THE HOUSING CRISIS

Annual Housing & Population Growth
2005-2016

Sources: Washington State Office of Financial Management; SDCI Permit Data
What is an Accessory Dwelling Unit?
A Solution to the Housing Crisis?

Access to facilities (schools, parks, public amenities)

Possible uses for an ADU:
- Age in place
- House a relative
- Rent for extra income
CURRENT RELEVANCE

July 9, 2019
Seattle City Council

- Two ADUs permitted
- No requirement for off-street parking
- Increased max ADU size
- Decreased min lot size
- No requirement for owner to occupy
2% of Seattle’s single-family lots have an ADU.
0.7%

OF ALL SINGLE-FAMILY LOTS ELIGIBLE FOR A DADU HAVE ONE
The website will include a “Can I build an ADU?” service to help homeowners identify and appraise their ADU options by prototyping an ADU feasibility tool through the City’s participation in the UW Data Science for Social Good program.

- From the Seattle mayor’s Executive Order
STAKEHOLDER INVOLVEMENT
1. PHYSICAL FEASIBILITY

Let’s look at a map!
Can I build an ADU?

Help us find your home:

This address bar only contains single family and multi-family residential parcels.

5111 S AVON ST 98178
All lots in single-family zones are eligible for an AADU.

Major goal is to increase awareness of the possibilities available to homeowners.
New eligibility criteria (as of July 2019):

- Single Family Zoned
- > 3200 sq. ft. lot
- Lot coverage
- < 35%
- Lot dimension >= 25 x 75
- Cannot be near a shoreline district
<table>
<thead>
<tr>
<th>Topic</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zoning</td>
<td>Your home must be in a single family lot to build an AADU or DADU</td>
</tr>
<tr>
<td></td>
<td>Your home qualifies!</td>
</tr>
<tr>
<td>Lot Size</td>
<td>Your lot must be at least 3200 square feet for a DADU</td>
</tr>
<tr>
<td></td>
<td>Your lot is 6832 square feet and therefore qualifies!</td>
</tr>
<tr>
<td>Lot Coverage</td>
<td>If lot is larger than 5000 feet, no more than 35% should be covered. If lot is smaller, no more than 1000 plus 15% should be covered.</td>
</tr>
<tr>
<td></td>
<td>Your 6832 square foot lot with a lot coverage of 17.56% qualifies!</td>
</tr>
<tr>
<td>Shoreline</td>
<td>Your home must not border a shoreline to build a DADU</td>
</tr>
<tr>
<td></td>
<td>Your lot does not border a shoreline. You are good to go.</td>
</tr>
<tr>
<td>Existing ADUs</td>
<td>You may build up to 2 ADUs on a single property.</td>
</tr>
<tr>
<td></td>
<td>There are no existing ADUs on this property. You are good to go.</td>
</tr>
</tbody>
</table>

Want even more information? Please see the Transparency section for more details on these terms.

Figure out your financial options on the next page.
How will I know that I cannot build?
What factors should I consider?

**Other potential considerations for your lot:**

- Because your home may be relatively old, if you wish to build an AADU, you may need to find an inspector to ensure no additional changes need to be made to your property.

- You have a sizable basement that could be converted to an AADU. An already finished basement will not be as expensive to retrofit for an AADU.

- You have a sizable garage that could be converted to an AADU.

- Your home is near a frequent transit stop, making it attractive to renters of AADUs and DADUs.

**Environmentally Critical Areas**

Your parcel lies on the following **environmentally critical areas** that may make it more costly to permit and build a DADU:

(If list empty, there are none)

- Your home has a **side sewer** that crosses another lot. You may need to reroute or construct a new side sewer for a DADU.
Who might I know with an ADU?

- Identify ADUs in your area
- Build a network of community resources around ADUs
Where did this data come from?

- Open source GIS and administrative data from City of Seattle, King County Assessor’s Office, and Open Street Map

- Physical feasibility indicators constructed in ArcGIS

- Permit data from city of Seattle identified ADUs
2. FINANCIAL FEASIBILITY

Let’s crunch the numbers
FINANCIALS

How much does it cost to build?
It depends:
- Type
- Size

What cost I should expect?

= Estimated Cost  ($199,228 -- $292,108)

*Actual cost may vary. The estimate is for reference only.

Be part of the SOLUTION! (@Seattle.gov)
What ADU will you build?

Attached ADU

Cost Breakdown:

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Cost</td>
<td>($60,000 -- $90,000)</td>
</tr>
<tr>
<td>+ Sales Tax (10.1%)</td>
<td>($6,060 -- $9,090)</td>
</tr>
<tr>
<td>+ Sewer Capacity Charge</td>
<td>$6,760</td>
</tr>
<tr>
<td>+ Permit Fee</td>
<td>$2,200</td>
</tr>
<tr>
<td>+ Architecture Fee</td>
<td>($3,600 -- $5,400)</td>
</tr>
<tr>
<td>= Estimated Cost</td>
<td>($78,620 -- $113,450)</td>
</tr>
</tbody>
</table>

*Actual cost may vary. The estimate is for reference only.

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What ADU will you build?

Detached ADU

Cost Breakdown:

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Cost</td>
<td>($160,000 -- $240,000)</td>
</tr>
<tr>
<td>+ Sales Tax (10.1%)</td>
<td>($16,160 -- $24,240)</td>
</tr>
<tr>
<td>+ Sewer Capacity Charge</td>
<td>$11,288</td>
</tr>
<tr>
<td>+ Permit Fee</td>
<td>$2,200</td>
</tr>
<tr>
<td>+ Architecture Fee</td>
<td>($9,600 -- $14,400)</td>
</tr>
<tr>
<td>= Estimated Cost</td>
<td>($199,229 -- $292,108)</td>
</tr>
</tbody>
</table>

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Be part of the SOLUTION! (@Seattle.gov)
What’s the cost?

-- Home Equity Loans (HELOC)
-- Increase in Property Tax

Cost Estimator

How much will you borrow?

<table>
<thead>
<tr>
<th>Total Loan</th>
<th>$150,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Payment</td>
<td>$1,340</td>
</tr>
<tr>
<td>Monthly Increase In Property Tax</td>
<td>$205</td>
</tr>
</tbody>
</table>

Assumptions: APR 6.9% for a 15-year fixed-rate home equity loan.
Reminder: Your home equity loan interest might be tax deductible.
What are the **benefits**?

If you will rent it out
--- Rental Income from ADU

If you have to sell
--- Property Value-added

--- Financial Benefits

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Monthly Rental</td>
<td>$1,737</td>
</tr>
<tr>
<td>Estimated Value-Added to Property</td>
<td>$55,100</td>
</tr>
</tbody>
</table>

*Based on Zillow home value and rental index.*
3. CITY ANALYSIS

Let’s go broad
3.5 CITY ANALYSIS

For policymakers
Rhetorical question: You see that map there on the left? That multi-colored one of Seattle, WA? Good, meet your fancy new toy; and by toy, I do mean go play with it. The map is interactive!

A bit hesitant? No problem, let’s briefly cover how it works then. (Quick note, ADU is short for Accessory Dwelling Unit. That’s important.)

Each individual puzzle-pieced shape represents a neighborhood within the city. Hovering or clicking over a neighborhood will reveal some corresponding details, such as its name and median incomes. The color legend above the map helps interpret the neighborhood colors, which visual...

### Population Statistics

<table>
<thead>
<tr>
<th>Neighborhood</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adams</td>
<td></td>
</tr>
<tr>
<td>Alki</td>
<td></td>
</tr>
</tbody>
</table>

Mid-Beacon Hill

- ADU Eligible Parcels: 3,735
- Median Household Income: $70,982
- Median Home Value: $366,100

Population Statistics Color Legend

- Home Owner %
- Non-White Population %
- Public Trans To Work %
The Map

Rhetorical question: You see that map there on the left? That multi-colored one of Seattle, WA? Good, meet your fancy new toy, and by toy, I do mean go play with it. The map is interactive!

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Population Statistics

Neighborhood

<table>
<thead>
<tr>
<th>Neighborhood</th>
<th>College Degree %</th>
<th>Home Owner %</th>
<th>Non-White Population %</th>
<th>Public Trans To Work %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mid-Beacon Hill</td>
<td>Yellow</td>
<td>Purple</td>
<td>Pink</td>
<td>Green</td>
</tr>
</tbody>
</table>

Mid-Beacon Hill

Home Owner %: 68.00

Population Statistics Color Legend

- College Degree %
- Home Owner %
- Non-White Population %
- Public Trans To Work %
OPPORTUNITY

Bring it all home
114,000

RESIDENTIAL SINGLE-FAMILY LOTS
UP TO 107,000

DADU-ELIGIBLE
SINGLE-FAMILY LOTS
"Is an ADU for me?" How we help more owners and renters say "yes"

Can I build it?
Permissive rules allows new homes in more places and lets owners achieve their ADU vision.

On my lot?
A one-stop website tells homeowners what's feasible, shows them how, and connects to City programs.

What does it cost?
Innovation yields new low-cost designs, which pre-approved plans help to spur.

How do I pay for it?
New financing options make an ADU possible for new families, delivering affordable rentals in more places.

What's the process?
Permitting is more efficient and straightforward, with City info that makes the process easy to understand.

Housing opportunity
Stability and access to all neighborhoods
WHAT’S NEXT?

User testing
Hand off to Seattle IT for adoption
Future connected programs:
  ○ Pre-approved plans
  ○ City financing for affordable ADUs
  ○ The Block Project
  ○ Affordable ADU partnerships
Tool for Seattle, but could be adopted in many cities

Can the City help me?
► Can I use a pre-approved design?
► Is financing available?
► How do I start the permitting process?
One small step for ADUs...

One giant leap for DUniverse
When life isn’t going right, go left.

- The Dove chocolate that kept us alive