Accessory Dwelling Units Providing Affordable Housing

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OVERVIEW: ADUS & AFFORDABLE HOUSING

Definitions

What are ADUs?

Why are they needed?

Benefits

How do tenants and homeowners benefit?

Why are ADUs worth investing in?

Policy

What are the barriers to ADU growth?

How can we encourage affordable, ADU development?
Accessory Dwelling Units (ADUs) are additional living quarters typically on single-family lots that are independent of the primary dwelling unit.

- Can be an apartment within a primary residence or an attached or freestanding home on the same lot as the primary unit.
- Can be owner or tenant occupied.
- AKA granny flats, garden cottage, accessory apartment, etc.
Around 64% of occupied units in Florida, or nearly 4.8 million units, are single-family homes. ADUs, for example, allow more persons to live on these lots at an affordable price.

Between 1970 and 2012, the average number of persons per household declined from 3.1 to 2.6. Most Florida households (66%) consist of only 1-2 persons. With smaller households, smaller housing types are in higher demand.

Over 1.94 million low-income households (HHs), or 26% of all Florida HHs, are cost-burdened. Of these HHs, 1.15 million, or 15% of all Florida HHs, are severely cost-burdened. Three-quarters of low-income renters are cost-burdened.

By 2030, there will be an estimated 3.5 million more people in Florida.
THE VALUE OF ACCESSORY DWELLING UNITS

Affordability
- Does not require additional land or major new infrastructure
- Cheaper to build than the traditional single-family home
- Rental Income can subsidize the cost of the primary unit

Care for the Elderly & Persons with Disabilities
- Elderly & disabled individuals can reside in their home with their caretaker in the ADU
- Allow the elderly to "age in place"
- Vital tool for giving these persons access to additional income

Family Flexibility
- Young adults can live in ADU on same lot as parents
- Elderly care
- Reduces competition for scarce inventory of affordable rental apartments
## THE VALUE OF ACCESSORY DWELLING UNITS

### Environmental/Infill Development

| Smart growth tool built where there is existing infrastructure | Makes greater use of already developed land | Allows persons to live closer to main employment centers |

### Integration of Income Levels

| Can result in mixed-income neighborhoods | Creates positive benefits in terms of employment, mental health, and educational opportunities |

### Workforce Housing Development

| Lower paid workforce can live closer to their places of work | Incorporated into existing, built-out neighborhoods |
West Denver Single Family Plus (WDSF+) Accessory Dwelling Unit Pilot Program

Goal: to assist moderate- and low-income homeowners design, finance, and build ADUs on their property

Anticipated benefits:
• 1. Supplemental Income
• 2. Family Support & Long-term Household Stability
• 3. Neighborhood Strength
➢ Partnership with community-based organizations to help develop ADUs for affordable housing

➢ Partnership with local schools to provide ADUs for young teachers

➢ Work with faith-based community on using ADUs for lower income persons
1. Euclidean Zoning & the Single-Family District

- “Euclidean” zoning separates what are thought of as incompatible uses from being on nearby or the same lots
- Claim: ADUs are compatible with single-family homes
- Solution: Allow ADUs as a permissible use in single-family districts and use other land use mechanisms to regulate the character of development

2. Owner-Occupancy Restrictions

- Many jurisdictions in Florida currently require the homeowner to occupy the primary unit if ADU is utilized
- Solution: To provide flexibility, allow owners to occupy either the primary or ADU
3. Long-Term Rental Use Restrictions

- Some local gov'ts only allow ADUs for temporary guests, family members, caretakers, and in conjunction w/certain uses
- **Solution:** allow ADUs to be freely rented on the market

4. As-of-Right vs. Conditional Use

- The onerous, unpredictable, and costly nature of the conditional use process may discourage homeowners from constructing ADUs
- **Solution:** Allow ADUs as-of-right and establish transparent and predictable development requirements
5. Size, Density, & Other Structural Requirements

- Minimum lot size: reach a solution that allows the most possible lots to construct a lawful ADU
- Size: allow up to 800-1200 sq. feet with additional size allowances
- Density: exempt ADUs from density calculations
- Setback: consider zero-lot line and other configurations that do not burden smaller lots

6. Parking Requirements

- Parking can be costly and a challenge from a planning perspective
- **Solution**: stay away from a “one-spot per ADU rule” and form flexible standards that utilize on-street parking & different standards for different sizes
# Best Practices

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| **Zoning**                    | • Allow ADUs in all single-family districts as an accessory use  
                                 | • Owner must occupy either the primary or accessory dwelling unit  
                                 | • No rental restrictions  
                                 | • No parking requirement if there is on-street parking available  
                                 | • 375-1200 sq. feet with allowances for an increased maximum if lot a certain size  
                                 | • Must meet district setback requirements  
                                 | • Exempt from density calculations  
                                 | • Shall connect to existing utility connections                                                                 |
| **Development Review, Fees, & Incentives** | • Waiver of impact fees if used as affordable rental; if not, “de minimis” impact fee of $100 or by square footage  
                                 | • Streamlined and transparent permitting process  
                                 | • ADU Loan Program for affordable rental construction w/funds from local housing trust or other revenue pool |
| **Administration**            | • Monitoring system to study local ADU impact on parking, nuisances, property values, etc.  
                                 | • Homeowner & Community Education program                                                                 |
### FUNDING & INCENTIVIZING DEVELOPMENT

**Utilize Available Tools**
- Impact Fees
- Streamline the review and permitting process
- Provide financial assistance to homeowners and tenants w/assurances for long-term affordability

**Market the ADU Option to Homeowners**
- Provide user-friendly educational materials to ease the learning curve for homeowners interested in ADU development
- Create pre-approved design models
- Identify ADU lenders, architects, & builders

**Educate the Community**
- Highlight the benefits of ADUs
- Engage with the community throughout the ADU development process
Impact Fees

• Waive or otherwise modify impact fees for ADUs used for long-term affordable housing.
• Charge by square footage rather than unit type to encourage smaller units.

Streamline the Review and Permitting Process

• Goal: to lower administration & development costs.

Provide Financial Assistance w/Assurances for Long-Term Affordability

• Use SHIP funds for ADU development.
• Ex) Santa Cruz, CA provides loans to homeowners to develop ADUs w/a provision that the ADU must be affordable to lower-income households
Provide User-Friendly Educational Materials to Homeowners

- Goal: to ease the learning curve for homeowners interested in ADU development
- Provide zoning & design standards, tips on how to make the ADU compatible with the community, & other info on how to navigate the permitting and building process

Create Pre-Approved Design Models

- This will aid homeowners to develop ADUs compatible with community standards.

Identify Local ADU Lenders, Architects, & Builders
Highlight the Benefits of ADUs

- Establish an education campaign.
- The more informed the public, local gov’t staff, & elected officials are about the need for ADUs and affordable rental housing, the more leverage advocates will have to advance the development of ADUs.

Engage with the Community Throughout the ADU Development Process

- Host “Walking Tours.”

Shape the Message

- ADUs will not dramatically alter the landscape of single-family neighborhoods
- ADU development will be relatively slow and scattered throughout communities.
- Assure constituents that the locals will assess ongoing development to inform decision-making processes.
**Issue:** Using ADUs as short-term vacation rentals poses a threat to their beneficial use as long-term rental units, places for elderly housing, and family flexibility.

**However,** local governments cannot create a new law, ordinance, or regulation prohibiting or regulating the duration of vacation rentals. Fla. Stat. 509.032(7)(b).

**Local governments also cannot use tax revenues** from vacation rentals for affordable housing purposes. Fla. Stat. 125.0104 (Tourist Development Tax)

**What is there left to do?**
**Keep in mind:** Not everyone will use an ADU for long-term affordable housing, elderly care, or family flexibility.

**The best we can do** is to encourage these uses as greatly as possible. If we can help even a few people obtain access to affordable housing, it is a victory.

**Solutions:**

1. Provide local government or other financial assistance with land use restriction agreements to ensure that ADUs are used for affordable housing.
2. **Educate** the community on the many benefits of ADUs.
3. Implement **strict owner-occupancy requirements** if an ADU is used as a short-term rental.
4. Assist homeowners to the greatest extent possible and **focus on community outcomes**.
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