

Accessory Dwelling Unit Ordinances

Strategy description

Accessory dwelling unit ordinances are zoning rules allowing single-family dwellings to include an additional housing unit. ADUs can be created in a variety of ways, including converting a portion of an existing house, adding to an existing house, converting an existing garage or constructing an entirely new building. In addition to creating a new unit of affordable rental housing, they can make homeownership more affordable by providing the owner with a source of income. Incentives to provide accessory dwelling units that will be deed-restricted as affordable may be offered, such as property tax limits for the accessory dwelling unit.

History of the strategy

Accessory dwelling units were common up until the end of World War II. After World War II, suburbanization and an increasing emphasis on the nuclear family decreased the number of ADUs. In some communities, ADUs were prohibited.

Target population

Ordinances allowing or encouraging accessory dwelling units target low- to moderate-income renters, often elderly relatives of the homeowner.

How the strategy is administered

States can enact legislation to promote the use of ADUs. More commonly, communities adopt ADU ordinances. Tax incentives are often administered by the assessor's and/or the local treasurer's office; code enforcement is administered by the building department.

How the strategy is funded

No funding required; however, some localities may offer incentives to promote the production of accessory dwelling units.

Extent of use of the strategy

Widely used

Locations where the strategy is being used

- Brick Township, NJ offers up to \$15,000 toward the creation of an accessory apartment that will be maintained as affordable for 10 years. After 10 years, the \$15,000 loan is forgiven.
- Montgomery County, MD and Arlington County, VA are reducing burdensome requirements for accessory dwelling units.

- In Santa Cruz, CA, the city revised its zoning ordinance in 2002 to end a covered parking requirement for single-family houses, which made space available for accessory units. The revision also included design elements to ensure that accessory units complement their neighborhoods.

Strategy results

- In the first full year of operation of Santa Cruz's ADU ordinance, 35 accessory units were built. The city estimates that 40-50 new units will be built each year over the next few years.

Pros and cons to using the strategy

Pros:

- Allows elderly homeowners to maintain their homes and their independence with rental income. In many cases, ADUs can offset the cost of rising property taxes, maintenance and repair costs, and other housing expenses that often burden older homeowners.
- Provides small units suitable primarily for singles (elderly, graduate student, young professionals).
- Makes use of existing infrastructure and space.
- Community networks can be established to match homeowners' and renters' needs (for example, an elderly homeowner may want a renter who also provides service).
- Provides affordable units scattered around the community that blend with the neighborhood.

Cons:

- ADU opponents are often concerned with the impact of ADUs on property values and demand for parking and community services.

Sources of information about the strategy

- Cobb, Rodney L., and Scott Dvorak, "Accessory Dwelling Units: Model State Act and Local Ordinance," AARP Public Policy Institute, http://assets.aarp.org/rgcenter/consume/d17158_dwell.pdf
- Santa Cruz City Housing and Community Development website: <http://www.ci.santa-cruz.ca.us/pl/hcd/ADU/adu.html>
- Kauffman, Maggie, "Bibliography of Selected Resources on Second Units," California Department of Housing and Community Development, Housing Policy Division, August 2005. Available at: <http://www.hcd.ca.gov/hpd/secondunits0805.pdf>

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