

STYLE & DESIGN

“Granny Flats” Could Remake the Housing Market. Why Are They So Contentious?

Advocates say that accessory dwelling units, mother-in-law suites, cat mansions, or—as one couple built—sex dungeons can add affordable housing stock without changing the streetscape.

By Laura Mallonee

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The Five House by M Gooden Design.

Parrish Ruiz de Velasco/M Gooden Design

Painter Rachel Hecker purchased her 1920 bungalow in the Heights, northwest of downtown Houston, in 1987. It was charming and cheap—just \$60,000—but uninsulated and teeny, with 1,100 square feet of space. She made do for years. Then, in 2019, she started researching options to expand. Adding on would cost \$450,000, an astronomical sum more than seven times what she originally paid for the house. But a garage apartment? At roughly \$200,000, it sounded a lot more doable.

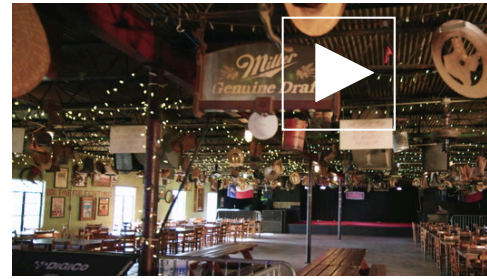
She gave her contractor a paper maquette of precisely what she wanted: a modernist structure with a pitched roof, clerestory windows, and gray siding, which would sit beside and “shake hands with” her existing studio, like a miniature backyard campus. It doesn’t seem like something that would fit with the traditional architecture of the main house, yet, in a yin-yang way, it works. “I’m just happier when stuff isn’t matchy-matchy,” she says.

When she retires, Hecker might rent the place out for supplementary income. But for now, it serves as a dander-free guest suite for out-of-town friends who are allergic to her cat. When no one’s visiting, she escapes there to enjoy the “beautifully” efficient air-conditioning and “forceful” showerhead—and to watch period dramas on the 65-inch OLED flat-screen.

Hecker’s garage apartment is one of more than 150 accessory dwelling units—better known as ADUs—that her contractor, Mike Shelton, has built in Houston since 1998. The Heights neighborhood is famed for its leafy streets lined with single-family homes, some dating to the 1800s. But turn down an alley and a second world emerges, one with ancillary backyard structures soaring as high as three stories. Lately, Shelton has never been busier. “I call it the swimming pool syndrome,” he says. “Like, ‘My neighbor got a swimming pool, and now I want one.’”

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That “syndrome” may soon sweep across Texas as cities pass or consider zoning changes to make constructing ADUs easier, or, at the very least, legal, to build. Defined as a backyard structure that includes at least one bathroom and kitchenette, the ADU has become a tool for adding housing stock—ideally, *affordable* housing stock—in already built-up areas.

“ADUs bring more people into the production of housing, which is good,” says Jesús Vassallo, an architecture professor and expert in housing affordability at Rice University. “It may mean that the ADU becomes a rental, and because [the homeowners have] that income, they no longer have to leave that house and go live somewhere else.”

They range from unassuming clapboard sheds you might not glance twice at to backyard palaces, like M Gooden Design’s mid-century-inspired “St. Michaels” house in Dallas, a thousand-square-foot ADU with white oak flooring, custom walnut cabinetry, and floor-to-ceiling glazing that frames a giant oak tree. Threadgold Architecture, in the Fort Worth suburb of Southlake, sells plans for a 753-square-foot ADU that resembles a glass box sandwiched between heavy gunmetal-gray walls.

ADUs—also known as granny flats or mother-in-law suites—can serve to house elderly relatives or earn extra cash through rentals. But they’re also used for an array of purposes, some that the architecture experts may not anticipate. Want to show off your collection of creepy Chuck E. Cheese animatronics to friends? An ADU can make that happen, as with one Austin collector. Have too many cats? A cat fancier, also in Austin, built an ADU for hers.

“I’ve got one client whose entire floor is covered in crystals, and she walks around doing videos all day long and selling them online,” says Winn

Wittman, an Austin-based architect. Another client couple even requested a “sex dungeon,” Wittman says, though not initially in those words. “They fessed up halfway through the design process. We kept pointing out why the laundry room wasn’t very practical, and finally one day they said, ‘It’s not really a laundry room.’”

A sex dungeon isn’t likely to impact housing affordability. But experts say that ADUs in the traditional sense—habitable places where people actually *sleep*—can help meet the need for “missing middle housing.” Urban designer Dan Parolek coined the term in 2010 and illustrates it with a **diagram**: on one side, single-family homes sit on spacious lots; on the other, large apartments loom over the street; between them are more idiosyncratic multifamily housing types, such as duplexes and small multiunit buildings. ADUs fall into this category, says Jake Wegmann, a planning professor and expert in land-use regulation at the University of Texas at Austin. By placing an ADU that can be rented or sold beside a house, you transform the lot from single-family to multifamily.

So, how did the middle go missing? American cities began implementing zoning codes as early as the 1910s. From the beginning, they were motivated by a “desire for class and racial separation,” Wegmann says, though they were also justified as a means of improving living conditions and preserving health. But as the century wore on, zoning laws in many places grew increasingly restrictive, focusing less on environmental pollution and even more on “protecting certain kinds of people from social pollution, from being around the ‘wrong kinds’ of disfavored people,” Wegmann says. As part of that, granny flats, backyard cottages, and carriage houses—which had been common in the early twentieth century, but which could admit someone from a different social or economic background into the neighborhood—were increasingly seen as harming property values, and by the mid-twentieth century, they were banned in most cities.

The result is a polarized housing stock that limits choices for people who can’t afford a single-family home near downtown but might be able to swing for a cheaper condo, fourplex unit, or ADU, Wegmann says. (An ADU can also

be a matter of preference: some people just don't want to mow a lawn or live in a loud apartment complex.) "Missing middle" doesn't always mean middle income, as the existence of a \$630,000 ADU in Austin's North Loop neighborhood demonstrates. Spending even half that may seem pricey compared to buying a suburban tract house, but it's still the one of least expensive options for someone who wants to live on a more established tree-lined street within the city, and it could become cheaper as the unit ages, Wegmann says.

It was the AARP that pioneered efforts to bring ADUs back in the early 1980s. It saw them as a way to help retired people live near family if they wanted, or even age in place. "ADUs allow mutually beneficial social arrangements and economic agreements, like offering a college student discounted rent in exchange for chores around the house," Wegmann says. In 2000, the organization developed a model city code and state statute to help governments amend their ADU regulations.

Those efforts dovetailed with the "smart growth" movement of the late 1990s, a response to suburban sprawl that encouraged urban development in already built-up areas. The strategy helps bring more people back to the centers of hollowed-out cities, Vassallo says. "Building further out is underwritten by the consumption of natural resources that we know are finite. What's rational is to make the best use possible of the infrastructure that we have and the resources that we can afford and so try and keep a more reasonable amount of density within our cities."

Density, of course, is a contentious word in the Lone Star State, where highways stretch so far out in some places that you could nap on them. ADU opponents agonize over the impact the dwellings will have on infrastructure, traffic, and parking. They worry that ADUs will infringe on Texans' ability to live in single-family homes in neighborhoods that don't have deed restrictions or HOAs preventing ADUs. As Dave Schwarte, cofounder of the Texas Neighborhood Coalition, told Fort Worth's city council in September, "Owning a single-family home with sufficient elbow

room so that you're not cramped up against your neighbor remains the American dream."

But proponents say these worries are overblown and that ADUs are a **low-impact** way to provide housing, since they're small and don't typically change the streetscape. As for parking, Kol Peterson, one of the nation's foremost experts on ADUs, thinks residential zones already have more than they even need. "We're addicted to this concept of having ample and abundant free parking, and that's diametrically in opposition to having affordable housing," he says.

There's also the question of property values. Opponents claim ADUs lower them. Proponents say they raise them. Chris Black, owner of Blackline Renovations, in Dallas, agrees with the latter assessment, explaining that, from his own experience, the square foot value of an ADU is about half that of the house, "and that's on the modest side."

"When people make that argument, they're really making a different argument about who is allowed to live in their neighborhood," Vassallo says. "If you live in a neighborhood where houses cost \$600,000 and someone rents an ADU out for \$1,200 a month, then you have someone with a different income level, who's probably going to be different in terms of age or demography, and I think that's what makes people uncomfortable, because part of what drives the single-family housing market in the U.S. is self-segregation. People just want to live with people who are like them—same grade, same income level, same culture."

Despite resistance, as housing demand has outpaced supply and property taxes have **soared**, cities across Texas have passed zoning amendments to make ADUs easier to build.

Austin

In Austin, a 2015 study commissioned by the city **concluded** that ADU restrictions were a barrier to fair housing. Despite strong opposition, the

council passed a bold ordinance to relax them, which reduced the minimum lot size required to build an ADU from 7,000 square feet to 5,750 square feet, which encompasses most lots. The number of ADUs constructed tripled from 2015 to 2019.

Last year the city went even further, with its **HOME Initiative**, which reduced the minimum lot size for an ADU to 2,500 square feet and allowed up to three units on a single-family lot, among other changes. While a lawsuit challenge is feared, Erin Callahan of ADU builder Elbow Room, which offers small units with a bathroom and kitchenette for \$103,000, says the regulations are already impacting business. “We have a lot of people that were already interested in it but didn’t want to move forward until those regulations passed, and [now] they’re coming back to us.”

Outside of Austin, other attempts by Texas cities to loosen ADU regulations haven’t gone far enough, Peterson says. Their codes still contain “poison pills,” including minimum lot sizes, requirements that the owner occupy the property, and mandates for off-street parking, even if it’s just one space.

Houston

Houston has no zoning laws, but the planning department does regulate construction of ADUs, which it calls secondary dwelling units. Up to **5,300 parcels** across the city may contain them, but the city—which estimates it will need an additional 180,000 housing units to meet demand by 2040—wants more.

Last year, the Houston City Council amended its ordinance to increase the allowable footprint for ADUs from 900 to 1,500 square feet and to reduce parking requirements so that anything up to 1,000 square feet doesn’t need an off-street parking spot. Residents can download free architectural plans for a 530-square-foot bungalow designed by graduate students at Rice University’s School of Architecture in 2021. The house is made of two overlapping brick and corrugated-metal rectangles, one for the living space and one for the bedroom area, slightly staggered to allow for patios on two

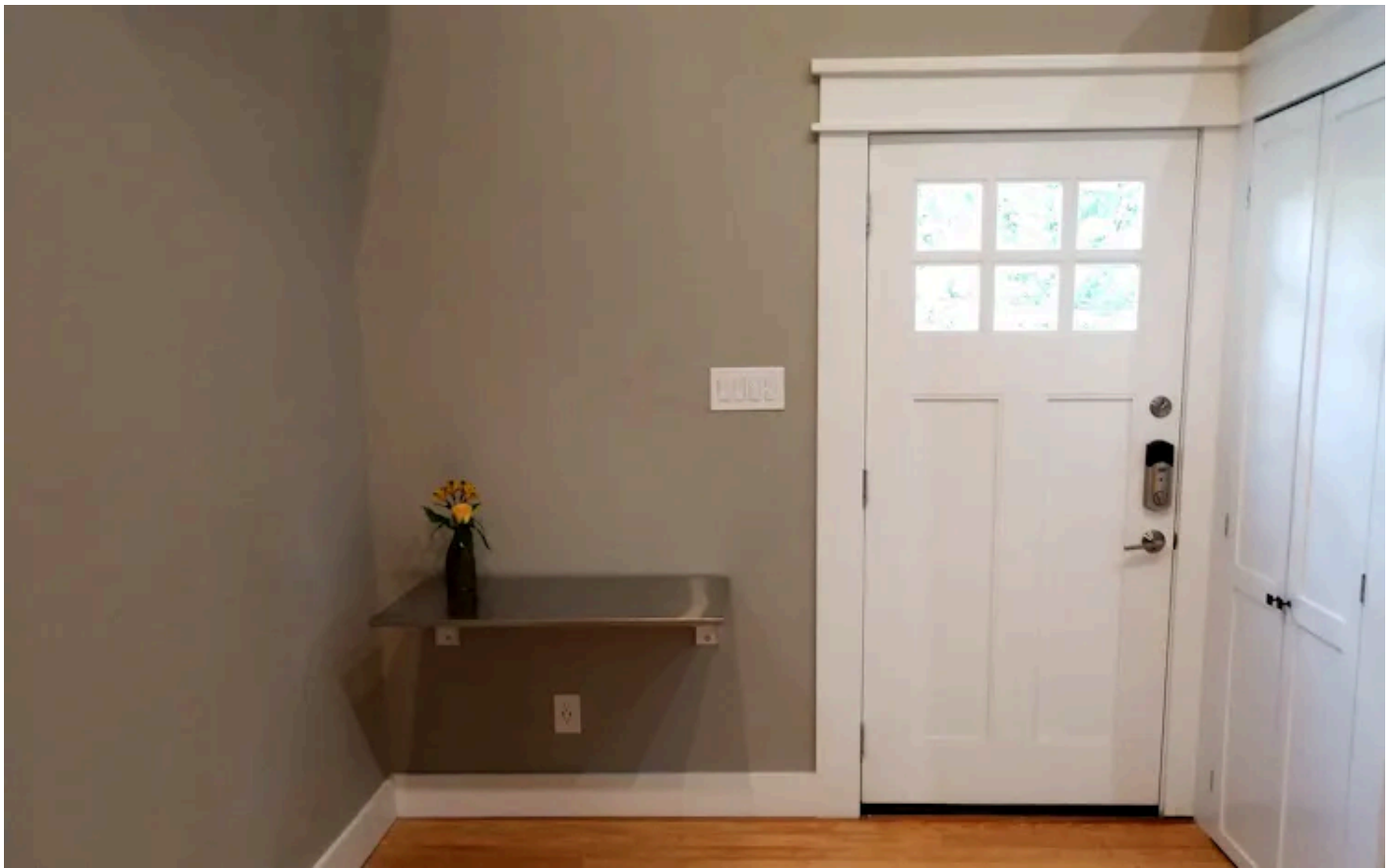
corners. The design has been preapproved by Houston Public Works, says planning manager Lynn Henson (the city's official "ADU advocate"), which shaves time off the permitting process.

But despite the progress, Shelton, the contractor who built Hecker's ADU in the Heights, says contractors still have to jump through some frustrating hoops that continually change, which caused him to start a support group so contractors could "cry on each other's shoulders." Currently, because the city classifies ADUs as single-family dwellings, someone wanting to build one must comply with the same requirements as someone building a three-thousand-square-foot home. All new residential construction triggers a sidewalk review, and the city requires the homeowner to widen the sidewalk to five feet, which drives some customers away. "When I tell people I've got to take out their perfectly good four-foot sidewalk and put in a five-foot one, they don't believe me," Shelton says.



The exterior of an ADU.

Courtesy of Philip Kingston



The living area.

Courtesy of Philip Kingston

Dallas

Dallas achieved more timid reforms in 2018, when the city passed a proposal to allow homeowners and neighborhoods to opt in to having rentable ADUs. But by 2020, just two residents had applied for ADUs.

Former council member Philip Kingston, who promoted the ordinance, now calls it “a total, 100 percent failure.” He claims members of the board of adjustment “have absolutely been obstructionist when it has come to authorizing ADUs,” speculating that “somebody” at the city doesn’t want them. Yet the city says it may still consider a by-right ADU law after it completes a massive overhaul of its land development code.

Until then, homeowners must practice patience. Tech consultant Mark Brinkerhoff lives in the neighborhood just east of Love Field and applied for an ADU in January 2020, thinking construction might begin in the spring.

But after paying \$5,000 in fees to plead his case before the board of adjustment, he sat through three Zoom meetings, camped out with headphones in front of his laptop for as long as six hours at a time, before his name was called. By the time he received approval in late November, supply chain and labor shortages had doubled his costs, so he put the project on hold.

Brinkerhoff's intended purpose for his ADU was to provide a worker in the neighborhood with affordable rent. "I don't need the money," he said. "I just thought, if in some small way I can be part of a long-term [housing] solution, then I may as well pursue it."

The Future of ADUs

Many advocates believe that for ADUs to be widely adopted in Texas, the state should follow the examples of states such as California, Oregon, and Washington, which have passed strong ADU legislation, allowing builders to more quickly solve regulatory barriers. But last year, a Republican-sponsored bill to legalize ADUs across Texas passed the Senate but **failed** in the House, partly due to **urban Democrats concerned about the Legislature meddling in city affairs**. Jay Blazek Crossley, executive director of the Austin-based think tank Farm&City, says his organization has reservations about the state dabbling in zoning, but that it supported the bill because "there was a compelling enough case" for the positive impact it would make on affordable housing.

But there are other things the state can do to help enable ADUs, Crossley says. "The entire system [of zoning] is based on state law, and fixing the system to work better for the people of Texas will require the Legislature and governor to clean up the basic rules of how zoning works, including the inequitable, undemocratic process structures, such as the protest rights system."

Crossley is referring to a section of the Texas Local Government Code that allows property owners living near a zoning change to protest it, which

would then require a three-fourths majority to pass the change; the law was used as the basis for a 2019 lawsuit that **derailed** Austin's long-awaited CodeNEXT reforms. "It gives people who are property owners a veto over legislation and public policy that is not available to people who rent," Crossley says, pointing out that 55 percent of Austinites are renters. Crossley's organization is drafting a bill that would change the law to exempt citywide reform but still allow homeowners to protest projects near them; it would also establish a revolving fund to help low-income homeowners build ADUs.

Whether or not ADUs will succeed at actually making housing more affordable in Texas is a question that haunts any discussion of them. It's easy to dismiss them as just another advantage for the wealthy and developers, but that doesn't have to be the case. In Houston's Third and Fourth Wards, historically Black neighborhoods **undergoing intensive gentrification**, the **Houston Community Land Trust** plans to build ADUs that would rent out for less than \$750 per month or sell for between \$65,000 and \$75,000, says executive director Ashley Allen.

The organization's model allows people with limited incomes to purchase extremely affordable housing atop land owned by the trust. Buyers sign a ground lease agreement, which lasts for 99 years; if they decide to sell their house, they agree to do so to other low-income people at similarly affordable rates. And while they do pay property taxes, rates are significantly lower, since they're based on the home's capped resale value, not the wider market.

In the past, city funding has limited the trust's work to single-family homes, though Allen says people often ask about options for keeping elderly family members close. Now, thanks to an unrestricted \$5 million grant from philanthropist MacKenzie Scott, the organization will be able to offer ADUs to multigenerational families making less than 60 percent of the area median income. Architecture students from Rice University, supervised by Vassallo, are helping to design contemporary ADUs that respect the area's historic character, and Allen hopes to break ground this fall.

“In the end, it’s an all-hands-on-deck approach,” Vassallo says. “We just need more housing, different types of housing, for different people.”

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