Housing availability and pricing affordability have drastically shrunk in the U.S. housing market over the past decade, creating overwhelming burdens for consumers looking to find high-quality and reasonably priced housing units. The lack of housing variety remains one of the biggest challenges in the housing market as average home prices continue to rise. While some prospective small or tiny-home owners prefer high-end amenities and luxurious features inclusive in their home design, thus increasing the price of the home, the brief will focus on how these homes can effectively serve the moderate-to-low-income community.

With an excess of large, unaffordable homes dominating the current housing market, downsized “small” or “micro” homes are becoming sustainable, appealing alternatives to traditionally built homes.

Municipalities across the country are looking to address the need for new residential building opportunities now more than ever. A recent report published by the Urban Land Institute and Real Estate Advisors focuses on the promotion of attainable housing, defined as “nonsubsidized, for-sale housing that is affordable to households with incomes between 80 and 120 percent of the area median income.”

The report notes that the rise of smaller households has been increasing since the 1960s, with social trends demonstrating that consumers are marrying later, having fewer children, working more, and experiencing better health longevity. In spite of 1-2 persons making up more than 50% of household types in 2017, new home constructions continue to average 3 bedroom, 2,400-3,000+ sq. ft. homes, with “small homes” contributing only 22% of recent construction developments.


Some cities are experimenting with a sustainable solution to address rising housing costs and uniform housing types through the construction of “small” homes in a clustered neighborhood or village. The City of Seattle authorized the development of a tiny home community in 2020 to address the area’s homelessness crisis amidst the COVID-19 pandemic.4

Contrary to the majority of new, market-rate homes available today, a “small” home is characterized as a residence of less than 1,400 sq. ft. while remaining equipped with necessary amenities such as a functional kitchen and bathroom, with “tiny” homes sized considerably smaller.5 In some cases, even smaller homes are clustered. For example, the concept of tiny home clusters as homeless shelters, in some cases, enable units to forgo or have more modest kitchen function. By duplicating these homes to cluster around common amenities, some cities have approved the creation of planned “micro-villages,” where homes are constructed with less material by challenging traditional room sizes, while maintaining an affordable, high-quality lifestyle and keeping housing prices low.

An Overview of the Small Home Solution

A 2016 feasibility study regarding small home communities was carried out by public policy graduate students from UC-Berkley, in a report submitted to the U.S. Department of Housing and Urban Development (HUD). The report takes note of “tiny” or “micro” home characteristics, which are dwellings that are downsized to minimum standards, usually taking up no more than 100-400 sq. ft.—these tiny homes, when clustered up to create permanent villages or communities, can offer common spaces with shared kitchen and bathroom areas.6

<table>
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<tr>
<th>Pros and Cons of Tiny Homes</th>
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<tr>
<td>Tiny Home “Pros”</td>
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<td>o Lower upfront building costs</td>
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<td>o Lower monthly utility costs</td>
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<td>o Smaller carbon footprint</td>
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<td>o Easier maintenance</td>
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<td>o Smaller building sites can be closer to nature</td>
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<td>o Shared responsibility of common areas</td>
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Source: Amy Livingston, “What is the Tiny House Movement — Plans, Resources, Pros and Cons”7

The U.S. Environmental Protection Agency’s (EPA) SmartGrowth initiative provides a viable framework that supports the implementation of micro-villages as a sustainable housing option. SmartGrowth principles include prioritizing communities holistically, while promoting efficient growth through compact building design, walkable neighborhoods, and place-making communities.8 Micro-villages, also referred to as small “eco-communities,” satisfy the EPA’s SmartGrowth

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4 Low Income Housing Institute, “T.C. Spirit Village”
5 Ibid, 13-14.
6 Sarah Abarbanel et al., “Making a Tiny Deal Out of It: A Feasibility Study of Tiny Home Villages to Increase Affordable Housing in Lane County, Oregon” (U.S. Department of Housing and Urban Development, Washington D.C., 2016), 15.
7 Amy Livingston, “What is the Tiny House Movement—Plans, Resources, Pros and Cons”
goals by creating smaller carbon life-cycles resulting from manufacturing, construction, maintenance, and energy consumption of a home, due to limited material usage. Micro-villages implement high-quality common amenities while encouraging minimal consumption of goods and public utilities like water and electricity.

Although tiny-home living has not been widely accepted as legitimate housing throughout the United States, some cities have taken steps to allow the building of micro-villages to address present community needs. Some cities have amended their zoning ordinances to allow “micro” homes or “micro” apartment units in an effort to combat climate change and slow urban sprawl. Micro-villages have also been used as a planning tool to combat homelessness, especially among high-risk groups like veterans and senior citizens.

In San Jose, for example, the city was the first of its kind to pass legislation allowing for temporary suspension of zoning ordinance restrictions to establish micro-villages for the homeless, with no square footage minimums.9

Emerald Village, Eugene, OR
Emerald Village’s developer, SquareOne Villages, is a non-profit organization that has established self-contained micro-villages made up of micro homes, beginning with the success of its first community, Emerald Village. This micro-village consists of 22 low-income, small homes that aim to provide safety, livability, and significant affordability for those with immediate housing needs, according to their official website.

Ranging from 100-300 sq. ft., these permanent micro homes include a sleeping and living areas, as well as a kitchenette and bathroom, accompanying by common amenities. Residents are part of a housing co-operative, with a long-term lease ensuring partnership between SquareOne Villages and the co-op. Payments typically are between $200 and $300 per month, with an additional membership fee that accumulates to an asset that can be cashed-out at any time.10

The Sanctuary at Minnesota, Ogilvie, MN
Some micro-villages go even further provide an immersive nature experience for their residents, like The Sanctuary at Minnesota. This village is situated on over 80 acres with woods and recreational trails and is maintained by a private family. Established in 2015, this micro-village is made up of less than 10 homes that include both permanent small homes and spaces for parking micro homes on wheels.11 Apart from having access to common spaces, the village also hosts neighborhood events and retreats.

The Sustainable Impact of Micro-Villages
The U.S. Green Building Council is excited about the growing tiny homes movement and how these projects can offer a cost-effective, energy-efficient option towards addressing the affordable housing crisis. In April 2020, USGBC in Georgia co-hosted a tiny homes contest with Athens Area Habitat for Humanity that judged contestants’ floorplan designs that incorporated efficiency and resilience. The contest showcased designs that met the zoning

Figure 3: With capital costs funded by private donations, Emerald Village micro homes can be built for $55,000 per unit.

9 Ibid, 354.
code’s required minimum house size of 500 s.f., generally being about 100-200 s.f. larger, and thus almost double the size of some micro homes. Required minimum sizes for houses or housing units is a common issue that affects the approval and construction of tiny homes. In the future, Athens Area Habitat for Humanity anticipates building tiny homes with even smaller square footage than the contest renderings, and potentially a functional micro-village in Clark County, Georgia.

2018 marked the world’s first tiny home achieving LEED certification, earning Platinum. The so-called LEEDing Tiny House was developed by EcoRelics and Norsk Tiny Houses, and completed in partnership with the USGBC Florida community. The project’s developer also showed interest in the construction of a future micro-village, after the certified home received notable attention.12

![Figure 4: The 'LEEDing Tiny Home' in Florida, built from an estimated 87 percent reclaimed, recycled, and repurposed materials.](image)

The LEED rating system provides certification for all building types. LEED promotes achievable, sustainable development with prerequisites and optional credits aimed at improving indoor quality for residents, consuming less energy, lowering carbon emissions, and reducing waste. LEED also rewards the use of eco-friendly materials, such as recycled or salvaged, and those with lower lifecycle impacts, during the construction or renovation process as well as in operations.

LEED principles are supported and integral to tiny home living, especially as “more organizations and grass-roots initiatives lobby for different models of shared and micro-housing through the U.S., not only as a way to build more affordable housing but to stop growth-induced sprawl and its environmental consequences,” according to a published article on tiny homes in California.13 The clustering of tiny homes into micro-villages effectively provide consumers with extremely adaptable housing options—as such, micro-villages can be cost-effective for people of various backgrounds, from low-income residents to university students to young couples to senior citizens.

Micro-villages reduce the amount of raw materials used, reduce impacts on wildlife habitats and watersheds, and can be built on infill development and thus avoid infringing on undeveloped land due to convenient sizing and floor plans.14

In 2016, the town of Natick, Massachusetts formed a study committee that researched the significance and best practices of tiny home communities in their neighborhood. Part of the report included a list of potential consumers that would most benefit from smaller homes, including the country’s aging baby boomer population, recent graduates, home-buyers and renters under median income limits, and entrepreneurial individuals looking for affordable live-work spaces.15

The report also notes that clusters of these small homes can be organized together to form “pocket neighborhoods,” which is similar to a micro-village but...

12 USGBC, “First in the World Tiny House Awarded Prestigious LEED Platinum Green Building Certification”
14 Ibid, 142.
15 “Big Ideas in Small Packages” (City of Natick, Natick, 2016), 10.
offers moderate square footage for bigger families and is defined as “clustered groups of neighboring houses or apartments gathered around a shared open space -- a garden courtyard, a pedestrian street, a series of joined backyards, or a reclaimed alley -- all of which have a clear sense of territory and shared stewardship.”

Local Governments Can Align Development Regulations to Encourage Micro-Village Living

One of the biggest obstacles to the tiny homes and micro-villages movement is the preexisting zoning ordinances and building codes that regulate project developments. Clustered micro-villages are especially practical when sharing space and amenities, but most city ordinances require minimum square footage requirements or unit sizes. It can also be difficult or costly for tiny home developers to obtain the necessary building permits for which the review criteria and process are geared to larger unit developments, so cities that want to enable tiny homes and micro-villages should ensure the regulations allow them, and ideally also streamline permit processes.

Challenges to tiny homes may include zoning conditions on residential unit sizes, number of primary use structures per lot minimum lot requirements and parking spaces, and additional permitting fees on nonconforming housing types that do not fit under the zoning outline. Many zoning codes also include a density limit, especially in single-family zoned areas.

City planners can address these obstacles to tiny home development by amending zoning rules to include overlay zoning, a tool that is placed over an existing zone to accommodate new development requirements. Some towns have begun adjusting preexisting zoning and building codes to include tiny homes. A prime example is a move by the City of Fresno, California in 2016, when the city amended their code to categorize tiny homes as a “backyard cottage,” allowing them to exist as permanent and separate living spaces in the backyards of single family homes.

Other cities such as Rockledge, Florida have fashioned zoning ordinances into districts known as a redevelopment mixed-use district. More importantly the city has allowed for construction of new tiny homes as clustered communities, due to the “pocket neighborhood” ordinance. This ordinance recognizes “pockets” of small, clustered homes in a planned community. The use of “Accessory Dwelling Units (ADUs)” in city zoning ordinances can also make it easier to allow small communities of tiny homes to thrive.

Sustainable micro-villages are a step forward in providing much needed housing – and can be designed as affordable or to meet low-income needs. This innovatively designed and constructed housing projects create cheaper options for a diverse group of people in need of affordable, resilient, and sustainable places to call home.

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16 Ibid, 13.
19 Ibid.