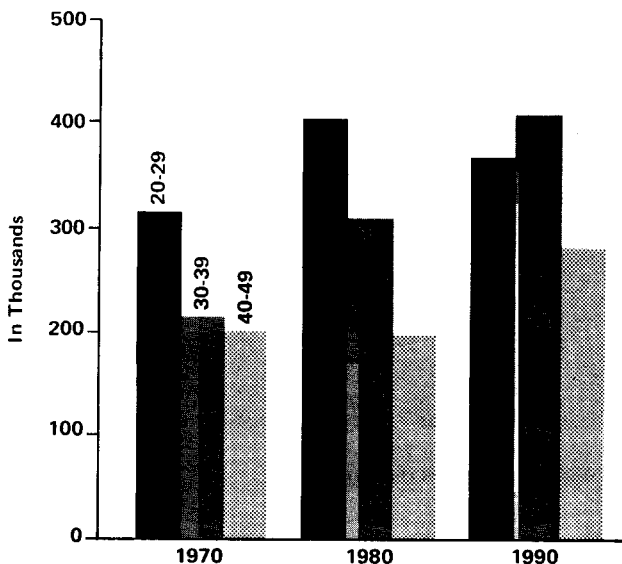




what reduced demand for rental housing toward the end of the decade (Figure 6).

Consequently, it makes good sense to use existing housing more efficiently. By doing this, the market can respond better to fluctuations in demand. Re-using existing housing can also cost substantially less than building new housing.

Figure 6
PERSONS IN 20s, 30s AND 40s AGE GROUPS
1970-1990



Adding separate living units in existing single-family homes, called "accessory housing," is one way to make better use of existing housing. Some homeowners may wish to add an apartment to their homes for a son, daughter or other relative. Others, particularly older people, may wish to rent part of their home to a younger person to gain additional income, companionship, help with household services and increased security. This type of arrangement can enable older people to remain in their own homes.

Some area cities allow accessory apartments as permitted or conditional uses. Many other cities do not allow them, but have found recently that the issue requires consideration. Some have dealt with requests from citizens to add an accessory apartment to their home; others have discovered that a number of accessory apartments already exist, having been added illegally.

While offering cities a good way to provide more affordable housing, accessory apartments do pose some issues and potential problems cities must deal with. These include concerns about potential parking and traffic congestion, exterior appearance, and a need for increased police and fire protection.

Policy 2: More affordable rental housing units to meet the needs of all age groups should be built or added within the existing housing stock. Cities should adopt ordinances that allow accessory housing as a realistic option to help meet their housing needs.

Reducing Housing Construction Costs

High housing costs require that all participants in the housing development process work to reduce or control costs. There is no simple or single solution; all involved must demonstrate the willingness and flexibility to respond to new approaches.

Financing costs for housing are high. A difference of one percent in a mortgage interest rate can make a substantial difference in a buyer's monthly payment. Since policies that control the flow of money are set by the Federal Reserve Board, there is little that local, regional and state governments can do about high interest rates. But ways can be implemented to reduce housing construction costs, and thereby the sales price, thus lowering housing costs and mortgages.

Efforts must be made to reduce the cost of all types of housing. Single-family housing is the most expensive to build, so reducing its cost presents the greatest challenge. Building attached housing, such as townhouses, costs a lot less.

Lot Size or Density

Reducing lot size, or density, of a housing development lowers construction costs the most. It is also the factor over which local government can exert the most influence or control. For example, reducing lot frontage from 80 feet to 60 feet can reduce land and land development costs as much as 35 percent. Attached and multi-unit housing can be built for an estimated 20 to 33 percent less than single-family detached housing, mainly because it takes less land per unit.