
Accessory Dwelling Units in New York City: Moving to Solutions

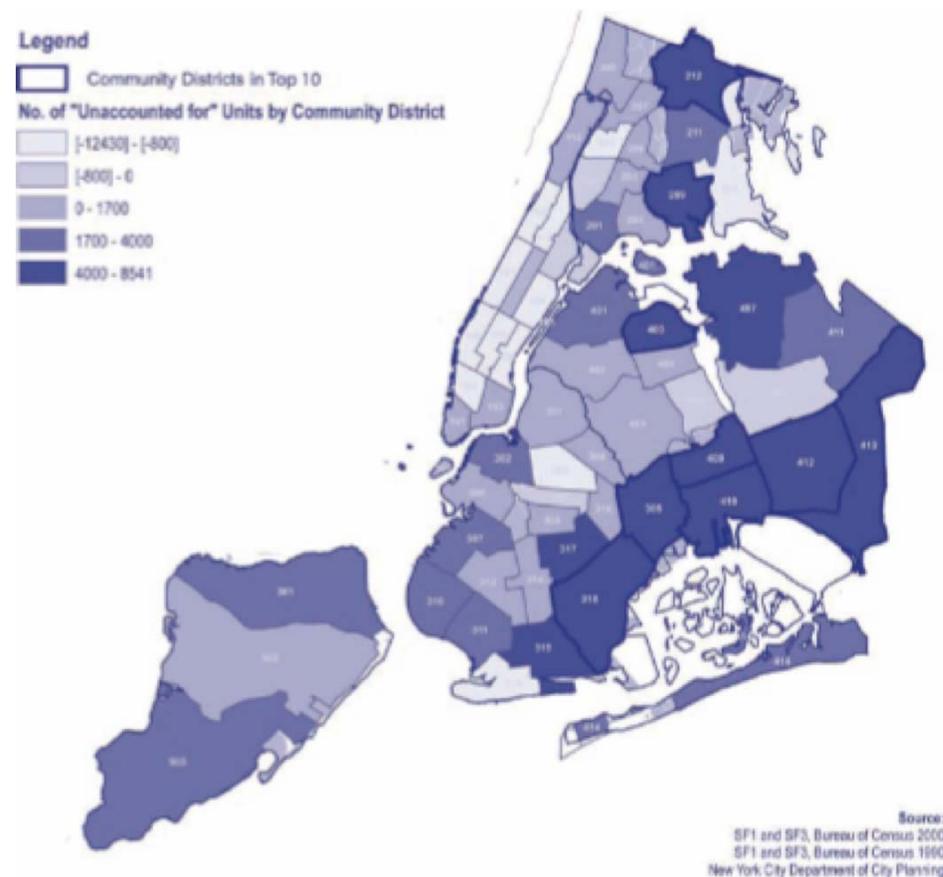


IHC Accessory Dwelling Unit Task Force Members:

Asian Americans for Equality
Chhaya CDC
New York Immigration Coalition
Make the Road New York
Queens Congregations United for Action
Pratt Center for Community Development
Urban Justice Center
Woodside on the Move

Illegal Conversions—A Citywide Issue:

- Between 1990 and 2000, New York City gained 114,000 apartments that are not reflected in the official number of certificates of occupancy the City granted for new construction or renovation.
- They include private homes that have been cut into rooming houses, two-family homes with unauthorized basement apartments that house an illegal third family, unapproved residential conversions of commercial lofts, and other types of unlawful construction.
- 95% are in neighborhoods on the outskirts of the city, in Queens, Brooklyn, and the Bronx

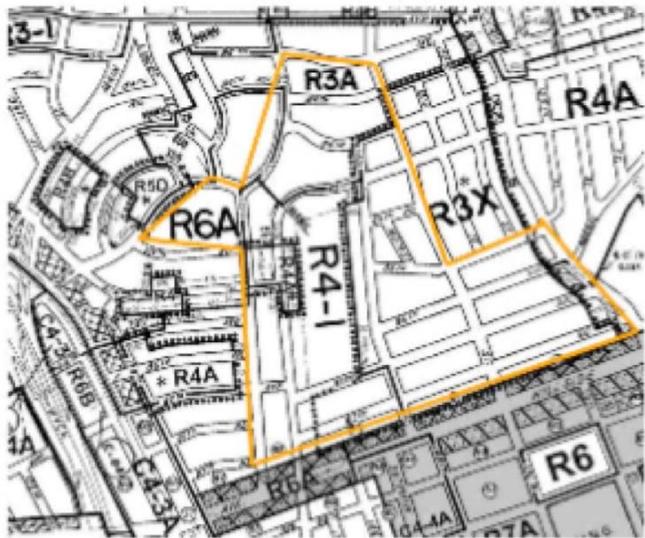


Source: *New York's Housing Underground: A Pratt Center/Chhaya Study, March 2008*

Survey Conducted in 2008

- Chhaya CDC partnered with Citizens Housing and Planning Council to document and assess the potential for such a program in two communities
- A door to door survey was conducted of all registered single family homes in each tract – totaling 446 homes – 82% of homes had at least one indication of an accessory unit (indicators included cable wiring, mailboxes, doorbells, or separate entrance)

Briarwood/Jamaica Study Area



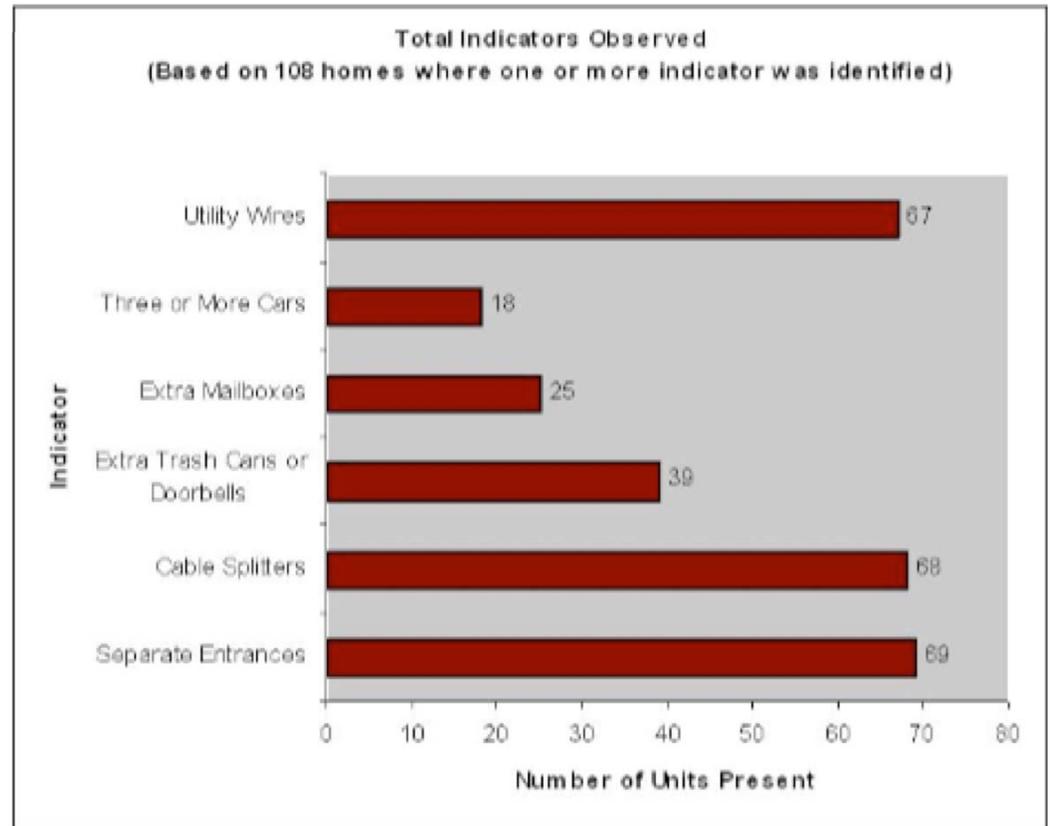
Jackson Heights Study Area



- Survey found that 35% of units could potentially be legalized (looking at factors such as means of egress, size of windows, etc.)

Key Survey Findings

- 93% of homes surveyed were owner-occupied
- 46% of respondents indicated that there were two or more means of egress in the accessory unit and 98% had at least one window that would allow for adult entry or exit
- 62% had functioning smoke detectors and indicated a willingness to maintain fire and safety measures



Source: Chhaya CDC Report on Illegal Conversions 2008

Context of NYC

- The creation of accessory units (often called ‘illegal threes’ or ‘mother/daughter’ units) began after World War II (the 1940’s)- when home owners opened their homes to house returning veterans.
- Over the past 25 years, the growth in population has dramatically outpaced the number of units that have been built, even with the building boom of the last 10 years.
- Today, many have become home to new immigrants seeking housing during an ongoing affordable housing crisis in New York City.
- Overcrowding, a scarce supply of affordable housing, inflated housing prices, and a housing gap has led to a surge in illegal apartments throughout the city with the highest rates occurring in the borough of Queens.

Impact on New York City

- Increases **Affordable Rental** Housing Stock
- **Unplanned** for growth has led to a number of issues on the neighborhood:
 - Overcrowded Schools
 - Insufficient Sanitation Services
 - Overburdened and unsafe electric wiring
 - Higher risk of fires due to informal heating system
 - Parking and Traffic congestion
- Complaint-driven system encourages **neighborhood tensions**
- Burden on New York City's **Inspections and Court Systems**

Tenant Perspective

Benefits

- Affordability
- Live in preferred communities accessible to work

Drawbacks

- Unsafe living conditions & potential fire hazards
- Vulnerable to displacement : no right to lease renewal
- No regulations regarding repair issues, volume of occupancy or security deposits

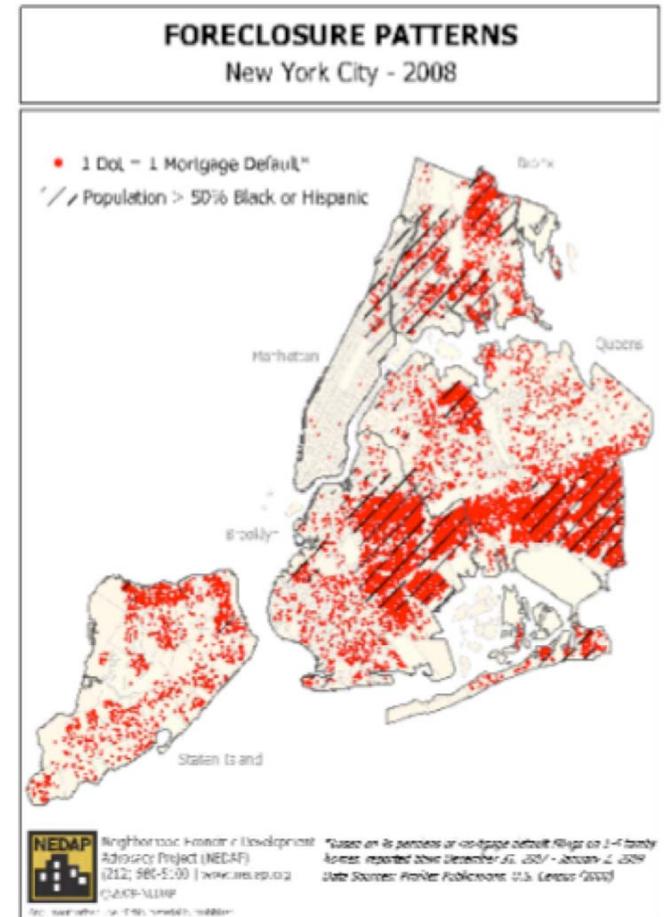
Owner Perspective

Benefits

- Supplemental Income
- Housing for extended family and/or personal use
- Increased Home Value

Drawbacks

- Added responsibilities as a landlord – property maintenance and added expenses in utilities
- Rental Collection – Vulnerability to Foreclosure
- Potential for fines up to \$15,000 if not legally converted
- Home Conversion process: time consuming and expensive (\$10,000 to \$15,000)



Solutions Across the Country

- Many municipalities in the U.S. have adopted the concept to allow ancillary apartments, often called “granny flats,” in single-family districts:
- California, Connecticut, Illinois, Massachusetts, Oregon, Vermont, Florida, Washington, D.C., and Washington State have all adopted strategies allowing accessory dwelling units in many fast-growing areas.
- Santa Cruz, California, provides an example of a proactive approach for allowing ADUs. Faced with high housing costs and a growing population, the city adopted an ADU ordinance in 2001 to allow units in garages and basements and within homes. The city provided loans to homeowners and incentives for keeping the units affordable, and it developed manuals, design guides, and workshops for homeowners.
- Research conducted by Fordham University School of Law, Stein Scholars Program



Washington State

- Introduced in the 1990s in the face of a housing crisis
- The State saw opportunity to reduce housing costs, meet changing market demands through more efficient use of existing housing stock, cost effectiveness compared to new construction, and better integration into communities
- Specific populations benefited: elderly who no longer needed to use entire home and small families who need to supplement income to make mortgage payments.
- Minimal environmental impact – with minimal construction and without increasing urban sprawl
- Accomplished through a combination of state and local laws: on the State level – municipalities were encouraged and/or required to pass ADU legislation through “Growth Management” plans that met the needs of all income groups
- Mandated that ADUs be encouraged and allowed in single-family zones in cities with a population over 20,000 – local municipalities then adopted ADU legislation tailored to local community needs including design limitations, and waiving of fines for homes that came into compliance

Proposal: Creation of an ADU code

- The City could add a new category of residence to the building, housing and zoning codes - creating an **accessory dwelling unit (ADU)**. This would allow units that receive sufficient light and air to exist legally, even in areas that are currently zoned to limit housing to single-family residences.
- As an initial step, the City could pilot a project in targeted areas The City should consider **selecting pilot communities** (*such as ones with high rates of mortgage default and overcrowded schools*) for an **accessory dwelling unit conversion program**
- **Establish nonprofit partners** to administer and support implementation of program
- Establish a **city-wide task force or round table of stakeholders** to monitor implementation, systemically address issues of neighborhood crowding and infrastructure.

Critical Program Components for Owners

- **Financial assistance** for owners who volunteer and ensure proper usage and execution by making sure all stakeholders are involved.
- **Technical Assistance** and Consultation for owners who participate provided by non-profits: will guide the process, feasibility assessments, link owners to licensed architects, engineers, contractors, plumbers with pre-established price ranges for services
- **Improve efficiency** and encourage “smart growth” - look at NYSERDA, weatherization and lead abatement programs for ways to simultaneously green communities and offer owners financial assistance
- Owners who participate in the program should face no penalties in regards to an existing illegal unit during a **reasonable grace period** so that owners can invest resources in necessary alterations.

Critical Program Components for Tenants

- **Existing tenants** should be given priority to remain in unit after legalization
- Rents must **remain affordable** in order for owner to benefit from program - currently an average basement apartment rent is around \$700-\$800 per month.
- **Oversight** by nonprofit partners to ensure compliance -

Other Parameters

- Restrict the program to **owner-occupied homes only**
- Establish **tax benefits** (potentially a renewable freeze on increased taxes due to addition of unit) to owners who sign a contract with New York City to maintain affordable rent.
- The program should **emphasize health and safety issues rather than physical aspects** that may vary as indicators of habitability. Such updates to the housing codes would allow some units that are currently illegal to be more easily regulated.

Long Term Legislative Solutions

OPTIONS:

- A) City Ordinance with Zoning and Construction Code Amendments
- B) State Law Amendment to Multiple Dwelling Law

A city law passed in conjunction with zoning and building code amendments could legalize the apartments and provide a procedure for converting units (Option A). Alternatively, legalization could occur with an amendment to the state MDL (Option B).