A7. Small Homes

Smaller homes, not just those that are deed restricted, may provide a source of relatively inexpensive housing. This tool suggests exploring incentives and/or regulations to encourage new smaller homes and preserve existing smaller homes and their relative affordability. It would also explore regulations and/or disincentives to construction of very large units and major expansions of existing smaller homes.

Key Issues:

- Smaller, older homes are inherently more affordable than new, larger homes.
- Some members of the community have expressed concern with the demolition of smaller homes in favor of very large, expensive homes.
- While housing unit size factors into affordability, unit type (attached vs. detached) and location may be even more influential to affordability.
- Small units promote energy efficiency and resource conservation, thus aligning with city sustainability goals.
- Small units may appeal to a specific segment of the population due to relatively lower costs. They may be less appealing to larger households.
- Many in the community argue that the lack of flexibility with linkage fees, Inclusionary Housing, parking, and other per-unit development requirements create unintended incentives to build bigger housing units.

Background:

- In the 1990s, the City of Boulder introduced the "Built to Be Affordable" Program featuring size-restricted units. The price to the first buyer was required to be below market value, but subsequent sales prices were not restricted. The program produced 108 restricted units that are in existence today, and of the original 108, 20 owners bought out of the restriction. However, the program failed to establish or require an ongoing re-sale price or buyer income limitations. Right away, the units were bought by realtors/developers and flipped for large profit.
- Micro-units are often cited as a potential new housing type that offers rents 60-80 percent of market-rate rents. Each unit is less than 300 square feet and shares common facilities such as kitchens and common gathering spaces—each with a separate lease. Anything larger than 300 square feet is considered simply an "efficiency" unit and not considered "micro". Seattle, Portland, and San Francisco have recent examples of this type of housing. City staff is developing a proposal to test this housing type on a partner-owned site (the parking lot at Spruce and Broadway is one possible site).

Implementation Options:

1. Identify and implement incentives and/or regulations for *building* smaller units.

   2010 AHTF RECOMMENDED

2. Identify and implement incentives and/or regulations for *preserving* smaller units.

   2010 AHTF RECOMMENDED

Goals Addressed Through this Tool:

✓ ***Strengthen Our Commitments***

✓ ***Maintain the Middle***

✓ ***Create Diverse Housing Choices in Every Neighborhood***

Create 15-Minute Neighborhoods

Strengthen Partnerships

Enable Aging in Place

Courtyard Housing. *Source: daily.sightline.org*