
Accessory Units: An Increasing Source of Affordable Housing



Patrick H. Hare and John Danbury

Affordable housing, scattered invisibly throughout communities, is a zoning goal that can become a reality. Our firm's 1989 study, "Installations of Accessory Units in Communities Where They are Legal," confirmed this. The study also revealed that many prestigious communities now permit accessory units.

The most common form of accessory unit is an apartment created in the surplus space of a single-family home. Young households are having fewer kids, and the baby boom has been followed by an empty-nester boom. Roughly one third of the single family homes in the nation have enough surplus space to accommodate an accessory apartment.

The term accessory unit also includes accessory cottages and echo homes. These are small homes installed on a lot with a single-family home. Accessory cottages are permanent. Echo homes are cottages installed temporarily, typically to enable adult children to take care of aging parents. Echo homes are designed to be moved and to accommodate people who are frail or disabled. Accessory units also go by such other names as mother-in-law units, second units (in California), and ohana units (in Hawaii). Accessory cottages and echo homes are less common than accessory apartments because zoning for them is less common and they generally cost more to install than accessory apartments.

No Negative Impact

The list of well-known communities that permit some form of accessory units is long. A partial list would include many communities in southwestern Connecticut, such as Westport and Greenwich; eleven communities in

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Westchester County, New York; Boulder, Colorado; Marin County, California; and Montgomery County, Maryland, just north of Washington, DC. There is no known example of a community that has reversed its decision to permit accessory units. This fact adds to the allure of accessory units.

The accessory apartment is the type of accessory unit most commonly permitted. Accessory apartments are the least visible, because they are built within an existing home. Zoning ordinances typically reinforce the invisible nature of accessory apartments by permitting little or no change in the exterior of the home.

Accessory cottages and echo units typically are more visible than apartments, but barely so. They are usually installed behind the home. Zoning usually requires that they be compatible with the exterior finish and style of the main home. The nature of accessory units, and the experience and prestige of communities that permit them, make it much easier to amend zoning to permit these units than it was in the past.

1 to 1,000 Ratio

Our 1989 study surveyed 47 communities that permit accessory units. We found that with "good" zoning, about one accessory unit will be created per thousand single family

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homes per year. "Good" zoning is zoning that does not have any provisions that frustrate homeowners' plans for such units. These include long permit approval times, high permit fees, and regulations which permit apartments only when homeowners or tenants are elderly. Boulder, Colorado is one community that has good zoning. Boulder has about 17,000 single family homes and has had an annual installation rate of about 17 apartments a year. Over the five-year period from 1984 to 1989, 86 accessory apartments were installed.

A rate of 1 new apartment per 1,000 single-family homes may seem insignificant at first glance. But nationally, new construction each year is not much more than one new home per 100 existing homes. In a community of single-family units, a rate of 1 new unit per 1,000 single-family homes would be a 10 percent increase in housing production. In communities having little undeveloped land on which to build new housing, the per-

cent increase in production of new homes could be much higher. At the same time, the apparently low installation rates in communities that serve to reassure civic groups that any change will be small, gradual, and easily controlled.

Below-Market Rental Rates

Accessory apartments rent for less for three reasons: because they typically can be installed for about one-third the cost of constructing a conventional rental unit, because homeowners charge less in order to get and keep good tenants, and, finally, because most homeowners are shocked by market rent levels and charge less out of a sense of fairness.

Six studies of accessory apartments report that the vast majority rent at below HUD Fair Market Rents, with no subsidy. A recent and detailed study conducted in Montgomery County, Maryland, found that the mean rent for 108 accessory apartments was \$140 a

Who Benefits from Accessory Units?

Household	Benefits
Older Homeowners	Trade underused space for added income.
Young Homebuyers	Use rental income to help pay their mortgage.
Disabled Homeowners and Adult Children With Disabilities	Have privacy with proximity to support.
Single Parent Homeowners	Can hang onto a home with rental income.
Tenants	Get affordable housing in good neighborhoods.
Professional Groups	Benefits
Advocates for: affordable housing, the elderly, single parents, and the disabled	Get an economical way of solving their groups' problems.
Remodelers	Can broaden their market.
Real Estate Agents	Get a new way to sell homes, and an opportunity to sell services managing tenants and helping install apartments.
Bankers	Get consumer loans which generate income for repayment.
New Home Builders	Get a way to make their homes more affordable.
Home Health Care Agencies	Get a way to keep clients in homes longer, with more income to buy needed services.

month less than the mean rent for conventional units. In addition, about 100 accessory apartments in Montgomery County were occupied by relatives who paid no rent. There has been no study of rent levels for accessory cottages or echo homes.

The Benefits

Accessory units benefit a wide variety of household types and professional groups. They can provide such groups as older homeowners, young homebuyers, and single parent homeowners with added income, security, companionship, and services in return for rent reduction. Accessory units also help tenants, who often are relatives of the homeowners, by providing affordable housing. Remodelers, realtors, new home builders, bankers, home health care providers, and hospitals are among the professional groups that benefit. The ways in which each household and professional group benefits are listed in the box on page 6.

Few people in any group understand how they benefit from accessory units. For example, no national affordable housing groups actively endorse accessory units. Even the national remodeling organizations do not seem to recognize that accessory units can provide them with a new market. In starting a local accessory apartment initiative, it is important to understand that housing and aging groups may have some awareness of accessory units, but single parents' groups, older women's groups, disabled persons' groups, banks, home health care agencies, hospitals, remodelers, builders, and others potentially having an interest all need to be educated about the benefits of accessory units. They also need to understand how they can work with homeowners and with each other.

Zoning requirements for accessory units should reassure opponents without making it difficult for homeowners to get approval. Homeowners' groups often express fear that accessory apartments will create overcrowding, increase traffic and on-street parking, or cause severe depletion of parking. There is no evidence that these problems have resulted from legalizing accessory apartments. In practice, the fears represent nothing so much as how important people's homes are to them. The importance of their homes makes homeowners aggressively cautious about any change. For example, most suburban neighborhoods reach peak population density and peak car ownership levels about 20 years after they are built. At that time the homes are full of teenagers with cars. Accessory apartments are not installed in enough numbers to come close to that 20-year peak of kids and cars.

While it is impossible to eliminate all fears about neighborhood change caused by accessory units, the right zoning provisions will help. For example, many communities require that the homeowner reside in the home, permit little or no exterior change to the home, and prohibit concentrations of apartments.

At the same time, it is important not to overwhelm homeowners with hurdles like public hearings. Many people, particularly the elderly, will not consider going through a public hearing. A provision can be included that exempts the homeowner from normal special exception procedures, such as a public hearing, unless requested by immediate neighbors. This provision can reassure opponents without overburdening homeowners. A draft zoning amendment to permit accessory units that includes these and other provisions

can save elected officials, staff, and citizens a great deal of time and acrimony.

Installing an accessory apartment requires permit approval, hiring a remodeler, making design decisions, setting a rent level, deciding upon and finding financing, finding and managing tenants, and addressing tax implications. Many people will need help with these matters. Most homeowners will make enough profit so that they can pay for this help, if it is available. But it is important to understand that good zoning by itself still may not produce many accessory units—because the installation process is difficult.

The Need for Leadership

Leadership on zoning for accessory units should be provided by an elected official, local government manager, or department head who can draw together groups that will benefit. Leadership is required to stimulate creation of a public, private, or non-profit service that will help people install units. Leadership also is needed to get zoning in place to permit units. Creating leadership to promote accessory units, in many cases, is simply a matter of explaining their benefits to homeowners and professionals and putting them in touch with each other. Once a community of interest is created, leaders will come forward because there will be a widespread base of support. The box on page 6 lists people to be

Resources

For information on the second edition of *Accessory Units: The State of the Art*, published in June 1991, contact Patrick H. Hare Planning & Design, 1246 Monroe Street, N.E., Washington, DC 20017, 202/269-9334. *State of the Art* reviews accessory unit programs and initiatives at local, state, and national levels and at local, provincial, and national levels in Canada. The publication is updated every six months.

For information on household matching programs, group shared housing, and service exchanges, contact the National Shared Housing Resource Center, 6344 Green Street, Philadelphia, Pennsylvania 19144, 215/848-1220.

invited for a community forum on accessory units. The length of the list suggests that accessory units are an issue in which a little leadership can go a long way.

A forum or other initiative that explains accessory units to those who will benefit, and which puts them in touch with each other, can lead to something most people in local government probably believe is impossible: affordable housing with no public subsidy and little political cost. **PM**