



PREPARED FOR THE PLAN COMMISSION

Proposal: Zoning Text Amendment

Legistar File ID #: [81952](#) (Missing Middle Accessory Dwelling Units)

Prepared By: Zoning and Planning Staff

[81952](#) – Currently an Accessory Dwelling Unit (ADU) may be constructed as a permitted use on owner-occupied single-family property citywide and on owner-occupied single- or two-family property in the Transit Oriented Development (TOD) overlay district. This ordinance will allow an accessory dwelling unit to be constructed on a lot containing a building with up to 8 dwelling units, buildings which are sometimes referred to as “missing middle” housing. The ordinance also eliminates the owner occupancy requirement for all ADU properties.

Across the country over the past several years, municipalities have been creating pathways for the construction of ADUs. The City of Madison has made a number of Zoning Code amendments to allow modest density increases at existing buildings and sites. Regarding ADUs, they have been allowed on properties with owner-occupied single-family dwellings since 2012. In 2021, the City’s Zoning Code was revised to allow ADUs to be developed as permitted uses on single-family properties, without Conditional Use consideration. With last year’s adoption of the Transit Overlay District (TOD), ADUs rules were expanded to also allow their construction on two-family dwelling properties. Since 2012, approximately 32 ADUs have been built or are under construction.

ADUs can be either *detached* – constructed as all or part of a separate building on the same property, or *attached* - constructed as an additional dwelling unit within an existing building. Madison’s code limits ADUs to a maximum size of 900 square feet and no more than two bedrooms.

ADUs, regardless of their form, are expensive to construct, with a detached unit commonly costing between \$200,000 and \$300,000 today. Among staff’s observations is that adding dwelling units to existing buildings that create three or more units is cost prohibitive due to additional building code requirements that are triggered. Further, when adding a unit to an existing building, at least one unit in the building must be made an accessible unit, and the entire building needs to be sprinklered. However, a new detached accessory dwelling unit at a property containing a multifamily building would only need to comply with the one- and two-family building code, which does not require accessibility or sprinklers. Allowing ADUs at small multi-family, missing middle properties may result in more ADUs being built because existing multi-family property owners may have the equity to construct and maintain ADUs.

In regards to removing the owner occupancy requirement, very few properties with buildings of three or more units are owner occupied. As such, maintaining an owner-occupancy requirement would be anticipated to result in very few, if any, additional ADUs being built for 3-plus-unit buildings. Staff further anticipate that removing the owner-occupancy requirement would also lessen other Zoning barriers to construction of additional ADUs.

Staff supports this amendment.