

# Accessory Dwelling Units Providing Affordable Housing

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THE FLORIDA HOUSING COALITION



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# Accessory Dwelling Unit **GUIDEBOOK**

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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: WHAT ARE THEY?

- 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



# WHY ARE SMALLER UNITS, SUCH AS ADUS, NEEDED?

## 1. Single-family homes are dominant in Florida.

- 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.

## 2. Households are getting smaller.

- 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.

## 3. Housing is unaffordable.

- 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.

## 4. Population is growing.

- 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 w/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

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# 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 term 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

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## 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

# IDEAS FOR ADUS AS BENEFICIAL TOOLS

- 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

# BARRIERS & SOLUTIONS TO ADU GROWTH

## 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

CATEGORY	BEST PRACTICES
Zoning	<ul style="list-style-type: none"><li>• Allow ADUs in all single-family districts as an accessory use</li><li>• Owner must occupy either the primary or accessory dwelling unit</li><li>• No rental restrictions</li><li>• No parking requirement if there is on-street parking available</li><li>• 375-1200 sq. feet with allowances for an increased maximum if lot a certain size</li><li>• Must meet district setback requirements</li><li>• Exempt from density calculations</li><li>• Shall connect to existing utility connections</li></ul>
Development Review, Fees, & Incentives	<ul style="list-style-type: none"><li>• Waiver of impact fees if used as affordable rental; if not, "de minimis" impact fee of \$100 or by square footage</li><li>• Streamlined and transparent permitting process</li><li>• ADU Loan Program for affordable rental construction w/funds from local housing trust or other revenue pool</li></ul>
Administration	<ul style="list-style-type: none"><li>• Monitoring system to study local ADU impact on parking, nuisances, property values, etc.</li><li>• Homeowner &amp; Community Education program</li></ul>

# 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.

# SMALLER UNITS & SHORT-TERM VACATION RENTALS

**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?**



# SMALLER UNITS & SHORT-TERM VACATION RENTALS

**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 w/**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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