



MULTI-GENERATIONAL HOUSING AFFORDABILITY AND ACCESSORY DWELLING UNIT ASSESSMENT

EXECUTIVE SUMMARY

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

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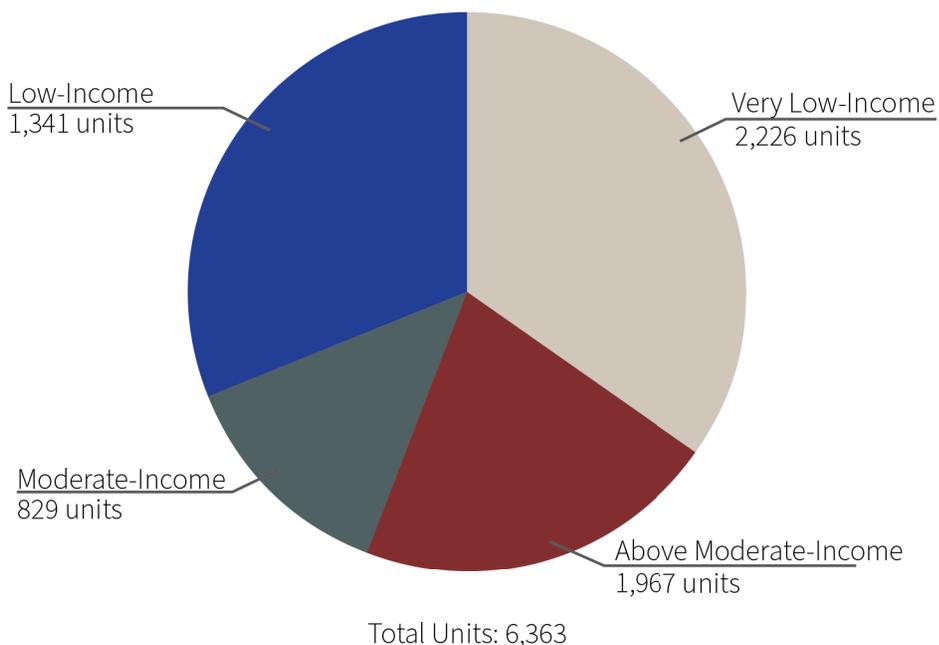
In response to California's housing crisis, the California Department of Housing and Community Development (HCD) provides each council of governments in the state with a regional determination of how many housing units that region must plan for in the next eight years. The council of governments then distributes this determination to each jurisdiction in the form of a Regional Housing Needs Allocation (RHNA) that the jurisdiction must account for in the update to their comprehensive plan's housing element. In November 2019, the City of Folsom, located 20 miles northeast of Sacramento, received their allocation of over 6,000 housing units to be added to the City during the next eight year housing cycle (SACOG, 2020). The allocation can be satisfied by development of a variety of housing types, but they must meet the distribution of income requirements set forth by HCD. Figure 1 shows this distribution of the housing unit allocation by income group for the City of Folsom.

While conducting an inventory of future infill and new development needed to satisfy their housing allocation, the City identified a new type of development occurring in the single-family zones of 3,500 acres of recently annexed land: multi-generational homes. This recently annexed land, the Folsom Plan Area, includes large tracts of proposed residential development

that include multi-generational homes that are only counted as a single unit toward the city's RHNA despite their difference from a typical single-family home. A multi-generational home is built with the intention of providing housing for more than one household by including an attached, but independent, second suite that includes its own entrance, bathroom, kitchenette, and bedroom, as shown in Figure 2, on the following page.

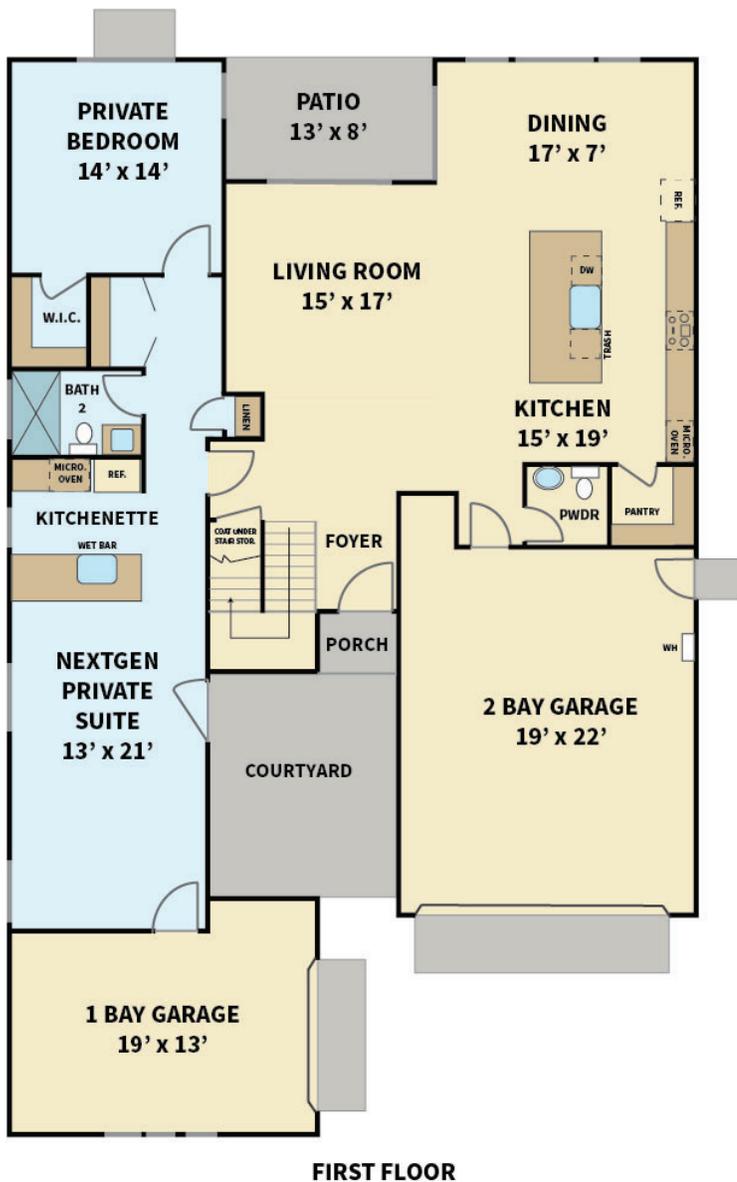
Much like accessory dwelling units (ADUs), the second unit in multi-generational homes offers the potential to house a second household on a single-family lot. ADUs are a relatively new addition to the housing scene and provide a valuable way to gently increase density and provide a wider range of housing options in suburban neighborhoods without compromising character. They also provide a more affordable option for people in these neighborhoods, many of whom are not able to, or may not want to, purchase a single-family home. Multi-generational homes can address many of the same needs. In fact, American households are

FIGURE 1: CITY OF FOLSOM'S RHNA



Each jurisdiction within the SACOG region is given a housing allocation that they must show how they will accommodate through the next update of their city's Housing Element (SACOG, 2020).

FIGURE 2: LENNAR NEXT GEN FLOORPLAN



Lennar's Next Gen Home in the Camarillo at Fieldstone community in Elk Grove, California (Lennar, n.d.).

shifting toward more multi-generational family dynamics as young adults move home after college or elderly adults move in with grown children, enabling all members of the family to be more financially stable and to age in place (Infranca, 2014). These trends suggest that multi-generational homes are not a passing fad but, rather, should be considered in housing analyses moving forward.

Local, regional, and state-wide plans support a variety of housing types and are set up to encourage any development type that offers infill density and affordable housing options. Recently, the State of California passed legislation that defined a smaller version of an ADU (a junior ADU, or JADU) that is considered a separate housing unit despite not including some facilities, such as a separate bathroom. Additionally, the City of Folsom has outlined policies that are intended to encourage development of second units in single-family zones and increase housing for seniors and other typically low-income groups. Housing policy in California has set precedent for reviewing new types of second units and expanding the definition of ADUs to accommodate for them and include them in the types of housing units that can satisfy RHNA. This report proposes that the multi-generational second unit should be considered its own housing unit and be included in the definition of an ADU.

In order to inform the findings of this report, the study completed three primary steps:

1. Meetings with local planners in the Sacramento region regarding the status of multi-generational homes in their jurisdictions.
2. Distribution of a survey to multi-generational homeowners in four cities across the Sacramento region.
3. Data analysis of meeting discussions, survey results, and additional research.

Meetings were held with staff at the California Department of Finance, staff at the Sacramento Area Council of Governments (SACOG), local Lennar agents for multi-generational homes, and housing professionals at five jurisdictions. Additionally, a mailer asking recipients to share information about their multi-generational second unit ranging from how it is being used to household income of the occupants was sent to 299 addresses across four cities. Fifteen responses were collected and used to begin an affordability assessment of these second units.

This report presents the results of literature and plan review, meetings, and survey results to determine that the second unit in multi-generational homes should be considered an attached ADU and thus be available as a housing type that satisfies RHNA. Figure 3 presents a summary of the California requirements for all types of accessory dwelling units (ADUs) and how multi-generational second units compare. The multi-generational second units included in this study meet all of the requirements of an attached ADU and if others were smaller than 500 square feet, they would meet the requirements of a junior accessory dwelling unit (JADU). Based on these findings, all new-build multi-generational homes should be considered as single-family homes with attached ADU and, as such, should be counted as two units to satisfy a jurisdiction’s RHNA.

Fifteen responses to the survey of multi-generational homeowners were collected for this study, an

FIGURE 3: SECOND UNIT REQUIREMENT COMPARISON

	Multi-Generational Second Unit	Junior Accessory Dwelling Unit	Attached Accessory Dwelling Unit	Detached Accessory Dwelling Unit
Smaller than 500 square feet		✓		
Smaller than 50% of the primary dwelling	✓	✓	✗	✓
Includes separate bathroom facility	✓		✗	✓
Includes an efficiency kitchen	✓		✗	✓
Has a private, exterior entrance	✓	✓	✗	✓
Attached to, or located within, primary dwelling	✓	✓	✗	

Multi-generational second units meet all of the requirements to be considered an attached ADU; smaller multi-generational second units also meet the requirements of a JADU.

approximately 5% response rate. This number of responses is too low to be statistically significant in making a final determination on affordability, but the results support the need for further assessment and analysis. Approximately 75% of respondents reported using the second unit in their home as a housing unit, and 60% of respondents stated that they did not intend to charge rent for the use of the second unit. These results suggest that multi-generational second units are being used to house a second household, and thus should be counted as a second unit, and supports further study of the affordability of these units.