the process of legalizing these units and the opportunities to scale up the pilots to other homes with similar floor plans.
- **Program Management with Multicultural Competency:** many of the code cases that the City of East Palo Alto have issued in relation to unpermitted garage conversions are to non-English speaking, immigrant households, and homeowners of color.



Mr. Puckett's Up-to-Code Garage Conversion
Photo Credit: RTP

- These homeowners need project management support to be able to adequately navigate the options that they have to bring their units up to code, coordinate with multiple public agencies and contractors involved in the process, and monitor the construction projects as they evolved. Because of its diverse staff, their experience working with non-English speakers and immigrant homeowners, and their understanding of the cultural barriers that these homeowners face to access services, RTP is able to provide services in a social, cultural and linguistic competent way.

Challenge: Containment of Costs

There are several challenges that the four pilot garage conversions have shed light on, and RTP is documenting them here on this website: <https://sites.google.com/rebuildingtogetherpeninsula.org/epa-adu-initiative/lessons-learned>.



Mr. Puckett's Up-to-Code Garage Conversion
Photo Credit: RTP

But there is one particular challenge for low-income homeowners that is related to the costs of legalizing these units. The legalization of the pilot garages unveiled structural issues that are costly, required bringing the units up to code to meet greenhouse gas emission goals (Title 24) and/or triggered attention to other non-compliant parts of the households that needed to be addressed simultaneously in order to avoid future code violations. All these factors escalated costs quickly. The first completed pilot garage conversion cost is estimated at \$60,000 and that cost does not include the labor costs that RTP is donating. Costly home improvement upgrades are financially infeasible for low-income homeowners who don't have access to

mainstream financing sources. To scale up a legalization program it will require the identification of financing mechanisms that low-income homeowners could access without jeopardizing their financial security.

Looking to the Future: Policy and Financing Mechanisms to Scale Up

Transforming lessons learned into policy solutions: the documentation of lessons learned from the pilot projects is informing the policies that the City of East Palo Alto could adopt to streamline the process of building accessory dwelling units and bringing more units up to code. The partners are also exploring policies to ensure that these units remain accessible to low-income renters.

Identifying financial mechanisms for low-income homeowners: EPA Can Do and Soup Inc have added their expertise to the Initiative to help identify financial programs that could work for low-income homeowners interested in bringing their units up to code or building new second units.



Mr. Puckett's Up-to-Code Garage Conversion
Photo Credit: RTP

References

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