

OFFICE OF:

# Housing Supply Solutions in Predominantly Latino Cities

South Gate, California: A Comparative Case Study Approach to  
Understanding ADUs as a Channel for Latino Homeownership



## Authors

*Executive Director*

*Alejandra Guerrero*

*Urban Planning Associate*

*Olivia Arena*

*Designer and Research Analyst*

*Daniela Vargas*

## Organization

Office Of: People (OOP) is a minority and women-led urban planning and architecture non-profit based in Los Angeles that designs policy, projects, and programs for equitable city growth. Our team offers diverse and extensive experience with research, architecture, community engagement, public policy, and urban planning, and we add a critical spatial component to our housing analysis. We have led the creation and implementation of an affordable housing voucher program, where homeowners can provide housing stability to local housing insecure residents by building ADUs. Our range of capabilities and familiarity with housing design and development make us a dynamic research team that understands the granularity and spatial implications of housing policies. Since its inception, OOP has collaborated with numerous municipalities and non-profit partners to develop innovative and inclusive urban planning solutions across California. To encourage an increase in Latino homeownership, OOP is currently working in partnership with the City of South Gate to launch an ADU Program that includes permit-ready plans for new construction and standard plans for garage conversions. The intent of the program is to expedite the creation of ADUs as affordable housing stock by reducing fees and time for planning and permitting.

## Acknowledgments

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# Introduction

The Office Of: People (OOP) team sought to examine how planning and policy factors impact Latino Homeownership under the UnidosUS Research Agenda Topic 4: Housing Supply. Our initial research question posed: *What different housing supply policies (city and state-level) result in increased rates of Latino homeownership across three predominantly Latino cities?*

As practitioners, OOP conducts planning, architecture, and program management for infill housing, specifically Accessory Dwelling Units (ADUs) as an opportunity to increase context-specific housing. Given direct experiences working under California's more progressive housing policies that legalize and incentivize the creation of housing units, OOP sought to understand if and how progressive housing policies that try to increase medium-density in Latino communities result in increased homeownership. OOP has worked with the City of South Gate to launch a series of ADU Programs to increase the participation of homeowners in the creation of backyard units – through new construction and garage conversion. Through this effort, OOP has gained direct experience advancing infill policies in a mid-size, majority-Latino city.

For this research scope, OOP sought to understand if ADUs or similar housing supply policies in mid-size, majority-Latino cities adjacent to larger metropolitan areas but within different geographic and political contexts increase homeownership. A case-study approach to comparative urban analysis provides an opportunity to more holistically draw conclusions across sample cities that are selected either because of similarities or differences. Given the direct experience with South Gate, California, OOP selected this city as the main case study and included two supporting cities as supplemental comparators: Laredo, Texas and Hialeah, Florida. *Because of the prevalence of ADUs, the progressive state-level policy, and the data and reporting infrastructure, OOP narrowed this specific research scope to focus on ADUs in South Gate, California as an avenue for homeownership.*

# Dynamics of the Housing Crisis

## ***Affordable Housing in the United States***

Decades of housing commodification, racial segregation and discrimination, underproduction, and disinvestment in subsidized housing have contributed to the housing crisis in the United States. Because the scope of the challenge is vast, there are many multifaceted solutions proposed to address housing inequity and unaffordability. Part, but not all, of the challenge is the mismatch in supply of affordable housing and need. Across the United States, there is a dearth in the supply of housing, both for renters and potential homeowners. As estimated by the National Low Income Housing Coalition (NLIHC), only 34 affordable and available rental homes exist per 100 extremely low-income renter households (making less than 30% of the area median income). Overall, NLIHC estimates the shortage of affordable rental units comes to be roughly 7.3 million for those extremely low income households.<sup>1</sup> Looking across income levels and across rentals and for-sale units, Harvard's Joint Center for Housing Studies points out that the range is lower but still in the multi-millions; estimates of the housing unit shortfall range from 1.5 million to 5.5 million.<sup>2</sup>

One facet of the mismatch in supply is that overall production of units is not keeping pace with population growth. According to publicly available Zillow data, the for-sale inventory in the three Metropolitan Statistical Areas (MSAs) in our study have steadily declined in the two larger metros, while Laredo's inventory has remained relatively consistent. Meanwhile, median home sale prices have continued to grow with the sale price in the Los Angeles area nearing \$1 million and Miami nearing \$500,000. Recognizing that these data for our sample cities may be obscured by the larger MSA's statistics, we include Zillow's Home Value Index (ZHVI), which is available at the city-level. These data show that the difference in values is only slightly lower than the larger metro for Hialeah and South Gate. Some experts argue that in line with traditional economic theory, it is because of the scarcity of units that housing costs continue to rise.<sup>3</sup> Therefore, one of the most championed avenues for addressing the crisis is to invest in the increased supply of housing units. The "supply-side" solutions hinge on the construction of new housing units, regardless of level of affordability.<sup>4</sup> While we acknowledge that this approach does not

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<sup>1</sup> National Low Income Housing Coalition, *The Gap* (Washington, DC: National Low Income Housing Coalition, 2024), accessed December 23, 2024, [nlihc.org/gap](https://nlihc.org/gap).

<sup>2</sup> Daniel McCue and Sophie Huang, "Estimating the National Housing Shortfall," *Joint Center for Housing Studies of Harvard University*, January 29, 2024, accessed December 23, 2024 <https://www.jchs.harvard.edu/blog/estimating-national-housing-shortfall>.

<sup>3</sup> Renee Tapp, "Introducing the YIMBYs: Renters, Housing, and Supply-Side Politics in Los Angeles," *Environment and Planning C: Politics and Space* 39, no. 7 (2021): 1511-1528, <https://doi.org/10.1177/23996544211044516>.

<sup>4</sup> Ibid.

### For-Sale Inventory

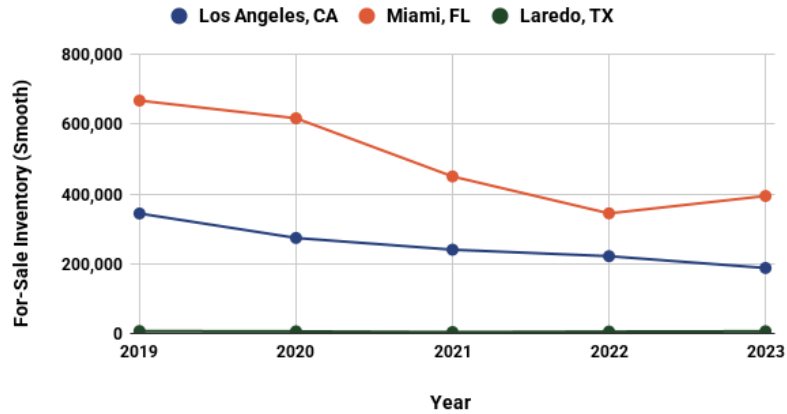


Chart 1. For-Sale Inventory from 2019-2023 from Zillow

### Median Home Sale Price

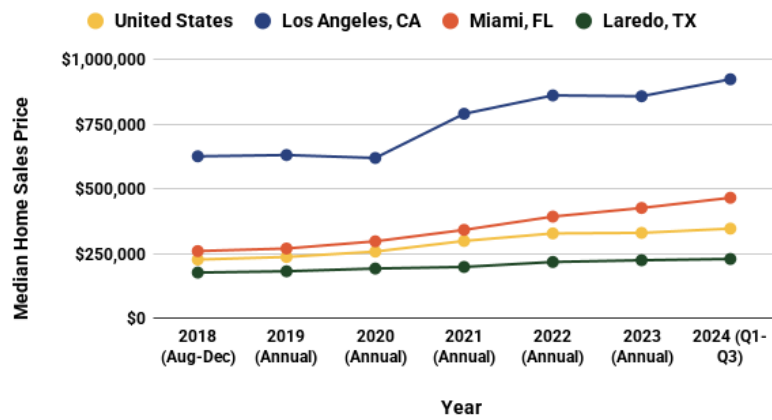


Chart 2. Median Home Sale Price 2018-2024 from Zillow

### Zillow Home Value Index (ZHVI)

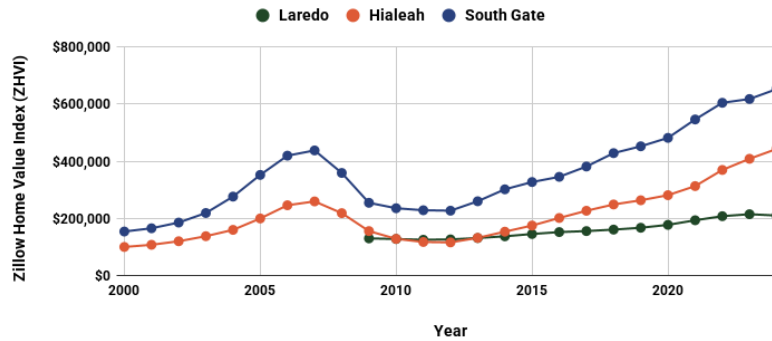


Chart 3. Zillow Home Value Index from 2000-2024 from Zillow

address the inherent inequities of the market itself, this research seeks to understand the effectiveness of this approach.

### ***Affordable Housing in California***

We focused on the California-state context because of our familiarity with the regulatory and planning environment, the commitment to housing innovation at the state-level, and the high percentage of Latinos residing in the state.<sup>5</sup> We investigate the implications of a suite of supply-side policies passed in California that reform zoning to promote the construction of Accessory Dwelling Units (ADUs) as a form of infill housing. Both of these specific topics, zoning reform and application of Californian policy, fall under the third bucket of policy solutions under the UnidosUS Home Ownership Means Equity (HOME) research agenda, “leveraging state legislature flexibility to address housing issues.”<sup>6</sup>

In California, the housing crisis is especially acute; according to the NLIHC, there are only 24 affordable and available rental units for every 100 extremely low income households. This figure is more acute in the Los Angeles Metropolitan Areas, where only 21 units are available.<sup>7</sup> Latino and other historically marginalized groups bear the weight of the housing crisis more heavily. As highlighted by UnidosUS, homeownership grants economic stability and economic opportunity to Latinos.

According to background information provided in state legislation, between 2020 and 2022, California home ownership declined by 3.19%. In California the Latino homeownership rate is lower than the national average at 42%.<sup>8</sup>

The California State Legislature puts the overall housing shortage estimate close to 3,500,000 homes.<sup>9</sup> Because of the pronounced housing shortage, officials have enacted policies that attempt to remedy the housing challenge from the supply-side.<sup>10</sup> Supply-side policies in California include efforts like density bonuses for increased unit development, No Net Loss policies, and the Housing Element process, which mandates localities identify opportunities for needed housing construction.<sup>11</sup> There have been significant attempts to increase housing at incremental levels and in-line with existing development patterns. These efforts include SB 9, which allows lot splits on single-family residential lots, and SB 684, which created a streamlined approval process for under ten units on urban lots.<sup>12</sup>

One of the most touted “missing middle” strategies for generating urban infill in low-density neighborhoods is Accessory Dwelling Units (ADUs). Bills passed at the state level aim to ease construction of backyard units. ADUs are separate units, either attached or detached from the primary unit, that can serve as a secondary smaller home.<sup>13</sup> ADUs constitute a large amount

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<sup>5</sup> UnidosUS, “Economic Status of Latinos in California,” *UnidosUS*, September 30, 2024, accessed December 23, 2024, [unidosus.org/publications/economic-status-of-latinos-in-california](https://unidosus.org/publications/economic-status-of-latinos-in-california)

<sup>6</sup> UnidosUS, “Home Ownership Means Equity (HOME) Policy Agenda,” *UnidosUS*, May 22, 2024, accessed December 23, 2024, [unidosus.org/publications/home-ownership-means-equity-home-policy-agenda/](https://unidosus.org/publications/home-ownership-means-equity-home-policy-agenda/).

<sup>7</sup> National Low Income Housing Coalition, *The Gap* (Washington, DC: National Low Income Housing Coalition, 2024), accessed December 23, 2024, [nlihc.org/gap](https://nlihc.org/gap).

<sup>8</sup> SB-684 Land use: streamlined approval processes: development projects of 10 or fewer residential units on urban lots under 5 acres (2023), [leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202320240SB684](https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB684)

<sup>9</sup> SB-684 Land use: streamlined approval processes: development projects of 10 or fewer residential units on urban lots under 5 acres (2023), [leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202320240SB684](https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB684)

<sup>10</sup> Julia Gill and Jenny Schuetz, “In California, Statewide Housing Reforms Brush Against Local Resistance,” *The Brookings Institution*, June 28, 2023, [www.brookings.edu/articles/in-california-statewide-housing-reforms-brush-against-local-resistance/](https://www.brookings.edu/articles/in-california-statewide-housing-reforms-brush-against-local-resistance/).

<sup>11</sup> No Net Loss Law Government Code Section 65863 (2019), [www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sb-166-final.pdf](https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sb-166-final.pdf)

<sup>12</sup> SB-684 Land use: streamlined approval processes: development projects of 10 or fewer residential units on urban lots under 5 acres (2023), [leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202320240SB684](https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB684)

<sup>13</sup> “Accessory Dwelling Units,” California Department of Housing and Community Development, accessed December 26, 2024, [www.hcd.ca.gov/policy-and-research/accessory-dwelling-units](https://www.hcd.ca.gov/policy-and-research/accessory-dwelling-units).

of the housing stock being produced in the state.<sup>14</sup> As ADU practitioners, we have familiarity with the implementation of ADUs and lot split policies in California, and we are exploring if these policies have made a dent in *homeownership*, regardless of increasing the number of *housing units*. In this case-study, we compare South Gate, California with two other cities with majority- Latino populations to understand if ADU policies have caught on in cities like Laredo, Texas and Hialeah, Florida despite their different political and geographic contexts.

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<sup>14</sup> Nicholas J. Marantz, C. S. Elmendorf, Christopher S. Elmendorf, and Youjin B. Kim, "Affordable Housing in Urban America," *Cityscape: A Journal of Policy Development and Research* 25, no. 2 (2024): 123-145, <https://www.huduser.gov/portal/periodicals/cityscape/vol25num2/ch5.pdf>.



# Methods

We initially proposed a robust mixed-methods comparative approach between a sample of three cities – South Gate, California; Laredo, Texas; and Hialeah, Florida – with a high percentage of Latino residents but varying geography and political contexts. Focused on new approaches to increasing Latino homeownership through the increase of housing supply, we proposed two initial research questions:

- How do policies that encourage housing production (lot split allowances, by-right ADU development, required affordable housing production) recently passed in California impact Latino homeownership rate in the City of South Gate?
- How can these policies be applied to or altered to encourage Latino homeownership in cities of similar demographic makeup?

We use the City of South Gate, California as the basis for our research, as we are currently supporting South Gate in an initiative to boost legally constructed ADUs built by homeowners. We have a deep understanding of the housing supply levers enacted by the State of California and South Gate and the challenges faced when developing alternative housing models.

We planned to conduct an in-depth comparative analysis between these three

cities that incorporates an analysis of history, urban planning and development, geography, lot patterns, and housing policies. To support a quantitative analysis, we envisioned a statistical analysis using administrative data secured from public sources like the American Community Survey (ACS) and local-level housing data. However, the lack of defined policies and infrastructure of public reporting made it infeasible in the limitations and scope of this study. We do support this approach as a future area of study and recommend that more extensive data collection should be used to capture novel forms of housing development.

Therefore, the study evolved into a case study of housing supply policy, specifically ADU policy, in South Gate, California. Our research question became: *How have ADU policies impacted Latino homeownership rate in the City of South Gate? How can similar policies be applied to or altered to encourage Latino homeownership in cities of similar demographic makeup?* We highlight how these learnings could be applied to housing policy in two cities that share similar features – population size, high Latino percentage, and adjacency to larger metropolitan areas. To do this, we conducted secondary historical research and policy scans across the three cities. For South Gate, we analyzed ADU permit data that is collected because of the

formalized ADU policy and infrastructure for data collection on these structures. For an additional point of context, we included a summary of housing trends across cities based on available administrative data.

### **Comparative Urban Study**

We maintained the importance of a comparative approach to allow researchers to identify more nuanced differences between locations rather than apply a singular standard of urban context. Case studies can be a tool of comparative urbanism, which seeks to understand urban development through the direct comparison of cities. According to an Oxford Bibliographies definition of comparative urbanism, “Comparative urbanism’ refers to research that acknowledges the diversity of urban experiences, avoids assumptions of theoretical best fits prior to any investigation, and develops knowledge through close engagement with the diverse empirical reality.”<sup>15</sup> As summarized by Krehl and Weck, urban scholars argue that some of the benefits for case study comparative urban include:

- The opportunity to “uncover” explanations for urban development;
- Understand patterns for similarity in urban development across different political contexts; and
- Identify alternative policies for places grappling with similar challenges.<sup>16</sup>

A comparative urbanist approach can challenge a linear development theory that has centered on how cities in the Global North (Europe, United States) have evolved. One step further is comparison between cities that are not the typical objects of comparison; for example, even within

the American political context, we focus on small to medium-sized cities.<sup>17</sup>

However, we acknowledge that a case study approach cannot incorporate all variables of development and thus is likely to oversimplify urban conditions. Comparative urbanism, especially using a case study approach, is prone to assumptions. In an attempt to contribute to the field without sweeping generalizations or conclusions, we transparently acknowledge these limitations.<sup>18</sup> Our intent is to uncover similarities and recommend policies that can achieve a specific policy goal: increased Latino homeownership.

To understand the success and replicability of South Gate’s policies, we incorporated a comparative lens to better contextualize the effectiveness of similar housing supply policies and the spatial viability of alternative types and forms of homeownership. Here, we identified a variable-based approach to selecting a comparative sample of similar cities– located in the United States, high percentages of Latinos, small to midsize population, incorporation within a larger metropolitan area – and held constant the time frame for historical and planning analysis (1900-present).

### **Historical and Policy Scans**

As a point of comparison, researchers began with historical analysis and policy scans to understand the different geographies, histories, political environments, and policies across the three cities and identify potential points of overlap or differences between South Gate, Hialeah, and Laredo. With a case-study approach to the work, we considered the history of urban development, which informs planning norms and the existing

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<sup>15</sup> Tuvikene, Tauri, “Comparative Urbanism,” *Oxford Bibliographies*, September 24, 2020, doi.org/10.1093/obo/9780199874002-0221

<sup>16</sup> Angelika Krehl and Sabine Weck, “Doing Comparative Case Study Research in Urban and Regional Studies: What Can Be Learnt from Practice?,” *European Planning Studies* 28, no. 9 (2020): 1858-1876, <https://doi.org/10.1080/09654313.2019.1699909>.

<sup>17</sup> Tuvikene, Tauri, “Comparative Urbanism,” *Oxford Bibliographies*, September 24, 2020, doi.org/10.1093/obo/9780199874002-0221

<sup>18</sup> Angelika Krehl and Sabine Weck, “Doing Comparative Case Study Research in Urban and Regional Studies: What Can Be Learnt from Practice?,” *European Planning Studies* 28, no. 9 (2020): 1858-1876, <https://doi.org/10.1080/09654313.2019.1699909>.

urban form. Our work is place-based and includes the context of specific planning decisions by history of development, demographics, and geography. We include the planning scan to understand the community norms and conditions that have been codified. The guiding questions included:

- *How would you describe the current housing typology in the City? For example: large lots, smaller ranch homes, multi-story, narrow lots, and attached garages.*
- *What major housing policy decisions have shaped the current housing stock and geography? For example: exclusionary/ racially restrictive covenants, investment to push farmworker or rural housing, density incentives.*
- *What other policies, events, or systems have created the housing landscape today? For example: major industries (farming, industrial), environmental (flooding, weather patterns), age of development (1920s, 1950s, before/after), highway construction*

To limit the scope of the analysis, we focused on housing policies beginning in the twentieth century, largely since the appearance of Euclidean zoning. We broke down the analysis from 1900 to 1950, 1950 to 2000, and then 2000 to present. Sources included local news stations, journals, city websites, urban planning publications, and interviews with local housing stakeholders. Our ongoing work in California provided a point of comparison to understand the extent to which ADUs are formalized as a housing typology and how these policies play out in implementation. Because there are no formalized ADU policies in Laredo and Hialeah, we relied on zoning codes, secondary reporting, and conversations with housing experts

to understand the housing landscape.

### **Data Analysis**

We used quantitative administrative data to contextualize practitioner learnings surrounding the prevalence of ADUs as a housing typology in Latino communities and understand if they provide some pathway to homeownership. Because of our working relationship with South Gate, we had data on permitted ADUs from 2017 to present. We were able to summarize these data and draw conclusions about the number, type, and size of permitted units. We based this work on a similar effort conducted by Nicholas J. Marantz, Christopher S. Elmendorf, and Youjin B. Kim, UC Irvine for NYU's Furman Center.<sup>19</sup> In their study, "Evaluating California's Accessory Dwelling Unit Reforms: Preliminary Evidence and Lessons for State Governments," researchers looked at how ADUs likely made up a percentage of new housing stock in California by comparing Census Bureau Building Permit Survey data with ADU data from California's Department of Housing and Community Development (HCD).<sup>20</sup> We pulled data from the US Census Bureau's Building Permits Survey on the number and valuation of new privately-owned housing units and the American Community Survey 5-year survey from 2018-2023.<sup>21</sup>

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<sup>19</sup> Nicholas J. Marantz, Christopher S. Elmendorf, and Youjin B. Kim, "Evaluating California's Accessory Dwelling Unit Reforms: Preliminary Evidence and Lessons for State Governments," *NYU Furman Center*, accessed December 23, 2024, [furmancenter.org/files/Evaluating\\_California%E2%80%99s\\_Accessory\\_Dwelling\\_Unit\\_Reforms\\_508.pdf](https://furmancenter.org/files/Evaluating_California%E2%80%99s_Accessory_Dwelling_Unit_Reforms_508.pdf)

<sup>20</sup> Ibid.

<sup>21</sup> "Building Permits Survey Time Series and Table Tool," US Census Bureau, November 15, 2022, [www.census.gov/construction/bps/visualizations/datatool/index.html](https://www.census.gov/construction/bps/visualizations/datatool/index.html)

# Historical and Policy Scan Analysis

## ***Laredo, Texas: History of Housing Development 1900 - Present***

Laredo, Texas, located on the United States - Mexico border has a distinct history and social geography strongly shaped by its physical, cultural, and economic ties to its Mexican sister city, Nuevo Laredo. Unlike other Texas border cities such as Brownsville and McAllen, where a white majority governs the community's social and political landscape, Laredo has historically been home to a large Latino majority that holds cultural and political dominance, shaping the city's urban and social geography.<sup>22</sup> Unlike other cities in the region, the ethnic and cultural homogeneity of Laredo means that *socioeconomic disparities* play a defining role in influencing the built environment and housing development. Social and economic factors, such as increasing population growth, the growth of the middle class, and the aspiration for homeownership, have contributed to the emergence of three distinct urban housing typologies: *barrio*, *suburbs*, and *rural colonias*. Throughout the 20th century, the makeup and character of these three typologies has shifted, revealing notable insights into social, economic, and urban dynamics within the Laredo region.

## Early to Mid 1900s (1900 - 1950)

The first *barrios* in Laredo emerged in the late 1800s and early 1900s as the population grew and the city expanded, driven by economic factors such as bi-national trade, agriculture, and an influx of Mexican refugees during the Mexican Revolution (1910-1917). These neighborhoods were concentrated near the urban core and were characterized by densely packed single family homes, mixed with light commercial uses. *Barrios* acted as a buffer between Laredo's downtown and industrial areas and suburban developments. El Azteca, one of the first residential barrios in Laredo, was established along the U.S. - Mexican border as Mexican and Mexican-American families settled along Laredo's city center. Like other early barrios of the time, this community supported a wide array of lifestyles, socioeconomic levels, and land uses, including residences and small family-run businesses. The *barrio* housing typology's density and architectural features reflect the early social and economic diversity of the population, as spacious vernacular stone cottages coexist alongside smaller wood-frame and brick bungalow homes.<sup>23</sup>

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<sup>22</sup> Daniel D. Arreola, *Tejano South Texas: A Mexican American Cultural Province* (Austin: University of Texas Press, 2002).

<sup>23</sup> Gerald Moorhead et al., "Barrio El Azteca/El Ranchero", [Laredo, Texas], SAH Archipedia, eds. Gabrielle Esperdy and Karen Kingsley, Charlottesville: UVaP, 2012—, accessed December 29, 2024, <http://sah-archipedia.org/buildings/TX-01-LA17>.

As Laredo continued to grow throughout the 20th century, its residential areas expanded North. Alongside the development of *barrios* like Santo Niño, El Trece, and La Guadalupe, premature American suburbs slowly emerged in Laredo with the establishment of communities like The Heights, Montrose, and Calton Gardens. These communities were developed on the outskirts of the inner-city *barrios*, offering the semblance of a traditional autocentric suburb. Despite the growth of road infrastructure during this time, Laredo still lacked the main highways and thoroughways typically needed for traditional American suburbs to develop. The Heights stands out as the most notable amongst these early Laredoean suburbs. This community became Laredo's first streetcar suburb following the construction of the city's first street car system in the late 1890s. Housing development in early suburbs like The Heights came in stages throughout the 20th century, resulting in a neighborhood comprising several housing types and architectural styles. From brick bungalows and prairie-style homes to large Mission Revival stucco houses and affordable tract home developments, these communities provided a wide range of housing options for Laredoean families who had the means to live in less congested parts of the city.<sup>24</sup>

#### Mid to Late 1900s (1950 - 2000)

Laredo's first traditional American suburbs began to appear in the 1950s, largely prompted by the construction of U.S. Interstate 35 (I-35). This infrastructural development enabled autocentric, detached residential subdivisions like Flynn, Del Mar, and Shiloh to emerge and quickly become thriving neighborhoods. These car-centric communities, featuring curvilinear

streets, cul-de-sacs, large driveways, and garages, were instantly successful. Driven by the growing middle class' demand for housing in more affluent neighborhoods, residential developers constructed spacious single family homes en masse. Architecturally, these communities featured an eclectic blend of housing types and styles including Ranch, Contemporary, Spanish, and Mexican vernacular. The development of well established suburbs created a strong socioeconomic divide between North and South Laredo. Economically-mobile Latinos working middle-class jobs moved out to the suburbs, leaving behind working class families and newer waves of immigrants. The rapid economic and urban growth of the suburban fringe transformed inner-city *barrios* from socioeconomically diverse neighborhoods into primarily working class communities. Before *barrios* supported families of all incomes, but with development of suburbs those who could afford to left. Throughout South Laredo, *barrios* began to struggle with disinvestment, resulting in limited access to public services, deteriorating infrastructure, and declining housing quality, giving these communities a shabby and rough appearance.

At the same time, *colonias* gained prominence in rural areas east, south, and northwest of Laredo. *Colonias* are informal residential subdivisions created on unused ranchland by opportunistic landowners. Low-income families with aspirations of becoming property owners could typically afford to purchase land in these communities. When first established, *colonias* usually lacked basic services such as water, sewage, gas, and electricity, leading to unsafe housing conditions. Housing ranged from mobile homes and shabby brick houses to self-built clapboard shacks, often evolving incrementally

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<sup>24</sup> Daniel D. Arreola, *Hispanic Spaces, Latino Places: Community and Cultural Diversity in Contemporary America*. (Austin: University of Texas Press, 2004)



over time. *Colonia* communities were, and still are, a common occurrence along the Texas - Mexico border. State-wide there have been pushes to formalize these communities. In 1989, the Texas legislature enacted Model Subdivision Rules (MSRs) to encourage counties to prevent the growth of *colonia* developments, stop the sale of lots without utilities, and assist economically distressed areas to obtain the infrastructure for water and wastewater services.<sup>25</sup> Similarly, other policies and measures have been enacted to identify, monitor, and coordinate resources to improve living conditions in *colonias* across the state.

#### 2000 - Current

In the 21st century, Laredo's housing development displays both continued suburban growth and renewed efforts to address the challenges faced by *barrios* and rural *colonias*. North Laredo's suburban areas have expanded rapidly, driven by continued population growth and the demand for contemporary housing. The rise of new residential developments has created a clear distinction between well-developed suburbs and often neglected *barrios* and *colonias*. As a result, efforts to revitalize these two typologies have increased over the last twenty years. The development of city-led programs like the Neighborhood Empowerment Zone (NEZ) Program and the Inner City Revival Initiative aim to improve *barrio* infrastructure, rehabilitate housing, and preserve historical and cultural landmarks. Similarly, *colonias* have received increased city and county support to provide basic utilities and improve living conditions, leading to some successful outcomes. Just twenty miles from Laredo, the once *colonia* communities of El Cenizo and Rio Bravo

have become thriving, incorporated cities. The adoption of Model Subdivision Rules (MSRs) and the allocation of resources have prompted these communities to become the formalized urban developments originally promised to early *colonia* residents.<sup>26</sup>

Today, Laredo's housing landscape is a mix of suburban sprawl and attempted revitalization and formalization of *barrios* and *colonias*. The city's development highlights the ongoing tension between growth and equity, with efforts to balance the needs of its diverse neighborhoods. While significant changes have been made in improving housing conditions, ensuring equitable development remains a challenge as Laredo continues to grow.

#### ***South Gate, California: History of Housing Development 1900 - Present***

South Gate, California mirrors the development pattern of many Southern California cities that originated as land grants for ranching.<sup>27</sup> Over time, the ranch became partitioned, creating more opportunities for land ownership. These agricultural beginnings shaped the ethos of South Gate as a city that respected land ownership and enabled property holders to have a level of self-determination on their land. Reporter Ryan Reft does an incredible job documenting these population and development trends in South Gate and explicitly describing the informality and later regulation that occurred on properties. Much of this historical review cites Reft's extensive research on the area. Now, the predominantly Latino city grapples with a need for affordable housing units, a lack of undeveloped space, and existing unpermitted units.

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<sup>25</sup> "Model Subdivision Rules (MSR) Training," Texas Water Development Board, accessed December, 29, 2024, <https://www.twdb.texas.gov/financial/programs/EDAP/msr/>

<sup>26</sup> Gregory Marinic and Pablo Meninato, eds., *Informality and the City: Theories, Actions and Interventions* (Cham: Springer, 2022), [Chapter 20]

<sup>27</sup> "History of South Gate," City of South Gate, accessed December 31, 2024, [www.cityofsouthgate.org/Engage-South-Gate/About-Our-City/History](http://www.cityofsouthgate.org/Engage-South-Gate/About-Our-City/History)

### Early to Mid 1900s (1900 - 1950)

South Gate incorporated in 1923, and shortly after, industrialization and urbanization transformed much of the rural land.<sup>28</sup> Even with major industries like Firestone Tires, agricultural origins impacted the planning by allowing more self-development and home-based businesses.<sup>29</sup> According to the City's General Plan, "most of the housing in South Gate was built between 1920 and 1970 to house blue collar and industrial workers in and around the City."<sup>30</sup> The area became majority white, reinforced by federal housing assessments conducted by the Home Owners' Loan Corporation (HOLC).<sup>31,32</sup> South Gate is considered an "inner-ring" suburb to Los Angeles, meaning it is adjacent to the metro but bound by further rings of development.<sup>33</sup> As the population and size of Los Angeles grew, urban development surrounded South Gate.

### Mid to Late 1900s (1950 - 2000)

South Gate became an attractive suburb for the working-class after World War II enabled them to make housing purchases through incentives like the GI Bill (Servicemen's Readjustment Act of 1944). White families that bought land, built small homes, and used additional space on their property

to create additional streams of income.<sup>34</sup> This trend continued throughout South Gate's history despite industrial and demographic shifts. Even with increased immigration from Latin America and resulting ethnic diversity, South Gate homeowners remained steadfast in their commitment to the suburban vision of homeownership.<sup>35,36</sup> As described by the Tropics of Meta, a blog on "history for the masses":

In other words, though the suburb's demographics shifted rapidly and embraced its new Latino residents over time, it maintained a hostility toward non-homeowners and the poor. Whether conservative or liberal, critics frequently deployed arguments about the "ills of urbanization" to justify their positions. The suburban dream and all its attendant associations and politics continued to hold the center in the minds of many residents.<sup>37</sup>

As a result, South Gate continued to maintain single-family housing stock and a somewhat more suburban typology. This housing style, often including garages and larger yards, is conducive to additional units or conversion of existing accessory structures. Previously, white homeowners used the lax restrictions to build additional informal housing

<sup>28</sup> "History of South Gate," City of South Gate, accessed December 31, 2024, [www.cityofsouthgate.org/Engage-South-Gate/About-Our-City/History](http://www.cityofsouthgate.org/Engage-South-Gate/About-Our-City/History)

<sup>29</sup> Ryan Reft "Suburban Ideals vs. New Realities: Informal Housing in South Gate," *PBS SoCal*, January 12, 2016, [www.pbssocal.org/history-society/suburban-ideals-vs-new-realities-informal-housing-in-south-gate](http://www.pbssocal.org/history-society/suburban-ideals-vs-new-realities-informal-housing-in-south-gate)

<sup>30</sup> City of South Gate General Plan 2035 (2009), [www.cityofsouthgate.org/files/sharedassets/public/v/1/business-amp-development/documents/01-southgate-general-plan-chapter-1-introduction\\_201412031552586011.pdf](http://www.cityofsouthgate.org/files/sharedassets/public/v/1/business-amp-development/documents/01-southgate-general-plan-chapter-1-introduction_201412031552586011.pdf)

<sup>31</sup> Ryan Reft, "Segregation in the City of Angels: A 1939 Map of Housing Inequality in L.A.," *PBS SoCal*, November 14, 2017, [www.kcet.org/shows/lost-la/segregation-in-the-city-of-angels-a-1939-map-of-housing-inequality-in-l-a](http://www.kcet.org/shows/lost-la/segregation-in-the-city-of-angels-a-1939-map-of-housing-inequality-in-l-a)

<sup>32</sup> Bruce Mitchell and Juan Franco, "HOLC "redlining" maps: The persistent structure of segregation and economic inequality," National Community Reinvestment Coalition, March 20, 2018, [nrcr.org/holc/#:~:text=The%20HOLC%20was%20one%20of,%20Massey%20and%20Denton%201993](http://nrcr.org/holc/#:~:text=The%20HOLC%20was%20one%20of,%20Massey%20and%20Denton%201993)

<sup>33</sup> City of South Gate General Plan 2035 (2009), [www.cityofsouthgate.org/files/sharedassets/public/v/1/business-amp-development/documents/01-southgate-general-plan-chapter-1-introduction\\_201412031552586011.pdf](http://www.cityofsouthgate.org/files/sharedassets/public/v/1/business-amp-development/documents/01-southgate-general-plan-chapter-1-introduction_201412031552586011.pdf)

<sup>34</sup> Ryan Reft "Suburban Ideals vs. New Realities: Informal Housing in South Gate," *PBS SoCal*, January 12, 2016, [www.pbssocal.org/history-society/suburban-ideals-vs-new-realities-informal-housing-in-south-gate](http://www.pbssocal.org/history-society/suburban-ideals-vs-new-realities-informal-housing-in-south-gate)

<sup>35</sup> Nicolaides, B. M. (1999). "Where the Working Man Is Welcomed": Working-Class Suburbs in Los Angeles, 1900-1940. *Pacific Historical Review*, 68(4), 517-559. <https://doi.org/10.2307/4492370>

<sup>36</sup> Ryan Reft "Suburban Ideals vs. New Realities: Informal Housing in South Gate," *PBS SoCal*, January 12, 2016, [www.pbssocal.org/history-society/suburban-ideals-vs-new-realities-informal-housing-in-south-gate](http://www.pbssocal.org/history-society/suburban-ideals-vs-new-realities-informal-housing-in-south-gate)

<sup>37</sup> "From South Gate to L.A. Live: Demographic Change, Homeowner Ethos and Redevelopment in Southeastern Los Angeles," *Tropics of Meta*, November 18, 2024, [tropicsofmeta.com/2015/11/18/from-south-gate-to-l-a-live-demographic-change-and-homeowner-ethos-in-southeastern-los-angeles/](http://tropicsofmeta.com/2015/11/18/from-south-gate-to-l-a-live-demographic-change-and-homeowner-ethos-in-southeastern-los-angeles/)

as needed, but today these units must be brought into compliance or removed.<sup>38</sup>

### 2000 - Current

South Gate maintains a high Latino population, percentage of first and second generation immigrants, and a higher rate of homeownership than comparable and adjacent municipalities. As is the case in many California cities, informal housing additions and constructions remain prevalent. As a result of being an “inner-ring” suburb, there is almost no undeveloped land in the City, and new housing must use strategies to increase density on existing residential properties.<sup>39</sup> As the City’s 2035 General plan describes, the population is increasing much faster than the development of housing stock.<sup>40</sup>

Now, ADUs are a touted strategy to increase housing stock incrementally as infill on existing properties. Favorable state legislation, like AB 3182, allows homeowners in single family zones the right to build an ADU and accompanying Junior ADU. Given the suburban housing stock in South Gate, many properties still host ample backyard spaces and enclosed garages that can be converted into habitable space. As part of our work, the City has created permit-ready ADU plans and standardized garage conversion plans to expedite the process for homeowners seeking to increase housing stock.

### ***Hialeah, Florida: History of Housing Development, 1900 - Present***

Hialeah, Florida, located within Miami-Dade County, has a social geography strongly shaped by

the rapid growth of its population, specifically its Latino community. Since its incorporation in 1921, Hialeah has evolved from a small agricultural center into a lively, predominantly Latino, working class community known for its vibrant culture and low-density residential landscape. With a population of 1,500 in 1925, Hialeah has grown at a rate faster than the largest cities in the State of Florida, positioning Hialeah as the state’s fifth-largest city, with over 224,000 residents.<sup>41</sup> The substantial rise in population can largely be attributed to the influx of Cuban immigrants into Florida during and after the 1960s. These migration trends have had a lasting impact on the city’s built environment and social geography, as Hialeans’ Cuban-American identity is reflected in their city’s family-centered neighborhoods and Latino-owned mom-and-pop shops.

### Early to Mid 1900s (1900 - 1950)

Through the early to mid 1900s, Hialeah transformed from a newly emerged community into a thriving suburban city. Hialeah’s first neighborhoods appeared in the late 1920s and early 1930s along the city’s southernmost end. These early residential communities consisted of modest single-family homes and simple bungalow housing, commonly built in the Mediterranean Revival and Florida Vernacular styles. Mediterranean Revival style homes featured plastered exteriors, flat roofs, and arched doorways, drawing from Spanish, Mission, and Moorish architectural elements. In contrast, Florida Vernacular style homes were specifically designed for Florida’s subtropical

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<sup>38</sup> Ryan Reft “Suburban Ideals vs. New Realities: Informal Housing in South Gate,” *PBS SoCal*, January 12, 2016, [www.pbssocal.org/history-society/suburban-ideals-vs-new-realities-informal-housing-in-south-gate](http://www.pbssocal.org/history-society/suburban-ideals-vs-new-realities-informal-housing-in-south-gate)

<sup>39</sup> City of South Gate General Plan 2035 (2009), [www.cityofsouthgate.org/files/sharedassets/public/v/1/business-amp-development/documents/01-southgate-general-plan-chapter-1-introduction\\_201412031552586011.pdf](http://www.cityofsouthgate.org/files/sharedassets/public/v/1/business-amp-development/documents/01-southgate-general-plan-chapter-1-introduction_201412031552586011.pdf)

<sup>40</sup> City of South Gate General Plan 2035 (2009), [www.cityofsouthgate.org/files/sharedassets/public/v/1/business-amp-development/documents/01-southgate-general-plan-chapter-1-introduction\\_201412031552586011.pdf](http://www.cityofsouthgate.org/files/sharedassets/public/v/1/business-amp-development/documents/01-southgate-general-plan-chapter-1-introduction_201412031552586011.pdf)

<sup>41</sup> “Hialeah, Florida: A Community Spotlight.” *Cooperator News*, December 15, 2024. <https://sofl.cooperatornews.com/article/hialeah-florida>.



climate, incorporating large windows, sun rooms, and sweeping porches and overhangs.<sup>42</sup>

Following World War II, Hialeah experienced a housing boom as returning veterans and their families pursued affordable places to settle. With the support of federal initiatives like the Central and Southern Florida (C&SF) Project, instituted to help the State of Florida drain and develop the Everglades, the City of Hialeah was able to expand its footprint and accommodate its growing populace.<sup>43</sup> During this time, newly formed neighborhoods like Suntan Village, Hialeah Heights, and Hialeah Acres emerged. Most notable amongst these neighborhoods was the community of Suntan Village, which offered Florida Sundeck Homes, small, concrete homes that were designed to be hurricane-proof, termite-proof, and atomic bomb-proof.<sup>44</sup> Hialeah's expansion and transformation was greatly influenced by its geography and infrastructural developments. By the end of the 1950s, the city had grown into a vibrant suburban community with schools, shopping centers, and recreational amenities, standing out as an important residential area adjacent to the City of Miami.

#### Mid to Late 1900s (1950 - 2000)

Hialeah's population and housing boom continued through the 1950s, 60s, and 70s. The city's demographic makeup shifted dramatically after the Cuban Revolution in 1959, when waves of Cuban exiles migrated to Florida, creating a tight-knit community. Many immigrants chose to settle in Hialeah because it was close to Miami and offered more affordable housing options. To accommodate this influx of new residents, several neighborhoods

developed and the boosted local economy increased demand for housing. Hialeah saw a shift from the single-family home developments of the 1950s and 60s to more varied housing options.<sup>45</sup> Multifamily units, condominiums, and mixed-use developments arose to accommodate population growth. Additionally, unpermitted structures emerged as a response to rapid population growth and a need for affordable housing. Property owners added unpermitted structures like garage conversions, detached units, and additions to accommodate extended families.

#### 2000 - Current

In the 21st century, Hialeah's housing development continues to be shaped by rising property values, demand for affordable housing and homeownership options, and the need to preserve and revitalize aging housing stock. Unpermitted living units have become a common and popular way to create more affordable housing opportunities for younger generations and recent immigrants who find themselves priced out of homeownership. Despite the prevalence of self-constructed, likely unpermitted housing, Hialeah's population has been hesitant to enact legalization or formalization programs. There are currently no policies that allow for the by-right construction of ADUs or second units, despite the recent enactment of an ADU policy for unincorporated Miami-Dade County.

The closest Hialeah has come to implementing secondary living units on single family housing zones is through Extended Family Living Quarters Policy, which allows for a second unit to be temporarily used as a second dwelling

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<sup>42</sup> "Florida Vernacular Architecture," *Groveland, Florida*, accessed December 29, 2024 <https://groveland-fl.gov/535/Florida-Vernacular-Architecture>

<sup>43</sup> "History," South Florida Water Management District, accessed December 29, 2024, [www.sfwmd.gov/who-we-are/history#:~:text=Florida%20asked%20the%20federal%20government,to%20manage%20the%20C&SF%20Project](http://www.sfwmd.gov/who-we-are/history#:~:text=Florida%20asked%20the%20federal%20government,to%20manage%20the%20C&SF%20Project).

<sup>44</sup> Seth H. Bramson, *The Curtiss-Bright Cities: Hialeah, Miami Springs & Opa-Locka* (Charleston: The History Press, 2008).

<sup>45</sup> Interview with Miami-Dade Official.

for immediate family members. The policy does not allow for new construction or the conversion of existing detached structures; instead an attached portion of the residence can be used on an annually-approved basis to house immediate family members (grandparents, parents, a child or child's family, grandchildren or a grandchild's family. The property owner must claim the unit as homestead and reside there. Even then, the unit is evaluated annually and must be removed when the property is sold.<sup>46</sup> The ordinance provides temporary housing stock, which might offer relief in the short-term, but does not enable mass construction nor create permanent homeownership opportunities. Overall, there has been little follow-up on its impact throughout the city.

Today, Hialeah's housing landscape is a mix of older suburban residential neighborhoods, multi-family higher density housing, including apartments and mixed used developments, and informal living units. This blend of housing types highlights the city's struggle to accommodate a rapidly growing population while maintaining established neighborhoods. Hialeah's development reflects the ongoing challenges of balancing growth, affordability, and housing regulation.

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<sup>46</sup> Extended Family Living Quarters Application (According to Ordinance No. 2003-12(2023), [www.hialeahfl.gov/DocumentCenter/View/1679/Extended-Family-Living-Quarters-Form-PDF](http://www.hialeahfl.gov/DocumentCenter/View/1679/Extended-Family-Living-Quarters-Form-PDF)).

# Data Analysis

Based on the 2018-2023 American Community Survey, all three cities in the sample are similar in the percentage of Latino residents, but they differ in the type of housing stock and value. All three cities have populations that are 95% Hispanic/Latino. South Gate is the smallest city by size of population, while Laredo and Hialeah are similar in size and nearly double that of South Gate. Laredo has the highest vacancy rate and South Gate the lowest.

Of the housing units, Hialeah had the highest percentage of multifamily units. Nearly 28% of housing units are in buildings of 20 or more units. 55% of units in South Gate are 1-unit detached homes, and 68% of units in Laredo are 1-unit detached homes. 8% of units in Laredo are mobile homes, while this figure is very low in South Gate (1.5%) and Hialeah (.9%). The prevalence of mobile homes helps to contextualize the allowance for additional mobile home units on single unit properties in Laredo's R3 mixed residential zones. The housing stock appears to be larger in Laredo with nearly 64% of units being 3 to 4 bedrooms. Given that Hialeah and South Gate are surrounded by other jurisdictions and limited in their ability to acquire new land, it follows that units would be smaller.

Laredo is the only city of the three with a higher percentage of owner-occupied versus

renter-occupied units. South Gate has 56% renter-occupied units and has the highest median home value (\$608,500), corroborated with the Zillow home data. The median home value for South Gate is \$608,500; Hialeah is \$359,200; and Laredo is \$182,400. Median rent is \$1,471 (South Gate), \$1,558 (Hialeah), and \$1,001 (Laredo). Across the board, over 50% of renters are rent-burdened, paying more than 30% of their income on rent.

## ***South Gate Data Analysis***

With ADU permit data from the City of South Gate, we were able to couple our historical and policy analysis with specific figures on the prevalence of uptake and implementation. Unfortunately, these data do not include permits for non-ADUs, nor do they include racial and ethnic demographic data. Because of this, we are unable to conduct robust statistical analysis nor draw definitive conclusions on racial and ethnic uptake. In our Findings and Recommendations sections, we highlight that without comprehensive data collection, understanding if these policies specifically increase Latino homeownership is incredibly difficult. Therefore, we make an oversimplified contextually-based assumption that because the population is majority-Latino (nearly 95%) the majority of ADUs built are done by Latino households. However, we

<b>Cities in Sample</b>	<b>South Gate</b>	<b>Hialeah</b>	<b>Laredo</b>
<b><i>Overall Population</i></b>			
Population	91,836	221,901	255,949
Population Hispanic/Latino	87,199	211,340	243,667
Percentage Hispanic/Latino	95.0%	95.2%	95.2%
<b><i>Housing Units</i></b>			
Total housing units	25,430	79,700	82,410
Percent occupied housing units	97.6%	97.0%	92.5%
Percent vacant housing units	2.4%	3.0%	7.5%
Percent 1-unit, detached	54.5%	38.4%	67.7%
Percent 1-unit, attached	9.7%	9.7%	3.0%
Percent 2 units	5.8%	1.8%	1.5%
Percent 3 or 4 units	11.3%	5.8%	4.6%
Percent 5 to 9 units	7.7%	7.2%	4.0%
Percent 10 to 19 units	4.5%	8.6%	3.1%
Percent 20 or more units	5.0%	27.5%	8.2%
Percent mobile home	1.5%	0.9%	7.8%
Percent boat, RV, van, etc.	0.1%	0.0%	0.1%
<b><i>Housing Size</i></b>			
Percent Studio	6.0%	6.1%	3.1%
Percent 1 bedroom	22.7%	16.8%	7.6%
Percent 2 bedrooms	36.4%	36.7%	22.5%
Percent 3 bedrooms	26.6%	30.0%	46.8%
Percent 4 bedrooms	6.7%	8.7%	17.0%
Percent 5+ bedrooms	1.5%	1.7%	3.0%
<b><i>Housing Tenure</i></b>			
Total occupied housing units	24,826	77,294	76,259
Percent owner-occupied	44.4%	47.1%	63.3%
Percent renter-occupied	55.6%	52.9%	36.7%
<b><i>Home Value</i></b>			
Owner-occupied units	11,011	36,400	48,300
Median housing value (dollars)	\$608,500	\$359,200	\$182,400
<b><i>Rent</i></b>			
Occupied units paying rent	13,371	39,866	26,139
Median rent (dollars)	\$1,471	\$1,558	\$1,001
Occupied units paying rent (excluding units where GRAPi cannot be computed)	13,293	38,920	25,504
Percent rent-burdened (paying over 30% income on rent)	54.7%	63.3%	52.6%

Source: Data are from the 5-Year 2023-2018 American Community Survey

recognize that this could be problematic because Latinos have historically faced discriminatory barriers to equal participation in the housing market.

**ADU Permit Data**

With data on ADU permits from 2017 to 2023, we see that in South Gate, homeowners are actively constructing ADUs once the California State Legislature streamlined ADU regulations. Across the state, ADU permits have increased from the passage of enabling state-level legislation, beginning implementation in 2017.<sup>47</sup> These statewide assertions are also playing out on the ground in South Gate.

The number of “finaled” ADUs increased from 1 in 2017 to a peak of 87 in 2021. Since this post-COVID peak, the number of ADUs built per year has decreased but remained above 50 units a year. Between 2017 and 2023, 295 ADUs were

built in South Gate. In South Gate, ADUs on single-family lots can be attached to the primary structure, detached from the primary structure, a conversion of an existing garage, a conversion of an accessory structure like a shed, or a conversion of space within the primary unit (JADU). From 2017 to 2023, the ADUs constructed were majority one bedroom units and garage conversions. Nearly 68% of ADUs were garage conversions, showing that ADU policies should prioritize garage conversions rather than primary home conversions or accessory unit conversions. Support for garage conversions could include standard plans or development incentives. Of ADUs built, over half were one bedroom units, which differ from studios because they include a division between the bedroom and living space.

Of the 52 ADUs constructed in 2023, the average size was 655 square feet. No units constructed were under 300 square feet. 21 ADUs added square footage, expanding the footprint of

**ADU Permits in South Gate, CA (2017-2023)**

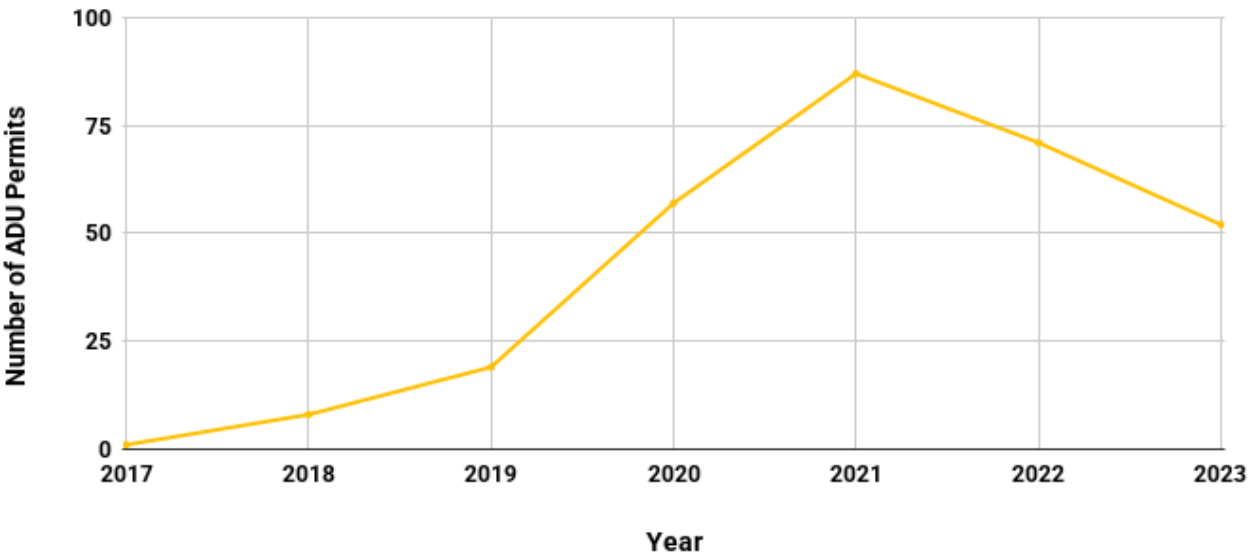


Chart 4. ADU permits for final ADUs (constructed) from 2017-2023

<sup>47</sup> M. Nolan Gray, *California ADU Report 2024* (California YIMBY, 2024), accessed December 23, 2024, [cayimby.org/wp-content/uploads/2024/01/CAY-ADU\\_Report-2024-v4.pdf](https://cayimby.org/wp-content/uploads/2024/01/CAY-ADU_Report-2024-v4.pdf).

their units by 99.8% on average. Meaning, when owners increased the square footage of their ADU, they usually optimized for space and doubled the size. As builders, we see this as a desire to maximize housing space when given the ability and having the capital. Homeowners want to increase their housing size on their existing properties.

**Impact of ADUs on housing stock**

According to the 5-Year American Community Survey data from 2018-2023, South Gate has 25,430 housing units. Given that permit data show that 295 ADUs were built (legally with official permits), ADUs constitute only 1.16% of the overall housing stock. However, this percentage likely obscures the growing prevalence of ADUs as a new building typology. ACS data estimate that 63.1% of housing units in South Gate were built before 1950 and only 2.7% of housing units have been constructed since 2010. Therefore, looking at all housing stock, especially in a city like South Gate with older

ADU Typology (n = 312)	
Attached ADU	48
Detached ADU	26
Garage Conversion	211
Primary Home Conversion	14
Accessory Conversion	13

Bedroom (n = 213)	
Studio	24
1 BD	115
2 BD	59
3 BD	15

The number in the sample (n) varies based on included information in the permitting record.

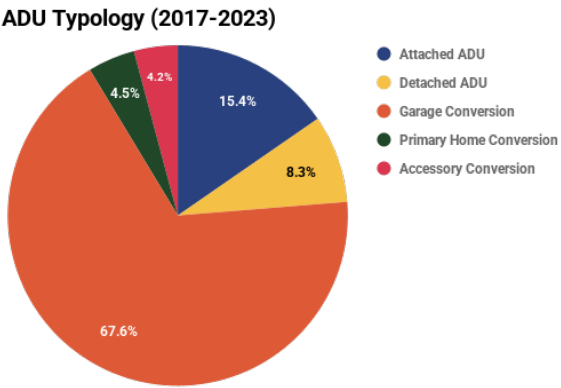


Chart 5. Type of ADU permits from 2017-2023

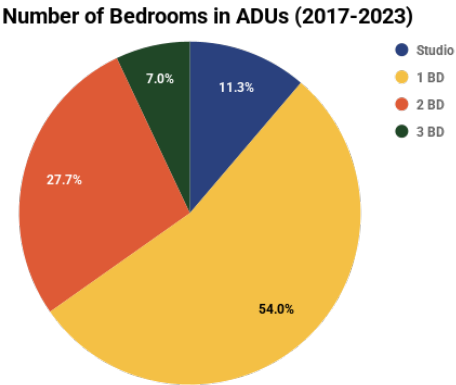


Chart 6. Number of bedrooms recorded on ADU permits from 2017-2023

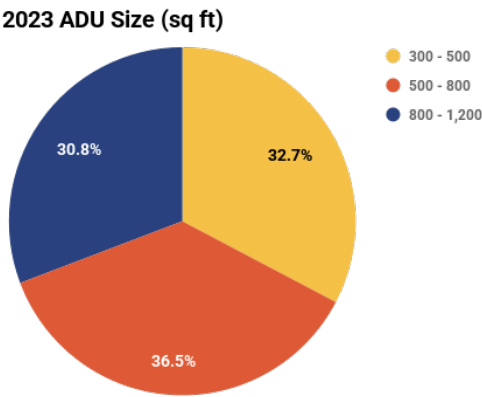


Chart 7. Size of ADUs on permits from 2023

construction might minimize the impacts of ADU policies.

We decided to explore this hypothesis in a similar structure to the NYU Furman Center report. Building permit data from the Census Building Permit Survey show that 2,224 permits were issued for new privately-owned residential construction units between 1992-2023. We saw that there's an uptick in unit development after 2015, which coincides with state-level ADU development streamlining measures. We see that the number of units for single-family developments increases steadily since 2015 compared with bursts of multifamily production at higher levels. Now, in the specific timeframe for our ADU data, 404 permits were issued for ADUs between 2017 and 2022. The Building Permit Survey estimates that 1,292 total building permits were issued in South Gate, meaning that 31.3% of permits issued from 2017-2022 were for ADUs. Nearly one third of permits issued for private residential construction were for ADUs of different types but constructed in the City of South Gate.

While there is a small increase in the percentage of homeownership, homeownership remains between 42% and 45% despite an increase in building permits and increased housing units. The chart below shows the percent of owner-occupied units from 2017 to 2023.

### South Gate (1992-2023)

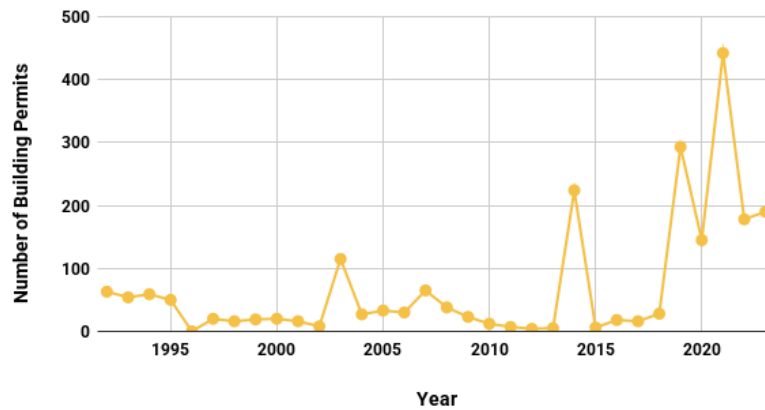


Chart 8. Building permits issued in South Gate 1992-2023 from Census Bureau Building Permit Survey

### South Gate (1992-2023)

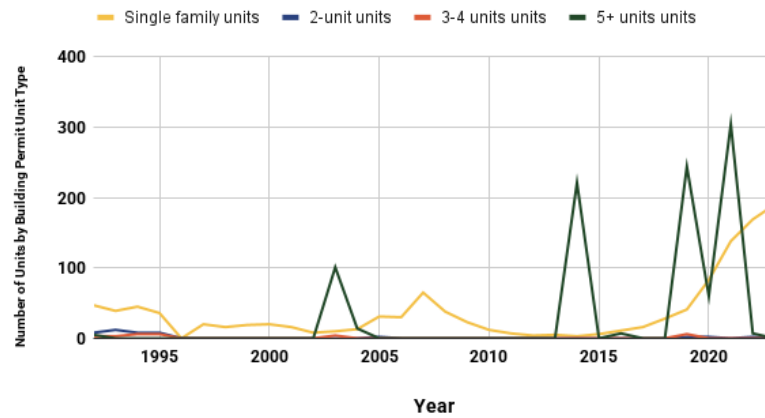


Chart 9. Type of building permits issued in South Gate 1992-2023 Census Bureau Building Permit Survey

### Rate of homeownership in South Gate

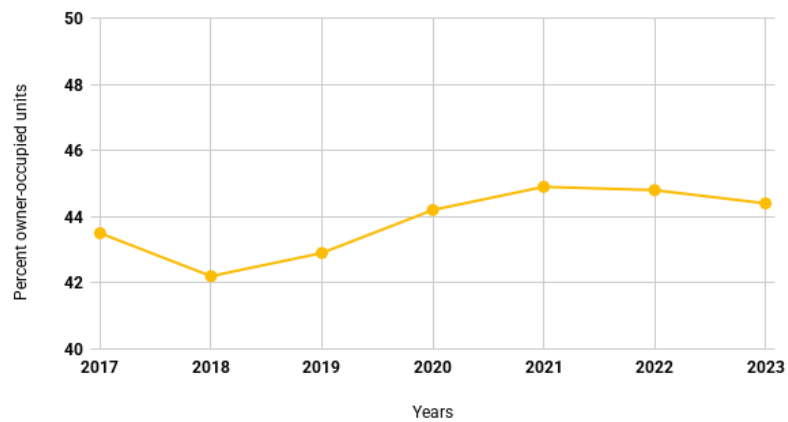


Chart 10. Rate of Homeownership (owner occupancy rate), ACS 5-year



# Findings

## ***Existing administrative data sources do not capture emerging housing typologies***

In the initial conception of the work, OOP proposed analysis of administrative records on the quantity of ADUs constructed and homeownership rates in an attempt to assess some level of causation. Unfortunately, these data were difficult to acquire either because they did not exist or because they were not included in publicly available datasets. We hypothesize that the lack of publicly available, granular local-level data on ADUs could be because of the lack or newness of policies, lack of formal permits for units, or lack of specificity in administrative data collection tools. However, there is currently insufficient data to capture these new emerging housing typologies, especially through federal surveys like the AHS and the Census.

Even through local and neighborhood-level surveys, data collection faces challenges with inconsistent terminology and formalized policies. There are a range of different names for additional units in popular vernacular as a challenge in quantifying the number of existing units. ADUs may be known colloquially as mother-in-law suites, granny flats, tiny homes, garage apartments, carriage houses, guest houses, and backyard units. Some of these are correctly interchangeable, but not all.<sup>48</sup> Even with uniform terminology

the difference in local-level policies may make consistent tracking difficult. Because they fall under zoning and planning, many ADU policies differ in their explicit requirements. In South Gate, ADUs can be either attached or detached from the primary structure, meaning that “backyard unit” could be confusing terminology on a self-reporting form like the ACS.

## ***The Phenomenon is Not Not-Occuring***

As the historical analysis revealed, additions to property, sanctioned or unsanctioned, have occurred throughout American urban development. In the three currently majority-Latino cities considered, each has a history of some form of informal urban development. In an interview with a Texas housing expert, we heard that a perceived lack of ADUs could be either the explicit prohibition of additional units or the lack of an infrastructure for recognizing, permitting, and quantifying these units. Further, there are consequences to having unpermitted construction, especially when it comes to housing individuals. With fees, fines, or required demolition, there are deterrents for reporting these units.

As shown below, each of the three sample cities provides either a program or exception to allow for housing additional family members.

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<sup>48</sup> Martin Brown, “Why ADUs are hard to study, and confuse nearly everyone,” Accessory Dwellings, June 11, 2014, [accessorydwellings.org/2014/06/11/why-adus-are-confusing-and-hard-to-study-some-things-you-need-to-know/](http://accessorydwellings.org/2014/06/11/why-adus-are-confusing-and-hard-to-study-some-things-you-need-to-know/)

City	Housing Type	Local-Level Programs or Policies	State-Level Programs or Policies
<b>South Gate, California</b>	Single-family properties with both attached and detached garages that have provided informal housing like unpermitted garage conversions and backyard units	The City of South Gate ADU Program encourages construction of new ADUs and garage conversions. South Gate will provide a permit-ready plan for a new one bedroom 499 sq. ft. ADU that is free and accessible online. To ease the conversion of garages, the City produced three standard plans for the most common garage sizes. The standard plans cut down on permitting and planning time and costs. For a small number of homeowners, a pilot program provided technical assistance in applying a garage conversion standard plan to create an ADU. <sup>49</sup>	California policy (AB 3182) allows for the construction of one ADU and one Junior ADU (JADU) on a single-family lot. The state also allows for ADUs to be attached or detached from the primary residence and new construction or a garage conversion. Similar ADU policies have refined requirements to make it easier for cities to allow and residents to build ADUs. <sup>50</sup> These policies were formalized in South Gate's General Code. <sup>51</sup>  The California Housing Finance Agency (CalHFA) allocated funding for an ADU Grant Program that provided up to \$40,000 for pre-development and non-recurring closing costs to build ADUs in the state. The most recent allocation was used up in December 2023. <sup>52</sup>
<b>Hialeah, Florida</b>	Older suburban residential neighborhoods, multi-family higher density housing, including apartments and mixed used developments, and informal living units	The Extended Family Living Quarters policy allows for a temporary housing unit for relatives: - Property is located in an R1 (one-family district) - The habitable rooms are accessible to one another - Unit provides housing for only one additional family, which must be immediate family members of the property owner: "grandparent or set of grandparents; one parent or one set of parents; one child and/or the child's spouse and/or dependent children; one grandchild and/or the grandchild's spouse and/or dependent children." - Property owners must reside on the lot and claim it as their homestead on the county tax rolls. <sup>53</sup>	Section 163.31771 of the Florida Statute promotes ADUs at the state-level as a way to help local communities address deficits in the supply of affordable rental housing for very-low-, low-, and moderate-income residents. <sup>54</sup>
<b>Laredo, Texas</b>	Barrio, suburbs, and rural colonias	In an R3 Mixed Residential Zone, second dwelling units are allowed on a single lot: - The additional dwelling must be used by a relative - Not be used for rental income. - The lot must have at least 3000 sq. ft. per unit - Provides at least 1.5 off-street parking spaces per dwelling unit - No more than one manufactured housing unit can exist on a lot <sup>55</sup>	Funded through the Texas Department of Housing and Community Affairs, the Bootstrap Program provides loans to low-income owner-builders to purchase or refinance property where they can self-build or self-repair housing. The maximum Bootstrap loan is \$45,000 per household with 0% interest for up to 30 years. Recipients must provide at least 65% of the labor and work with a state-certified Administrator or a Colonia Self-Help Center. They can contribute the labor personally and can leverage the loan funds to secure additional money. <sup>56</sup>

<sup>49</sup> "City of South Gate ADU Program," *City of South Gate*, accessed December 31, 2024, <https://www.cityofsouthgate.org/Government/Departments/Community-Development/Building-Safety/City-of-South-Gate-ADU-Program>

<sup>50</sup> "ADU Summary." *Los Angeles County Department of Regional Planning*, April 10, 2023. [https://planning.lacounty.gov/wp-content/uploads/2023/04/ADU-Summary-NEW\\_04102023.pdf](https://planning.lacounty.gov/wp-content/uploads/2023/04/ADU-Summary-NEW_04102023.pdf).

<sup>51</sup> South Gate's General Code, <https://www.codepublishing.com/CA/SouthGate/html/SouthGate11/SouthGate1143.html>

<sup>52</sup> "ADU Grant Program," *California Housing Finance Agency*, accessed December 31, 2024, <https://www.calhfa.ca.gov/adu/>

<sup>53</sup> City of Hialeah. "Extended Family Living Quarters Application (According to Ordinance No. 2003-12, effective February 14, 2003," Accessed December 23, 2024, [www.hialeahfl.gov/DocumentCenter/View/1679/Extended-Family-Living-Quarters-Form-PDF](http://www.hialeahfl.gov/DocumentCenter/View/1679/Extended-Family-Living-Quarters-Form-PDF).

<sup>54</sup> Florida Housing Coalition, "Accessory Dwelling Unit Guidebook," Florida Housing Coalition, August 2019, <https://www.flhousing.org/wp-content/uploads/2019/08/ADU-Guidebook.pdf>

<sup>55</sup> City of Laredo Zoning Code: [www.cityoflaredo.com/home/showpublisheddocument/908/638101091990530000#page=106](http://www.cityoflaredo.com/home/showpublisheddocument/908/638101091990530000#page=106)

<sup>56</sup> "Texas Bootstrap Loan Program," Texas Department of Housing and Community Affairs, accessed December 29, 2024, <https://www.tdhca.texas.gov/programs/texas-bootstrap-loan-program>.

Though these policies are not referred to consistently as ADUs, they each allow for additional dwellings on otherwise single-family lots. One step further is policies that help incentivize development for those with limited resources or provide funds to bring existing construction up to habitable standards.

### ***ADUs increase housing stock, not inherently homeownership***

As explained by Tapp, the supply-side push is focused on rental stock, which means that ownership can still be consolidated. Advocacy based on increasing sheer number of units allows for housing unit accumulation rather than disbursement of housing ownership opportunities.<sup>57</sup> It is crucial that policymakers not conflate the creation of housing units with increased opportunities for ownership. Without limitations on the quantity of units held by a given agency, person, or enterprise, just increasing the number of units will not inherently increase the number of homeowners.

ADUs are no exception. In Los Angeles County, ADUs are allowed as rental units or additional living space for residents of the primary-unit. The additional living space can provide relief for overcrowded households or opportunities for multigenerational households to cohabitate. As rentals, ADUs can provide an additional stream of income, stabilizing homeowners. Despite recent legislation at the state-level, cities within Los Angeles County have not opted to allow ADUs to be sold as new homeownership opportunities. AB 1033, passed in 2023, permits cities in California to allow the separate conveyance of ADUs as condominiums.<sup>58</sup> However, only San Jose has

adopted a local-level policy to allow ADUs to be sold individually. No city in Los Angeles County, including the City of South Gate, has not adopted this provision, meaning that ADUs can only add to the rental stock.

### ***Supply-side policies cannot be the only solution***

As identified by Tapp, with increased financialization at both the top and bottom of the rental market, supply-side policies in cities like Los Angeles will not have the “filtering” effect that supposedly leads to cheaper units and opportunities for homeownership.<sup>59</sup> ADUs currently fall into the category of providing supply on existing lots. However, without explicit programs that support ownership for historically excluded communities, like Latinos, these policies will likely not contribute to increased Latino wealth generation.

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<sup>57</sup> Renee Tapp, “Introducing the YIMBYs: Renters, Housing, and Supply-Side Politics in Los Angeles,” *Environment and Planning C: Politics and Space* 39, no. 7 (2021): 1511-1528, <https://doi.org/10.1177/23996544211044516>.

<sup>58</sup> AB-1033 Accessory dwelling units: local ordinances: separate sale or conveyance (2023), [leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202320240AB1033](https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB1033)

<sup>59</sup> Renee Tapp, “Introducing the YIMBYs: Renters, Housing, and Supply-Side Politics in Los Angeles,” *Environment and Planning C: Politics and Space* 39, no. 7 (2021): 1511-1528, <https://doi.org/10.1177/23996544211044516>.

# Recommendations and Conclusion

Drawing on lessons from sample cities, we recommend a series of policy reforms and implementation changes to make ADUs a vehicle for homeownership in Latino communities. We will also highlight the limitations of this research approach and suggest iterations for future studies on similar topics.

## ***Simply allowing the construction of ADUs by-right does not increase adoption, much less homeownership***

Anecdotally, we have a sense that property owners do expand to meet their needs, especially to house family members. Policies that have been formalized for majority-Latino communities seem to hint at this level of multigenerational households and ethos of self-construction. We see that policies are advancing because of the appetite for second units, but cities are lacking the infrastructure to ensure that ADU policies meet their full potential to add density. The Florida Housing Coalition identifies some of the regulatory barriers and policies that minimize the impact of ADU policies. The Guidebook provides a helpful template for advocates, local governments, and homeowners to enact solutions to make ADUs viable in cities throughout Florida.<sup>60</sup> Cities need proactive acknowledgment and

infrastructure for implementation and reporting. The implementation support could be in the form of amnesty programs for bringing unpermitted units into compliance, pre-designed plans to save money and time in the permitting process, or financing support for owner-builders. In Texas, the Bootstrap Program provides loans for incremental self-constructed housing in a way that could be replicated in the two other sample cities.

One step further is to allow these units to eventually be sold, increasing housing stock available for purchase, likely at lower prices (given square footage limitations) than other single family options. In this scenario, ADUs could provide a more financially feasible entry into homeownership for first-time buyers.

## ***Administrative surveys should identify and capture emerging housing typologies***

To understand the prevalence of new infill development, administrative data sources must begin to include questions that capture these emerging types of housing stock. The American Housing Survey (AHS), the most robust and detailed housing-specific administrative survey, does not include a category to accurately capture these units “a house, an apartment, a manufactured/mobile

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<sup>60</sup> Florida Housing Coalition, “Accessory Dwelling Unit Guidebook,” *Florida Housing Coalition*, August 2019, <https://www.flhousing.org/wp-content/uploads/2019/08/ADU-Guidebook.pdf>

## Regulatory Barriers

### **Barrier:**

**Euclidean Zoning:** premise of separation of incompatible uses by zoning restriction

### **Solution:**

F.S. 163.1777: ADUs are compatible with single family residential uses. Allow ADUs in all single-family districts.

### **Barrier:**

ADUs permitted but overly restricted as to become impractical or impossible

### **Solution:**

Reduce minimum lot size and amend setback and other structural requirements to allow the most possible lots to contain ADUs

### **Barrier:**

ADUs not included as an allowable use in land development codes

### **Solution:**

Incorporate ADUs into land use regulations by adoption of ADU specific ordinance

### **Barrier:**

Requirement for property owner to occupy the principal residence

### **Solution:**

Allow property owner to occupy the ADU by right

### **Barrier:** Prohibition of ADU for long-term rental

**Solution:** Allow ADUs to be rented on the long-term market

### **Barrier:** Excessive minimum lot size requirements

**Solution:** Lower minimum lot size requirements

### **Barrier:**

Residential land uses are based on density (dwelling units/acre). When ADUs are counted as a dwelling unit the parcel might be over density and the ADU may be disallowed.

### **Solution:**

Exempt ADUs from density calculations

### **Barrier:**

Parking requirements that may render development impractical

### **Solution:**

Require off-street parking only if on-street parking is not available within a certain number of feet from the parcel. If off-street parking is required, utilize stacked parking (one car in front of the other) or other design solutions to allow parking in areas other than designated driveways.

### **Barrier:**

Prohibition of non-family members from occupancy

### **Solution:**

Allow ADUs to be rented on the long-term market to any tenant

### **Barrier:**

ADUs permitted only as conditional use

### **Solution:**

Allow ADUs as a permitted use

### **Barrier:**

New construction ADUs are assessed an impact fee comparable to a multi-family dwelling unit.

### **Solution:**

Waive or modify impact fees for ADUs

Source: Florida Housing Coalition's report on Accessory Dwelling Units

home, or some other type of residence?"<sup>61</sup> The AHS could also include questions that capture infill development among follow up on the homeowner improvements or additions. For example, including a question specifically on accessory dwelling space or subdivision for additional living quarters could follow, "did you add square footage or convert existing space within your home to another use?" New ADUs could be captured as a follow up question to "have you added or replaced:) a shed, detached garage, or other building?"<sup>62</sup>

This recommendation does not come without challenges and limitations. Self-reporting questions like federal surveys, may encounter challenges with resident familiarity with ADUs. Zoning data may also be challenging to analyze because ADUs increase housing stock without a change in zoning designation, meaning that in cities like Los Angeles, the addition of an ADU on a single family residential property does not change the underlying zoning. In California, a single family residential property can support both an ADU and

<sup>61</sup> House; Apartment, flat; Manufactured/mobile home; HU in nontransient hotel, motel, etc; HU, permanent in transient hotel, motel; HU in rooming house or boarding house; Boat or recreational vehicle; Tent, cave, or railroad car; HU not specified above, specify; Unoccupied site for manufactured/mobile home, trailer, or tent; Group quarters

<sup>62</sup> American Housing Survey. US Census Bureau. 2023. [www2.census.gov/programs-surveys/ahs/2023/2023\\_\\_AHS\\_Items\\_Booklet.pdf](http://www2.census.gov/programs-surveys/ahs/2023/2023__AHS_Items_Booklet.pdf)



a JADU, bolstering the capacity of a single family lot to support three separate housing units.

### ***Expanded research of ADU and informal housing policies***

We recommend that future research draw on partnerships with local governments to shape data collection efforts and capture context-specific data. Because of the hyper-local nature of planning and zoning, local housing groups, planning organizations, or neighborhood data groups would be ideal research partners.

### ***Conclusion***

In conclusion, ADU policies that allow for incremental development on low-density lots provide an opportunity to increase housing stock, but these units largely support renters rather than homeowners. Additionally, just granting the legal right to construct additional units does not inherently increase the number of ADUs. Owners need support with financing, permitting, and bringing existing informal or unpermitted units into compliance. With changes to ADU laws, these incremental development policies can provide avenues to turn existing housing stock into new options for homeownership.

We hope that this work will further the understanding of how popular infill development policies can better increase Latino homeownership across cities in different geographic, historical, and political contexts. With more data collection, monitoring, and evaluation, practitioners and policymakers can better understand the viability of these policies and guide advocacy at the state and local levels to increase Latino homeownership.

