

Fostering Affordable
Housing: A State Action
Agenda

Lynn Richards, Richards & Associates March 1, 2025

#### HOUSING SHORTAGE

Zillow estimates that the U.S. is currently 4.5M units short, right now

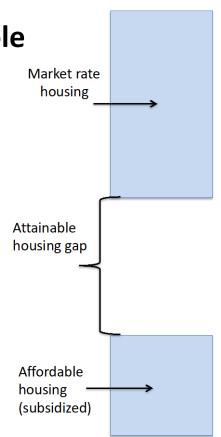
#### Regulations can:

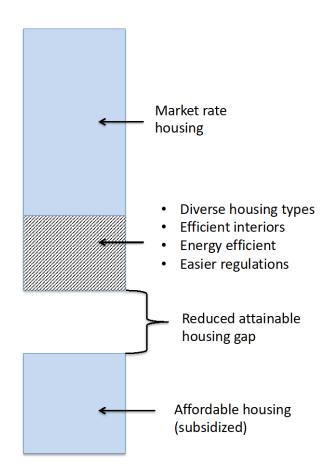
- Drive up the cost of development
- Slow production (supply doesn't keep pace with demand)

#### Most states need to:

- Increase the number of units
- Build more variety of units
- Provide more support to local governments

Affordable vs attainable housing





## Produces more attainable housing

What are the regulatory barriers to affordable housing?

## **BARRIER BINGO!**

## **ADUs**

Not allowed
Or allowed
with very
complicated
conditions



## Parking

Too much required



# Household size

Limits on the number of unrelated people who can live together



## **Parking**

Single-Use Not Shared



## Parking

Required on-site



### Lot sizes

Minimum lot sizes increase cost and reduce supply



## Stormwater

Requiring onsite stormwater management



### **Building Codes**

Overly restrictive for small multi-family structures and redevelopment



## Parking

Permitted in wrong location





#### 1. ZONING CHANGES

#### 1. Allow ADUs everywhere

California legalized ADUs across the state in 2016. Between 2016-2023, the number of ADUs permitted annually in the state grew from 1,336 to 26,924, a 20-fold increase. In 2023, ADUs comprised more than 21 percent of all homes permitted statewide.

#### 2. Eliminate parking requirements

- Nevada (<u>SB 138</u>, 2021) allows municipalities to establish zoning policies that do not require one
  parking space per dwelling unit for new housing developments
- California Assembly Bill 2097 (AB 2097) prohibits public agencies from requiring minimum
  parking for new residential, commercial, and other developments near public transit. The law
  was signed by Governor Gavin Newsom in September 2022

#### 3. Allow three-flat or four-square on residential lots

 In 2019, Oregon passed HB 2001, which requires municipalities to update zoning codes to allow duplexes in small cities and up to fourplexes in large cities.

#### 1. ZONING CHANGES (CONTINUED)

- 4. Remove any provisions that prohibit inclusionary zoning
- In 1975, New Jersey established a doctrine that requires municipalities to zone for a certain amount of
  affordable housing, including subsidized units for low-income families. The doctrine also requires
  municipalities to remove zoning that excludes low and moderate-income housing.
- 5. Allow adapt reuse of any existing building for residential
- In 2024, Connecticut's state Senate approved a bill that supports the adaptive reuse of commercial buildings

#### 2. ADJUST STATE BUILDING CODES

- Buildings codes can be overly restrictive for small redevelopment projects:
  - Sprinkler Systems
  - Fire access
  - Redevelopment standards
- Common requirements also increase cost of production:
  - Prohibit prefabricated materials
  - Require certain façade treatments, and
  - disallow certain roofing products
- Virginia (HB 368, 2024) requires the state's Board of Housing and Community Development to study whether it can safely allow one staircase for four- to six-story buildings, which would enable those buildings to fit on smaller lots and carry lower construction costs.

## 3. ELIMINATE HOUSEHOLD SIZE REQUIREMENTS

Limiting household size can reduce housing supply, increase housing costs, and limits lower cost housing.

Colorado passed HB24-1007 into law, prohibiting local governments in Colorado from restricting how many unrelated roommates could live under one roof unless a strong case can be made for health, safety, or fire code needs.

## 4. MODIFY STATE STORMW ATER REGULATIONS

For communities under 100,000, Tennessee and West Virginia reduce stormwater requirements for

- Redevelopment of existing impervious cover
- Higher density development
- Transit oriented development

 These actions reduce the cost of development and can incentivize housing development.

## 5. PROVIDE BETTER AND MORE COMPLETE INFORMATION



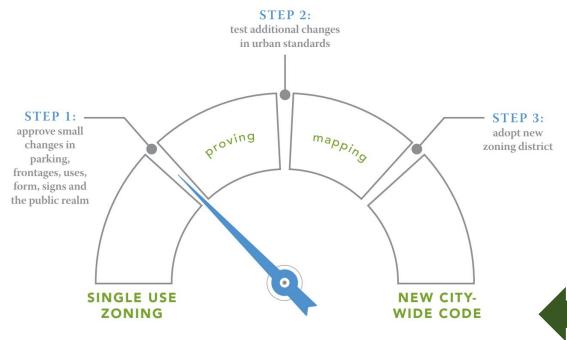
### **Project for Code Reform**

#### **Process**

- Research
  - Understanding state based opportunities and constraints
  - Hearing directly from localities
- Analysis
- Recommendation
  - Translating to code that responds to local conditions
- Documentation
  - Develop guidance materials for accessibility
  - Ground truthing with localities
- Training and Education



"What can we do *now* to let better development happen...



ARC OF ENGAGEMENT

...rather than keeping everything broken until we can do this?"

### COMMON AREAS OF REFORM



#### Streetscape

Streetscapes are designed according to the intensity of land use through which the street passes. In downtowns and main streets, streetscape design should focus on the success of businesses as much as it might focus on vehicular movement. In neighborhoods, streetscape design should focus on the safety and comfort of residents ahead of vehicular movement.



#### Form

Regulations that control the form of buildings, including setbacks, height, lot size, lot coverage, and similar restrictions. In many places regulations designed for suburban setbacks and buffers have been applied to downtowns, main streets, and adjacent neighborhoods, reducing the value of existing buildings and properties.



#### Use

Restrictions on the use of buildings and properties, and the ability to combine multiple uses, both on the parcel and within a single building.



#### Frontage

The design of building facades and yards that face the sidewalk. Frontage quality affects the likelihood that people will walk along a street. This is independent of architectural style. Most issues relating to frontage are regulated to increase vibrancy, which is reflected in the amount of pedestrian activity.



#### **Parking**

The amount and location of parking. The effects of parking requirements are often underestimated in their ability to improve or detract from the success of downtowns and main streets.

## Applicable for variety of neighborhood contexts

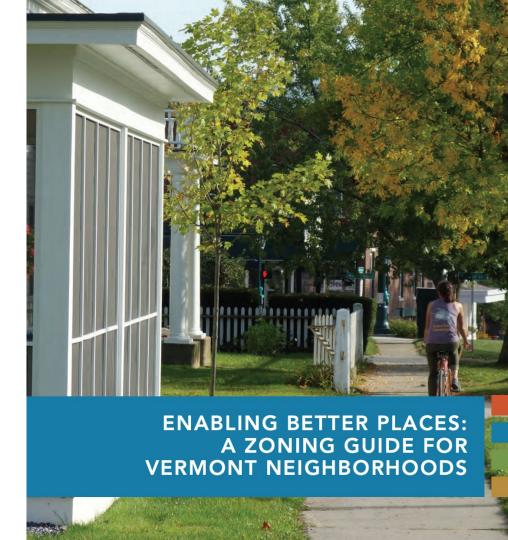


Main Streets Downtowns Adjacent Neighborhoods

### Completed States

- Vermont

   Housing
- Michigan
  - Urban development
  - Suburban development
- Wisconsin
  - Increased Housing Supply
  - Economic Development



## Thank You

## Questions?

Thank you Lynn Richards

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