

ZONING PRACTICE

JULY 2012



AMERICAN PLANNING ASSOCIATION

➔ ISSUE NUMBER 7

PRACTICE ACCESSORY HOUSING



Zoning for Accessory Housing

By Tom Daniels

Compact, walkable, and well-designed development is a primary goal of smart growth, and accessory housing can provide affordable housing opportunities that promote smart growth without sacrificing appearance.

Accessory housing may either be a detached dwelling unit with full services—bath, sleeping quarters, and kitchen—or an autonomous apartment attached to a house.

Accessory apartments are often known as “granny flats” or “in-law suites” because of the common practice of keeping an elderly parent as part of the household but in a largely independent living situation. An apartment may be inconspicuously built over an attached or detached garage or added on to the back of a house.

Whether attached or detached, accessory housing can increase residential densities and encourage walkability. However, many older zoning ordinances present major obstacles to the creation of accessory dwelling units (ADUs).

Accessory housing is one response to major changes in demographics and the real estate market. First, the number of single-person households is growing, especially among young adults who are marrying later and don’t need large homes. Second, many people are living longer and want to age in place with family members nearby, rather than join their fellow senior citizens in an assisted-living complex. Third, many empty nesters are downsizing, and an apartment makes good sense. Fourth, the popularity of off-campus living among college students means a steady demand for apartments, especially within walking distance of school. Finally, people who work in a high-end community often cannot afford to live there as well. ADUs can provide affordable workforce housing for local workers.

Efforts to retrofit suburbs and encourage infill in cities have often focused on large projects such as redeveloping dead

malls and multistory mixed use commercial and residential buildings. But financing for these projects is less available since the 2007 downturn in the real estate market. While these large projects are certainly needed to promote mixed uses and walkability, the residential market has lately favored renters over buyers. Still, proposals for multifamily rentals often spark a backlash, especially in newer suburbs. One less conspicuous way to provide more rental units is through an accessory housing ordinance in single-family residential districts.

ADVANTAGES OF ACCESSORY HOUSING

1. A way to create mixed income neighborhoods without reducing property values (a traditional use of zoning).
2. A way to increase density in urban and suburban areas without multifamily development. Little burden on community services compared to property taxes generated.
3. A way to provide housing for the elderly, especially for an older family member. This enables senior citizens to “age in place.”
4. Workforce and student housing.

Interest in accessory housing has existed for decades. In 1985 author Martin Gellen estimated that there were 10 to 18 million houses with sufficient space to add an accessory dwelling unit, and if just 15 percent of these units were actually built, at least 150,000 units could be added to the nation’s housing stock. In much of the 1980s and 1990s cities and inner suburbs

grew more slowly or lost population compared to most suburbs and exurban areas, where builders could offer large houses on large lots. In the 2000s, this big-house strategy contributed to the housing meltdown in two ways. First, many people paid more than they could afford for these large houses, and second, home builders created an oversupply of houses, which exacerbated the downturn in home prices and left many recent buyers “underwater”—owing more on their mortgage than their house was worth. Although housing prices seem to be stabilizing after five years of declines, rental opportunities remain attractive.

Several studies have shown that accessory apartment units rent for below-market rates, in part because the accessory apartments are less expensive to build onto existing houses or garages. Pedestrian access to commercial uses and transit are important, especially for older people who may no longer drive and for young adults who cannot afford a car or may not want to own a car. Thus, accessory units tend to be more pedestrian- and transit-friendly within cities and inner suburbs, rather than in newer suburbs where residential and commercial areas are typically separated and a car is needed for transportation.

Two potential longer term threats to accessory housing are gentrification and rising property taxes. Gentrification can lead to reductions in accessory housing supply when wealthier residents moving into a neighborhood “mothball” or remove accessory units. Also, as property values rise, the rents on the ADUs can rise beyond the affordability of low- to moderate-income residents. It is also important to keep in mind that the construc-

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About the Author

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tion of an ADU, whether detached or an attached apartment, will result in higher property taxes for the property owner.

CREATING AN ACCESSORY HOUSING ORDINANCE

Zoning is not known as a tool that local governments use to respond quickly to demographic trends or changes in the real estate market. The main purpose of zoning remains the separation of conflicting uses, which is closely tied to the protection of property values. But there is a sequence of steps that a local government can take to create a legally and politically sound accessory housing ordinance.

First, planners and elected officials should make sure that the community generally supports ADUs. Then they can add an affordable housing goal to the comprehensive plan (if such a goal does not already exist). Next, planners and elected officials can include a policy objective to promote ADUs in the housing section of the comprehensive plan and amend the future land-use map to indicate where ADUs are allowed. Planners should have a sense of the maximum build-out potential for accessory dwelling units, and accessory units should only be allowed in areas with adequate central sewer and water service. This first step shows that the elected officials and planners support accessory housing.

Second, make sure that the accessory housing provisions of the zoning ordinance are consistent with the local comprehensive plan. The affordable housing goal and accessory dwelling objective give direction to the zoning ordinance and establish a legal basis for the accessory dwelling provisions

within the zoning ordinance. The location of where ADUs are allowed on the zoning map should coincide with locations identified as appropriate on the future land-use map. The overall consistency of the zoning ordinance and zoning map with the affordable housing goal, the accessory housing objective, and the future land-use map of the comprehensive plan will make the accessory housing ordinance more likely to withstand legal challenges.

Third, the addition of the accessory housing provisions in the zoning ordinance helps to avoid rezoning and variance battles, which can be expensive and engender bad feelings with neighbors. In drafting the ADU ordinance, planners should meet with residential property owners and neighborhood associations and negotiate design standards, parking, and rules for ADUs, such as "no more than two people may reside in an accessory unit." This community outreach serves to head off political opposition to the accessory housing ordinance and to incorporate as much as possible the comments of the people who will live near and next to the ADUs. The ADU ordinance emphasizes revising single-family zoning districts to allow accessory dwellings. ADUs, both detached units and attached apartments, must be defined in the ordinance.

An important decision is whether to allow accessory dwellings by right or through a special exception. A conditional use permit makes little sense because accessory housing generally does not affect the entire community but rather certain neighborhoods. The advantage of the special exception approach is that the zoning ordinance can impose certain limits on the number of occupants of the accessory housing. The special exception process involves

The location of where ADUs are allowed on the zoning map should coincide with locations identified as appropriate on the future land-use map.

a review of the ADU that the home owner is proposing, a fee, and approval from the Zoning Board of Adjustment.

On the other hand, allowing an ADU by-right can speed the review process while maintaining certain performance standards, such as a required tie-in to central sewer and water, limits on size, and number of residents. A site plan review is commonly required whether the zoning to allow accessory dwellings is by-right or by special exception.

Fourth, land development and building design standards are key issues, especially for detached units. Setbacks from property lines are usually stated in the zoning ordinance rather than left up to the variance process. For the sake of good neighbor relations and appearance, a specific setback of

10 or 15 feet is recommended. Maximum lot coverage can be the same standard as for single-family dwellings. Height limits may be no more than 20 feet. The idea is that a single floor with some storage space above is adequate, or that an apartment above a garage should not loom over a neighbor's property. The maximum size is a common issue. A maximum square footage should be spelled out, such as 800 square feet. Design and landscaping requirements for a detached accessory unit should not be dissimilar from the rest of the neighborhood. Graphic illustrations of design and landscaping standards in the ordinance can be particularly helpful. Parking, however, can be a problem. An accessory dwelling unit will most likely rely upon on-street parking. Adding a parking space on the property could be difficult. In addition, the property owner must demonstrate that there is adequate central sewer and water service for the accessory dwelling unit. Typically, no more than one accessory dwelling is allowed with a primary residence, and often, the owner of the primary residence must live on the property, either in the primary residence or in the accessory unit. Also, an ADU must meet the local building code before the local government will issue an occupancy permit.

Finally, it is important to demonstrate that builders are interested in constructing detached ADUs and attached accessory apartments. Local lenders should be made aware that accessory dwellings are permitted and that a construction loan should be forthcoming pending zoning approval.

WHERE HAS ACCESSORY HOUSING WORKED?

Cities appear to have had more success in constructing ADUs than suburbs. And West Coast cities, in particular, have made innovative efforts to encourage accessory units in part to provide affordable housing and to promote compact development.

Portland, Oregon

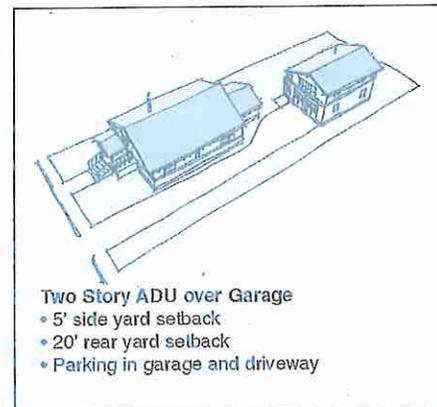
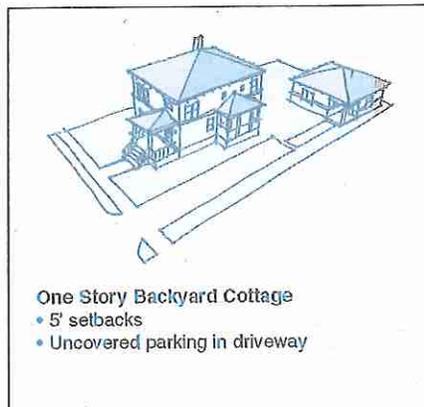
Portland is often cited as a paragon of smart growth. Portland's zoning code provides standards for ADUs in all of its residential zones and was last updated in 2010. ADUs can be created by right in a detached single-family house, an attached row house, or a manufactured home. The ADU can result from converting existing living area, finishing an existing basement or attic, building a new structure, or making an addition to an existing structure.

The purposes of the accessory dwelling provisions in the Portland zoning ordinance include:

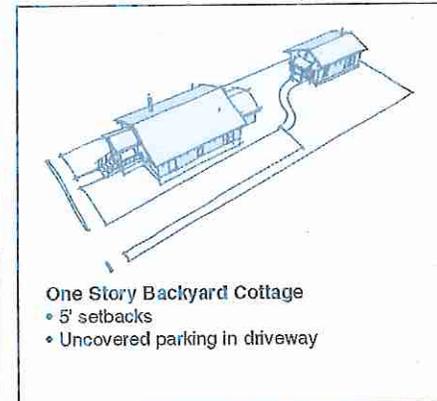
- increasing the housing stock while respecting the appearance and scale of single-dwelling neighborhoods;
- providing a mix of housing that responds to changing family needs and smaller households;
- providing a means for residents—particularly seniors, single parents, and families with grown children—to remain in their homes

defines a household rather broadly: "One or more persons related by blood, marriage, legal adoption or guardianship, plus not more than 5 additional persons, who live together in one dwelling unit."

The emphasis in Portland's accessory dwelling approval process is on mitigating off-site impacts, for example requiring an erosion-control plan and a stormwater plan if the ADU will add more than 500 square feet of impervious surface. In addition, there is a system development charge (think impact fee) of about \$6,000 to \$10,000 for



City of Santa Cruz, California



ⓘ These illustrations show a range of detached ADU types. Owners looking to create an ADU rental for supplemental income may elect to construct a detached unit to maximize privacy.

and neighborhoods and obtain extra income, security, companionship, and services; and

- providing a broader range of accessible and more affordable housing.

The ordinance defines an ADU as a second dwelling unit created on a lot with an existing house, row house, or manufactured home, where the second unit is auxiliary to and smaller than the existing unit.

Portland's ordinance allows a household to inhabit an ADU. The ordinance

sewer and water service, recreation, and streets.

The density requirements are quite favorable for adding accessory dwellings. In the single-dwelling zones, ADUs are not included in the minimum or maximum density calculations for a site. In other words, density is not an issue. In all other residential zones ADUs are included in the minimum density calculations but are not included in the maximum density calculations. This is an incentive not to create large lots. Keep

in mind that the general standard for new development inside the greater Portland metropolitan service boundary is 10 to 12 dwelling units per acre. The ADU ordinance is designed to help achieve that density.

For an existing house the ADU can be no more than 75 percent of the total living area of the house or a maximum of 800 square feet, whichever is less. To keep detached accessory dwellings inconspicuous, a unit must be at least 60 feet from the front property line, or the unit must be at least six feet behind the house, row house, or manufactured

cannot cover more than 15 percent of the entire lot. As for design, the exterior of the accessory dwelling unit must be the same as or visually match the primary dwelling. For instance, the roof pitch of the accessory dwelling must be same as the pitch for the primary dwelling, and the trim and the windows should match. Unfortunately, though, the ordinance does not contain any graphics for the reader to follow in trying to understand the design standards.

Finally, Portland requires that an applicant for an ADU submit a site plan,

Most of the new ADUs have been built on the east side of the city fairly close to downtown. About 40 percent of the ADUs built have been detached cottage units and 60 percent attached apartments, typically above a garage.

Spokane, Washington

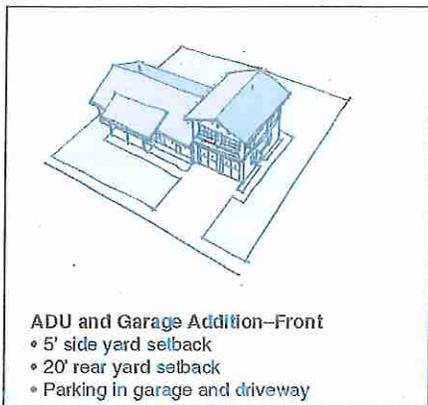
Spokane has taken a unique approach to accessory dwellings by adopting a cottage housing ordinance in 2006. Although this ordinance may not be applied as widely as a typical accessory housing ordinance, it offers a way to increase density and affordability through the construction of small houses. The purpose of the Spokane ordinance is to “support the diversity of housing, increase the variety of housing types for smaller households and provide the opportunity for small, detached single-family dwelling units within existing neighborhoods.”

The cottage ordinance applies in the city’s single-family residential district and the residential agricultural district. The ordinance requires a minimum of half an acre and a minimum of six units, with a maximum of 12 units, and offers the property owner a 20 percent density bonus. Properties that meet the minimum acreage standard are most often on the edge of a city, and hence the cottage ordinance could be especially helpful as a city with annexation powers adds land within the city limits.

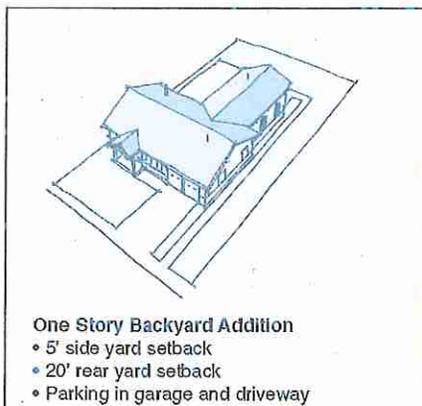
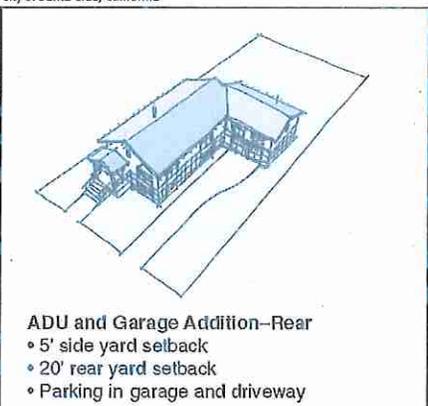
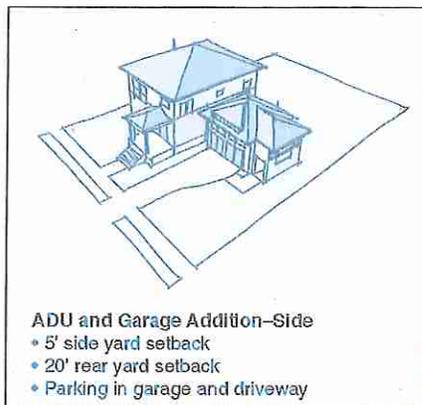
The maximum square footage is 1,000 square feet, excluding any floor area where the floor-to-ceiling height is less than six feet. But half of the cottages can have no more than 650 square feet on the main floor and half can have no more than 1,000 square feet on the main floor. Once a cottage is built, it cannot be expanded.

Maximum lot coverage is 40 percent.

The height limit is 18 feet, except if the dwelling has a pitched roof. Then the maximum height is 25 feet. All cottages are required to have covered porches, which are oriented toward common open space or to the street. For each cottage there must be at least 250 square feet of common open space and 250 square feet of private open space. The common open space must be landscaped and maintained by a home owners association. Setbacks for all structures from the property lines must average 10 feet but cannot be less than five feet, and not less than 15 feet from a public street. This last standard is similar to the front yard setback required of any detached single-family residence.



City of Santa Cruz, California



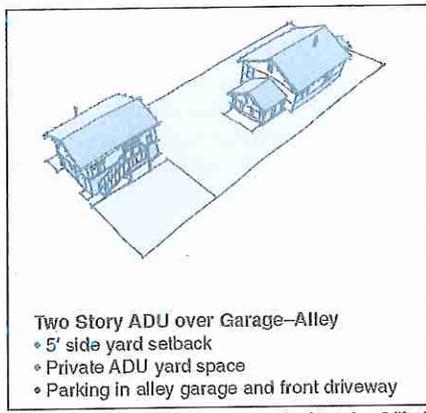
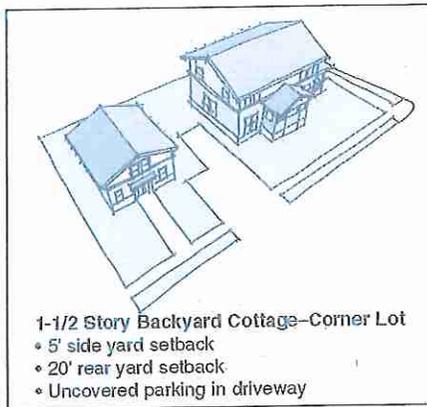
⊕ These illustrations show a range of attached ADU types. Attached ADUs may be preferable for housing extended family members.

home. For fire safety, the detached ADU must be at least six feet from the primary dwelling. Portland does not require additional on-site parking for an accessory dwelling. Thus, on-street parking can be used. Design review is required if changes are proposed to the exterior of an existing house.

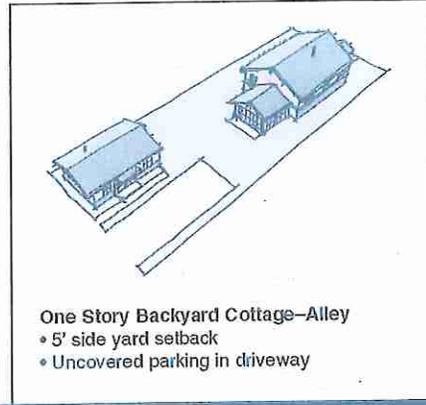
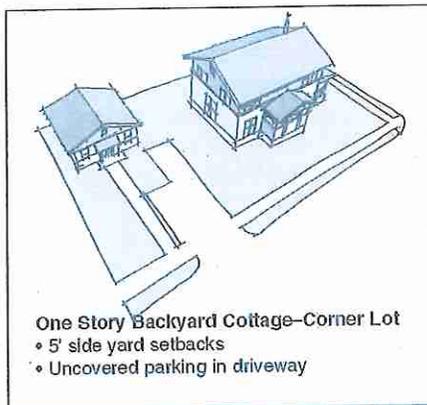
The height limit for a detached accessory dwelling unit is 18 feet. The lot coverage of the detached accessory dwelling unit cannot exceed the lot coverage of the primary dwelling. Together, the two dwellings

architectural plans, and structural plans.

From 2002 through 2011 Portland issued a total of 316 accessory dwelling permits. The downturn in the national economy was also reflected in ADU activity. In 2007, 31 permits were issued; only 19 were issued in 2008 and 22 in 2009. The Portland City Council then enacted a waiver of the system development charges for three years for new accessory dwelling units. The new policy seems to be working. In 2010, the city issued 61 permits; in 2011, 64.



City of Santa Cruz, California



⊕ These illustrations show how detached ADUs can be sited on corner lots and lots with access to an alley.

Parking must be clustered in groups of five spaces and set back at least 20 feet from the street. Each cottage must have access to a sidewalk.

The cottage ordinance calls for variety in design. Only one-fifth of the cottages can have the same design, and no two similar designed cottages can be placed next to each other. Each cottage must have at least four elements from a list of 14. These include, for example, varying roof shapes, dormers, bay windows, and variation in building materials and colors.

Spokane has had difficulty in implementing the cottage ordinance. So far only three projects have been proposed. Objections from neighbors have been a major problem. But in 2009, the Washington Court of Appeals issued a ruling upholding the city's approval of a 24-unit cottage development on two acres. The court found that the cottages would have no significant adverse effect on the neighborhood. Another obstacle has been minimum lot size of 4,350 square feet with a minimum lot width of 40 feet and a minimum front

lot line of 40 feet. In 2011, an Infill Housing Task Force recommended creating a new compact residential single-family zoning district (RSF-C) in addition to the existing residential single-family district (RSF) in order to promote the cottage ordinance. The

RSF-C district would have a minimum lot size of 3,000 square feet, a minimum lot width of 36 feet, and a minimum front lot line of 30 feet.

Santa Cruz, California

Santa Cruz is located about 70 miles south of San Francisco on the Pacific Ocean. It is a college town that has experienced considerable growth from its proximity to Silicon Valley to the northeast. Santa Cruz created its accessory dwelling ordinance in 2003 in response to California law AB 1866 of 2002, which not only sought to promote the creation of accessory dwelling units but made it so that local governments could not prohibit the development of an ADU if it meets development standards. The purpose of the Santa Cruz ADU program is to provide more rental housing, encourage infill development and thus protect green space on the edge of the city, and to promote the use of public transportation. Santa Cruz has one of the least affordable housing markets in the United States. The city estimates that less than seven percent of the city's residents can afford to buy a local median-priced house. On the other hand, Santa Cruz has more than 18,000 single-family lots, which suggests a good opportunity to create affordable rental housing.

Santa Cruz formed the Accessory Dwelling Unit Development Program, which featured changes to the zoning ordinance, a strong public education effort, and financial assistance. The city removed a requirement that a single-family home had to have a covered parking structure (garage or carport), which made space available for



City of Spokane, Washington

⊕ Permitting two or more small cottages on a single lot provides an alternative to the standard accessory dwelling model.

an ADU. ADUs are allowed on single-family lots of 5,000 or more feet, and must meet setback, height, and parking requirements. Two-story ADUs that are located within a rear yard setback or any ADU that does not meet applicable zoning standards require a public hearing and an administrative use permit.

Next, the city had architects draft designs of accessory units that met both size (500 square feet) and style requirements that home owners could follow to speed the review and approval process. Then the city drafted an ADU manual describing how home owners could work their way through design, review, and city approval to construction. The city also held five public workshops to explain the ADU process.

In 2003 a total of 35 accessory dwelling units were built in Santa Cruz, up from just eight in 2001. In 2004, the city added a progressive Fee Reduction/Waiver Program for property owners who build an ADU for a household whose income level is at or below 60 or 50 percent of the Area Median Income (AMI). Fees may vary by unit size and other design components. Typical city development fees for a new one-bedroom, 500-square-foot ADU might be about \$9,000. For providing rental housing to low-income households at 60 percent of the AMI, a home owner would save about \$6,000 in city development fees. For very low-income housing at 50 percent of the AMI, the full \$9,000 would be saved.

The Santa Cruz Community Credit Union offered loans of up to \$100,000 at 4.5 % interest for Santa Cruz home owners looking to build an affordable ADU. To qualify, home owners had to sign a covenant stating that the ADU would be rented at a price affordable to low- to moderate-income residents.

In 2004 the city received the Policies and Regulations Smart Growth Achievement Award from the U.S. Environmental Protection Agency. Since 2003, Santa Cruz has added more than 170 accessory dwelling units.

CONCLUSION

The accessory housing concept is an old idea, but has seen renewed interest over the past 30 years and especially since the rise in real estate prices in the late 1990s. Local governments have adopted accessory dwelling ordinances to encourage housing for elderly relatives and rental opportunities for young adults, including students. A local government can identify accessory housing as an objective in the comprehensive plan and provide for it in the local zoning ordinance.

Portland and Santa Cruz have created successful accessory dwelling unit programs that seek to streamline the development process yet maintain good design that fits in with the neighborhood. Both cities have offered financial incentives. Portland has temporarily waived the system development charges on new accessory dwelling units, and Santa Cruz has offered low-cost financing.

Eleven cities in Washington, including Spokane, have adopted cottage ordinances. Spokane's experience shows that site design is also important, not just zoning. In effect, a unified development code that combines zoning and land develop-

ment regulations would help landowners understand what they have to do to create an ADU as well as streamline the approval process. Opposition from neighbors is to be expected, especially if the city does not undertake an educational effort. Even then, accessory units can make neighbors feel encroached upon as well as raise concerns about impacts on property values.

With the U.S. population expected to add more than 100 million people over the next 40 years, accessory housing can play a small, but significant role in offering affordable housing and walkable, compact development that helps to revitalize cities.

RESOURCES BOX

Resources on Accessory Housing

Georgia Department of Community Affairs

"Accessory Housing Units." www.dca.state.ga.us/intra_nonpub/Toolkit/Guides/AcsryHngUnts.pdf

Portland (Oregon) Bureau of Development Services, City of
"Accessory Dwelling Units (ADUs)."

www.portlandonline.com/bds/index.cfm?c=36676

www.portlandonline.com/bds/index.cfm?&a=53301

Spokane (Washington), City of

2012. Municipal Code, Section 17C.110.350: Cottage Housing.

www.spokanecity.org/services/documents/smc/?Section=17C.110.350

Santa Cruz (California), City of

"Accessory Dwelling Unit Development Program"

www.cityofsantacruz.com/index.aspx?page=1150

www.huduser.org/rbc/newsletter/vol6iss2more.html

Washington Appeals Court, State of

2009. *William Davis et al. v. City of Spokane and Konstantin Vasilenko*, No. 29204-5-III.

<http://statecasefiles.justia.com/documents/washington/court-of-appeals-division-iii/292045.unp.doc.pdf?ts=1323968271>

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VOL. 29, NO. 7

Zoning Practice is a monthly publication of the American Planning Association. Subscriptions are available for \$95 (U.S.) and \$120 (foreign). W. Paul Farmer, FAICP, Chief Executive Officer; William R. Klein, AICP, Director of Research

Zoning Practice (ISSN 1548-0135) is produced at APA. Jim Schwab, AICP, and David Morley, AICP, Editors; Julie Von Bergen, Assistant Editor; Lisa Barton, Design and Production.

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