

Disruptive Responses to the Affordable Housing Crisis



*Rocky Mountain Land Use Institute
University of Denver Sturm College of Law
March 8, 2018*

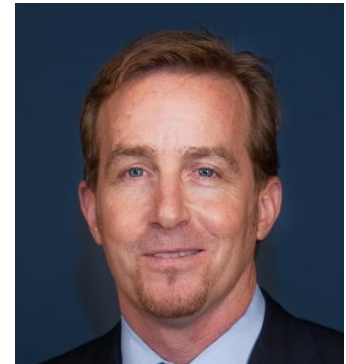
Disruptive Responses to Housing Costs

The Panel

George Adams

Director of Planning & Development Services

Aurora, CO



Joelle Greenland

Community Development and

Long Range Planning Manager

Adams County, CO



Don Elliott

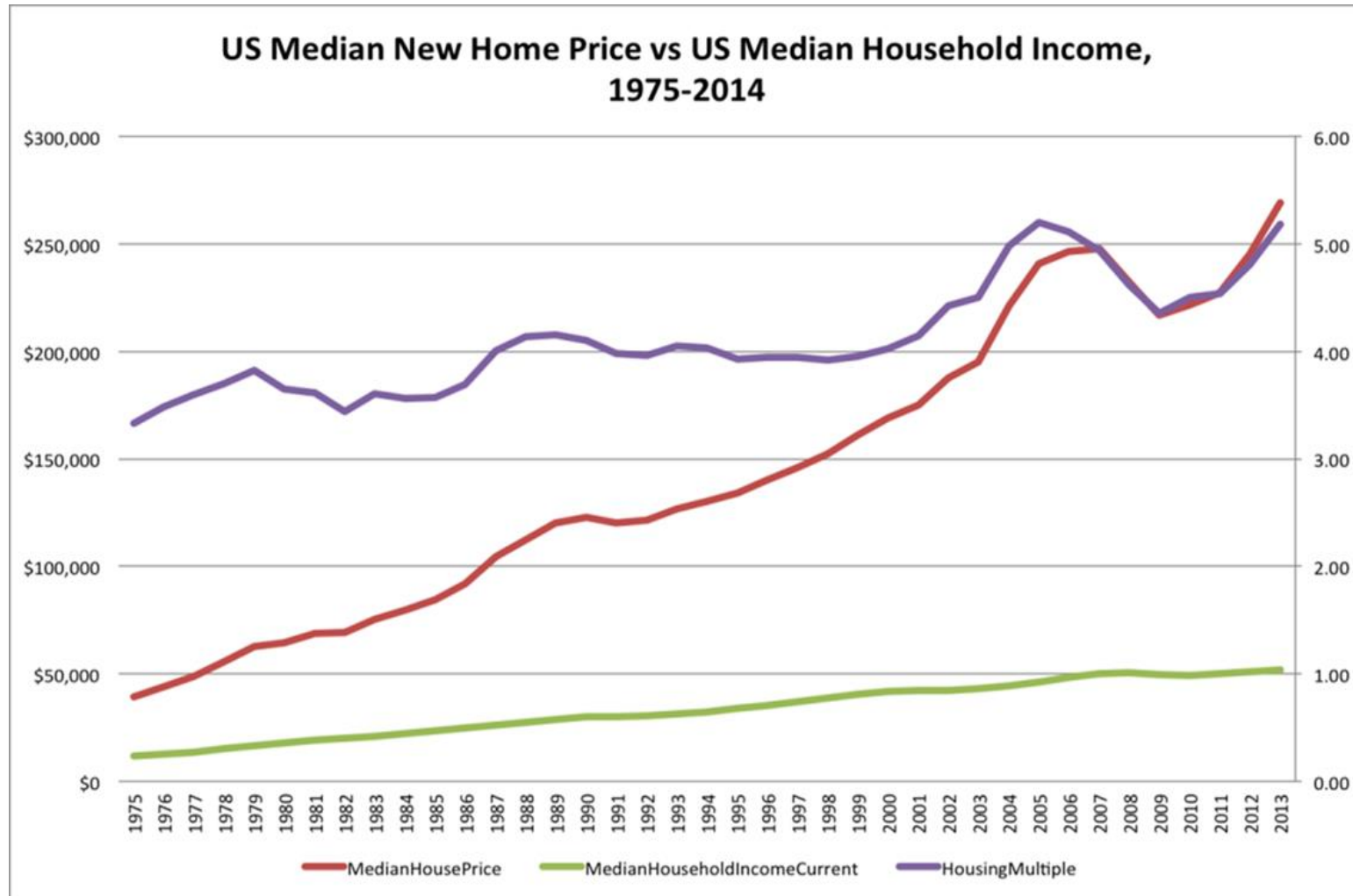
Director, Clarion Associates

Denver, CO



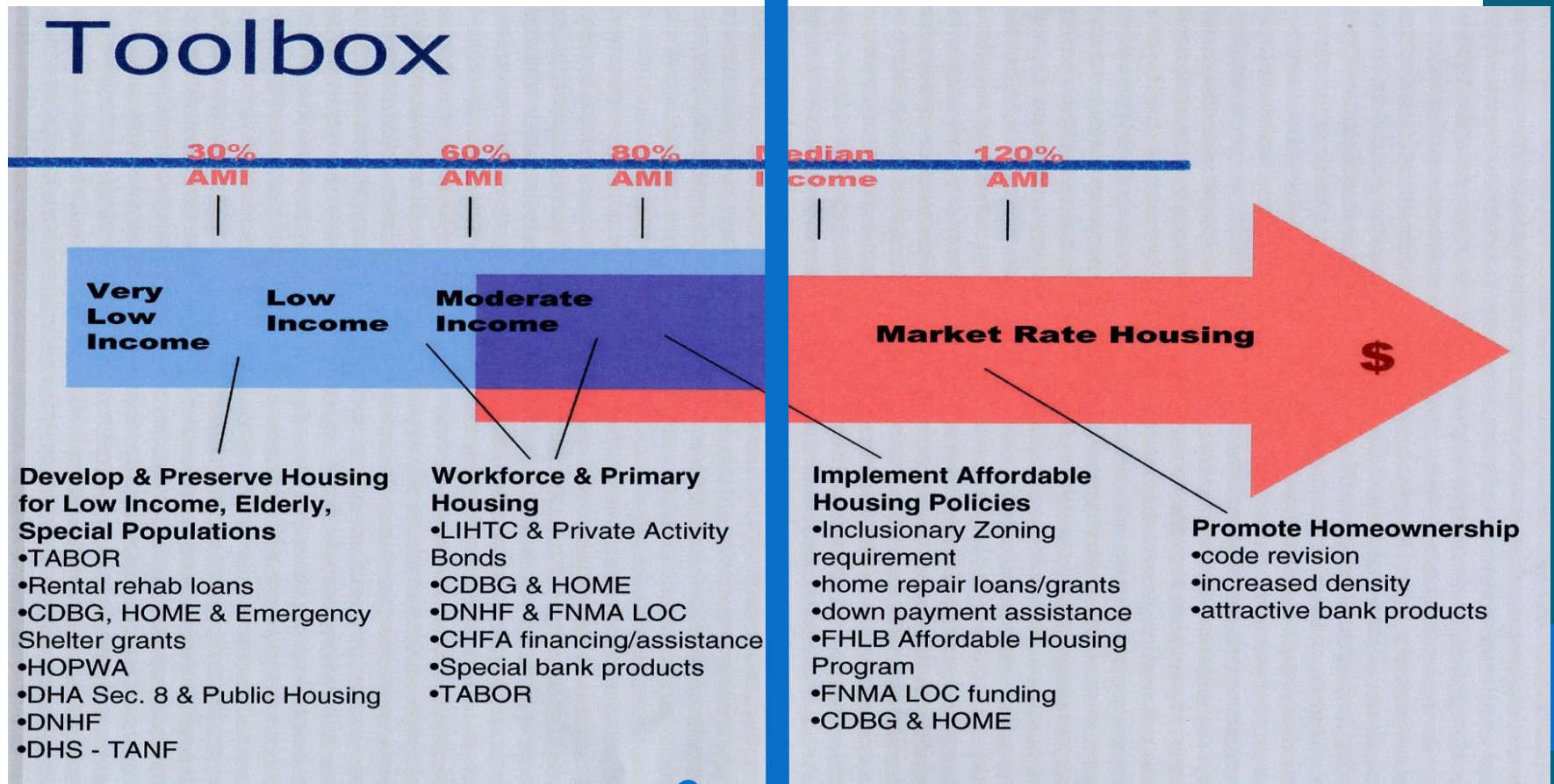
Disruptive Responses to Housing Costs

Don's Favorite Background Slide



Disruptive Responses to Housing Costs

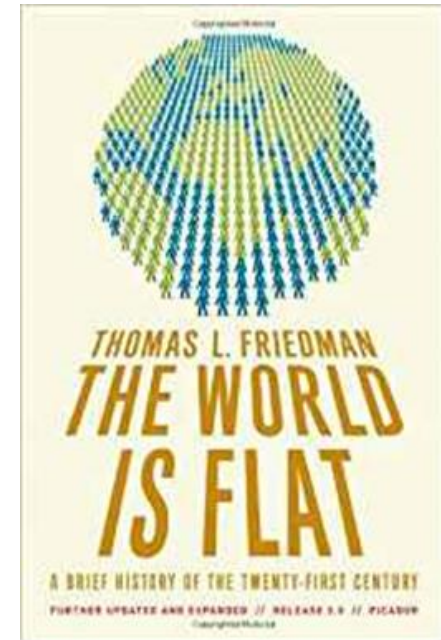
Don's Second Favorite Background Slide



Disruptive Responses to Housing Costs

The Point

- Global economic forces, and the structure of the U.S. economy, will continue to exert downward pressure on wages – so the affordability challenge will only get more serious in the future
- We are already seeing the impact in
 - Declining homeownership rates
 - Rising rental occupancy
 - Increased homelessness – especially in families
 - Pressure to allow ADUs
- We will continue to see the pressure appear in new and “disruptive” ways



Disruptive Responses to Housing Costs

Aurora's Experience

George Adams

City of Aurora Residential Lot Standards

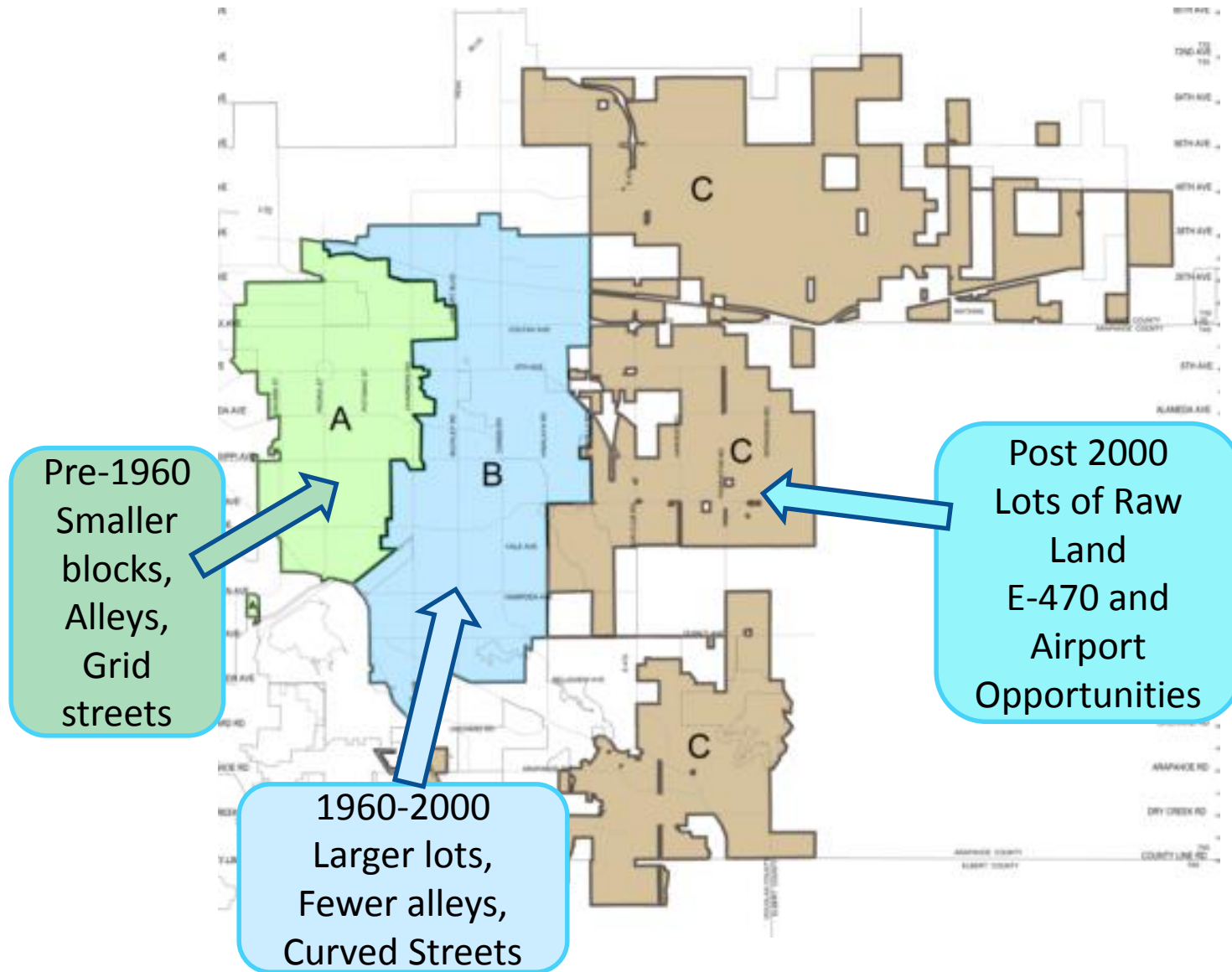


George Adams, Director, Planning and Development Services

What Are the Issues?

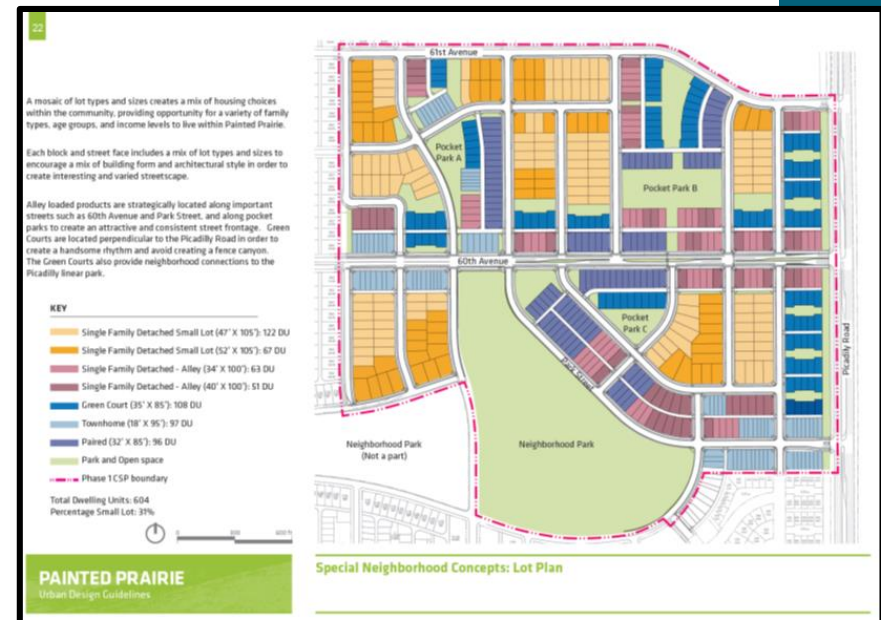
- Quality, Desirability and Sustainability of New Development
- Affordability and Attainability
- Suburban Context and Density
- Market Demand versus Public Policy
- Substantial Change in Development Standards

Aurora Subareas



Aurora's Current Code

- Small Lot = less than 55' wide and less than 6,000 sf in area
- Up to 35% of lots may be small
- Duplex lots (42' x 100') do not count as small lots
- Approval process is administrative
- Additional Options to Achieve Small Lots
 - Sustainable Use Neighborhood (SUN) District
 - Planned Development (PD) District
 - Waiver requests



Painted Prairie

Major Elements of Staff Proposal

Variety of lot sizes and housing types

Intent: Provide housing opportunities for a range of incomes, ages, and lifestyles



Major Elements of Staff Proposal

Unit Mix and Dispersal Standards

Intent:

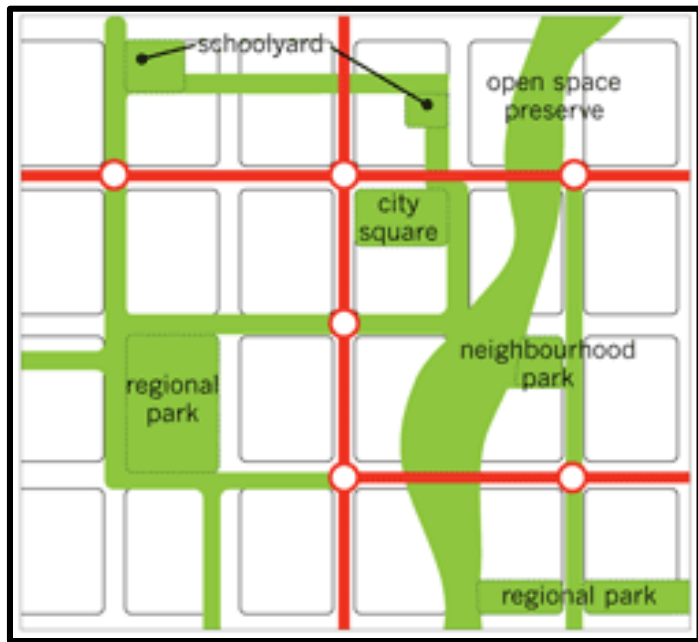
- Provide different lot sizes and housing types to avoid uniform, monotonous development
- Avoid large contiguous areas of single lot or housing type
- Smaller lot sizes and higher density housing located near common open space



Major Elements of Staff Proposal

Connected, Functional Open Space

Intent: Locate high quality common open space near smaller lot types



Major Elements of Staff Proposal

Architectural Enhancements

Intent: To ensure high quality design and minimize garage dominated street frontage

- Garage set back behind front façade or front porch
- Enhanced garage door
- Encourage alley-loaded housing
- Encourage prominent front porches
- Prominent front door



HBA Proposal



LOT SIZE: 55' X 105'

LOT AREA: 5775 SF

LOT SETBACKS

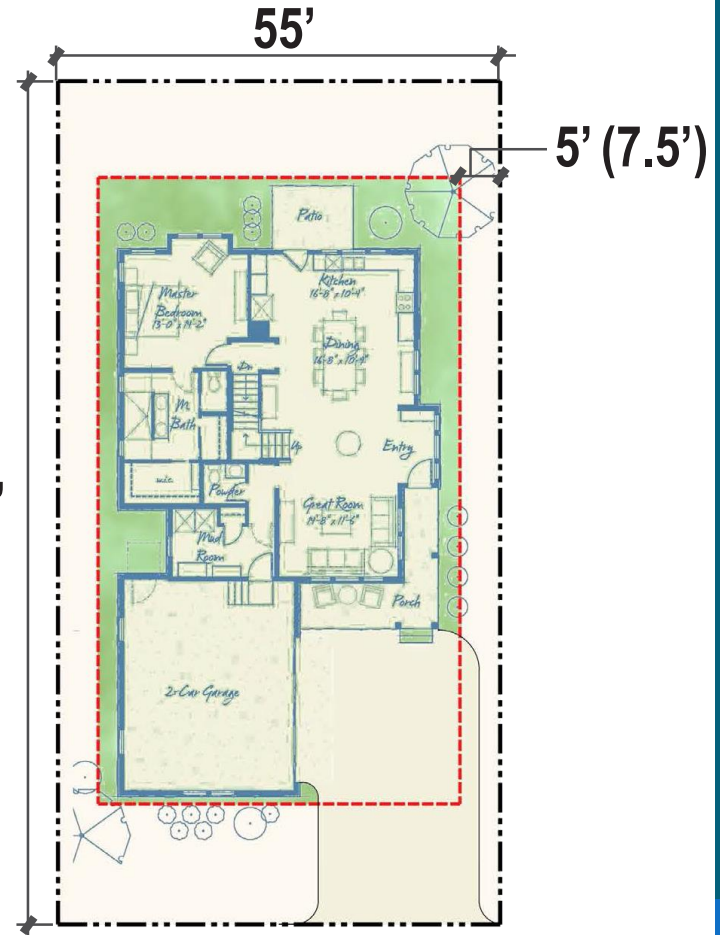
FRONT: 15'

REAR: 20'

SIDE: 5' (7.5')



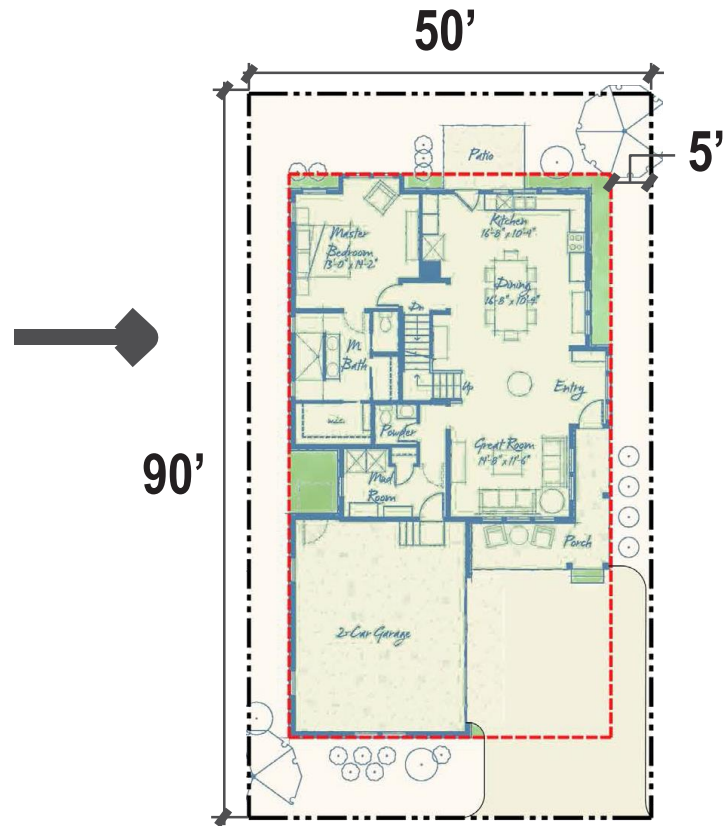
105'



HBA Proposal

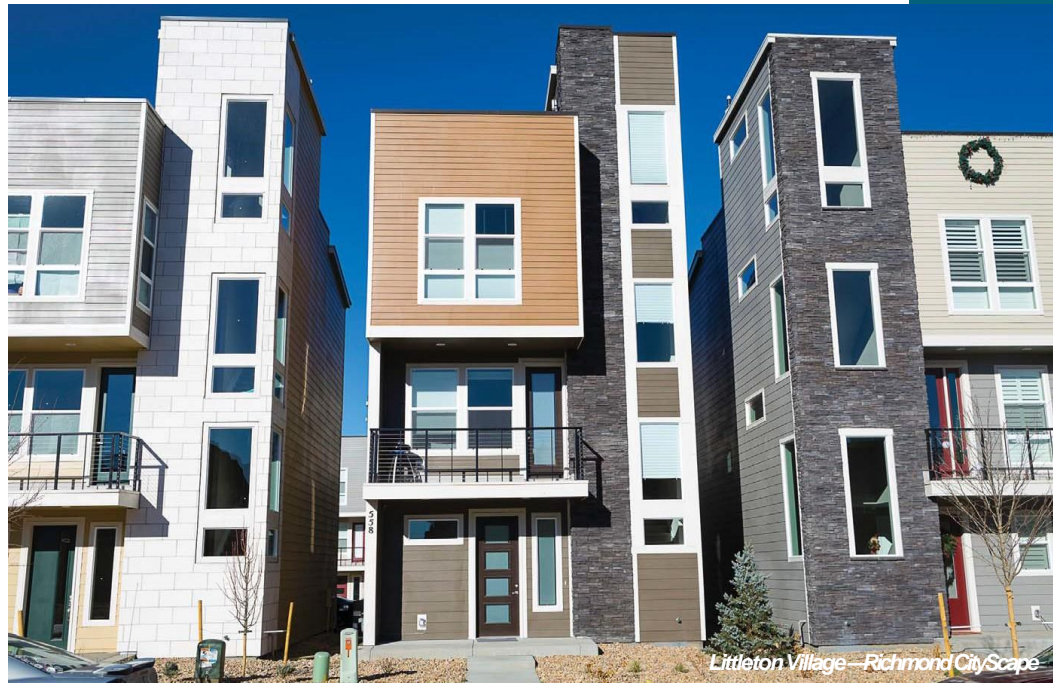


LOT SIZE: 50' X 90'
LOT AREA: 4500 SF
LOT SETBACKS
FRONT: 10'
REAR: 10'
SIDE: 5'



WHAT IS THE REQUEST?

1. Product mix
2. Maintain all existing architectural design criteria
3. Adjust dimensional criteria
4. Redefine the standard lot size
5. Maintain existing limitation for small lots
6. Adjust setbacks
7. Move the changes forward



Current Status and Next Steps

- Still in discussion with HBA
- Council Committee – March 14, 2018
- Finalize Recommendations and Amendments
- Additional Public Outreach
- Planning and Zoning Commission
- City Council Public Hearings

Lessons Learned / Takeaways

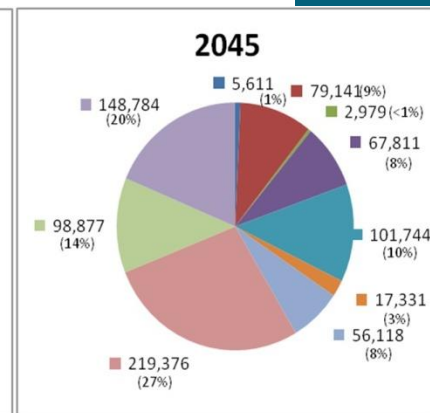
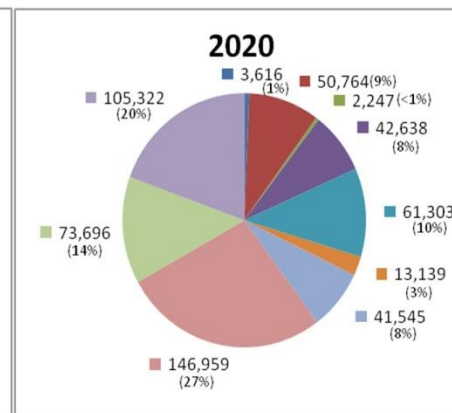
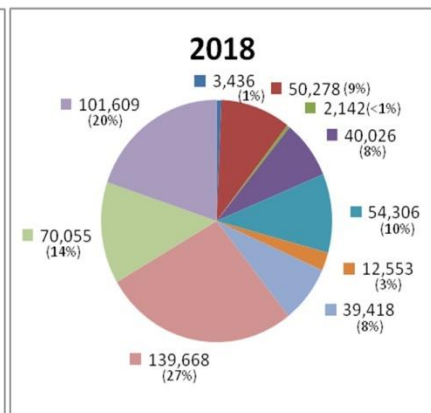
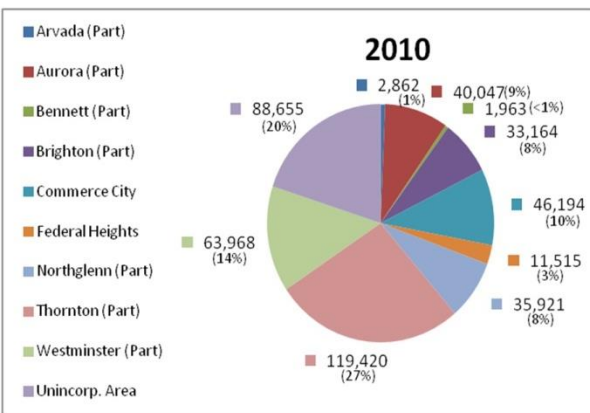
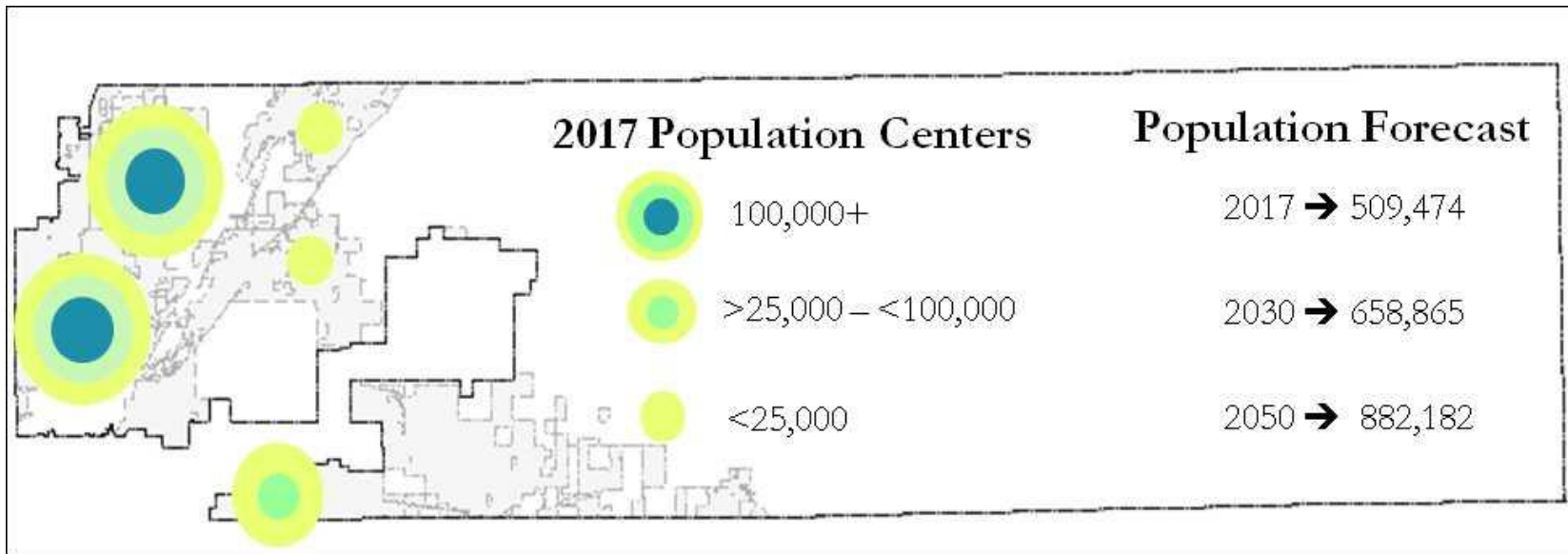
- Check In Early with Policy Makers
- Set Clear Goals
- Identify Key Stakeholders and Avoid New Interests “Parachuting” In
- Focus on Data and Design
- Negotiate in Good Faith
- Know when to Agree to Disagree

Disruptive Responses to Housing Costs

Adams County's Experience

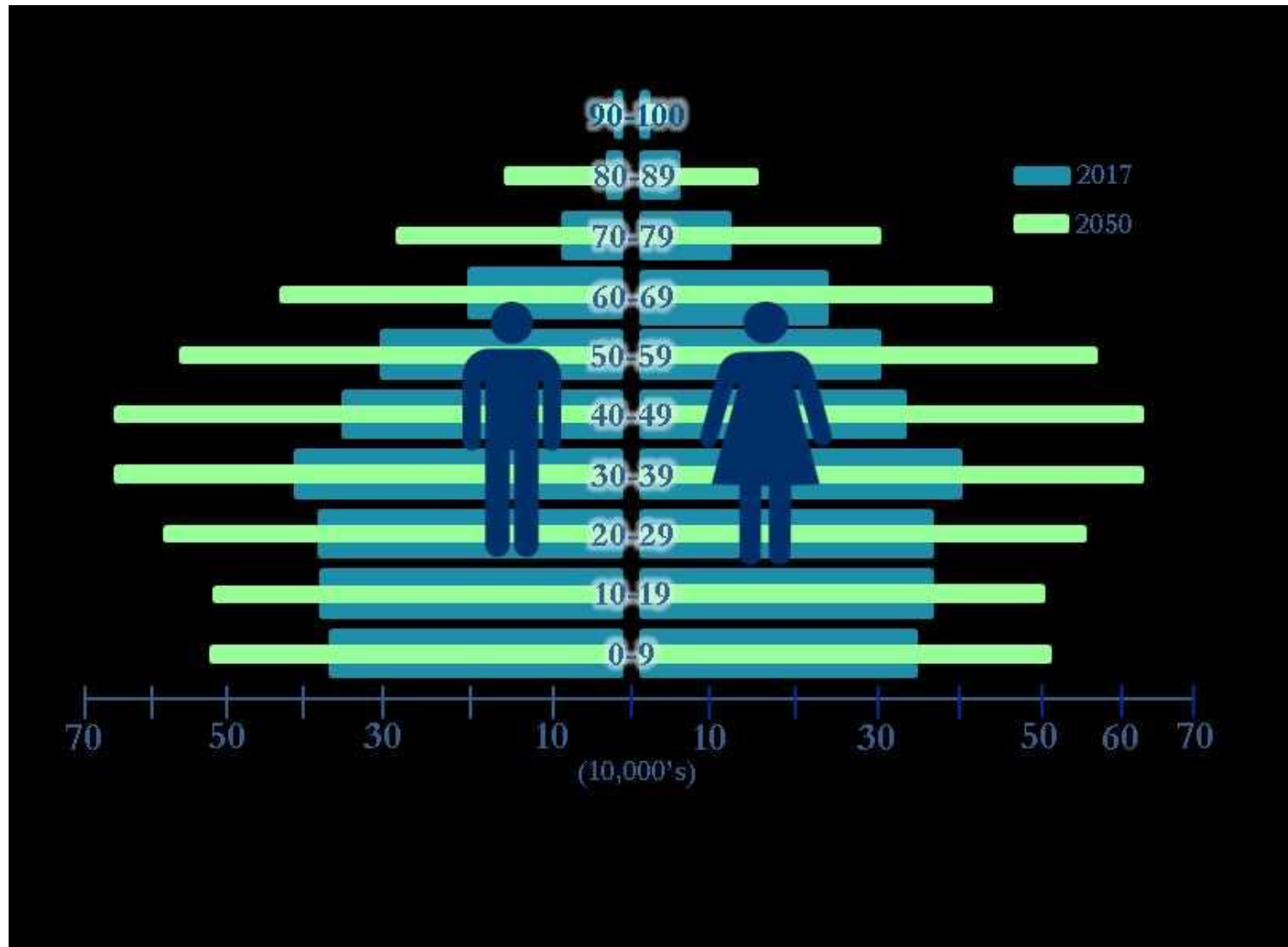
Joelle Greenland

Adams County



Footnotes:
¹ Lochbuie does not have population data available, thus it has not been represented.
² The linear growth rate used was extrapolated from population data collected by the State Demographer's Office.

Population Characteristics



Housing Needs Assessment

Rents are  faster than income

44% of homeowners are cost-burdened

52% of renters are cost-burdened



18.4% of new families and professionals prefer “missing middle” type housing



33%  in need for affordable housing units since 2009's Balanced Housing Plan

> 24K families make **< \$35K**/yr

Housing Costs and Income

- Median Home Sales Price - \$365,506
- Median Rent - \$1,850
- Apt Vacancy Rate – 4.7%

TABLE 4: Median Household Income and Housing Costs

	2000	2009	2015	2000-2015 percent change
Median household income	\$47,323	\$55,258	\$58,946	24.6%
Median home value (county)	\$149,800	\$198,600	\$198,800	32.7%
Median gross rent	\$705	\$869	\$1,039	47.4%
Source: 2000 Census, 2005–2009 and 2011–2015 American Community Survey 5-Year Estimates				

Fair Market Rent - \$1,305

Wage Required - \$25.10/hr or \$52,000/yr

Avg. Wage of Renters in Adams - \$15.80/hr or \$32,864

Source: Colorado Fiscal Institute

Percentage Change Rent & Income

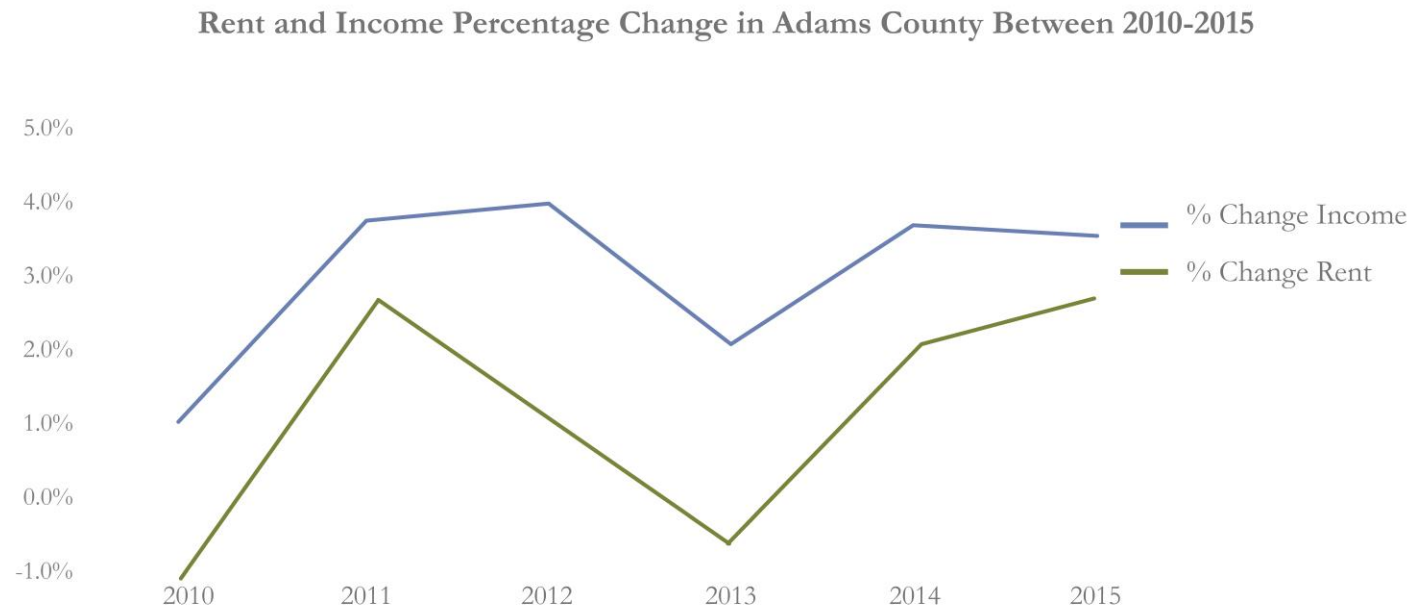


Figure 2.4.: Percent Change in Median Rent and Income in Adams County

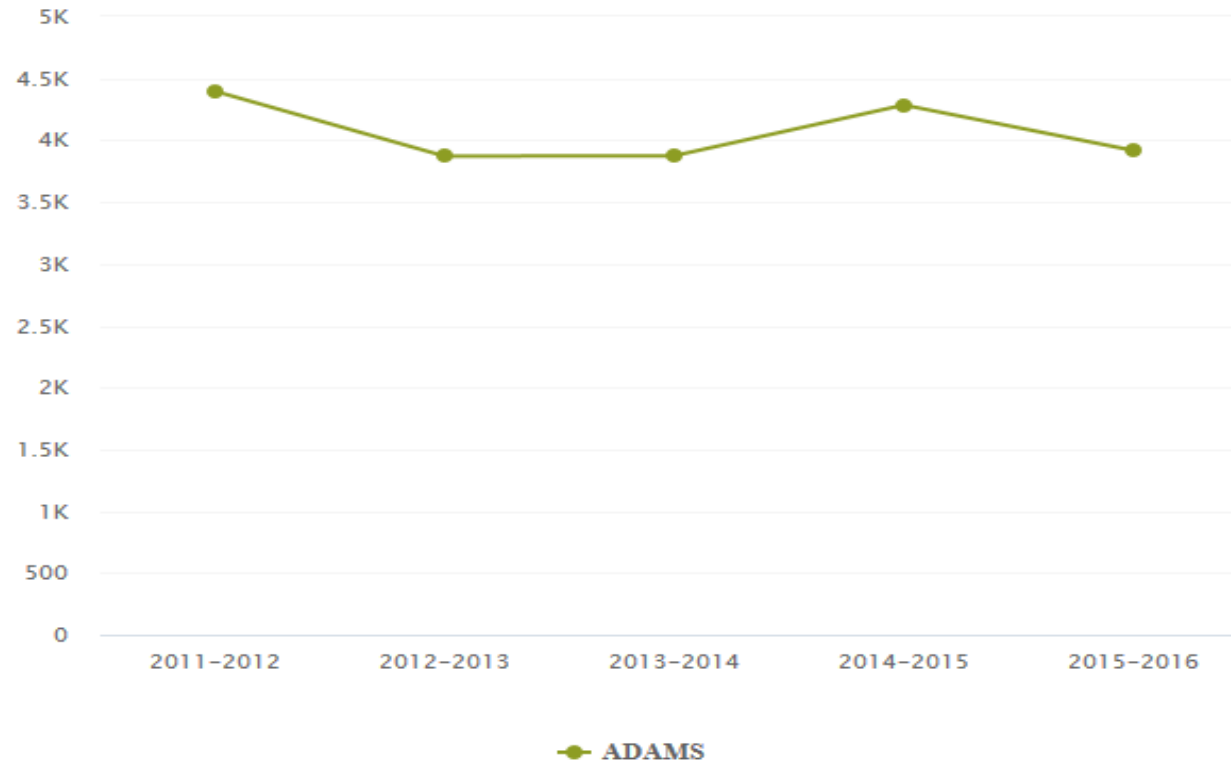
Source: Community Survey 5-Year Estimate, HUD

Housing Supply & Demand Mismatch

- 16% of HHs have incomes affordably matched home between \$300,000 to \$500,000
- New Families & Young Professionals prefer middle type units which currently make up roughly only 16% of housing stock
- SFD accounted for more than 85% of new construction since 2004
- New construction not keeping up with demand despite record breaking numbers for new units

WE CANNOT BUILD OUR WAY OUT!

McKinney Vento Homelessness School Data



Homeless Youth in 2016: 3,917
Highest in the State

Miscellaneous Issues

- ADUs
 - Unincorporated Adams County – not allowed
 - Recommendation from the Balanced Housing Plan to explore
 - Most likely many illegal ADUs
 - Tap fees an issue – over 36 water and sanitation districts in Adams County
- Airbnb - Hundreds of listings
- Definition of Family - *An individual or three (3) or more persons related by blood, marriage, or legal adoption, living together in a dwelling unit as a single housekeeping unit. Persons not related by blood, marriage, or legal adoption shall be deemed to constitute a family where they are living and cooking together as a single housekeeping unit, but shall not include unrelated students attending colleges or universities.*
- Larger Lots/Subdividing

Disruptive Responses to Housing Costs

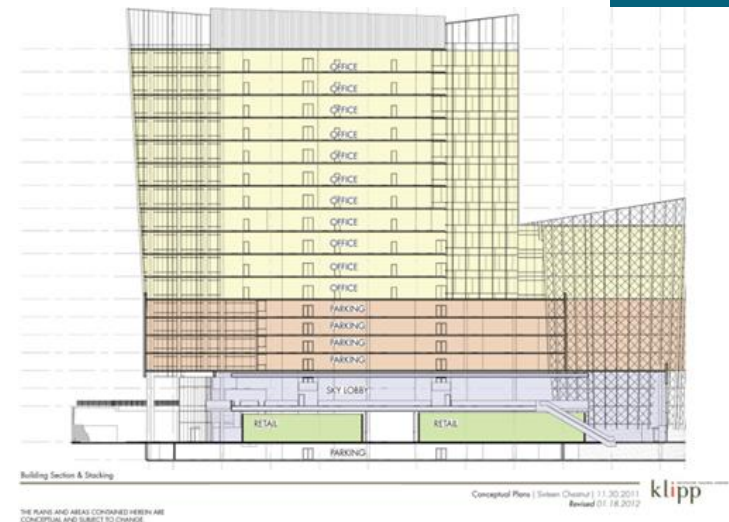
The Push for Less Parking

Don Elliott

Disruptive Responses to Housing Costs

The Push for Less Parking

- Required parking is a major component of housing cost
 - \$5,000± per surface space
 - \$20,000± per structured parking space
- And can significantly increase the amount of land required for multifamily housing uses
 - 50-65% of suburban lot area
 - 20-30% of urban building envelopes
 - As much floor area as a micro unit



Disruptive Responses to Housing Costs

Pop Quiz Question #1

Why do we have minimum parking standards?

Originally:

- To prevent traffic congestion when stopped or parked cars block traffic routes
- To prevent patrons of commercial and non-residential uses from parking (and increasing traffic) in residential areas

More recently:

- To protect perceived character of residential areas



Disruptive Responses to Housing Costs

Pop Quiz Question #2

True or False? The correct minimum parking requirement is the one that matches the bank's requirement for financing.

Answer:

No. Local government minimums address different issues (congestion and overflow parking) than financing requirements (perceived convenience of patrons and tenants)



Disruptive Responses to Housing Costs

The Push for Less Parking

- Fewer spaces per dwelling unit
- Less guest parking for multifamily uses
- Tandem parking
- Discounts for transit proximity
- Other discounts



Disruptive Responses to Housing Costs

Fewer Spaces Per Unit

General approach is to

- Reduce or remove parking minimums for residential uses
- Ignore the fact that common use of house garages for storage leads to increased reliance on on-street parking
- Count on “self-selection” to lead those who own fewer cars to occupy areas where on-street parking is in shortest supply



Disruptive Responses to Housing Costs

Fewer Spaces Per Unit

Character / Context Based Parking Standards



- **Denver**

- Suburban->Edge->Urban->General->Center->Downtown

- **Aurora**

- Area C (Raw land)->Area B (Suburban)->Area B (Urban)

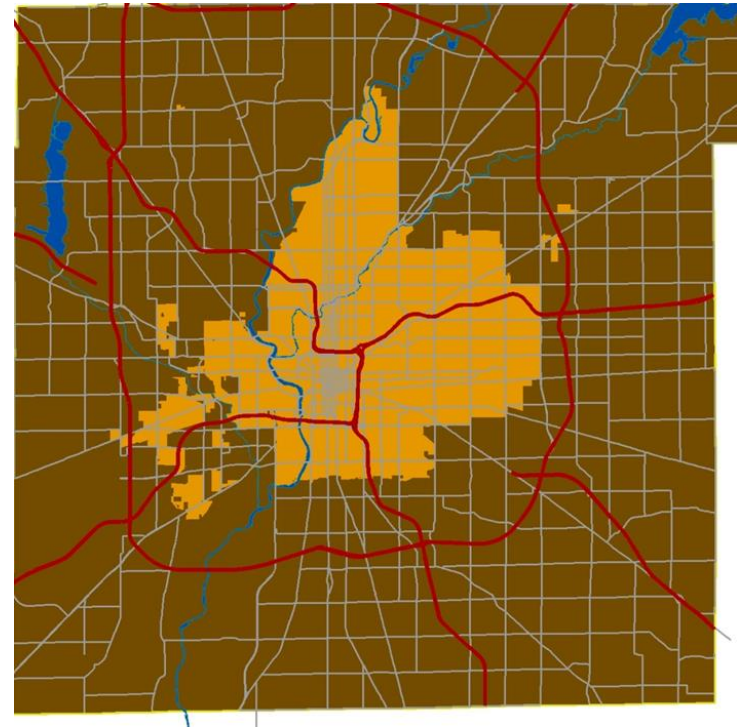
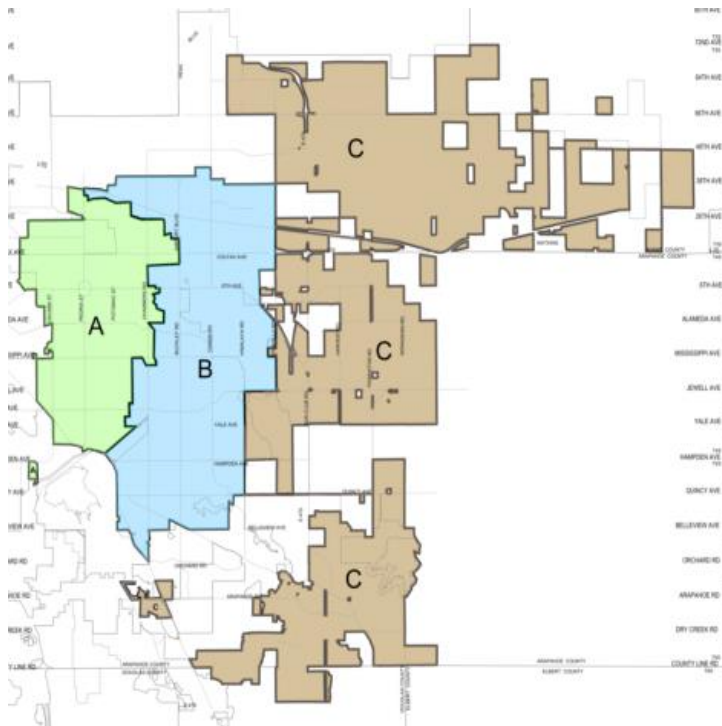
- **Indianapolis**

- Standard (Suburban)->Compact (Urban)

Disruptive Responses to Housing Costs

Fewer Spaces Per Unit

Character / Context Based Parking Standards



Disruptive Responses to Housing Costs

Fewer Spaces Per Unit

Character



Low Density

Higher Density

DENVER	Suburban	Center
Single-Family	0	0
Two-Family	1-1.25/du	.75-1/du
Multi-Family	1-1.25/du	.75-1/du
Live/Work	1-1.25/du	.75-1/du
Accessory Dwelling Unit	0	0

Disruptive Responses to Housing Costs

Fewer Spaces Per Unit

Character



Low Density

Higher Density

Aurora	Area C (newer)	Area A (older)
Single-Family	2	1
Two-Family	2	1
Multi-Family	2 plus .20 for visitors	1 plus .20 for visitors
Live/Work	Area C Residential plus Area C non-residential	Area C Residential plus Area C non-residential
Accessory Dwelling Unit	1	1

Disruptive Responses to Housing Costs

The Push for Less Parking

Less guest parking for multifamily uses

- Fairly typical to require guest parking at the rate of 1 space per 10-15 dwelling units
- Guest visits are generally considered to be more amenable to replacement by shared mobility services like Uber and Lyft



Disruptive Responses to Housing Costs

The Push for Less Parking

Tandem parking

- Allows for more of lot area to be devoted to parking stalls and less to driving aisles
- Requirement that each tandem space be assigned to a specific dwelling unit is very difficult to enforce
- General trend is to allow tandem parking in small lot and multifamily zone districts

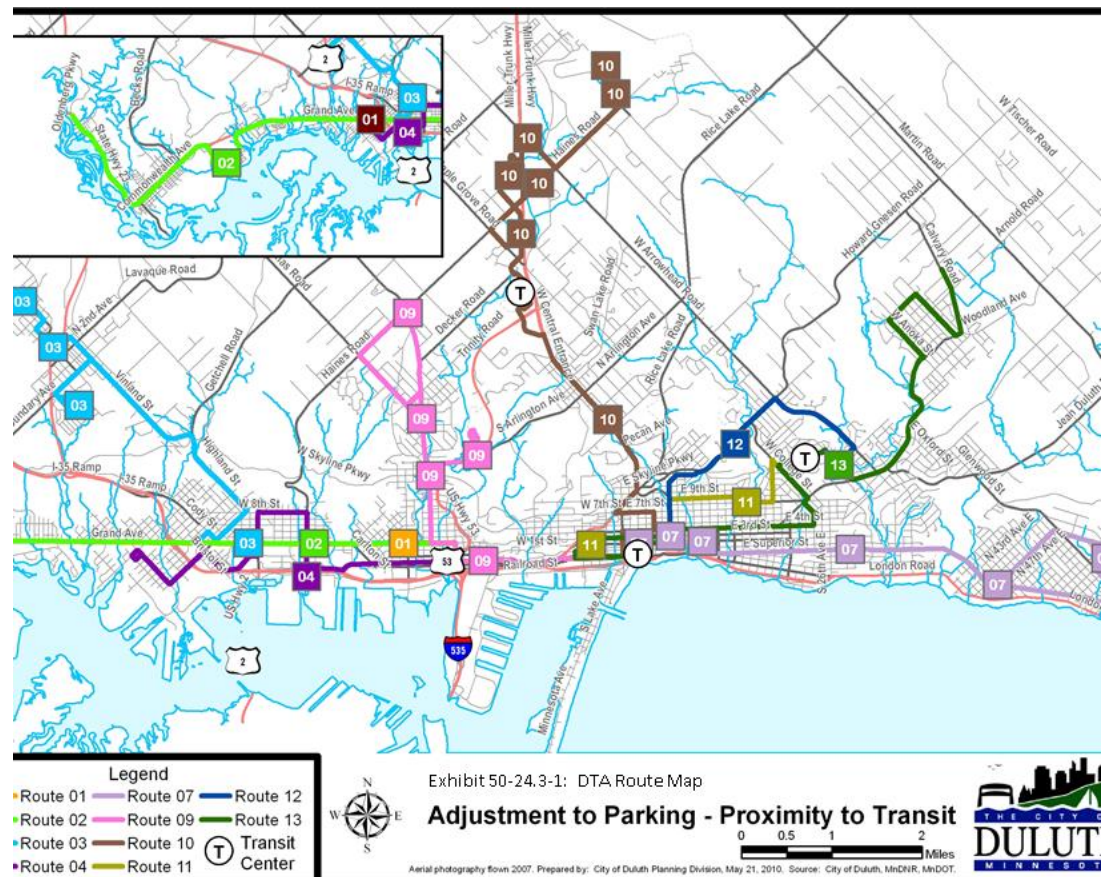


Disruptive Responses to Housing Costs

The Push for Less Parking

Discounts for transit proximity

- Duluth =
 - 20-30% depending on the level of transit service



Disruptive Responses to Housing Costs

The Push for Less Parking

Other discounts

- Small units?
 - Communities with a 2 spaces/du requirement often allow ADUs with 1 space/du
- Age-restricted (55+) housing?
 - Often criticized as “easy” affordable housing – but meets a quickly growing housing need



Disruptive Responses to Housing Costs

The Push for Less Parking

Possible Market Response:

- Increased renting out of parking spaces originally designed for another use (“the AirBnB-ing of parking”)
 - Not just commercial and institutional parking – but unused residential parking
 - Very hard to enforce against
 - Will probably happen more in areas where parking maximums prevent specific uses from building all the parking their users need



Disruptive Responses to Housing Costs

The Equity Issue

- Reductions in minimum parking ratios have greatest benefit for those who want to – and can afford to – live close to their workplaces and other activities
 - Those less dependent on the quality of available schools (means those pre- or post-child-raising years)
 - Those who can work from home
 - Those with more money
- Those with fewer location choices may need to have more cars – and cannot take advantage of housing constructed to take advantage of parking reductions



Disruptive Responses to Housing Costs

The Equity Issue

Question

- What's wrong with “self-selection” – those who need more parking chose areas where more parking is available – and vice-versa?
- Aren't all housing location choices a matter of “self-selection” within available household resources?
- Why should all dwelling units in an area be required to provide “more” parking just because they may be occupied by a household that needs “more” parking?



Disruptive Responses to Housing Costs

Questions and Discussion



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