

The next big fight over housing could happen, literally, in your back yard

By **Emily Badger** August 7

LOS ANGELES — In the new home Julia Coffee designed for herself, handpicking the tiles and the flooring and the red front door, the microwave doesn't work. Neither does the dishwasher, the garbage disposal, the washing machine, nor — including on 100-degree days — the central air.

Everything else runs on braided extension cords that snake into the bedrooms, through the living room, across the kitchen floor, out the window, through the yard and into her daughter's house. Charles, Coffee's 82-year-old husband who relies on a walker, tends to accidentally unplug things.

"We have a nice little place here," said Julia Coffee, 74. "But we really would like to get our power turned on."

The Coffees built their two-bedroom home, the smallest they've lived in since they were married 44 years ago, in their daughter's back yard. They were just finishing the place when a lawsuit earlier this year against the city of Los Angeles brought permits for homes like theirs — second units on single-family lots — to a halt. As a result, city officials who gave them permission to build now haven't given them a certificate of occupancy, and the utility won't connect them to the power grid.

Second homes, often called "granny flats," have become a new front in the conflict that pits the need for more housing in the country's most expensive cities against the wishes of neighbors who want to preserve their communities. The same battles flare over large developments that might loom over single-family neighborhoods. But even this modest idea for new housing — let homeowners build it in their own back yards — has run into not-in-my-back-yard resistance.

And the difficulty of implementing even such a small-scale solution shows why it will be hard to make room in crowded cities for the middle- and working-class households who increasingly struggle to afford to live there.

Homes like the Coffees', proponents argue, could help ease housing shortages that have made \$2,000-a-month one-bedrooms look like a bargain in cities such as Los Angeles. They could yield new affordable housing at no cost to the public. They could

add rentals and economic diversity to more neighborhoods. And they could expand housing options for a population in which baby boomers are aging and millennials are stuck at home.

Many neighbors, though, protest that a glut of back yard building would spoil the character of neighborhoods designed around the American ideal of one family on one lot surrounded by verdant lawn. They fear that more residents will mean less parking. And they question whether small homes, particularly in wealthier neighborhoods with the most room to build them, would really constitute affordable housing.

And so across the country, homes like the Coffees' remain extremely difficult — if not outright illegal — to build.

“We are determined to add needed units to communities without changing the look and feel of our neighborhoods,” said Los Angeles Mayor Eric Garcetti, who wants to remove more barriers to second units. He adds that such housing would make the city more affordable not just for renters but also for homeowners. “The extra rental income could make the difference for a potential homeowner between affording a mortgage or not,” he said.

Garcetti wants to add 100,000 new housing units by 2021, with 15,000 of them affordable. In a city with 600,000 single-family homes, even a small fraction of homeowners building second units would help achieve that second goal. Other places offer similar opportunity. In Seattle, more than half the city's buildable land is reserved for single-family housing. It's estimated that the East Bay around Oakland could get as much as half of its new infill housing from back yards.

In Washington, D.C., an updated zoning code adopted this year includes changes — among the more contested ones — that make it easier for more homeowners to build and rent out second homes. As of September, many more properties — smaller homes, rowhouses, homes with garage apartments once limited to “domestic” workers and relatives — will be legally allowed to have accessory rentals.

But Los Angeles is particularly well suited to the idea, with excess capacity hiding among many post-war ranches built on spacious lots.

The Coffee's one-story home is hard to see from the street. It is 1,200 square feet, the largest allowed by California law for secondary units. It sits at the end of a long driveway, behind a gate. The Coffees planned to live out their retirement here within quick rescue by their children as they grow more frail.

But now they are effectively squatting in their own home, in a residence they spent about \$350,000 to build and for which they don't yet have a title. “We didn't plan on sinking our retirement money into a home that we couldn't get it back out of,” Coffee said.

Now the couple are waiting for Los Angeles to resolve the legal fight over what kind of second housing the city can allow. They have already hung the new address intended for their home from the driveway gate. But even the postal service doesn't recognize it.

Reconsidering the rules

The battle in Los Angeles began in Mark Judaken's back yard.

"This is the living room," says his father, Len, 86, walking through a house where it is not entirely clear that what he's pointing to is a living room. "And I think the kitchen is over here."

The 895-square-foot one-bedroom where he hoped to live is fully framed, with plywood floors. But the tony Cheviot Hills neighborhood is visible through the walls in all directions. This is the home that prompted the lawsuit.

"We live in America. It's a free country," said Judaken, who, like his son, has worked as a real estate developer. "You have a right to use your property to its best advantage."

Carlyle Hall, a longtime land-use lawyer who lives two properties down, suspected the project was too ambitious to meet city rules about back yard dwellings. An old Los Angeles ordinance strictly limited the size and location of second units. But in 2010, Los Angeles began deferring instead to a more generous state law designed to encourage their construction, and under those rules, the Coffees and Judakens were given permission to build. Hall's lawsuit, though, accused Los Angeles of ignoring its own ordinance. And when a Superior Court judge agreed in February, several hundred property owners got caught in legal limbo.

Even if Hall didn't have legal grounds for challenging the Judakens' project, he said he would be troubled by what they're building.

"It would certainly bother me, and it bothers the neighbors," he said. "It doesn't fit into the neighborhood. It's really changing the character, and you can see it from everywhere."

Cheviot Hills doesn't have a singular architectural style. But it is an upscale, overwhelmingly single-family neighborhood. And in a place like this, Hall said, accessory buildings should be accessory — modest, unseen, subordinate to the main homes at street view, and certainly not peering into the neighbors' yards.

Vinit Mukhija, an urban planning expert at UCLA, said opposition to second homes often involves calls to preserve a neighborhood's "character," a sweeping word that can refer as much to the social character as to the physical design of a community.

Secondary units threaten the concept of "single-family" living that has long been sacrosanct in America, conjuring the idea of one family living in one home surrounded by other single-family homes. The ideal is as much about neighborhoods as houses.

Secondary units don't just alter the scenery or erode privacy. Build enough, and a neighborhood may not truly remain single-family anymore, with all its associations of middle-class stability and nuclear families.

Alan Durning, executive director of the Sightline Institute, a Seattle-based think tank that has pushed for laxer rules on second homes, argues that it's time to reconsider that picture, given the changing reality of how Americans live.

"You have surging housing prices in the most prosperous cities in the country, and at the same time income inequality is growing, and there's a cultural and demographic resurgence of urban living," he said. Young people with less money, in particular, he adds, are "slamming into their parents and grandparents' regulatory regimes of strict limits on construction of new housing."

Arguments that sound to advocates like a case in favor of second homes — their potential to accommodate renters and modest incomes — are reasons for others to distrust them.

"There is a mind-set in suburbia that we just don't want that type of housing on our lots, affordable housing," said California state Sen. Bob Wieckowski, who represents part of the Bay Area. "And we don't want that because it's going to be *those people* — which is ridiculous, because the cost of housing in California is so high that it's really *us*. It's teachers and the people that work on my staff."

The California law meant to encourage second units in the face of a housing crisis has run up against local ordinances that make them all but impossible to build. Pasadena requires 15,000-square-foot lots to build them. Other cities require additional covered parking spots for each unit and utility hookup fees that cost tens of thousands of dollars.

Wieckowski sponsored one of two bills in the California legislature this year to overrule some of those restrictions. The California Teachers Association, desperate for more affordable housing, is among the powerful groups backing it. Of the state's previous law, Wieckowski said, "it's been a complete failure."

A prototype project

Travel through parts of Los Angeles and it's clear there are unpermitted second units everywhere. They're apparent from curtained windows in what otherwise would be garages, and from glimpses of front doors down driveways. People frantic for housing have been creating it anyway. Mukhija, the UCLA professor, estimates that Los Angeles has as many as 50,000 illegal second units.

“I think that’s a signal for planners to recognize that our rules are not working and they need to change,” he said.

The city is hoping, first, to resolve the lawsuit — and the confusion for homeowners like the Coffees — by repealing the existing local ordinance. Afterward, Los Angeles would begin considering a new ordinance that could make building second units less onerous. Homeowners’ associations are already lobbying against weaker standards.

Other cities facing housing crises are weighing changes, too, including [San Jose](#), [Palo Alto](#) and [Seattle](#). Still others — including Portland, Oakland, San Francisco and Austin — have already taken action. But for the most part, it’s been incremental. San Francisco approved second units in 2014 in some neighborhoods, a change that created barely more than 100 new units of housing before the city considered expanding the policy this summer.

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To bolster its case, the mayor’s office in Los Angeles is planning a pair of prototypes to study how second units could more easily be built and to show neighbors they’re not so menacing. Affordable housing in a multi-family building in expensive cities can run about \$300,000-\$400,000 per unit to build. Los Angeles also wants to demonstrate that a comparable unit can cost a third of that in the form of a second home.

Trent Wolbe and Grace Lee, who own a small 1920s home in rapidly gentrifying Highland Park, are scheduled to build the first prototype. A community lender is underwriting their construction loan, because traditional banks won’t finance such properties.

Wolbe and Lee would like to move into the new unit, with their 2 1/2-year-old daughter Cora, and rent out their current home to another family.

“We see the problem inherent in a neighborhood where prices are going out of reach for most people,” Wolbe said. He bought the home before the market picked up in 2012 and considers that a stroke of luck that indebts him to the community. “I feel like

we sort of owe something to the world at large other than just jacking up the rent as much as we possibly can go.”

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