

MEMORANDUM

TO: Ordinance Revisions Committee
FROM: Washtenaw County Office of Community and Economic Development Staff
DATE: November 23, 2015
SUBJECT: Revisiting Accessory Dwelling Units, potential for text amendments.

Background

Ann Arbor's Planning Commission considered adding Accessory Dwelling Unit (ADU) zoning amendments in 2001-2002. Since that time, the housing market went through a boom, bust and recovery. The 2015 [Housing Affordability and Economic Equity Analysis](#) documented increasing housing costs in Ann Arbor in particular, which were pricing out moderate income and working families as well as young adults and seniors.

One of the recommendations in the study was to consider Accessory Dwelling Units with the lens of adding additional housing units, while also providing some income to existing home-owners which could help existing residents stay in their homes.

During 2015, the City budgeted funds for the Planning Commission to again research and recommend zoning amendments that would accommodate ADUs. The Planning commission also included it in their current annual work plan. With the recent retirement of the Planning Manager, it was suggested that the Washtenaw County Office of Community and Economic Development, provide support to the ADU project.

Purpose and Goal of text revision

As a recommendation of the approved Housing Affordability and Economic Equity Analysis, the intent for revising the accessory apartment ordinance text is to increase residential housing stock by enabling development of a new housing product. ADUs also meet several of the City's Sustainability Goals by supporting environmentally-conscious housing options with less average space per person and smaller associated carbon footprints. To meet these goals, text amendments will be needed to effectively remove barriers for home-owners to develop an accessory unit.

Existing Ordinance and usage rates

The current ordinance allows for one accessory apartment as a ***special exemption*** under the circumstances listed in Section 5:10.2(3)(e) Accessory Apartments in the following districts: R1A, R1B, R1C, R1D and R2A. Since its adoption in 2002, two accessory apartments have been applied for and approved.

Current requirements as listed in Section 5:10.2(3)(e) are listed on the left:

Requirements	Staff comments and/or suggestions
1. The owner of the dwelling in which the accessory apartment is created shall occupy 1 of the dwelling units, except for temporary absences.	Maintain ability of owner to live in either unit.
2. The accessory apartment shall be designed so that the appearance of the building remains that of a 1-family residence. Any new entrances shall be located on the side or in the rear of the building and any additions shall not increase the square footage of the original house by more than 10%.	Newly constructed single-family units are limited to 2,000 sf in the R1E district, so any addition would not be able to exceed 200 sf. We may want to see if 3, below, is enough of limitation.
3. The accessory apartment shall not exceed 25% of the entire floor area of the structure, nor shall it be greater than 600 square feet in gross floor area.	May need to review along with lot/setback regulations.
4. The dwelling to which an accessory apartment is to be added must be owner-occupied and have been owner-occupied by the current owner for the 12 calendar months preceding the date of application.	Maintain owner-occupied requirement but look to comparable communities for ideas on implementing and tracking status.
5. No rent shall be paid for the accessory apartment.	AARP, among others, has noted that allowing for rent allows seniors and others with limited or fixed incomes to maintain home-ownership. This element should be considered in light of the overall goals for accessory apartments.
6. The accessory apartment shall be occupied only by persons related by blood, marriage or adoption to the family occupying the principal dwelling or by not more than 2 employees not related to the family occupying the principal dwelling.	This element should be considered in light of the overall goals for accessory apartments especially if goal is to provide increased and diversified housing stock.
7. Accessory buildings may not be converted for accessory apartment use.	May want to reconsider this and allow accessory apartments in existing accessory buildings.
8. The total number of persons residing in the	Compare with comparable communities

building shall not exceed the occupancy permitted by section 5:7	
9. At least 3 off-street parking spaces shall be provided for the dwelling and accessory apartment.	Ordinance requires 1 space per dwelling unit for 1 family dwelling. Consider reverting to this standard or removing parking space requirement for ADUs entirely.
Special exemption	Special exemption requirement increases just the application cost by approximately \$1,750. This cost is considered one of the main barriers to development of accessory apartments.

Confirming approach for revisions: Use vs. District

Some communities, [Minneapolis](#) in particular, have focused their ordinance changes on single and two family uses, rather than single and two-family districts. This allows for city-wide application of accessory units in single and two family structures, without geographic limitation.

Ann Arbor’s Ordinance currently applies only to single-family structures in particular districts. Preliminary staff discussion has been on removing some of the known barriers, but maintaining a district approach.

Proposed focus of revisions – Review best practice literature and experience in comparable communities including: Seattle, Boulder, Madison, Grand Rapids, Santa Cruz, Berkeley, Eugene, Minneapolis, Traverse City and related groups including the American Planning Association (APA), and the American Association of Retired Persons (AARP) to remove existing cost and time barriers in existing ordinance considering these changes:

- Remove special exemption requirement, allowing for accessory dwellings by-right
- Allow owners to receive rent and remove requirement that occupants be family members
- Consider viability of detached accessory apartments based on experiences in other communities, including those allowing them as tiny houses
- Review related parking and engineering standards.

Proposed work plan/timeframe

November/December

- Review 2001-2002 proposal, update background materials and find relevant examples, data from other comparable communities (potentially with intern support)
- Meet with the Planning Commissions Ordinance Revisions Committee (ORC) to develop a project plan and outreach plan for the process including relating memo and documentation
- Create options related to various zoning districts, definition and application that can be tested with the ORC and the public as part of the outreach efforts.

- In coordination with planning department liaison, work through elements of project and outreach plan to development recommended ordinance language.

January/February

- Follow public participation plan, providing for at least one large public meeting as well as a variety of coffee sessions for drop-in conversations, potential on-line survey, as determined in public outreach plan.

March/April

- Present draft language to ORC/Planning Commission
- Consider strategy for grandfathering illegal ADUs if a concern of staff and ORC

May

- Present draft language to City Council