Accessory Dwelling Units and Tiny Homes

AFFORDABLE HOUSING INITIVE

by The City of Lake City

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DEFINITIONS

What are ADUs/Tiny Homes?

Why are they needed?

BENEFITS

How do tenants and homeowners benefit?

Why are smaller units worth investing in?

POLICY

What are the barriers to small unit growth?

How can we encourage affordable, small unit 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 a freestanding home on the same lot as the primary unit
- Can be owner or tenant occupied
- AKA granny flats, garden cottage, accessory apartment, etc.
- Typically 900 square feet to 1,100 square feet in size



TINY HOMES: WHAT ARE THEY?

- Tiny homes are units 200 square feet to 900 square feet that can stand on a lot independently
- Can be an accessory unit, freestanding unit, and even on wheels



HOW DO ADUS AND TINY HOMES DIFFER?

ADUs

TINY HOMES

Accessory to a primary unit

Typically 900 square feet to 1,100 square feet

Not Mobile

Can be either accessory or freestanding

Generally 200 square feet to 900 square feet in size

Can be mobile

WHY ARE SMALLER UNITS, SUCH AS ADUS AND TINY HOMES, NEEDED?

- Around 64% of occupied units in Florida, or nearly 4.8 million units, are single-family homes
- ADUs 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
- With smaller households, smaller housing types are in higher demand
- Over 1.94 million, or 26% of all Florida households, are 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 ADUS AND TINY HOMES

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, health, and educational opportunities

Workforce Housing Development

Lower paid workforce can live closer to their places of work

Incorporated into existing, builtout neighborhoods

BARRIERS & SOLUTIONS TO ADU AND TINY HOME GROWTH

1. Euclidean Zoning & 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

BARRIERS & SOLUTIONS TO ADU AND TINY HOME GROWTH (CONTINUED)

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. Impact Fees

• ADUs and Tiny Homes that quality as **Affordable Housing** shall be exempt from all impact fees

BARRIERS & SOLUTIONS TO ADU AND TINY HOME GROWTH (CONTINUED)

6. 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 900-1,100 sq. feet with additional size allowances
- Density: exempt ADUs from normal density calculations
- Setback: consider lessor lot line and other configurations that do not burden smaller lots

7. Parking Requirements

- Parking can be costly and a challenge from a planning perspective
- **Solution**: Form flexible standards that utilize on-street parking & different standards for different sizes

Housing in Lake City

Majority of construction is single family

- Reacting to demand
- Most Lake City single family housing does not fall into the Affordable Housing price range

Greatest need in Lake City

- Housing affordable to households earning \$35,000 or less
- Housing type needed Affordable type housing for ownership and rental

Modifications to the Land Development Regulations and the Comprehensive Plan

Lake City will have to modify the Land Development Regulations and the Comprehensive Plan to allow for ADUs and Tiny Homes:

- Allow for permanently placed AHUs with a minimum square footage of 900 square feet and a maximum square footage of 1,100 square feet
- Allow for permanently placed Tiny Homes with a minimum square footage of 200 square feet and a maximum square footage of 900 square feet
- When these AHUs and Tiny Homes qualify as Affordable Housing, no impact fees shall be charged per Florida Statute 163.31801(9)

Residential Uses – ADUs, Tiny Homes for Residences

- ADUs and Tiny Homes are permitted to be rented out long term only if placed or constructed as Affordable Housing. If not placed or constructed as Affordable Housing, the primary residence shall have a Homestead Exemption
- Maximum ADU or Tiny Home size shall not exceed 40% of the conditioned floor area of the primary residence unless a variance is approved.
- The ADU or Tiny Home shall be compatible architecturally with the primary residence and, if located within a Historical District, shall be compatible with the Historic District architecturally.
- The ADU or Tiny Home shall not be attached to the primary residence.

Pros of ADUs and Tiny Homes

- 1. Extra Income. With a full time tenant in your ADU or Tiny Home along with the primary residence, it's a great source of income. And, if you sell, it will (hopefully) add value to your property and home
- 2. **Usable Property.** By placing no more than 2 Tiny Homes on a vacant property that is to small to build a conventional home, you will be utilizing property that would otherwise be vacant
- 3. **Create a Community**. By developing property for 3 or more Tiny Homes, you will be developing a community within a community
- 4. **Affordable Homes**. By placing or constructing ADUs or Tiny Homes, the ownership or renting costs will be less and will benefit the lower income earning citizens

Cons of ADUs and Tiny Homes

- **1. Disruption of Daily Life**. As a landlord you do have to manage the rental space (repairs and maintenance)
- **2.** Loss of yard space. With the addition of the ADU or Tiny Home and the extra vehicle to be parked
- 3. **Neighborhood**. The utilization of small vacant lots in a neighborhood to place or construct Tiny Homes may cause displeasure with the neighbors.

BENEFIT TO ALL

The greatest benefit with the addition of ADUs or Tiny Homes is that this will provide affordable housing for the veterans, lower income persons, the disabled and the elderly that reside within the City of Lake City.

These ADUs and Tiny Homes will have less energy costs to operate compared to conventional homes.

With the City of Lake City allowing the Tiny Homes to be placed or constructed on existing lots that are too small for conventional homes, the empty lots will now have residents, the lots being maintained, and the blight being removed from the neighborhood

QUESTIONS?