RESPONDING TO CHANGING HOUSEHOLDS: REGULATORY CHALLENGES FOR MICRO-UNITS AND ACCESSORY DWELLING UNITS

ROCKY MOUNTAIN LAND USE INSTITUTE ANNUAL CONFERENCE
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Project Background

- Furman Center for Real Estate & Urban Policy
- What Works Collaborative

- Study Cities
  - Austin
  - Denver
  - New York
  - Seattle
  - Washington, D.C.
Share of U.S. Households Consisting of One Person Living Alone 1940-2010
One-person households and high rent burdens

### One-person household as share of all households

<table>
<thead>
<tr>
<th></th>
<th>Austin</th>
<th>Denver</th>
<th>New York</th>
<th>Seattle</th>
<th>Washington, D.C.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2011 (ACS one-year)</strong></td>
<td>34.5%</td>
<td>40.8%</td>
<td>32.6%</td>
<td>40.9%</td>
<td>45.2%</td>
</tr>
</tbody>
</table>

### Percentage of renters who spend more than 30% of their income on rent

<table>
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<tr>
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</tr>
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<tbody>
<tr>
<td><strong>2000 (Census)</strong></td>
<td>41.7%</td>
<td>38.6%</td>
<td>40.7%</td>
<td>39.5%</td>
<td>35.2%</td>
</tr>
<tr>
<td><strong>2011 (ACS one-year)</strong></td>
<td>50.9%</td>
<td>49.2%</td>
<td>54.5%</td>
<td>48.7%</td>
<td>49.3%</td>
</tr>
</tbody>
</table>
Percentage of Residents over 65 years of age, by city and decade
<table>
<thead>
<tr>
<th>City</th>
<th>Studio and one-bedroom units</th>
<th>Single persons living alone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austin</td>
<td>95,832</td>
<td>109,422</td>
</tr>
<tr>
<td>Denver</td>
<td>79,727</td>
<td>95,985</td>
</tr>
<tr>
<td>New York</td>
<td>1,300,360</td>
<td>997,699</td>
</tr>
<tr>
<td>Seattle</td>
<td>107,194</td>
<td>121,357</td>
</tr>
<tr>
<td>Washington, D.C.</td>
<td>115,822</td>
<td>120,902</td>
</tr>
</tbody>
</table>

The chart shows the number of studio and one-bedroom units and single persons living alone in different cities.
Studio and one-bedroom units and select household types, by city

- Austin
- Denver
- New York
- Seattle
- Washington, D.C.

- Unrelated adults sharing
- Couple with no children
- Single person living alone
- Studio and one-bedroom units
The Answer(s)?
Claimed Goals and Potential Benefits

- Respond to changing household size and demographics
- Provide affordable housing
- Attract/retain young professionals
- Reduce sprawl
- Mitigate environmental impact of development
- Allow seniors to age in place
Micro-unit Development

- San Francisco
- Boston
- Vancouver
- Washington, D.C.
- Cleveland
- Providence, RI
- Worcester, MA
Accessory Dwelling Unit Development

- **California**
  - Ministerial review process
  - **Santa Cruz** – 40-50 permits annually
    - Technical assistance, loans, wage subsidy
    - Waives development fees if affordable
    - Requires owner-occupancy

- **Vancouver, BC** – Laneway Housing
  - 800 permits issued since 2009
  - 500 built
Santa Cruz, California ADU Manual

GROWING SANTA CRUZ'S NEIGHBORHOODS FROM THE INSIDE

ACCESSORY DWELLING UNIT MANUAL

SANTA CRUZ, CALIFORNIA

GETTING STARTED Introduction to ADU development and how to start your project

DESIGNING YOUR ADU Neighborhood compatibility, planning your ADU and prototypical ADU designs

BEING A PROJECT MANAGER Understanding the application process, building your ADU and renting your ADU

MORE RESOURCES Glossary of terms, checklist and other useful information
Portland, Oregon: ADUs on the rise

(Source: Portland Bureau of Planning and Sustainability)
New York City

- **Micro-units**
  - adAPT NYC
  - 55 modular units; 250-370 square feet

- **ADUs**
  - Estimated 114,000 illegal units built between 1990 and 2000
adAPT NYC Micro-unit
adAPT NYC Micro-unit
adAPT NYC Micro-unit
Seattle

- Micro-units
  - aPodments, units as small as 120 square feet
  - Approximately fifty buildings, up to 64 units

- ADUs
  - Approximately 50 applications annually
  - Annual report by Planning & Development
aPodments in Seattle

aPodments on 12th Avenue and East John Street, Seattle
Gina Biber / The Capitol Hill Times
aPodments in Seattle

Comparing Sizes

How size of rooms compares to Seattle parking-lot spaces:

Third-Floor Sample Layout

Largest Room

COMPARING SIZES

168 square feet

Smallest Room

90 square feet

Parking-Lot Spaces:

Small: 15 feet x 7.5 feet
112.5 square feet

Medium: 16 ft. x 8 ft.
128 square feet

Large: 19 ft. x 8.5 ft.
161.5 square feet

Sources: Videré, Seattle Department of Planning and Development, Seattle city code

Volkswagen Beetle: 13.4 feet x 5.7 feet
76.38 square feet

The Seattle Times
Austin

- **Micro-units**
  - Capital Studios - affordable development downtown
  - AIA event on micro-units and affordable housing

- **ADUs**
  - Alley Flats Initiative
  - YardHomes Austin
    - Ground lease model; some prefabrication
Austin Alley Flat
Austin Alley Flat
Austin Alley Flat
Regulatory issues in areas including:

- State and Local Policy
- Zoning
- Building code
- Occupancy regulations
- Parking regulation
- Approval process
Regulatory Challenges

- **Both micro-units and ADUs:**
  - Minimum unit size
  - Off-street parking requirements
  - Lot coverage, setbacks, related regulations
  - Financing

- **ADUs:**
  - Minimum lot size
  - Capping ADU size based on percentage of main unit
  - Owner occupancy requirement
  - Review process
  - Design requirements
Parking

- Drives up development costs
- Financing issues for micro-units
- Conflict with other regulations
  - Austin – impervious surface cap
- Creative solutions
  - Seattle allows tandem parking and waives requirement if not feasible or parking study indicated adequate on-street capacity
Future Research Questions

- Affordability/Land Prices
- Neighborhood effects
  - Transit and car share usage
  - Demographics
  - Parking
- Energy consumption
- Financing
  - ADU appraisal
  - Effect of owner-occupancy requirement
Thank You

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