

Resolution No. 4

Date: 1/29/2021

City: Washington, DC

NAHB Resolution

Title: Accessory Dwelling Unit Financing
Submitted by: Mike Nykreim

WHEREAS, urban neighborhoods in many cities across our nation were shaped by exclusionary laws and systemic discrimination: who could own land, what could be built, and whether and how it could be financed;

WHEREAS, our nation's housing shortage and rapid growth in many cities have priced out longtime residents, spurring gentrification in our urban areas and further marginalizing Black, Indigenous, People of Color (BIPOC);

WHEREAS, safe, decent and affordable housing provides fundamental benefits that are essential to the well-being of families, communities and the nation;

WHEREAS, ADUs and DADUs Accessory Dwelling Units and Detached ADUs, present an innovative way to create affordable housing, are a sought-after housing choice, and offer significant community benefits;

WHEREAS, ADUs and DADUs make it easier for younger buyers to qualify for their first home, enable seniors to age in place, and expand options for multigenerational living;

WHEREAS, ADUs and DADUs offer homeowners a proven and viable way to earn rental income, remain in their communities, and build wealth;

WHEREAS, ADUs and DADUs can reduce housing costs for both owner and tenant, thereby preventing displacement of both;

WHEREAS, ADUs and DADUs are an environmentally friendly housing option, given their small size and the fact that residents tend to drive less, resulting in lower carbon emissions; and

WHEREAS, the unique qualities that make ADUs and DADUs affordable, also can inhibit lending to build or buy them through traditional banking systems; allow rental income from permitted ADU's to offset Debt Service.

NOW, THEREFORE, BE IT RESOLVED that the National Association of Home Builders (NAHB) work with housing stakeholders and federal, state and local policy makers to explore the development of new funding options for accessory dwelling units (ADUs) and detached ADUs (DADUs);

BE IT FURTHER RESOLVED that NAHB urge financial institutions and their regulators to advance solutions that would enable borrowers to improve the use of projected rental income for underwriting mortgages for properties containing a legal ADU;

BE IT FURTHER RESOLVED that NAHB urge federal, state and local policymakers to focus on developing solutions for meeting community housing finance needs.

Please note: This resolution was submitted after the 30-day advanced deadline and will require a two-thirds majority for approval by the Leadership Council.

Leadership Council Action:	APPROVED
Resolutions Committee Action:	Recommends Approval
Housing Finance Committee Action:	Recommends Approval
Custom Home Builders Committee Action:	Recommends Approval
Land Development Committee Action:	Recommends Approval
NAHB Remodelers Action:	Recommends Approval
State and Local Government Affairs Committee Action:	Recommends Approval
Federal Government Affairs Committee Action:	Recommends Approval
Single Family Builders Committee Action:	Recommends Approval