



# CITY OF ELY

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As defined in the [2021 International Residential Code \(IRC\)](#) Appendix AQ, tiny houses are dwelling units that are 400 square feet (37 m<sup>2</sup>) or less in floor area, excluding lofts.

Typically, Tiny homes built to ICC codes and standards are conventional built. Often built with non-conventional methods are RV and Manufactured built homes. The difference between these methods are longevity and cost of erection. While it is much quicker to put a manufactured or RV home on site the longevity of the home is drastically reduced. Other factors that need to be considered when constructing a tiny home, same as a conventional home are the environment and conditions typical of a region that you intend to construct the home. (I.E. Snow loads, frost depth, insulation values, etc.)

Homes built on foundation and of conventional materials are considerably better from the view of most municipalities for the purpose of a more stable infrastructure within the municipality as well as tax role in most cases. Homes tend to maintain their value when built conventionally thus creating a demand and desire to live within a well-built community.

The average cost of homes has increased drastically in the past few years. Tiny homes seem to be the new starter home in most cases due to the expense involved in construction. Within a community such as Ely, low-cost homes are in high demand. Creating a space and opportunity to erect a low-cost home is vital to the future of the community.

It is with great pride that I recommend an ordinance to create a dedicated sub-division with its own zoning to permit the construction of conventionally built tiny homes. With the zoning, it would be best to outline that homes not permitted are homes that fit the definition of an RV since there are already RV parks within the municipality. Homes to be permitted in the zoned area for tiny homes should be of conventional or manufactured construction, placed on permanent foundations. These homes should have the ability to range from a 250sq ft to 900 sq ft standard, and have public utility hook ups, such as water and sewer.

The purpose of creating a sub-division dedicated to tiny homes is to ensure that they are not permitted to be placed randomly throughout the community with a negative impact on existing homes of greater value. Containing these homes within its own community would greatly improve the city infrastructure and overall value.

There are some parcels located within the limits of the municipality that are owned by the city as well as county that would make some ideal locations for a tiny home community. My recommendation would be to dedicate one of these areas to suit the zoning and build sites for tiny homes.

In the Following Pages please find some examples of successful tiny home communities and some examples of tiny homes.

Thank You,

Don Hendrickson  
Building Official  
City of Ely, NV

## EXAMPLE:

The City Council of Spur, Texas proclaimed it was the first tiny home friendly town in the nation in July of 2014.<sup>[1]</sup> The Council realized the popularity of tiny homes due to the economic feasibility and freedom associated with them. <sup>[2]</sup> Additionally, the town saw tiny homes as a way to facilitate local growth.<sup>[3]</sup> The ordinance generally permits tiny homes in the city by right.<sup>[4]</sup> However, individuals need a variance to have a tiny home in seven of the city's subdivisions.<sup>[5]</sup> Additionally, all builders must acquire a permit prior to building and the permit application must contain descriptions of the materials being used, plat or blueprints which identify connection to utilities, and the legal property description.<sup>[6]</sup>

Tiny homes on wheels are not permitted, unless the wheels are removed and it is tied to a foundation.<sup>[7]</sup> Otherwise, the tiny home must have a cement footing of at least six inches.<sup>[8]</sup> Additionally, the tiny home must be connected to the city utilities, and composting toilets are not permitted.<sup>[9]</sup> To qualify as a tiny home, it must have less than 900 square feet of living space.<sup>[10]</sup> However, there is not a minimum requirement of square feet living space.<sup>[11]</sup> With this tiny home ordinance, the town is able to regulate what is built, while still allowing a viable option for affordable housing.

To view the ordinance, see [Spur, Tex., Ordinance 677](#).

To view the brief, see [Allow Tiny Homes and Compact Living Spaces](#).

<sup>[1]</sup> *Welcome to Spur*, SpurFreedom, <https://perma.cc/NHD8-JTNM> (last visited May 23, 2018).

<sup>[2]</sup> *Id.*

[3] See *The Most Complete Resource on the Tiny House Movement in Spur, Texas*, Spur Tiny Houses, spur.lifeonthe.cloud (last visited Mar. 14, 2018).

[4] *Spur Tiny House Packet*, www.spurfreedom.org/wp-content/uploads/2016/05/Tiny-House-Packet.pdf, 9 (last visited Apr. 15, 2018).

[5] Spur, Tex., Ordinance 677, § III(1)-(2) (amended Mar. 15, 2016).

[6] Spur, Tex., Ordinance 677, § III(3)-(5).

[7] Spur, Tex., Ordinance 677, § IV(1).

[8] *Id.*

[9] Spur, Tex., Ordinance 677, § IV(E).

[10] Spur, Tex., Ordinance 677, § II(1)(H).

# TINY HOMES: ISSUES

Fact Sheet

Spring 2019

## Introduction

Tiny homes have been difficult to define over the years. However the International Code Council recently developed a definition under Appendix Q of the International Residential Code for tiny homes as “a dwelling that is 400 square feet or less in floor area excluding lofts.” Tiny homes can develop in different ways in different communities.

In West Virginia, communities and potential tiny home owners should understand the advantages, disadvantages, and concerns for tiny home development. Specific concerns as to when the building code applies to tiny homes and the financing of a tiny home are addressed in this fact sheet. For more information on the application of local land use controls, such as zoning, the building code, or floodplain regulations, to tiny home development, see the Tiny Homes: Land Use Controls fact sheet.

## Advantages

### Communities:

- \* Increase affordable housing stock
- \* Increase options for infill development, keeping infrastructure costs lower
- \* Financial benefits of cluster development
- \* Portability of THOWs, tiny homes on wheels, beneficial to avoid natural disasters
- \* THOWs ability to locate in existing home parks or campgrounds

### Potential Tiny Home Owners:

- \* Affordability
- \* Lower utility costs
- \* Smaller environmental footprint
- \* THOWs are portable
- \* Accessory Dwelling Units, ADUs, offer separate living space
- \* ADU rental income
- \* No real property tax for THOWs

## Disadvantages

### Communities:

- \* Infill development may strain existing infrastructure
- \* Infill development may change character of neighborhoods
- \* Haphazard placement where land use controls unused or unavailable
- \* Transient population
- \* Real property taxes not obtained from THOWs

### Potential Tiny Home Owners:

- \* Availability of financing or insurance, whether stick-built, manufactured, or THOW
- \* Difficulty finding a location or utility hook-up for THOWs
- \* Building equity not as easy as with traditional home
- \* Cost to locate THOW in park or campground, or to buy land
- \* Communities averse to tiny homes

## Concerns

### Communities:

- \* Whether building code or other land use controls apply to tiny homes
- \* THOWs inhabited while parked on the street, in yards, or on driveways
- \* Tiny home movement may be a fad
- \* Change and uncertainty related to new form of housing

### Potential Tiny Home Owners:

- \* Whether and where tiny homes may locate within a community according to land use controls
- \* Concerns related to insurance, ownership, financing, and practical issues when one or more tiny homes are located on a lot not owned by the tiny home owner



# Financing Tiny Homes

Financing for tiny homes can be difficult to obtain. In fact, about 68% of tiny home owners paid cash for their tiny home.<sup>1</sup> With the average cost of tiny homes around \$23,000, financing is necessary for some people.<sup>2</sup> Traditional home loans require tiny homes to be on a permanent foundation. Additionally, lenders often have minimum loan amounts that are higher than the cost of most tiny homes and some lenders also have minimum square footage requirements.<sup>3</sup> For these reasons, stick built tiny homes often do not qualify for a traditional home mortgage.

Loans are available for manufactured homes through Fannie Mae or the FHA. However, these loans have minimum square footage requirements that exclude most tiny homes from qualifying. Fannie Mae requires manufactured homes to be at least 600 square feet, and the FHA requires at least 400 square feet.<sup>4</sup> Additionally, the manufactured home must have a HUD label to qualify for a loan.

Tiny homes on wheels (THOWs) can be financed with an RV loan as long as the home is Recreation Vehicle Industry Association (RVIA) certified.<sup>5</sup> Approximately 20 of the 164 RVIA certified manufacturers make tiny homes or park model RVs. Certification requires application to become a member of RVIA, initial fees and dues, a pledge to follow ANSI standards, and agreement to random inspections. More tiny home builders are becoming RVIA certified, but for individuals that plan on building their own THOW or buying from a builder that is not RVIA certified, RV loans are likely not an option. Additionally, RV loans will often not allow the tiny home to be used as a permanent residence, requiring buyers to have a permanent address.

## Tiny Homes and the Building Code

Communities and tiny home owners have concerns with how the building code treats tiny homes. The building code regulates habitability and safety depending on the form of tiny home, but can be limiting for tiny home living in terms of square footage requirements, design, and function.

Where adopted, the building code regulates tiny homes that are stick built, like many other single-family homes. The building code similarly regulates factory-built tiny homes as modular homes.<sup>6</sup>

If the tiny homes are on a mobile chassis or “wheels,” known as a THOW, the habitability of the structure is not regulated by the building code or through other regulations, aside from voluntary certification requirements through entities such as RVIA. While on wheels, only the roadworthiness aspect of the structure is regulated. However, if a THOW is placed on a permanent foundation, the building code would likely regulate its habitability in communities that have adopted the building code.



### Accessory Dwelling Units (ADUs)

ADUs are small, secondary dwelling units that sit on the same property as the primary home. ADUs have a private kitchen, bathroom, and sleeping area and can be attached or detached to the primary home.<sup>4</sup>



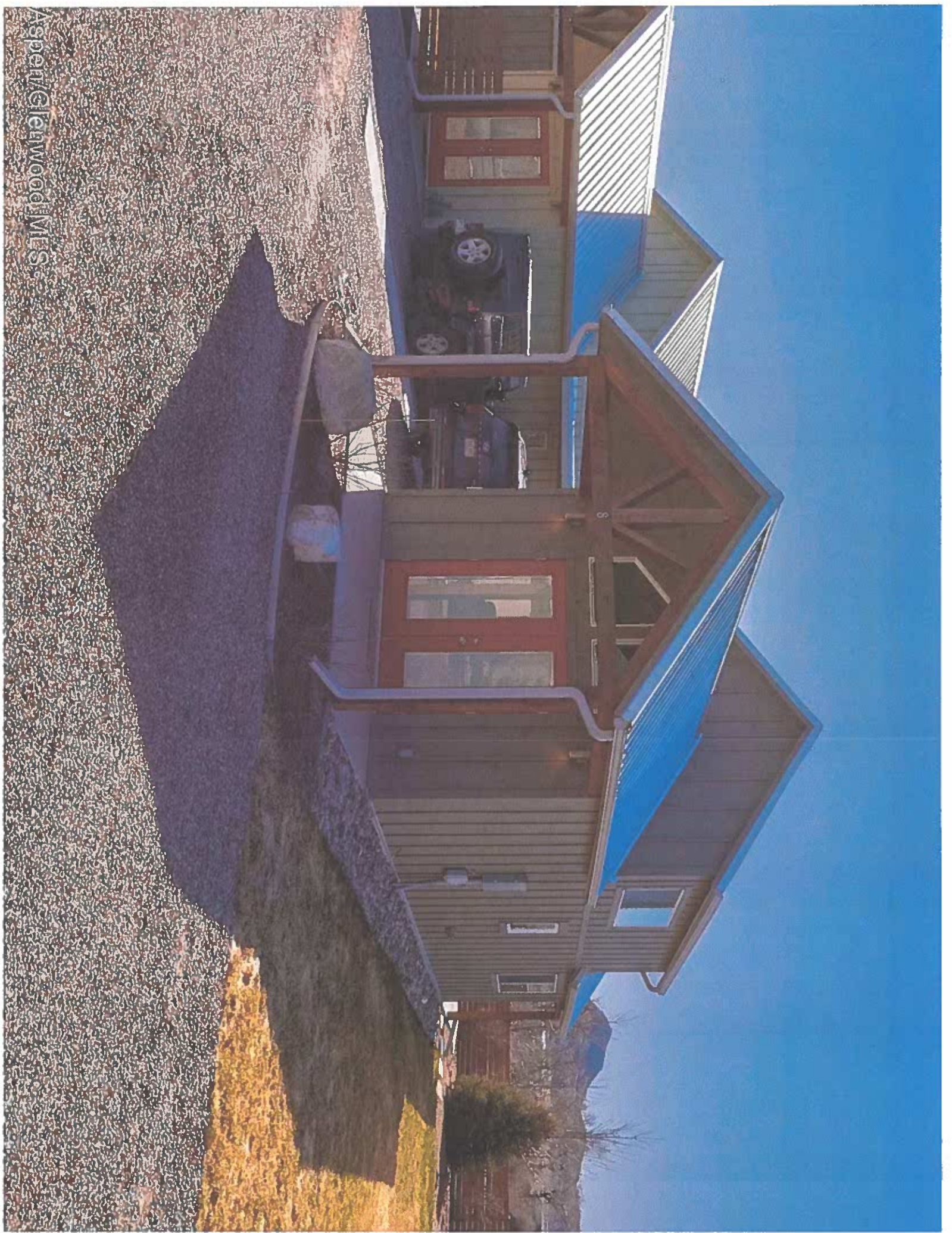
### Tiny Homes on Wheels (THOWs)

THOWs are tiny homes that can be towed behind a vehicle via bumper hitch, frame-towing hitch, or fifth-wheel connection.



- 1 Jennie Phipps, Financing a Tiny House, Bankrate (July 1, 2015), <https://www.bankrate.com/financing/retirement/financing-a-tiny-house/>.
- 2 *Id.*
- 3 Deborah Kearns, *Tiny Homes aren't Traditional, and Neither is Their Financing*, USA Today (Aug. 13, 2016), <https://www.usatoday.com/story/money/personalfinance/2016/08/13/financing-tiny-houses-loan-mortgage-rv/87729312/>; Financing and Moving Your Tiny Home, Zing! by Quick-en Loans (Sept. 20, 2017), <https://www.quickenloans.com/blog/financing-moving-tiny-house>.
- 4 FHA Rules for Manufactured Housing, FHA (Feb. 25, 2017) [https://www.fha.com/fha\\_article?id=209](https://www.fha.com/fha_article?id=209); Manufactured Home Property Eligibility Requirements, Fannie Mae, <https://www.fanniemae.com/content/guide/selling/b2/3/02.html> (last visited Apr. 5, 2018).
- 5 Jennie Phipps, *Financing a Tiny House*, Bankrate (July 1, 2015), <https://www.bankrate.com/financing/retirement/financing-a-tiny-house/>.
- 6 See W. Va. Code Ann. § 37-15-2(f) (West 2018).





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