HOUSING OPTIONS:

Homesharing and Accessory Dwelling Units

A concise resource guide for local governments
Introduction

Housing is generally the largest component of a household budget. Housing is considered “affordable” if housing costs take up no more than 30% of a household’s income. Households paying more than 30% of their incomes for housing costs are considered cost-burdened, which can lead to instability and increase the risk of homelessness. These households often need to make tough choices, cutting back on other essential household expenses such as food and health care to make ends meet.

When affordable housing is not available close to jobs and services, many residents will choose to live some distance away from their jobs to reduce housing costs. This increases transportation costs, commuting time, and the risk of getting to work late or missing days of work. Businesses strongly consider workforce issues when deciding where to locate, and look for adequate affordable housing as part of that decision. A range of housing options that provide choice, affordability and accessibility supports community health and prosperity.

Developing new affordable housing is challenging

This booklet presents two alternatives to new development to provide affordable housing: Homesharing and Accessory Dwelling Units (ADUs). Both approaches can improve affordability for the Homeprovider and for the Homesharer or renter, while fitting into existing neighborhoods without changing their character.
ADUs increase housing supply. They cost less than a new home on its own lot, providing an affordable housing option. ADUs can provide a convenient solution for seniors and people with disabilities who want to live close to family, while maximizing their independence.

ADUs can be designed to blend in with surrounding homes, preserving community character.

Homesharing is about connection and interdependence. The Homeprovider contributes affordable rental housing. The Homesharer provides support by handling some household chores and paying rent. Both parties give and receive companionship, security, and a reduction in housing expenses.

Social isolation and loneliness have an adverse effect on health and wellbeing. Sharing housing is an approach to alleviate isolation, particularly for older people.
What is homesharing?

Homesharing is a living arrangement where two or more unrelated people share a home (house, townhouse, apartment, or trailer home). Each resident has his or her own private bedroom, but may share the common areas of the home (living room, kitchen, laundry).

“living arrangement where two or more unrelated people share a home”

What are the benefits of homesharing?

Homesharing offers benefits both to individuals and to the community.

Benefits of homesharing for individuals include:

- Reducing housing expenses
- Supporting aging in place
- Companionship
- Security
- Improved health, by counteracting the debilitating effects of isolation

Benefits to the community include:

- Cost efficient, affordable housing, utilizing existing housing stock
- Neighborhood and community stabilization, through improved property maintenance, foreclosure prevention, and reduction in housing cost burden
- Reduction in health care costs through prevention of premature institutionalization
Homesharing
Barriers and
Solutions

Zoning and Land Use Constraints:
Restrictive ordinances can disallow renting in single-family zoning. Ordinances frequently limit the number of unrelated people living in a household.

Successful approaches:
• Allow for one or more lease per owner-occupied property in all residential zones

Impact on Homeowner Eligibility for Other Benefits:
Considering the home sharer’s income as part of household income could put the homeowner above income-eligibility guidelines

Successful approaches:
• Revise guidelines to discount the home sharer’s income when calculating total household income

Misconceptions and lack of awareness about Homesharing:
This can have a negative impact on potential applicants, as well as funders and partners, and necessitate robust marketing efforts by the Homesharing program

Successful approaches:
• Include Homesharing as a housing strategy in public discussions and documents
• Be a partner in creating pipelines for applicants as Homeproviders or Homesharers through outreach to employees
• Provide support to the local Homesharing program
What are Accessory Dwelling Units?

An Accessory Dwelling Unit (ADU) is an independent dwelling unit added to, created within or detached from a single-family dwelling.

“A secondary dwelling unit clearly subordinate to a primary single-family dwelling”

What are the benefits of ADUs?

ADUs offer benefits both to individuals and to the community.

Benefits of ADUs for individuals include:

• Low-cost rental housing, providing the advantages of living in established homeownership communities, often with good access to amenities and transit
• Extra income for the homeowner to help cover mortgage payments, property taxes and other costs
• Support for aging in place, with the potential of some services provided by the ADU tenant, or enabling seniors to live in the smaller ADU and rent out the main house.
• Companionship and security

Benefits to the community include:

• Increased property tax base
• Cost efficient affordable housing, without public subsidy
• Preservation of older housing stock
• Neighborhood stability by enabling current homeowners to stay in place
• Workforce housing for employees within the community, including the public sector
• Compact development, utilizing existing infrastructure and fitting within the neighborhood character
• Retention of population groups that might otherwise be priced out of the housing market
ADUs are sometimes referred to as “Granny Flats” or “Mother-in-Law Units.” ADUs provide needed housing that utilizes existing infrastructure.

ADUs offer additional choices for affordable housing. A strategy of proactively encouraging ADUs can be combined with other approaches to address community housing needs.
Zoning and Land Use Constraints:
Overly restrictive ordinances can disallow or discourage the development of ADUs

Successful approaches:
• Adopting ordinances that encourage ADUs through reduced regulatory restrictions.

High Fees or Difficult Administrative Procedures:
Special use permits, public hearing requirements, multiple layers of approval, and costly review procedures can discourage ADUs, or result in unpermitted units that do not meet building codes

Successful approaches:
• Develop materials to assist home owners through the approval, design and construction process, such as an ADU Manual, design guides, model plans, and workshops
• Offer expedited approval process for projects using standard designs
Public Resistance:
Concerns may surface regarding neighborhood character, traffic, parking, and pressure on public services

**Successful approaches:**
- Public education campaigns to increase awareness and generate community support
- Highlighting communities that have encouraged ADUs without negative consequences

Financing:
The initial capital cost of developing an ADU may be prohibitive for some homeowners

**Successful approaches:**
- Provide low or no-interest loans to homeowners
- Waive fees periodically or for units made available for low-income households

Illegal ADUs:
Most existing ADUs have not been permitted by the locality

**Successful approaches:**
- Implement an “amnesty” period to grandfather existing ADUs that comply with zoning laws, but have not been permitted
- Institute a financial assistance program to bring illegal ADUs into compliance with current requirements, coupled with a commitment to rent to low-income tenants
- Waive fees for inspection and provide assistance through the process to bring units into compliance

AARP has published a case study of ADU Model State Act and Local Ordinances.

HUD's Accessory Dwelling Units: Case Study profiles six communities that implemented successful ADU programs.
Homesharing and Accessory Dwelling Units (ADUs) are two approaches to provide affordable housing within a community. Many individuals and households have had roommates or boarders as a way to keep housing costs manageable. Backyard cottages and apartments within a home were common features in the mid-nineteenth century, but have been subject to greater restrictions in recent decades. Informal roommate arrangements and unpermitted accessory units crop up in communities, as practical ways to reduce living expenses.

Communities across the country have taken a more proactive approach to encourage these arrangements as part of their overall housing strategy. These communities have found that there are many advantages in doing so. Homesharing and ADUs both provide inexpensive ways to increase the number of housing units, by leveraging their existing housing supply. Successful programs have provided flexibility, simple guidelines, financial incentives, and a public education component.

**Selected Resources**

**Online Resources**


A one-stop source about multigenerational homes and ADU’s, edited by 3 volunteers in Portland, Oregon: www.accessorydwellings.org.

A video on ADUs is available from the home page, or at: http://accessorydwellings.org/video-introduction/

A website showcasing well-designed and interesting small houses of all kinds: http://smallhousebliss.com/category/accessory-dwelling-units-adu/

**Shared Housing Resources, The National Shared Housing Resource Center,**

http://nationalssharedhousing.org/
Selected Resources

**Publications**


