Affordability Impact Statement

Houseplex Code Amendment

Land Development Code: Chapter 25-12 (Technical Codes)

Initiated by: Resolution No. 20260723-086

Date: 10/30/2026

Proposed Regulation

Following Resolution No. 20260723-086, the proposed ordinance amends the 2024 International Residential Code (IRC) so buildings with three or four attached units ("Houseplexes") can be permitted under the residential code rather than the International Building Code (IBC). This would apply to Houseplexes up to and including four attached dwelling units that do not include internal common spaces or shared utilities and are limited to a maximum of three stories above grade plane.

The IRC currently covers single-family homes, duplexes, and townhouses. Triplexes and fourplexes fall under the IBC, which carries additional engineering and construction requirements designed for commercial and large multifamily buildings. The proposed amendment includes additional safety considerations for three- and four-unit buildings to offset the safety risk of adding dwelling units, such as requirements for fire-safety and means of egress.

Land Use/Zoning Impacts on Housing Costs

The proposed changes would have neutral impacts on land use and zoning. The amendment does not change the number of units allowed on any lot, but it does make existing zoning entitlements more practical to build. The HOME amendments expanded the number of units allowed on a single-family lot but did not address the corresponding building code requirements. Allowing three- and four-unit buildings to be reviewed under the IRC helps align code with zoning and allows more units to fit on smaller lots. This helps support small-scale infill development that fits within existing neighborhood patterns and can be built by a wider range of homeowners, small contractors, or non-profit partners.

Impact on Development Cost

The proposed changes would have positive impacts on development costs. Building under the residential code is generally less expensive than the commercial code. Prescriptive residential design costs less than

commercial-grade engineering, and residential plan review and inspections are faster and less expensive than commercial review. Because these buildings are still restricted to three stories above grade plane, the IRC's prescriptive structural requirements are generally sufficient. However, some situations may still require engineering, such as shared egress spaces that may exceed the load assumptions in the IRC.

Under commercial code, buildings are required to have an NFPA 13R sprinkler system, which is costly to install. Allowing these buildings to use the residential-scale NFPA 13D system significantly reduces this cost while giving similar life-safety performance. Standard residential mechanical, electrical, and plumbing systems also provide cost savings compared to commercial counterparts, and residential construction methods can draw from the larger workforce pool, without the need for specialty contracting typical of IBC projects.

The adjusted sprinkler requirements, simpler permitting process, and residential design standards result in an overall positive impact on development costs. Further reviewing technical code requirements by actual hazard rather than unit count could provide additional benefits to housing costs.

Impact on Affordable Housing

The proposed changes would have positive impacts on affordable housing. Lower construction costs make triplex and fourplex projects more feasible for homeowner-builders, small local contractors, City-supported small-site projects, and nonprofit affordable housing partners, many of whom may rely on residential financing programs. Existing triplexes and fourplexes could be easier to maintain and preserve, as maintenance, repair, and reinvestment would become less expensive under the IRC. However, lower construction costs for new development could increase redevelopment pressure on older, naturally affordable buildings.

Overall Impact

The proposed changes would have positive overall impact. Allowing three- and four-unit homes to be reviewed under the IRC reduces construction and permitting costs, making these housing types more feasible to build within existing zoning. Aligning building code requirements with HOME entitlements helps ensure that Houseplex construction is not restricted by commercial code complexity. Overall, the changes improve feasibility, reduce barriers, and support the production and preservation of affordable multi-unit housing.

Other Policy Considerations

Additional amendments or alternative compliance pathways that maintain equivalent life-safety outcomes at reduced cost and complexity for Houseplexes of five to sixteen units would provide additional benefits to housing costs.

Manager's Signature _____