# THE HOUSING PARTNERSHIP FOR PROFIT-NONPROFIT PARTNERSHIPS

The concepts of cottages, bungalows, and other housing designs are not new, but are gaining traction in the Seattle area as developers, local governments, and housing advocates experiment with creative solutions to provide high-density housing to fit a broad range of needs.

- ✓ For profit-nonprofit partnerships
- ✓ Advocacy efforts to reduce NIMBYism
- Changes in zoning to encourage affordable housing
- Creative public-private collaborations
- ✓ Infill development

The Housing Partnership is a nonprofit (also

known as the King County Housing Alliance) whose mission is to generate and disseminate ideas for alternative housing types. According to Michael Luis, executive director of The Housing Partnership, the organization targets cottage housing as well as other alternative housing types.

#### Innovative housing types include:

- ❖ Cottage and bungalow clusters: Clusters of four to 12 units built around common open space. Cottage and bungalow clusters often incorporate an auto court, which clusters garage entrances around a central court.
- Cottages with carriage units: Cottage cluster projects with carriage units built over the separate, detached garages
- Small lot detached units: Single-family homes on lots less than 4,500 square feet, which necessitates different site planning, design of streets, sidewalks, and parks to adapt to a more compact layout.
- Detached accessory units: Small apartments that are an accessory to a main house, but built as stand-alone cottages.
- Small multiplexes: Multifamily structures with two to four units with a design and scale that allows them to fit into neighborhoods.
- Adaptive reuse: Old commercial buildings that can no longer serve their original purpose that are adapted to accommodate housing.
- Townhouses

"There's a whole market of people who don't want to live in big houses, but local zoning and codes don't allow it," said Luis.

### Innovative housing types can be more affordable than conventional new housing

Although the cottage, bungalow, and townhome housing types promoted by The Housing Partnership are unsubsidized, they are more affordable than typical new single-family homes because of their small size. Compared with a new single family

home, which averaged over 2,300 square feet in 2002, cottages can be as small as 650 square feet.

taken Luis it's some says experimentation to identify the market for small homes. "Cottages have evolved," he said. "They started out at 650 square feet. They sold, but there's a very limited market." Since then, he said cottages have increased in size to up to 1200 square feet, typically with two stories and a one-car garage. "They're pretty compact," said Luis.



**Danielson Grove** 

Luis says most people want to live in detached housing. "People want to see light on three or four sides," he said. "But they don't care how detached – another home six feet away is OK."

Among other things, The Housing Partnership works with developers to advocate for cottage housing developments and resolve the concerns of NIMBYs who fear the high-density housing being proposed. "Some object for legitimate reasons – I try to work with them," to resolve their concerns, said Luis.

The Housing Partnership also works with local governments, who Luis sees as lacking an understanding of the housing market. Luis says that to deal with the state's Growth Management Act (GMA), local governments plan very high-density housing.

"The original idea ... is that we'd encourage all density in urban centers," said Luis. He said in Puget Sound area, there are 25 designated growth centers, but only three actually experiencing growth. "You can only build stacked flat condos with underground parking [in a growth center]. No one wants to live in that. [The local government] plans for density are not what the market wants."

In contrast, Luis said people are interested in cottage and bungalow housing. "The market does want this," he said. "It's more appealing, but lower density."

Eric Campbell, president of CamWest Development, Inc., a major builder in Puget Sound, agrees. "With the aging of the market, people are looking more at quality than quantity, so it's a natural trend," he said. "The market has become more niche – there are more different buyer types and more different needs."

## Local governments are collaborating with developers to build innovative housing

Now that the Housing Partnership's primary mission of generating ideas for



innovative housing is done, the organization is winding down. However, Luis recently worked with the city of Kirkland to evaluate two innovative housing demonstration projects.

Both projects created "compact single family" housing (units of about 1500 square feet), and were allowed a 50 percent density bonus. The outcome of the demonstration was positive, with both residents and neighbors of the

developments virtually all in support of the compact projects. Focus group members expressed a strong preference for the compact single-family developments over the alternative of large single-family homes built in existing neighborhoods of primarily modest-sized homes.<sup>168</sup>

Based on the results of the demonstration program, the Kirkland City Council has decided to allow innovative housing types in the city on a permanent basis. Since then, the Planning Commission has drafted zoning regulations for cottage, carriage house, and multiplex (multifamily buildings containing two, three, or four units) housing. The regulations would allow density of double that allowed in the underlying zoning. It would also require developers to include one affordable unit in a development with 10 to 19 units, and would require two affordable units in developments with 20 units or more.<sup>169</sup>

CamWest Development was one of the builders of the demonstration developments. According to Campbell, bungalows like those built as part of the demonstration project can be as profitable for builders as conventional housing types, but there are two major constraints. The first is a lack of land zoned for higher-density single-family housing; the second is a lack of suitable locations. "They have to be near transit," he said.

Campbell doesn't believe the limited parking (typically one car) associated with bungalow, cottage, and other innovative housing types is a barrier. "People are willing to trade off cars for retail, transportation, and access to jobs," he said.

However, cottage housing and other alternative housing types are something local governments are also still experimenting with. "They're still trying to figure out how to allow them to flourish," said Luis. He notes that smaller-size housing must

be built on a much larger scale than it has been to date in order to improve housing affordability.

"A lot of builders won't take the risk. It's not an off-the-shelf product."

-Eric Campbell

Luis notes that with few builders having experience in building smaller-size housing, such a project is a risk, and they need encouragement to try it. "Local governments need to provide an alternative [to

building large new houses] and make it at least as profitable as the standard. You need to provide an incentive," he said.

"A lot of builders won't take the risk," said Campbell. "It's not an off-the-shelf product."

## A demonstration project can allow local governments to 'dip a toe in the water'

Luis advises cities considering innovative housing types to start with a demonstration, which involve little risk. "It's a way to dip a toe in the water," he said. In addition, "Because it's a demonstration, local government can have a lot of control."

He suggests getting builders involved during the demonstration planning process. "Attract builders who are interested in doing something different," he said.

"Once the project is on the ground, people can see it. It gives people something to focus on," said Luis.

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# Research on State and Local Means of Increasing Affordable Housing



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