To: CDNR Committee

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Memo re: Housing Action Plan Item 5.2 - Review Accessory Dwelling Units

In response to the Burlington Housing Action Plan (HAP) this draft whitepaper reviews the role of Accessory Dwelling Units (ADU’s) in producing new housing units and allowing an aging population to remain in their homes, taking into account ways to mitigate abuses of these types of units.\(^1\) The whitepaper analyzes the potential benefits and concerns that are specific to Burlington, drawing off of best practices nationally for ADU policy efforts, for which there is much precedent. As directed this work has been done by CEDO in collaboration with P&Z, and it is a good example of the regular collaboration required by these two departments.

Based on the packed house for the recent ADU workshop sponsored by HomeShare VT and AARP, which CEDO and P&Z participated in, many Burlington residents are interested in the idea. It is one of the rare housing tools that provides benefits for homeowners, renters, and policymakers alike:

- ADU’s can create additional housing units without the overhead of large development projects that require large plots of land, and they are often rented at affordable prices.
- They allow for increased housing choices in the lowest density areas of a city and have a minimal design impact on neighborhood character.
- For the homeowner they provide additional income and/or more flexible living arrangements to meet the needs of multi-generational families including older adults interested in aging at home.

The paper includes a comprehensive review of the 43 ADUs that have been permitted in Burlington through the end of June of 2018 including a map and case studies. It explores the potential impacts of and common concerns about ADUs by neighborhood residents in Burlington. Concerns often revolve around impacts in neighborhoods where students live and short-term rental use. There is little indication that these concerns have borne out in Burlington at this time based on the data in Burlington, likely because they require owner occupancy of the property.

In addition an anonymous survey of ADU owners was undertaken to get feedback on key issues such as why they built the ADU, how they are using it, and their experience throughout the development process. The survey revealed that the primary motivation for building an ADU was to produce rental income or to house aging family members. Most owners felt that the zoning and permitting process was too complex, especially when going through the Development Review Board, and desired additional assistance through an ADU guide as well as greater assistance from city staff. Most respondents financed their ADUs with cash or by borrowing money from family members.

\(^1\) The same HAP item asks for a thorough review of micro-housing, typically defined as independent housing units that are significantly smaller than the standard studio that can be built into a multifamily building, or ‘tiny home’ style independent housing units. For the sake of clarity micro-housing will be reviewed separately.
The recommendations offer a number of options that the City and/or its partners can take to make ADU’s easier to create, and identifies additional recommendations that will encourage production of and offer protections for ADU’s. The recommendations outlined here are based on primary information collected about ADUs in Burlington as well as best practices around the country.

1. **Clarify & Provide Consistency in Permitting for ADU’s**
   a. Develop detailed design guidelines for compatibility of the ADU with the primary unit would help in interpreting the regulations, and additional changes to dimensional standards should be considered as necessary
   b. Allow for administrative review of all ADU permit applications that meet the requirements
   c. Eliminate the parking requirement

2. **Non-Regulatory Efforts to Reduce Barriers**
   a. Create a how-to guide that will walk a homeowner step-by-step from design to construction and use of the ADU
   b. Additional resources may be offered such as in-person technical assistance, financial incentives such as fee waivers, or a pilot program to offer grants or loans in exchange for rental affordability restrictions
   c. Brattleboro Area Affordable Housing (BAAH) offers grants for ADUs through its Apartments in Homes program and has helped construct over 50 ADUs. CEDO in partnership with HomeShare VT and BAAH recently submitted a concept paper to the VHCB Innovation Fund for a pilot ADU program in Burlington including the development of a how-to guide and design prototypes.

3. **Reduce Potential Impacts and Prevent Abuse**
   a. Establishing design guidelines to ensure that ADUs will not be out of character with the primary home and neighborhood
   b. Establishing requirements and review criteria for short-term rentals
   c. Better tracking data on ADU development to assess impacts on an ongoing basis.

**Next Steps:**

**Short Term**
- Develop an 1-2 page ADU guide and website landing page based on the current ordinance.
- Develop an ADU pilot program in collaboration with HomeShare VT based on the grant application submitted to VHCB, for $75,000 over three years, including up to $50,000 of CDBG funds for grants/loans for ADU development.
- Begin work with CDNR Committee and Planning Commission to consider ordinance changes.

**Longer Term**
- Establish Design Guidelines and a more comprehensive, step by step ADU Guide.
- Examine the role of Air BnB in the housing market, and in relation to ADU’s.
- Establish basis for tracking ADU’s on an ongoing basis, and examining barriers and report back.