

MEMORANDUM



TO: Historic Preservation Commission
FROM: Ryan Levesque, Deputy Community Development Director-Planning
DATE: April 3, 2024
SUBJECT: Agenda Item 5: Accessory Dwelling Units – Update & Outreach w/ Preliminary Draft

BACKGROUND:

On April 11, 2019, City Council approved an ordinance adopting new regulations for Accessory Dwellings (ADU) and expanded the Guest Quarters provisions for lots with a minimum 8,000 sf. in size. (Ordinance No. O2019.08)

The Zoning and Development Code changes allow a property zoned multi-family but with a single-family home to add an accessory dwelling that is smaller in scale (800 sf.) and consistent with the standards of a property maintained as single-family. The ADU provisions allow a more streamlined process just like any other single-family improvement. This effort started with review out of the City Manager’s Humble Homes/Tiny Homes Working Group, as well as the “Incentives to Limit R-3 Development” City Council Work Study Session. Additionally, this ordinance expanded the Guest Quarters regulations to allow all lots with a minimum 8,000 sf. lot size for a dwelling or sleeping space for guests of the main residents (without being rented independently). The previous allowance required a minimum 15,000 sf. lot size.

With direction from City Council, City staff held a public outreach meeting on October 16, 2023, at 6 pm at the Tempe Public Library, to discuss ADUs and received feedback on the idea of expanding or allowing certain types of ADUs and received public feedback. On October 17th at noon, staff also held a virtual meeting online to discuss and present the very same topic. Additionally a public survey forum on the topic of ADUs was provided to the public.

Staff also provided an overview presentation and solicited feedback from the Neighborhood Advisory Commission on November 1, 2023. Staff received a recommendation from the NAC that “proposed a statement to Mayor/Council that DRAFT language be prepared, with further research and analysis, for a potential ADU text amendment.”

Staff presented the results of the survey and analysis to the City Council Work Study Session on Monday, November 20, 2023. City Council provided consensus to continue outreach and studying of other cities with ADU regulations, and to provide additional recommendations to City Council at a future work study session.

UPDATES / OUTREACH / PRELIMINARY DRAFT ADU:

As of March 27, 2024, City staff has kicked off the second round of public outreach and engagement on ADUs. Three in-person public meetings have been scheduled and one online public meeting has been set up to go over staff’s collected research from other cities and initial survey data received from the public. In addition, staff has provided the public with a Preliminary Draft of Tempe’s potential ADU expanded regulations, in order to solicit feedback on these concepts. And from March 27 through May, a new online survey is available, providing the draft ADU code rules and requesting input and suggestions on the draft. Information is available at: www.tempe.gov/ADU

Staff welcomes the Historic Preservation Commission to comment and provide any input/suggestions on the presented follow-up materials and preliminary draft regulations for ADUs in Tempe.

Thank you!

Accessory Dwelling Units (ADU) Code Proposal Update

Historic Preservation Commission
April 10, 2024



Presentation Overview



- What is an Accessory Dwelling Unit (ADU)?
- Current City of Tempe Regulations
- Summary results from first round of outreach and research
- Highlight Preliminary draft ADU Code
- Next steps & timeline
- Questions for residents & public input



Source: Morgan Taylor Homes

What is an Accessory Dwelling Unit (ADU)?



What is an Accessory Dwelling Unit (ADU)?



An Accessory Dwelling Unit (ADU) is an independent, rentable dwelling unit located on the same lot with a standalone single-family home.



Source: American Planning Association

Objective of the Proposed Text Amendment



- The City is considering updates to the ADU section of the Zoning and Development Code to expand ADU's applicability to single-family residential zoned properties (AG, R1-15, R1-10, R1-8, R1-7, R1-6, R1-5, R1-4 and R1-PAD). This is the largest land use category in Tempe with approx. 39% of the total.
- Staff has conducted research related to ADUs and is gathering further stakeholder input for a potential Code Text Amendment.
- ADUs are expected to expand affordable housing options, provide extra income opportunities for homeowners and facilitate multi-generational living

State Legislature Efforts to Allow ADUs



- HB2720 – Awaiting AZ State Senate Vote
- This Bill would:
 - Require Municipalities with population 75,000+ to adopt ADU regulations where a single-family dwelling is allowed.
 - Allow at least one (1) ADU on all single-family properties, and
 - Allow at least one additional ADU as a restricted-affordable unit;
 - Permit lesser of 1,000 sf or 75% of the main dwelling area;
 - No additional parking allowed.

Current City of Tempe ADU Regulations



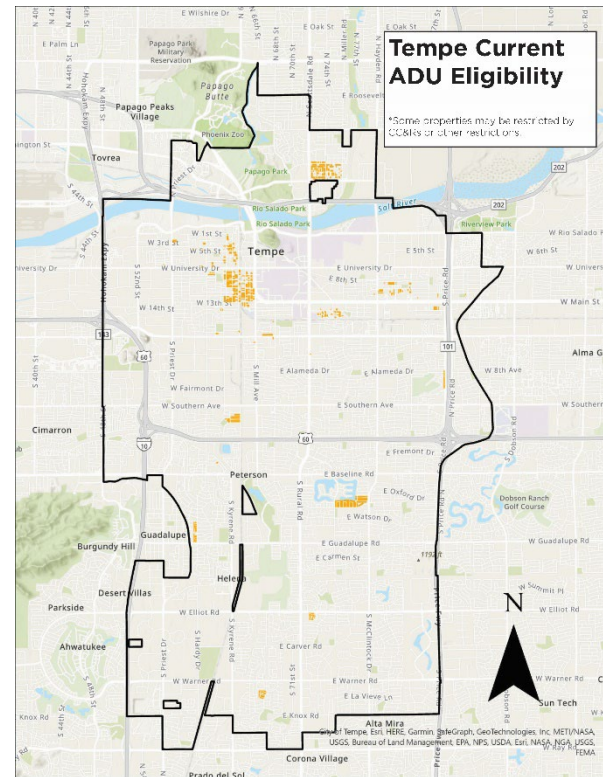
Current City of Tempe Regulations



Adopted April 2019 (Ordinance No. O2019.08)

The property must:

- Be zoned for multi-family residential
- Have an existing single-family use



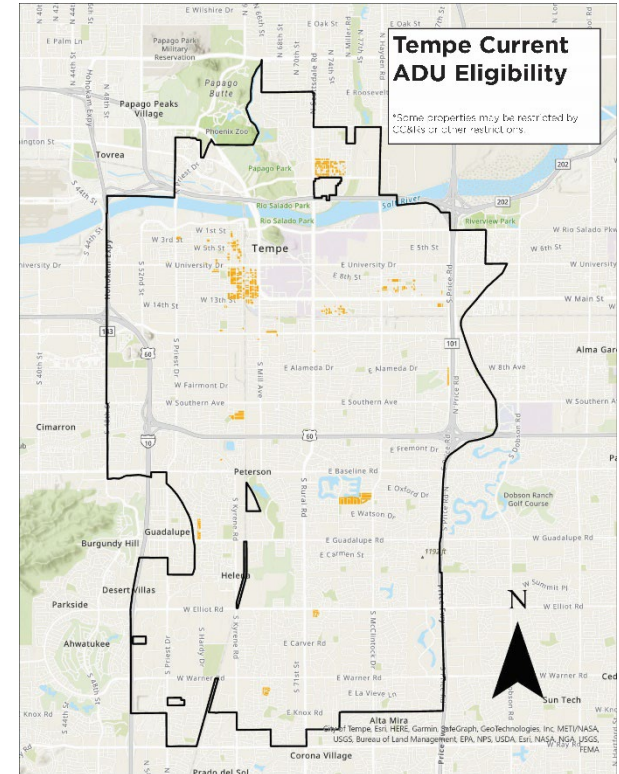
Lots shown in orange allow ADUs

Current City of Tempe Regulations



Development Standards:

- Maximum 800 square feet livable area
- One (1) ADU allowed per lot
- No additional vehicle parking required
- No more than two (2) bedrooms



Lots shown in orange currently allow ADUs

Public Input: October 2023 – Feb 2024: What we heard



Public Input: **First Round**



- 10/16/2023 – Public Meeting at Tempe Public Library
 - 57 Attendees
- 10/17/2023 – Public Meeting via Zoom
 - 43 Attendees
- 10/16/2023 – 10/31/2023 - Public Survey
 - 201 Responses
- 11/01/2023 – Neighborhood Advisory Commission
 - Advised to proceed with research and outreach
- 11/20/2023 – City Council Work Study Session
 - Directed to proceed with additional research and public outreach
- 01/13/2024 – Breakfast with Berdetta
 - Presentation and discussion, 123 Attendees



Public Input Common Themes



- ADUs can help improve housing supply
- ADUs provide opportunities for income streams for owners
- Possible investor-led boom in ADU resulting in concerns for traffic congestion and disruption in neighborhood character
- The cost of construction for an ADU should be minimized
- Short term rental of ADUs could be a problem



Photo source:
designandremodelingteam.com

Visit tempe.gov/adu for
FAQ and the complete
[Public Input Summary](#).

Common Themes from Public Input



- More than 67% of respondents think ADUs will improve housing affordability
- More than 72% say the City should consider allowing ADUs in single-family zoned properties
- More than 80% feel that ADUs should be allowed both in large and traditional lots. Some wanted no lot size restriction.
- 24% of respondents do not want the city to consider expanding where ADUs are allowed.



Photo source: botanistofthevalley.com

Visit tempe.gov/adu for FAQ and the complete [Public Input Summary](#).

Common Themes from Public Input



- 65% said ADUs should allow between 800-1,000 sft of livable space
- 55% wanted no parking requirements, while 20% wanted one additional parking space for ADU
- More than 55% wanted to restrict short-term rental in ADUs



Photo source: bwslaw.com

Visit tempe.gov/adu for FAQ and the complete [Public Input Summary](#).

Ongoing Staff Research



City Interviews



Phoenix, AZ →

- Neighboring city
- ADU Code adopted Sept. 2023



Tucson, AZ →

- Small to medium sized cities
- Recent ADU Code adopted
- Home to a major university



Raleigh, NC →



Provo, UT →

City Interviews: Phoenix, Arizona



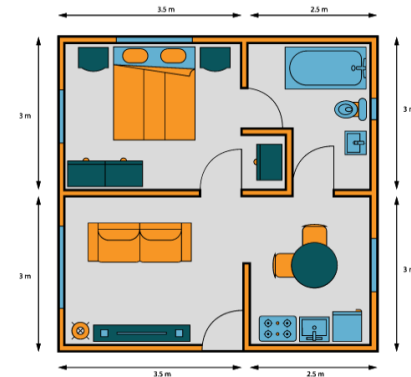
- Allowed in single-family zoning districts with an existing residence
- Max. ADU size = 75% area of the main residence AND
Lots less than 10,000 sft. = 1,000 sft. ADU
Lots more than 10,000 sft. = 3,000 sft. ADU
- No restrictions on short-term rentals
- No owner occupancy requirements
- No additional parking required
- Majority of the public supported the ADU code amendments

Accessory Dwelling Units (ADUs)

What is an Accessory Dwelling Unit (ADU)?

ADUs, often referred to as guest houses, casitas, or granny flats are separate, self-contained living areas that are either fully detached structures or attached to an existing home, with its own external entrance.

An ADU usually contains all of the amenities to operate as a fully independent, operational dwelling, including a kitchen, bathroom, living area and sleeping quarters.



Source: City of Phoenix

City Interviews: Tucson, Arizona



- Allowed on all one and two-unit residential lots
- Max. ADU size = 10% of the lot size (max. 1,000 sft). All lots are allowed an ADU of at least 650 square feet
- Max. height = 12' when primary unit is single story, or same height as the existing two-story building on site for two story ADU
- No restrictions on short-term rentals
- No owner occupancy requirements
- One parking space required for ADU, but offer many waivers
- Majority of the public supported the ADU code amendments

City of Tucson
Planning & Development Services

Want to Build a Casita?

A Casita (also known as an ADU, or Accessory Dwelling Unit) is a secondary residential unit that can be added to a lot with an existing home. Casitas are independent units that have their own kitchen, bathrooms, living and sleeping space. They can be attached or detached from the primary residence, or they can be garage conversions. They must have a permanent foundation and a cool roof.

In December 2021, the City of Tucson adopted Ordinance 11890 to allow casitas. Before then, many backyard dwellings were not allowed to be built with a kitchen.

Standards and guidelines for properties in Historic Preservation Zones (HPZs) or Neighborhood Preservation Zones (NPZs) should be followed in addition to the guidance below.



See page 2 for information about an Amnesty Program

Step 2: Design your casita.

Size - the square footage of a casita is based on two guidelines: **Lot Area** and **Lot Coverage**

Lot Area For lots 6,499 square feet or less in size, a casita is limited to 650 square feet of gross floor area. For lots larger than 6,500 square feet, a casita is limited to 10% of the lot size, not to exceed 1,000 square feet of gross floor area.

Examples:

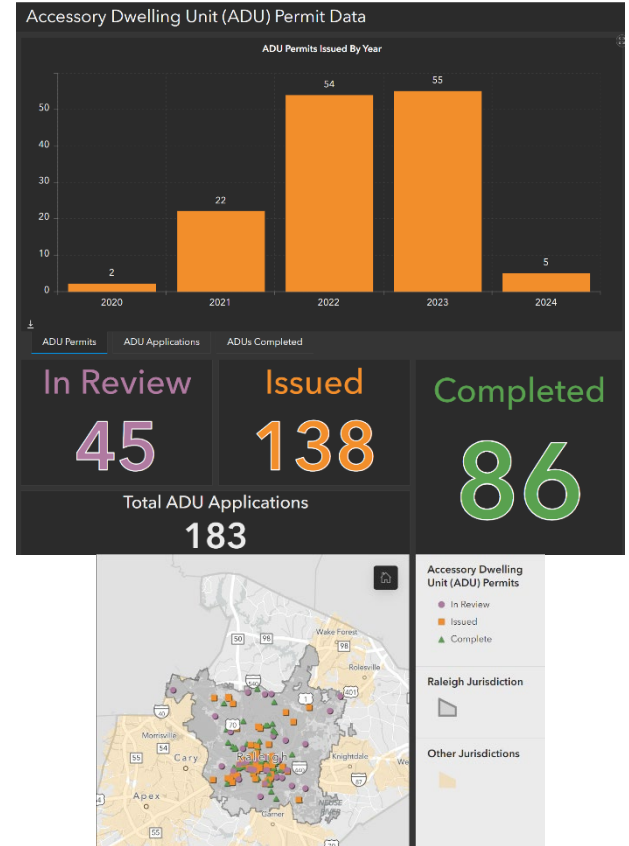
Lot Area	Maximum Casita Size
6,000 sq ft Lot	650 sq ft Casita
8,500 sq ft Lot	850 sq ft Casita
12,500 sq ft Lot	1,000 sq ft Casita

* Depending on your zone or lot size, you may be eligible to build a home of a different size. Contact zone1desk@tucsonaz.gov for more information.

City Interviews: Raleigh, North Carolina



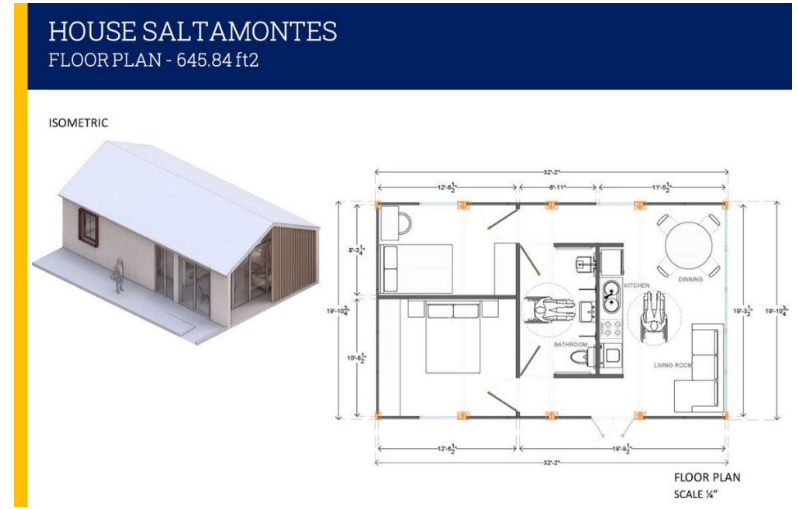
- Allowed in residential & mixed-use districts
- No minimum lot size for ADUs. Limited by stormwater retention and development standards
- No restrictions on short-term rentals
- No owner occupancy requirements
- No additional parking required



Research on Pre-Approved ADU Plans



- Architectural plans for ADUs that have already been reviewed and approved by a local government's Building department. Design/architecture firms submit plans for consideration.
- Pre-approved ADU plans on their website for purchase from a private design firm
 - Plan cost ranges from \$500 to \$1,200
- Pre-approval is for Building Code only and will still require a site plan that meets other requirements (zoning, setbacks, etc.)



Source: Tucson.com

Visit tempe.gov/adu to view the Council Memo on Pre-Approved ADU Plans.

ADU Permitting Numbers



Tucson, AZ

- 61 applications from Jan - Dec 2022

Raleigh, NC

- 183 applications and 86 ADUs completed since late 2020

Boulder, CO

- 200 applications and 96 completed ADUs from Feb 2019 to July 2022

Berkeley, CA

- 112 ADUs permitted and 72 completed in 2022



Preliminary Draft ADU Code



Preliminary Draft ADU Code Updates at a Glance



Current Code

Property must be multi-family residential zoning



No restrictions for short term rentals



No additional parking required



Maximum square footage is 800 sq. ft.



Cannot have both ADU and Guest Quarters on one lot



No owner or occupancy requirements



Guest Quarters on all single-family residential lots 8,000 sq. ft. or larger



Proposed

Property can be single-family or multi-family residential zoning

The City can allow or restrict ADUs as short-term rentals

Parking requirements based on # of bedrooms on lot

Maximum square footage to 1,000 sq. ft.

No changes

Property must be owned by the same owner for the preceding three (3) years

Guest Quarters allowed in AG – Agricultural zoning districts



Guest Quarters:

- Eliminate Guest Quarters regulations from R1- zoning (single-family residential), only allowed in ADU regulations
- Opportunity to convert existing Guest Quarters into ADUs, with compliance of standards
- The current proposal would allow Guest Quarters regulations only on AG (Agricultural) zoned properties (typically 1 acre lots or larger)



No proposed changes to:

- Maximum height
- Setbacks – front, sides, rear...
- Lot coverage requirements



On-site parking:

- If the ADU + primary residence have:
 - 5 or less bedrooms = 2 req. spaces
 - 6 or more bedrooms = 3 req. spaces
- Owners can seek to remove the additional required space through the Use Permit process through a public hearing



Short-Term Rentals:

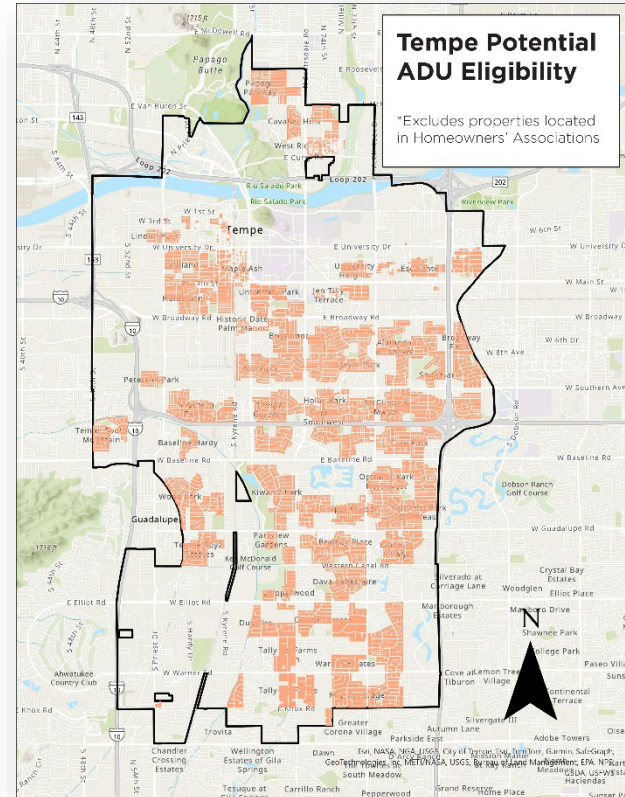
- Proposal to restrict ADUs from being used as a short-term rental (renting for less than 30 days).
- However, the property owner may still list the primary residence or entire property for short-term rental

Potential ADU Eligible Lots w/ Single-Family



Total parcel counts, excluding properties in Homeowners' Associations:

- North Tempe – 12,909
- South Tempe – 10,902
- Total (All Tempe) – 23,811





Next Steps

**More Info and survey: tempe.gov/ADU
Opens March 27 – Closes May 1**

Timeline & Next Steps: August 2023 to September 2024



Aug. – Nov. 2023: Research and Preliminary Public Input (Completed)

August-October	<i>Initial topic research and project preparation</i>
October 16-30	<i>Public comment and survey</i>
October 16	<i>Public Meeting at Tempe Library</i>
October 17	<i>Virtual Public Meeting</i>
Nov. 20	<i>City Council Work Study Session requesting guidance</i>

Dec 2023 – Feb 2024: Expanded Research (Completed)

- *Expanded research and interviews with additional cities and stakeholders*
- *Creation of educational materials, presentations and project resources*
- *Present and share info at the Jan. 13 Breakfast with Berdetta*

Continued...



Timeline & Next Steps: August 2023 to September 2024

March through April 2024: Public Input, Meetings and Outreach (*Upcoming*)

4 Public Meetings

- ***March 27, 2024 - Public Meeting – Tempe Public Library***
- March 27, 2024 - Virtual Public Meeting – Via Zoom
- April 2, 2024 - North Tempe Public Meeting – North Tempe Multi-Generational Center
- April 8, 2024 - South Tempe Public Meeting – Arizona 811
- Plus! Online Survey with feedback on Draft ADU Concepts (March 27 – May 1, 2024)

In-person outreach, locations TBD

Neighborhood meetings and presentations, locations TBD

Presentations and feedback at:

- Neighborhood Advisory Committee
- Development Review Committee Study Session
- Historic Preservation Committee
- Mayors Youth Advisory Council
- Sustainability and Resilience Commission
- Transportation Commission

Timeline & Next Steps: August 2023 to September 2024



May 2024 - Use compiled feedback to draft final ADU update language

- Boards and Commissions and additional stakeholders

June 2024 - Release final proposed language and Collect Public Input

- Target June 20, 2024, City Council Study Session meeting for report follow-up

September 2024 - Hearings and adoption

- Development Review Commission on July 23rd or Aug. 13th
- Neighborhood Advisory Council Aug. 7th (If requested to receive a formal recommendation)
- City Council ***TBD (Intro & 1st hearing) August/September
- City Council ***TBD (2nd & Final hearing) August/September



PLANNING

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- Michelle Dahlke – Michelle_Dahlke@tempe.gov
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NEIGHBORHOOD SERVICES

- Shauna Warner – Shauna_Warner@tempe.gov
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Questions and Public Input



Frequently Asked Questions



Why is Tempe considering updates to ADU regulations?

- ADUs are supported by numerous adopted city plans to increase affordable housing stock, support multi-generational housing, and provide extra income for homeowners.
- Aligns with state and nationwide interest in updating local ADU codes.

Are ADUs affordable for renters?

- Per Wegmann and Chapple ([2012](#)), ADUs typically rent for less than other housing types in the same area
- AARP notes that ADUs are an affordable housing option in most locations



Frequently Asked Questions



Are ADUs affordable for homeowners to build?

- Urban Land Institute (ULI) found that building an ADU cost \$156,000 in Arizona on average.
- The cost of an ADU in Tempe is between \$180,000 - \$260,000 according to builders.



How are enforcement matters addressed with an ADU?

- The City of Tempe has enforcement tools in place to help address a myriad of complaints. Noise or loud parties are addressed with the Police Department; any excessive trash or overgrown weeds, or in the alley, are enforced by the Neighborhood Enhancement Division. More information on ADU FAQ webpage...

Frequently Asked Questions



Will the property owner be required to live in either the ADU or main residence?

- The current draft does not propose any occupancy requirements to construct an ADU
- Most US cities researched do not require the owner to occupy the site.
- Maintain a property owner's right to allow entire property to be rented, avoid enforcement and costs associated with occupancy monitoring.

How do ADU parking regulations impact congestion?

- ADUs in an area should have minimal traffic impacts
- Occupants (e.g., students, retirees, and seniors) often walk, bike, or use scooter or public transit.
- Most US cities do not require additional parking for ADUs



Will construction of ADUs put a strain on existing infrastructure?

- City of Tempe Municipal Utilities staff have confirmed that water and sewer infrastructure can accommodate ADUs. In some cases, water lines may need to be upsized, but this cost is the responsibility of the property owner.