



The ABCs of ADUs

A guide to
Accessory Dwelling Units
and how they expand housing options
for people of all ages



DETACHED ADU



BASEMENT ADU



GARAGE-CONVERSION ADU



ATTACHED ADU



SECOND-STORY ADU

[AARP.org/ADUs](https://www.aarp.org/ADUs)



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AARP is the nation’s largest nonprofit, nonpartisan organization dedicated to empowering people 50 or older to choose how they live as they age. With nearly 38 million members and offices in every state, the District of Columbia, Puerto Rico and the U.S. Virgin Islands, AARP strengthens communities and advocates for what matters most to families: health security, financial stability and personal fulfillment. The AARP Livable Communities initiative works nationwide to support the efforts by neighborhoods, towns, cities, counties, rural areas and entire states to be livable for people of all ages.



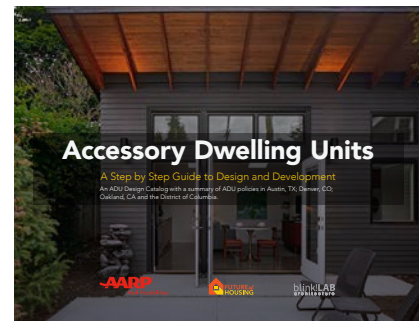
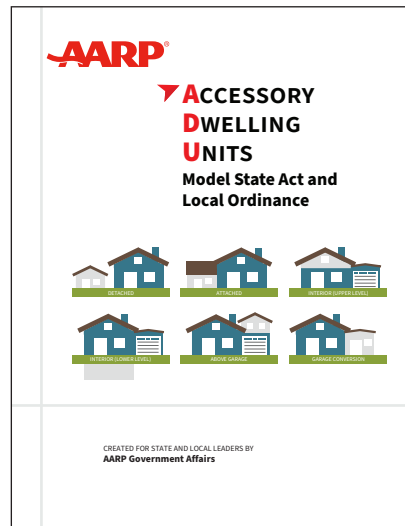
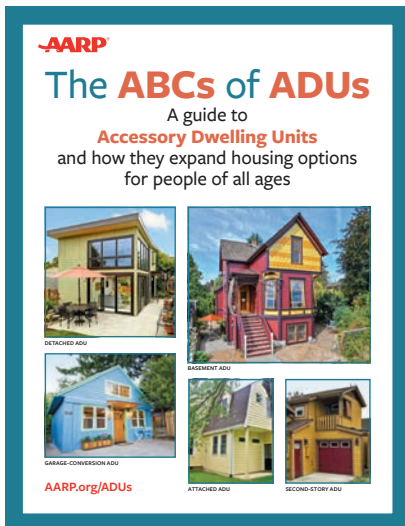
Orange Splot LLC

Website: OrangeSplot.net
Email: eli@OrangeSplot.net

Orange Splot LLC is a development, general contracting and consulting company with a mission to pioneer new models of community-oriented, affordable green housing developments. Orange Splot projects have been featured in the *New York Times*, *Sunset magazine* and on NBC’s *Today* show. (The detached ADUs on page 3 and the back cover are by Orange Splot.) Company founder Eli Spevak has managed the financing and construction of more than 300 units of affordable housing, was awarded a Loeb Fellowship by the Harvard University Graduate School of Design, cofounded the website AccessoryDwellings.org and serves as chair of Portland, Oregon’s Planning and Sustainability Commission.

AARP and Accessory Dwelling Units

Visit AARP.org/ADU to order or download our free publications and find more resources about ADUs.



AARP’s ADU Publications
 (from left): This introductory guide; guidance about creating an ADU model state act or local ordinance; a detailed guide to design and development.

Welcome! Come On In

Accessory dwelling units are a needed housing option for people of all ages

We know from surveys by AARP and others that a majority of Americans prefer to live in walkable neighborhoods that offer a mix of housing and transportation options and are close to jobs, schools, shopping, entertainment and parks.

These preferences — coupled with the rapid aging of the United States' population overall, the decrease in households with children and the national housing shortage — will continue to boost the demand for smaller homes and affordable, quality rental housing.

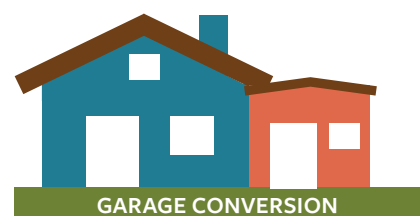
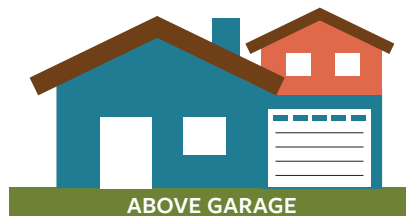
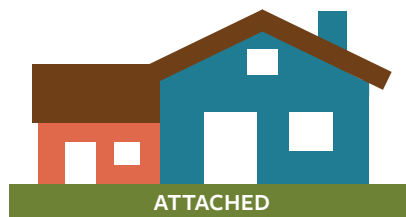
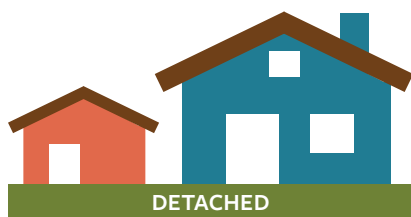
As small houses or apartments that exist on the same property lot as a single-family residence, accessory dwelling units — or ADUs — play a major role in serving a national housing need.

This traditional home type is reemerging as an affordable and flexible housing option that meets the needs of older adults and young families alike.

In fact, in the 2021 AARP Home and Community Preferences Survey, adults age 18 or older who would consider creating an ADU said they'd do so in order to:

- provide a home for a loved one in need of care (86%)
- provide housing for relatives or friends (86%)
- have a space for guests (82%)
- create a place for a caregiver to stay (74%)
- increase the value of their home (69%)
- feel safer by having someone living nearby (67%)
- earn extra income from renting to a tenant (63%)

Since ADUs make use of the existing infrastructure and housing stock, they're also environmentally friendly and respectful of a neighborhood's pace and style. An increasing number of towns, cities, counties and entire states have been adapting their zoning or housing laws to make it easier for homeowners to create ADUs. ■



▲ Accessory dwelling units (or ADUs) come in many shapes and styles.

The ABCs of ADUs is a primer for elected officials, policymakers, local leaders, homeowners, consumers and others to learn what accessory dwelling units are and how and why they are built. The guide also suggests best practices for how towns, cities, counties and states can support the creation of ADUs as a way to expand and diversify housing options.

What ADUs Are — And What They Can Do

ADUs are a family-friendly, community-creating type of housing the nation needs more of

Although many people have never heard the term, accessory dwelling units have been around for centuries (see page 6) and are identified by many different names. To be clear about what’s being discussed:

- An ADU is a small residence that shares a single-family lot with a larger, primary dwelling
- As an independent living space, an ADU is self-contained, with its own kitchen or kitchenette, bathroom and sleeping area
- An ADU can be located within, attached to or detached from the main residence
- An ADU can be converted from an existing structure (such as a garage) or built anew
- ADUs are found in cities, in suburbs and in rural areas, yet are often invisible from view because they’re positioned behind or are tucked within a larger home
- Because ADUs are built on single-family lots as a secondary dwelling, they typically cannot be partitioned off to be sold separately
- An ADU can enable family members (including family caregivers) to reside on the same property while having their own living spaces
- An ADU can provide housing for a hired caregiver
- An ADU can provide rental income to homeowners
- ADUs are a practical option for tenants seeking small, affordably priced rental housing
- For homeowners looking to downsize, an ADU can be a more appealing option than moving into an apartment or, if they’re older, an age-restricted community
- ADUs can help older residents remain independent and “age in place”
- As an adaptable form of housing, ADUs provide flexible solutions for changing needs. ■



CREATIVE COMMONS

▲ Accessory dwelling units show up in neighborhoods throughout the country — and even in pop culture. One example: In the sitcom *Happy Days*, Fonzie (right) rents an above-garage ADU from the Cunningham family in 1950s-era Milwaukee, Wisconsin.

ADUs Are Also Known As ...

Although most local governments, zoning codes and planners in the United States use the term *accessory dwelling unit* or *ADU*, these small homes and apartments are known by dozens of other names. The different terms conjure



▲ Renting out this 350-square-foot garage-conversion ADU in Portland, Oregon, helps the property owner, who lives in the lot’s primary residence, pay her home mortgage.

up different images. (Who wouldn’t rather live in a “carriage house” than in an accessory or “ancillary” unit?) Even if you’ve never heard of accessory dwelling units or ADUs, you have likely heard of — and perhaps know the locations of — some of the home types noted in the list at right. ■

- accessory apartment
- backyard bungalow
- basement apartment
- casita
- carriage house
- coach house
- English basement
- garage apartment
- granny flat
- guest cottage
- guest house
- in-law suite
- laneway house
- multi-generational house
- ohana unit
- secondary dwelling unit

PHOTO AND LIST FROM ACCESSORYDWELLINGS.ORG

ADUs Come in Many Shapes and Styles

Since ADUs are custom designed and created, they're able to fit discreetly into all sorts of locations, including suburban subdivisions, walkable towns, urban neighborhoods — and, of course, large lots and rural regions.



◀ A **DETACHED ADU** (aka DADU) is a stand-alone home on the same lot as a larger, primary dwelling. Examples include backyard bungalows and converted outbuildings.

Location: Portland, Oregon
Photo by David Todd



▲ An **ATTACHED ADU** connects to an existing house, typically through the construction of an addition along the home's side or rear. Such units can have a separate or shared entrance. In this example, the owners built a connection between the house and what was a detached garage. The addition and the space above the garage contain the ADU, which has its own entrance (pictured at right).



Location: Anne Arundel County, Maryland
Photo by Melissa Stanton, AARP



▲ A **GARAGE ADU** converts all or part of an attached or detached garage into a residence. Other options: adding an ADU above a garage or building a new unit for both people and cars.

Location: Cape May, New Jersey
Photo by Melissa Stanton, AARP

▶ Access to an **UPPER-LEVEL ADU** can be provided through a stairway inside the main home or directly from an exterior staircase. This 500-square-foot ADU is part of a 1,900-square-foot primary dwelling.



Location: Portland, Oregon
Photo by Eli Spevak,
Orange Splot LLC



▲ A **LOWER-LEVEL ADU** is typically created through the conversion of a home's existing basement (provided that height and safety conditions can be met) during construction of the house or (above and on page 7) as part of a foundation replacement and house lift.

Location: Portland, Oregon | Photo by Chris Nascimento

ADUs Are Good for People and Places

Communities that understand the benefits of ADUs allow homeowners to create them

ADUs are an economical housing option

- ADUs can generate rental income to help homeowners cover mortgage payments or simply make ends meet. The income provided by an ADU tenant can be especially important for older people on fixed incomes.
- Since the land on which an ADU is built already belongs to the homeowner, the expense to build a secondary residence is for the new structure only.
- Many ADUs are created for family members or friends to reside in for free or at a discounted rate. In fact, when a loved one is in need of care or can't live alone, an ADU can be a viable alternative to a costly assisted-living facility.
- Although market rate rents for ADUs tend to be slightly more than for similarly sized apartments, they often represent the *only* affordable rental choices in single-family neighborhoods, which typically contain few or no small or rental housing options at all.
- The state of California and some municipalities are boosting ADUs by providing grants and other incentives as part of affordable housing and anti-displacement strategies to help lower-income households build ADUs or reside in them at reliable rents.

ADUs are community-compatible

- ADUs offer a way to include smaller, relatively affordable homes in established neighborhoods with minimal visual impact and without adding to an area's sprawl.
- ADUs provide a more dispersed and incremental way of adding homes to a community than other options, such as multistory apartment buildings.
- ADUs are typically managed by homeowners who live on the premises. Such landlords are less likely to tolerate a destructive tenant.

ADUs are good for the environment

- ADUs require fewer resources to build and maintain than full-sized homes.
- ADUs use significantly less energy for heating and cooling. (Of all the ADU types, internal ones tend to have the lowest building and operating costs.)

ADUs are just the right size

- Generally measuring between 600 and 1,000 square feet, ADUs work well for the one- and two-bedroom homes needed by today's smaller, childless households, which now account for nearly two-thirds of all households in the United States.

ADUs are able to house people of all ages

- ADUs offer young people entry-level housing choices.
- ADUs enable families to expand beyond their primary home.
- ADUs provide empty nesters and others with the option of moving into a smaller space while renting out their larger house or letting an adult child and his or her family reside in it.
- An ADU's use can be adapted for different household types, income levels, employment situations and stages of life. ■

Big houses are being built, small houses are needed

Do we really need more than three times as much living space per person as we did in 1950? Can we afford to buy or rent, heat, cool and care for such large homes?

| YEAR | 1950 | 2020 |
|--|------|-------|
| Median square footage of new single-family homes | 983 | 2,261 |
| Number of people per household | 3.8 | 2.5 |
| Square feet of living space per person | 292 | 904 |

FACT: ADUs house more people per square foot of living area than single-family homes do.

HOME VISIT #1

Attached ADU Addition

Santa Cruz, California

Size: 500 square feet



AARP



▲ The area with the darker roof shingles is the ADU that was added onto the home of Carrie and Sterling Whitley.

◀ ▼ The Whitleys' ADU (that's Carrie showing off the front yard's new paths and plantings) has its own entrance on the side of the home and is being rented to the couple's daughter so she can help her elderly parents when needed.

When Carrie and Sterling Whitley bought their house in 1971, they paid less than \$15,000. Nearly 50 years later, similar homes on their street have sold for more than \$1 million.

THE PROBLEM: The Whitleys, who are in their 80s, own the house outright and don't want to move. But the financial and physical demands involved in maintaining the house are a challenge.

A SOLUTION: To help low-income homeowners age 62 or older live independently and keep their homes, the Monterey Bay affiliate of Habitat for Humanity and the City of Santa Cruz launched My House My Home: A Partnership for Aging-in-Place. The pilot program builds accessory dwelling units so older homeowners can downsize into a new, aging-friendlier home and earn rental income from their original house. Or such homeowners can remain in their house and rent out the new, smaller residence. Participating homeowners are required to charge an affordable rental rate.

REALITY CHECK: When the Whitleys' project broke ground in April 2017, they were the first homeowners to receive an ADU through the program, which worked with them to design the ADU as an addition to their existing home. Since the dwelling was built with accessibility features, Carrie and Sterling know they can downsize into it if they ever need to. Until then, their daughter, Brenda, resides in the addition.

REAL LIFE: "I'm right next door to my parents in case they need me or need any help," Brenda says.

Design: Historic Sheds | Builder: Historic Sheds | Cost to build: \$158,000 in 2017 (not including volunteer labor) | Photos by Michael Daniel | Article adapted from Where We Live: Communities for All Ages (AARP 2018)



ADU ADVICE: With an attached ADU, privacy between the two residences can be achieved by locating the ADU bedroom(s) and bathroom(s) as far as possible from the main house. Providing the ADU with its own yard or outdoor space is helpful too.

ADUs Are an American Tradition

While today's interest in ADUs may be new, the housing type is centuries old

Early settlers often built a small home to live in while constructing their larger, primary house nearby.

When farming was a source of survival for most of the nation's households, families routinely constructed additional homes on their land when needed.

People with wealth and acreage regularly populated their lands with secondary mansions and ancillary buildings independent of the main estate house.

In fact, until the 20th century, people who owned land built as many homes as they wished, often for extended family or workers. There were few or no zoning rules, municipal services or infrastructure needs (utilities, roads, schools, trash collection, first-responders) to consider.

A historic precedent for the modern day accessory dwelling unit is the "carriage house," or "coach house." Originally built for horse-drawn carriages, the structures associated with grander homes were frequently large enough to double as living quarters for workers such as stable hands.

Decades later, in response to housing shortages and economic needs, many surviving carriage houses were

▼ **This carriage house containing a one-bedroom, one-bath ADU above a two-car garage sits behind a six-level, Gilded Age, Hoboken, New Jersey, townhome that was built in 1883. The dual residence property was on the market in 2018 for \$5 million.**



converted into rental homes. By becoming landlords, the owners gained income from their often unused outbuildings.

Automobile garages have a similar history. Some were originally built with a housing unit upstairs. Over time, many garages were converted (often illegally or under zoning codes no longer applicable today) into small homes when the spaces became more valuable for housing people than vehicles.

With the rise of suburban single-family home developments following World War II, ADUs practically ceased to be built legally in the United States. Then as now, residential zoning codes typically allowed only one home per lot, regardless of the acreage and with no exceptions. Attached and detached garages occupied yard space that might otherwise have been available for ADUs.

Some cities, including Chicago, grandfathered in pre-existing "coach house" ADUs — but only if they remained consistently occupied. In Houston's historic and trendy Heights neighborhood, old and new garage apartments are common and desired.

Many communities don't allow new ADUs, even if they did in the past. Even in rural areas with ample land, property owners are often prohibited from creating secondary dwellings or continuing to live in preexisting ones. Countless units in single-family homes or yards are technically illegal simply because they date from when such units were not allowed.

ADUs began making a comeback in the 1980s as cities explored ways to support smaller and more affordable housing options within single-dwelling neighborhoods. In 2000, in response to a growing demand for ADU-supportive guidelines, AARP and the American Planning Association partnered to release a model state act and local code for ADUs. An updated resource was published by AARP in 2021. (See an image of it on the inside front cover of this guide.)

Many state and local governments are legalizing and encouraging the creation of ADUs (see page 8), driven by high housing costs and, in some cases, the belief that homeowners with suitable space shouldn't be so restricted in the use of their property. ■

HOME VISIT #2

Garage Apartment ADU

Denver, Colorado

Size: 360 square feet



▲ The apartment above the garage can be reached from inside the garage or from an exterior side entrance accessed from the yard it shares with the primary residence.

“I see our ADU as something very similar to a student loan,” says Mara Owen. “It’s something you invest in the future with. It was cheaper than buying a house for Mom, and it lets her have independence. It’s great knowing we can check in on her whenever.”

AH-HA MOMENT: Owen, her partner, Andrew, and their three dogs were sharing a one-bedroom, one-bath house with her mother, Diane. When Owen learned that ADUs were allowed in the city, she decided the best way to get more space for her small home’s many residents would be to remove their “leaky and defunct” garage and build a new two-car garage with an apartment above it.

WISE ADVICE: “Get a really great builder and architect,” says Owen. “Interviewing architects was similar to a first date. It’s not just who you feel connected with. That’s important, but get to the values. It’s a niche market, so see if you can find someone who has built ADUs before, because ADUs are a little different.”

FUTURE PLANS: The stairs to Diane’s apartment are wide enough for a stair lift, if it’s ever needed. The roof was built at the correct slope for the eventual installation of solar panels.

Design: Hive Architecture | Builder: Hive Architecture | Cost to build: \$167,000 in 2016 | Photo by Mara Owen | Article adapted from “ADU Case Studies” by Lina Menard on AccessoryDwellings.org. Visit the website to read about and see photographs of more ADU projects.

HOME VISIT #3

Basement ADU

Portland, Oregon

Size: 796 square feet

The transformation of this colorful Victorian was both a preservation and expansion project.

TEACHING MOMENT: “Here’s a very welcome breath of fresh air, especially in the face of so much gentrification that is going on in Portland!” declared Mark Lakeman, principal of Communitecture, an architectural, planning and design firm, about the pictured remodel. Writing on his company’s website, he says the project provides a lesson in how to “adapt and reuse our precious historic houses so they can accommodate more people while also providing more income to support the existing home.”

HOW’D THEY DO IT? To add a basement rental unit, engineers lifted the house. The resulting ADU is roughly four feet underground and four feet above.



▲ By lifting the house and digging beneath it, designers, engineers and builders turned a two-story, single-family home into a three-story, multifamily residence. (The ADU’s entrance is pictured on page 3.)

THE ACHIEVEMENT: Adds Lakeman: “Unlike the seemingly pervasive method of simply tearing down existing buildings so that new, giant ones can be built, this approach achieves upgrades in energy efficient living places and adds density while retaining the continuity of our beloved historical urban environment.”

*Design: Communitecture | Home Lift: Emmert International
Builder: Tom Champion | Cost to build: \$125,000 in 2015 | Photos by
Communitecture (before) and Chris Nascimento (after)*

The Time Is Now

Rules for ADUs continue to evolve and frequently differ from one town to the next

Some communities allow almost any home to be set up with an ADU — so long as size limits, property line setbacks and placement caveats in relation to the primary dwelling are met. Others start with those basic standards and then layer on extra requirements that can make it challenging to create an ADU. (Learn more on pages 14 and 15.)

Municipalities nationwide have been relaxing their restrictions against ADUs, and several states now require communities to allow them. Some examples:

- New Hampshire and Vermont allow ADUs nearly everywhere single-family housing is permitted. New Hampshire’s 2017 legislation stemmed in large part from the frustration of builders who couldn’t construct the backyard cottages and garage apartments their clients desired.
- In 2020, the California legislature declared that “allowing accessory dwelling units in zones that allow single-family and multifamily uses provides additional rental housing, and is an essential component in addressing California’s housing needs.” The state allows up to one ADU *and* one JADU per lot. (What’s a JADU? See page 14.)
- Oregon requires cities and counties of certain sizes to allow ADUs in all single-family areas within urban growth boundaries. In 2021, the state extended ADU rights to rural residential areas.
- Other states allowing ADUs include Connecticut, Rhode Island and Utah. Many cities now allow ADUs, including Anchorage, Alaska; Atlanta, Georgia; Annapolis, Maryland; Asheville, North Carolina; Austin, Texas; Denver, Colorado; Honolulu, Hawaii; Houston, Texas; Louisville, Kentucky; Philadelphia, Pennsylvania; Phoenix and Tucson, Arizona; Seattle, Washington; and Washington, D.C. ■

▶ Located on the lowest floor of a town house, an English basement is a partially belowground apartment that has its own exterior entrance. They are typically found in older cities such as New York or (pictured) Washington, D.C. In the past, property owners used the space as servant quarters. Today, these essentially built-in ADUs are often used as rental apartments.

To Encourage ADUs

LOCAL OFFICIALS can ...

- allow all ADU types (detached, attached, interior)
- simplify the building permit process for ADUs
- waive or reduce permit and impact fees
- establish funding programs to help homeowners create ADUs
- let garages be converted into ADUs without requiring replacement off-street parking
- allow for the creation of a second ADU, subject to a combined size cap

COMMUNITY PLANNERS can ...

- adopt simple, flexible but nondiscretionary ADU rules about setbacks, square footage and design compatibility with the primary dwelling

LENDERS can ...

- work with homeowners to finance the construction of ADUs by using renovation loans

ADVOCATES can ...

- organize tours of completed ADUs in order to inform and inspire the community
- educate homeowners, real estate agents, architects and builders about local zoning regulations and the permit process

REAL ESTATE AGENTS can ...

- educate themselves and their clients about rules for the construction of ADUs

LOCAL MEDIA can ...

- report on how and why homeowners build ADUs



PHOTO: SARAH DALE FOR AARP

HOME VISIT #4

Internal ADU (Main Level)

Portland, Oregon

Size: 220 square feet

Even small homes can have enough space for an ADU. An underused main floor bedroom in this 1.5-story, 1,500-square-foot bungalow was transformed into a studio apartment.

AH-HA MOMENT: According to Joan Grimm, who owns the home with Rita Haberman: “What we were looking for in terms of a community and aging in place was right under our noses. Remove a fence and create a shared open space. Build a wall and create a second dwelling unit. It doesn’t have to be complicated.”

REAL LIFE: “Creatively carving out an ADU from the main floor of our house saved on design and construction costs,” Grimm adds. “It provides an opportunity for rental income, with no significant compromise to the livability of our home.”



▲ The steps and side entrance lead to the studio apartment ADU, which was crafted out of an existing space. The covered porch to the right leads to the primary residence. The ADU contains a kitchen, small dining and living area, sleeping area, bathroom and laundry area. (See two interior photos on pages 19 and 20.)

*Design: Rita Haberman | Builder: RS Wallace Construction
Cost to build: \$55,000 in 2015 (with some work done by the homeowners)
Photos courtesy Billy Ulmer | Article adapted from “ADU Case Studies” by Lina Menard on AccessoryDwellings.org*

HOME VISIT #5

Internal ADU (Lower Level)

Portland, Oregon

Size: 795 square feet

“We were looking for a way to live in our house for the rest of our lives and to generate at least some income in the process,” Robert Mercer and Jim Heuer wrote for the program guide of the annual Portland ADU Tour when their home was part of the lineup. “An ADU offers the possibility of caregiver lodging in the future or even a place for us to live while we rent out the main house if we get to the point where we can’t handle the stairs any longer.”

THE SOUND OF SILENCE: Internal ADUs often require that soundproofing insulation be installed between the primary dwelling and the accessory unit that’s below, above or beside it. In Portland, the building code for duplex residences requires a sound insulation rating of at least STCC45. To property owners thinking about a similar ADU setup, the duo advise: “Think about how you live in your home and how having downstairs neighbors will change what

▼ The door to the right of the garage leads to a ground-floor ADU with windows along the back and side walls. The upper-level windows are part of the main residence.



you can and can’t do with your space and what investment you are prepared to make in sound insulation.”

AN ADDED BONUS: “We are pleased that we have been able to provide more housing density on our property and still be in keeping with the historic character of our home.”

*Design: DMS Architects | Builder: Weitzer Company | Cost to build: \$261,000 in 2016 | Photo by Melissa Stanton, AARP
Article adapted from the 2017 ADU Tour project profiles on AccessoryDwellings.org*

Bringing Back ADUs

The reasons for creating or living in an ADU are as varied as the potential uses

ADUs are flexible. Over time, a single ADU might be used in many ways as an owner's needs and life circumstances change. Following are just a few reasons why ADUs are created and by whom:

EMPTY NESTERS can build an ADU and move into it, then rent out the main house for supplemental income or make it available to their adult children.

FAMILIES WITH YOUNG CHILDREN can use an ADU as housing for a nanny or au pair or even a grandparent or two, who can then help raise their grandkids and be assisted themselves as they age.

INDIVIDUALS IN NEED OF CARE can reside in an ADU to be near family members, or they can use the ADU to house a live-in aide. (In fact, ADUs can be an affordable and more comforting alternative to an assisted-living facility or nursing home.)

HOME BUYERS can look forward to the rental income from an ADU to help pay their mortgage or finance home improvements, especially in expensive housing markets.

HOME-BASED WORKERS can use an ADU as their office or workshop.

HOMEOWNERS can use an ADU for guests or as housing for friends or loved ones who:

- aren't yet financially independent, such as new high school or college graduates
- need temporary housing due to an emergency or while renovating their own home
- have disabilities but can live independently if family reside nearby ■



▲ The zoning code in Evanston, Illinois, permits accessory dwelling units, creating an opportunity for the owners of this 1911 home with an outbuilding in the backyard.

Planning and Paying for ADUs

Most new homes are built by developers, entire subdivisions at a time. Apartments are also built by pros.

But ADUs are different.

Although ADUs are occasionally designed into new residential developments, the vast majority are created by individual homeowners after they move in. In other words, ADUs are usually created by enthusiastic and motivated *amateurs*.

An ADU may present the ultimate chance for a do-it-yourselfer to build his or her small dream home. More often, homeowners bring in a combination of architects, designers and construction contractors to do the work, much as they would for a home addition or major kitchen remodeling. The local municipality's planning department can provide guidance on the rules for ADUs and information about what permits, utility connections and fees are involved.

ADUs aren't cheap, and they are often the most significant home improvement project a homeowner will undertake.

Although internal ADUs can sometimes be built for about \$50,000, new detached ADUs often exceed \$150,000. Most ADUs are financed through some combination of savings, second mortgages, home equity lines of credit and/or funds from family members (sometimes a relative who ends up living in it).

In some areas, the cost of building an ADU can be recouped after a few years of renting it. If that's the plan, it's worth estimating the expenses versus the potential income before undertaking an ADU project.

A few cities, nonprofits and start-ups are experimenting with creative financing options that could put ADUs within reach for more homeowners and their families, as well as prospective renters.



▲ Walt Drake’s southern-style, one-bedroom ADU has an outdoor, wraparound porch that can be accessed without using steps. The design is in keeping with other buildings in the neighborhood.

HOME VISIT #6 Detached ADU (One-Story)

Decatur, Georgia

Size: 800 square feet

When Walt Drake decided to downsize, his son Scott purchased his dad’s house for himself and his family and built a detached ADU (or DADU) for Walt.

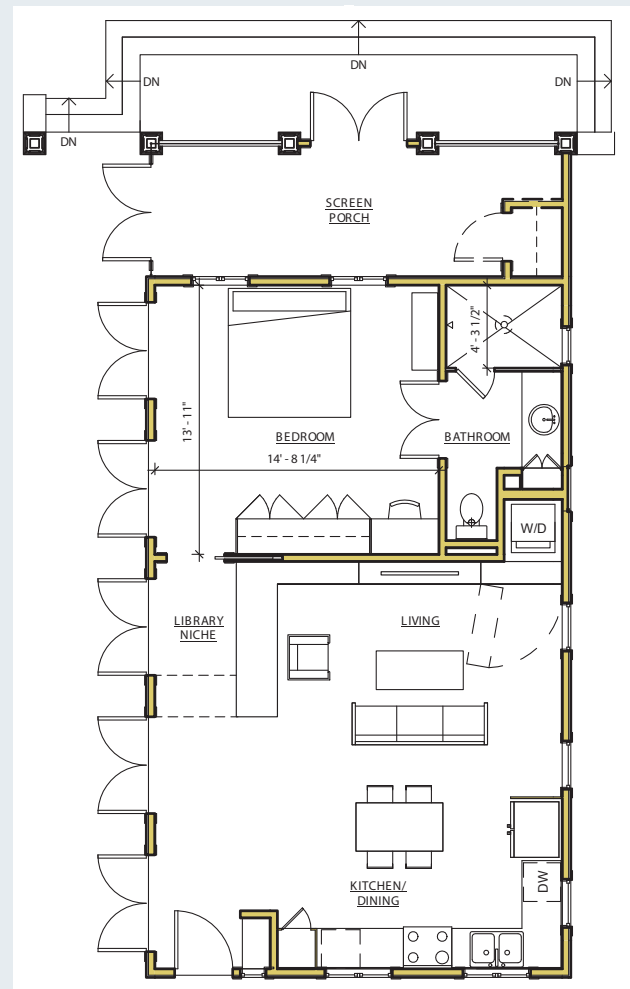
“From not finding what we wanted for Dad, we decided to create it,” says Scott. “Neighborhoods built in the 1920s have carriage houses. Building an ADU was a modern day version of something people have been doing on their property in this area for a hundred years.”

NEAR AND FAR: “We wanted the houses to be separate and to feel like we’re each on our own property, but we’re there for each other,” says Scott.

AGING-FRIENDLY: Building the ADU meant Walt didn’t have to leave his home and neighborhood. “He was able to keep his own stuff and turn over what he didn’t need to us,” says Scott. “It kept my dad in place, which I think was important.”

FUTURE PLANS: Scott says the ADU is “serving its intended purpose” but that someday down the road it could be used as a long- or short-term rental. “The ADU could turn into lots of different things over the course of its lifetime.”

Design: Adam Wall, Kronberg Wall | Builder: Rob Morrell | Cost to build: \$350,000 in 2014 | Photo by Fredrik Brauer | Floor plan by Kronberg Wall Architects | Article adapted from “ADU Case Studies” by Lina Menard on AccessoryDwellings.org



ADUs Are Age-Friendly Housing

New-construction ADUs can be created with “universal design” features

An “age-friendly” home has a zero-step entrance and includes doorways, hallways and bathrooms that are accessible for people with mobility differences. Converted garages (such as the one pictured on page 2) are among the easiest and least expensive ADU solutions for aging in place since they’re preexisting structures and generally have no-step entries. To learn more about making a home aging-friendly, download or order the *AARP HomeFit Guide* at AARP.org/HomeFit.

HOME VISIT #7

Detached ADU (Two-Story)

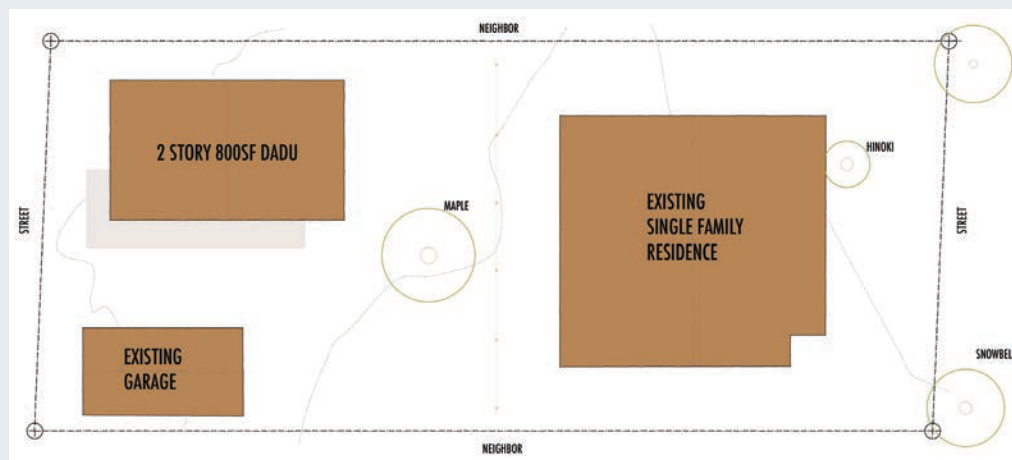
Seattle, Washington

Size: 800 square feet

Evelyn Brom’s plan was to build a backyard cottage and rent it out. She would keep living in her two-bedroom home.

AH-HA MOMENT: As the design developed, Brom realized that *she* wanted to live in the stunning wood-and-glass ADU. It was a good decision. A week before moving in, Brom was laid off from her job.

REAL LIFE: The \$3,000 a month Brom receives in rent for the main house (which is occupied by a three-generation family) provides a needed income. “Being laid off has made this arrangement a lifesaver,” Brom says. If the stairs in the cottage ever become too hard to navigate, she can move back into her original one-story house and rent out the cottage instead. “Now I have options,” she says.



▲ There’s a powder room, open kitchen and living room on the first floor, with a bedroom and bathroom upstairs.

◀ Although Brom’s property is only 0.13 acres, it’s large enough to accommodate two homes, a patio, a lawn and a garage. A slatted wood fence with a gate divides the space between the two houses and provides privacy.

Design: *Christine Kim, NEST Architecture & Design* | Builder: *Ian Jones, Treebird Construction* | Photo by *Alex Hayden*
Cost to build: \$250,000 in 2014 | Article adapted from *Where We Live: Communities for All Ages* (AARP 2018)

HOME VISIT #8

Detached Bedroom

St. Petersburg, Florida

Size: 240 square feet

Bertha and her son John talked about someday buying a house with a mother-in-law suite. “Then one day someone came along and wanted my house, so I up and sold it,” she explains. “But that left me homeless. I asked John if I could build a small house in his backyard and he agreed.”

CREATIVE THINKING: A detached bedroom is a permanent, accessory structure that, unlike ADUs, lacks a kitchen. But that’s what makes these cabin-like homes more affordable to build than many ADUs and even tiny houses.

WHAT’S INSIDE: Bertha’s home contains a sleeping and living area and a full bathroom. “I paid for the little house and it’s on my son’s property. So I figured, if I’m cooking I can do it at my son’s house,” she says. (Her laundry is also done at his house.)



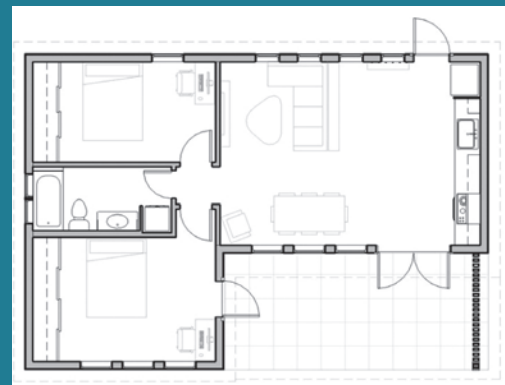
▲ A detached bedroom, which contains a bathroom but no kitchen, can provide housing for a loved one or serve as a home office or guest cottage.

REAL LIFE: “Having access to my son’s house makes it livable. Otherwise, I personally would not be happy. It’s very comforting to know that John is close by. Hopefully this will be my home forever.”

Design: Historic Sheds | Builder: Historic Sheds | Cost to Build: \$50,000 in 2017 | Photo by Historic Sheds | Article adapted from “ADU Case Studies” by Lina Menard on AccessoryDwellings.org

Trading Spaces

An ADU is always the smaller of two dwellings on a property, but it’s possible for an existing home to become the ADU when a larger house is built and becomes the primary dwelling. Or the opposite can happen! Tired of living in an older house that didn’t get a lot of natural light, the home’s owners built and moved into the bright, airy, modern and very accessible ADU they created in their yard. The original, larger home has become a rental.



▲ Although this ADU has only 721 square feet of living space, there is room enough for two bedrooms.

*Design: Propel Studio | Builder: JLTB Construction | Photo by Josh Partee | Cost to build: \$185,000 in 2017
Adapted from “ADU Case Studies” by Lina Menard on AccessoryDwellings.org*

Practical Solutions for ADUs

Local laws can both allow and appropriately control the creation of accessory dwellings

There are more than 19,000 cities, 16,000 towns and 3,000 counties in the United States. ADU regulations are typically adopted at the local level, although several state legislatures have required cities to allow them.

Where it's legal to build ADUs, homeowners still need to follow rules about where it can be done, how many square feet they can contain, how they can be used. These rules can be found in the local zoning code.

There is a balance to strike between prudent ADU laws and encouraging their construction. For instance, after Portland, Oregon, relaxed its ADU rules in 2010 and waived impact fees (a savings of up to \$12,000), the number of ADUs built rose from about 30 per year between 2000 and 2009 to nearly one a day in 2015.

Changes in California's ADU rules saw Los Angeles go from 80 applications in 2016 to nearly 2,000 in 2017. Allowing Sonoma County homeowners to add both an ADU and a JADU (see the green box below) were among the policies adopted in the wake of the area's many devastating fires.

Well-intentioned but burdensome rules can stymie the creation of ADUs. ADU-related zoning codes should be restrictive enough to prevent undesirable development but flexible enough that ADUs get built.

When a community is worried about a potentially undesirable outcome, it can — and many do — craft regulations to prevent particular building types, locations or uses. A city concerned about the environmental impact of new structures might prohibit placing detached ADUs in precarious locations, such as on steeply sloping lots. Communities wary of ADUs becoming, for instance, off-campus student housing can establish occupancy rules.

Every community has its own priorities and concerns, and there's a wide enough range of regulatory controls that communities can write appropriate ADU rules.

This inherent flexibility in the form and function of ADUs allows them to pass political muster and get adopted in a wide range of places. (See page 16 for more about uses and rules.) ■

Rules that discourage ADUs

- ADU-specific regulations that don't also apply to primary dwellings (e.g., owner-occupancy requirements)
- complex design compatibility criteria and approval steps
- off-street parking requirements beyond those required for the primary dwelling
- restrictions that limit ADUs to certain areas, particular zoning categories or to large lots
- caps on square footage relative to the primary house that make it easy to add an ADU to a large home but hard or impossible to add one to a small home

Are ADUs allowed?

Find out by calling your town, city or county office in charge of land use and permits — or stop by in person. You can also search for and read the zoning code through the local government's website.

- If ADUs are allowed, ask what conditions, permit needs and impact fees apply.
- If ADUs are not allowed and you want them to be, ask an elected official or your community's department of zoning and planning how the codes can be updated.
- Then get organized and start advocating!

JUNIOR ACCESSORY DWELLING UNITS (or JADUs) are smaller than 500 square feet and have a separate entrance but are created within the existing dwelling. A JADU can share a bathroom with the main house and contain a basic kitchen equipped with small plug-in appliances.

Creating (or Understanding) an ADU Zoning Code

The ADU section of a community’s zoning code needn’t be overly complicated. It just needs to establish clear, objective and fair rules for the following:

1. A Definition: A good zoning code clearly defines its terminology. Here, for example, is a useful outline for what, in the real world, is a very fluid term: “An ADU is a smaller, secondary home on the same lot as a primary dwelling. ADUs are independently habitable and provide the basic requirements of shelter, heat, cooking and sanitation.”

2. The Purpose: This is where the code describes key reasons a community allows ADUs. They should:

- increase the number of housing units while respecting the style and scale of the residential neighborhood
- bolster the efficient use of existing housing stock and infrastructure
- provide housing that’s affordable and responds to the needs of smaller, changing households
- serve as accessible housing for older adults and people with disabilities

3. Eligibility: Who can build an ADU and on what type of lot? A statement in this part of the code clarifies that an ADU can be placed only on a “residentially zoned lot.” (Some communities provide lot size standards.)

4. Creation: The code sets out how an ADU can be built. For instance: “An ADU may be created through new construction, the conversion of an existing structure, as an addition to an existing structure or as a conversion of a qualifying existing house during the construction of a new primary dwelling on the site.”

5. Quantity: Most municipalities that permit ADUs allow one per lot. Those allowing two typically permit one internal and one external. Some allow duplexes or townhomes to have an ADU, either in the backyard or on the ground floor.

6. Occupancy and Use: A code should state that the use-and-safety standards for ADUs match those used for the main dwelling on the property. (See page 17 for more.)

Visit [AARP.org/ADU](https://www.aarp.org/adu) to download **Accessory Dwelling Units: Model State Act and Local Ordinance**, a free publication that can be used by state and local officials to develop ADU policies.

7. Design Standards:

- **Size and height:** A zoning code might specify exactly how large and tall an ADU is allowed to be. For instance: “An ADU may not exceed 1,000 square feet or the size of the primary dwelling, whichever is smaller.” Codes often limit detached ADUs to 1.5 or 2 stories in height. An example of that language: “The maximum height allowed for a detached ADU is the lesser of 25 feet at the peak of the roof or the height of the primary dwelling.”
- **Parking:** Most zoning codes address the amount and placement of parking. Some don’t require additional parking for ADUs, some do, and others find a middle ground — e.g., allowing tandem parking in the driveway and/or on-street parking. (See page 16 for more about parking.)
- **Appearance:** Standards can specify how an ADU’s roof shape, siding type and other features need to match the primary dwelling or neighborhood norms. Some codes exempt one-story and internal ADUs from such requirements. (See page 16 for more.)

8. Additional Design Standards for Detached ADUs:

- **Building setbacks:** Many communities require detached ADUs to either be located behind the primary dwelling or far enough from the street to be discreet. (A code might exempt preexisting detached units that don’t meet that standard.) Although such a rule can work well for neighborhoods of large properties with large rear yards, communities with smaller lot sizes may need to employ a more flexible setback-and-placement standard.
- **Building coverage:** A code will likely cap the combined lot coverage of a detached ADU and the primary dwelling to a specific percentage.
- **Yard setbacks:** Most communities have rules about minimum distances to property lines and between buildings on the same lot. ADUs are typically required to follow the same rules. ■

ADU “Hot Topics”

As communities allow ADUs or update existing zoning codes and rules to be more ADU-friendly, they inevitably wrestle with some or all of the following issues:

Adding ADUs to neighborhoods

Recognizing that ADUs may represent a new housing type for existing neighborhoods, communities often write special rules to ensure they'll fit in well. These guidelines typically address visual compatibility with the primary dwelling, appearance from the street (if the ADU can be seen) and privacy for neighbors.

Rules that help achieve these goals include:

- height and size caps mandating that ADUs be shorter and smaller than the primary dwelling
- requirements that detached ADUs be behind the main house or a minimum distance from the street
- mandates that the design and location of detached ADUs be managed the same way as other detached structures (e.g., garages) on the lot
- design standards for larger or two-story ADUs so they architecturally match the primary dwelling or reflect and complement neighborhood aesthetics
- encouragement for the creation of internal ADUs, which are often unnoticeable from the street

Each community can strike its own unique balance between strict rules to ensure that ADUs have a minimal impact on neighborhoods and more flexible rules that make them easier to build.



▲ Providence, Rhode Island, has many homes that were built as or long-ago converted into multidwelling units. (Notice the two front doors.) A homeowner can live in one apartment while renting out the other.

Providing places to park

ADU regulations often include off-street-parking minimums on top of what's already required for the primary dwelling. Such rules can prevent homeowners from building ADUs if there's insufficient space for added parking. However, the extra parking often isn't needed.

Studies of Portland, Oregon, and the San Francisco Bay area found that ADU households own an average of 0.9 cars. That's half the national average of 1.8 cars per household. With just over 2 percent of Portland homes having an ADU (the highest percentage of any large city in the country), there's roughly one extra car parked on the street every six blocks. This suggests that, even in booming ADU cities, any impact on street parking from ADUs is likely to be very small and dispersed. More-realistic parking rules might:

- require the creation of new parking only if the ADU displaces the primary dwelling's existing parking
- waive off-street-parking requirements at locations within walking distance of transit
- allow parking requirements for the house and ADU to be met by using a combination of off-street parking, curb parking and tandem (one car in front of the other) parking in a driveway

Dealing with unpermitted ADUs

It's not uncommon for homeowners to convert a portion of their residence into an ADU in violation (knowingly or not) of zoning laws or without permits.

Such illegal ADUs are common in cities with tight housing markets and a history of ADU bans. One example is New York City, which gained 114,000 apartments between 1990 and 2000 that aren't reflected in certificates of occupancy or by safety inspections. Sadly, in 2021, several city residents living in unsafe basement apartments drowned in their homes due to flooding caused by Hurricane Ida.

Some cities have found that legalizing ADUs, simplifying ADU rules and/or waiving fees can be effective at getting the owners of illegal housing units to “go legit” — and address safety problems in the process. ■

Allowing and Restricting Uses

Communities get to decide whether to let ADUs be used just like any other housing type or to create special rules for them. Some municipalities prefer the simple approach: regulating ADUs like other homes. So if a home-based child-care service is allowed to operate in the primary dwelling, it is also allowed in an ADU. Conversely, communities sometimes adopt ADU-specific regulations in order to avoid undesirable impacts on neighbors. Examples of those regulations include:

Limiting short-term rentals

ADUs tend to work well as short-term rentals. They're small and the owner usually lives on-site, making it convenient to serve as host. However, if ADUs primarily serve as short-term rentals, such as for Airbnb and similar services, it undermines the objective of adding small homes to the local housing supply and creating housing that's affordable.

In popular markets, short-term rentals can be more profitable than long-term ones, allowing homeowners to recoup their ADU expenses more quickly. In addition, short-term rentals can provide owners with enough income that they can afford to occasionally use the ADU for friends and family.

A survey of ADU owners in three Pacific Northwest cities with mature ADU and short-term rental markets found that 60 percent of ADUs are used for long-term housing as compared with 12 percent for short-term rentals.

Respondents shared that they “greatly value the ability to use an

ADU flexibly.” For instance, an ADU can be rented nightly to tourists, then someday rented to a long-term tenant, then used to house an aging parent. ADUs intended primarily for visiting family are sometimes used as short-term rentals between visits.

Cities concerned about short-term rentals can regulate them across all housing types. Doing so might mean that special rules are not needed. An approach employed in Portland, Oregon, is to treat ADUs the same as other residences except that any financial incentives (such as fee waivers) to create them are available only if the property owner agrees not to use the ADU as a short-term rental for at least 10 years.

Requiring owner occupancy

Some jurisdictions require the property owner to live on-site, either in the primary house or its ADU. This is a common way of addressing concerns that absentee landlords and their tenants will allow homes and ADUs to fall into disrepair and negatively impact the neighborhood.

Owner-occupancy rules are usually implemented through a deed restriction and/or by requiring that an annual statement confirming residency be filed. Some cities go further, saying ADUs can be occupied only by family members, child- or adult-care providers, or other employees in service of the family.

Owner-occupancy requirements make the financing of ADUs more difficult, just as they would if applied to single-family homes. But as ADUs have become more common, owner-occupancy restrictions have become less so, which is good. Such requirements limit the appraised value of properties with ADUs and reduce options for lenders should they need to foreclose.

Enforcing owner-occupancy laws can be tricky, and the rules have been challenged in courts, sometimes successfully. However, according to a study by the Oregon Department of Environmental Quality, more than two-thirds of properties with ADUs are owner-occupied even without an owner-occupancy mandate. ■



◀ The zoning code of Brevard, North Carolina, a city of fewer than 10,000 residents, allows ADUs, which are referred to as “secondary dwelling units” and are allowed “within residentially-zoned, single-family and duplex lots.” The code states that such homes “shall be encouraged and designed to meet housing needs,” adding that “[s]econdary dwelling units shall be accessory and subordinate to the primary living quarters.” In the image at left, the one-story cottage is the primary dwelling. The apartment above the detached garage is the secondary dwelling.

Inside Spaces

ADUs vary from studio apartment-like spaces to multi-bedroom, multi-story structures. Regardless of size, the result is a needed residence



▲ A top floor ADU can be a suitable rental for a student or someone who travels a lot for work. ADU expert Kol Peterson grew up in a home with an attic ADU that was usually rented to law school students. “They had to walk up the primary house’s interior stairs in order to access the affordable attic unit,” he writes in *Backdoor Revolution: The Definitive Guide to ADU Development*. “Over the years that each of them lived there, the tenants became part of our family.”



▲ The alcoves in the ADU area above a garage provide a light-filled work space in one, and a reading nook in the other. (See the attached ADU’s exterior on page 3.)



▲ This studio apartment internal ADU uses a wardrobe cabinet to separate the bedroom from the living area and kitchen (seen on page 19).



▲ As an independent living space, an ADU has its own bathroom and kitchen. Depending on the available square footage — and sometimes on the local zoning code or the property’s plumbing and utility connections — an ADU might have a full kitchen with full-sized appliances and a dining area (top) or a smaller but functional kitchenette. This interior is from the detached ADU pictured below right and on the back cover. Fun fact: A coat closet and extra kitchen shelving are built into the base of the circular staircase. In a small home, every bit of space counts!



▲ The kitchen of this internal ADU (also seen at the top of page 9 and in the bedroom image at left) has a full-sized range but a mini-refrigerator. Some ADU owners install a one- or two-burner electric cooktop and a convection microwave in lieu of an oven.



▲ The second story of this detached ADU is accessed by the spiral staircase shown in the image at top. The space features a bedroom and a sitting area that could be used as a nursery, office or den. A full-sized, stacked washer-dryer is hidden behind a closet door.

Just One More

While not technically ADUs, tiny houses can serve a similar purpose

Because tiny houses are typically built on a trailer with wheels rather than a fixed foundation, they are usually treated by zoning as recreational vehicles (RVs) or manufactured (aka mobile) homes. In Portland, Oregon, and a growing number of smaller cities, tiny houses can be legally occupied on any residentially-zoned lot. Since they're small — typically under 400 square feet — tiny houses can fit in a space too small for an ADU. Many include a kitchen and bathroom. Some function more like a detached bedroom. A unique plus: Unlike ADUs, tiny houses can move to a new location as needed.



◀ ▲ “The Lucky Penny” tiny house measures 8 feet wide by 14 feet, 6 inches long and provides 100 square feet of living space. The home, which is located in the backyard of a single-family residence, features a pullout bed, a kitchenette, a shower, built-in storage, and three large windows plus a skylight to provide lots of nature light.



◀ ▼ ADUs are sometimes used as short-term rental units for travelers. The “Kangablue,” is one of several units at Caravan, the “world’s first tiny house hotel.” At 170 square feet, the home is the largest tiny house on the lot, located in the Cully neighborhood of Portland, Oregon. The tiny space includes a kitchen, living area, bathroom (with a shower and toilet) and a sleep loft.



Top: Design and Builder: Lina Menard, Niche Consulting | Photos by Guillaume Dutilh, PhotoXplorer
Bottom: Design and Builder: Benn Kovco | Photos by Jeff Freeman Photography

The ABCs of ADUs

A guide to Accessory Dwelling Units and how they expand housing options for people of all ages

WRITTEN AND EDITED BY: Eli Spevak, Orange Splot LLC | Melissa Stanton, AARP Livable Communities

ART DIRECTOR: Mimi Park, Design Park, Inc.

COPY EDITOR: Don Armstrong | **ART PRODUCTION:** Steve Walkowiak

PROJECT ADVISERS AND REVIEWERS:

Danielle Arigoni, Director, Livable Communities, AARP Government Affairs

Karen Chapple, Professor, University of California, Berkeley

Lina Menard, Founder, Niche Consulting

Heather Peters, Senior Housing and Community Development Policy Analyst, San Mateo County, California

Kol Peterson, Cofounder, *AccessoryDwellings.org* | Owner, Accessory Dwelling Strategies LLC, Portland, Oregon

Denise Pinkston, Partner, TMG Partners

Harriet Tregoning, (Past) Principal Deputy Assistant Secretary, U.S. Housing and Urban Development

Jake Wegmann, Assistant Professor, University of Texas at Austin

COVER IMAGE CREDITS (clockwise from top left)

Front: Alex Hayden | Communitecture: Architecture, Planning, Design | *AccessoryDwellings.org* | Melissa Stanton, AARP | *AccessoryDwellings.org*

Back: Kol Peterson, *BuildingAnADU.com* | Eli Spevak, Orange Splot LLC | Schuyler Smith, Polyphon Architecture & Design, LLC

A NOTE TO READERS: Many of the photographs and project examples in this publication are from Portland, Oregon, which was one of the first municipalities in the nation to allow and encourage the creation of accessory dwelling units.

To learn more about ADUs — and to order or download this guide — visit [AARP.org/Livable](https://www.aarp.org/livable).

Other useful resources include:

- *AccessoryDwellings.org*
- *BuildingAnADU.com*
- *Planning.org* (the website of the American Planning Association)
- And the websites of the states, cities and towns mentioned in this guide as allowing and encouraging the creation of accessory dwelling units.



ABOVE-GARAGE ADU



DETACHED-BEDROOM ADU



DETACHED ADU

- An accessory dwelling unit is a small residence that shares a single-family lot with a larger primary dwelling.
- As an independent living space, an ADU is self-contained, with its own kitchen or kitchenette, bathroom and living/sleeping area. (Garage apartments and backyard cottages are each a type of ADU.)
- ADUs can enable homeowners to provide needed housing for their parents, adult children, grandchildren or other loved ones.
- An ADU can provide older adults a way to downsize on their own property while a tenant or family member resides in the larger house.
- Since homeowners can legally rent out an ADU house or apartment, ADUs are an often-essential income source.
- ADUs help to improve housing affordability and diversify a community's housing stock without changing the physical character of a neighborhood.
- ADUs are a beneficial — and needed — housing option for people of all ages.

Learn more about ADUs and
order or download

The ABCs of ADUs

by visiting

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6. Accessory Dwelling Units (ADUs) are smaller, independent residential dwelling units located on the same lot as a single-family home. They can be separate apartments created within an existing house (in-house units), or they can be separate structures (detached units). They are sometimes referred to as granny-flats, in-law units or backyard cottages. Below is an example of a detached ADU in the Kentlands (top) and an in-house basement ADU (bottom). Listed below are potential benefits of allowing ADUs. Please rank the following from most to least important, or select no benefits.

| | | | |
|-----|--|------------|-------|
| 76% | Provides housing for relatives (college graduates, grandparents, etc.) | Rank: 1.83 | 109 ✓ |
| 66% | Provides more affordable housing options | Rank: 1.84 | 95 ✓ |
| 26% | No benefits | Rank: 2.30 | 37 ✓ |
| 57% | Reduces sprawl by creating more housing in existing neighborhoods | Rank: 2.82 | 82 ✓ |
| 51% | Provides another source of income for property owners | Rank: 2.89 | 73 ✓ |

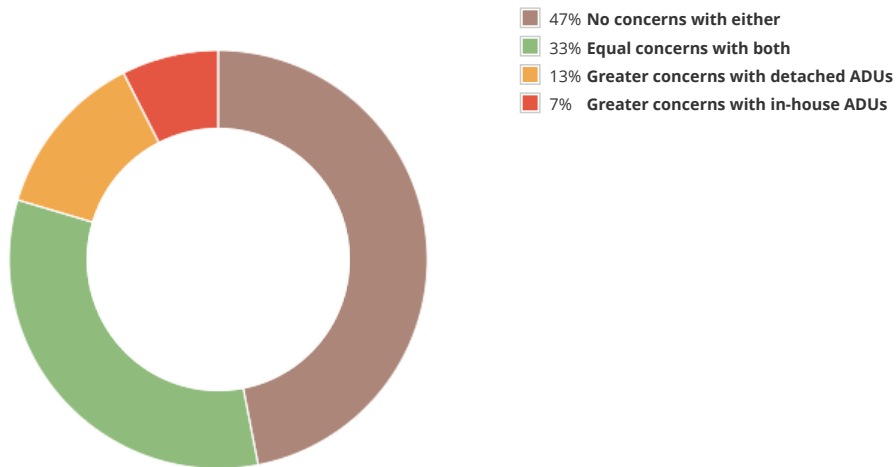
143 Respondents

7. Listed below are commonly voiced concerns with allowing ADUs. Please rank the following from most to least important, or select no concerns.

| | | | |
|-----|---|------------|------|
| 57% | May create parking concerns | Rank: 2.52 | 83 ✓ |
| 27% | No concerns | Rank: 3.00 | 39 ✓ |
| 47% | Concerns with privacy/proximity to neighbors | Rank: 3.12 | 68 ✓ |
| 60% | Concerns with ADUs being used as short-term rentals (e.g. Airbnb) | Rank: 3.15 | 88 ✓ |
| 49% | May increase traffic | Rank: 3.44 | 71 ✓ |
| 45% | Concerns with negative impacts on property values | Rank: 3.51 | 65 ✓ |
| 40% | Concerns with physical appearance | Rank: 4.31 | 58 ✓ |
| 42% | Concerns with school overcrowding | Rank: 5.03 | 61 ✓ |
| 36% | Conflicts with HOA regulations | Rank: 5.38 | 52 ✓ |

146 Respondents

8. Do you have greater concerns with detached ADUs or ADUs created within an existing house (in-house ADUs)?



147 respondents

MEMORANDUM

TO: Mayor & City Council
Planning Commission

VIA: Tanisha Briley, City Manager

FROM: Rob Robinson, Long Range Planning Manager

RE: Review of Housing Element Focus Groups

DATE: October 4, 2022

EXECUTIVE SUMMARY

Staff has prepared the following report summarizing the discussions of the various focus groups conducted as part of the Housing Element public engagement. The goal being to solicit input from as many stakeholders as possible, certain common themes were expressed by the majority of all groups:

- Workforce housing is very similar to market rate housing in costs;
- Accessory Dwelling Units, ADUs, could be a way to address affordability and other housing issues;
- Parking availability in neighborhoods will remain an issue in the City;
- Getting creative with product types and increasing density (GAP Housing) are good approaches to provide more housing in the City;
- Land values in the City are high and in a competitive market and makes it difficult to build market-driven affordably-priced housing, resulting in just the “required” being constructed;
- Many factors contribute to housing costs and affordability: supply chains, labor force, building codes, regulations, interest rates, etc.; and
- Affordability will continue to be an issue for the City, which may encourage more young people to move away or look for jobs in other areas as well as many older downsizing households moving out of the area because of the costs of smaller housing being so high.

BACKGROUND

Staff, as part of the City's Housing Element engagement strategy, assembled seven stakeholder focus group meetings to receive input from diverse groups with differing specialties or backgrounds. During these meetings, each group were asked two standard questions to spur thought and help advance a dialogue:

Question 1: Is housing market adequate for the local population? If not, what is missing?

Question 2: What is the City's role in housing, particularly for affordable housing?

While each group brought unique thoughts to its discussion and not every group member agreed uniformly on every discussion topic, there were common themes defined within each group and amongst all the groups. The following highlight these commonalities:

FOCUS GROUPS¹

BANKING & LENDING:

This focus group invited input from representatives from the banking and lending industries. The following are highlighted points from the discussion:

- Housing has not kept up with demand across the nation, and the DC metro area is no exception. They cited rising interest rates, regulatory/time costs and increased building/supply/labor costs as factors that are discouraging housing construction.
- It is difficult for older households to downsize because of costs of smaller housing being so high and noted that many older households are moving out of the area.
- Price points have gone up at least 20% over the last few years, so affordability continues to slip away.
- Do not believe house prices will go down as a result of the short-term interest rate hikes, though did think a longer-term rate hike or a prolonged recession could begin to temper the rate of house price impacts (though they will probably continue to go up).
- ADUs could be a way to address affordability and other housing issues.
- As with market rate housing, increasing materials and labor costs can impact whether an ADU can be built by a homeowner. Also noted that ADUs may be subject to HOA fees that also adds costs.
- The group agreed that if ADUs were subject to impact taxes, they probably would not be built as often and certainly would not be affordable.
- Staff asked whether the banking industry has seen an increase in demand for GAP/missing middle type housing units. The Group noted that higher density translates into more revenue for the builder to cover costs, though builders are more likely to build a "proven" product like a 2-over-2 condo than to construct a new/unique/innovative (and higher-risk) product.
- The Group has not been seeing affordable products coming in, probably due to land costs in the inner areas and fixed costs like water/sewer tap fees. They felt that affordable housing needs to be subsidized, probably by the government.
- Make sure there are no incentives to discourage affordable housing; where it is less expensive to pay a fee or buy out of affordable housing rather than constructing it.

¹ In alphabetical order, not ordered chronologically or by priority

- Staff asked about affordable multifamily housing that uses LIHTC tax credits (low income housing tax credits) and whether that will still be viable going forward. The Group thought that a recession may encourage more LIHTC financing if market-rate financing dries up.
- Noted that the hybrid work schedule will continue in the future, which may allow more people to live farther away from their job, especially if there are no affordable housing or affordably-priced housing options.
- Staff asked about mortgages longer than 40 years, to increase affordability. The Group noted that the federal backing/mortgage guarantee is only for 30 years, and a longer mortgage would cost more. They also discussed a “portable” mortgage that follows you from house to house, but noted that Wall Street hasn’t quite caught up to that concept.

COMMUNITY GROUPS:

This focus group invited input from representatives from homeowner, condominium, and community associations. The Group reflected a variety of community ages and housing types. The following are highlighted points from the discussion:

- Noted that young workers moving to the area for a job who want to rent apartments but cannot find a good fit for them (short-term 4-6 months) in the market when they first arrive.
- Public housing (or public-sponsored) affordable housing is needed to meet the needs of young workers.
- Discussed their children who moved because the housing is too expensive in the DC Metro area. Young families that are looking for townhouses and detached houses in a lower price range have to go outside of the City.
- The Group noted that affordability for young workers has been a challenge for several decades and observed that people usually start out in an apartment and then move up to a larger house later in life as they begin to earn more money. While there are a wide variety of prices in the area, new apartments are going to be expensive for young workers who are not earning as much money.
- In addition to the housing needs for young workers, there is also a limited stock of housing for people farther in their career who are looking for a more expensive single family detached house.
- It was noted that there is a house in a participant’s neighborhood that is being occupied by two families, who together can afford the home.
- Mentioned investors who buy single family homes to rent out and don’t do an adequate amount of maintenance.
- That the City pay attention to parking in neighborhoods.

- Mentioned a desire to downsize to a smaller, less expensive houses in Gaithersburg, but the market isn't really supplying townhouses or other non-vertical housing that fits that need or price.
- While some neighborhoods are somewhat transient, where people stay for a few years and then move on to a job in another area, others are more of a stable neighborhood, which may be the result of the variety of housing unit types that are available in the neighborhood.
- The Group thought there was a market for ADU rentals, but was concerned about what would happen if the demand went away. The Group reiterated concerns about parking issues, but thought ADUs could be a good way to supplement income/help pay a mortgage.
- Staff asked whether anyone had any concerns about allowing new unit types in the City, such as triplexes and quadplexes. Members of the Group expressed that the City would need to significantly improve its public transportation system if higher density products were going to be allowed.

COMMUNITY SERVICES:

This focus group solicited input from the City's Community Services staff. The following are highlighted points from the discussion:

- Interact mostly with very low income clients (many with families), and any small change can put their finances in peril. The clients would like to remain in Gaithersburg (because of schools, neighborhood, etc.), but many are being displaced to areas outside of the City.
- Noted the challenges the clients have with finding an apartment in Gaithersburg due to their financial situation (not enough income to qualify, poor credit score), as well as rent increases. Some of the rent increases are in smaller apartment complexes, which are similar to small businesses and have seen their expenses increase.
- There is a large resource of rental assistance, but the demand/number of people needing help is high and there is not always enough time available to provide the assistance and allow them to remain in their apartment/house.
- Noted that people who receive subsidies, but no increases in income often fall back into a situation where they cannot afford their rent and may be evicted or become homeless.
- They have seen an increase in women and pregnant women needing assistance, and many of them were renting rooms, but were kicked out for some reason (such as the house being sold).
- It is difficult to find an affordable apartment, and the increase in utilities is also a financial challenge. The tight housing market is driving some buyers to become

renters, which puts more upward price pressure on rental rates, making rental units less affordable.

- Planning staff asked whether other factors besides the housing supply could be driving the displacement and affordability issues, such as the type/wages of new jobs. The Group questioned whether the new jobs and people moving into the City are making it less affordable for those who are already in the area, since the new jobs/people may be higher paying/higher income than the existing residents.
- The lowest income clients are a mix of “hard luck/one-time incident” and the “cycle of poverty” and noted that some of their clients who work multiple minimum-wage jobs are able to “float” but not able to move up to better housing or stop living paycheck to paycheck.
- Suggested defining the word “affordable” to clarify who the target is – those who can afford MPDUs are much better off financially than the people who are earning less than \$50,000 per year (~50% AMI).
- Housing Staff noted that if lower-priced MPDU (<30% AMI) units were provided, there would be fewer higher-priced MPDUs available for those who need them (almost like robbing Peter to pay Paul), and there may not be enough money to provide the additional subsidy needed to create and sustain the lower-priced MPDU (regulated) units. The subsidy required for units at 30% AMI is \$100,000-\$150,000 per unit per year (\$800-\$1,200 per month per unit). A similar amount is needed for an up-front capital infusion to reduce the rent of the unit over a 30 or 60 year period, and even with the reduced rent, there may still be a need for monthly rental assistance on top of the capital outlay.
- Suggested looking into partnering with non-profit housing developers and trying to tap into some of the County’s affordable housing money.
- The City has some additional resources for their clients, such as the financial empowerment program and vocational/job training.
- The clients usually prefer a studio or 1-bedroom due to the cost/rent; families with 1 child may also prefer a 1-bedroom because of the price. The clients are more concerned about having a home than the number of bedrooms. (But there are rental per-square foot requirements from the City’s Code.)
- Noted that families should probably be in a 2 bedroom or larger unit; that overcrowding occurs when one family sublets one of the bedrooms to another family
- The Group voiced support for ADUs, though thought it wouldn’t necessarily help their family clients.
- The Group suggested having “levels” of affordability with different targeted incomes, and defining those in the Master Plan.

HOUSING ADVOCATES:

This focus group invited input from representatives from housing advocates, including NPOs and NGOs. The following are highlighted points from the discussion:

- Clients in early 20s need help with housing. Many clients are disconnected and/or have dropped out of school. Rental requirement to get a lease act as barriers.
- Voucher holders have challenges, income and credit is an issue. It's more difficult for larger families, with extended search times because they find it difficult to find housing.
- More of a need for family housing with three and four bedroom units.
- Housing crisis is getting worse and not an issue just during the pandemic; families are paying 75% or more of income on housing.
- Rental housing for low-income seniors or seniors on social security really struggle.
- Families with limited incomes and credit issues, not good rental history; those interested to becoming homeowners-no down payment assistance programs that bump up income enough to afford housing near jobs.
- Seeing a need for larger units, pandemic caused more homelessness, many at homeless shelters have a disability.
- A focus on 30% AMI is essential; MPDU range does not meet this affordability standards. A single adult needs to make \$40,000 to live in Montgomery County without public assistance. Need to target a certain percentage of units to a certain groups.
- Clients are often people who are on the County's (30,000+) waiting list for a housing voucher, so need to find assistance elsewhere.
- Discussed home sharing as a way to reduce the rental cost and noted organizations are helping to connect renters with owners who are willing to rent rooms.
- Noted that about 50% of their clients are undocumented and are not interested in buying a house, and instead just want to rent whatever they can from whoever is willing to rent to them.
- HOC's rental assistance varies by zip code, but averages about \$1,200 per month per household. City Housing staff noted that rental assistance is generally more expensive than other financial approaches.
- Most clients are below 50% AMI so would not have the income to apply for many MPDUs, even if they have decent credit and rental history. They don't have financial ability (\$45,500 is required to get MPDU) to afford the lowest priced unit in Montgomery County so they are looking outside the County for housing or doubling up in units.
- Redefine workforce housing to include true working class; higher income workforce housing is very similar to market rate.
- Developers are buying up market rate affordable units and not maintaining them-need more enforcement; biggest fear is to get non-renewal letter- eviction prevention would be good.
- Need for both down payment and rental subsidies; if down payment assistance goes unused then make sure the City uses it.
- Average County subsidy is \$1265; voucher payment standards vary by zip code.
- County's rental assistance only serves over 55 that face homelessness-this is a change and people have lost eligibility- they want more flexibility with a subsidy.

NEIGHBORHOOD SERVICES:

This focus group solicited input from the City's Neighborhood Services staff. The following are highlighted points from the discussion:

- Property Maintenance Hotspots / Issues
 - Newport Estates
 - One water meter for each section, so individual units may use less water but pay what they see as an unfair equal share of the total water usage by all residents
 - Foreclosures, which lead to loss of condo fee revenue
 - Subletting basements and rooms
 - High percentage of the units are rentals rather than owner-occupied
 - Brighton West Condos
 - Similar challenges as Newport Estates
 - Parking spaces in front of units are not always located on that condo association's phase/property, so some residents are not able to park right in front of their unit
 - Observatory Heights
 - Exterior maintenance, which is a problem throughout the community, but especially along Cedar Avenue
 - Many older residents that are on a fixed income
 - Many lower income households
 - Potomac Oaks
 - Interiors may need renovation, but that is the sole burden of the unit owner
 - High percent of rental units rather than owner-occupied
 - Lakeside Apartments
 - Lots of maintenance and management issues
 - The City is considering revoking their rental license
 - Generally, the management company, especially for rental apartments, makes all the difference.
- Overcrowding
 - More likely to happen in areas that do not have an HOA.
 - There is a square foot per person requirement from the property maintenance code that is used to determine whether a dwelling unit is overcrowded (applies to both rental and ownership, though more difficult to enforce for owned units).

- Townhouses are more likely to have an illegal accessory dwelling unit, such as a walk-out basement conversion.
 - Illegal ADUs affect the safety of the entire community
- Parking is the biggest community concern with overcrowding.
 - The City has instituted permit parking, with a cap/limit on the number of permits provided per unit
 - Enforcement is difficult
- Accessory Dwelling Units (ADUs)
 - NS staff suggested limiting ADUs to single family detached houses only, and not allowing them in townhouses.
 - Parking is the big concern with ADUs
 - An ADU would require a rental license from the City, unless the tenant is related to the owner.
 - A rental license is not required to rent rooms in a house, as allowed by the Zoning Ordinance.
 - Should a rental license be required for room rentals?
 - NS staff recommended only allowing one ADU per lot.
- Investment
 - More investment in the housing stock has been happening on the west side of the City than on the east side.
 - HOAs have been utilizing City neighborhood grants, so many of those communities are able to do more maintenance and make improvements.
 - Some single family detached neighborhoods have seen investment like renovations, additions, etc.
 - Deer Park
 - Observatory Heights
 - Brown's Addition
 - There are fewer private rental single-family detached houses and townhouses, because the existing ones are being sold rather than held as income-producing properties.
- Overall Issues
 - Traffic and congestion
 - Schools overcrowding
 - Need incentives to encourage redevelopment of aging properties
 - Bike lanes and pedestrian improvements would be helpful

- The City should not allow de-coupled parking (i.e., the required parking under the Zoning Ordinance should only be available for the residents and should not be allowed to be rented out to non-residents, and there should be no units that do not include a dedicated parking space)

RESIDENTIAL BUILDERS:

This focus group invited input from representatives from the residential construction industry, both multi and single-family, and market rate and affordable. The following are highlighted points from the discussion:

- Noted that the City’s ability to allow developers to use a variety of housing types is a plus and that townhouses continue to be good use of the limited land left for development in Gaithersburg. Also noted that front-load versus rear-load townhouses is becoming more of an issue, as the alleys require more land but the rear-load look nicer along the street.
- Getting creative with product types and increasing density, along with support from the City, are good approaches to provide more housing in the City. Noted the City MPDU program requires distribution among all the units, though having larger (like 22’ or 24’ wide townhouses) may be counter-productive to the overall goal of providing affordable housing in new development.
- Acknowledged the general need for affordable housing in all price ranges in the City.
- The best use of affordable housing funding is to create multi-family housing, as smaller units (like “missing middle”) does not have as much of an impact as larger multi-family projects. Single-family detached housing is difficult to build generally, but is growing demand for multi-generational housing that has an accessory dwelling unit over a garage and with a lockable door in the wall separating the ADU from the main unit. .
- 2-over-2 condos and back-to-back townhouses are growing market alternatives.
- Noted that the land gets sold in a competitive market, which makes it difficult to build market-driven affordably-priced housing, resulting in just the required MPDUs being constructed. Uncertainty with MPDU regulations and rules can discourage housing construction and make it more expensive to build non-affordable units. They praised the City’s current MPDU program for having clear guidelines that help developers come up with realistic financial plans for development.
- Voiced concerns with requiring units for households with lower AMI percentages (30%-40%) and there may need to be a different approach to provide units for lower-income households with 40%-50% AMI.
- Noted that the Washington DC model resulted in larger units for lower income households, which was challenging to do from a financial perspective.
- Discussed a Clarksburg affordable unit strategy, where duplexes were used to reduce costs, and still retain the look of front-loaded houses. If smaller units are allowed to serve as the MPDUs, it helps the financials work out.
- The “missing middle” (Gap housing) for-sale market-rate units are in high demand and low supply. Noted that “lower priced” market-rate housing (such as starting in the \$400k range instead of the \$500k range) may still be higher-priced than an AMI-based approach to “affordable” market-rate housing.
- Acknowledged that projects that include 30% AMI households need to have the other (higher) income ranges in order to work financially.

- Agreed that Gap units can be combined with larger products, but cannot really stand on their own financially. They discussed the newer/more innovative units that are not allowed and noted that those types of units will not be built in large numbers until jurisdictions make them legal.
- Agreed that providing Workforce Housing (WFHUs) is challenging, since they sometimes end up being almost the same cost as a market-rate unit, but noted that the WFHU can help the financials, as they sell for more than the MPDUs. Both MPDUs and WHFUs cost the developers money, so they have to make it up in the other units..
- Discussed the rental community concept (entire community is rental, including single-family units such as townhomes), and felt that it would not be appropriate in Gaithersburg because of the higher land values.
- Agreed that holding townhouses as rental units (scattered sites) is expensive and difficult to manage/maintain, even for a public agency, though does serve a purpose.
- Discussed inflation and the impact on construction cost (20% higher for townhouses).
- Planning Staff asked about production builders being able to provide ADUs as part of their portfolio. The Group thought that it would be possible, depending on the regulations. Some currently have ADUs in their portfolio, though they are not allowed in most jurisdictions. Noted that individuals might be able to build ADUs if the jurisdiction allowed them (as an entrepreneurial exercise) and noted the Oakland CA example, where code-approved ADU plans are available for sale to the public.
- Planning Staff asked about “bungalow courts” or similar smaller detached houses. The Group replied that the costs are still too high for the small detached houses and the financials generally don’t work. Noted that these types of units work in areas where no other use/units will work, such as creating an “eco village” or “eco senior village” (with community services like daycare and schools) on lower-cost land (though you may need 20 acres or so to make it work).

YOUTH:

This focus group solicited input from a group of high school students from Gaithersburg High School. The following are highlighted points from the discussion:

- Housing in Gaithersburg is pricey, and they’re concerned about not having a job that can pay enough to afford the housing.
- Would like to have more space; current housing is too crowded/too many people.
- Expect to have shared housing/roommates, preferably in a detached house.
- Will probably look outside the City where things are cheaper. Cost of housing will determine whether they stay in Gaithersburg or not.
- Perception that housing in the City costs more than outside the City because of the location (i.e., being inside the City), but would like to stay in the City because of family and friends and sense of belonging here.
- Older houses are less expensive, but some preferred new housing.
- Walkability is important and support housing along major roads so there is easy access to jobs and other things to do.
- A community with a mix of ages/races/etc. are better because they inspire change.
- Having a private yard was very desirable, rather than sharing open space with others.

Notes: Residential Focus Group (with Residents)

Project Team Attendees:

Jocelyn Gibson – ZoneCo

Joe Helferty – ZoneCo

Rob Robinson – City

Greg Mann – City

Sharon Disque – City

Steve Marquina – City

John Schlichting - City

Residents:

- **Gretchen Wilder** – Montgomery Meadows (wants stronger HOA, trash collection)
- **Marc Gordon** – Saybrook – Resident since 1976, in saybrook since 1987, he is president of HOA – it's peaceful, and diverse, new families moving in, make sure zoning is consistent with lifestyle
- **Becky** – Live on water street in brown addition close to old town, has lived in Gaithersburg for 35 years – the parking on the street is the biggest issue for her, she doesn't have experience with zoning code, just to look at parking violations
- **Ms. Chazz** – Been there 16 years, live in Saybrook – east gathersburg united – best part of neighborhood is street she lives on, friendly neighbors that look out for each other, would like ways for community to get more engaged, limited experience with zoning code – she has participated in the surveys and information sessions, other thing, she is secretary for HOA
- **JoAnn Schimke** – Moved to Gaithersburg in 1982 – resides in West Riding – she is part of a community facebook page, they have 300 residents, helps stay current in news, there have been a lot of additions and people have to go through zoning. There haven't been any issues with those sessions

Question 1: Lot Frontage

- Ms. Chazz: doesn't fully understand zoning districts, so can't answer specific questions about lot frontages
- Gretchen: she is in a townhouse, so not sure it applies to her much
- JoAnne: there have been additions to rear of homes in many instances – in kentlands and lakelands have zero lot lines, so not much space between – not really any space to put addition in side or rear of home
- Marc Gordon – surprised suggesting 30 for Saybrook, because they have larger lots that have larger width – if someone wanted to build townhouses, how would that work?
- Mark Gordon: Saybrook has about 380 homes, townhomes may have 30 feet
- Ms. Chazz: If someone's home burned down, what could they build back?
- Marc Gordon: Condemned home was taken down, when someone rebuilt it, it had to be approved by HOA – home needed to be in harmony with rest of community
- JoAnne – a home did burn down, ppl rebuilt home and they did go before planning commission. Right now the house does conform with previous home but does not conform with the rest of the neighborhood. Community accepted the home, but the house does look pretty different. In other neighborhoods, tear downs are large and don't look anything like what is existing. The new build is working out OK in her neighborhood.

Question 2: New Proposed Setbacks

- Marc Gordon: He is surprised that more people don't spend more time in rear of home. He is surprised that we aren't changing the side yard min. of 10 feet. He likes separation for people to walk around between home.
- Ms. Chazz: She understands that we are just maintaining what is existing, which is correct. She does not feel like homes are too close together. She thinks shared driveways might mean too close together. In suburbs, you want your space. Uses back yard for barbecuing. Wants to do what you want to do without being on top of each other.
- Marc Gordon: One thing you generally have to do deal with is parking. Does new code account for that? Rob explained that in some cases, it creates more flexibility for a driveway. It also accounts for equity and the need to provide housing flexibility. Joe explained that it allows for some flexibility, instead of the standard dictating how the home gets built.
- Joanne: We are seeing additions on back 1-2 stories tall. Someone wanted garage on side of house and had to get variance. He told neighbors and it looks fine. She thinks that home being closer to street, with smaller front yard, it would be a problem. Saybrook in particular has aesthetics of old New England fishing village. People doing sunrooms and bigger porches are always doing them in rear. Rob asked about front porches, but Joanne said it wasn't really occurring. Joanne said that front porches aren't really consistent with the general style of the neighborhood. Thinks that if people start putting additions on the front, that will be an issue.
- Gretchen: thinks with townhouses, this wouldn't work. She says people have tried to build ADUs in her neighborhood, but it's often a separate building or not done professionally so that it blends in. Often design isn't consistent with primary home.
- Ms. Chazz: Thinks that building height defines neighborhood and going by stories means that someone could feasibly have a 3.5 story building that is 60 feet. She feels like it's a loophole that could be taken advantage of.
- Gretchen: Is what constitutes a story defined? Rob explained that it will be defined but not by height, but that could be part of this process, to say that a story cannot be over a specific height
- Marc Agrees: Max height associated with story
- Ms. Chazz: Measure to the top of the home/roof for measurement. There needs to be a way to qualify character of neighborhood.

Question 3: Lot Coverage, and how residents feel about proposed changes

- Gretchen: She thinks lot coverage and feels that greenspace and landscaping makes a big difference.
- Rob explained that new proposed coverage standards are based on what is existing – maintaining character while providing flexibility
- Marc: The standards look reasonable – they like green in his neighborhood, so it's important to them. He thinks that multi-family would not be compatible with what is existing, if that's part of conversation.
- Ms. Chazz – wondering why Deer Park and Saybrook would be zoned the same? Rob explained that they are not zoned the same. Ms. Chazz appreciated the explanation. Ms. Chazz is mostly concerned with areas that open up development through loopholes that aren't in keeping with neighborhoods.

Question 4: Proposed Accessory Dwelling Unit Standards

- Joanne – people have built over garage in West Riding. They currently don't allow ADUs separate from the home where they live
- Rob explained HOA will have their own limitations, If it's over a garage, it's only 800 square feet, so will just be apartment over a garage. The permitted cottage ADUs in kentlands are permitted at 1,400 feet, which was felt to be too large.
- Joanne – some communities will be concerned by permitted height of the structure. Some homes are putting in very tall sheds, and they back up to fences/lot line. The 800 sf means that it's probably one story. She likes the size limitation
- Marc: Recently built a school in his neighborhood. How does that fit into zoning. Rob explained state/county roles, and public process.



Maryland DEPARTMENT OF PLANNING

ADU Policy Task Force: Draft Recommendations

[SB 382](#) assigns the following tasks and deliverables to the Task Force. All recommendations should reflect these requirements.

1. Study available best practices for streamlining or standardizing the application process for permits necessary to build or operate an accessory dwelling unit.
2. Make **legislative or other policy recommendations**, including a **list of best practices** for local governments in the State, that holistically address:
 - a. the **practical issues** associated with the development of accessory dwelling units on owner-occupied land zoned for single-family residential use; and
 - b. the **impacts on local housing markets, neighborhood livability**, and other policies and projects related to accessory dwelling units.

| Meeting Date | Topic Area | Draft Recommendations/Best Practices | Notes |
|--------------|-----------------------------------|---|-------|
| 11/28/23 | Zoning Use and Approval Processes | <p>Note: Clear preference for by-right use allowances across the Task Force</p> <p>Recommendations For Local Governments</p> <ul style="list-style-type: none">• Zoning ordinances should define and permit at least one ADU by-right (ministerial objective standards and process) in most single-family residential zones. In addition, they should...<ul style="list-style-type: none">○ contain clear definitions of ADUs and include them as a residential rather than accessory use.○ treat ADUs as a reasonable and accessible accessory use to a residential dwelling. | |

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| | | <ul style="list-style-type: none">○ have clear and objective standards or conditions for approval, which should also be as permissible as possible and not onerous.○ include clear timeframes (counted in days) for ADU approval.● Local ADU guidance, policy, and ordinances should be clear and straightforward for homeowners. Simpler is better.● By-right versus SPEX standards, as well as approval processes, should be tailored to the unique demands presented by infrastructure capacity, environmental constraints, and lot size and context. Local plans and zoning ordinances should consistently communicate the decisions, purposes, and processes that distinguish the rationale for by-right versus SPEX approval of ADUs. <p>Recommendations For State Government</p> <ul style="list-style-type: none">● State ADU guidance and policy related to zoning use and approval processes should be clear and straightforward for local governments and homeowners. Simpler is better.● State agency educational resources and guidance should reinforce and provide the tools to implement ADU by-right approval processes at the county and municipal levels.● The Task Force and/or state agencies should compile and create guidance, including a flow chart, on by-right standards and approval processes for ADUs on properties zoned for single family residential uses that is sensitive to the community and neighborhood context. <p>Best Practices</p> <ul style="list-style-type: none">● Where other zoning regulations already apply, such as in Critical Areas and historic preservation districts, SPEX criteria are not necessary because ADU by-right uses must still conform with those requirements. Policy and ordinances should not overregulate and create unnecessary redundancies.● SPEX approval of ADUs is best limited to neighborhoods or zoning districts in which a jurisdiction has a clear objective, as detailed in and consistent with a master or subarea plan, for neighborhood | |
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| | | <p>preservation and/or environmental preservation. Examples include historic districts or those with documented and measurable constraints such as steep slopes or natural resources.</p> <ul style="list-style-type: none">• To encourage ADU development, jurisdictions should, at a minimum...<ul style="list-style-type: none">○ Permit one internal or attached ADU by-right on any lot in which a single-family residential unit is similarly permitted by-right.○ Permit detached ADUs by-right on any lot in which a single-family residential unit is similarly permitted by-right, but with additional conditions to ensure that the massing of ADU is subordinate to that of the primary dwelling unit.• Objective conditions for local approval of ADUs should address measurable requirements such as massing, entrance locations, connections to public utilities, and square footage. They should not include subjective criteria such as neighborhood compatibility, adverse impacts, or consistency with a comprehensive plan.• When developing ADU use and approval processes for zoning districts and/or neighborhoods, jurisdictions should consider existing residential unit types, proximity to transit, off-street parking availability, water and sewer infrastructure availability and capacity, environmental constraints, and impervious land cover.<ul style="list-style-type: none">○ In zoning districts and/or neighborhoods that permit or include single family attached units, jurisdictions should consider by-right permitting of only internal ADUs or those that involve the conversion of an existing accessory structure.○ In zoning districts and/or neighborhoods that permit or include single family duplex and/or triplex units, jurisdictions should consider by-right permitting of only internal ADUs or those that involve the conversion of an existing accessory structure or existing attachment.○ In zoning districts and/or neighborhoods that permit only single family detached units, jurisdictions should consider by-right permitting of all ADU types. | |
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| | | <ul style="list-style-type: none"> ○ In zoning districts and/or neighborhoods within one-half mile of a transit station, jurisdictions should consider permitting one internal, attached, or existing accessory structure conversion ADU by-right without the requirement of an additional off-street parking spot. ○ In zoning districts and/or neighborhoods in which a jurisdiction is concerned about the existing availability of on-street parking, jurisdictions should consider the requirement of one off-street parking spot for every ADU as part of a by-right approval process. ○ In areas with limited or unavailable public water and sewer infrastructure or capacity, jurisdictions should consider permitting ADUs with the condition that there is sufficient capacity to meet the demand of the new residential unit. ○ In zoning districts and/or areas with steep slopes, critical areas, wetlands, floodplains, or comparable environmental constraints, jurisdictions should consider conditioning ADU approval upon adherence to ordinances governing the protection of the environment and public health and safety. ○ In zoning districts and/or neighborhoods for which jurisdictions do not want to increase impervious surface cover, jurisdictions should consider permitting only internal or attached ADUs, or the conversion of an existing accessory structure into an ADU, by-right. | |
| 12/19/23 | Lot requirements | <p>Note: Clear preference for using lot requirements of underlying zoning and principal dwelling to govern those for ADUs</p> <p>Recommendations For Local Governments</p> <ul style="list-style-type: none"> • To encourage property owners to develop ADUs, zoning ordinance lot requirements (lot size, density, unit size, lot coverage, setbacks, height) should be simple, standardized, and... | |

- apply the same lot requirements for ADUs as those that apply to the principal dwelling unit in the same zoning district.
- treat ADUs as an accessory use to a dwelling, just as they would a garage, and not impose more restrictive lot requirement standards specific to ADU uses.
- as appropriate allow more permissive lot requirements for ADUs, sensitive to neighborhood context and environmental constraints, such as those reducing setback or impervious surface requirements.
- Zoning ordinances should remove ADUs from density calculations for residential zoning districts.
- Zoning ordinances should delegate minimum ADU size to building code requirements and establish maximum ADU size to ensure subordination to the principal dwelling and that the ADU remains affordable.

Recommendations For State Government

- State ADU guidance and policy related to lot requirements should be clear and straightforward for local governments and homeowners. Simpler is better.
- State agency educational resources should establish appropriate maximum ADU unit size calculation guidelines and examples tailored to the lot and unit size of the principal dwelling and/or zoning district, such as those based on a maximum percentage of the size of the principal dwelling.
- The Task Force and/or state agencies should compile a checklist of lot requirement criteria and options which Maryland jurisdictions could use for local deliberations and decision making regarding ADU ordinances. The checklist should address ADU ordinance options for topics such as...
 - type of neighborhood (revitalization area, stable established neighborhood, growth area, etc.)

- existing accessory structure regulations.
- access and connection to, as well as capacity of, public utilities.
- existing lot requirements (lot size, density, unit size, lot coverage, setbacks, height).
- average size of existing residential units

Best Practices

- Lot requirements for ADUs should be the same as those for a principal dwelling in the zoning district in which they are to be constructed. Homeowners, as well as local planning and zoning staff, should be able to readily understand lot requirements for ADUs.
- The creation of internal ADUs or conversion of existing accessory structures into ADUs should not require consideration of lot requirements, as they do not impact building massing on a property.
- Zoning ordinances should explicitly state that ADUs are not included in residential unit density calculations. Inclusion of ADUs in density calculations may prohibit or preclude their development in existing neighborhoods or limit overall unit production in new residential developments. Exceptions to this practice should be considered when...
 - increased density may stress water and sewer capacity in areas or zoning districts served by public water and sewer.
 - increased density on a property served by well and septic conflicts with local health department regulations.
- When developing ADU lot requirements for zoning districts and/or neighborhoods, jurisdictions should consider existing minimum lot sizes, local objectives regarding lot coverage, and to encourage ADU affordability for renters.
 - In zoning districts and/or neighborhoods with small minimum lot sizes and for which a jurisdiction does not want to increase impervious surface cover, jurisdictions should consider only permitting internal ADUs or those involving the conversion of an existing accessory structure or attachment to a principal structure.

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| | | <ul style="list-style-type: none"> ○ In zoning districts and/or neighborhoods with medium to larger minimum lot sizes, jurisdictions should consider setting maximum detached ADU sizes to preserve pervious surface cover, maintain ADU subordination to the principal structure, and support ADU affordability. ○ In zoning districts and/or neighborhoods with the largest minimum lot sizes, jurisdictions should consider permitting larger ADU sizes while maintaining subordination to the principal structure and ensuring ADUs are small enough to support ADU affordability. | |
| 1/16/24 | ADU Design, Building Codes | <p><i>Note: Clear recognition that design, accessibility, and safety objectives should be considered in ADU requirements. However, they should not be so overly restrictive or prescriptive as to hinder construction or unit affordability.</i></p> <p>Recommendations For Local Governments</p> <ul style="list-style-type: none"> ● Any design requirements applied to ADUs should be approved ministerially. ● To ease property owner ADU construction and preserve unit affordability, zoning ordinance design requirements for ADUs should be simple and... <ul style="list-style-type: none"> ○ no more restrictive than those for the primary structure. ○ not prescribe building materials or architectural finishing. ○ not so burdensome as to require a property owner to hire an architect. ○ consider relying solely on building code requirements to govern ADU design. ● Local governments should develop incentives, public education, partnerships, and technical assistance to encourage development of ADUs as an affordable residential product. Examples include... <ul style="list-style-type: none"> ○ educational materials describing what ADUs are and how property owners can construct them. | |

- dedicated office or staff to answer ADU questions.
- guidance for navigating restrictive covenant requirements.
- pre-approved ADU building plans.
- partnering with non-profits or other housing organizations to help ease the cost and development process for homeowners.
- As part of any new or modified ADU ordinance, jurisdictions should establish amnesty programs, through which participating owners agree to fix some or all building code violations in exchange for explicit permission to continue renting an existing ADU.
- ADU ordinances should not
 - limit ADUs to one bedroom.
 - withhold ADU permits based solely on design requirements.
 - require and/or deny an ADU permit based on the failure to correct non-conforming structure(s) on the property.

Recommendations For State Government

- Develop resources which local governments, developers, and homeowners' associations can use for restrictive covenant decision making.
- To craft an approach that balances ADU design and affordability in Maryland's established communities, the state should consult with the Maryland Historical Trust when establishing design guidelines, resources, and best practices.
- Encourage flexibility in state mandates, such as sprinkler and accessibility requirements, for ADUs. ADU construction should not trigger such requirements if they are not currently applied to the primary structure. Rather, the state should develop resources and incentives to encourage these enhancements rather than mandate them.

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| | | <ul style="list-style-type: none"> • Conduct additional research on and develop resources and guidance for tiny home construction and permitting, including tiny homes on wheels. • Partner with MDHousingSearch.org and other statewide, regional, and local organizations to market ADU rental units. <p>Best Practices</p> <ul style="list-style-type: none"> • Jurisdictions that want to encourage ADUs as a viable and affordable housing product must do more than ease zoning ordinance requirements. Proactive measures include... <ul style="list-style-type: none"> ○ pre-approved ADU building plans that encourage affordability, accessibility, and energy efficiency. ○ grants or low-interest loans to help homeowners build ADUs. ○ partnerships with non-profits or other housing organizations to provide design support and/or funding for homeowners. ○ ADU feasibility and assessment tools ○ Permitting ADU design and construction as eligible expenses in existing home repair loan programs. ○ ADU amnesty programs. • Balancing ADU affordability and accessibility requires sensitivity to lot characteristics. Larger lots and larger ADUs are best suited to the construction of accessible units, while ADUs on smaller lots may be discouraged and/or less affordable by the application of overly restrictive accessibility requirements. • To encourage ADUs as a viable housing product, restrictive covenants that prescribe design requirements and density limitations on individual lots should be avoided. | |
| 2/20/24 | Parking, Community Facilities, | | |

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| | Code Enforcement | | |
| 3/19/24 | Utilities and Fees, Affordability | | |
| 4/16/24 | Housing Market Analysis | | |

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