## PLANNING DIVISION STAFF REPORT

November 2, 2021

## PREPARED FOR THE PLAN COMMISSION



Proposal:	Zoning Text Amendment	
Legistar File ID #:	68079 Accessory Dwelling Units, Accessory Structure Size	
Prepared By:	Planning and Zoning Staff	

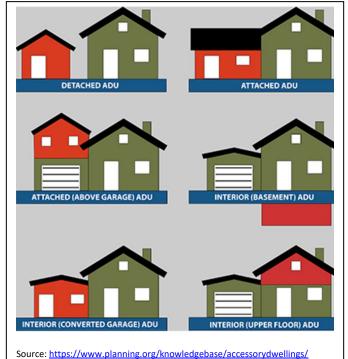
<u>68079</u> – This amendment eases the permitting process for accessory dwelling units (ADUs), most notably by making them permitted uses in all zoning districts where single-family homes are allowed. The amendment also allows for more design and construction flexibility by changing parameters for ADUs in the following ways:

- Increases allowable size (livable square footage) from 700 to 900 square feet, while adding a new maximum of two (2) bedrooms
- Removes the current limitation that a *detached* ADU must be in a building smaller in size than the principal single-family home on the property

• Removes suggested design guidelines for ADUs relative to the property's principal single-family home This amendment also increases the permitted use allowable size (footprint) for detached accessory structures on a lot, and no longer limits the size of the accessory structure based on the lot size or zoning district. Further detail on the changes is provided in Table 1 on page 3.

Allowing and easing the creation of ADUs is one important way for growing cities to support more housing options in lower-density residential areas where single-family detached homes are often the predominant land use. While still a low-density housing option, ADUs can slightly increase the efficiency of land consumption and rely on existing public infrastructure, rather than necessitating new streets and utilities associated with new subdivisions.

As shown in this helpful graphic from the American Planning Association, ADUs can be either detached constructed as all or part of a separate building on the same property, or internal - constructed as a second dwelling unit within an existing home. A wide variety of ADUs are being constructed in many cities across the U.S., and gradually, regulations related to ADUs are relaxing in some cities. For property owners, construction of an ADU can be an expensive investment. However, ADUs can provide many options over the course of time to support extended or growing families and/or as on-site rental units to support other income. Further, they can function as the next housing option for individuals or smaller households who may want to live in the ADU in the future and rent out the home they own on the site. Generally, ADUs can be one more piece of the solution to the need for more housing, and can provide more housing choices for a variety of smaller households.



Mayor Rhodes-Conway's <u>Housing Forward Initiative</u> (2021), the <u>City of Madison's Comprehensive Plan</u> (2018), the <u>Analysis of Impediments to Fair Housing Choice</u> (2019), and <u>Equitable Development Report</u> (2019)

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recommend easing regulations related to ADUs in order to promote more of them. In Madison, properties with single-family homes comprise approximately 17 square miles, or one-fourth of the City's total land area outside of streets and rights of way. With just over 48,000 single-family homes across the city, opportunities for incorporating more housing in these areas are quite limited. Allowance and encouragement for the creation of ADUs, whether an *internal* ADU or a *detached* ADU is one way cities can provide more long-term housing choices in areas where more significant redevelopment is unlikely to occur in the near future.

ADUs in Madison are not new, although since they were first made allowable in 2013, there have been fewer than 25 approved, with roughly half moving forward into construction. The vast majority of the approved and constructed ADUs have been in detached accessory structures, with only one known example of an internal ADU moving forward thus far. ADUs, both internal and detached, have been allowable on properties with single-family homes in a wide variety of zoning districts, but only as a *conditional use*, individually reviewed and approved by the City's Plan Commission following a public hearing, and only if they meet certain supplemental regulations. Anecdotally, while the high cost of construction, particularly for detached ADUs, likely remains the most significant barrier, the process to obtain conditional use approval for an ADU is another meaningful barrier to their creation due to the additional time and cost involved, as well as the risk regarding unknown outcomes.

The most significant aspect of this ordinance amendment is that, if adopted, ADUs would become a *permitted use* in all zoning districts where single-family homes are allowed. This means that both internal and detached ADUs could be constructed "by right", absent review by the City's Plan Commission, but they would still need to meet many of the same supplemental regulations in place since 2013. As is the case now, in order for an ADU to be approved, the property owner would need to live on the property, either in the single-family home on the property or in the ADU itself for at least 6 months of each year, and this provision would run with the property for the longer term. ADUs, whether internal or detached, would need a separate entrance, kitchen, and bathroom from the main single-family home. Detached ADUs would need separate water and sewer lines, and would need to be connected to the street by the driveway or a sidewalk. No changes are recommended to the property lines for detached ADUs.

In order to promote more flexibility in the design approach for detached ADUs, the recommended ordinance amendment removes a series of suggested design guidelines that encourage architectural details to match the single-family home on the property. The amendment also increases and simplifies a few of the current limitations related to the size of ADUs and accessory structures in general. The living space for an ADU is increased from 700 to 900 square feet, and is no longer limited by the size of the single-family home. Notably, the amendment removes size thresholds for all accessory structures relative to the underlying lot size or zoning district. Instead of the current multi-layered set of restrictions, which would surely maintain the need for conditional use approval for many ADUs (e.g. any accessory structure over 576 or 800 square feet requires conditional use approval,) the amendment simplifies this down to just one of the existing thresholds, still requiring that conditional use approval would be needed if the sum total footprint of all accessory buildings on a property exceed 1,000 square feet. This simplification is an important piece of truly removing the conditional use process for many ADUs. While it may result in larger accessory structures moving forward as permitted uses on small lots, it is important to keep in mind that lot coverage maximums and usable open space requirements are still in place to help limit the size of accessory buildings, especially on small lots.

Table 1 on the following page summarizes all of the proposed changes impacting ADUs and accessory structures in Madison:

		Proposed Regulations
Where Allowed	Internal or Detached ADUs may be constructed on properties with a Single-Family Home in the Residential, Commercial & Mixed- Use, and Downtown Zoning Districts.	The Agriculture District has been added to the list of allowable zoning districts, because single-family homes are an allowed use in the district.
Permitting Process	Must obtain <i>conditional use</i> approval by the Plan Commission following a public hearing, followed by staff approval prior to obtaining building permits.	Would become a <i>permitted use</i> , subject to administrative approval by staff prior to obtaining building permits.
# of ADUs	One (1) ADU (whether internal or detached) is allowed per property.	No Change
Occupancy Parameters	Property owner must live in either the single-family home or the ADU for at least six months of each year.	No Change
	ADU can be utilized by 1 family or 2 unrelated individuals, and can be leased like any rented apartment/home for 30-days or more.	No Change
	Rules related to Tourist Rooming Houses (TRHs - short term rentals, such as Airbnb) apply to ADUs.	No Change
Size of ADU & Accessory Structures	Maximum livable area of the ADU is the lesser of 700 square feet or 75% of the size of the single-family home on the property.	Maximum livable area of the ADU would increase to 900 square feet, with a new maximum of 2 bedrooms.
	Any accessory structure exceeding 800 sq. ft. in the SR Districts or exceeding 576 sq. ft. in the TR Districts must have conditional use approval.	These size thresholds have been removed.
	Absent conditional use approval, maximum sum total of the footprint of all accessory structures is 10% of the lot area and/or 1,000 square feet.	Absent conditional use approval, maximum sum total of the footprint of all accessory structures is 1,000 square feet. 10% threshold has been removed.
	Lot coverage and usable open space requirements will practically limit the building footprint for detached ADUs and other accessory structures, particularly on small lots.	No Change
	Maximum height for a detached ADU is 25 feet. Maximum height for other detached accessory structures is 15 feet.	No Change
Building Placement	Unless otherwise specified in a zoning district, detached ADUs or other accessory structures may be placed as close as three (3) feet from other buildings on the property and from side and rear property lines.	No Change
Design Guidelines	Suggested (though not required) to match the materials, colors, architectural details of the single-family home on the property.	Design suggestions/guidelines have been removed.

The proposed changes will hopefully lead to the creation of more ADUs in Madison in the coming years through a combination of a more predictable permitting process and greater design flexibility, all while maintaining many of the supplemental requirements currently in place. The cost for design and construction remain as significant considerations, but this change to the regulatory framework is an important next step toward support for ADUs to expand housing choice in Madison.

Staff supports this amendment.