LIVIN’ SMALL:
THE FUTURE OF TINY HOUSES AND MICRO-UNITS

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PRESENTERS

Don Elliott, FAICP, Director
Clarion Associates, Denver
• Planner/Lawyer
• 31 years experience
• Author A Better Way to Zone
• Co-author The Rules that Shape Urban Form

Brent Pearson, CMA, President
Resort Ventures West, Steamboat Springs
• Developer, Certified Accountant,
• Resort Community Developer, Golf Course Luxury Resorts
• Former Controller Whistler/Blackcomb Resort
• 25 Years of resort development experience

Tyler Gibbs, AIA, Director
Steamboat Springs Planning & Community Development
• Architect, planner, urban designer
• Formerly Urban Design Director, Denver
• 36 years experience Community Development & Planning
PRESENTATION OUTLINE

TINY HOUSES
1. What are they?
2. Where are they being permitted?

REAL LIFE EXAMPLE OF ZONING SOLUTIONS

MICRO-UNITS
1. What are they?
1. Where are they being permitted?

TIME FOR DISCUSSION
TINY HOUSES -- WHAT ARE THEY?

• A house that just happens to be small (i.e. a cottage)?

• One of those cute-as-a-button wooden, sloped-roof things I saw rolling down the road – or on a lot?

• A container?
THEY’RE RVs

AN RV LIKE YOU’VE NEVER SEEN BEFORE

Whether you are building or buying, we have the resources and experts to help you on your journey.

Photo: Tumbleweedhouses.com
HOW ARE THEY REGULATED?

Generally Subject to the Same Four Levels of Control applicable to other land uses and structures

- **Building Codes**  
  (Is the structure itself safe to live in?)

- **Zoning Regulations**  
  (What can be built and what activities can take place in that structure?)

- **Subdivision Regulations**  
  (Is this parcel of land approved for development?)

- **Private Covenants**  
  (Did the original developer of this area prohibit this kind of structure or use?)
HOW ARE THEY REGULATED?

Structures designed for human occupancy generally have to meet either:
• Local building codes (for stick-built homes) or
• HUD standards (for manufactured homes)

The fundamental questions in most cases involving human occupancy on more than a transient/occasional basis is:
• “Which building code does it meet” AND
• “How many people will live in it
HOW ARE THEY REGULATED?

MOST Tiny Houses meet the safety standards of the Recreational Vehicle Industry Association (RVIA).

• But those are designed to ensure traffic safety while hauling and safety during occupancy when periodically connected to outside services (water, sewer, electric)
• They are NOT designed for permanent occupancy without those outside services

SOME Tiny Homes meet the International Building Code or HUD standards for Manufactured Homes – but don’t count on it.
HOW ARE THEY REGULATED?

Transient Occupancy

• Sleeping in a place that does not meet the building/occupancy code is “transient occupancy”

• Most communities call this “camping” and limit it to 30 days

• EXCEPT in areas specifically designed for it
  – i.e. campgrounds – RV
  – and usually require those areas to provide supportive services
HOW ARE THEY REGULATED?

SO . . .

IF they meet a recognized building code for long-term occupancy they can be connected to utilities and installed where zoning and subdivision rules allow them.

IF they don’t meet one of those building codes, they are generally limited to RV parks and campgrounds, where occupancy is sometimes limited to a specific period of time before being connected to utilities.
HOW ARE THEY REGULATED?

Building Codes
(Is the structure itself safe to live in?)

Zoning Regulations
(What can be built and what activities can take place in that structure?)

Subdivision Regulations
(Is this parcel of land approved for development?)

Private Covenants
(Did the original developer of this area prohibit this kind of structure or use?)
HOW ARE THEY REGULATED?

ZONING  Generally determines

1. What **use** can be made of the land
   - Clearly, this is a household residential use of land so in theory the use is fine in low density residential zones

2. What **type** of structure can be constructed/installed
   - Clearly, this is a single-household detached structure, so if it meets a building code and is installed per the building code, in theory it can be located in any low-density residential zone
   - UNLESS you zone it out by **excluding it from your definition** of a single-family residence because of the way it is constructed or **because it is too small**
HOW ARE THEY REGULATED?

Winnipeg, Manitoba

Dwelling, Single-Family Detached

• A building designed and used or intended to be used for residential occupancy by one family, including modular and ready-to-move homes, but not including a mobile home (i.e. a non-HUD manufactured home).

Fort Wayne, Indiana

Dwelling, Single Family (Detached)

• A residential building used for occupancy by one household, including Type I manufactured homes, which is not attached to any other dwelling unit through shared side or rear walls, floors or ceilings, or corner points.
HOW ARE THEY REGULATED?

Q1: If it meets the building code or manufactured housing code for long term residence, is it permitted as a Primary Residence?
A: It is if you say it is.

Q2: It’s too small to meet our definition of a single-family home (or it would really irritate existing stick-built homeowners to have one installed next door, so we’re about to amend it out of our definition of a single-family home) but is it acceptable as an Accessory Dwelling Unit?
A: It is if you say it is.
HOW ARE THEY REGULATED?

**Zoning Regulations**
(What can be built and what activities can take place in that structure?)

**Building Codes**
(Is the structure itself safe to live in?)

**Subdivision Regulations**
(Is this parcel of land approved for development?)

**Private Covenants**
(Did the original developer of this area prohibit this kind of structure or use?)
HOW ARE THEY REGULATED?

Even if:

- It meets the **building code** requirements for long-term occupancy AND
- It meets the **zoning code** requirements for a single household residential use and structure

... 

- The land on which it is placed must generally meet **subdivision regulations** establishing what is a developable lot
How Are They Regulated?

Can I put the Tiny House on This parcel of land?

• If it is an approved “platted” lot – generally yes – because the local government has verified that it:
  – Is not located in a sensitive or risky area to build
  – Has access to a public road
  – Has access to a public water system OR the legal right to drill a well
  – Has access to a public sewer system OR acceptable size and soils to have a septic field
  – Can accommodate storm drainage without flooding nearby properties

• If it is not a “platted” lot – maybe not – unless it is a large rural parcel with access to a public road
  – On a big enough parcel, well, septic, and drainage probably work out
HOW ARE THEY REGULATED?

Size Matters

The distinguishing (and popular) feature of Tiny Houses is their small size – which makes people think of small lots and “livin’ small”. But size matters in at least four ways.

1. The house itself (especially if homemade) may be too small to qualify as an occupiable space under the building code.
2. The house may be or too small to be occupied by the number of people in your household under the health/occupancy code.
3. If the community has established minimum size or design standards for single household residences, the house may be too small to qualify as a single household residence under the zoning code.
4. The parcel where you want to install the house may be too small to be a lot (in that district) under the subdivision regulations.
HOW ARE THEY REGULATED?

Can I create a small community of Tiny Houses?

Yes, but it’s not that easy.

Either:

• Create a condominium, co-housing development, or RV-ish type park on one parcel of land, where you maintain internal roads, utilities, and services, but individual Tiny Homes occupy designated spaces that are NOT individual platted lots
  — (So they will NOT be able to sell the lot to a third party)

OR

• Create a Tiny Home subdivision with individual platted lots
  — (So they WILL be able to sell the lots to a third party)

CAVEAT – Few if any of these have been created
HOW ARE THEY REGULATED?

Subdivision regulations

**Standard Lots**
for individual lots that will have stick-built, modular, manufactured, and other “single-family detached homes”

**Special Regulations**
For manufactured home subdivisions
-- Because lots are long and narrow and streets are usually private

**Special Regulations**
For Tiny Homes
-- Not yet
-- Most will apply some form of manufactured home or RV standards until we get these

**Special Regulations**
For RV subdivisions
-- Because spaces can be very small due to transient use – and because supportive services (showers & toilers) are provided
HOW ARE THEY REGULATED?

Examples of Tiny House Community Visions

- Some suggest 16-22 du/ac
- Often as a co-housing development or a PUD or a condominium, and often owners are NOT allowed to sell the lot or area the Tiny House is located on
**HOW ARE THEY REGULATED?**

Will the unit owners also own individual lots the units occupy?

- **NO:** Then standards just need to address layout on a single parcel (zoning)
- **YES:** Standards need to address layout of development and viability/service to individual lots (zoning and subdivision)

**Standards:***

- Co-housing standards
- Accessory Dwelling Unit standards
- RV / Campground standards
- Manufactured Home Park standards
- Small Lot single-family standards
- Cottage / Pocket Neighborhood standards
- Manufactured Park Subdivision
HOW ARE THEY REGULATED?

Homeless housing replaces a homeless camp

- Olympia, Washington’s Quixote Village replaced a movable homeless camp
- 30 Tiny Homes on county-owned land leased for $1/year
- Communal kitchen, shower, living, laundry space
- Supported by faith community
REAL LIFE EXAMPLE

- Land owner in Granby County with a substantial land holding
- Current entitlements are not buildable
- Current entitlements are not marketable
- Cost of construction squeezes land value so the economic model does not work
- Need in the market is affordable second home product
- Need in the market is transient housing and affordable workforce housing
- Need in the market is RV Park for 3 Million park visitors per year
- Need in the market is flexible building moving forward
Building costs in the county are over $130 per square foot at the affordable level for sticks and bricks.

Discovered Tiger Run in Breckenridge.

High demand for the product in Summit county.

Property values held through the great "recession".

Foreclosures from 2007-2011 on the development = zero.

Best developed in close proximity to natural asset.

Issue, construction inspection acceptance?

Construction costs of the Park Model could be as low as $65 a square foot! Delivered and installed.
NOT WHAT YOU EXPECT?
OR THIS?
SOLUTION

• The Market remains currently unstable and we need a long term solution

• We need new ZONING!! Not a PUD

• Work with the planning department to create flexible zoning that can provide for the needs of this type of development and the flexibility to react to needs over time

Some examples of the zoning that was created for the PM Zone district--------
The following standards apply generally to park homes, mobile homes and single family dwellings:

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Specification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Gross Floor Area</td>
<td>400 square feet of living area per dwelling unit</td>
</tr>
<tr>
<td>Minimum Front Yard Setback (with front yard parking only)</td>
<td>25 feet</td>
</tr>
<tr>
<td>Minimum Front Yard (with parking along side of building)</td>
<td>15 feet</td>
</tr>
<tr>
<td>Minimum Side Yard Setback</td>
<td>5 feet</td>
</tr>
<tr>
<td>Minimum Rear Yard Setback</td>
<td>5 feet</td>
</tr>
<tr>
<td>Minimum Building to Building Setback</td>
<td>10 feet</td>
</tr>
<tr>
<td>Maximum Building Height</td>
<td>16 feet from the top of the frame for park homes and mobile homes and 35 feet for other Residential uses.</td>
</tr>
<tr>
<td>Maximum Building Coverage: Coverage</td>
<td>80 percent</td>
</tr>
<tr>
<td>Maximum Residential Density</td>
<td>One dwelling unit per 2,500 feet of lot area (17.42 units/acre)</td>
</tr>
<tr>
<td>Pitched Roofs</td>
<td>Required for park homes</td>
</tr>
</tbody>
</table>
**ZONING THAT WORKS**

<table>
<thead>
<tr>
<th>Year of Fabrication</th>
<th>No park homes or mobile homes fabricated prior to 2007.</th>
</tr>
</thead>
</table>

**16.63.050 Special regulations applicable to the park home (PH) zone district.**
The following special regulations shall be applicable to the listed uses within the park home (PH) zoning district:

(a) Mobile home subdivisions and parks. As regulated in GMC 16.60.050 except for sub-section (h) thereof.

(b) Single Family subdivisions. As regulated in GMC Title 12, (Subdivision Regulations).

(c) Recreational vehicle parks. As regulated in GMC Chapter 16.105.

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**SECTION 3.** Chapter 16.10.020 of the Code is amended to add the following definitions in the appropriate alphabetized location:

**“Park Home”** shall mean a pre-constructed complete building unit without motor power that is constructed to factory built standards of the Colorado Division of Housing Standards, or constructed to the Park Home standards outlined in the American National Standards Institute (“ANSI”) 119.2 requirements or equivalent standards adopted by the Town. Park homes shall be fitted with axles and wheels suitable for towing or trailering, and be designed and used for single family, single unit occupancy. Such units are manufactured in a factory or at a location other than the residential site of the completed Park Home and which units are not licensed as motor vehicles, but, are towed on wheels to the location and are readily portable. Park Homes shall be limited to a maximum exterior dimension of fourteen (14) feet by thirty-eight (38) feet. All Park Homes must be constructed to the standards required for residential construction established by the adopted building code.
MICRO-UNITS

• One bedroom or studio
• 300 to 450 sf ±
• Functional kitchen and bath
• Mostly rentals
• May include built-in storage/furniture
• On-site social and fitness amenities
• Amenity rich, walkable locations
• Transit access
• Reduced parking
MICRO-UNITS

WHO
Mostly
• Under 30
• Young professionals
• Income under $40K
• First time renters
• Singles
• More male than female

A few
• Convenience apartments in high cost urban locations
• Downsizing retirees

WHY
• Rents 20 to 30% below conventional units
• More single-person households
• Access to desirable locations
• Transient population
• Saving to move up
MICRO-UNITS

WHERE
• High cost urban markets
  • Seattle, Portland, SF, NYC, Boston, Philadelphia, Chicago, Denver
• Higher density suburban hubs
• East and west coasts predominant
  • Increasing in the south and west regions

TRENDS
Part of move to smaller units
• 5% unit size reduction since 2009
• More studio/one bedroom mix – up 10% since 2003
MICRO-UNITS

CHALLENGES

Zoning
• Min. unit size –
  • less than 400sf
• Parking standards
  • Maybe less than 1/unit
  • Bike spaces requ.
  • Transit dependent
• Max. DUs/Acre

Costs
• High cost/sf to build
  • More units equals more fixtures/SF
  • More built-ins

PERFORMANCE

Occupancy
• Occupancy rates higher than traditional units (smaller % of market)

Rents
• Rent/SF premiums of 40% + over traditional units off-sets high development cost
MICRO-UNITS

Consumer Preferences
Scoring 50% plus

Neighborhood Amenities
Grocery store
Restaurants/bars
Gym
Entertainment
Retail
Recreation
Public transit

Community Amenities
Laundry facility
Assigned and visitor parking
Fitness center
Outdoor space

Unit Amenities
Washer/Dryer
Built-in furniture
Storage space
Full size kitchen appliances
High ceilings
Oversized windows
MICRO-UNITS

EXAMPLE ORDINANCE

Seattle
- Efficiencies -220 to 400 sf
- Allowed in all districts
- At least 2 sinks
- .75 bike space/unit
- Parking districts

Results
- Rents - $1000/mo ±
- 780 units occupied
- 1600 in process
MICRO-UNITS

Example Projects

Factory 63, Boston
38 units in converted factory
23 micro-studios
368 to 504 square feet
$1,699 and $2,450/mo

ekoHAUS Portland, OR
New-construction,
150 micro units
Mid-rise building
267 to 385-square feet
$895 to $1,550/mo
MICRO-UNITS

Example Projects

My Micro NY, Kips Bay, NY
Design competition waived min size
55 micro-units
250 to 370 square feet
40% of units at 80 percent AMI
60 % market = $1,900/mo (75% typ)
Entirely modular
MICRO-UNITS

Example Projects

Turntable, Denver, CO
Former hotel
179 units
335 to 820 square feet
$990 - $2700/mo
MICRO-UNITS

Example Projects

Denver's Winning Micro-Unit Proposal Has A Vertical Lawn

Competition

• S. Platte River near TAXI
• 8 Units
• 375sf/each max
• Shared space
• 2 cars/6 bikes
• 70 entries
MICRO-UNITS

Recommended Reference
ULI Multifamily Product Council’s New Research about Micro Units

Conclusions:
Focus on efficiency and design
Outperforming conventional units
Limited impact in current market
Positive trade-offs for some renters
Provides entry into high $ locations
Lower “sticker shock”
Not for everyone
Thanks

QUESTIONS?

delliott@clarionassociates.com
tgibbs@steamboatsprings.net