

ADUs, Tiny Homes, and Airbnb



AFFORDABLE HOUSING CONFERENCE
HOME **MATTERS**
IN FLORIDA



ADUs, Tiny Homes, & AirBnb

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OVERVIEW: ADUS, TINY HOMES, & AIRBNB

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 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

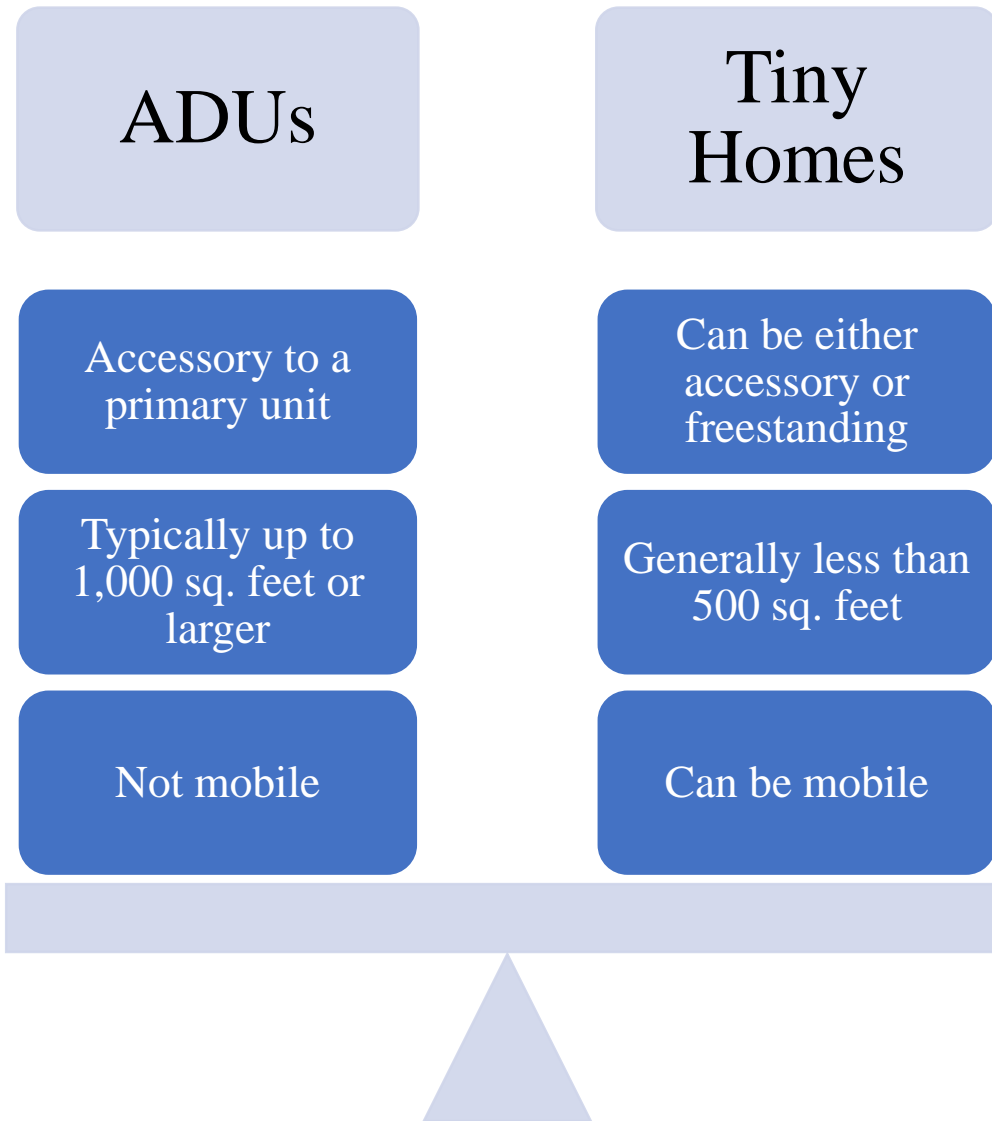


TINY HOMES: WHAT ARE THEY?

- Tiny homes are units typically under 500 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?



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 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
- With smaller households, smaller housing types are in higher demand

3. Housing is unaffordable

- Over 1.94 million, or 26% of all Florida households, are 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

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

- 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
- <https://www.youtube.com/watch?v=bvAApdbFsXM&feature=youtu.be>

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

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

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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OSCEOLA COUNTY

Board of County Commissioners

Danicka Ransom, Assistant
Human Services Director



Osceola County

- ▶ County seat located in Kissimmee, Florida, 18 miles south of Orlando
- ▶ 1,506 square mile area that serves as the south/central boundary of the Central Florida greater metropolitan area
- ▶ City of St. Cloud is also in Osceola County which is 45 miles west of the City of Melbourne on the Atlantic coast

Housing in Osceola County

- ▶ Majority of construction is single family
 - reacting to demand created elsewhere
 - Osceola is more affordable than most of the region
- ▶ Greatest need in Osceola
 - Housing affordable to households earning \$35,000 or less
 - Housing type needed - not single family, not ownership

Missing Middle Housing Identified

Lack of diversity in Housing types

Missing Middle Housing is a range of multi-unit or clustered housing types—compatible in scale with detached single-family homes—that help meet the growing demand for walkable urban living.



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Accessory Dwelling units (ADUs)

Land Development Code

What are accessory dwelling units

- ▶ Accessory dwelling units (ADU) are defined as: a second dwelling unit created on a lot with a house, or attached house. The second unit is created auxiliary to, and is smaller than, the main house.



What are accessory dwelling units continued....

- ▶ Accessory Dwelling Units sometimes called "in-law suites" or "granny flats"
- ▶ Some provide housing alternatives for those who wish to age in place by staying in their current homes and neighborhoods, as well as for those seeking affordable housing, smaller or more accessible housing options and/or assistance from family members or caregivers



ADU example



Sample floorplan



Modifications to the land development code

- ▶ Osceola County modified our Land Development Code ordinance on 4-15-19 to allow for ADUs and temporary residences:
- ▶ Eliminated the minimum housing size for ADUs, previously 450 square feet, now there is no minimum size
- ▶ The allowance of these units to be rented to anyone so long as its their primary residence, previously this was only allowed in the tourists areas
- ▶ No impact fees are charged on ADUs

Residential Uses - ADUs, Guest Homes/Temporary Residences

- ▶ ADUs are permitted to be rented out only if the primary structure has a homestead exemption and shall only be rented out for long term
- ▶ Note intended for short term rental time periods (Airbnbs)
- ▶ Maximum building size shall not exceed 60% of the total air conditioned floor area of the existing single family home, unless variance is approved by the Board of Adjustment
- ▶ Must be compatible architecturally with primary residential structure
- ▶ Can be attached or detached from primary residential structure

Pros of ADUs

- ▶ **Extra income.** Whether its a full time tenant or part time tenant (vacation rental), its a great source of income. And if you sell, it will (hopefully) add value to your home.
- ▶ **More Usable Space** - Versatile space could be used for - Workshop/studio space/ home office, guest suite for visiting family and friends, extra play space for kids and/or pets, permanent living space for a parent or new family member
- ▶ **Create Community**

Cons of ADUs

- ▶ **Losing basic storage** (for car and/or miscellaneous items)
- ▶ **Disruption of daily life.** As a landlord you do have manage a person's living space (repairs and house maintenance)
- ▶ **Cost of construction.** Along with basic construction of making the space feel cozy and comfortable, you'll have additional costs based on your specific needs. If you're building a rental unit, you'll have to calculate the costs for putting in a kitchen and bathroom etc. An office would require access to high speed internet and correct lighting.

Questions??

Thank you