

HOUSING HIGHLIGHTS

Accessory Units

WHAT ARE ACCESSORY UNITS?

Accessory "units" are private housing arrangements in, or adjacent to, existing single family homes. There are two types:

- *Accessory Apartments*, created within single family homes, are complete living units including a private kitchen and bath.
- *Elder Cottage Housing Opportunity (ECHO) Units* are complete, portable, small homes installed in back or side yards of single family house lots.

WHY ARE ACCESSORY UNITS IMPORTANT?

- Accessory units are a source of affordable housing for small households.
- Accessory units adapt existing housing stock.
- Installation upgrades and improves the property.
- Accessory units make efficient use of land and existing infrastructure.
- Accessory units may encourage economic and personal support between two separate households.
- Accessory units generate rental income for home owners.

WHO BENEFITS FROM ACCESSORY UNITS?

Homeowner

- Improvements may pay for themselves
- Extra income is earned through rent received
- Potential for receipt of social and personal support
- Greater security, due to the presence of a tenant

Unit Occupant

- Modest rent
- Independent living in single family neighborhood
- Potential for receipt of social and personal support

Community

- Source of moderate-cost housing for small households
- Increase property values and tax revenue
- Units preserve older homes and maintain compliance with fire and safety codes

PROBLEMS ASSOCIATED WITH BUILDING ACCESSORY UNITS AND POSSIBLE SOLUTIONS

PROBLEM/CONSIDERATION

POSSIBLE STRATEGY/SOLUTIONS

Legal Restrictions:

- 1) Zoning Ordinances
- 2) Covenants

- Explore with local zoning commission the procedure for securing a "conditional" or "special use" permit.
- These conditions written into deeds are generally difficult to change and costly to fight.

NIMBY's (Not In My Backyard) Neighbors May Object To a Multifamily Setting

- Inform neighbors and neighborhood associations about your building plans.
- Meet with local officials and neighbors to address concerns.

Costs and Tax Issues

- Determine the economic feasibility and availability of home remodeling loans with your accountant or bank loan officer.
- Consult with a tax advisor or benefits specialist to determine the impact renting an accessory unit will have on your tax situation or eligibility for public programs.
- Total general costs for accessory apartments can cost \$20,000 or more. ECHO units may cost \$30,000 or more.

Sharing a Home

- Obligations of the landlord and the tenant should be clearly defined in rental contracts
 - Develop a list of detailed interview questions prior to seeking a tenant.
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HOW TO BEGIN

Building an accessory unit involves a fair amount of time, planning and expense. Consider taking the following steps:

1) Determine that your home can be modified to install an apartment or is on a lot that has adequate space and terrain for an ECHO unit.

2) Ask yourself these questions: a) Is the unit legal in my jurisdiction? b) What regulations and upgrades will have to be met? c) How do I apply for the necessary permits? d) Can I afford the time and expenses which will be incurred in the application and building process?

3) Once you decide to hire a contractor: a) Get recommendations from friends who have had similar projects completed. b) Ensure they are licensed and bonded. c) Ask for a written agreement, with only a small down payment. Make the final payment only after the project is completed. d) Check with your local Better Business Bureau regarding the contractor's reliability and performance record.

ADDITIONAL INFORMATION

ECHO Housing, Construction and Installation Standards (D12212) and Key Issues in Accessory Apartments: Zoning and Covenants Restricting Land to Residential Uses (D1187). Both are available from:

AARP Fulfillment, Consumer Affairs
601 E Street, NW, Washington, D.C. 20049
For more information, call: (202) 434-2277
Price: Free (Single copies)

Creating an Accessory Apartment. by Patrick H. Hare and Jolene N. Ostler.

Patrick H. Hare Planning and Design
1246 Monroe Street, NE, Washington, D.C. 20017
For more information, call: (202) 269-9334
Price: \$15.00 pre-paid/\$18.00 invoiced

Selecting a Professional Remodeling Contractor.

National Association of the Remodeling Industry
4301 N. Fairfax Drive, Suite 310
Arlington, VA 2203-1627
For more information, call: (703) 575-1100
Price: Free (Single copies)

For more information, write to the National Resource Center on Supportive Housing and Home Modification, USC Andrus Gerontology Center, Los Angeles, CA 90089-0191.