Small Lot Ordinances and Density Incentives

Small lot codes and density incentives to existing zoning are typically used in one of three types of situations: to enable lots smaller than the current zoning allows, to make development feasible on a lot with an irregular shape or size that cannot achieve what the zoning allows, or to allow more units on a lot than are currently allowed, but within the same overall size of buildings in the neighborhood. While these tools can be part of a comprehensive zoning code, they are most often created and applied to focused areas through individual ordinances or amendments to existing codes. This is usually in an effort to accommodate change within established neighborhoods while not changing the existing zoning. A key consideration in using this approach is to work with the neighborhood to clearly understand and establish what the long-term intended physical character is for the area. This is critical to focusing change and making it fit the neighborhood's expectations.

Denver, Colo.—Denver Zoning Code, Amendment to Minimum Lot Size in Single-Family Zones

Code Preparer: City of Denver, Code Studio, Ferrell Madden Associates
Contact: Peter Park, former Director of Planning, City of Denver

Background and the reason the amendment was prepared

The amendment was part of an overall code update that was prepared primarily in response to the significant changes in physical character that many 1920s single-family neighborhoods were experiencing. Houses were being demolished to meet the 1955 zoning that required 6,000 square feet for a new house or duplex. The zoning was not coordinated with the prevalent pattern of the neighborhoods that consist primarily of 25-foot wide lots with alley access. The 1955 zoning immediately made the houses and their lot patterns nonconforming, presenting major issues to owners and potential owners for refinancing, insurance, etc. Further, the new housing was not affordable.

As these issues gained support to be addressed, smaller homes were considered on the existing narrow lots. But the process was lengthy and cumbersome and proved to be ineffective. This led to the need for using a Planned Unit Development (PUD) process for these types of projects, a planning tool intended for sites and projects larger than one house.

What does the amendment allow?

- In 2010 the city thoroughly revised its zoning code and rezoned most of its urban areas to reflect the prevalent lot patterns and the physical scale and character of the house-scale buildings.
- The 2010 code update reduced the minimum lot size of some residential areas to 3,000 square feet if single-family or 4,500 square feet if multifamily.
- A PUD is no longer necessary for these types of lots.
- Small houses are once again allowed on small lots and with a streamlined process.
- ADUs are allowed in all residential zones, and their size is regulated by the size of the lot.
- One off-street parking space is required for ADUs. Interestingly, Denver has a history of not requiring off-street parking for single-family houses and duplexes, but builders typically provide it anyway.

How was the amendment adopted?

The amendments to single-family zoning were part of a larger, comprehensive code update and consistent rezoning process. The new standards use an approach similar to building types but at a broader level of detail that focuses on the overall envelope rather than the specifics of individual building types. This was in response to strong concerns from the development community and designers about focusing the standards on overall form and not letting the standards dictate design. Staff met with neighborhoods to explain how density and form are related, as well as the importance of other guidelines such as lot coverage and height.
**Built results**
The 2010 code has resulted in a range of buildings from ADUs, small houses and duplexes to small and large multifamily buildings.

**Incentives for building small homes**
- The reduction in the required minimum lot size is a major incentive because the lot size directly reflects the size(s) of possible houses.
- The continuation of not requiring off-street parking for single-family houses provides an owner or builder with the option of reducing house size and construction cost.

**Challenges in building small homes**
- Several single-family neighborhoods have experienced the situation of new multifamily buildings that comply with the new standards but do not fit in with the established neighborhood character and pattern of houses. This is most evident through the larger massing of the new buildings and the lack of pedestrian entries facing the street. The new multifamily buildings are referred to as 'Slot Houses'. Inadvertently, the 2010 code update did not prevent certain multifamily buildings from being built in single-family neighborhoods. As of the writing of this report, the issues of incompatible size and massing are being addressed. However, because of their higher yield and relatively simple process, Slot Houses are still appealing for builders. Until small houses are provided with a simpler process than multifamily buildings, there is not a significant incentive to build small houses, and the effort is perceived as nearly the same amount of effort as for a 'Slot House'.
Los Angeles, Calif.—Small Lot Ordinance

Ordinance Preparer: City of Los Angeles
Contact: Jenna Monterrosa, City Planner and Council Liaison for Los Angeles Department of City Planning

Background and the reason the ordinance was prepared
The ordinance was prepared in 2005 to allow for the subdivision of underutilized land into fee-simple homes in multifamily and commercial areas. Intended for infill development and a smart-growth alternative to traditional, suburban style, single-family subdivisions, this ordinance allows small lot homes to have smaller lot areas with compact building footprints and reduced building setbacks, passageways between buildings, and open space. Key to this ordinance is the objective to realize more housing that can be sold in the same way as a single-family house and not be dependent upon a condominium approach.

In 2014, the ordinance was supported by Small Lot Design Guidelines to help guide interpretations and clarify solutions dealing with adjacent houses, uses, and topography.

In 2018, a comprehensive update made the following changes to the ordinance:

⦁ Amended code regulations that reduce previous exceptions to the zoning code;
⦁ Established a review process for compliance with the Small Lot Design Standards through an administrative clearance process;
⦁ Established a process to easily subdivide existing apartment homes constructed more than 45 years ago into Small Lot Homes; and
⦁ Established map standards that regulate the design of a small lot’s subdivision map.

What does the ordinance allow?
⦁ Small lot home density calculations are based on the zoning code’s multifamily dwelling unit requirement, rather than how single-family homes are typically calculated.
⦁ Each small lot home must be structurally independent, without shared foundations or common walls. The amount of separation between buildings is the minimum required by the Building Code.
⦁ Duplexes and triplexes are allowed, but typically, each lot is a single-family lot.
⦁ Each lot may be as small as 18-feet wide and 600 square feet.
⦁ Small lot development is not allowed in areas that are solely single-family houses or duplexes.

How was the ordinance adopted?
The ordinance was adopted into the City’s zoning code (LAMC Section 12.22-C27) in 2005 and later supported with design guidelines that are advisory policy direction for implementing the standards.

Built results
The results are typically not individual small homes but individual homes that are technically independent and/or detached that visually appear as one large building. The separation can be as little as 4 to 6 inches that is covered by a sheet metal cap at the top of the building. Although the ordinance was intended to provide for a variety of housing types and ownership, the results tend to maximize each site and are not necessarily affordable.

Recent amendments to the ordinance are likely to result in slightly reduced-sized homes. These amendments slightly reduce lot coverage, increase minimum lot width, and increase setbacks. These changes, as well as the addition of an administrative clearance process to require adherence to design standards, are intended to improve the compatibility of small lot subdivision projects in existing neighborhoods.
Incentives for building small homes

⦁ These projects go through a streamlined administrative process that is nearly a check-list type approach.
⦁ The process allows the staff to provide administrative relief from the standards based on the situation.
⦁ The ability to provide fee-simple ownership in multifamily zoned areas.
⦁ Compared to condominium projects, small lot projects do not require an HOA and require less parking and common open space while allowing higher lot coverage (75 percent).
⦁ The process has been improved to allow construction prior to full recordation of the subdivision. However, the units are not allowed to be occupied until full recordation of the subdivision.

Challenges in building small homes

⦁ The original setback requirements were interpreted as only applying to the perimeter and not between individual units as intended. This has been revised to require the front setback to match what the zone requires. The rear and sides have been revised to require a larger setback as the building height increases.
⦁ Sometimes a small lot subdivision is proposed in an area that is zoned for multifamily but developed with single-family houses or duplexes. In these situations, a neighbor’s perception is that the zoning is changing, so they oppose the project.
⦁ This ordinance was prepared to not result in removal of the numerous cottage courts that already provide small homes.
⦁ The requirement to have a street-facing entry has been clarified and improved.
⦁ Condominiums require more parking and more common open space than single-family buildings. This ordinance has been used by developers to avoid the condominium requirements while producing a building that appears to the neighbors as a condominium building, even though it consists of individual single-family units.
⦁ Many buildings result in what appears to be one large building. The design guidelines have been clarified to require a variation in the roof line when the building contains 3 or more units.
⦁ Small lot homes can face challenges that relate to access (vehicle turnaround/back-up space, fire, sanitation). This is unique to small lot subdivisions because regulations are based on the traditional single-family residential or apartment building type. For example, if a fire lane is required because a fire hose is unable to reach a small lot home that is more than 200-feet from the street, driveway access must be widened, which can reduce the building size or potentially eliminate units.
Background and the reason the ordinance was prepared

The ordinances were prepared in response to multiple factors that ultimately made the City reconsider its standards for residential zoning districts to help meet housing needs: a very low vacancy rate of 3 percent, residential districts that were not meeting the permitted zoning potential, no additional annexations allowed by the State, and a realization that older zoning codes provided greater flexibility that current regulations had dropped. For example, the 1948 zoning code allowed multifamily units in all residential zones but was later changed to not allow these units in most residential zones, primarily through the establishment of single-family zoning districts. Supporting the direction for change there was strong public feedback showing clear support for reducing lot sizes, incentivizing duplexes and multifamily buildings while establishing ‘neighborhood-scale multifamily design standards’, and seeking better design regulations for multifamily buildings to protect neighborhood character.

What do the ordinances allow?

- The new standards allow a greater variety of housing options and more incentives for multifamily buildings through a twenty percent reduction in required lot size and reduced land requirements in multifamily districts. These changes enable duplexes to fiveplexes on lots that previously only allowed single-family houses. This is significant in providing more housing, especially because approximately two-thirds of the city’s residential areas are zoned exclusively for single-family houses. With the new standards, these single-family districts can more easily carve up larger properties and maintain the house form, physical scale, and character of these lower-intensity neighborhoods.
- The amount of off-street parking was not changed but the location requirements were adjusted to allow uncovered parking in the front and sides of a lot. In addition, the driveway width standard for small multifamily buildings was reduced from 12-feet to 9-feet, which gives more flexibility to designers where site constraints demand smaller house sizes and tighter accommodations for vehicles.

How were the ordinances adopted?

The ordinances revised existing zoning standards and embedded language from earlier Asheville zoning codes. The amendments were adopted in late 2017 after significant community outreach that provided a dialogue between staff and the public to work through the issues.
The standards included changes to definitions, lot frontage, lot area, density, building footprint, parking, access, and design standards for small-scale multifamily buildings. The community outreach program that was used to understand community concerns and to explain options and details of proposed standards was very well prepared. By comparing the 1948 standards with the current zoning standards that replaced them, staff was able to demonstrate that Asheville had lost regulations that helped to establish some of its best neighborhoods. By showing images of charming buildings that were previously permitted, the public was able to understand in a clear and simple format and to understand and appreciate the reasons and need for the proposed changes.

The new regulations for multifamily projects include requirements that a building’s design is compatible with the neighborhood on at least the following characteristics: number and location of entries, roof style, parking and driveways, planting and street trees, orientation of building, building mass and lot coverage, setbacks, height, and front porch.

**Built results**

Because the amendments are relatively new, built results are just starting to be realized.

**Incentives**

- The reduction of minimum lot size standards provide more flexibility for property owners to use their land more efficiently.
- Multifamily-zoned properties can much more easily add units because of the relatively low amount of additional lot area (1,000 square feet) needed for each additional unit.
- Through the multifamily design standards, neighborhoods are assured that multifamily buildings will be relatively consistent with the context of houses in the area.
- Additional housing units are being added incrementally throughout the city to disperse the negative side effects of development.

**Challenges**

- Because built results are just beginning to be realized, concern is still relatively high about the actual results that the amendments will allow.
**Background and the reason the code was prepared**

The code was prepared in response to the State of Washington Growth Management Act of 1989 that requires cities to increase density and affordable housing to stop sprawl. The ordinance is aimed at addressing the changing composition of households and the need for smaller, more diverse, more affordable housing choices, while ensuring compatibility with surrounding single-family residential development. However, the ordinance was prepared after a demonstration project was allowed so that the idea could be tested and public feedback received before allowing more projects. Although some small and compact housing projects had been built in the region, the city was reluctant to adopt a new code to allow such projects.

**What does the code allow?**

- Three types of buildings:
  - Cottage: A detached, single-family dwelling unit containing up to 1,500 square feet of gross floor area.
  - Carriage Unit: A single-family dwelling unit up to 800 square feet in gross floor area, located above a garage structure in a cottage housing development.
  - Two/Three-Unit Home: A structure containing up to 3 dwelling units designed to look like a detached single-family home.
- The code allows these housing types only in the following low density zones: RS 7.2, RSX 7.2, RS 8.5, RSX 8.5, RS 12.5, and RSX 12.5.
- Projects with 10 or more housing units are required to provide 10 percent of the units as affordable to median income households.
- The allowed density is twice the maximum number of detached dwelling units allowed in the underlying zone, and the allowed FAR is up to 0.35.
- The number of allowed cottages ranges from 4 - 24, with up to 12 per cluster.
- Two- to three-unit homes are limited to either one two-unit or one three-unit home, or as part of a cottage development, unless approved through a discretionary process.
- Parking is required at one space per unit less than 700 square feet, 1.5 spaces between 700 - 1,000 square feet, and two spaces for units over 1,000 square feet.
- Lot coverage is allowed up to 50 percent, and there is no minimum lot size.
- Community buildings and community space are encouraged.
- Administrative approval process includes review and feedback from city about the design, open space, and parking.
- Each cottage can be subdivided into an individual lot to provide for rental and ownership opportunities.

**How was the code adopted?**

The code was adopted in 2007 and is an optional infill zone that developers can apply to their site. The process for adopting the ordinance was relatively easy.
Built results
Several projects have been built, and most are considered very successful. One of the limiting factors is that there is very little amount of land left to be developed, so there is not a lot of opportunity for larger projects similar to the demonstration project at Danielson Grove. For those that have been built, while individual unit prices are high, they are somewhat more affordable than standard new single-family units.

Incentives
- The administrative process expedites the review and approval of these units.
- Only allowed in single-family zones, which greatly clarifies where these units can be considered.
- City is promoting these units as alternatives models of housing closer to transit corridors.

Challenges
- Limitations on proximity to other similar projects.
- Very high land prices to build a small cottage end up being compared with the effort and expense needed to build a large single-family house.
- Most development firms do not have much experience with this housing typology.
- Some developers want to build this type as attached units, while the intent is to build detached units, causing delays in the review and approval process.
- ADUs are not allowed in cottage courts.
- When garages are attached to the unit, the resulting size of the cottage looks more like a single-family house instead of a small cottage. This is especially concerning as the distance between units decreases.
SMALL LOT ORDINANCES AND DENSITY ADJUSTMENTS CASE STUDIES

GASPAR Townhomes
Los Angeles, Calif.

- **Code type example:** Small Lot Ordinance
- **Contact:** Alan Scales, AIA, Principal, KTGY Architects

**Client/Team**
- **Architect/Designer/Land Planner:** KTGY Group, Inc.
- **Developer/Builder:** Planet Home Living
- **Interior Designer:** Madison Modern Home
- **Photographer:** Chang Kyun Kim

**Size and scale**
0.34-acre site for entire project; 1,500-square foot lot per home, 10 dwelling units total

**Unit size range**
1,893 square feet; 3-bedroom units side-by-side

**Density**
29.4 dwelling units per acre

**Project timeline**
- **Project Design:** Started early 2012
- **Completion:** 2014

**Project costs**
- **Soft Costs:** not available
- **Construction Costs:** not available
- **Sale Price:** Starting from the mid $700,000s

**Project description**
The target client group was young professionals and empty nesters. The 3-story living with three bedrooms and dual-master floor plans make these homes the ideal fit for this group. Nestled in the hills of Echo Park, the infill design corresponds to the underlying zoning, with 10 side-by-side townhomes constructed six inches apart from each other, and with no shared walls between homes. Upper-level living spaces and roof decks take advantage of sweeping views of the downtown Los Angeles skyline. The driveway is designed as a pedestrian street with enhanced paving and landscape, activated by both garage and entry doors. Cars are allowed, but it is designed to feel more pedestrian friendly. Most of the houses have small, private rear yards.
Zoning and neighborhood description

This 0.34-acre urban infill site maximizes the allowances in the city’s Small Lot Ordinance. The aim was to design contemporary, urban context, detached housing within an established historic, eclectic neighborhood on a challenging hillside lot. With the wide variety of shopping and entertainment off Sunset Boulevard just one block away, residents can easily walk to restaurants and local shops as well as enjoy the adjacent Elysian Park, ideal for dog owners and active lifestyles.

Successes

- Sold out in one month of opening.
- Fee-simple ownership attracted a larger buyer pool than condos would and reduced the construction liability.
- The fee-simple ownership also eliminated the need for HOA fees.
- Innovative open floor plans respond to the natural grades of the site, creating upper level living that is adjacent to rooftop deck and result in sweeping views of the downtown skyline.

Challenges/Lessons learned

- The zoning analysis was beyond challenging on this one and is vastly important to get right; between the underlying RD1.5 zoning and height district, consideration was required to overlay the small lot ordinance and hillside ordinance.
- Gaining city approval starts with review and a motion of approval/denial by local Neighborhood Council (NC). At the time, small lot housing was relatively new and unfamiliar to those reviewing it and made some neighbors uneasy about a change to their neighborhood. Several meetings were required to gain NC support prior to getting the formal city approvals.
- Hillside design and construction posed a challenge when building these small lot homes, so careful attention was required to minimize the impact of retaining walls on the surrounding neighborhood. In order to allow the homes to integrate and fit within the natural grades of the site, retaining walls were designed into the building’s foundation.
- Technical coordination was required for utilities, stormwater control and implementation of the expansion joint cover that is installed at the air space between homes.
Danielson Grove
Kirkland, Wash.

- **Code type example:** Density Incentives for Smaller Homes
- **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

**Size and scale**
2.08-acre site, 16 dwelling units total

**Unit size range**
Single-family, market-rate homes ranging in size from 700 to 1,500 square feet

**Density**
7.7 dwelling units per acre gross. The site contained many large fir trees that were required to be retained. The net buildable density is closer to 10.7 dwelling units per acre.

**Project timeline**
- **Design:** Initiated in 2003
- **Construction:** 2004 through 2005
- **Sales:** Last homes sold in 2006

**Project costs**
- **Soft Costs (permits, consultants, interest, sales, admin):** $112,000 per home
- **Construction Costs (labor, materials, subcontractors, supervision):** $154 per square feet
- **Land:** $29,000 per home
- **Sales Prices:** not available

**Project description**
Danielson Grove is a community of sixteen detached homes ranging from 700 to 1,500 square feet. It is a demonstration project of an innovative code program that achieved market acceptance of smaller, community-oriented homes as an infill development within a single-family neighborhood. The most obvious feature of the site plan is that the houses are clustered around a landscaped common courtyard. Parking is intentionally located away from the houses so that people walk through the commons on the way to the front door, encouraging neighbors to greet and chat with one another. Well-defined layers from public to private reinforce personal boundaries that include private yards and covered porches. Within the house, the more active spaces look onto the commons and the private spaces that are secluded to the back or on the second floor. The placement of windows has been considered
so that each house has an open side to its own yard and a
closed side to its neighbor; in this way the houses can nestle
closely together while ensuring privacy between them.

**Zoning and neighborhood description**

Danielson Grove was developed in response to a city RFP for
innovative single-family home developments, which provided
increased density for homes under 1,500 square feet, site
development flexibility, and an accelerated land use timeline. As a
result of this project and others, Kirkland’s zoning code was updated to
include density adjustments for smaller home types. The code allows up to a
100 percent increase in the number of homes depending on size (1,500 square feet
maximum) and a floor area of up to 35 percent of the net buildable site.

The project is located on a previously vacant site within a RS-7200 single-family zoned neighborhood in Kirkland,
WA. The neighborhood was developed in 1950s as single-family residential on large lots, as there was no public sewer
in the area. At some point sewers were extended and smaller (7,200 square foot) lots were developed some adjacent.
But there were still odd large parcels that the city encouraged infill development on as part of Growth Management
mandate. This lot was one of the remnants.

The 2.08-acre site is in a single-family neighborhood within 5 miles of major employment centers. The site plan
encourages a walkable neighborhood, not only for the residents of Danielson Grove, but also for people living in the
surrounding area.

**Successes**

- The project succeeded in encouraging the city to adopt a more innovative code—Chapter 113 - Cottage, Carriage
  and Two/Three - Unit Homes.
- The homes sold well and gained national attention for the pocket neighborhood concept and for higher-quality,
  well-designed homes.
- The development was built under the highest 3-Star standard of the “Built Green” program of the Master Builders
  Association in partnership with King and Snohomish counties.
- The project demonstrated the market demand for smaller housing choices in a community-oriented setting and
  the compatibility of a pocket neighborhood infill project within an existing neighborhood setting.
- The site is zoned for 7,200 square feet lots, which would typically result in ten 3,000-square foot, single-family
detached houses. The demonstration code allowed sixteen homes each less than 1,500 square feet, achieving a
density of 7.7 dwelling units per acre instead of the previous maximum of 4.8 dwelling units per acre.
Challenges/Lessons learned

- While the homes sold without difficulty due to building and land costs, the sales prices were still fairly high relative to AMI and even higher at today’s current sales prices. Homes were purchased by individual buyers who valued the housing quality, detail, design and community amenities over a low price point. The community has a European scale and quality that appealed to the sophisticated buyers.
- The project had several challenging site constraints. Significant conifer trees had to be preserved, including two large-diameter fir trees near the street where a stormwater retention swale would be conventionally located. Additionally, the entire site was within an endangered salmon stream watershed. In response, the layout worked around groves of trees, and stormwater was directed into dispersed rain gardens throughout the site, with overflow routed to a 30,000-gallon retention tank below the Commons Building and terrace. Walkways within the tree drip lines were built with pervious concrete or fine stone. The trees were protected throughout construction.
- A perceived market challenge—offering homes without attached garages—did not prove to be a limiting sales issue. In fact, buyers preferred the garden setting with a walk through the commons to their homes.
Diversifying Housing Options with Smaller Lots and Smaller Homes

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