Living Differently: Alternative Approaches to Affordability

PRESENTED BY
Heidi Aggeler, Root Policy Research
Andrew Webb, City of Denver CPD
Cole Chandler, Beloved Community Village
Will Martin, The Architecture Lobby
Paul Bindel, Queen City Cooperative
Stefka Fanchi, Elevation Land Trust
Our Esteemed Panel—and what they will discuss

Panelists and Topics

- Andrew Webb: City of Denver experience rethinking code
- Cole Chandler: Tiny Home Village
- Will Martin: Accessory Dwellings
- Paul Bindel: Coops
- Stefka Fanchi: Land trust model

(We will begin with a bit of context)

Q&A
Drivers: Demographics and Household Economics

1. People marry later: Age at first marriage in 1980 = 22 for women and 25 for men; now 29.5 for men and 27.5 for women

2. People delay childbirth: Mean age of childbirth in 2000 = 27; now 28

3. Flexible living arrangements needed to make up for lack of housing subsidies and assistance (e.g., lower use of public subsidies by Hispanic households yet higher rates of overcrowding)

4. U.S. growth is driven by international immigration and nontraditional household arrangements:
   - Immigrants are more likely to be renters, to have lower incomes
   - Extended family settings contribute to economic stability through free child care, faster language acquisition, cultural assimilation, si
City of Denver Experience

Updating City Code
City and County efforts to address affordability

- Finance new affordable housing and preserve existing affordable units
  - Affordable Housing Fund
  - Safe Occupancy Program
- Incentivize inclusion of affordable units in market-rate projects
- Invest in supportive housing and shelters
- Rent assistance and anti-displacement efforts
- Update land use regulations and policies to encourage diversity of housing types, remove barriers to affordability
Group Living Zoning Code Update Project

- Outdated, complicated language
- Emerging and re-emerging uses not clearly addressed
- Changing housing needs
- Evolving city housing policy
- Updated state and federal regulations
How does the Zoning Code impact affordability?

- Complicated, confusing process for opening group homes, shelters or other residential options.
- Lack of clear regulations for emerging low-cost housing models like tiny house villages, re-emerging uses like single-room occupancy (SRO)
- High requirements for off-street parking, reducing land area that could be used for housing
How does the zoning code impact affordability?

- Household definition is one of the most conservative in the west, permitting only two unrelated adults to live together in a typical house. This limits:
  - Adults renting or buying a home together
  - Cooperative housing and other intentional living models
  - Intergenerational living
  - Artist/DIY space housing
Project Status

- Zoning Code Problems identified by affected stakeholders
- Committee recommendation to cease regulating between related and unrelated individuals
- Draft proposals for tiny home village zoning and building code amendments
- Draft reorganization of shelter types
- Recommendations to reduce off-street parking requirements
Next Steps

- Draft zoning and building code amendments for DIY/artist housing that combines living, work and performance spaces
- Committee consensus around new household definition
- Committee consensus on regulating small group homes, sober living homes, etc.
- Public outreach and adoption process
  - Late summer and fall 2019

www.denvergov.org/groupliving
Tiny Homes

Challenges with Code and Location
Let’s be NEIGHBORS!
A look at tiny home villages as an emerging solution to homelessness
What is a Tiny Home Village?
Elements of a Tiny Home Village

- **TINY HOMES** - Individual homes of 400 square feet or less
- **COMMON BUILDING(S)** - Shared facilities and resources to supplement tiny homes
- **NON-PROFIT SPONSOR** - An entity that provides ongoing administration, oversight, and support
- **VILLAGE MEETING** - Residents meet as a community at least once a month
- **COMMUNITY AGREEMENT** - A basic code of conduct that all residents agree to abide by
- **SELF-GOVERNANCE** - Involvement of residents in decision making and management
- **LOW COST** - Between $2,500-25,000 per unit
Opportunity Village
Eugene, OR
Nickelsville
Seattle, WA
Community First! Village

Austin, TX
Beloved Community Village

Denver, CO
A Tiny Home Village is...

A RADICAL SHIFT IN OUR APPROACH TO HOMELESSNESS
Who lives in a Tiny Home Village?
Those not well served by the existing shelter system

- Couples
- LGBTQ People
- People with pets
- People with disabilities
- People who are working
What is a Tiny Home Village for?
Homeless
Provide a safe, stable, healing environment that connects with the broader continuum of housing.
Housing is first, but it is not our end.
DEEP WELL BEING

Justice

Voice & Power

Community

Healing

Opportunity

Equity

Rights
Are Tiny Home Villages working?
Beloved Community Village has had a demonstrably positive impact on local community
- Previously unserved people are housed
- Neighbors report very few concerns with village
- No increase in crime near the village

Improved outcomes for villagers in the areas of:
- Education & Employment
- Health & Well-being
- Reduction in Theft

Villagers report:
- An increase in social capital
- Increased feelings of safety
Despite that fact that most had been chronically homeless, 10 of the 12 original residents are still housed 9 months after the launch of the village.

Of these 10 initial villagers, 3 have moved into permanent housing to be replaced by new residents of the village.
The village has contributed to a statistically significant decrease in anxiety and an increase in satisfaction.

By the end of the 9-month evaluation, all of the residents were either employed or in school, with one person on disability.

Villagers valued the increase in social capital and the opportunity to be part of something larger than themselves.
• Neighbors reported few, if any, challenges with the village

• Nearly 80% of neighbors interviewed reported no impact or a positive impact on traffic, safety, and noise

• Nearly 90% of neighbors reported no impact or a positive impact on the sense of community
## Neighborhood Perception of the Village's Impact

**Sample Size:** 23 Neighbors

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<thead>
<tr>
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<th>% Respondents Report No Impact/Positive Impact</th>
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<tr>
<td><strong>Traffic flow</strong></td>
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<tr>
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<tr>
<td><strong>Noise</strong></td>
<td>83%</td>
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<td><strong>Sense of community</strong></td>
<td>87%</td>
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MAPS COMPARING REPORTED CRIME

JUL - DEC 2016

Half Mile Total = 585
Quarter Mile Total = 177

JUL - DEC 2017

Half Mile Total = 592
Quarter Mile Total = 166

Legend
- BCV - 3733 WALNUT ST
- Reported Offenses
  - 1 - 2
  - 3 - 4
  - 5 - 6
  - 7 - 9
  - 10 - 19
- Neighborhood Boundary
- Half Mile Radius
- Quarter Mile Radius
Accessory Dwelling Units

Challenges with Cost, Location and Financing
ADUs, an Alternative?

Will Martin - will@studiobvio.com
1) HISTORY

2) CURRENT CONTEXT

3) OPPORTUNITIES

4) CHALLENGES

5) OPPORTUNITIES
Village of Euclid vs Amber Realty Co (1926)

O.G. NIMBY
a **secondary** housing unit on the back of a residential lot

**LITERALLY, IN MY BACK YARD...**

"**LIMBY**"...?

*Carriage*  
*House Alley*  
*Flat Granny*  
*Garage*  
*Apartment In-Law Suite*  

**ADU**

- home office
- rental
- aging
- parent
- downsizing
- Air BnB
- PRIMARY
- boomerang
- kids
- workshop

**Primary**
DENVER ZONING CODE IMPLEMENTATION (2010)

CRACK THE CODE!

caption: CRACK THE CODE!

context

lot size

building form

special purpose

U-S B1
Inclusion of the Accessory Dwelling Unit form
High Demand + Limited Early Development

- ADU eligible parcels built to date: 0.7%
- Eligible Parcels: ~25,000
- Needed Units: ~21,000
- ADUs built since 2010: ~200

what we can do
what we need
where we are with ADUs
48/78

Denver Neighborhoods with ADU eligible parcels

meet min. standards
meet zone lot

35% 65%
# COMPLEX REGULATIONS

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CHALLENGES TO AFFORDABILITY

Financing

- Limitation of the MLS
- Limited number of Comps for underwriters/appraisers
- Limited financial instruments

Construction

- Infill Development
- Shortage of Labor
- Permitting Process
- Development Fees
OPTIONS PLANS

Option 1
Addition + Garage Conversion

Option 2
New Primary

Option 3
Detached ADU + Site Split

UNPACKING YOUR BUNDLE OF RIGHTS!

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<th>Option 1 (sf)</th>
<th>Option 2 (sf)</th>
<th>Option 3 (sf)</th>
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<td>New ADU First Floor Garage</td>
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<tr>
<td>New ADU Second Floor</td>
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Resource
ARCHITECTURE

accessibility  energy efficiency  flexibility

studioobvio
Recommendations

Diversify housing choice through the expansion of accessory dwelling units (ADUs) throughout all residential areas. ADUs can add variety to the housing stock in low density residential neighborhoods without significantly changing the existing character. As Denver allows ADUs throughout the city, it is important to understand impacts in areas vulnerable to displacement.

A. Study and implement allowances for ADUs in all neighborhood contexts and residential zone districts. Use an inclusive community input process to respond to unique considerations in different parts of the city.

B. Identify strategies to prevent involuntary displacement — especially in areas that score high for Vulnerability to Displacement — in conjunction with expanding the allowance of ADUs into new neighborhoods.

C. Create a citywide program to expand access to the construction of ADUs as a wealth-building tool for low- and moderate-income homeowners.

D. Study and implement incentives to encourage income-restricted ADUs, so they are more likely to provide affordable housing options, and to encourage the use of ADUs for long-term housing options, rather than short-term rentals.

E. A citywide approach to enable ADUs is preferred. Until a holistic approach is in place, individual rezonings to enable ADUs in all residential areas, especially where adjacent to transit, are appropriate. These rezonings should be small in area in order to minimize impacts to the surrounding residential area.

Remove barriers to constructing accessory dwelling units and create context-sensitive form standards.

The zoning code already allows ADUs in some areas of the city. ADUs can be attached to the main home, such as a basement unit, or detached. There are opportunities to remove barriers — especially since the cost of constructing a detached ADU is high — and to better calibrate form standards for detached ADUs by neighborhood context.

A. Evaluate existing barriers to ADU construction and revise codes and/or fees to remove or lessen barriers.

B. Revise the zoning code to allow ADUs as accessory to more uses than only single-unit homes.

C. Revise detached ADU form standards to be more context-sensitive, including standards for height, mass and setbacks.

D. Establish context-specific patterns or templates to facilitate the approval process of detached ADUs.
Cooperative Living

Challenges with Household Definition and Financing
● We might not be able to afford a home in Denver separately. Could five of us afford a house together?

● The market excludes specific people from access to ownership. What if we designed an inclusive alternative?

● Banks, real estate and local government are biased toward ever-increasing mortgages. What if we imagined permanent affordability?
Cooperative Building Blocks:

Self Help
Cooperative Building Blocks:

Mutual Aid
Cooperative Building Blocks: The Future
Land Trusts

Part of the Solution
The housing crisis is impacting Colorado’s families

Housing Costs
- Denver metro rents are up 46.2%

Wage Growth
- Colorado wages are only up 11.4%

People Impacted
- Firefighters, teachers and construction workers struggle more than ever with housing costs

Sources: Between 2011 and 2015, Stats from Shift Research Lab
We recognize housing as the backbone of family stability, AND as a critical piece of public infrastructure.
Why Home Ownership?

1. Families who are involuntarily displaced are more likely to move to disadvantaged, less-resourced neighborhoods. *Homeowners are 9 times more likely to vote and participate as leaders in improving their communities.*

2. A typical renter’s net worth in 2013 was $5,400. *A typical homeowner’s net worth at that same time was $195,400.*

3. Children are 50% more likely to be in fair or poor health after moving multiple times due to displacement. *Once stabilized by affordable homeownership, 75% of low income families report improved family health.*

4. A single change in elementary schools results in a decrease in math/reading equivalent to a 4-month learning disadvantage. *Children of homeowners consistently outperform their peers who rent in both math and reading, and have higher graduation rates.*
What is a community land trust?
What is a community land trust?

Modifying the normal process of home buying to make housing permanently affordable.

1. Public and private capital is used by the CLT to acquire homes in geographic focus areas.

2. Land decoupled from and owned by the Community Land Trust. CLTs are governed by a nonprofit board, with representation from CLT home owners.

3. Buildings are owned by individuals. Because they pay a discounted price for the structure as well as a nominal ground lease fee, purchasing the building is more affordable.

4. A 99-year ground lease between the CLT and owner ensures owner occupancy and responsible use and outlines fees paid to the CLT.

5. A resale formula built into the ground lease keeps homes affordable for the next home buyers.

Source: Community Land Trust Infographic, CommunityWeath.org
A model for permanent affordability & shared equity

**HOME OWNER #1**
$200,000 purchase price

1. **First purchase of CLT home**
   - Appraisal value: $300,000
   - Subsidy: ($100,000)
   - Base price HO#1: $200,000

2. **Resale of home 5 years later**
   - Base price HO#1: $200,000
   - Appreciation HO#1: $12,500
   - CLT 3% resale fee: $6,375
   - Base price HO#2: $218,875

**Total appreciation:** $50,000

**75% CLT appreciation:**
- $37,500

**25% HO#1 appreciation:**
- $12,500

**HOME OWNER #1**
$12,500 appreciation at sale

*Every CLT develops its own resale formula. This example uses 25% as fair return and does not reflect CLT owners making capital improvements to their home.*
Subsidy Retention = PERMANENT Affordability

Sources: Santa Ana CLT
VISION
By the end of 2022, ECLT will create more than 700 CLT homes, helping to double the number of for-sale CLT homes in Colorado and creating a sustainable platform for supporting families and communities.

MISSION
Elevation Community Land Trust partners with Colorado communities so families can access opportunity through permanently affordable homeownership.
Stewarding 700 affordable homes within 5 years

Targeting 80% AMI or below

Building a long-term platform for CLT residents to access supportive health and human services.
Equity and the Land: the Origins of the CLT

• Our Landed History
• Ownership vs. Stewardship
• Ashram, Kibutz, and Collectives
• Civil Rights and Economic Equity
Q&A

- Andrew Webb, Andrew.Webb@denvergov.org
- Cole Chandler, cole@covillageco.org
- Will Martin: will@studiobvio.com
- Paul Bindel: paul.bindel@gmail.com
- Stefka Fanchi: sfanchi@elevationclt.org
- Heidi Aggeler, heidi@rootpolicy.com