

ZONING CODE TEXT AMENDMENT SUMMARY

Initiator: Council Member Bender
Introduction Date: July 1, 2016
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Specific Site: Citywide
Ward: Citywide
Neighborhood: Citywide
Intent: To amend regulations related to accessory dwelling units.

APPLICABLE SECTION(S) OF THE ZONING CODE

- Chapter 525, Administration and Enforcement
- Chapter 535, Regulations of General Applicability
- Chapter 537, Accessory Uses and Structures
- Chapter 551, Overlay Districts

BACKGROUND

The Minneapolis City Council passed a zoning code text amendment to allow accessory dwelling units citywide on December 5, 2014. ADUs have received significant attention in recent years as a way to provide more flexible housing options in urban neighborhoods. Over the past few decades, municipalities across the country have adopted standards to allow or encourage the construction of ADUs. Prior to the passage of this ordinance, ADUs were only allowed in Minneapolis in a small portion of the Phillips neighborhood. The [adopted ordinance](#) permits accessory dwelling units (ADUs) on lots with single- or two-family homes. The ordinance also introduced three different types of ADUs, each subject to specific regulatory and design standards.

Since the ordinance was adopted, staff has approved 50 accessory dwelling unit administrative applications (11 detached, 8 attached, and 31 internal accessory dwelling units). These ADUs have been relatively evenly distributed citywide ([interactive map](#)). Twenty-two of the approved ADUs were existing dwelling units that had not been lawfully established. In addition, there have been eight projects seeking variances of the standards of ADUs, all of which have been approved by the Zoning Board of Adjustment or City Council.

Staff has received feedback from applicants, analyzed proposed ADUs that have not met the regulatory or design standards, and reviewed the approved variances. With this data, staff has determined that further amendment to the ADU ordinances are merited at this time. The majority of the concerns are related to the bulk limitations for detached ADUs. Property owners and designers have stated that the maximum 1,000 square foot allotment for all parking and habitable areas in a detached ADU does not provide enough flexibility in incorporating desired features, such as covered parking, storage, and circulation space, while maintaining adequate livable area for the dwelling. As a result, staff is proposing to increase the permitted square footage for detached ADUs while maintaining the restriction that the ADU cannot exceed the area or height of the main residential structure. This provision is intended to allow for greater design flexibility while mitigating the potential negative impacts of building bulk on both typical and large residential lots.

The proposed ordinance refinement would also provide further clarification of the regulatory and design standards to address unintended consequences in the zoning code. A summary of the proposed is as follows:

Detached ADUs

- Currently, detached ADUs cannot exceed 1,000 sq. ft. in area (including parking and habitable areas) for all lot sizes. The proposed amendment would increase the maximum gross floor area (GFA) from 1,000 sq. ft. to 1,300 sq. ft. or 16% of the lot area, whichever is greater, but not to exceed 1,600 sq. ft.
- The GFA of the detached ADU still cannot exceed the GFA of the main house.
- Amendment clarifies that GFA measurement is used, as opposed to “floor area.” GFA measurement would still include parking and habitable areas on all floors.
- Reduce minimum window percentage from 10% to 5% of the wall facing a public street or alley.

Internal/Attached ADUs

- Currently, stairways leading to an upper story of an ADU have to be fully enclosed. Proposed change would allow stairways to be enclosed or located entirely to the rear of the main house.

All ADUs

- ADU entrances facing a side lot line would no longer be subject to the increased setback of 15 feet, or 22 feet where a driveway is present. This is a regulation that applies to principal entrances for dwellings and would continue to be in place, but poses unique constraints for ADUs.
- Clarify that ADUs do not require off-street parking, including property located in the UA University Area Overlay District, which otherwise requires 0.5 on-site spaces for each bedroom.
- Clarify that the requirement that the maximum of one ADU per property cannot be varied.
- Clarify that neither balconies nor decks on an ADU are allowed to face an interior side yard.

PURPOSE

What is the reason for the amendment?

The purpose of the amendment is to allow for more flexibility in implementing accessory dwelling units (ADUs) in Minneapolis. After careful analysis of built and proposed ADUs since ordinance adoption, staff has determined that the current regulations in the ordinance are too restrictive and that some provisions require clarification in order for ADUs to continue to be successfully implemented in the city of Minneapolis.

What problem is the amendment designed to solve?

The primary concern of staff, and of community members seeking to construct ADUs, is the current bulk restriction for detached ADUs, which limits all parking and habitable areas to a maximum of 1,000 square feet for lots of all sizes. This limit is seen as too restrictive to allow for the desired flexibility to include adequate living space, as well as enclosed parking, and it does not provide additional flexibility for large lot areas. Additionally, the original ordinance language included a significant setback requirement for entrances facing a side lot line, which makes it particularly difficult to convert existing space in principal dwellings into ADUs without a significant cost burden.

Other issues that the amendment addresses include the requirement that all stairways leading to an ADU be enclosed and that the wall of an ADU facing the public street or alley contain a minimum 10 percent windows. Both requirements are seen as too difficult to implement from a design and cost perspective.

What public purpose will be served by the amendment?

This amendment will serve a public purpose by allowing greater flexibility for accessory dwelling units. Accessory dwelling units support City policies and goals related to allowing a range of housing types and family needs while respecting the character and scale of low-density residential areas. To date, 50 ADUs have been approved by CPED-Zoning. The implementation of these regulations has resulted in the establishment of 22 dwellings which were not previously recognized as legal dwelling units, while creating new opportunities for multi-generational living arrangements, and the development of additional affordable units in an already tight market. All of these living units require a rental license and are regularly inspected through the Rental Licensing program.

The proposed amendment seeks to add clarification to the existing regulations for detached ADUs and allow for greater bulk requirements for the detached ADU type. By providing more flexibility in the current bulk regulations, property owners are able to provide covered parking, storage, and circulation space, and adequate livable area for the dwelling. Additionally, the proposed changes add greater flexibility related to accessing units by stair or exterior door, ensuring minimal alteration to the existing

structure and the preservation of neighborhood character. Finally, ADUs would be able to be established in the UA University Area Overlay District without additional off-street parking required.

The draft ordinance would not alter the existing requirement that a homeowner must certify that either the ADU or the main dwelling unit will be owner-occupied, and a covenant to that effect be recorded on the property's deed in order to inform future property owners of the owner-occupancy requirement. By requiring the property owner to live on site, the ordinance supports the public health, safety, and general welfare; the property owner is more likely to maintain and be able to exercise control over the property rather than a landlord that does not live on-site.

What problems might the amendment create?

The amendment is not expected to create problems. Staff has conducted extensive best practices research on the regulation of ADUs in peer cities where they are allowed. In addition, staff has evaluated all of the approved ADUs, including those that required variances. The Zoning Board of Adjustment and City Council have reviewed a total of seven variance requests to allow for the construction of an ADU and all of them have been approved. The variances primarily fell into two classifications: (1) bulk limitations for detached ADUs and (2) exterior stairs accessing the ADU. Staff is recommending this amendment to address these two provisions.

Staff has created an internal workflow for the evaluation of all ADUs. First, the applicant meets with a CPED planner and plan reviewer to discuss the zoning and building code requirements. Next, the applicant applies for a building permit, which is reviewed by Zoning and Construction Code Services staff for compliance with the applicable codes. The applicant then records the owner occupancy covenant on the deed of the property at Hennepin County. Finally, the applicant applies for an annual rental license to ensure compliance with the owner-occupancy requirement and regular inspections of the ADU. To date, staff has not received any complaints about an ADU.

TIMELINESS

Is the amendment timely?

The proposed changes would respond to a large number of applications and inquiries related to the floor area restrictions for detached ADUs, as well as converting existing space within existing structures to accommodate new internal ADUs. The amendment is timely, as it has been demonstrated that the initial regulations for ADUs are overly restrictive and warrant an update in order for this type of housing option to be implemented successfully citywide.

In addition, the current ordinance contains language that needs to be clarified in order to ensure that the applicable regulations for all accessory dwelling units can be consistent interpreted by staff and by the public according to the intent of the ordinance. The proposed amendments would therefore support the City's ongoing efforts to improve City processes and streamline regulations.

Providing for the development of ADUs accessory to single-family homes and duplexes helps to implement many interrelated City goals and policies cited in the adopted comprehensive plan, including expanding housing options to respond to families' diverse and evolving needs, allowing residents to age in place by earning extra income through an ADU rental, and accommodating growth while preserving neighborhood character. The amendment is timely in that it supports CPED's departmental goals of planning and developing a vibrant, sustainable community; promoting economic self-sufficiency for individuals and families; and developing and preserving life-cycle housing throughout the city.

Is the amendment consistent with practices in surrounding areas?

Staff has researched best practices to see how bulk is regulated for detached accessory dwelling units. Many cities allow at least 600 square feet of habitable area in detached ADUs, exclusive of parking areas, and often allow larger ADUs for larger lots. Minneapolis currently restricts the maximum square footage to 1,000 square feet, including parking, for all lot sizes. Allowing for a maximum of between 1,300 square feet and 1,600 square feet for an ADU, depending on the lot size – but never to exceed the maximum gross floor area of the main dwelling – would provide more consistency with peer cities with ADU ordinances that have had demonstrated success in implementing and adjusting their ADU ordinances over the past decade.

Staff's additional suggestions related to easing the restrictions on enclosed stairways, windows, and side-facing entrances would also be consistent with other North American cities without compromising the accessory nature of this housing type.

Are there consequences in denying this amendment?

Denying the amendment would leave existing regulations in place, which are relatively restrictive in terms of providing flexible, context-specific design options for all ADU types. As a result of denying the amendment, the City of Minneapolis would continue to be restrictive in regulating this housing type relative to its peers.

COMPREHENSIVE PLAN

The amendment will implement the following applicable policies of *The Minneapolis Plan for Sustainable Growth*:

Land Use Policy 1.1: Establish land use regulations to achieve the highest possible development standards, enhance the environment, protect public health, support a vital mix of land uses, and promote flexible approaches to carry out the comprehensive plan.

1.1.4 Support context-sensitive regulations for development and land use, such as overlay districts, in order to promote additional land use objectives.

1.1.5 Ensure that land use regulations continue to promote development that is compatible with nearby properties, neighborhood character, and natural features; minimizes pedestrian and vehicular conflict; promotes street life and activity; reinforces public spaces; and visually enhances development.

Land Use Policy 1.2: Ensure appropriate transitions between uses with different size, scale, and intensity.

1.2.1 Promote quality design in new development, as well as building orientation, scale, massing, buffering, and setbacks that are appropriate with the context of the surrounding area.

Land Use Policy 1.8: Preserve the stability and diversity of the city's neighborhoods while allowing for increased density in order to attract and retain long-term residents and businesses.

1.8.1 Promote a range of housing types and residential densities, with highest density development concentrated in and along appropriate land use features.

Housing Policy 3.1: Grow by increasing the supply of housing.

3.1.2 Use planning processes and other opportunities for community engagement to build community understanding of the important role that urban density plays in stabilizing and strengthening the city.

3.1.3 Continue to streamline city development review, permitting, and licensing to make it easier to develop property in the City of Minneapolis.

Housing Policy 3.2: Support housing density in locations that are well connected by transit, and are close to commercial, cultural and natural amenities.

3.2.2 Engage in dialogue with communities about appropriate locations for housing density, and ways to make new development compatible with existing structures and uses.

Housing Policy 3.6: Foster complete communities by preserving and increasing high quality housing opportunities suitable for all ages and household types.

3.6.1 Promote the development of housing suitable for people and households in all life stages that can be adapted to accommodate changing housing needs over time.

3.6.2 Promote housing development in all communities that meets the needs of households of different sizes and income levels.

3.6.4 Provide and maintain moderate and high-density residential areas, as well as areas that are predominantly developed with single and two family structures.

3.6.5 Promote accessible housing designs to support persons with disabilities and the elderly.

Housing Policy 3.7: Maintain the quality, safety and unique character of the city's housing stock.

3.7.1 Promote and incentivize private investment in housing maintenance and renovation.

3.7.4 Utilize decision-making criteria when considering possible demolitions that recognize the value that the original housing stock typically has for surrounding properties and the community.

3.7.5 Promote the use of high quality materials in new housing construction to minimize long-term deterioration of the housing stock.

3.7.6 Continue regular inspections of rental housing to preserve its functionality and safety.

3.7.11 Ensure safety, livability and durability of the housing stock through enforcement of the Minnesota State Building Code.

Environment Policy 6.3: Encourage sustainable design practices in the planning, construction and operations of new developments, large additions and building renovations.

6.3.1 Encourage developments to implement sustainable design practices during programming and design, deconstruction and construction, and operations and maintenance.

6.3.5 Support the development of sustainable site and building standards on a citywide basis.

Environment Policy 6.5: Support the efficient use of land and development that reduces the reliance on fossil fuels.

6.5.2 Encourage development projects that maximize the development capacity of the site while at the same time reducing non-renewable energy needs.

6.5.4 Educate citizens about the environmental, economic, and equity implications of land use and transportation decisions, and enlist the partnership of citizen and advocacy organizations in moving toward more sustainable patterns of development.

Urban Design Policy 10.7: Maintain and preserve the quality and unique character of the city's existing housing stock.

10.7.1 Rehabilitation of older and historic housing stock should be encouraged over demolition.

10.7.2 Encourage the use of high quality and durable materials for construction and historic preservation.

10.7.3 Encourage adaptive reuse, retrofit and renovation projects that make the city's housing stock competitive on the regional market.

10.7.4 Renovation of housing should reflect the setbacks, orientation, pattern, materials, height and scale of surrounding dwellings.

10.7.5 Provide the flexibility in the city's ordinances to improve and maintain existing structures.

10.8: Strengthen the character and desirability of the city's urban neighborhood residential areas while accommodating reinvestment through infill development.

10.8.1 Infill development shall reflect the setbacks, orientation, pattern, materials, height and scale of surrounding dwellings.

10.8.2 Infill development shall incorporate the traditional layout of residential development that includes a standard front and side yard setbacks, open space in the back yard, and detached garage along the alley or at back of lot.

10.8.3 Building features of infill development, such as windows and doors, height of floors, and exposed basements, shall reflect the scale of surrounding dwellings.

10.8.4 Detached garages are preferred over attached garages and should be accessory in size and use to the primary residential structure.

10.8.5 New driveways should be prohibited on blocks that have alley access and no existing driveways.

10.8.6 Traditional setbacks, orientations, pattern, height and scale of dwellings should be created in areas where no clear pattern exists.

10.8.7 Low density residential development proposals should be evaluated and compared to the form and density of the neighborhood.

This amendment will allow accessory dwelling units throughout the city while minimizing potential negative impacts, as consistent with the above policies of the comprehensive plan.

RECOMMENDATIONS

The Department of Community Planning and Economic Development recommends that the City Planning Commission and City Council adopt staff findings to amend Title 20 of the Minneapolis Code of Ordinances, as follows:

A. Text amendment to amend the regulations related to accessory dwelling units.

Recommended motion: **Approve** the zoning code text amendment, amending Chapters 525, 535, 537, and 551.

Chapter 525 related to the Zoning Code: *Administration and Enforcement*

Chapter 535 related to the Zoning Code: *Regulations of General Applicability*

Chapter 537 related to the Zoning Code: *Accessory Uses and Structures*

Chapter 551 related to the Zoning Code: *Overlay Districts*

ATTACHMENTS

1. Approved ADU map
2. Summary of ordinance updates
3. Ordinance amending Chapter 525, Administration and Enforcement.
4. Ordinance amending Chapter 535, Regulations of General Applicability.
5. Ordinance amending Chapter 537, Accessory Uses and Structures.
6. Ordinance amending Chapter 551, Overlay Districts.