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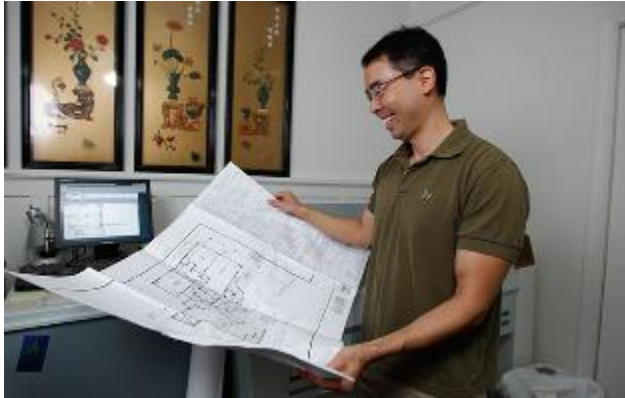
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'Den' additions dwarf ohana units

Homeowners have been adding rooms at a lightning pace, potentially creating illegal rentals, a study shows

By Susan Essoyan

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Architect Questor Lau, whose company specializes in residences and alterations, noticed the trend several years ago: a surge in demand for "rec rooms" and "dens" across Honolulu.

"We started getting a lot of calls from people wanting to convert garages into bedrooms, more than usual," said Lau, president of All Kinds Drafting Services. "It kind of went up a lot when the economy got bad."

There is a legal process, known as ohana zoning, for homeowners in certain Oahu neighborhoods to build additions to their homes for rental to relatives, but that wasn't what was happening.

Instead, people were building rumpus rooms, dens and workshops that had separate entrances and often a bathroom and wet bar. Such structures are perfectly legal and readily permitted. But using them as secondary dwelling is not.

In fact, permit applicants for structures that could easily be converted into a secondary residence are required by the city to sign an affidavit or restrictive covenant not to use them as a separate dwelling unit.

Lau decided to examine the trend in his doctoral thesis, focusing on these potentially "illegal accessory dwellings." Through painstaking review of the city's permit data, the architect has documented for the first time the extent of the "rec room" phenomenon on Oahu, compared to the tiny number of people building legal ohana units for family members.

Honolulu's desperate need for affordable rentals and the results of Lau's research, completed in May, have helped propel a move to legalize and regulate accessory dwelling units on Oahu that could be rented to non-relatives, as is already done on Maui.

A proposal to allow homeowners to add secondary dwellings to their properties has moved forward at the City Council and is part of Mayor Kirk Caldwell's draft plan for affordable housing.

Lau examined the database of building permits for new single- and two-family homes, additions and alterations from 2005 to 2012. He found that legal ohana units accounted for just 102, or far less than 1 percent of the 15,508 such permits issued in Honolulu in that period of time.

Instead, property owners were creating spaces that could easily convert to illegal rentals after passing inspection. Altogether, 37 percent, or 5,680 permits over the eight years, were such "suspicious" additions or alterations. Their layouts had triggered a red flag with the city, which required homeowners to sign an affidavit or restrictive covenant pledging not to convert them into illegal rentals.

The number of "suspicious" permits shot up to 46 percent of the total in 2008, which was during the recession and when Lau had first noticed the phenomenon.

The flow of ohana permit requests had dropped to a trickle after the Honolulu City Council restricted the rental of such units to only relatives in 1992 and because of concerns about sewer capacity. When first permitted in 1982, ohana units could be rented to anyone and accounted for a quarter of single-family construction.

"People are not building ohana, they are building rec rooms and then renting them out," said Jenny Lee, staff attorney at the Hawaii Appleseed Center for Law and Economic Justice, a nonprofit law firm that advocates for low-income people. "It's time to bring us into a system that addresses the reality."

Lau mapped the data and found the potentially illegal accessory dwelling units, also known as ADUs, were spread across the city, including high-end neighborhoods such as Kahala.

"Even in our most expensive real estate, people have this tendency to want spaces which are suspicious for illegal rentals," Lau said in an interview.

"These places go in without any sort of control to see if there is adequate infrastructure, or road capacity or trash capacity," he said. "The more we keep this going, the more the city loses control of where people are actually living."

Renting a "rec room" as an illegal dwelling is problematic on various levels, he noted. The renter has a precarious existence and could be ejected at any time, and the structure may lack basic safety features. The homeowner can't claim the full value of his property. And the city loses tax income as well as the ability to ensure appropriate neighborhood development.

"People say they don't want their neighborhood to change, they don't want it to be overrun by renters and cars and parking," Lau said. "I agree. I live in a residential neighborhood and I don't want it to change. I love it."

"But under the current rules, rec rooms are allowed, and there are no guidelines, there is no monitoring of infrastructure capacity," he said. "If we say, 'Don't change the rules,' we are actually saying yes to uncontrolled growth."

In April, the Appleseed Center published a report, "Accessory Dwelling Units: Expanding Affordable Housing Options in Hawaii," that incorporated some of Lau's findings.

In September, Councilman Ron Menor introduced Resolution 14-200, which would urge the city to open up ohana units to nonrelatives, noting that other Hawaii counties do not restrict secondary dwellings to family members. It was approved unanimously Nov. 19.

Advocates argue that secondary dwellings on single-family lots engage the private sector in building affordable rentals at minimal cost to the state or counties.

"ADUs are an efficient yet controlled way to promote infill without altering the character of the community,"

the Appleseed report said.

The Caldwell administration also favors allowing such accessory units on standard residential lots where infrastructure is adequate. It would likely limit their size to keep them affordable and require long-term leases.

Ohana units may be built on lots as small as 5,000 square feet and must be attached to the main house. In 2006, authorities lifted a restriction on the size of the units, but it didn't spur more applicants.

Ohana units must pay sewer hook-up fees and provide two parking spaces, which is pricey where land is at a premium. A small secondary unit might need just one parking stall.

Two-family dwellings are currently allowed on 7,500-square-foot lots in R-5 zoned areas of Oahu. A 10,000-square-foot lot may have two single-family dwellings.

Accessory dwelling units appear to be a popular option on Maui. They account for about 16 percent of new residences, and cost \$63,000, compared to \$250,000 for new single-family homes, according to a 2010 report Lau published on his website.

Maui County keeps such structures small, 500 square feet on lots starting at 7,500 square feet, according to Rod Antone, communications director for Maui County. They may be attached or detached from the main house, with no internal connections, he said, and require just one parking stall.

"I don't recall any controversy over this," Antone said, adding there has also been discussion about allowing the units on smaller lots.

Kauai allows property owners to add a second home to any lot where one single-family home is permitted, according to the Appleseed report. They must meet all county requirements for setback, parking, floor area and infrastructure, just like the main dwelling.

Other communities on the mainland, with high demand and high housing costs, have encouraged ADUs, also known as "granny flats" or "carriage houses."

Santa Cruz, Calif., has waived some development fees for secondary units rented to low-income households, according to the Appleseed report. The town also offers technical help and pre-approved designs.

Portland, Ore., also allows ADUs in residential zones, offers incentives, and waives parking requirements. Seattle temporarily suspended some permit fees to encourage secondary units.

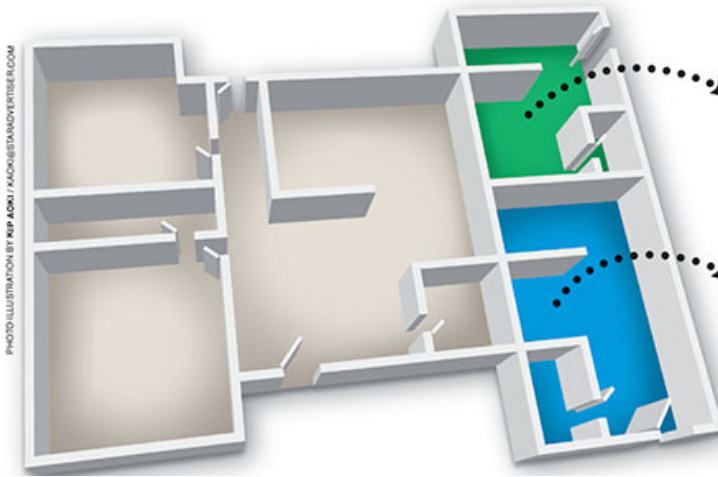
The ADU concept is backed by AARP as a means of helping seniors age in place. It is seen as a good solution for singles who want to live simply, empty nesters and retirees.

"Household structure is changing," noted Tom Dinell, emeritus professor of urban and regional planning at the University of Hawaii at Manoa. "We have many more couples and single persons, young, old and in between, to house today than ever before, and relatively small ohana units are an attractive means of housing these folks."

"Since the ohana unit is next to the main home," he said, "the landowner is in all likelihood going to assure that the tenants are good neighbors and the property is well maintained."

ENLARGE CHART

ENLARGE CHART



HOUSING OPTIONS ON OAHU

Proposed changes in the law would loosen current city rules on additions to ohana dwellings.

Ohana units:

- >> Have separate entrance, kitchen and bathroom.
- >> Must be rented only to relatives of people living in the main house.
- >> Must be attached to the main house.
- >> May be any size.
- >> Allowed only in certain neighborhoods.
- >> Require two parking stalls.

PROPOSED

Accessory dwelling units:

- >> Have separate entrance, kitchen and bathroom.
- >> May be rented to anyone.
- >> May require long-term lease.
- >> May be attached or detached from main house.
- >> Limited in size.
- >> Locations to be determined.
- >> May require just one parking stall.

RESIDENTIAL HOUSING PERMITS, HONOLULU, 2005 - 2012

Property owners built very few ohana units in the last several years but made plenty of additions to homes that could be converted illegally into dwelling units.

	SINGLE AND TWO-FAMILY DWELLINGS	OHANA UNITS	'SUSPICIOUS' PERMITS*	PERCENT OF TOTAL PERMITS	TOTAL PERMITS
2005	2,111	11	911	30%	3,033
2006	1,848	13	927	33%	2,788
2007	1,357	18	896	39%	2,271
2008	808	11	695	46%	1,514
2009	876	10	562	39%	1,448
2010	911	14	593	39%	1,518
2011	780	12	594	43%	1,386
2012	1,035	13	502	32%	1,550

**These permits had features, such as a separate entrance, that triggered a red flag with the city and required property owners to pledge in writing not to use them as dwellings.*

Source: "Black Boxes and Gray Spaces: How Illegal Accessory Dwellings Find Regulatory Loophole," University of Hawaii, D. Arch thesis by Questor Lau, University of Hawaii, 2014. Online at allkindsdrafting.blogspot.com

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