ADUs, Redlining, & Housing Wealth in South Los Angeles

Examining Housing Value Appreciation & Mortgage Access in West Adams & View Park-Windsor Hills, CA

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INTRODUCTION

Study Context

- California continues to face a severe housing shortage, increasing interest in **Accessory Dwelling Units (ADUs)** as an infill housing strategy.
- Historically redlined neighborhoods in South Los Angeles continue to experience uneven patterns of investment, rising property values, and unequal access to mortgage financing.

Research Question:

To what extent do ADUs contribute to housing value appreciation in historically redlined neighborhoods, and how do historic lending patterns influence access to these gains?

Research Focus

- Examines the relationship between **ADU development, housing value appreciation,** and **FHA mortgage access** in West Adams and View Park-Windsor Hills, CA

Significance

Findings contribute to broader discussions on:

- Housing affordability
- Wealth accumulation
- Neighborhood reinvestment
- Equity-focused urban planning

HOUSING TRENDS: ADUs, FHA LOANS, AND HOME VALUE CHANGE

Los Angeles County Census Tracts

Location	Redline Grade	ADUs	FHA Loans	Median Home Value	% Change in Median Home Value
West Adams					
Census Tract 2197	C	26	42	$985,000	51.42%
Census Tract 2198	C	13	12	$831,200	31.66%
Census Tract 2199.01	C	22	11	$798,900	45.12%
Census Tract 2199.02	C	21	23	$1,234,000	**84.51%**
Census Tract 2200	C	37	36	$980,800	**56.92%**
View Park-Windsor Hills					
Census Tract 7030.02	Null	18	17	$1,633,700	39.25%
Census Tract 7031	A	26	42	$1,080,400	24.94%
Census Tract 7032	A	36	34	$1,211,400	37.91%
Census Tract 9800.38	Null	0	0	Null	Null
Los Angeles County (All Tracts)					
All Tracts (≈ 2,495)	Mixed A-D	~16,786	78,318	$605,200	30.41%

LEGEND:
- Section Headers (Neighborhoods / County Summary)
- Data Rows
- Highlighted Values (Top % Change in Median Home Value)

NOTES:
- ADUs = Accessory Dwelling Units
- FHA Loans = FHA-insured loans
- Median Home Value in dollars (rounded)
- % Change compares earlier period to most recent period available in dataset

METHODOLOGY

Mixed Methods Research

Qualitative

- Reviewed planning literature on **redlining, housing inequality,** and **wealth accumulation**
- Examined historical **HOLC redlining maps** and fair housing research
- Analyzed policy literature related to **ADU legislation and housing equity**
- Identified historical patterns of disinvestment

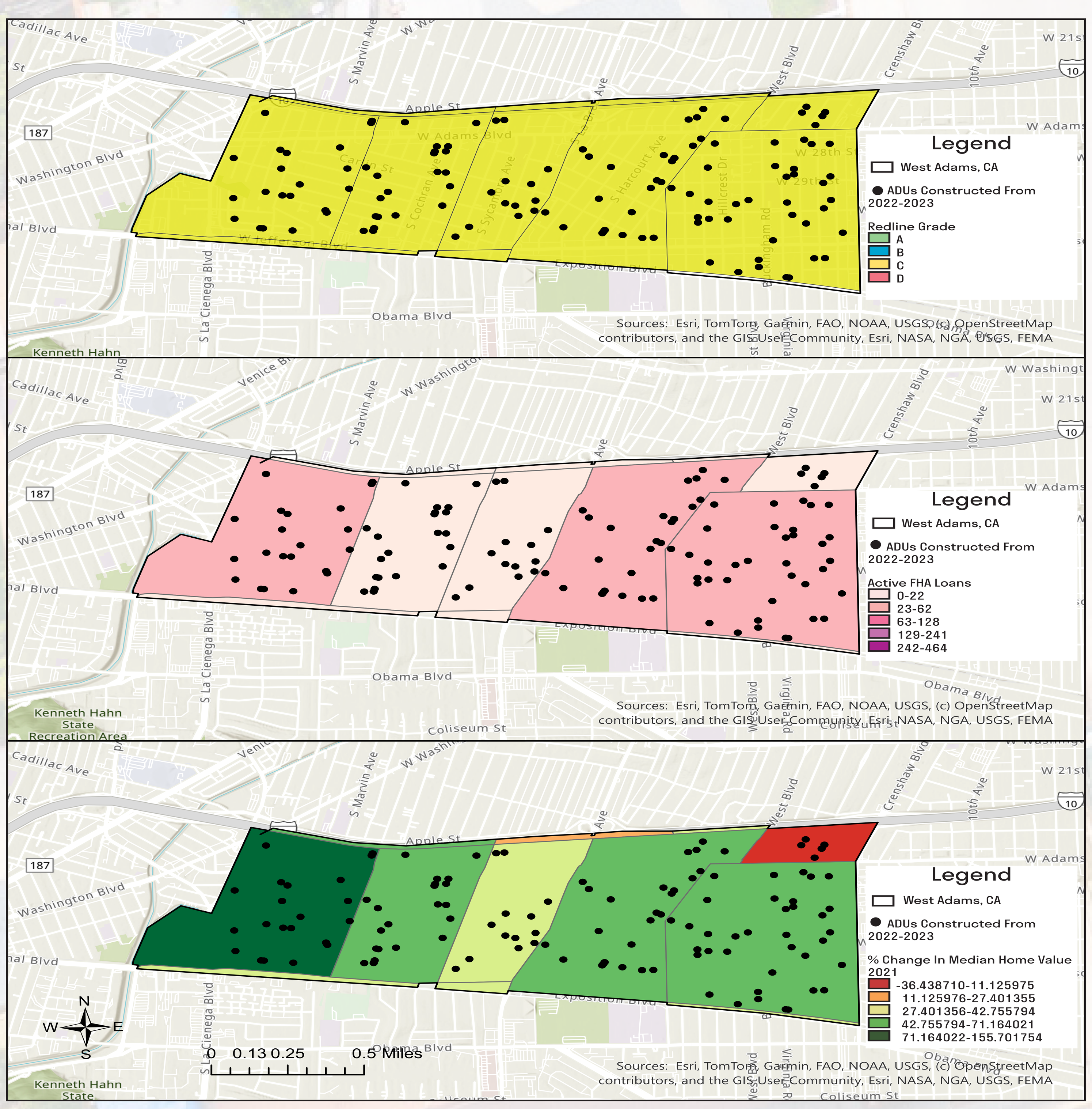
Quantitative

- Collected **U.S. Census ACS 5-year tract-level data**
- Compiled **LADBS ADU permit records**
- Analyzed **HUD FHA-insured loan datasets**
- Used **ArcGIS** for spatial joins, thematic mapping, and census tract analysis

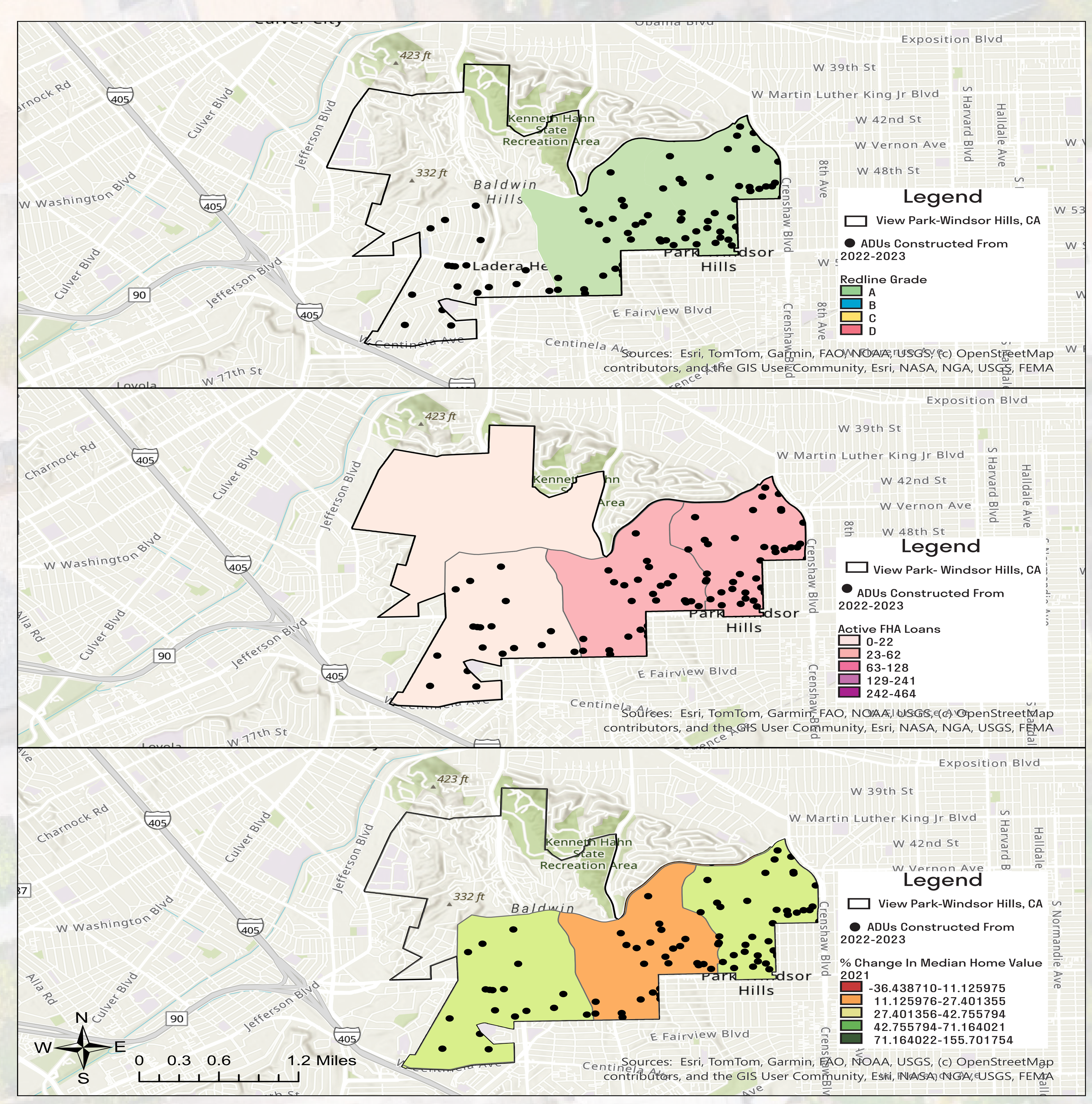
Compared:

- ADU counts
- FHA loan activity
- Median Home values
- % change in median home values

Building Wealth: ADU Growth & Neighborhood Change West Adams, CA



Intergenerational Housing Wealth & Community Stability View Park-Windsor Hills, CA



KEY FINDINGS

West Adams

- **Higher ADU counts** (13-37) aligned with home values increases of 31%-85%
- Suggests a relationship between **ADU growth and neighborhood reinvestment**

View Park- Windsor Hills

- Home Values remained significantly higher **($1M+in several tracts)**
- FHA loan activity was lower, reflecting stronger existing housing wealth

Los Angeles County Context

- 2,495 census tracts analyzed
- ~16,786 ADUs| 78,318 FHA loans| **30.41% median home value increase**

Overall Findings

- ADU growth may contribute to **rising property values and wealth accumulation** in historically impacted communities

RECOMMENDATIONS

1. Expand Equitable ADU Financing

- Increase grants, low-interest loans, and technical assistance for first-time homebuyers, lower-income homeowners, and FHA-eligible households

2. Protect Legacy Residents

- Implement anti-displacement policies, property tax relief, and affordability protections in appreciating neighborhoods

3. Sustain Community Wealth Programs

- Create long-term funding streams for programs similar to the Greenline Housing Foundation through grants, partnerships, and revolving loan funds

CONCLUSIONS

- ADU growth in **West Adams** was associated with **higher home value appreciation** and signs of neighborhood reinvestment
- **View Park-Windsor Hills** maintained **higher overall home values** and **lower FHA loan activity**, reflecting stronger long-term housing wealth
- The location of both study areas near **major employment centers, transportation corridors,** and **regional entertainment destinations** may contribute to rising housing demand and property values
- Historical **redlining and unequal mortgage access** continue to influence present-day housing outcomes across South Los Angeles communities
- Rising property values may create **wealth-building opportunities** for some homeowners, while increasing affordability challenges for FHA-dependent and lower-income households
- Overall, the findings suggest that **ADU policies, regional investment,** and **historical housing inequalities** collectively shape neighborhood change in Los Angeles County