

Accessory Dwelling Units Zoning Changes



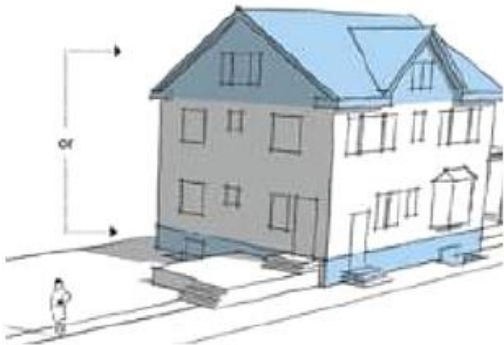
Ann Arbor City Council
Working Session
Monday, May 9

What is an ADU?

An Accessory Dwelling Unit (ADU), is a second, smaller dwelling unit either developed within an existing single family house (such as a basement, attic, or addition) or as part of an accessory structure (such as a converted garage or carriage house). They are often referred to as granny flats or mother-in-law suites.



Attached - attic or basement



A second, smaller unit would be built into the existing home.



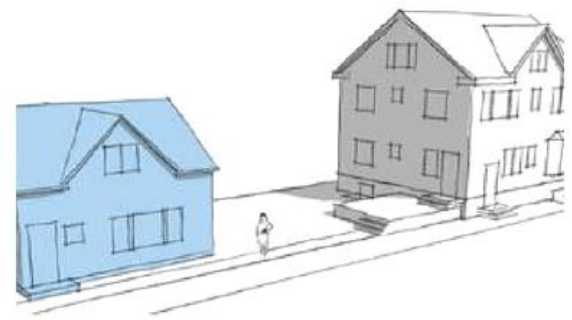
Attached - addition



A second, smaller unit can be built as an addition.



Detached - accessory building



An accessory structure such as a garage or carriage house can be converted into a second unit.

Why ADUs?

Purpose:

Allow a new housing prototype that respects the look and scale of single-family neighborhoods while:

- a. supporting more efficient use of existing housing stock and infrastructure;
- b. provide housing that responds to changing family needs, smaller households, and increasing housing costs
- c. provide accessible housing for seniors and persons with disabilities; and
- d. supports affordable housing goals

Timeline

- City Council adopts Housing Affordability & Economic Equity Analysis on Feb. 25, 2015
- City Council made ADUs one of five priority projects for 2015/2016
- City Council directs the Planning Commission to review
- Planning Commission discusses ADUs along with other priorities at their April 28, 2015 retreat
- Planning Commission adds ADUs to their 2015/2016 work plan
- Planning Commission begins process in November with Ordinance Revisions Committee (ORC)

Sustainability Framework

- Sustainable Buildings – Reduce existing buildings' energy use and carbon impact, while respecting community context
- Diverse Housing – Provide housing choices to meet current and future needs of community
- Economic Vitality – Develop a prosperous, resilient economy that supports a diversity of businesses across all sectors
- Transportation Options/Integrated Land Use – Establish an environment that supports non-motorized and transit travel, and a compact pattern of development



Community Engagement

- 4 Drop-in sessions throughout the city allowing for more conversational approach
- One larger community meeting at library with two parts:
 - drop-in style conversation with multiple staff available for questions and answers
 - Short formal presentation followed by large-group Q&A
- One meeting with Neighborhood Board
- Two neighborhood meetings at the request of neighborhood groups
- Five formal Planning Commission meetings throughout
- E-mail to meeting participants, e-mail blasts and social media

Current Ordinance Barriers

Known barriers:

- Special Exception Permit required
 - \$1,750 to apply + cost of site plan
- Owner cannot collect rent
- Only family members allowed to occupy unit
- Requires 3 off-street parking spaces in total
- Allowed only in primary structure

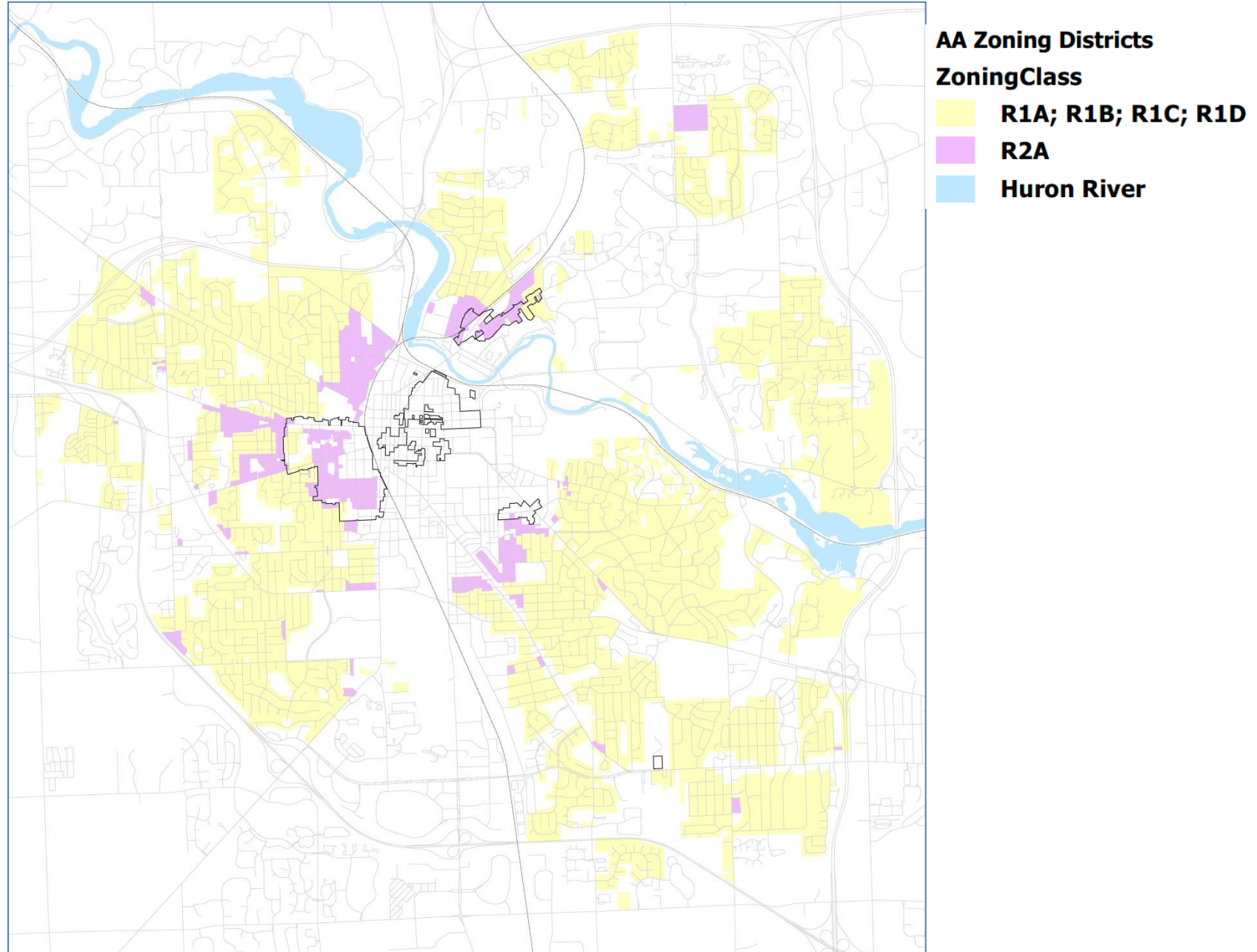
Only two approved in more than 20 years



Staying the same

- Owner shall occupy either the primary residence or ADU
- The ADU shall be designed so that the appearance remains that of a single family residence (entrances to side or rear)
- ADUs allowed in R1A, R1B, R1C, R1D, R1E and R2A
- Maximum size of ADU is 600-800 square feet
- Only one ADU per parcel
- Only allowed for single family residences (no ADUs for duplexes)

R1 and R2A Districts



Proposed changes

- Require a deed restriction to ensure owner-occupancy
- Rent can be charged and occupancy not limited to family
- Rentals cannot be less than 30 days (concern about Air BNB)
- Change from special exception permit to permitted use
- Maximum occupancy is two related individuals and their offspring or 2 unrelated individuals
- ADUs can be allowed in existing detached structures
- All ADUs required to be part of rental inspection program
- Require one additional off-street parking space unless within $\frac{1}{4}$ mile of a bus stop. Parking requirement can be met by tandem parking in the driveway

More detail – R2A

- R2A is the only multi-family district that would allow ADUs
- Attached duplexes already allowed – but NOT detached
- R2A is included, so single family residences in this district can have either an attached or detached ADU

More detail – Detached structures

- Legally conforming accessory structures such as garages or carriage houses constructed before Dec. 31, 2016 can be converted all or in part to an ADU, subject to all other requirements
- Existing legal accessory structures constructed before Dec. 31, 2016 and more than 200 sf may be demolished and rebuilt to include an ADU –
 - Intent is to increase conformity of detached accessory structures (e.g. meeting setbacks)
- Proposed ordinance does not allow for new accessory structures to include ADUs, unless rebuilding an existing one

More detail – ADU size

ADU unit size - The size of the ADU depends on the lot size

- If the lot is between 5,000-7,200 - maximum size is 600 sf
- If lot is more than 7,200 square feet, the maximum size is 800 sf

| Zoning | Non-conf | % non-conf | Non-conforming parcels > 5,000 sf | % non-conf | Total parcels |
|--------|----------|------------|--------------------------------------|------------|------------------|
| R1A | 112 | 10.30% | 5 | 0.50% | 1084 |
| R1B | 224 | 8.10% | 38 | 1.40% | 2752 |
| R1C | 874 | 8.50% | 137 | 1.30% | 10236 |
| R1D | 395 | 12.00% | 97 | 2.90% | 3289 |
| R2A | 603 | 25.20% | 187 | 7.80% | 2394 |

More detail - occupancy

- Overall occupancy – The definition of family, as used in the zoning ordinance, would apply to the parcel (or both units together) so in total the property can have:
 - One or more persons related by blood, marriage, adoption or guardianship living as a single housekeeping unit,
 - Four persons plus their offspring living as a single housekeeping unit, in all districts
- The ADU occupancy can be two related adults and their offspring or two-unrelated adults

How can ADUs be affordable?

ADUs would provide a new housing prototype that could impact affordability in two ways:

1. For a potential renter, the small unit size usually results in a lower rents

- Based on the experience of Portland and Boulder, 20-25% of ADUs would be provided free to friends and family
- An estimate of rents for 600 sf in Ann Arbor would be from \$750 to \$1,200 depending on location, condition and amenities

2. For the owner, affordability can be achieved through the provision of rental income, in particular for those on fixed incomes

3. Families can house disabled or older family members - while also allowing some independence rather than paying costs for assisted living or other facilities

What does an owner need to know?

1. Potential costs

- Attached – Ann Arbor example - \$85,000 - Median in Portland, OR \$45,500
- Detached – Median in Portland, OR - \$90,000
 - In Ann Arbor, detached ADUs would require a separate sewer line
 - Approx. \$6,000-7,000 for tap fee

2. Change in assessment

- The portion of the house that is owner-occupied would still receive the homestead exemption
- The portion that is rented would be subject to full taxation rates

3. ADU and primary building can be inspected as part of rental inspection program

4. Financing an ADU may depend on current mortgage (unless buying new)

What might they look like?



How many can we expect?

Averages as reported by communities with existing ADU programs

| Community | Average per year | Population |
|---|--------------------------------------|---------------------|
| Boulder, CO | 7 | 103,166 |
| Santa Cruz, CA | 34 | 59,946 |
| Traverse City, MI | 10 (cap) | 15,018 |
| Grand Rapids, MI | 4 since 2008 | 188,040 |
| Seattle, WA | 27 | 652,405 |
| Montgomery County, MD | 41 | More than 1 million |
| Portland, OR After 2011 – pilot program to waive impact fees (up to \$11,000). Program ends in 2016 | Prior to 2011- 37 Post 2011 - 200 | 583,776 |

Discussion

More information: www.a2gov.org/ADU

