

# Removing Barriers to Backyard Cottages

**DPD Report and Analysis**

October 2015



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## Appendices

- 2010 DPD Backyard Cottage Report
- 2014 DPD Backyard Cottage Report

# 1. Background and Purpose

## Why are we exploring options for removing barriers to DADUs?

Since 2010, the City of Seattle has allowed backyard cottages, known as detached accessory dwelling units (DADUs), in all single-family residential neighborhoods. Yet to date, fewer than 200 DADUs have been constructed. Despite the benefits they offer their owners and residents, less than one quarter of one percent of single-family lots in Seattle have a DADU. Surveys of property owners who have built DADUs indicate several regulatory barriers that make DADU permitting and construction difficult.

In September 2014, the City Council adopted [Resolution 31547](#) directing the Department of Planning and Development (DPD) to explore policy changes that would increase the production of attached and detached accessory dwelling units, including regulatory changes, incentives, and marketing and promotion. Currently, only about one percent of single-family lots have an ADU or DADU. The City Council also adopted [Resolution 31546](#), which established the Seattle Housing Affordability and Livability Agenda (HALA). In July 2015, the HALA Advisory Committee released its final recommendations, one of which was to boost production of ADUs and DADUs by removing specific code barriers that make it difficult to build them.

This report explores several ways the City could increase production of DADUs. We analyze the benefits and potential impacts of various regulatory changes that could make it easier for property owners to construct DADUs. This discussion outlines a range of options that the City could pursue to stimulate DADU production.

## History of Seattle program

Until the 1950s, ADUs were commonplace in Seattle. Both attached units inside the principal structure and detached backyard cottages were allowed. Over time, however, this type of housing fell out of favor and eventually was no longer permitted in Single Family zones.

In 1993, in response to widespread concern about the cost and availability of housing, the Washington State Legislature required jurisdictions to adopt legislation allowing ADUs. Since 1994, the City of Seattle has allowed ADUs that are inside or attached to the main house in Single Family zones.

In 1998, through adoption of [Ordinance 119241](#), the City Council established the Demonstration Program for Innovative Housing Design. Along with the American Institute of Architects, the City sponsored a design competition for innovative “neighborhood-appropriate” housing concepts that could increase the inventory of quality affordable housing but were not allowed by the Land Use Code at the time. Several of the proposals were for backyard cottages on single-family-zoned lots. This introduced the concept of DADUs. The Ordinance allowed for certain existing Land Use Code requirements to be modified in order to allow up to 10 DADUs through the Demonstration Program.

2006 saw the City Council adopt [Ordinance 122190](#) allowing DADUs for homeowners living in southeast Seattle as a pilot program. As DADU construction in this part of the city progressed, DPD staff met with southeast Seattle community organizations and neighbors living near DADUs. Due in part to the positive response, the pilot program expanded citywide in 2010 through adoption of [Ordinance 123141](#). Section 23.44.041 of the Seattle Municipal Code (SMC) includes regulations for ADUs and DADUs.



## Policy considerations

Accessory dwelling units provide many benefits to communities, such as allowing for more efficient use of our existing housing stock and infrastructure. DADUs offer a housing option with many of the characteristics of a small single-family house: a single unit with no shared walls in a lower-density residential neighborhood. DADUs can increase the housing stock in existing neighborhoods in a way that fits with the scale of existing structures in the neighborhood.

Due to their smaller size and lack of additional land cost, DADUs can provide a more affordable option for housing in neighborhoods where homes are often unaffordable to many people. Many DADUs are rented at 80 to 120 percent of the Area Median Income (AMI). Encouraging DADU production helps provide housing at an income level not available in many single-family neighborhoods. Although this income level does not meet the needs of low- and very-low-income households, DADUs provide additional opportunities for rental housing and income diversity in neighborhoods that are often affordable only to high-income households. Furthermore, the additional income from renting out an accessory unit can help some homeowners afford to remain in their homes.

Encouraging production of DADUs also increases the inventory of housing suitable for a range of household types, including singles, couples, and families. Located in neighborhoods that typically have calmer streets and access to parks, DADUs offer a family-friendly housing type. DADUs also help homeowners respond to changing family needs and smaller households. Multi-generational or senior households may find DADUs particularly appropriate for their needs since they provide flexibility for aging in place or living with extended family. The addition of a cottage can make it easier for elderly people to remain in neighborhoods where they might otherwise be priced out.

DADUs support many of the housing goals and policies in the City's Comprehensive Plan. For example, increasing production of a more affordable rental housing option in single-family neighborhoods supports Policy H16, which directs the City to encourage greater economic integration of neighborhoods. Production of DADUs also helps the City adapt the housing stock to accommodate residential growth and provide affordable housing options, as stated in Policies H18 and H20.

While property owners have identified regulatory barriers to DADU production, some people have also expressed concerns about DADUs, such as visual impacts due to the height or bulk of accessory structures or parking impacts resulting from additional residents in the neighborhood. Several development standards in Section 23.44.041 of the SMC regulate the scale and siting of DADUs. While some of these standards have proven restrictive for greater DADU production, they arose partly in response to these concerns.

## DADUs in Seattle

Number of final permits	159
Average size	632 sq ft
Range of sizes	138-800 sq ft
Average height	18 ft
Average size of lot	6,770 sq ft
DADUs with alley access	42%
Average construction cost	\$55,000

Data from 2012-2014 reporting period



# Constructed accessory dwelling units

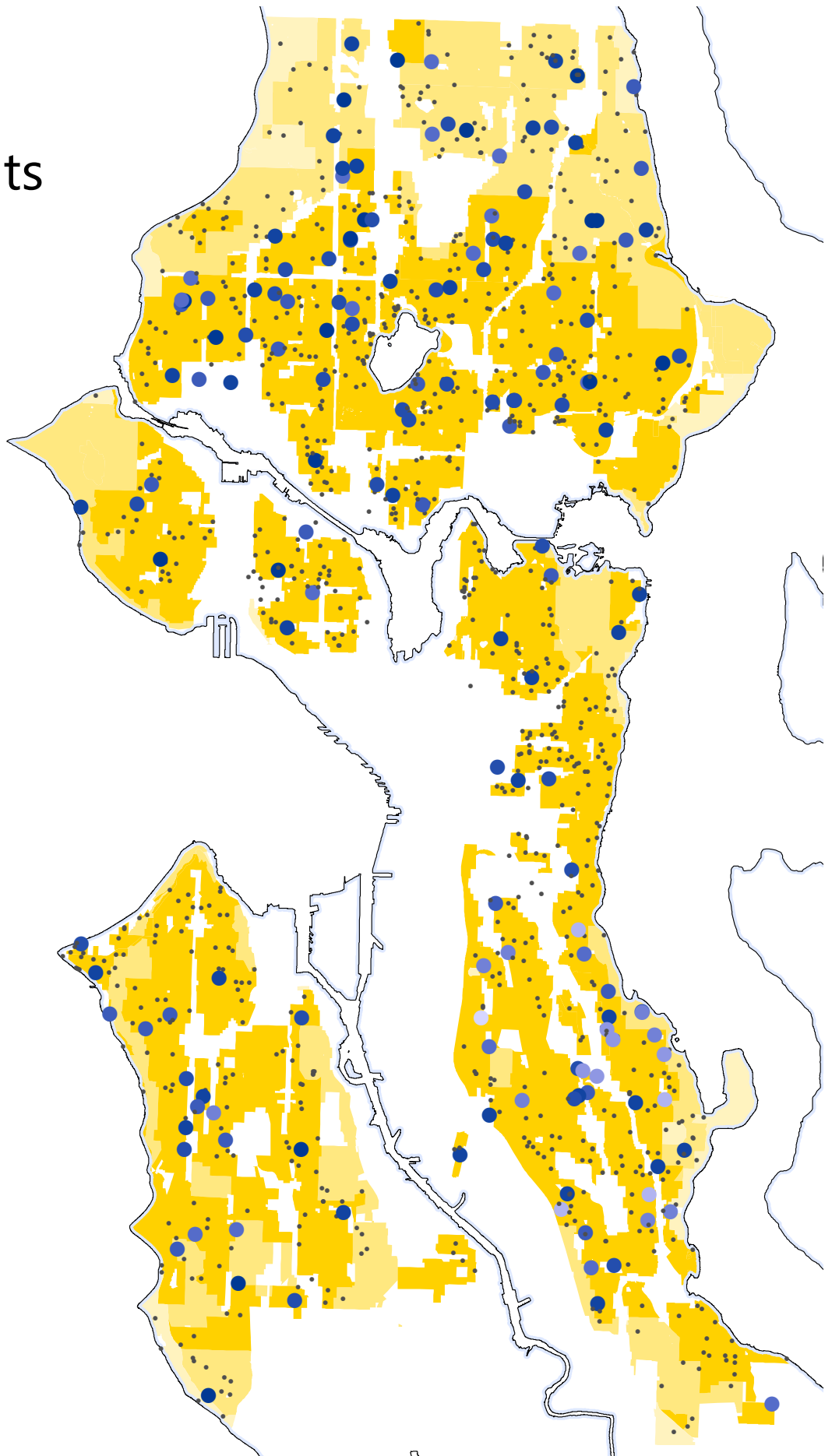
## DADU by year finalized

- 2006
- 2007
- 2008
- 2009
- 2010
- 2011
- 2012
- 2013
- 2014

● ADU

## Single-family zoning

- SF 5000
- SF 7200
- SF 9600



## 2. Capacity Analysis for Backyard Cottages

Through a geospatial model, DPD has estimated the number of single-family zoned lots in Seattle that are eligible for a DADU given the following constraints on where they can be constructed.

### Single family zoned lots

DADUs can be constructed in Single Family Residential zones on lots that are at least 4,000 square feet in area.<sup>1</sup> Of the 124,397 single-family-zoned lots in use as single-family housing, 86 percent are over 4,000 square feet (86 percent).

Some parcels that currently have a single-family residential use are located in a multifamily- or commercial-zoned area.<sup>2</sup> While property owners could build an accessory dwelling unit on these parcels, they are not included in the capacity analysis since these lots could redevelop into multifamily residential or commercial uses.

### Lot coverage and environmental constraints

DADUs are subject to the lot coverage limits for Single Family Residential zones. For lots under 5,000 square feet, the maximum lot coverage is 1,000 square feet plus 15 percent of the lot area; for lots over 5,000 square feet, the maximum lot coverage is 35 percent of the lot area. If the existing single-family house is at or close to this limit, construction of a DADU may not be possible because it would require exceeding the lot coverage limit.

Other constraints limit where DADUs can be constructed. DADUs are not permitted in the Shoreline District, which includes parcels within 200 feet of all shorelines in the city. DADUs are also generally not allowed to be constructed within designated Environmentally Critical Areas (ECAs). This includes areas like wetlands, riparian corridors, and steep slopes. These constraints reduce the number of lots eligible for DADUs in Seattle. Of the 124,397 single-family zoned lots in use as single-family housing, about 17,500 do not meet the 4,000-square-foot minimum lot size requirement. Environmental constraints and lot coverage requirements rule out approximately 25,000 and 15,000 other lots, respectively. Some lots are subject to multiple constraints.

Table 1 shows the results of an analysis of eligible single-family lots in Seattle. The findings reflect a series of assumptions. For example, lot coverage calculations reflect data from the King County Department of Assessments. The model calculates the sum of first floor square footage and attached garages, plus the theoretical area of a DADU,<sup>3</sup> and divides this total by the square footage of the lot. There is a margin of error associated with these calculations. DADUs vary in size and calculating the lot coverage of a specific parcel requires a greater level of precision than the model can provide.

<sup>1</sup> While some DADUs currently exist on lots smaller than 4,000 square feet, they are generally conversions of existing structures built before 1992.

<sup>2</sup> For example, approximately 620 parcels in Seattle have a single-family use but are located in Lowrise or Commercial zones.

<sup>3</sup> Based on DADUs constructed 2011-2014, the model assumes that constructing a DADU would add 450 square feet of lot area. Where a lot already has a detached garage structure of 450 square feet or more, the model assumes the DADU would be constructed above the garage and no additional lot coverage would result. For smaller garages, the model assumes the DADU would result in expanding the garage footprint to 450 square feet.

The model also excludes parcels within or containing wetlands, riparian corridors, and landslide-prone areas (including steep slopes). In these areas accessory units are either prohibited outright, more difficult to construct, or subject to stricter square footage limits.

In total, due the aforementioned constraints, about 75,000 single-family lots are eligible for a DADU. This represents about 60 percent of all single-family zoned lots.

Table 1: Analysis of eligible lots for DADU		
Description	Number	% of total
Single-family zoned lots in use as single-family housing	124,397	100
ineligible due to 4,000 sq ft minimum lot size	(17,426)	14
ineligible due to environmental constraints	(24,653)	20
ineligible due to 200-foot shoreline buffer	(2,151)	2
ineligible due to lot coverage limitations	(15,283)	12
eligible for backyard cottage over 4,000 sq ft and not ineligible based on environmental, shoreline, or lot coverage constraints	74,958	60
between 3,500 and 4,000 square feet	8,127	7

### Potential production estimates

While almost 75,000 single-family zoned lots appear to be eligible for a DADU, today there are only 200 constructed or in permitting in Seattle — roughly a quarter of one percent of eligible lots. There is a large opportunity to add new moderate-income housing through DADU construction. Adding DADUs on just 10 percent of eligible lots would yield almost 7,500 new housing units. Since they would be located in developed areas already served by public infrastructure, these units would increase the supply of moderately priced housing without requiring additional public investment.

Any increase in DADU production due to the proposed amendments is very unlikely to overwhelm single-family neighborhoods. Increasing DADU production on 10 percent of eligible lots would represent a tremendous change compared to the current trend of DADU production of roughly 50 units per year. 10 percent would represent more than a 400-fold increase in the share of eligible lots with a DADU in Seattle.

It is not conceivable that removing even all code barriers to constructing DADUs would result in an increase of this degree. Through ongoing monitoring, the City would be able to evaluate the development resulting from any changes and revisit the regulations for ADUs and DADUs if it differs from expectations.







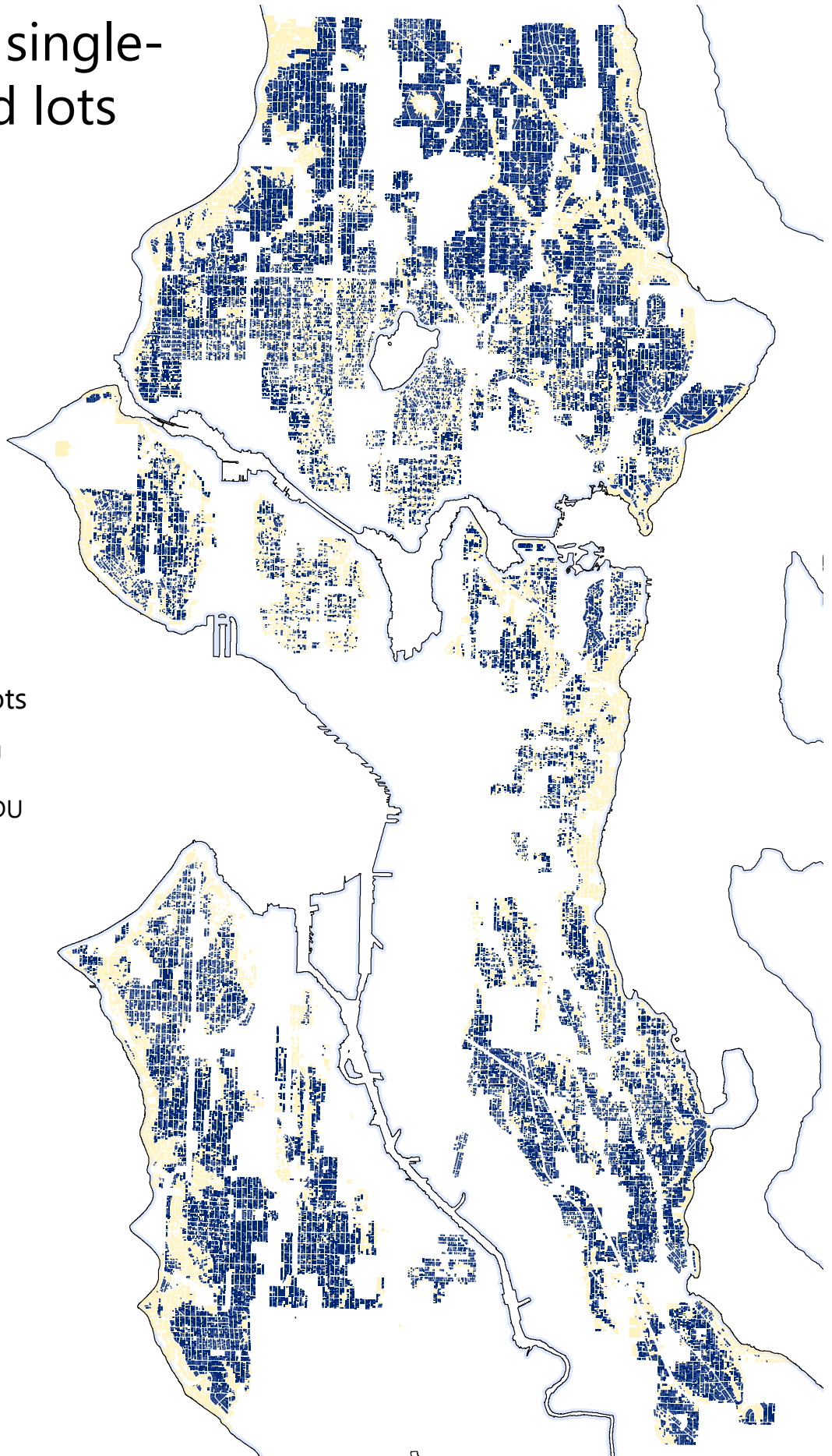
# Eligibility of single-family zoned lots for DADUs

## Criteria for eligibility:

- Lot  $\geq$  4,000 sq ft
- Not located in an environmentally critical area
- Not located within 200 ft of shoreline
- Under lot coverage limit

## Single-family zoned lots

-  Eligible for DADU
-  Ineligible for DADU



### 3. Survey of Backyard Cottage Owners

In early 2015, DPD conducted a survey of 160 homeowners in Seattle who had completed construction of a backyard cottage. The survey asked homeowners about:

- a) why they decided to build a backyard cottage;
- b) barriers to building a cottage that they experienced; and
- c) suggestions for encouraging production of more backyard cottages.

DPD received 45 responses, a response rate of 28 percent. The responses are summarized in Tables 2 and 3.

#### How cottages are being used

The survey asked respondents to rate the importance of several possible reasons to build a DADU. Respondents were able to give the same level of important to multiple uses.

Providing housing for family members or extended family members was the most frequent reason survey respondents gave for building a DADU. Providing accommodation for occasional houseguests received a similar response. Over 40 percent of respondents said each of these reasons — housing extended family members or occasional visitors — was a *very important* reason for building a backyard cottage.

Almost 40 percent of respondents also attributed building their cottage primarily to the potential rental income from a long-term lease. 43 percent of respondents said creation of additional usable space, such as a studio, office, or activity space, was a *very important* reason for their cottage.

Table 2: Reasons survey respondents chose to build a DADU								
Why did you decide to build a backyard cottage?	weighted score*	very important	%	somewhat important	%	not important	%	total responses
Housing for family members or extended family members	52	20	48	12	29	10	24	42
Accommodation for occasional house guests or visitors	50	20	45	10	23	14	32	44
Additional useable space such as studio, office, or activity space	47	19	43	9	20	16	26	44
Rental income, long term lease (6 months or more)	44	17	38	10	22	18	40	45
Rental income, short term lease (such as Airbnb or VRBO)	25	7	17	11	26	24	57	42
Housing for a live-in service provider such as childcare provider, assisted living professional, or property caretaker	18	4	9	10	23	29	67	43
Other	17	6	35	5	29	6	35	17

\* *Very important* responses have a value of 2, *somewhat important* a value of 1, and *not important* a value of zero.

#### Barriers to creation of backyard cottages

Based on their experience, survey respondents also indicated the extent to which each of a list of factors was a barrier to building a backyard cottage.

Development standards for DADUs were the most commonly cited barrier. 35 percent of respondents *strongly agreed* that regulations such as setbacks, height limits, and lot coverage limits are a significant barrier to creating a backyard cottage. Another 35 percent *agreed* to this question; only 16 percent *disagreed* or *strongly disagreed*.

The cost of construction had the next highest ranking as a barrier to backyard cottage production. Almost 30 percent of respondents *strongly agreed* and another 36 percent *agreed* that construction costs, apart from permit and design fees, are a significant barrier.

More than half of the survey respondents *agreed* that the off-site parking requirement is a significant barrier. Over 45 percent of respondents also either *agreed* or *strongly agreed* that the cost of design and engineering fees is a significant barrier to creating backyard cottages.

The owner occupancy requirement was perhaps the most polarizing factor. More than any other potential barrier, survey respondents *strongly agreed* that the requirement for the property owner to reside in either the cottage or the principal unit for six months of the year was a significant barrier to constructing a backyard cottage. However, a third of respondents *disagreed* with this response. This response distribution could reflect the fact that, while many homeowners intend to stay in either the cottage or principal unit, others may already rent their house and would rent the accessory unit as well if permitted.

Finally, most respondents were either *neutral* or *disagreed* that concerns about possible impacts to neighbors are a significant barrier to creating a backyard cottage. This included views, privacy, and access to light and air.

Table 3: Barriers to DADU constructed identified in survey of DADU owners												
To what extent do you agree the following are significant barriers to creating a backyard cottage?	weighted score <sup>1</sup>	strongly agree	%	agree	%	neutral	%	disagree	%	strongly disagree	%	total
Development regulations such as setbacks, height limits, and lot coverage limits	37	15	35	15	35	6	14	6	14	1	2	43
The basic cost of construction (aside from permits, and design fees)	35	12	29	15	36	11	26	4	10	0	0	42
The requirement of an on-site parking space for the cottage	23	11	26	11	26	11	26	8	19	1	2	42
The cost of utility connections	21	9	21	14	33	10	23	9	21	1	2	43
The cost, time or complexity of obtaining permits	17	10	23	10	23	10	23	13	30	0	0	43
The cost of design and engineering fees	15	4	9	16	37	14	33	9	21	0	0	43
The occupancy requirement (owner must reside in either the cottage or principal unit)	15	15	36	5	12	5	12	14	33	3	7	42
Lack of access to financing (loans)	12	6	14	12	29	14	33	8	19	2	5	42
Concerns about impacting neighbors	6	5	12	10	24	14	33	12	29	1	2	42

## Other themes and suggestions

The survey also asked respondents about their suggestions for encouraging production of more backyard cottages. Several respondents encouraged the City to make pre-approved backyard cottage plans available



for a small fee in order to reduce the time and costs associated with design, engineering, and permitting. The complexity of this process deters many people from constructing a DADU. They also requested that the City provide a step-by-step guide to the permitting process and publish a list of affordable and reliable designers and contractors for homeowners interested in creating a DADU.

Respondents mentioned other ideas concerning the requirements for off-street parking and owner occupancy and the lot coverage limitation. Survey respondents believed the parking requirement could make it very difficult, if not impossible, for many homeowners to build a backyard cottage. While a few respondents were supportive of the owner occupancy requirement, most suggested that it should be removed. They also commented that most houses were not sited or constructed with a future accessory structure in mind and there may not be positioned to accommodate a DADU. They suggested greater flexibility to allow more DADUs where existing requirements and limitations preclude them.

Some respondents stated that the height and square footage limits only allowed construction of structures that are too small to be useful. They said this is particularly problematic when building a DADU above a large garage, as the 800-square-foot limit applies to the entire structure. Some survey respondents also recommended that the City allow both a DADU and an ADU within the house on each lot.

Respondents also mentioned ways the City could promote DADUs, such as a brochure showing the diverse architectural styles found in Seattle's backyard cottages.

## 4. Peer City Review

### Regulations in peer cities

Several other North American cities have development regulations that allow attached and detached accessory dwelling units. Table 4 summarizes the key components of these regulations in some of Seattle's peer cities.

### Lessons learned

#### *Portland, Oregon*

Portland has allowed ADUs since 1981, though originally they were allowed only within owner-occupied structures over 2,000 square feet without other additions of floor area in the last five years. The ADU could be at most 25 percent of the total floor area of the structure.

Over time, Portland's ADU provisions have evolved, leading to a more than tenfold increase in the production of accessory units. There is no longer an owner-occupancy requirement or additional parking requirement for accessory units. Both ADUs and DADUs are allowed in all resi-



dential zones. The area of accessory units can be 75 percent of the principal unit floor area up to 800 square feet. Design standards for ADUs and DADUs also accompanied these policy changes.

The City Council also waived System Development Charges, one-time fees for new or increased use of property. This waiver eliminated up to \$12,000 of the cost associated with permitting an accessory unit. After this policy change, the number of accessory unit permit applications increased substantially, from about 25 in 2009 to almost 100 in 2010, after the waiver was implemented. Portland continued to see an increase in annual ADU/DADU permitting of almost 50 permits a year. In 2014, over 250 permits were filed. In 2015, there was approximately one ADU/DADU permit per day in Portland.

### ***Vancouver, British Columbia***

The City of Vancouver has a long history of carriage houses and backyard “infill” housing built to house workers and extended family. For many years, however, zoning permitting laneway infill (small cottages oriented towards alleys) was limited to a few older and eventually built-out neighborhoods of Vancouver. As a result, development of new laneway housing slowed considerably.

As part of the City’s Eco-Density initiative, the City Council adopted new laneway housing regulations and guidelines in 2009, allowing laneway houses on 94 percent of the city’s single family zoned land. The City added design and landscaping standards to require that laneway houses are compatible with the principal unit and allow usable open space between the principal unit and laneway house. The regulations also allow a laneway house in addition to a secondary suite (an accessory dwelling unit within the principal unit).



As of 2013, 800 laneway houses had been approved since 2009. The laneway houses are distributed widely throughout the city. The average size of laneway houses in Vancouver is 590 square feet and nearly all of them are 1.5 stories.

### ***Los Angeles, California***

In 2003, the California State Assembly passed AB 1866, requiring municipalities to allow as of right a secondary dwelling unit on all residentially zoned lots without discretionary review or hearing if they meet local criteria for parking, setbacks, lot coverage, and other development standards. The City of Los Angeles is considering legislation that would allow one ADU or DADU on single-family and multifamily zoned lots containing a single-family dwelling unit if the ADU/DADU meets the development standards of the underlying zone and an additional off-street parking space is provided.

Los Angeles also has a two-family residential zone (R2) that allows duplexes and two single-family dwelling units on a single lot. The minimum lot size is 5,000 square feet and two parking spaces are required. Front, side, and rear setbacks are required and vary according to the lot size and number of stories.

**Table 4: Accessory dwelling unit regulations in other North American cities**

city	allows DADUs	owner occupancy	off-street parking	min. lot size	max. height	max. unit size	max. coverage	notes
Boulder		x	x	6,000 sq ft	n/a	One-third of principal unit or 1,000 sq ft		Up to 10% of single-family lots in a neighborhood can have an ADU.
Portland	x (but not both)				18 feet	75% of principal unit or 800 sq ft	≤ principal unit and < 15% of lot	Features like windows, roof pitch, trim, and finishes must match the principal unit.
Santa Cruz	x (but not both)	x	x  1 space for studio/1BR  2 spaces for 2BR	5,000 sq ft	22 feet	500 sq ft  640 sq ft if lot > 7,500 sq ft  800 sq ft if lot > 10,000 sq ft		Form, height, materials, colors, and landscaping must be compatible with principal unit. Exterior design must be "in harmony with and maintain scale of" the neighborhood.  Development fees waived if ADU is rented at City-specific affordable rents.
Lexington, MA	x	x	x	10,000 sq ft		1,000 sq ft and 2BR for ADU  40% of principal unit for DADU		
Vancouver, BC	x (in addition to ADU)		x (but any unit on the lot can use it)	32 ft wide	15 feet for 1 story (with pitched roof)  20 feet for 1.5 story	Lot area * 0.16, up to 900 sq ft. This equals 800 sq ft for 5,000 sq ft lot.		Only permitted on 1) sites with alley access and 2) corner lots.
Los Angeles	x (but not both)		x		2 stories	Up to 30% of principal unit floor area (up to 1200 sq ft)	50% for principal and accessory structures  (45% or 3,750 sq ft if lot > 7,500 sq ft)	See also: California <a href="#">AB 1866</a> , which requires cities to develop rules for ADUs.
Denver	x (but not both)	x		6,000-8,500	24 feet  1.5 story	650 sq ft for lots under 6,000 sq ft  864 sq ft for lots 6,000-7,000 sq ft  1,000 sq ft for lots over 7,000 sq ft		

## 5. Potential Code Changes

Section 23.44.041 of the Seattle Municipal Code establishes regulations for ADUs and DADUs in single family zones. Based on observation of constructed units and surveys of property owners, we have identified that some of these regulations make it difficult to permit and construct a DADU.



The following potential amendments to the Land Use Code could reduce or remove these barriers in order to make it easier for property owners to construct DADUs. Below is a discussion of the benefits and likely impacts of each potential amendment.

### **Should we allow both an ADU and DADU on a single-family lot?**

Currently, subsection 23.44.041.A.1 states that a lot with or proposed for a single-family house may have only one accessory unit. Homeowners can have an attached accessory dwelling unit, a detached accessory dwelling unit, but not both.

We could remove the provision that a lot can have only one accessory unit, allowing owners of single-family zoned lots that currently have an ADU to add a DADU, and vice versa. This change would support creation of greater range of housing options in single-family zones. Some lots that already have an ADU may otherwise be well suited for a DADU in that they have adequate site area or are located in an area well served by transit. Property owners may want to construct a DADU for long-term rental and use an ADU for occasional houseguests or extended family.

There were 937 ADUs in Seattle as of December 2014. 119 of them exist on one of the 31,925 lots eligible for a DADU. The other 818 are on lots that are not eligible for a DADU. Over 99 percent of DADU-eligible lots do not currently have an ADU. This suggests that allowing a single-family lot to have an ADU and a DADU is not likely in itself to produce a dramatic increase in DADU construction, even if every homeowner with an ADU desired to construct a DADU as well.

Allowing two accessory units could lead to an increase in the number of persons living on a single-family lot, but this would not be the case in every instance. Currently, multiple people can live together in an ADU or a DADU; this might be a family with one or more children. A lot with an ADU and DADU, however, might have only one person living in each accessory unit. The regulations for the number of unrelated persons that can comprise a household would still apply to all principal and accessory units on the lot.

From an urban design perspective, allowing an ADU and a DADU on the same lot would not necessarily have a significant effect. In terms of appearance from the outside, a house with a DADU may not look very different from a house with a DADU and an ADU since the latter is within the house.

### **Should we remove the owner-occupancy requirement?**

The existing regulations require homeowners with an accessory dwelling unit to reside in either the principal or the accessory unit for at least six months of the year. This requirement originally arose due to concerns allowing backyard cottages without it would effectively allow duplexes citywide. Due to this requirement, a property owner cannot rent both the principal unit and an accessory unit. Furthermore, a property owner that currently rents the principal unit cannot construct a DADU for long-term rental without terminating the rental agreement for the house and moving into either the principal unit or the accessory unit.

Striking subsections 23.44.041.A.2 and 23.44.041.C would remove the owner-occupancy requirement and allow both the principal and accessory unit(s) to be rented. This could afford property owners greater flexibility to decide how and whether to rent their units, remove a barrier to DADU construction, and increase the number of housing units available on the rental market.

## Should we remove the off-street parking requirement?

Except for lots located in urban centers and villages, subsection 23.44.041.A.5 currently requires one off-street parking space for the accessory dwelling unit. This is in addition to the parking space required for the principal dwelling unit in a single-family zone. While the parking space for the accessory unit may be provided as tandem parking with the parking space for the principal unit, this requirement precludes owners of certain lots from building an ADU or DADU due to insufficient space for an additional off-street parking space.

If the principal unit does not currently have an off-street parking space, the unit is legally noncomplying, and the property owner must add one off-street space to construct an accessory unit. The Director may waive the off-street parking requirement if topography or the location of existing structures make it physically infeasible to provide the parking space.<sup>4</sup> Some completed DADUs have received this waiver because the principal unit does not have off-street parking and is located on a lot without an alley and/or where construction of a driveway or garage is not possible.

Requiring parking can prevent some property owners from being able to construct a DADU. Subsection 23.44.041.A.5 could be amended to require one off-street parking space for the entire single-family dwelling, including the principal dwelling unit and any accessory dwelling units. No additional off-street parking spaces would be required for a lot that has one accessory dwelling unit or both an ADU and DADU. A property owner would still be able to provide an off-street parking space if he or she has space and believes it is a desirable amenity for prospective tenants.

Currently, constructed DADUs are distributed relatively evenly throughout the city. Even if the rate of production increased tenfold, 500 DADUs per year dispersed throughout the city would be unlikely to create a noticeable impact. Some property owners that construct a DADU might elect to provide an off-street parking space even if not required. Furthermore, some households that live in an ADU or DADU may not own a vehicle. Ongoing monitoring of DADU construction would allow the City to revisit these regulations if eventual production of ADUs and DADUs results in significant parking impacts (see Section 6 of this Director's Report).

## Should we modify development standards for DADUs?

Subsection 23.44.041.B of the Seattle Municipal Code contains development standards for DADUs. These include requirements for minimum lot size, standards for the DADU structure, and limitations on its location on the lot and relative to other structures.

These development standards are intended to ensure that DADUs are compatible in terms of mass and scale with existing development in single-family neighborhoods. However, some of the requirements preclude some property owners from constructing a DADU or make it difficult for owners of certain lots to achieve a DADU design that functions well.

Below are four potential changes that could be made to the development standards in 23.44.041.B in order to facilitate production of DADUs:

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<sup>4</sup> If the lot is located in the U District or Alki Parking Overlay Areas, the requirement cannot be waived.

### ***Potential modification 1: Reduce minimum lot size***

The current minimum lot size for a site with a DADU is 4,000 square feet. Approximately 22,849 single-family zoned lots are less than 4,000 square feet. DPD has been approached by several homeowners seeking to build a DADU but unable due to the size of their lot. Lots under 4,000 square feet are found primarily in neighborhoods with some of the earliest platting, such as Wallingford, Queen Anne, and the Central Area. These neighborhoods tend to be in close proximity to job centers and have some of the best access to transit and services.

Lowering the minimum lot size to 3,500 square feet could increase the supply and variety of housing options for moderate-income households in single-family neighborhoods, especially those located close to transit and services. As shown in the map below, there are 8,127 lots under 4,000 square feet but larger than 3,500 square feet in Seattle. This change would allow owners of those lots to construct a DADU if they comply with all the other requirements.

Development standards like lot coverage limits, yards, and setbacks would continue to apply and would govern the footprint, scale, and location of a DADU. For example, some of the lots that are 3,500-4,000 square feet in size would not be eligible for a DADU if the existing structures on the site meet or exceed the lot coverage limit.

### ***Potential modification 2: Modify how maximum floor area for DADUs is calculated***

Currently, the maximum gross floor area of a DADU is 800 square feet including any garage and storage areas and excluding covered porches and decks under 25 square feet in area. This means if someone constructs a DADU above an existing garage, the entire structure can have at most 800 square feet of gross floor area.

The requirement to include garage area substantially constrains the design and limits the functionality of DADUs built above existing garages. DADUs over garages are a common arrangement and tend to be some of the most compatible and well designed backyard cottages. Of the 96 cottages permitted between January 4, 2011, and October 1, 2014, roughly one third were built above a garage (36 DADUs or 38 percent). However, the size of these units is limited considerably by this development standard. For example, the DADUs constructed above existing garages at 2110 2nd Ave W, 7019 22nd Ave NW, and 1612 NE Ravenna Blvd are 400, 318, and 404 square feet in area, respectively.

As a result, these DADUs are often less functional, serve fewer people, and offer less potential income to the property owner. Some property owners may decide not to construct a DADU altogether due to the limited potential floor area.

Including only the living space in the gross floor area calculation would regulate DADUs constructed over existing garages and standalone DADUs more uniformly. In both situations, property owners would be able to construct the same amount of living space. This would give property owners the flexibility to choose how to construct their DADU based on the size of, and existing structures on, their lot.

Even with garage and storage space excluded from floor area calculations, other development standards (e.g. maximum height limit, maximum gross floor area) would continue to apply and limit the size and scale of DADUs. Since renovating a garage to include a DADU is an efficient use of existing structures, it's worth considering removing this barrier to doing so.





Single-family homes (top row) with DADUs constructed above garages (bottom row) at 2110 2nd Ave W (left), 7019 22nd Ave NW (center), and 1612 NE Ravenna Blvd (right).

### ***Potential modification 3: Slightly increase height limit for certain sites***

The development standards in 23.44.041.B limit the maximum height of a DADU by specifying the base structure height and the additional height allowed for a pitched, shed, or butterfly roof. The maximum height limit depends on the width of the lot; on wider lots, a taller DADU is permitted.

A second story is desirable and appropriate for lots above a certain width. It also provides a more functional unit for tenants, especially larger households such as families with children. However, our observations of built DADUs show that the height limits make it very difficult to build a functional second story, especially when the DADU is built over a garage.

To address this barrier, we could slightly modify the height limit for certain lots. In order to ensure that DADUs on narrow lots remain compatible with existing homes on adjacent lots, we could leave as they are the height limits for lots less than 40 feet wide. This would maintain standards that generally restrict DADUs to one story on narrow lots. For wider lots, an increase of 2 to 4 feet would facilitate a viable second story.

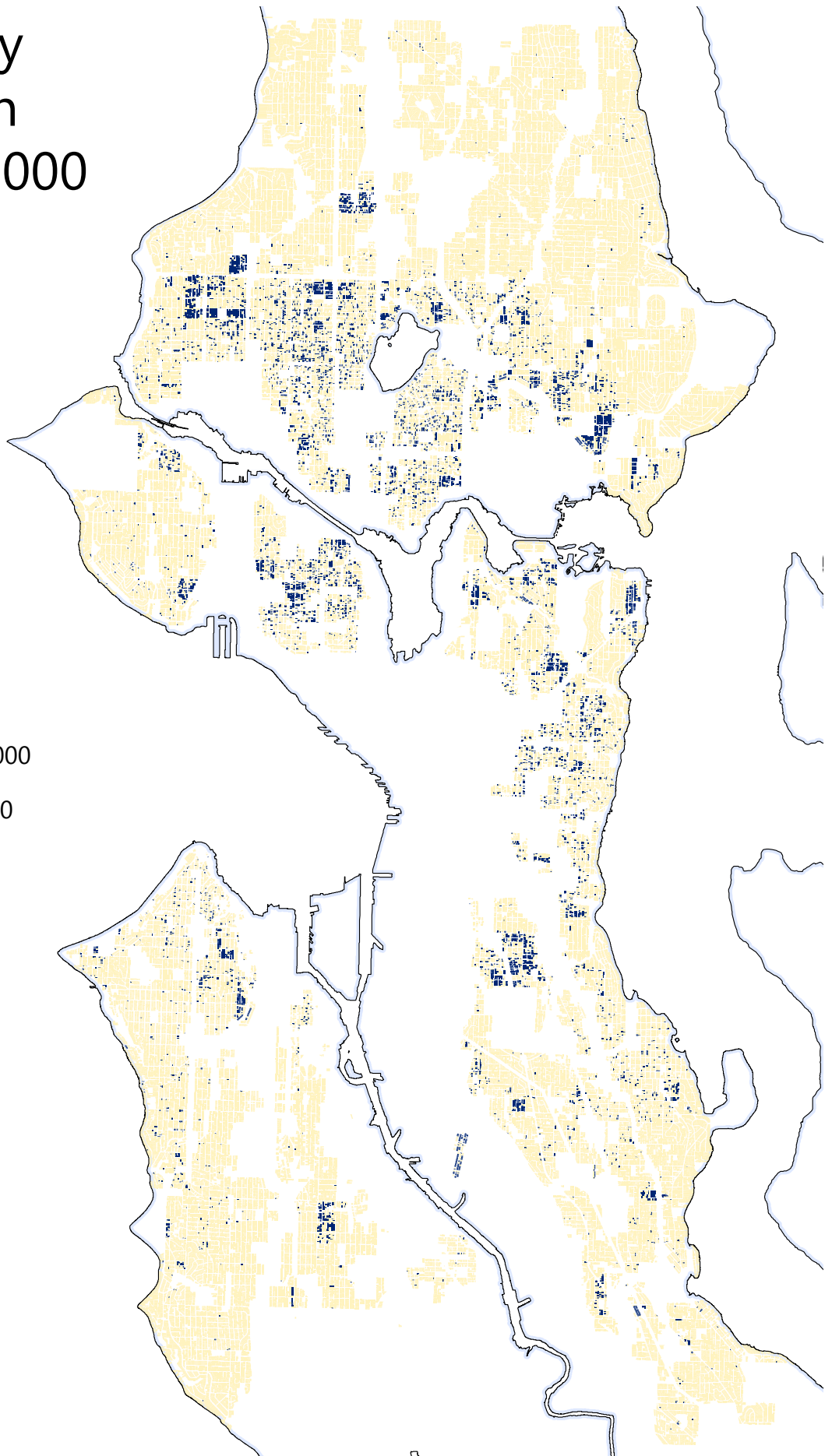
### ***Potential modification 4: Allow more flexibility for the location of entries***

Current regulations say that entrances to a DADU cannot be located on the facades facing the nearest side or rear lot line, unless that lot line is an alley or right-of-way. This restriction is intended to protect neighbors' privacy and ensure that the entrance to a DADU is not bothersome to adjacent homeowners whose property may be close to the structure. But the restriction also sometimes constrains the design of the DADU by requiring the entrance to be somewhere other than the optimal location.

# Single-family lots between 3,500 and 4,000 square feet

Lot area (square feet)

- $\geq 3,500$  and  $< 4,000$
- $\geq 4,000$  or  $< 3,500$



To afford property owners greater flexibility in the design of DADUs, we could prohibit entrances facing the nearest side or rear lot line only when that lot line would be within 5 feet of the entrance. This would continue to respect neighbors' privacy concerns while allowing for designs that make sense in the context of the particular lot. It would also regulate the entrance of the DADU in a similar way to the principal unit, since the Land Use Code requires sideyards of at least 5 feet and allows an entrance to a single-family home on the façade facing the side lot line.

### *Summary of potential modifications*

Table 5 outlines the potential changes to development standards for DADUs discussed above.

### **How should we handle household size on lots with an ADU and a DADU?**

If we decide to allow property owners to have an ADU and a DADU on the same single-family lot, should we consider some changes to how we regulate household size?

A household is defined in the Land Use Code as a "housekeeping unit of any number of related persons; eight or fewer non-related, non-transient persons; eight or fewer related and non-related non-transient persons, unless a grant of special or reasonable accommodation allows an additional number of persons." Furthermore, by definition a dwelling unit can be occupied by only one household. Even though ADUs and DADUs are called "units," the City considers all principal and accessory units on a lot to be a single dwelling unit. Therefore, under current regulations, at most eight unrelated people can inhabit a principal unit and accessory unit.

In order for property owner to have an ADU and a DADU on a lot, the City could consider the possibility of allowing more than eight unrelated people in a "household." The existing definition of a household could be a barrier, particularly when renting to non-family members.

For example, let's say family with three children want to live in the principal unit they own, rent the ADU in their basement to a two unrelated people, and construct and rent a backyard cottage to a young couple with a small child. The ten people living at that property would exceed the current number of persons allowed in a single household.

We recognize some may be concerned about potential impacts from large numbers of people living on a single-family site.

One option is to increase in the maximum size of a household only in the case that a lot has two accessory units. Allowing 12 unrelated persons to constitute a household in this particular situation would allow efficient use of the housing stock in single-family neighborhoods. For example, it would make renting an ADU and a DADU to families with children viable. We could continue to limit the number of people living in a single structure to eight, like the current regulation. This would prevent 10 unrelated people from living in the principal unit, which is not currently allowed. Another option is to limit to eight the number of adults (over 18) on a single site but still allow some flexibility for families with children.



Table 5: Potential changes to development standards for DADUs										
	current standard					potential change				
Minimum lot size	4,000 square feet					<b>3,500 square feet</b>				
Minimum lot width	25 feet					25 feet				
Minimum lot depth	70 feet <sup>2</sup>					70 feet <sup>2</sup>				
Maximum lot coverage	The provisions of <a href="#">Section 23.44.010</a> apply.					The provisions of <a href="#">Section 23.44.010</a> apply.				
Maximum rear yard coverage	A detached accessory dwelling unit, together with any other accessory structures and other portions of the principal structure, is limited to a maximum combined coverage of 40 percent of the rear yard.					A detached accessory dwelling unit, together with any other accessory structures and other portions of the principal structure, is limited to a maximum combined coverage of 40 percent of the rear yard.				
Maximum gross floor area	800 square feet including garage and storage area but excluding covered porches and covered decks that are less than 25 square feet in area, and underground areas measured as set forth in <a href="#">Section 23.86.007</a> .					800 square feet <b>including garage and storage area but</b> excluding covered porches and covered decks that are less than 25 square feet in area, and underground areas measured as set forth in <a href="#">Section 23.86.007</a> .				
Front yard	A detached accessory dwelling unit may not be located within the front yard required by subsection 23.44.014.A, except on a through lot pursuant to <a href="#">Section 23.40.030</a> or <a href="#">Section 23.40.035</a> and row i of this Table B for 23.44.041.					A detached accessory dwelling unit may not be located within the front yard required by subsection 23.44.014.A, except on a through lot pursuant to <a href="#">Section 23.40.030</a> or <a href="#">Section 23.40.035</a> and row i of this Table B for 23.44.041.				
Minimum side yard	The provisions of subsection 23.44.014.C apply. <sup>7</sup>					The provisions of subsection 23.44.014.C apply. <sup>7</sup>				
Minimum rear yard	A detached accessory dwelling unit may be located within a required rear yard if it is not within 5 feet of any lot line, unless the lot line is adjacent to an alley, in which case a detached accessory dwelling unit may be located at that lot line. <sup>3, 4, 7</sup>					A detached accessory dwelling unit may be located within a required rear yard if it is not within 5 feet of any lot line, unless the lot line is adjacent to an alley, in which case a detached accessory dwelling unit may be located at that lot line. <sup>3, 4, 7</sup>				
Location of entry	Entrances to detached accessory dwelling units may not be located on facades facing the nearest side lot line or the rear lot line unless the nearest side lot line or rear lot line abuts an alley or other public right-of-way.					Entrances to detached accessory dwelling units may not be located on facades facing the nearest side lot line or the rear lot line unless the nearest side lot line or rear lot line abuts an alley or other public right-of-way <b>or is at least 5 feet from the entrance.</b>				
Maximum height limits <sup>5</sup>	Lot width (feet)					Lot width (feet)				
	Less than 30	30 or greater up to 35	Above 35 up to 40	Above 40 up to 50 <sup>6</sup>	50 or greater	Less than 30	30 or greater up to 35	Above 35 up to 40	Above 40 up to 50 <sup>6</sup>	50 or greater
(1) Base structure height limit(feet)	12	14	15	16	16	12	14	15	<b>18</b>	<b>20</b>
(2) Height allowed for pitched roof above base structure height limit(feet)	3	7	7	6	7	3	7	7	6	7
(3) Height allowed for shed or butterfly roof above base structure height limit (feet); see Exhibit A for <a href="#">23.44.041</a>	3	4	4	4	4	3	4	4	4	4
<b>I. Minimum separation from principal structure</b>	5 feet					5 feet				
Footnotes to Table B for <a href="#">23.44.041</a> : <sup>1</sup> The Director may allow an exception to standards a through f, h, i and j pursuant to subsection 23.44.041.B.3, for converting existing accessory structures. <sup>2</sup> For lots that do not meet the lot depth requirement, but have a greater width than depth and an area greater than 5,000 square feet, a detached accessory dwelling unit is permitted, provided the detached accessory dwelling unit is not located in a required yard. <sup>3</sup> If the lot line is adjacent to an alley and a detached accessory dwelling unit includes a garage with a vehicle entrance that faces the alley, the garage portion of the structure may not be located within 12 feet of the centerline of the alley. <sup>4</sup> On a reversed corner lot, no detached accessory dwelling unit shall be located in that portion of the required rear yard that abuts the required front yard of the adjoining key lot. <sup>5</sup> Features such as chimneys, antennas, and flagpoles may extend up to 4 feet above the maximum allowed height. <sup>6</sup> Detached accessory dwelling units on lots that have a width greater than 40 feet up to 50 feet may be built to the maximum height limit applicable in the column for lots greater than 50 feet when the detached accessory dwelling unit is located on a lot with a rear lot line that is adjacent to an alley. <sup>7</sup> The exceptions from standard yard requirements in subsection 23.44.014.D.6.a shall also apply.										

## Summary of benefits and impacts of potential regulatory changes for DADUs

Table 6 summarizes why we might consider making changes to the requirements for DADUs and the potential impacts we should monitor closely if we do.



Table 6: Summary of potential regulatory changes for DADUs		
Change to DADU regulations	Likely benefit	Potential concerns
Allow ADU and DADU on same lot	<ul style="list-style-type: none"> <li>Greater diversity and supply of moderately priced rental housing options in single-family neighborhoods</li> </ul>	<ul style="list-style-type: none"> <li>Availability of on-street parking</li> <li>Additional number of people living on a site</li> </ul>
Remove owner-occupancy requirement	<ul style="list-style-type: none"> <li>Increased supply of rental housing</li> <li>Additional income-generating opportunities for homeowners</li> </ul>	<ul style="list-style-type: none"> <li>Some people believe owners will maintain their properties better than renters</li> </ul>
Remove off-street parking requirement	<ul style="list-style-type: none"> <li>More lots become eligible for DADUs</li> <li>Reduces cost of constructing DADU</li> <li>Greater design and siting flexibility</li> <li>Encourages multimodal transportation</li> </ul>	<ul style="list-style-type: none"> <li>Availability of on-street parking</li> </ul>
Modify development standards	<ul style="list-style-type: none"> <li>Greater design flexibility</li> <li>More lots eligible for a DADU; standards like lot coverage continue to limit size and scale</li> <li>More DADUs can have a viable second story, providing housing for larger households such as families with children</li> </ul>	<ul style="list-style-type: none"> <li>Some smaller lots that currently can't have a DADU would be able to</li> <li>DADUs over garages might increase in floor area, though other standards would limit this</li> <li>On wider lots, DADUs could 2-4 feet taller</li> </ul>
Adjust maximum household size for lots with both ADU and DADU	<ul style="list-style-type: none"> <li>Allows larger groups, like families with children, to live in accessory units if we allow an ADU and DADU on one lot</li> </ul>	<ul style="list-style-type: none"> <li>Availability of on-street parking</li> <li>Additional people living on a site</li> </ul>

## 6. Monitoring and Evaluation

### Continued biennial monitoring

Section E of [Ordinance 122190](#) required that DPD report annually to the City Council on ADU and DADU permit activity in the southeast Seattle pilot area, including the number of applications filed and permits issued, the location and dispersion of applications for ADUs and DADUs, and information about parking and waivers.

When [Ordinance 123141](#) allowed construction of DADUs on single family lots citywide, the required reporting to Council was modified to include the height, floor area, lot area, and lot coverage for every DADU permitted in the city. While Ordinance 124378 removed the annual reporting requirement, DPD has continued to analyze ADU and DADU permitting and, following any amendments to DADU regulations, would continue reporting biennially to the City Council on the effects of the changes. Biennial reporting would look particularly at the effects of removing the off-street parking and owner-occupancy requirements, the allowance of an ADU and DADU on the same lot, and/or changes to DADU development standards.

This ongoing monitoring and reporting would allow DPD to review specific permits to evaluate what effect, if any, changes to development standards are having on DADU construction. DPD would also monitor the extent to which any increase in the production of accessory units has negative impacts, such as by affecting the availability of on-street parking availability in single-family neighborhoods if the requirement for one off-street parking space is removed.

### Affordability and use of DADUs

DPD would also continue to use survey tools to monitor and report on the affordability and use of backyard cottages. DADUs are projected to serve households earning 80 to 120 percent of AMI. DPD would propose to survey homeowners and DADU residents to understand the extent to which increased DADU production is adding to the supply of moderate-income housing options in single-family neighborhoods.

## 7. Economics and Marketing

### Who's building DADUs?

Just as the survey in early 2015 allowed us to understand some of the motivations and concerns of property owners that constructed a DADU, there has been interest in gaining a greater understanding of how properties that have DADUs differ from those that do not. DPD has evaluated the characteristics of properties that have added DADUs.

Data from the King County Department of Assessments indicates that property values differ for lots with and without DADUs. As shown in Table 7, the mean property value of the 155 parcels with a DADU is \$570,150. This is 11 percent higher than the mean property value of all single-family residential parcels in Seattle of \$515,225. Perhaps not surprisingly, parcels with a DADU are also on average 14 percent larger than the city-wide mean.

Table 7: Comparison of parcels with and without a DADU		
	All single-family residential parcels	Parcels with a DADU
Mean property value (2015)	\$515,225	\$570,150
Mean parcel size	6,266 square feet	7,100 square feet

Property value can serve as a proxy for wealth, income, and educational attainment. Removing barriers to DADU construction, such as removing the off-street parking requirement and adding some flexibility in development standards, could make it easier for a wider range of households to construct a DADU and benefit from the rental income and additional equity it can provide and could reduce the cost of the rental unit. As part of this effort to remove barriers to DADU construction, DPD proposes to continue examining who is building DADUs through both quantitative and qualitative analysis.

### Financing and other tools to increase production

To further encourage production of DADUs, the City is also exploring financing products tailored specifically to property owners interested in constructing a DADU and opportunities to expedite the process.

Some property owners have found it difficult to finance DADU construction even if the rental income they anticipate would allow them to pay off the construction costs in a reasonable timeframe. The City is working with local banks on tools for financing DADUs that incorporate the potential rental income and increased home equity that DADUs generate. Removing the owner-occupancy requirement could help with financing by reassuring lenders that property owners have the flexibility to rent the principal and accessory units.

DPD is also considering ways to make permitting easier for property owners that want to build a DADU. In 2010, the Seattle Planning Commission released a [Guide to Building a Backyard Cottage](#), which contained examples of backyard cottage prototypes to help homeowners make decisions about site planning, configuration, and design features. DPD could consider adopting a set of DADU designs for typical Seattle lot configurations that have been vetted and can move more quickly through the permitting process.

## 8. Conclusion

DADUs offer a moderately priced housing option in lower-density neighborhoods where homes are often unaffordable to many households. In response to Resolution 31547, this report explores a range of code amendments that the City Council could adopt to remove barriers to DADU production. DPD hopes the options discussed initiate a conversation about the potential benefits and impacts of making these regulatory changes.

For the most part, each potential change can be considered individually, though some make more sense in concert with others. For example, changing the maximum household size for lots with an ADU and a DADU only makes sense if we allow property owners to have two accessory units on a single-family lot.

The report also identifies how DPD will continue to monitor and report on DADU construction. Any consequences resulting from changes such as removal of the off-street parking requirement would be evaluated as part of DPD's biennial monitoring.

In addition to potential changes to the Land Use Code, the City should consider how new financing tools and reduced permitting time and cost could make DADU construction a realistic option for a wider range of households.