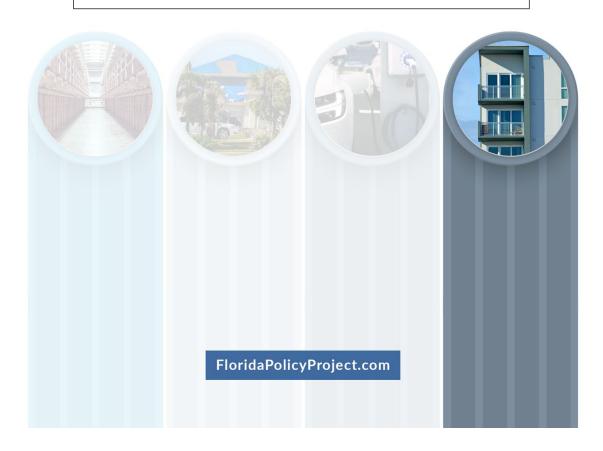


BEST PRACTICES, BETTER OUTCOMES

HOUSING AFFORDABILITY

Best Practice: Allow Accessory Dwelling Units



Best Practice: Allow Accessory Dwelling Units

Policy Objective:

To increase the supply of housing through add-on secondary dwelling units.

Policy Mechanism:

Allow owners of single-family houses on individual parcels to add one or more independent housing units on their property.

What is an Accessory Dwelling Unit (ADU)?

ADUs are secondary residences with their own "kitchen, bathroom, and sleeping area" that can either share the same building (e.g., basement or connected garage) or in a second permanent structure on the same lot.¹

Unlike a duplex, where two equal units coexist within the same structure, ADUs are smaller and more compact. Typically, ADUs are studio apartments—one room functioning as a bedroom and living space with a bathroom and small kitchen—or one-bedroom apartments.

Traditionally, ADUs have served as a way to provide affordable independent living for family members. Often these secondary units operate as rentals for property owners. On a practical level, ADUs have offered an important source of neighborhood stability by providing an earned-income revenue stream for families living in the larger house. ADUs can take on multiple housing styles, allowing for varying price points, degrees of privacy, and integration into a block or neighborhood.

ADUs typically have their own kitchen, sleeping area (which may also serve as a living area), and private entrance. Although individuals would have to build these accessory dwellings themselves, the opportunity for extra income is what makes these ADUs so attractive. Figure 5 shows an ADU apartment over a stand-alone garage structure. This property contains a primary residence and a secondary ADU as separate buildings.

Fortunately, ADU structures can be designed in ways that complement the preexisting style of the community. However, this is not always the case. A bungalow community of single-family houses, for example, may be concerned about the spread of smaller, isolated, single units disrupting the design and feel of the neighborhood. Occupants of ADUs should have shared use of critical infrastructure, such as: on-street parking and/or driveways. Because of this, an ADU has the potential to add more vehicles to a lot and increase overall traffic counts. But given that ADUs are smaller units, these impacts tend to be

¹ Florida Housing Coalition, "Accessory Dwelling Unit Guidebook," *Florida Housing Coalition*, accessed May 19, 2023, https://flhousing.org/wp-content/uploads/2019/08/ADU-Guidebook.pdf.

negligible. Nevertheless, the move to higher densities, regardless of the incremental nature, can draw concerns about population growth.

Population growth is why accessory dwelling units (ADUs) are popular among states experiencing severe housing shortages. Spanning coast to coast, states have started to legalize adding small secondary residences on single family lots. Back in 2016, California, well known for decades of unaffordable rent prices, passed legislation that legalized ADUs statewide. Soon after the reform, California responded by permitting approximately 60,000 units. In recent years, Maine, Connecticut, Oregon, New Hampshire, Utah, Vermont, and Washington have all embraced ADU legislation to allow for more housing infill on single family lots. 4

Examples

Orlando, Florida: ADUs are allowed in all single-family residential districts, mixed use and office districts. To obtain an ADU in a residential district, the lot size has to be a minimum of 5,500 square feet. Also, the ADU should be 50% or smaller than the size of the main residence and should not be any larger than 1,000 square feet. Additional off-street parking is only needed for ADUs over 500 square feet.

<u>Portland, Oregon</u>: With over half a million residents, Portland has adopted an ADU program. Oregon allows ADUs on single family lots as long as they are smaller than the primary residence. ADUs that satisfy this standard do not require a land use review and are permitted by right. No additional parking is required. ADUs have increased the housing supply and created a more affordable housing option in Portland. The ADU initiative received mostly positive feedback from residents.

<u>Barnstable</u>, <u>Massachusetts</u>: The city of Barnstable sought to create ADUs on certain single-family parcels as well as multifamily properties to help with housing affordability. The city offered tax relief to property owners upgrading ADUs and bringing the units up to code.⁷ Participating landlords were offered fee waivers from any inspections or unit monitoring if they rented to low-income tenants for at least one year.8

8 Ibid.

 $^{^2}$ M. Nolan Gray, "The Housing Revolution is Coming," *The Atlantic*, October 2, 2022, last accessed online May 11, 2023

³ Anthony Flint, "A State-by-State Guide to Zoning Reform," *LILP*, December 23, 2022, https://www.lincolninst.edu/publications/articles/2022-12-state-by-state-guide-to-zoning-reform.

⁴ Emily Hamilton, "The Role of ADUs in Easing America's Housing Crisis," Governing April 3, 2023.

⁵ Florida Housing Coalition, *Accessory Dwelling Unit Guidebook*, Florida Housing Coalition, n.d. Accessed April 28, 2023. https://www.flhousing.org/wp-content/uploads/2019/08/ADU-Guidebook.pdf.

⁶ See U.S. Department of Housing and Urban Development Office of Policy Development and Research, "Accessory Dwelling Units: Case Study" 2008 https://www.huduser.gov/portal/publications/adu.pdf

⁷ Ibid