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# Guidance for Accessor Dwelling Units in Washington State

GROWTH MANAGEMENT SERVICES

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Also, many of the examples are from current municipal codes which may not yet be consistent with the provisions of HB 1337.

#### **Reviewers**

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#### Disclaimer

This publication offers guidance for Washington local governments in implementing HB 1337 (laws of 2023) and encourages the creation of new accessory dwelling units (ADUs). It does not constitute legal advice, and is not a substitute for the legal advice of an attorney. Users of this publication should contact their own legal counsel regarding their legal rights or any other legal issue.

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## Introduction

Allowing more accessory dwelling units (ADUs) encourages housing construction and increases the overall supply and variety of housing options, helping address the challenges posed statewide by insufficient housing.

The Washington State Department of Commerce (Commerce) presents this publication as an update to the agency's 1994 guidance to assist local governments in implementing the requirement to allow more ADUs. The objective is to provide information on the requirements, local policy choices, and examples of approaches for consideration by cities, towns, and counties, in accordance with the bill. This guidance is structured into the following sections:

- Requirements for cities and other urban areas.
- · Recommendations for cities and other urban areas.
- Key considerations for counties (rural and resource lands).
- Other programmatic elements to consider.

This document provides detail on the state law and local policy choices. Please note that throughout this document quoted state laws are **bolded**.

HB 1337, passed in 2023 and codified at RCW 36.70A.680, 681 and 696, requires jurisdictions to allow two ADUs per lot within urban growth areas (UGAs) by six months after the next periodic update due date (see map below). The periodic update date is when a review and update of comprehensive plans and regulations must be adopted. Six months later, ADUs must be allowed according to this guidance, or local regulations are superseded by this law .Partially planning counties (with stars) are not required to follow the statute, but may choose to allow ADUs according to their own rules.



\* Starred counties are partially planning under the Growth Management Act

#### **Benefits of ADUs**

Construction of new ADUs has many benefits, including to:

- Add to the diversity of housing options.
- Provide a housing type that blends in well with existing low density residential neighborhoods.
- Cater to our state's changing demographics, including more seniors and smaller household sizes.
- Provide housing that is typically more affordable than traditional detached single-family homes.
- Add housing units without expanding urban growth areas.
- Correct historic economic and racial exclusion by opening up single-family neighborhoods to more diverse housing and household types.
- Reduce climate impacts because ADUs tend to be smaller and use less energy than traditional single-family homes.
- Use existing infrastructure such as sewer, water and streets.

For these reasons, ADUs can be an effective and "gentle" way of helping to accommodate the state's growing population.

## **Definitions**

Local governments should review their development regulation definitions to ensure consistency with <u>RCW</u> 36.70A.696, as amended. This will help facilitate consistent implementation of these requirements and reduce the need for interpretation due to missing or outdated definitions.

#### **Accessory Dwelling Unit (ADU)**

A dwelling unit located on the same lot as a singlefamily housing unit, duplex, triplex, townhome or other housing unit.

#### **Attached ADU**

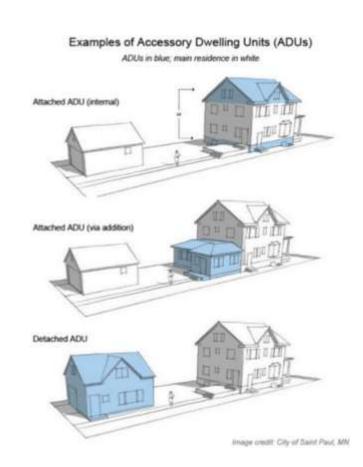
An ADU located within or attached to a single-family housing unit, duplex, triplex, townhome, or other housing unit.

#### **Detached ADU**

An ADU that consists partly or entirely of a building that is separate and detached from a single-family housing unit, duplex, triplex, townhome or other housing unit and is on the same property.

#### **Dwelling Unit**

A residential living unit that provides complete independent living facilities for one or more persons and that includes permanent provisions for living, sleeping, eating, cooking and sanitation.







Basement attached ADU example, with attached ADU entrance on the side of the structure. Credit: Steve Butler.

## Legal History of ADU Policy in Washington State

As required by the 1993 Washington Housing Policy Act, Commerce made recommendations to encourage development and placement of ADUs, published in 1994 as the <u>Model ADU Ordinance Recommendations</u>. The Act required cities of over 20,000 population and counties of over 125,000 population, planning under the Growth Management Act to incorporate the Commerce recommendations into their zoning and development regulations. To allow local flexibility, the recommendations were subject to local regulations, conditions, procedures, and limitations.

In 2019, the state Legislature found that Washington State had a housing affordability crisis and sought to promote and encourage the creation of ADUs. Commerce offered a grant program¹ to encourage cities to adopt regulations to increase housing supply, including to: (1) authorize ADUs in one or more zoning district in which they are currently prohibited; (2) remove minimum parking requirements; (3) remove owner occupancy requirements; (4) adopt new square footage requirements that are less restrictive than existing requirements; and (5) develop a local program that offers homeowners a combination of financing, design, permitting or construction support to build ADUs.²

In 2020, the legislature adopted restrictions on how much off-street parking local governments could require for ADUs near transit stops. As a result, cities that fully plan under the GMA could not require off-street parking for ADUs within a quarter mile of a major transit stop, with certain limited exceptions.<sup>3</sup>

In 2021, the legislature amended RCW 36.70A.070(2)<sup>4</sup> to require all cities and counties that fully plan under the GMA to "consider the role of accessory dwelling units in meeting housing needs." In addition, Section 7 of the bill stated that cities and counties "should consider" certain policies to encourage the construction of ADUs. Governor Jay Inslee vetoed this section because it did not specifically limit the policies to lands within urban

<sup>&</sup>lt;sup>1</sup> This is codified in RCW 36.70A.600.

<sup>&</sup>lt;sup>2</sup> RCW 36.70A.600(1)(n), (o), (p), (q) and (x), passed in 2019, and updated in 2020 to this current list of options.

<sup>&</sup>lt;sup>3</sup> RCW 36.70A.698

<sup>&</sup>lt;sup>4</sup> See <u>HB 1220.</u>

growth areas. The Governor's veto illustrates a fundamental point: While there is little doubt that local governments should encourage ADUs in cities and UGAs, very different considerations come into play with respect to county rural and resource lands.

In 2023, <u>HB 1337</u> amended RCW 36.70A to add significant changes to local government roles for regulating ADUs. Within urban growth areas, cities and counties:

- Must allow two ADUs per residential lot. They may be attached, detached, or a combination of both, or may be conversions of existing structures.
- May not require the owner to occupy the property, and may not prohibit sale as independent units.
- May not charge more than 50% of impact fees charged for the principal unit.
- Must allow an ADU of at least 1,000 square feet and must adjust zoning to be consistent with the bill for things such as height, setbacks, and other regulations.
- Must set consistent parking requirements based on distance from transit and lot size.

If a city or county does not amend its rules to be consistent with the law, the statute will "supersede, preempt and invalidate any conflicting local development regulations."

#### Other new provisions in HB 1337

- Actions taken by a city or county to comply with new requirements are exempt from legal challenge under GMA or SEPA.<sup>6</sup>
- Cities and counties are not required to authorize the construction of an ADU where development is
  restricted under rules as a result of physical proximity to on-site sewage system infrastructure, critical
  areas, or other unsuitable physical characteristics of a property.<sup>7</sup>
- Cities and counties may restrict the use of ADUs for short term rentals.<sup>8</sup>
- Cities and counties may apply public health, safety, building code, and environmental permitting requirements to an ADU that would be applicable to the principal unit, including regulations to protect ground and surface waters from on-site wastewater.<sup>9</sup>
- ADUs are not required to be allowed on lots with critical areas, or around SeaTac airport.<sup>10</sup>
- Local governments are protected from civil liability if they issue a permit for an ADU on a lot with a covenant or deed restricting ADUs.<sup>11</sup>

<sup>&</sup>lt;sup>5</sup> RCW 36.70A.680(1)(b), RCW 36.70A.697(2)

<sup>&</sup>lt;sup>6</sup> RCW 36.70A.680(3)

<sup>&</sup>lt;sup>7</sup> RCW 36.70A.680(4)

<sup>8</sup> RCW 36.70A.680(5)

<sup>&</sup>lt;sup>9</sup> RCW 36.70A.680(5)

<sup>&</sup>lt;sup>10</sup> RCW 36.70A.681(2) and (4)

<sup>&</sup>lt;sup>11</sup> RCW 64.34.120(3)



Detached ADU/"Carriage House" in Portland. Credit: Radcliffe Dacannay, Radworld (Creative Commons).

## Requirements for cities and urban growth areas

## 1. Allow two ADUs per lot

Allowing ADUs in residential neighborhoods creates additional housing options and gives homeowners greater flexibility by providing rental income or a place for they or their family members to age in place.

#### State law

Within urban growth areas, cities and counties must allow two ADUs on all lots in zoning districts that allow for single-family homes. 12 The ADUs may be:

- Two attached ADUs such as unit in a basement, attic, or garage;
- One attached ADU and one detached ADU; or
- Two detached ADUs, which may be comprised of either one or two detached structures.
- A conversion of an existing structure, such as a detached garage.<sup>13</sup>

#### When lots are small

Cities and counties must allow an ADU on any lot that meets the minimum lot size required for the principal unit. 14 Minimum lot sizes set the base lot size for development as part of a subdivision process. To support more ADU development, local governments should reduce or eliminate minimum lot size requirements for

<sup>&</sup>lt;sup>12</sup> RCW 36.70A.681(1)(c)

<sup>13</sup> RCW 36.70A.681(1)(i)

<sup>&</sup>lt;sup>14</sup> RCW 36.70A.681(1)(e) states that an ADU must be allowed if the lot meets minimum size for the principal unit. RCW 36.70A.681(3) states that cities and counties may set a limit of two ADUs, on a residential lot of 2,000 square feet or less. However, if two ADUs are allowed on lots that meet the minimum lot size, 2,000 SF is not generally going to be a standard lot size and may not have space for even one ADU.

ADUs with existing development and allow ADUs on all lots. Where lots are smaller than the minimum allowed by the zone, cities may choose to rely on the capacity of the lot, sewer, septic, parking, and landscaping or other regulations to set the limits on one or two ADUs.

### **Examples**

- Enumclaw Municipal Code Sec. 19.34.050: Allows ADUs on lots of any size.
- Kenmore Municipal Code Sec. 18.73.100: Does not require a minimum lot size for ADUs.
- Renton Municipal Code Sec. 4-2-110C: Permits ADUs on lots 3,000 square feet or less.

### **Restricted development locations**

Cities and counties are not authorized to allow construction of ADUs in locations where development is restricted under other laws, rules, or ordinances due to physical proximity to on-site sewage system infrastructure, critical areas or other unsuitable physical characteristics of a property. This includes critical areas protection standards, such as buffers and setbacks, as well as associated environmental permitting review and process requirements. In short, cities and counties should apply the same public health, safety, building code and environmental permitting requirements to an ADU that would be applicable to the principal unit, including regulations to protect ground and surface waters from on-site wastewater. The provisions of the bill provide no authority to override local ordinances that address public health and safely.

Cities and counties may restrict ADU development:

- Within areas designated as critical areas (see below).
- In shoreline areas so designated under a shoreline master program (see below).
- On lots in a watershed serving a reservoir for potable water if that watershed is or was listed, as of July 1, 2023, as impaired or threatened under Section 303(d) of the federal Clean Water Act (33 U.S.C. Sec. 1313(d)).<sup>16</sup>
- In zones with a density of one dwelling unit per acre or less that are in critical areas, designated as wetlands, fish and wildlife habitats, flood plains, or geologically hazardous areas. 17 Generally any zones with such low densities within UGAs are so designated to protect the critical area, so adding additional development in the form of an ADU is not consistent with this exception.

#### For areas without sewer

- Cities/counties may prohibit ADUs on properties not served by sewers.
- Septic and related wastewater rules to protect water-quality located in local health codes and 246-272A and -272B WAC continue to apply to on-site systems for ADUs.
- The Department of Health expects attached ADUs to be more likely to be connected to the same septic system as the primary single family residence since they are easier to build compliant with Department of Health rules. The septic system needs to be designed to accommodate this additional wastewater flow.
- Detached ADUs could, depending on local rules, be served by a separate septic system. The
  requirements, including horizontal setback and maximum density requirements of the rule(s) would
  apply.

<sup>15</sup> https://ecology.wa.gov/Water-Shorelines/Shoreline-coastal-management/Shoreline-coastal-planning/Shoreline-planners-toolbox

<sup>&</sup>lt;sup>16</sup> RCW 36.70A.681(4)

<sup>17</sup> RCW 36.70A.680(5)

• In areas where sewers are likely to be built in the future, plan reviewers may want to take measures to accommodate the eventual conversion from septic systems to sewer.

#### **Critical areas**

Cities and counties shall limit ADU development as necessary to meet critical areas protection standards. All ADU development must be reviewed for consistency with critical area protection ordinance provisions, and shall only be allowed when consistent. Critical areas include:

- Wetlands, and fish and wildlife habitat conservation areas provide critical ecological functions. They are
  protected for their intrinsic values and no additional development is appropriate. Internal conversions of
  existing space to an ADU may be permissible, provided all other protections are observed.
- Floodplains and geologically hazardous areas are identified as hazard areas that may pose dangers to life safety and property. Most local jurisdictions allow some development in floodplains and geologically hazardous areas. However, the development must go through a detailed review process that provides analysis of the site-specific conditions and the proposed development, supported by reports from certified experts such as geologists and engineers.
- Critical aquifer recharge areas (CARAs) are important to allow groundwater to recharge aquifers used for
  drinking water. In these areas, regulations generally protect against hazardous uses and ensure impervious
  surfaces do not restrict groundwater recharge. ADU development over CARAs may be allowed if it can be
  demonstrated they will not impact potable water.

While ADUs shall be allowed in residential neighborhoods within the UGA, in geohazard and wetland areas they must be designed and located to avoid critical area impacts consistent with the mitigation sequence, <sup>18</sup> which includes to:

- Avoid the impact altogether by not taking a certain action or parts of an action.
- Minimize impacts by limiting the degree or magnitude of the action and its implementation by using appropriate technology, or by taking affirmative steps to avoid or reduce impacts.
- Rectify the impact by repairing, rehabilitating or restoring the affected environment.
- Reduce or eliminate the impact over time through preservation and maintenance operations during the life of the action.
- Compensate for the impact by replacing, enhancing, or providing substitute resources or environments.
- Monitor the impact and taking appropriate corrective measures.

## Reasonable use exceptions

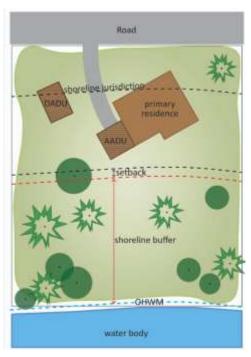
Detached ADUs are not necessary for reasonable residential use within critical areas and should not be allowed within critical areas or their buffers under reasonable use exceptions. It may be possible to convert space within existing homes to create an ADU if no new exterior construction, expansion of the footprint or additional impervious surface is added.

<sup>18</sup> https://ecology.wa.gov/Water-Shorelines/Wetlands/Mitigation/Avoidance-and-minimization

#### ADUs in shorelines under a shoreline master program

Shorelines and shorelands are governed under the city, town, or county's Shoreline Master Program (SMP). Although residential uses are allowed in many shoreline environment designations (SEDs), ADUs may not be appropriate in all SEDs. The ADU requirements outlined in HB 1337 are intended to apply within the UGA governed under the Growth Management Act and are not automatically applicable within the shoreline jurisdiction governed under the Shoreline Management Act (SMA). Local governments should plan for ADUs located within shoreline jurisdiction during a periodic review of their SMP<sup>19</sup>. Review and update of an SMP is required every ten years but can be initiated by a local government outside of the required schedule.

Chapter 90.58 RCW, Chapter 173-26 WAC, and Ecology approved local shoreline master programs restrict development under SMA goals, policies, purpose and intent. Within shoreline jurisdiction, zoning code provisions can be applied, but they must be reviewed in addition to the bulk, dimensional, performance, and use standards of the SMP, and all new development and uses, including ADUs, can only be authorized through the shoreline permitting system outlined in Chapter 173-27 WAC.



If allowed, ADUs within shoreline jurisdiction should be outside of buffers and setbacks. Credit: Ecology.

Each SMP contains residential use regulations and development standards which ensure that allowed uses and development remain compatible with the shoreline environment and SMP and allow no net loss of shoreline ecological function. If allowed under the SMP provisions, ADUs would still need to be located outside of all shoreline buffers and setbacks and would need to meet other SMP critical area, density, impervious surface, and vegetation conservation provisions.

ADUs are not necessary for reasonable residential use within shoreline jurisdictions and should not be included as project components in shoreline variance permit applications.

Local governments wanting to address ADUs under the authorities of their SMP should consult Washington State Department of Ecology guidance<sup>20</sup> and work closely with their <u>Ecology shoreline planner</u>.<sup>21</sup>

## **Examples**

- <u>Black Diamond Municipal Code Sec. 18.56.030</u> Allows two ADUs in conjunction with the primary unit provided adequate provisions for water and sewer are met.
- <u>Langley Municipal Code Sec. 18.08.095</u> Allows one attached and one detached ADU on a lot with a single-family dwelling connected to sewer.
- <u>Burien Municipal Code Sec. 19.17.070</u> Permits a maximum of two ADUs (one attached and one detached) per detached house.

<sup>&</sup>lt;sup>19</sup> The timetable for local governments to develop or amend master programs is required by RCW 90.58.080,

<sup>&</sup>lt;sup>20</sup> https://ecology.wa.gov/Water-Shorelines/Shoreline-coastal-management/Shoreline-coastal-planning/Contacts

<sup>&</sup>lt;sup>21</sup> https://ecology.wa.gov/Water-Shorelines/Shoreline-coastal-management/Shoreline-coastal-planning/Shoreline-planners-toolbox

## 2. Do not require owner occupancy

Owner occupancy standards have typically required that a property owner live in either the primary residence or the ADU, however that may limit the ability of the owner to develop or rent and ADU.

#### State law

Within UGAs, cities and counties may not require the owner of a lot on which there is an ADU to reside in or occupy the ADU or another housing unit on the same lot.<sup>22</sup> RCW 36.70A.696(9) defines owner as any person who has at least 50% ownership in a property on which an ADU is located.

### Local policy choice

When a unit is used as a short-term rental (STR), a local government may choose to require an owner to occupy either the primary or an accessory unit. (See the section on short-term rentals.)<sup>23</sup>

### **Examples**

- Bremerton Accessory Dwelling Units
- Kirkland Accessory Dwelling Units
- Seattle Accessory Dwelling Units
- Vancouver Accessory Dwelling Units

## 3. Allow separate sale of ADUs

Because they are smaller and generally more affordable than most typical single-family homes, sales of ADUs as separate units can increase homeownership opportunities for first-time homebuyers and low-income households.

#### State law

• A city or county may not prohibit the sale or other conveyance of a condominium unit independently of a principal unit solely on the grounds that the condominium unit was originally built as an accessory dwelling unit.<sup>24</sup> Washington's Condominium Act, which provides for the creation of condominiums, does not preclude ADUs from being created as a part of a condominium development. Here, the unit is individually owned and the remainder of the property is under common ownership. Local governments wanting to regulate how ADUs are converted to a condominium form of ownership should work closely with their legal counsel in reviewing RCW 64.90.025 and other related laws.<sup>25</sup>

Zero lot line subdivisions and lot splits are mentioned in RCW 36.70A.681(2), however, there is currently no authorization for lot splits in Washington, creating true independent units for ADUs. SB 5258 amends RCW 58.17.060 to require all cities and towns to adopt procedures for unit lot subdivisions to allow division of a parent lot into separately owned unit lots, or owned in common by the owners of the lots.

## **Examples**

 <u>Seattle Annual ADU Report 2022</u> – Addresses ADUs sold as condominiums, highlights the benefits of ADUs as condominiums and the increase in ADUs as condominiums in Seattle since 2018.

<sup>&</sup>lt;sup>22</sup> RCW 36.70A.681(1)(b)

<sup>23</sup> RCW 36.70A.680(5)(a)

<sup>24</sup> RCW 36.70A.681(1)(k)

<sup>&</sup>lt;sup>25</sup> See additional information on ADUs and condo's at <u>ADUs and Condos: Separating Ownership | Accessory Dwellings</u>

- <u>City of Snohomish Unit Lot Subdivision</u> the city provides a handout with criteria and the process for unit lot subdivision.
- Bellevue unit lot subdivision Web page for townhouses.

## 4. Set off-street parking requirements consistent with statute

Many lots in established areas aren't large enough to support both an ADU and off-street parking, effectively prohibiting ADU development. This means that ADUs are often limited to larger lots that can accommodate parking and other site features. Removing off-street parking requirements for ADUs can help to open up possibilities for placing ADUs, especially in urban areas with transportation options.

#### State law

Parking limits for ADUs are subject to the following:

- Off street parking may not be required as a condition of permitting ADUs within one half mile of a major transit stop. 26-27
- On lots smaller than 6,000 square feet, no more than one off-street parking space may be required per ADU before any zero lot line subdivisions or lot splits.<sup>28</sup>
- On lots greater than 6,000 square feet, no more than two off-street parking spaces per ADU may be required before any zero lot line subdivisions or lot splits.
- Within a mile radius of SeaTac airport, these limits do not apply. <sup>29</sup> Jurisdictions may require off street parking within a mile of SeaTac airport, even within one half mile of a major transit stop. However, Commerce suggests that off street parking requirements be limited in areas with walking access to high capacity transit.

## Local policy choice

While on-site parking cannot be required within a half mile of a major transit stop, a city may not want to require on-site parking in other types of walkable areas or where on-street parking is sufficient. Cities may also choose to reduce parking requirements from the maximum limits in statute. Because ADUs typically are for one or two people, no more than one parking space may be needed for any lot size, especially in areas with onstreet parking.

## A parking study

Cities may choose to require more parking if Commerce concurs with a locally-conducted empirical study prepared by a credentialed transportation or land use planning professional that clearly demonstrates that parking consistent with the law would be significantly less safe for pedestrians, bicyclists, or people in vehicles than if the jurisdiction's parking requirements were applied to the same location for the same number of detached houses. Details on the parking study are on the Commerce middle housing web page at <a href="https://www.commerce.wa.gov/serving-communities/growth-management/growth-management-topics/planning-formiddle-housing/">https://www.commerce.wa.gov/serving-communities/growth-management/growth-management-topics/planning-formiddle-housing/</a>.

<sup>&</sup>lt;sup>26</sup> Under RCW 36.70A.681(2), off-street parking for ADUs is prohibited within 1/2 mile of a major transit stop.

<sup>&</sup>lt;sup>27</sup> Major transit stop is defined in RCW 36.70A.696.

<sup>&</sup>lt;sup>28</sup> This part of statute references zero lot line subdivisions, however, for the purposes of this guidance, this means the ADU is not subject to primary unit parking requirements, even if subdivided from the primary unit.

<sup>&</sup>lt;sup>29</sup> RCW 36.70A.681(2)

<sup>30</sup> RCW 36.70A.681(2).

Related to the issue of off-street parking requirements are garage conversions for ADUs. This type of ADU may be more affordable since the changes are primarily internal to an existing structure, and they're popular with retirees who want to age in place because they generally have "no-step entries." Because RCW 36.70A.681 requires cities to allow garage conversions, and to reduce parking requirements, Commerce recommends that cities allow any replacement parking for the primary residence and ADU to be on driveways or on the street if possible. Low impact development pervious pavement options may be an offset tool to address additional parking, while also reducing overall site impervious surface area.

### **Examples**

- <u>Fircrest Municipal Code Sec. 22.58.012</u> Doesn't require additional off-street parking for ADUs unless the planning director determines there is insufficient on-street parking to satisfy parking demand.
- Kenmore Municipal Code Sec. 18.73.100 No additional off-street parking spaces are required for an ADU.
- <u>Sumner Municipal Code Sec. 18.12.030</u> ADUs created via garage conversion are not required to have off-street parking, as long as there is available on-street parking and the unit is located within half a mile of the Sumner transit station.
- <u>Kirkland Municipal Code Sec. 115.07</u> Doesn't require off-street parking for one ADU. On lots with more than one ADU, one space is required, with exceptions (available street parking within 600 feet or property is located within 1/2 mile of frequent transit).



Smith Gillman Cottage converted garage. Credit: CAST architecture.

## 5. Set maximum size limits at no less than 1,000 SF

Local governments typically enact maximum size limits for buildings to ensure there is enough space on a lot for site features like parking and green space. However, maximum size limits that are too restrictive pose design and use limitations. ADU size limits are typically smaller in urban infill areas than they are for larger greenfield sites. Some cities and other urban areas set a single maximum that is based on square footage, while others couple this standard with a percentage of the primary residence.

#### State law

**ADU size limits must allow a gross floor areas of at least 1,000 square feet within UGAs.**<sup>31</sup> New amendments to RCW 36.70A.969 define "gross floor area" as the interior habitable area of a dwelling unit including basements and attics but not including a garage or accessory structure.

## **Examples**

- Chelan Municipal Code Sec. 17.20.20 Limits ADUs in its single-family residential district to 1,200 square feet or no more than 50% of the total square footage of the primary residence, whichever is less. The planning director may approve an increased size to efficiently use all floor area if all other standards are met.
- Kenmore Municipal Code Ch. 18.73 Attached ADUs are limited to 1,000 square feet unless the ADU is
  proposed for preexisting floor area on a single level of the primary unit. For detached ADUs, maximums
  are based on lot size.

## 6. Reduce setbacks for ADUs (especially rear setbacks)

#### State law

A city or county may not impose setback requirements, yard coverage limits, tree retention mandates, restrictions on entry door locations, aesthetic requirements, or requirements for design review for ADUs that are more restrictive than those for principal units.<sup>32</sup>

A city or county must allow detached ADUs to be sited at a lot line if the lot line abuts a public alley, unless the city or county routinely plows snow on the public alley.<sup>33</sup>

Setback requirements, which establish the minimum distance from front, side, or rear lot lines, create space between a building and adjacent uses. Some codes establish setbacks for ADUs that mirror those of the principal unit, thereby limiting space for ADUs, especially detached ADUs on small lots. Many urban communities have begun requiring separate, less restrictive setbacks specifically for ADUs. For example, some cities and other urban areas reduce or waive setbacks for detached ADUs alongside and rear lot lines, and alleys.

<sup>31</sup> RCW 36.70A.681(1)(f)

<sup>32</sup> RCW 36.70A.681(1)(h).

<sup>33</sup> RCW 36.70A.681(1)(i).



Detached ADU over a garage with relaxed rear setback. Credit: Steve Butler.

## **Examples**

- <u>Bellingham Municipal Code Sec. 20.01.036</u> Exempts detached ADUs from side and rear yard setbacks when abutting an alley.
- <u>LaCenter Municipal Code Ch. 18.247</u> Allows detached ADUs at the rear yard lot line if adjacent to an alley.

Zoning codes should clearly describe ADU standards, which should be at most the same as those for the primary unit. When ADUs are added on a lot, they should fit on the lot, and be consistent with yard coverage limits and tree retention provisions. Stormwater low impact development features such as rain gardens and other bioretention options can be used to define setback areas for an ADU and principal lot, and should be features to support additional units, rather than be barriers. <sup>34</sup>

## 7. Limit use of design standards

Design standards often involve ensuring ADUs are compatible with the primary residence through features such as architectural style, window placement, roof form and pitch, and building materials. ADU design standards, however, can have the unanticipated impact of increasing project costs by lengthening the time needed for local ADU project review. ADUs can complement, but need not be exactly the same as the principal unit. Design standards must be clear and objective, should be no more prescriptive than those for single-family

<sup>&</sup>lt;sup>34</sup> Commerce's guidebook: <u>Incentivizing Low Impact Development (LID) Beyond Permit Requirements</u> includes tools and outreach materials that local governments can utilize to encourage developers to go beyond existing stormwater requirements and help reduce site impervious areas.

homes, and may not result in a reduction in density, height, bulk, or scale below the requirements of the underlying zone.<sup>35</sup>

### State law on design standards

A city or county may not impose setback requirements, yard coverage limits, tree retention mandates, restrictions on entry door locations, aesthetic requirements, or requirements for design review for ADUs that are more restrictive than those for principal units.<sup>36</sup>

Local governments should minimize the use of ADU design standards. In some cases, standards may be used to address privacy, for example making sure that the ADU's windows are located to preserve privacy between the ADU and neighboring properties or private open space.

HB 1293 (laws of 2023) adds to RCW 36.70A and amends RCW 36.70B to streamline local design review processes, requiring "clear and objective" standards that don't reduce development capacity otherwise allowed. Any design review process must be conducted concurrently, or otherwise be logically integrated, with the consolidated review and decision process for project permits set forth in RCW 36.70B.120(3). No design review process may include more than one public meeting. A county or city must comply with these requirements beginning six months after its next periodic update required under RCW 36.70A.130. The provisions do not apply to regulations specific to designated landmarks or historic districts established under a local preservation ordinance

### **Examples**

- <u>Ellensburg Municipal Code Sec. 15.540.040</u> Does not require ADUs to match the appearance of the primary structure.
- <u>Sedro Woolley Municipal Code Sec. 17.100.030</u> Allows the planning director to approve interesting detached ADU designs that are dissimilar from the primary structure.
- <u>Lacey Municipal Code Sec. 14.23.071</u> Has minimal design criteria for attached and detached ADUs, though duplex-like designs are not allowed.

<sup>&</sup>lt;sup>35</sup> RCW 36.70A.630(2). Design review guidelines must provide only clear and objective requirements, such that an applicant can ascertain whether a particular building design is permissible.

<sup>36</sup> RCW 36.70A.681(1)(h).



ADU in the Wedgewood neighborhood of Seattle. Credit: Pam MacRae, Sightline Institute. Used with permission.

## 8. Allow ADUs of at least 24 feet in height

#### State law

The city or county may not establish roof height limits on an ADU of less than 24 feet, unless the height limitation on the principal unit is less than 24 feet, in which case, a city or county may not impose roof height limitation ADUs is less than the height limit that applies to the principal unit.<sup>37</sup>

Cities and other urban areas typically set building height limits to address issues like views and privacy; however, they also limit design options and use land less efficiently. Some communities set one height limit for both the principal unit and ADUs, while others have a separate maximum for ADUs.

## **Examples**

• Kenmore Municipal Code Sec. 18.73.100 - Allows ADUs up to 35 feet.

 Spokane Municipal Code Sec. 17C.300.130 – Has height limits that are more nuanced and relate to the proximity of an ADU to a property line.



Larger, taller detached ADU – 1130 SF. Credit: Eddie Bojorquez/Crest Backyard Homes.

## 9. Reduce impact fees for ADUs

## Impact fees

Impact fees are one-time charges assessed by a local government against a new development project to help pay for new or expanded public capital facilities that will directly address the increased demand for services created by that development. RCW 82.02.050 authorizes counties, cities, and towns planning under the Growth Management Act (GMA) to impose impact fees for:

- Public streets and roads;
- Publicly owned parks, open space, and recreation facilities;
- School facilities; and
- Fire protection facilities.

Because ADUs are generally smaller than standard single family homes, they typically have fewer people living in them, and likely cause fewer impacts.

#### State law

The city or county may not assess impact fees on the construction of accessory dwelling units that are greater than 50 percent of the impact fees that would be imposed on the principal unit.<sup>38</sup> In a related law, local governments must adopt a schedule of proportionate impact fees with the periodic update.<sup>39</sup>

<sup>38</sup> RCW 36.70A.681(1)(a)

<sup>&</sup>lt;sup>39</sup> RCW 82.02.060(1) requires local governments to publish a schedule of impact fees which reflects the proportionate impact of new housing units. This includes multifamily and condo units, based on square footage, number of bedrooms or trips generated, to produce a proportionally lower impact fee for smaller housing units. Local governments must adopt this schedule the periodic update due date.

### Local policy choice

Local governments may charge according to the size of the unit, fixture count, or location with the community, or completely waive fees, but in no case should the fees for an ADU be more than 50% of what would be charged to the principal unit.

### **Examples**

- Everett 2023 Impact Fees Schedule Waives transportation and school impact fees for ADUs.
- Olympia Municipal Code Ch. 15.08 Waives school impact fees and reduces transportation and park impact fees for ADUs.
- Renton 2019-2020 Fee Schedule (Section XII) Provides impact fee reductions and waivers for ADUs.
- <u>Lake Stevens Municipal Code Sec. 9.25.010</u> Reduces utilities connection fees for ADUs based on ADU size.

## **Utility connection fees/system development charges**

System development charges, or connection fees may be charged for area-wide improvements for water, sewer or stormwater. Like impact fees, communities may charge according to the unit's impact on the system. A fundamental feature of ADUs is that the ADU is "accessory to" a primary residential unit. As a result, the ADU will be smaller, typically have fewer people living in it, and have a reduced demand for municipal services.

## Metering considerations when connecting to the sewer system

The Department of Health considers an ADU a separate dwelling unit if it is located outside and separate from the single family residence (detached). An ADU located within the single-family residence, such as a basement or attic unit, is generally not considered a separate connection to the sewer system for the purposes of metering. The total number of service connections is determined by counting each single-family home, each dwelling unit in a multi-family building, and each nonresidential building that the water system serves.

## Local policy choice

There is no specific requirement to reduce charges for sewer, water and stormwater, as there is for impact fees, but a local government has the option of removing, reducing or waiving connection fees or system development charges to meet public purposes. Because of the dependent nature of ADUs, it is recommended that local governments allow shared meters, especially for attached units that are within the capacity of an existing meter. There may be limited cases in which separate meters are necessary because of site configuration or separate sale. They may choose to reduce system development charges to 50% as well because these charges are meant to fund area wide system development improvements, and an ADU generally has a smaller impact.

## **Examples**

- King County has a detailed system capacity charge system with charges that vary based on the size
  and form of the housing unit, with addition discounts for affordable units.
   <a href="https://kingcounty.gov/en/dept/dnrp/waste-services/wastewater-treatment/sewer-system-services/capacity-charge/about">https://kingcounty.gov/en/dept/dnrp/waste-services/wastewater-treatment/sewer-system-services/capacity-charge/about</a>
- <u>Kirkland Accessory Dwelling Units</u> This webpage provides the following information:
  - ADUs are not subject to water capital facility charges if there are no changes to the water service/meter.
  - ADUs are not subject to sewer capital facility charges.
  - ADUs are not subject to the surface water capital facility charge if the primary residence is already connected to the public storm system.

- Olympia Municipal Code Ch. 13.04 and Ch. 13.08 Provides the option of new connections or tie-ins when developing an ADU. There is no charge when the connection occurs on the lot. The Olympia Engineering and Design Standards Section 7B.080 addresses the issue of ADUs and side sewers.
- <u>Sedro Woolley Municipal Code Sec. 17.100.030</u> Utilities may be shared between an ADU and the primary dwelling. Sewer connection fees are collected at a reduced rate depending on the size of the ADU.

## 10. Other Fees and Exactions

#### State law

A city or county may not require public street improvements as a condition of permitting ADUs.<sup>40</sup>

State law requires that public street improvements must not be required as a condition of permitting ADUs, even if the development of the primary unit can trigger such improvements.

Another barrier might be the cost of permit fees. Local governments often attempt to recoup the actual cost of processing land use permits, but there is not a legal requirement that they do so. A city or county could choose, for policy reasons, to charge a lower amount for ADU applications as part of a strategy to encourage property owners to construct new ADUs on their properties. In addition, lowering fees makes sense if a city or county is taking other steps to streamline the ADU process, since those measures may also result in lower permit administration costs.

### **Examples**

- <u>Spokane Municipal Code Sec. 08.02.031</u> Waived permit fees for ADUs on lots within half a mile of certain zoning districts. The waiver is set to expire at the end of 2024.
- <u>Washougal Municipal Code Sec. 18.46.020</u> Does not charge an application fee for detached ADU development.

<sup>&</sup>lt;sup>40</sup> RCW <u>36.70A.681(1)(I)</u>. The GMA does not currently define "public street improvements", however "public facilities" is defined in <u>RCW 36.70A.030</u> and "public improvements" in <u>RCW 39.114.010</u>; both include street and road construction including sidewalks, street and road lighting systems, storm and sanitary sewer systems, among other public improvements.

## Recommendations for cities and other urban areas

The following recommendations are not required but are suggestions to encourage the development of ADUs. They are to apply only to cities, towns, and other urban areas, including unincorporated urban growth areas (UGAs) and limited areas of more intensive development (LAMIRDs). The purpose of applying these ADU recommendations to cities and other urban areas, and not to rural areas or resource lands is to support the GMA's goals of encouraging development in urban areas and reducing sprawl.

## 1. Allow prefabricated units

Prefabricated detached ADUs can provide a degree of cost savings, which may make them more affordable for property owners, especially in more remote areas that may not have access to the tradespeople needed to construct ADUs. Because materials and manufacturing are centralized at an off-site manufacturing facility, prefabricated units require less construction time than conventionally built structures and can be constructed year-round in a climate-controlled factory.

<u>RCW 35A.21.312</u> allows for consumer choice in housing, requiring local government to allow the placement of factory-built homes in any location where site-built homes are permitted. The law was likely developed to apply to primary units, and not necessarily ADUs. However, cities and counties may adopt a set of additional standards, relating to permanent foundation, roof pitch, and design, although not all of those standards should be applied to ADUs.

Any prefabricated unit must meet state standards.<sup>41</sup> Local codes may refer to larger manufactured homes, and may not be related to small homes, such as park models, more suitable for an ADU.

### **Example**

• Bremerton Municipal Code Sec. 20.46.010 – Allows for manufactured homes to be used as ADUs.



Prefab detached ADU: Nanny Flat, Elder Cottage. Credit: Eddie Bojorquez/Crest Backyard Homes.

<sup>&</sup>lt;sup>41</sup> See the Washington Department of Labor & Industries page on Manufactured Home Permits & Inspections.

## **Tiny houses**

Tiny houses, or tiny houses with wheels, as defined in <u>RCW 35.21.686</u>, are not generally allowed as ADUs because they may not meet the standards required for a permanent residential unit, such as a foundation, water supply and sewage disposal. However, some communities are starting to consider allowing tiny homes on wheels as temporary units, with appropriate connections and tie-downs.<sup>42</sup>

One exception in state law is that tiny homes on wheels and RVs may be used as permanent living quarters only when situated in manufactured/mobile home communities, but they are still subject to certain life/safety and utility hookup requirements per RCW 35.21.684. Tiny houses must be inspected and meet the standards of the Washington State Department of Labor and Industry.<sup>43</sup>





Prefab ADU travelling from factory to residential site / installed on-site. Credit: Roger Fitzsimons.

## 2. Streamline ADU permitting processes

A local permitting process should be designed to make it as easy as possible for an applicant to prepare and submit a development permit application, and for the permit review staff to review and quickly approve it. This approach should be particularly true for the types of development that a community is actively trying to encourage, such as ADUs.

Discretionary project permitting processes, such as those requiring conditional use permits, hearings examiner review, and public hearings add extra time and cost to getting a development project approved. These processes make sense for situations where a proposed project may be large or have a number of potential

<sup>&</sup>lt;sup>42</sup> Port Townsend allows tiny homes on wheels. (THROWS) https://cityofpt.us/planning-community-development/page/new-july-1st-tiny-house-wheels-thows

<sup>&</sup>lt;sup>43</sup> See the Washington Department of Labor & Industries page on <u>Tiny H</u>ouses.

impacts on a neighborhood or community. For small, low-impact development projects that advance adopted public policy such as new ADUs, a discretionary permitting process creates an unnecessary barrier to ADU construction.

Local governments should allow ADUs "by-right," with project review and approval to be done administratively. Having an expedited or shorter review process for ADUs can also include preferential review of ADU proposals. Providing pre-approved ADU plans is another method for reducing the time needed to review an ADU proposal (see provide pre-approved ADU plans below). Streamlining can be additionally bolstered by checklists that clarify the ADU approval process (see below on providing user-friendly communication materials).

### **Examples**

- Pasco Municipal Code Sec. 25.161.030 ADU applications are approved administratively.
- <u>Sequim Municipal Code Sec. 18.66.040</u> Requires a single administrative permit for ADU development. The application must be processed by the community development director within 30 days of submittal (<u>Sec. 20.01.080</u>).

# 3. Offer incentives to encourage ADUs that are affordable to lower-income households

While ADUs are generally more affordable than a typical single-family home, most aren't affordable to households making less than 80% of the area median income (AMI). To address this issue, some local governments offer incentives for ADUs that are affordable for lower-income households (that is, less than 80% AMI) for a set number of years (such as 50 years). These types of incentives usually involve requiring affordability in exchange for providing a "bonus," like higher densities in the form of an additional ADU. Local governments can also support affordability for low-income residents by incorporating ADUs into their affordable housing funding programs and forming partnerships with community land trusts and other non-profit organizations.

## Local policy choice

There are a number of ways that local governments can offer reductions for affordable housing, most require some kind of assurance that the unit will remain affordable over time.

- RCW 82.02.060(4) also authorizes local governments to offer impact fee reductions or waivers for
  affordable housing. An exemption for low-income housing granted under this section, however, must be
  conditioned upon requiring the developer to record a covenant that prohibits using the property for any
  purpose other than for low-income housing.
- RCW 36.70A.540 authorizes local governments to expand affordable housing incentive programs to include, among other things, fee waivers or exemptions provided the local government is committed to continuing affordability for at least 50 years.
- A local government may offer "tap-in charge" waivers for low-income persons (under RCW 35.92.380 or RCW 36.94.370).

## **Examples**

 <u>CLTplusOne</u> — A pilot program offered by Durham (NC) Community Land Trustees, which pairs a land trust home with ADUs on the same lot. Both the primary residence and rental unit are permanently affordable (see this Shelterforce article on Durham's Community Land Trust).

<sup>&</sup>lt;sup>44</sup> For more information on this topic, see MRSC's Affordable Housing Techniques and Incentives - Reduction/Waiver of Fees.

 <u>Seattle Municipal Code Sec. 23.44.041</u> – Allows a second ADU on a lot if one of three conditions are met: conversion within an existing structure, green building standards, or affordability for "incomeeligible households" for a minimum of 50 years.

## Key considerations for counties

GMA-planning counties must plan and provide regulatory frameworks for four land use categories in decreasing order of ADU intensity:

- Unincorporated UGAs.<sup>45</sup>
- LAMIRDs
- Rural lands
- Designated natural resource lands

## 1. Unincorporated UGAs and LAMIRDs

## Unincorporated urban growth areas

In unincorporated UGAs, which are generally intended to have urban services and eventually become or annex into cities, the requirements in this guidance apply within 6 months of the next periodic update.<sup>46</sup>

#### **LAMIRDs**

Within Limited Areas of More Intensive Rural Development (LAMIRDs), the outer boundary may not change, but the LAMIRD may be filled in with new development, including ADUs.

## 2. Rural and natural resource lands

ADU regulations outside of urban growth areas require consideration of a different set of factors than ADU regulations in cities and urban growth areas. ADU provisions in rural and resource areas must be accompanied by measures to protect rural character, conserve resource lands, and limit density and sprawl.

One of the benefits of ADUs in urban areas is that under RCW 36.70A.681, the ADUs can be sold separately and add to the supply of attainable housing for moderate on maybe lower income households. The same does not hold true in rural areas, where the ADU cannot be sold separately, and the private cost of transportation and public cost of transportation-related emissions reduces the public benefit of ADUs in rural areas.

When developing or amending regulations, counties should consider the potential for:

- Increased demand for emergency and other services.
- Increased traffic on county roads, which may be built to a lower standard.
- More housing and increased population in areas potentially prone to wildfires or other natural hazards.
- Impact on water supplies.
- Conflict with or decrease in land available for agriculture or other natural resource industries.

The Growth Management Hearings Boards (GMHBs) have considered challenges to ADU regulations in rural and resource designated areas in a handful of counties. Three hearings boards have issued decisions

<sup>&</sup>lt;sup>45</sup> See Chapter 36.70A RCW.

<sup>46</sup> RCW 36.70A.680(1)

disfavoring local regulations allowing detached ADUs where they do not include specific criteria to curtail indiscriminate increased density.<sup>47</sup>

### **Rural lands**

For areas designated as "rural," the regulations must be consistent with "rural character" as established in the rural element of the county's comprehensive plan. 48 RCW 36.70A.030(23) defines rural character as "[...] the patterns of land use and development established by a county in the rural element of its comprehensive plan." Importantly, what constitutes rural character in one county may be different than what constitutes rural character in another (RCW 36.70A.011). ADUs should not contribute to sprawl or cause residential uses to predominate over rural uses. 49

Given the need to be consistent with and implement their rural, housing, and land use elements of their comprehensive plans (among others), it will be important for counties to "show their work" through the written record, including but not limited to whereas statements, findings of fact, staff reports, and public participation processes; and to articulate legal and policy justifications for their actions.

### **Designated natural resource lands**

Counties must ensure ADU regulations are consistent with GMA requirements to preserve natural resource lands for resource production. In natural resource lands, the dominant use is to be the agricultural, forestry, or mineral use; residential development must be located to not interfere with the natural resource use, and preserve the majority of land for such use.<sup>50</sup> See RCW 36.70A.060.

### Considerations and examples for rural and resource areas

Generally, regulations permitting attached ADUs raise fewer concerns than those permitting detached ADUs. While several counties allow detached ADUs in their rural land designations, most include restrictions related to standards such as:

- Size limit on a single ADU.
- Minimum lot size to conform to zoning or in some cases, double the minimum lot size.
- Proximity to and dependency on the primary residence (such as shared driveway, parking, yard, septic, well, utilities, etc.).
- Design standards for consistency with primary unit.
- Limitations on number of permits issued annually.

<sup>&</sup>lt;sup>47</sup> Loon Lake Property Owners, et al v. Stevens County, EWGMHB, Case No. 01-1-0002c, Compliance Order (May 30, 2008); <u>Friends of San Juans</u>, et al v. San Juan County, Case No. 3-2-0003c coordinated with <u>Nelson, et al v. San Juan County</u>, Case No. 06-2-0024c, FDO/Compliance Order, at 3 (Feb. 12, 2007).

<sup>&</sup>lt;sup>48</sup> County comprehensive plans must include a rural element. A county's rural element must include policies that are consistent with rural character. RCW 36.70A.070(5)(b) provides, in relevant part: "[The rural element] shall provide for a variety of rural densities, uses, essential public facilities, and rural governmental services needed to serve the permitted densities and uses. To achieve a variety of rural densities and uses, counties may provide for clustering, density transfer, design guidelines, conservation easements, and other innovative techniques that will accommodate appropriate rural economic advancement, densities, and uses that are not characterized by urban growth and that are consistent with rural character."

<sup>&</sup>lt;sup>49</sup> RCW 36.70A.020(2) and RCW 36.70A.110(1) and .070(5). Friends of San Juans, et al v. San Juan County, Case No. 3-2-0003c coordinated with Nelson, et al v. San Juan County, Case No. 06-2-0024c, FDO/Compliance Order, at 3 (Feb. 12, 2007) — Regulations allowing a detached ADU on substandard rural lots allowed residential use to predominate over rural uses and were therefore noncompliant; Loon Lake Property Owners, et al v. Stevens County, Case No. 01-1-0002C — Allowing an ADU on all parcels —including substandard lots — can considerably increase density within zone.

<sup>&</sup>lt;sup>50</sup> <u>Futerwise v. Snohomish County, Case 22-3-003, Final Decision and Order</u>. The Board found that the county failed to protect agricultural lands of long-term commercial significance, in violation of RCW 36.70A.177, and was inconsistent with multi-county and countywide planning policies, in violation of RCW 36.70A.210.

Restrictions on title.

#### **Careful with detached ADUs (attached ADUs preferred)**

The hearings boards have held that freestanding residential ADUs should be treated as separate dwelling units for purposes of density calculations — although in some cases have found compliant county regulations that allow limited exceptions to detached ADUs triggering such density requirements.<sup>51</sup>

#### **Attached ADUs are Preferred**

Conversely, the boards have held that attached ADUs and ADUs converted from an existing structure in close association with the primary residence (such as a garage) do not count toward density in rural and resource areas.<sup>52</sup>

### **Examples**

- <u>Clark County: Accessory Dwelling Unit Rural (Handout) (2022)</u> Allows only attached ADUs in rural and resources zones.
- <u>Kitsap County: Accessory Dwelling Unit (Handout) (2022)</u> Requires detached ADUs to be sited within 150 feet of the principal dwelling outside of UGAs. Size limit, 50% of primary unit or 900 square feet, whichever is smaller. Owner occupancy requirements and design standards apply.
- San Juan County Code Sec. 18.40.240 Limits the number of detached ADU permits outside "activity centers" and UGAs in any calendar year to no more than 12% of the total number of building permits for new principal residences issued for the previous calendar year. Further limited to one permit per property owner outside UGAs.
- Spokane County: Detached Accessory Dwelling Unit (Handout) Detached ADUs in selected rural
  zones must be within 150 feet of principal dwelling and meet several other conditions, including that
  title notice will be placed on the property that the accessory dwelling may not be sold as a separate
  residence until such time as the accessory dwelling is located as the sole residence on a legally
  subdivided parcel.
- Walla Walla County Code Sec. 17.08.015 Requires at least four of six "dependency requirements" be shared for a detached ADU (road access, septic system, water system, utility meters, yard, and parking areas).

## Other programmatic elements to consider

The following "programmatic elements" are not recommendations but are instead meant to be additional options to be considered by cities, towns, and other urban areas, including unincorporated UGAs and LAMIRDS.

## 1. Address the use of ADUs as short-term rentals

Construction of ADUs presents an opportunity to increase a community's supply of relatively affordable long-term housing. When an ADU is used as a short-term rental (STR), defined as a housing unit being rented for fewer than 30 consecutive days, that housing unit functions as a lodging unit for visitors and not as a housing

<sup>&</sup>lt;sup>51</sup> Friends of San Juans, et al v. San Juan County, Case No. 3-2-0003c coordinated with Nelson, et al v. San Juan County, Case No. 06-2-0024c, FDO/Compliance Order, at 3 (Feb. 12, 2007).

<sup>52</sup> Yanisch v. Lewis County, Case No. 02-2-0007c, Order on Compliance Hearing (Mar. 12, 2004).

unit.<sup>53</sup> As a result, some local governments completely prohibit the use of ADUs as STRs, while others limit but don't completely prohibit that use.

The primary rationale for prohibiting or limiting ADUs being used as STRs is that renting an ADU as a long-term housing unit, defined as being rented for more than 30 consecutive days, will have the dual benefit of providing a positive income stream to a homeowner and adding a new residential unit to the local housing supply.

Some studies attempt to make the case that ADUs being used as STRs make up "only a small percentage" of the overall stock of STRs (8%-12%).<sup>54</sup> For example, data collected by the City of Seattle shows that 11% of the total short-term rental units were ADUs. It should be noted, however, that 11% still represents 418 units that are not contributing to that city's long-term housing supply.

Given the significant policy implications, local governments located in areas with high demand for short-term rentals, such as popular tourist destinations, should carefully consider the pros and cons of allowing ADUs to be used as short-term rentals.

#### State law

Cities and counties may restrict the use of ADUs for short term rentals.55

### **Examples**

- <u>Bellingham Municipal Code Sec. 20.10.037</u> Does not allow STRs in detached ADUs in single-family zones but does allow them in detached ADUs in other zones, and in attached ADUs citywide.
- <u>Poulsbo Municipal Code Sec. 18.70.070</u> Does not allow ADUs to be used as STRs. <u>Sequim Municipal</u> Code Ch. 18.66 Does not allow ADUs to be used as STRs.

## 2. Provide user-friendly communication materials

To assist applicants in navigating the ADU permitting process, local governments can provide user-friendly ADU webpages, informational handouts, guides, and checklists. These guidance documents can help by clearly articulating ADU requirements to property owners, homeowners, contractors, and developers. Clear materials inform those who are interested in building ADUs and encourage interest in ADU construction.

## **Examples**

- <u>Bremerton Guide to Establishing an ADU (2021)</u> Includes an overview of the city's ADU standards and links to permit requirements.
- Lake Stevens ADU Permit Checklist Helps applicants understand the city's ADU provisions.
- <u>Olympia ADUs & Accessory Structures Guide (2022)</u> Includes an overview of ADU regulations and standards, including design review requirements and guidelines.
- Seattle ADUniverse: The ABCs of ADUs Includes a step-by-step guide to creating an ADU.
- <u>Thurston County ADU Handout (2021)</u> Covers the main elements of the county's three-step ADU permitting process.

<sup>&</sup>lt;sup>53</sup> RCW 36.70A.696(9) defines short-term rental as "a lodging use, that is not a hotel or motel or bed and breakfast, in which a dwelling unit, or portion thereof, is offered or provided to a guest by a short-term rental operator for a fee for fewer than 30 consecutive nights." <sup>54</sup> See, for instance, the Urban Land Institute's report <u>Jumpstarting the Market for ADUs</u>: <u>Lessons Learned from Portland, Seattle, and Vancouver</u>.

<sup>55</sup> HB 1337 Section 3(5)(a).

# 3. Provide information on landlord-tenant laws for prospective ADU owners and ADU tenants

For many homeowners renting an ADU on their property, this may be the first time they have served as a landlord. As a result, they may not be familiar with relevant local, state, and federal laws that apply to landlords (such as the Fair Housing Act). Conversely, renters also have certain rights and responsibilities under these laws that both landlords and tenants should know.

The Washington Residential Landlord-Tenant Act includes the state's key landlord-tenant laws. <sup>56</sup> Some local governments have created landlord-tenant regulations and programs with additional protections for renters, including rental registration and extra notice of rent increases and/or inspections. To inform both landlords and tenants about these requirements, local governments can develop user-friendly summaries of these resources and provide them to ADU applicants during the permit process.

### **Examples**

- <u>Bellingham: Landlords and Tenants</u> Includes information on the city's rental housing regulations, rental registration and safety inspection program, and more.
- <u>Benton County: Renter's Resources</u> Includes information on fair housing and tenant rights in Washington.
- <u>Burien: Renting in Burien</u> Includes information on the city's rental housing inspection program, notice of intent to sell, and eviction law in Washington.
- Olympia: Tenant Protections Includes information on the city's rental housing ordinance, FAQs, and more.
- Tacoma: Landlord-Tenant Program Includes information on the city's landlord-tenant program.

## 4. Provide information on ADU financing and funding programs

Lack of funding and financing options is often cited as one of the most prevalent challenges for ADU construction. <sup>57</sup> Lending institutions that finance ADU projects generally don't allow homeowners to borrow against a portion of the future value of an unbuilt ADU, further constraining the viability of projects. To support homeowners in financing their ADU projects, local governments can:

- Identify other funding and financing opportunities for ADUs and make these resources available at the permit center and online.
- Develop programs to facilitate access to ADU funding and financing opportunities.

<u>RCW 84.36.400</u>, authorizes counties to provide a three-year property tax exemption for improvements to a single-family dwelling, including the construction of an ADU, as long as it represents 30% or less of the value of the original structure. The program was initiated through <u>Chapter 204</u>, <u>Laws of 2020 (2SSB 6231)</u> and stipulates that dwelling units may be either attached to or within the single-family dwelling or a detached unit located on the same real property. In 2023, additional provisions were added in King County.<sup>58</sup>

<sup>&</sup>lt;sup>56</sup> More information on state and federal laws may be found on the Washington Office of the Attorney General's <u>Landlord-Tenant</u> page and the U.S. Department of Housing and Urban Development <u>Tenant Rights</u>, <u>Laws and Protections</u>: <u>Washington</u> page.

<sup>&</sup>lt;sup>57</sup> See the UC Berkeley's Terner Center for Housing Innovation's article <u>ADU's for All: Breaking Down Barriers to Racial and Economic Equity in ADU Construction</u> (2022).

 $<sup>^{58}</sup>$  SB 5045 offers extended property tax exemptions for ADUs in King County if the unit is affordable.

ADU owners may deduct, for income tax purposes, construction costs over time, annual property taxes, and shared monthly utility costs from rental proceeds, which may help encourage their development.

### **Examples**

- Olympia OlyFed Bank: ADUs Financing Provides six loan options for ADU construction. See this <u>ADU</u>
   Loan Options flyer and ADU Financing presentation for more information.
- Spokane Single-Family & Detached ADU Tax Exemption The City of Spokane highlights the fact that Spokane County provides a tax exemption for ADUs for the three assessment years after the completion of the improvement, to the extent the improvement represents 30% or less of the value of the original structure.

## 5. Create a program to encourage legalization of unpermitted ADUs

A combination of strong demand for new housing and too many barriers have in some Washington communities resulted in unpermitted ADUs. Creating a program to allow legalization of unpermitted ADUs can help promote safe, legal structures and open them up to rental opportunities.

Local governments are encouraged to develop programs to promote the legalization of existing housing units, which should be done in a manner that ensures ADUs are safe to inhabit.

### **Examples**

- Bellingham Municipal Code Sec. 20.10.036 Allows ADUs existing prior to January 1, 1995, to become
  legally permitted, as long as ADU owners submit an application that is consistent with current ADU
  regulations and building codes.
- <u>Ferndale Municipal Code Sec. 18.34.060</u> Allows owners of ADUs established before June 20, 2017, to submit an application to the city to legally permit the existing unit pursuant to the city's ADU regulations.

## 6. Provide pre-approved ADU plans

After confirming their property is eligible for an ADU, homeowners begin the design process with an architect or designer. Depending on whether the unit is within an existing structure or free standing, the design process can add significant time and expense to a project. To streamline this step, some local governments offer detached ADU plan designs that have been pre-approved for compliance with building codes. ADU applications with pre-approved plans are typically approved in a shorter timeframe and with reduced permit fees since the designs have been vetted by staff. Even though the designs have been pre-approved all other code provisions, like site-specific standards, still apply.

## **Examples**

- Olympia: Pre-Approved ADU Plans (Guide) (2021) The cities of Olympia, Lacey, and Tumwater worked together to offer four plans that have been pre-approved for compliance with building codes.
- <u>Leavenworth: ADU Plans</u> Offers four pre-approved designs. Each option includes two different styles
   modern and traditional.
- Renton: Permit Ready ADU Program Includes eight pre-approved, designed, and engineered model base plans, ranging in size from 415 to 1,000 square feet and varying in architectural style.
- <u>Seattle: Pre-approved Detached ADUs Program</u> Offers 10 pre-approved plans for detached ADUs, including factory-assembled structures that have been approved by the Washington Department of Labor and Industries.



Cedar Cottage Seattle ADU Pre-Approved Plan (above and below). Credit: CAST architecture.



## Appendix A: Additional examples and resources

## 1. Allow two ADUs per lot

- Bremerton Municipal Code Ch. 20.46 Allows up to two ADUs per lot (see Sec. 20.46.010).
- <u>Kirkland Municipal Code Sec. 115.07</u> Allows up to two ADUs (either attached or detached).
- <u>Fife Municipal Code Ch. 19.80</u> Allows both one attached and one detached ADU on larger city lots. "For lots between 3,200 and 4,356 square feet, only attached ADUs are permitted. For lots larger than 4,356 square feet both attached and detached ADUs are permitted, provided the extra lot area required in the applicable zone is met."
- <u>Lake Forest Park Municipal Code Ch. 18.50</u> For lots exceeding one acre, one attached and one detached ADU are permitted (see Sec. 18.50.050).

### 2. Do not require owner occupancy

 <u>Seattle Release of Owner Occupancy Covenant for ADUs Forms</u> (Word document) – This form for recording with the King County Recorder's Office releases property from the covenant for owner occupancy entered into as a condition of applying for an ADU permit, as owner occupancy is no longer required by Seattle's Land Use Code per <u>Ordinance No. 125854 (2019)</u>.

## 3. Do not require off-street parking for ADUs

- Bainbridge Island Municipal Code Ch. 18.09 Allows garage conversions for ADUs.
- <u>Bellevue Ordinance 6589</u> Adopted in 2021 prohibiting requirements for off-street parking for ADUs within one-quarter mile of a major transit stop. For additional background information, see Bellevue's page on <u>Reduced Minimum Residential Parking Standards</u>.
- <u>Bremerton Municipal Code Sec. 20.46.010</u> One ADU is not required to provide an additional off-street parking space. The second ADU is required, however, to provide an off-street parking space in addition to that which is required for the principal unit.
- Spokane Municipal Code Sec. 17C.300.130 No additional parking is required for studio and onebedroom ADUs and ADUs within one-quarter mile of certain transit stops. Spokane allows garage conversion for ADUs.
- Olympia Municipal Code Sec. 18.38.100 Doesn't require parking spaces for ADUs (see table 38.01, "Residential" section).
- Tacoma Municipal Code Sec. 13.06.080 No off-street parking is required for ADUs.
- <u>University Place Municipal Code Sec. 19.70.010</u> No additional off-street parking is required for ADUs.
- <u>Vancouver Municipal Code Ch. 20.810</u> Doesn't require additional on-site parking in conjunction with the establishment of an ADU. The city allows conversion of an existing garage structure or other outbuilding to be converted to an ADU; however, off-street parking for the primary residence is required to be provided elsewhere on the site.
- <u>Seattle Municipal Code Sec. 23.44.041</u> Off-street parking is not required for ADUs, except that an
  existing required parking space may not be eliminated to accommodate an ADU unless it is replaced
  elsewhere on the lot.

## 4. Reduce barriers from setbacks and other ADU regulations

#### Reduce setbacks for ADUs (especially rear setbacks)

- <u>Brier Municipal Code Sec. 17.24.010</u> ADUs must conform to standard setback regulations, though the rear yard setback requirement is reduced to seven feet for ADUs.
- <u>Kirkland Municipal Code Sec. 115.115</u> Required setbacks are the same as the underlying zone. detached ADUs may be located within five feet of an alley. Detached ADUs without alley access may be located no closer than five feet from the rear property line as long as the portion of the detached ADU in the reduced setback is no taller than 15 feet.
- <u>Sequim Municipal Code Sec. 18.66.050</u> Exempts existing legally created on-site accessory structures
   such as garages that have been converted to ADUs from complying with setback standards.
- <u>Tacoma Municipal Code Sec. 13.06.080</u> No setbacks from alleys are required.

#### Reduce minimum lot sizes for ADUs (especially on small urban lots)

- <u>La Conner Municipal Code Sec. 15.110.080</u> ADUs are allowed on lots that are under 5,000 square feet.
- Medina Municipal Code Sec. 16.34.020 ADUs are excluded from minimum lot area requirements.
- <u>Tacoma Municipal Code Sec. 13.06.080</u> ADUs are allowed on any legally established lot, regardless of lot size or width.

#### **Increase height maximums for ADUs**

- <u>La Center Municipal Code Sec. 18.247.050</u> ADUs are limited in height to 25 feet or the primary dwelling's height, whichever is lower.
- Mukilteo Municipal Code Sec. 17.30.060 ADUs may be two stories high and must comply with
  maximum building heights for the underlying zoning district; Detached ADUs cannot be taller than the
  primary unit, except that there is a maximum height of one-story if the detached ADU is located above a
  garage or similar structure.
- Pacific Municipal Code Sec. 20.92.060 ADUs may be up to 25 feet high.

### 5. Increase maximum size limits for ADUs appropriate to zone and context

- Black Diamond Municipal Code Sec. 18.56.030 Detached ADUs are limited to 1,000 square feet.
- Bremerton Municipal Code Sec. 20.46.010 Limits ADUs to 1,000 square feet or no more than 60% percent of the principal unit's total habitable floor area, whichever is greater. Attached ADUs in residences built prior to 2020 may receive director's approval to increase ADU floor area to equal that of the principal dwelling.
- <u>Burien Municipal Code Sec. 19.17.070</u> Internal or attached ADUs are limited to 1,000 square feet. The
  planning director may make exceptions to size limitations to allow for the better utilization of existing
  spaces.
- <u>Leavenworth Municipal Code Sec. 18.36.035</u> The total habitable floor area of any ADU is limited to 1,200 square feet.
- <u>Kirkland Municipal Code Sec. 115.07</u> ADUs are limited to 1,200 square feet.
- Roslyn Municipal Code Sec. 18.140.030 ADUs are limited to 1,000 square feet.
- Yakima Municipal Code Sec. 15.09.045 The ADU's floor area is limited to 1,000 square feet.

### 6. Limit use of design standards

- <u>Bothell Municipal Code Sec. 12.14.135</u> Attached ADU entrances are permitted on the front of the primary residence under certain conditions.
- <u>Bremerton Municipal Code Sec. 20.46.010</u> The city has developed a user-friendly <u>ADU Guide</u> (2021) that summarizes design regulations with visual examples.
- <u>Fife Municipal Code Sec. 19.80.040</u> Recommended approaches to promote privacy for adjacent properties are included in subsection 19.80.040(A)(6).

# 7. Remove, reduce or waive permit application fees, impact fees, system development charges, and other ADU-related fees

### Utility connection fees/system development charges

- <u>Chelan Municipal Code Sec. 13.33.020</u> Offers utility rate reductions for ADUs.
- <u>La Center Municipal Code Sec. 18.247.050</u> ADUs may share sewer and water connections with the primary dwelling. System development charges are imposed at a reduced rate compared to a singlefamily home (Sec. 18.247.080).
- Yakima County Code Sec. 19.18.020 The ADU and the primary dwelling unit will share a single sewer and water connection, unless the local sewer and/or water purveyor requires separate connections.

#### Impact fees

- <u>Bellingham Permit Fees</u> This webpage offers information establishing that:
  - ADUs are assessed at half the multi-family rate for park impact fees.
  - For transportation impact fees, the person trip rate is less than duplexes and townhouses.
  - School impact fees are waived for ADUs.

- Bellingham Ordinance No. 2018-11-022 Establishes impact fee reductions related to the city's 2018
   ADU code update.
- <u>Kirkland Accessory Dwelling Units</u> Exempts transportation, park, and school impact fees for ADUs in accordance with city code (KMC 27.04.050, KMC 27.06.050, KMC 27.08.050). These fees are assessed on the primary single-family residence only.
- Renton 2023-2024 Fee Schedule Impact and permit fees are waived for ADUs. Stormwater system development charges are reduced by 50% for ADUs.
- Tukwila Fee Schedule Exempts attached ADUs from impact fees (see Figure 16-1 "Fee Schedule").
- Everett 2023 Impact Fees Schedule Waives traffic and school impact fees for ADUs.
- Olympia Municipal Code Ch. 15.08 Waives school impact fees and reduces transportation and park impact fees for ADUs.
- Renton 2019-2020 Fee Schedule (Section XII) Provides impact fee reductions and waivers for ADUs.

#### **ADU permit application fees**

Port Angeles Temporary Building Permit Fee Waiver Form (2022) – A temporary building permit fee
waiver is available for construction of housing reserved for families with 80% AMI or below through
September 2028; ADUs are included as an acceptable dwelling type for this waiver.

## 8. Allow prefabricated ADUs

#### Code examples

- <u>Richland Municipal Code Sec. 23.42.020</u> Allows accessory apartment units that are manufactured off site.
- <u>Langley Municipal Code Sec. 18.22.115(C)</u> While not addressing prefabricated housing, "tiny homes" are allowed to be used as ADUs, if they can meet the International Residential Code (IRC) and other specified local standards.

#### Other resources

 Olympia Manufactured Homes (Handout) (2017) – Manufactured homes are allowed to be used as ADUs, particularly to promote affordable housing.

#### **Seattle ADUniverse:**

- The ABCs of ADUs Mentions factory-built ADUs in the Construction section.
- <u>Pre-approved Detached ADUs</u> References factory-assembled structures in the L&I-approved detached ADUs section. The pre-approved plans include the Urban Cottage Prefab and WOOD Studio design.
- Seattle: Guide to Building a Backyard Cottage (2010) See page 19.
- <u>Seattle Tip Sheet 305: Factory-Assembled Structures for Residential and Commercial Use</u> (2023) Includes a comparison of the three types of factory-assembled structures, local requirements, and fees.
- <u>Insider: A new collection of minimalist tiny homes from \$37,500 is available in the US for the first time</u> (2023) Article about affordable tiny homes from Latvia-based firm, MyCabin.
- Congress for the New Urbanism: Novel idea Modular house that's cute (2023) Article describing a
  well-designed modular house that received an Urban Guild Award.
- <u>HUD Office of Policy Development (PD&R): Factory-Built Accessory Dwelling Units for Affordable Housing Options (2020)</u> Highlights communities that support factory-built ADU designs.

## 9. Streamline ADU permitting processes

#### Code examples

Olympia Municipal Code Sec. 18.72.080 – Approves ADUs administratively.

- <u>Pacific Municipal Code Sec. 20.92.057</u> Single, straightforward application requirements for ADU development.
- Seguim Municipal Code Sec. 18.66.040 Approves ADUs administratively.
- Other resources
- <u>Bellevue: ADU Registration</u> This webpage notes that ADU registration, a floor plan, and site sketch/site plan are the minimum necessary to proceed with the ADU application process.
- <u>Camas: ADU Application Form</u> Two-page application form that includes applicable development standards and design guidelines.
- <u>Lake Stevens: ADU Compliance Checklist</u> This checklist provides a detailed overview of the permitting process.
- MRSC: Streamlining Local Permit Review Procedures This webpage provides examples of streamlined permit review processes.
- <u>Seattle: Construction Permit Addition or Alteration</u> This webpage provides that to add within an existing house, a <u>construction addition/alteration permit</u> is needed; to build a detached unit, a <u>construction addition/alteration permit</u> is needed.
- Vancouver Municipal Code Sec. 20.920.060(H) Expedites permit review for infill development.

# 10. Offer incentives to encourage ADUs that are affordable to lower-income households

- <u>Bellingham Housing Development: Guideline and Procedure Handbook (2019)</u> Housing Levy funds are available to support purchases of homes with ADUs.
- <u>Block Project</u> Nonprofit with a mission to construct and find homeowners in Seattle willing to host an affordable ADU on their residential properties.
- Habitat for Humanity (Seattle-King & Kittitas Counties) South Park Project This award-winning Habitat for Humanity project, funded in part through Seattle Housing Levy funds, includes ADUs.
- <u>Fannie Mae: HomeReady Accessory Unit Income and Boarder Income Flexibilities</u> (2022) Expands access to creditworthy low-income borrowers.

#### **Community land trust (CLT) examples**

- National League of Cities: How One Colorado Community Land Trust Is Preserving Homeownership and Affordability (2021) Elevation Community Land Trust operates in partnership with a Denver Housing Authority initiative to support homeowners and prevent displacement. Their approach includes building ADUs to create more living space for family members or a new source of income.
- T.R.U.S.T. South LA (& four other California CLTs): Increasing Community Power and Health through Community Land Trusts (2020) The Community Land Trust Association of West Marin, in collaboration with the Housing Authority of Marin County, offers zero-interest loans, permit fee waivers, and other benefits for homeowners to create ADUs for use as affordable rental units.
- <u>Shelterforce: Affordable ADUs: How It's Being Done</u> Explores pilot programs and other strategies for financing ADUs for low- and moderate-income homeowners.

## Appendix B. Relevant GMHB cases for counties

• <u>Futerwise v. Snohomish County, Case 22-3-003, Final Decision and Order</u>. The Board found that the county failed to protect agricultural lands of long-term commercial significance, in violation of RCW 36.70A.177, and was inconsistent with multi-county and countywide planning policies, in violation of RCW 36.70A.210.

- Loon Lake Property Owners Association, et al v. Stevens County, Case No. 01-1-0002c, Compliance
  Order (May 30, 2008) Allowing an ADU on all parcels—including substandard lots-- can considerably
  increase density in rural areas; regulations should contain specific criteria to curtail indiscriminate
  increased density.
- <u>Friends of San Juans, et al v. San Juan County, Case No. 3-2-0003c coordinated with Nelson, et al v. San Juan County, Case No. 06-2-0024c, FDO/Compliance Order (Feb. 12, 2007) Regulations allowing a detached ADU on substandard rural lots allowed residential use to predominate over rural uses and were therefore noncompliant.</u>
- <u>Kittitas County Conservation</u>, et al v. <u>Kittitas County</u>, Case No. 07-1-0015, Final Decision Order (Mar. 21, 2008) County ADU regulations must contain density provisions to preserve rural character—failure to do so would result in "urban-like" density in rural areas.
- Peninsula Neighborhood Association v. Pierce County, Case No. 95-3-0071, Final Decision and Order (Mar. 20, 1996) – Local governments are required to include ADU provisions in their development regulations, but those regulations must be consistent with the GMA requirement that local governments reduce sprawl in rural areas.
- <u>Yanisch v. Lewis County</u>, Case No. 02-2-0007c, Order on Compliance Hearing (Mar. 12, 2004) County definition of "rural character" must comply with GMA; subdivision or sale of ADU to family member may not be approved if doing so creates lots of less than five acres.

## Appendix C. Resources for programmatic elements

### 1. Address the use of ADUs as short-term rentals

- <u>La Conner Municipal Code Sec. 15.110.080</u> ADUs may not be used as short-term rentals.
- <u>Langley Municipal Code Sec. 5.40.030</u> A maximum of 50 ADUs can be used as short-term rentals in Langley.
- Marysville Municipal Code Sec. 22C.180.030 ADUs aren't permitted as short-term rentals.
- Roslyn Municipal Code Sec. 18.140.030 ADUs may be rented for a minimum of 60 days.
- <u>Tukwila Municipal Code Sec. 18.50.220</u> Doesn't allow ADUs to be rented for periods of less than 30 days.

## 2. Provide user-friendly communication materials

- Bellingham: Homeowner's Handbook to Building an ADU This handbook, developed by the Whatcom
  Housing Alliance and the City of Bellingham, includes ADU basics and information on permitting,
  design, construction, and costs.
- <u>Jefferson County: The ABCs and 123s of ADUs</u> (2022) This guide, developed by the Housing Solutions Network, includes information for homeowners considering ADU development, particularly for affordable housing.
- <u>Lynnwood ADU Guide</u> One-page guide with an overview of the city's ADU requirements, including those related to size, design, and setbacks.
- <u>Poulsbo Accessory Dwelling Units</u> This webpage includes ADU basics, benefits of an ADU, code requirements, permitting process, handouts, and flow charts.
- Redmond ADU (Handout) (2019) This one-pager includes an overview of the city's ADU requirements and permit process.
- <u>San Juan County Detached ADU Permit Application Checklist</u> (2018) One-page overview of all permit application requirements.
- Seattle: A Guide to Building a Backyard Cottage (2010)
- Spokane Accessory Dwelling Unit Current Allowances (2022) Includes quick facts.

- <u>Tacoma ADU Tip Sheet</u> (2022) Includes development standards, permit requirements, submittal and review process, and more.
- Tacoma Accessory Dwelling Units Design Guide (2022) A handbook for building ADUs.

#### **Toronto, Canada**

- <u>Changing Lanes Laneway Suites in the City of Toronto</u> Provides requirements, reports, and other information for laneway suites (i.e., detached ADUs abutting a public laneway).
- <u>Garden Suites</u> Offers rules and regulations, key considerations, and other information for garden suites (i.e., detached ADUs that do not about a laneway).
- YouTube City of Toronto Garden Suites Draft Rules Video discussing the city's draft rules for garden suites.
- Vancouver ADU Fact Sheet (2022) Includes FAQs.

# 3. Provide information on landlord-tenant laws for prospective ADU owners and ADU tenants

- <u>A Regional Coalition for Housing (ARCH): Renting Out An ADU</u> Information on finding tenants, rental agreements, landlord-tenant relationship, and more in East King County.
- <u>Bellevue: Residential Rental Regulations</u> Contains general guidelines for ADU rental terms.
- Kenmore Ordinance No. 22-0545 (2022) Adopts tenant protections increasing notice for rent increases, capping late fees, capping move in fees and deposits, and more. The ordinance notes that "dwelling unit" has the same meaning as the state's Residential Landlord-Tenant Act (RCW 59.18.030), which defines it as "...a structure of that part of a structure which is used as a home, residence, or sleeping place by one or two or more persons maintaining a common household..."
- <u>Kirkland: Tenant Protections</u> Includes new tenant protections related to notice of rent increases, maximum security deposit, and enforcement.
- Redmond: Living in Redmond Includes information on the city's new tenant protections.

## 4. Provide information on ADU financing and funding programs

- <u>Fannie Mae: HomeReady Accessory Unit Income and Boarder Income Flexibilities</u> (2022) Expands access to creditworthy low-income borrowers.
- <u>Freddie Mac: Accessory Dwelling Unit (ADU) FAQ</u> Includes common questions about Freddie Mac's ADU loan terms.
- <u>UC Berkeley's Terner Center for Housing Innovation & USC's Lusk Center for Real Estate: ADU Construction Financing</u> (2022) Includes product examples and considerations.
- <u>A Regional Coalition for Housing (ARCH): ADU Lending Assistance</u> Includes information about both private and public financial requirements and assistance.
- <u>Local Investing Opportunities Network (LION)</u> Provides loans for ADU development in Jefferson County.

### 5. Provide information on ADU condominium conversions

 Bellevue ADU Reform Land Use Code Amendment (LUCA) – The city is updating its code to remove barriers for the construction of attached ADUs, including removing the prohibition on condominium conversion.

## 7. Create a program to encourage legalization of unpermitted ADUs

#### **Code examples**

• <u>Burien Municipal Code Sec. 19.17.070</u> – ADUs without city approval may be legalized if the owner applies for the applicable permits.

- <u>Enumclaw Municipal Code Sec. 19.34.240</u> Allows ADUs that existed as of November 1, 2001, to be legally established with an application, inspection, and affidavit. Permit application fees were waived within the first year of the relevant ordinance being in effect.
- <u>Kirkland Municipal Code Sec. 115.07</u> An ADU inspection is required for issuance of an ADU permit if it was built without a final building permit.
- <u>Langley Municipal Code Sec. 18.22.115</u> An ADU that existed as of January 22, 2019, may be legally established and may continue to be used as an ADU with an application, inspection, and affidavit.
- <u>Mukilteo Municipal Code Sec. 17.30.040</u> ADUs built without proper permitting may become legal if the owners submit an application and fulfill parking and owner occupancy requirements, among others.
- Newcastle Municipal Code Sec. 18.31.050 ADUs may become legal following an application and inspection process.
- Roslyn Municipal Code Sec. 18.140.030 If an ADU was created without a building permit, the city requires a building inspection to determine if the structure is sound, will not pose a hazard to people or property, and complies with the ADU requirements and building code.

#### Other resources

- <u>Casita Coalition: Legalizing an Unpermitted ADU</u> (2022) Provides guidelines for homeowners to legalize existing ADUs.
- <u>Seattle: Construction Permit Establishing Use</u> This webpage provides that to legalize an existing unit, a <u>construction permit is needed to establish use</u>; additionally, there could be a need to apply for <u>electrical service changes or new services</u> from Seattle City Light.

#### **Seattle Department of Construction and Inspections**

- <u>Tip 217 How to Legalize a Use Not Established by Permit</u> (2022) Includes the rationale for applying for a permit to establish a use and how to document a use for the record.
- <u>Tip 606 Illegal Dwelling Units</u> (2022) Defines illegal dwelling units and the process to legalize or remove them.

## 8. Provide pre-approved ADU plans

- Lacey Accessory Dwelling Units Four pre-approved detached ADU plans are available.
- Raleigh, NC: ADU Fast Track Gallery Provides ADU plans at a lower cost than typical design processes.

## Appendix D: Other ADU information and resources

#### **Definitions**

- RCW 36.70A.696 Provides statutory definitions.
- <u>Seattle Office of Planning & Community Development: Encouraging Backyard Cottages</u> This webpage includes definitions for detached and attached ADUs.
- Vancouver Municipal Code Ch. 20.810 See Sec. 20.810.020 for ADU definition.

#### **Adopting ordinances**

- Bremerton Ordinance No. 5410 (2020) Amends section 20.46.010, in response to HB 1923 (2020).
- Bremerton Ordinance No. 5416 (2021) Adopts amendments to the city's ADU regulations, including
  increasing minimum size, removing parking requirements, removing owner occupancy requirements,
  and changing design standards.
- <u>Langley Ordinance No. 1051</u> (2019) Amends several sections of the Langley Municipal Code, including <u>section 18.22.155</u>, to encourage housing options and increase housing affordability.

- <u>Seattle Ordinance</u> (2019) Amends multiple sections of the Seattle Municipal Code to remove barriers for attached and detached ADUs and add a floor area ratio requirement in certain single-family zones.
- Spokane Ordinance No. C36225 (2022) Amends multiple sections of the Spokane Municipal Code to increase flexibility for ADUs. Changes to the ADU regulations were a Washington State Department of Commerce grant deliverable.
- <u>Tacoma Ordinance No. 28576 (2019)</u> Amends multiple sections of the Tacoma Municipal Code to allow detached ADUs in single-family zones, simplify regulatory requirements, reduce regulatory barriers, and increase flexibility in building design, size and location.
- See also the pre-amble to early versions of HB 1337, which provides a number of finding support ADU ordinances.

#### **Code reform processes**

- <u>Bellevue ADU Code Reform</u> The city's land use code amendment will remove barriers and encourage the construction of attached ADUs.
- Everett ADU Amendments Includes project documents for process to simplify ADU regulations.
- Policies in housing and comprehensive plans
- <u>Burien Comprehensive Plan: Chapter 2 Plan Policies (2022)</u> See the housing element (2.4) goals specifically focused on ADUs: Pol. HS 1.3, Pol. HS 1.10 and Pol. HS 1.11.
- Everett Housing Action Plan (2021) ADUs are noted as a key strategy to increase housing variety. See section related to ADUs: "Increasing Housing Variety" Recommendation 1.1.
- <u>Kent Housing Options Plan (2021)</u> See information related to ADUs in page 71 (Table 5.3) and pages 146148.
- <u>Langley Comprehensive Plan (2018)</u> See land use (LU), housing (H), and utilities and capital facilities (UCF) goals and policies related to ADUs: LU-4.8, H-1.1, H-4.1, H-4.4, and UCF-1.3.
- Olympia Housing Action Plan (2021) ADUs are a key implementation strategy for increasing the variety of housing choices (see Chapter 2: Strategy 4).
- <u>Seattle 2035 Comprehensive Plan (2020)</u> See the policies related to ADUs: Land Use (LU) policy LU
   7.5, Greenwood/Phinney Ridge (G/PR) housing policy G/PR-P11, Queen Anne (QA) policy QA-P13,
   Wallingford (W) housing policy W-P14, and Westwood Highland Park (W/HP) housing policy W/HP-P21.
- Spokane Comprehensive Plan Housing Chapter (2017) See H 1.19 (Senior Housing), H 1.20 (ADUs).

#### Regional and national reports and websites

- <u>accessorydwellings.org</u> A one-stop source about ADUs, multigenerational homes, laneway houses, ADUs, granny flats, and in-law units.
- American Association of Retired Persons (AARP): All About Accessory Dwelling Units Free
  publications, and more, about how ADUs expand housing options for people of all ages.
- <u>American Planning Association (APA): Accessory Dwelling Units</u> Webpage with reports, briefing papers, articles, case studies, videos, and more.
- <u>A Regional Coalition for Housing (ARCH): Accessory Dwelling Unit</u> A comprehensive, user-friendly website from an affordable housing partnership organization focused on serving East King County.
- MRSC: Accessory Dwelling Units Webpage that provides a good summary about ADUs.
- <u>Puget Sound Regional Council Housing Innovations Program: Accessory Dwelling Units (</u>2020) Guide that includes an overview of ADUs in the Puget Sound region, along with model policies and regulations.
- <u>Shelterforce: ADUs Laws and Uses, Do's and Don'ts</u> Summary of some key debates pertaining to ADU rentals.
- <u>University of Toronto: "The Citizen Developer" video (YouTube)</u> Short video discussing the benefits of small-scale housing.