

Cottage Court Ordinances

While cottage courts have existed in some iteration for over 100 years, only recently have there been ordinances written specifically to create cottage courts. In the early 1990s, Langley, Washington was the first community to have a contemporary cottage housing ordinance. Langley's ordinance provided incentives to create infill housing and small homes in any residential zone if limited to 1,000 square feet in size and if oriented around a green with height limitations and parking screened from the street. Following adoption of this ordinance, a developer could double the density in any zone. Since then, a handful of communities have adopted specific cottage court ordinances or amendments to their existing code that regulate cottage court standards.

In addition to being enabled through a stand-alone ordinance, it is increasingly common to find cottage courts as an allowed building type in a broader code, as seen with Kirkland in the section above, as with Raleigh described in the section below, or in several of the form-based codes in Section D. Alternatively, cottage courts can be developed as a Planned Unit Development (PUD). But that can be an expensive and time-intensive process depending on the community. Most cottage court developments are condominium-oriented, but some are fee-simple with actual lot lines. The latter configuration presents challenges, in that every lot needs to be serviced on a public right of way for the parking configuration but fee-simple ownership is preferred from a bank financing perspective.

Despite these codes and modifications to the zoning standards, there has not been a notable amount of this building type built to date. There is much speculation as to the reasons why this is the case. Some interviewed for this report point to the key reason being very high land and construction costs making these smaller homes financially infeasible for a middle market price point. The communities where cottage courts have been successfully built, places such as Kirkland, Redmond, and Palo Alto, have a high upper end on housing prices. Other reasons cited are cumbersome review processes and high impact fees. In Milwaukie, Oregon the current cottage court ordinance only allows cottage courts in multifamily zones, defeating the density incentives when compared to other allowed building types. The planning staff in Milwaukie recognizes this limitation and are now in the process of amending their code to allow cottage courts in single-family zones. In addition to the above obstacles, there is the general public's perception that small units will reduce the value of adjacent properties.

Cottage courts do require a certain buy-in to a community-oriented living style, and developers may be reticent to attempt a new model. However, demand and interest has been growing for community-oriented developments, especially among seniors. It's important to point out that when cottage courts first were developed in the early 20th century, this type of housing was in response to the need for a unit that a single worker could afford and that did not use up lot area for parking. That is why these units tend to be very small and typically near transit and employment areas. Over 100 years have passed since the invention of the cottage court, but the need is still the same or even broader as older people are also now interested. Better refinement of the codes and more built projects will help generate public buy-in and support. The examples highlighted in this section are shown largely for their lessons learned. Both municipalities have recognized certain shortcomings of their existing codes and are in the process of making amendments to their standards to address what they have learned.

Ashland, Ore.—18.2.3.090 Cottage Housing Code

Code Preparer: City of Ashland

Contact: Bill Molnar, Community Development Director, City of Ashland, OR; Mark Knox, KDA Homes, LLC

Background and the reason the code was prepared

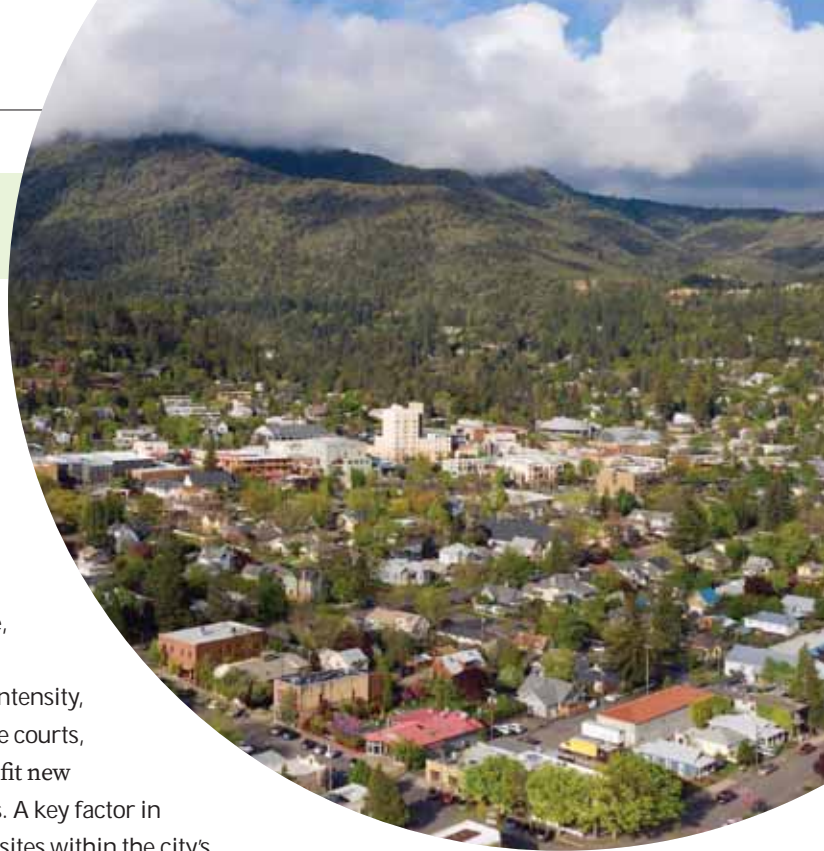
The cottage housing code was initiated by the city to address high housing costs and demand for market-rate, non-deed-restricted housing. In its review of potential housing types to consider, the city focused on lower-intensity, shared format housing types such as co-housing, cottage courts, and pocket neighborhoods. This approach was taken to fit new housing into the established pattern of detached houses. A key factor in preparing the code was to make effective use of limited sites within the city's urban growth boundary, while recognizing that most available sites are within single-family neighborhoods. In addition, the state of Oregon requires that cities have clear and objective standards for housing development.

The code's initial focus was on how to allow more housing—three to five units—on larger single-family lots, while keeping the additional units small, in physical balance with the neighborhoods. As the code continued to be developed, the possibility of larger sites within neighborhoods raised the need to be clearer about the total number of units to keep good physical balance with adjacent houses. This led to the requirement that the units be small and be organized around a large, shared open space.

The time to prepare, consider and adopt the code took 18 months, with the ordinance adopted in 2017.

What does the code allow?

- **Units:** Minimum 3, maximum 12 (up to half the units may be attached).
- **Density:** 11.6 to 17.4 dwelling units per acre.
- **FAR:** Maximum 0.35.
- **Unit size:** Maximum 1,000 square feet. In projects of only three units, two must be less than 800 square feet; in projects of four or more units, 75 percent must be less than 800 square feet.
- **Height:** Maximum 18 feet to the eave, with the ridge of a pitched roof allowed up to 26 feet.
- **Lot coverage:** Maximum 50 percent in zone (house, porch, driveways, sidewalks, 'not natural'); this code increases it to 55 percent if there is porous concrete, grass-crete, etc., but still it is not enough.
- **Building separation:** Minimum 6 feet (typically 12).
- **Fences:** Allowed between units but not taller than 4 feet.
- **Public street(s):** May be waived if project meets block length standards by providing public access for pedestrians and bicyclists through an alley, shared street, or multi-use path.
- **Parking:** One space per unit (two required in zone); parking spaces are required to be consolidated to minimize the number of parking areas. Guest parking is not required.
- **Open space:** Minimum 20 percent of total site area, with a minimum dimension of 20 feet, and required to consist of a central open space or series of interconnected open spaces. Parking areas, driveways, wetlands, and steep slopes do not count toward this requirement.



- **Requirement to abut open space:** Minimum 50 percent of units required to abut the site's open space.
- **Private outdoor area:** Minimum 200 square feet per unit (e.g., patio, porch, garden) with a minimum dimension of 8 feet.
- **Common buildings:** Maximum 25 percent of the required open space but not more than 1,500 square feet may be utilized for a community building.
- **ADUs:** New ADUs are not allowed. If one exists on the site, it can continue.

How was the code adopted?

The ordinance was adopted as a cottage court code that only applies in single-family zones. Using this tool does not require a zone change. When this tool is applied, it is as a separate set of standards that specifically change certain standards while relying on the rest of the existing ordinances and standards.

Oregon state law requires clear and objective standards and enables by-right approval. However, because of these sites being subdivided into individual cottage lots, that becomes a discretionary action and requires Planning Commission approval. There is interest in someday delegating these approvals to the Community Development Director, but this will depend on the built results being acceptable and not resulting in the need for more review to address issues.

Built results

The first project to be built under the new ordinance is in the review and approval process and scheduled for a mid-February approval. The project is on a 0.75-acre site in an established single-family neighborhood and consists of 12 cottages. The project and surrounding neighborhood are about a half-mile (10-minute walk) from downtown Ashland and transit. There is an elementary school within a block of the site.

The project features a shared garden that is shaped by the 12 cottages. The cottages are all single-story and have porch frontages on the adjacent street or to the shared garden. The project's marketing is aiming at buyers interested in small lot development cottage courts and Missing Middle Housing.

This first project was submitted and approved for construction within a 4.5 month time frame, with construction expected to start in April and sales ready by November.

Incentives for building cottage courts

- Off-street parking was reduced from 1.75 to 1 per unit. This was made possible by much staff research and by looking at the actual neighborhoods to understand actual parking habits and needs.
- Minimum separation between units was reduced to 6 feet from 12 feet.
- Duplexes are allowed (during code preparation, up to three attached units were considered).
- Additional density up to 17 beyond the existing 11.6 dwelling units per acre.
- Clear and objective standards have limited frivolous appeals.

Challenges in building cottage courts

- Developers have identified that impervious surface limits are too restrictive and lot coverage is too low. Staff acknowledges these issues but wants to review built results before considering changes to the standards.
- The community is very concerned about landscaping and wants as much as possible. The required shared courtyard helps to address this issue.
- Market acceptance is slow because new projects like this do not exist.
- Until the built results convince people otherwise, there is still neighborhood opposition to any increase in density.
- There is strong concern about the ability for residents in the neighborhood to easily evacuate in a fire emergency.

Raleigh, N.C.—Unified Development Ordinance (UDO) which includes Cottage Court Building Types

Code Preparer: Code Studio

Contact: Kenneth Bowers, AICP, Planning Director,
City of Raleigh

Background and the reason the ordinance was prepared

The cottage court provision was added to the code as part of a ground-up rewrite of the entire development code that became effective in 2013. For the residential portion, the ordinance is written as a form-based code that allows a cottage court building type. This type contributed to some of the overall objectives of the UDO, such as providing neighborhoods with a variety of housing types to serve the needs of diverse population, removing barriers and providing incentives for walkable projects, and encouraging compact development.

What does the ordinance allow?

Within the UDO the regulations related to the cottage court building type allow for the following by administrative approval:

- **Total units:** 5 cottages maximum at the minimum site size, with additional cottages permitted with additional site area.
- **Building footprints:** 1,000 - 1,400 square feet, with a detached accessory maximum of 450 square feet.
- **Building height:** 25 feet maximum building height.
- **Parking:** Two spaces per unit which is not required to be covered and no guest parking needed. Since there are no alleys, driveways are needed.
- **Setbacks:** Setbacks are the same as in single-family and there is no requirement for the cottages to face the green.
- **Short-term rentals:** not currently allowed

How was the ordinance adopted?

The UDO was a city-initiated process that was adopted through a public process involving City Council approval. While it was a fairly intensive process with plenty of controversies surrounding the rewrite, the cottage court provision did not attract a lot of attention at the time and went through smoothly.

Built results

In terms of the success of the ordinance, there has been little market response to this new option. To date, only one cottage court has been built. The belief is because the cottage court option does not allow additional density, therefore a conventional subdivision will generally produce a better economic return because the houses will be bigger. If the city wants to see more cottage courts, they recognize they probably need to allow additional density above conventional single-family. A text change to increase the permitted density of cottage courts has been authorized by City Council and is pending review in Planning Commission. Potential reductions in required parking for residential uses are being discussed in a City Council committee.



Incentives for building cottage courts

- Required lot sizes got a little bit smaller with the new code.
- While there are no density bonuses, size limitations of cottages allow for more units over the same area.
- If you were able to get more units per prescriber area the unit prices would be more attainable.
- The choice to live in a cottage court about a lifestyle incentive. The cottage courts create more a neighborhood setting with less maintenance burdens than a single-family residence.

Challenges in building cottage courts

- While multiple units are allowed on a single lot the cottage court developments are still required to meet the density of the zone. The city staff have been asked to look for a revision on the cottage court related to the density. Currently the size limitation of the units and the court do not allow for more density.
- The parking requirements are the same as the single-family units which is challenging to do with a two car parking minimum for multiple units on a single lot.
- No reduction in impact fees as they are per unit as in any other development.
- The cottage court is typically handled as condos with an HOA which adds a complication as compared to a single-family residence.

COTTAGE COURT CASE STUDIES

Conover Commons

Redmond, Wash.

- **Code type example:** Demonstration Code that allowed a pocket neighborhood/cottage housing approach
- **Contacts:** Ross Chapin, Ross Chapin Architects; Jim Soules, Soules Company; Linda Pruitt, Cottage Company

Client/Team

- **Architect:** Ross Chapin Architects (Ross Chapin FAIA, Karen DeLucas)
- **Developer:** The Cottage Company (Jim Soules, Linda Pruitt)
- **Civil Engineer & Landscape Architect:** Triad Associates
- **Geotech Engineer, Wetlands Consultant:** Terra Associates
- **Arborist:** Favero Greenforest

Size and scale

9.5-acre site including 4.6 acres steep slope and wetlands, 24 dwelling units total

Unit size range

Two-bedroom, 1,000 square feet; 3 - 4 bedroom, 1,700 to 2,700 square feet

Density

5 dwelling units per acre

Without the siting flexibility of the innovative code, under the normal 7,200 single-family lot code, the site would have only accommodated 6 - 7 single-family residences. Under required stormwater requirements, that would have made the project financially unfeasible.

Project timeline

- **First Phase:** 12 single-family market-rate cottages limited to 1,000 square feet. Constructed between 2003 - 2005
- **Second Phase:** 12 single-family, market-rate homes from 1,700 to 2,700 square feet, plus one affordable for-sale unit (qualified at 50 percent median income). Constructed between 2006 - 2007
- **Sales:** The last sale was in early 2008

The master plan for both phases was processed together. Specific plans were then developed and approved for each phase. The site improvements and utilities for both phases were installed all at one time. Generally, it took a year from full plan submittal to building permits and then about 12 months to build. However, the second phase was hit with a very wet winter that stopped construction for 4 months. Since there was no neighborhood opposition and complete plans were submitted, the timeline was average.



Project costs

- **Soft Costs (permits, consultants, interest, sales, admin):** \$104,000 per unit
- **Construction Costs (labor, materials, subcontractors, supervision):** \$177 per square feet
- **Land:** \$24,000 per unit
- **Sales Prices:** \$334,500 to \$425,000 for two-bedroom/two-bath, 1,000-square foot Cottage; completed and sold in 2004 and \$729,900 to \$889,900 for 3 - 4 bedroom/3-bath 1,700- to 2,700-square foot home.

Project description

The project is a pocket neighborhood that consists of two connected clusters of single-family cottages and houses built over two phases. One cluster includes twelve 1,000 square foot cottages gathered around a shared courtyard. The second cluster includes thirteen homes sized from 1,200 to 2,400 square feet (including one income-qualified affordable home) arranged along a garden walkway. Each home has its own private yard. The 9.5-acre site includes 4.6 acres of preserved native protection areas containing a steep woodland ravine. The site and each home were designed to balance an inviting sense of community with the need for privacy. The residents walk from the garage door to the front door, passing through a shared courtyard, private garden gate, and room-sized front porch, increasing the chance interactions among neighbors that are the seeds for community. One of the features of the pocket neighborhood concept used in this project is the flexibility to site homes on odd parcels, with no requirement to bring a vehicle to each house as well as the ability to locate vehicles off alley like streets.

Zoning and neighborhood description

Developed in joint venture with the Cottage Company, Conover Commons was the first project built under the City of Redmond's Innovative Housing Demonstration Project code, which allowed developers to submit proposals for density up to twice of the allowed density and obtain accelerated processing. However, they were still subject to strict design review and interaction with the community through neighborhood meetings. The interim demonstration code was a response to the State of Washington's comprehensive Growth Management Act enacted in 1989, which required cities to increase density and affordable housing to stop sprawl. Redmond's current codes allows for cottage housing developments in select single-family zones.

The surrounding neighborhood was developed in the 1960s-70s with rambler-style homes on large lots served by septic systems. Two developers previously owned the property and could not figure out how to build their standard cul-de-sac housing tracts because of the steep hillsides and wetlands encumbering the property. By developing smaller homes at double the density under the demonstration code, the project was financially viable. Additionally, the site was isolated from existing residences and thus had no impact on adjacent homes, which made approvals easier. The buyers include a mix of professional couples, empty nesters, single women and single-parent families.



Successes

- The pocket neighborhood with detached parking and building in clusters proved to be more flexible and adaptable to this unique site than conventional subdivision design.
- The project demonstrated market demand and community acceptance for smaller housing choices in a community-oriented setting.
- The homes had a unique character missing in the typical spec homes in the area.
- The project is a compelling example of suburban infill residential development, demonstrating that compact homes are compatible within existing larger-home neighborhoods.
- The development is an example of a collaborative effort on every level: a state government taking action to control sprawl, a proactive city planning department, a forward-thinking developer, an innovative architect, an enlightened banker, a supportive community, craftsman-builders taking pride in their work, and buyers willing to live their values.
- The project met the 4-Star rating of the Master Builders Association BUILTGREEN program, including high-efficiency appliances, heaters and light fixtures; high-level insulation and weather sealing; materials selected for resource efficiency, low-toxicity and durability; and jobsite recycling.
- The cottage housing demonstrated how an interim innovative code can successfully encourage other housing types with community acceptance.

Challenges/Lessons learned

- The undevelopable ravine and the wetlands were challenging site constraints.
- While the homes did not have difficulty selling, the sales prices were still fairly high relative to AMI due to building and land costs. Homes were purchased by individuals wanting a different housing/community type rather than for a low price point.



Boiceville Cottages

Brooktondale, N.Y.

- **Code type example:** Not applicable. The project is designed as a cottage housing development but there was no zoning on the project site.
- **Contact:** Bruno Schickel, Founder & Owner, Schickel Construction

Client/Team

- **Developer/Designer/Builder:** Bruno Schickel, Schickel Construction Co.

Size and scale

40-acre site, 140 units

Unit size range

- 550 to 1,150 square feet
- Studios; one-bedroom unit with loft; two-bedroom unit with loft; 3-bedroom townhouses

Density

3.5 dwelling units per acre

Project timeline

Development started in 1996 with three cottages and continued with three additional cottages built annually. By 2003, 18 cottages were built. After 2008, construction moved more quickly with 18 to 21 cottages built annually. Construction on all 140 units was completed in 2016.

Project costs

- **Soft Costs:** not available
- **Construction Costs:** \$45,000 per unit for first three cottages; \$116,000 per unit for most recent cottages.
- **Land:** \$2,000 per unit.
- **Current Rent:** \$1,225 month for a studio to \$1,895 month for a 3-bedroom townhouse.

Project description

With a nod to the gingerbread-style cottages in the children's book "Miss Rumphius," Bruno Schickel, the owner, designer, and builder, developed a 140-unit pocket neighborhood complete with brightly painted exteriors and whimsical architectural details. The pocket neighborhood was built on 40 acres and incrementally financed over 20 years. In 1996, construction began with three prototype cottages. Each subsequent year, Schickel built more cottages and improved from previous iterations based on tenant feedback and market demand. All units are market rate rental and vary in size from 550 to 1,150 square feet. Rental types include: studios, one-bedroom cottages, two-bedroom cottages, and 3-bedroom townhouses. The most popular unit is the 650-square foot, one-bedroom cottage known as the "tiny house".



The layout of the site is an important factor in the project's success of community building. Small clusters of three cottages are repeated throughout the neighborhood and encourage daily interaction with neighbors while enhancing the sense of community. Additionally, the community center acts as a "third" place where tenants host gatherings, exercise in the gym, and work using free Wi-Fi. The extensive green spaces, including mowed lawns, nature paths, and personal garden beds allocated to each tenant, foster a greater sense of community by physically interconnecting the various places and individual cottages. Also, a flexible pet policy and two dog parks are main draws for renters. Surface parking is distributed throughout the site. The developer is responsible for all ongoing maintenance, instead of the municipality.



Zoning and neighborhood description

The pocket neighborhood is built in a town where zoning still does not exist, and thus did not require master planning nor development standards approval. However, after the project began, the town adopted a site plan review as a requirement. The lack of zoning provided the developer freedom to design the cottages without the constraints of density requirements. Instead, the septic system capacity was the limiting factor for the total number of units.

The pocket neighborhood is located in Brooktondale, New York, a rural town in Tompkins County (population: 100,000 people). The project is located seven miles from Ithaca, a university town. While public transportation is frequently used and accessible from the property, most tenants commute by car.

Widespread enthusiasm for the project draws diverse demographics interested in "living small" within a larger community. With two universities nearby, graduate students account for approximately 20 percent of tenants. Working professionals, small families, and seniors are significantly represented in the community. The desire to "live small" is just part of it,

Schickel states: *"The bright colors and the playful architectural details often elicit emotional reactions from both prospective and current residents."* Good design and planning is what sells the project.

Successes

- The lack of zoning offered flexibility to the site plan and allowed the developer to design creatively. The site was not constrained by subdivision requirements, which lowered infrastructure costs.
- Without the need for a locally-approved masterplan, the developer was able to respond rapidly to market demand by adapting the phasing of construction and types of units built.
- Without any regulatory requirements needing local and community review, the developer was able to invest more money in good design for the built environment.
- The absence of design guidelines gave the developer freedom to creatively design the cottages and the infrastructure.
- The development does not include any public roads or driveways; nothing was required of the municipality in terms of construction and maintenance.

- The county viewed the development as a single entity with one owner, which eliminated the need for land subdivision to meet septic regulations.
- The dog park was in such high demand that a second park was later added. The flexible pet policy and lack of monthly pet fees is unique for the area and proved an important factor for growth of the community.
- The project was so unique and well executed that it has become a tourist attraction for the area.

Challenges/Lessons learned

- Studios, one-bedroom cottages, and the smaller “tiny house” units are easier to rent compared with the 3-bedroom townhouses.
- From a financing perspective, phasing proved to be important, as the locale was not known for high growth. After a small amount of financing supported the initial construction, documentation of the rent structure demonstrated the viability of the current project as well as future phases. Clear documentation of the rent structure also made the appraisal process more straightforward. At the start of each phase, the developer opened a line of credit with an interest-only rate for 30 months to 3 years. At the end of each phase, the line of credit was converted to a conventional mortgage.



This document is a portion of NAHB's report
Diversifying Housing Options with Smaller Lots and Smaller Homes
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Diversifying Housing Options with Smaller Lots and Smaller Homes



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