

**ACCESSORY DWELLING WORKSHOP
HAILEY PLANNING AND ZONING COMMISSION SPECIAL MEETING
Thursday, February 27, 2020
6:30 p.m.**

PUBLIC WORKSHOP ON THE TOPIC OF ACCESSORY DWELLING UNITS

1. Accessory Dwelling Units (ADUs) have been permitted in the GR (General Residential) zoning district since 2003 and in the TO (Townsite Overlay) district since 2002. The city is exploring opportunities to expand the zoning districts where ADUs are permitted and the workshop is designed to provide background on existing regulations, share ways ADUs can aid in housing affordability and sustainability, and will include visual examples of how zoning regulations can be used to guide design, size, site location, and other variables.

ACTION ITEM.

Any and all interested persons are invited to attend this public hearing or submit written comments or direct questions to the Community Development Assistant at 115 South Main Street, Hailey, Idaho 83333, or planning@haileycityhall.org. For special accommodations or to participate in the noticed meeting, please contact the City Clerk 208.788.4221.

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Accessory Dwelling Units:

Expanding the Opportunity to Call Hailey “Home”



February 10, 2020

Prepared for: City of Hailey, Idaho City Council

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Purpose

The purpose of this paper is to provide a knowledge base about Accessory Dwelling Units (ADUs) to Hailey's elected and appointed officials and interested citizens. As the City of Hailey explores opportunities to increase the availability of housing, with an emphasis on housing that is affordable to its existing citizens and others who desire to call Hailey home, this paper provides a common foundation and framework to consider Accessory Dwelling Units.

Introduction

When most people are asked to imagine a “home” the image that comes to mind is a detached single-family residence, located on its own lot, on a street with nothing but other single-family homes. This is due, in part, to a landmark 1926 Supreme Court case (*Village of Euclid, Ohio v. Ambler Realty Co.*) that upheld the ability of a city to create zoning districts and allow or prohibit uses by district. For decades, this type of zoning (known as Euclidian zoning) has been the norm in cities large and small.

Euclidian zoning made it possible to require asphalt batch plants to be located far away from homes and schools but it also made possible the pervasive residential development patterns we see all over the United States today: single-family homes in one zone, apartment buildings in another. This development pattern not only exacerbates economic segregation within a community (with different types of housing, available at different price points, being confined to their own areas of town), it has also led to communities that are entirely out-of-reach to people who can't afford to purchase a single-family home.

Despite the “one-house, one-lot” development pattern being widespread across the United States, this development pattern hasn't historically and does not currently meet the housing needs of all individuals and families. Families expand and contract and the needs of individuals and couples change as the years ago by. A lifelong resident of a community may desire to “age in place,” rather than uproot to a care facility, and the solution may be kin a caregiver moving into the household. Upon having a child or two, a couple may seek a multi-generational living experience with a grandparent in-house. Throughout the phases of life, a homeowner may find himself or herself with too much space, or a change in circumstances may find homeowners suddenly cost burdened with too much mortgage. Or a homeowner may realize that if she could share part of her property in exchange for rental income, she could launch a new business venture, pivot to a different career, or simply pay down her student loans more quickly.

In each of the scenarios described above a mother-in-law turned grandmother could move into a guest bedroom, as could a summer intern working for a local business, or an adult child moving home to assist his aging father. But an Accessory Dwelling Unit located on the property – with a separate entrance and separate kitchen, in addition to a private bedroom and bathroom – would afford a balance of privacy, proximity, and distance that can lead to a more harmonious sharing of the property.

Nearly 100 years after *Euclid v. Ambler*, a confluence of factors is causing cities large and small, and even some state legislators, to reevaluate and progress beyond one-house, one-lot zoning. First, housings costs are rising faster than wages not just in 80% of markets in the United States¹ – and this includes Hailey, where in 2019 the median for-sale price was \$436,000 (based on 135 sales) for a detached single-family home (up from \$390,000 in 2018, 164 sales)². Second, there is a growing recognition that Millennials, who are saddled with more student loan debt than generations past, have less ability to purchase homes and Millennials' share of housing wealth by value is far lower than the share the Baby Boomer generation held at about the same age (4%for Millennials today vs. 30% for Baby Boomers in 1990)³. Third, housing affordability affects the ability of employers to attract and retain employees and influences the recruitment of new businesses⁴. Finally, there is a growing trend and growing acceptance of alternatives to living in a

traditional one-household, detached single-family home – see the Tiny House movement, the rise of location-independent digital nomads, the #vanlife phenomenon, co-housing developments in major metropolitan areas, and local examples such as Hailey’s Small Residential Overlay District zoning code amendment.

Evolution beyond one-house, one-lot regulation is gaining traction: in the past year the state of Oregon⁵ and the city of Minneapolis, MN⁶ have outlawed single-family zoning and as of January 1, 2020, California state law requires Accessory Dwelling Units to be permitted in all single-family and multi-family zoning districts⁷. Here in the Gem State Victor, Driggs, Bellevue, Ketchum, Sandpoint⁸, Boise⁹, McCall, and Coeur d’Alene¹⁰ have updated their Accessory Dwelling Unit regulations to expand opportunities to build them since 2015, with McCall, Boise and Coeur d’Alene also enforcing regulations aimed at mitigating properties with ADUs turning into investment properties.

ADUs are already permitted in parts of Hailey – the General Residential (GR) and Townsite Overlay (TO) zoning districts. As the City of Hailey explores local solutions to facilitate housing that is affordable to local individuals and families expanding the reach of ADUs is a viable option to consider.

Glossary of Terms

All definitions are found in Hailey Municipal Code, Title 17, Zoning, Chapter 17.02, Definitions

ACCESSORY DWELLING UNIT: A structure subordinate to the principal use on the same lot or premises having kitchen facilities and at least one bathroom, to be occupied as a residence, which is incidental to the use of the principal building.

ACCESSORY STRUCTURE: A structure containing the accessory use upon a lot.

ACCESSORY STRUCTURE, ATTACHED: Any accessory structure located within three feet (3') of or attached to the principal building.

ACCESSORY STRUCTURE, DETACHED: Any accessory structure located more than three feet (3') from the principal building.

COMMUNITY HOUSING UNIT: Through a deed restriction, a dwelling unit that is restricted by size, type and cost, and/or that is for sale or rent exclusively to individual(s) meeting income, occupancy and/or other affordable community housing criteria established in a community housing plan approved by the City of Hailey.

DWELLING UNIT: A building or separate portion thereof having a single kitchen and providing complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation, designed to be occupied as a residence. Every dwelling unit shall have a total gross floor area of not less than two hundred (200) gross square feet, and shall include other requirements as specified in the IBC or IRC.

HEIGHT OF BUILDING: The greatest vertical distance measured from the lowest point of record grade or finish grade, whichever is lower, within any portion of the building footprint to the highest point of the roof surface thereof, exclusive of cupolas, chimneys up to ten feet (10') above the highest point of the roof surface, steeples and spires.

LOT COVERAGE: The percent of the total lot area included within the footprint of all buildings.

PRINCIPAL BUILDING: A building containing the principal use upon a lot.

SETBACK: The distance, measured at right angles to a given lot line, between the lot line and an imaginary line parallel to the lot line, defining an area between such lines within which no building or other applicable structure may be placed. Applicable structures are all structures requiring a building permit, except fences and decks less than thirty inches (30") from adjacent grade.

SINGLE-FAMILY DWELLING: A detached building, which may include attached or detached carports and garages, containing living facilities, including provisions for sleeping, eating, cooking and sanitation for not more than one family.

Basic Development Concepts

This section summarizes basic development concepts typically used to regulate ADUs so that they blend into the fabric of a residential neighborhood.

Definition

Hailey's Zoning Code defines Accessory Dwelling Unit as, "A structure subordinate to the principal use on the same lot or premises having kitchen facilities and at least one bathroom, to be occupied as a residence, which is incidental to the use of the principal building."

Operative terms are *subordinate* and *incidental*. In zoning terms, this means the ADU is intended to be smaller in size (square footage) and scale (height) and less visible (location on site) than the primary (principal) building.

Not stated in Hailey's definition, but implied (and explicitly stated as a requirement by many cities) is that the ADU have its own separate entrance. The rationale is that the separate entrance furthers privacy in the same way that having its own kitchen affords independent living.

Primary vs. Accessory Uses

Primary structures/uses must be established on a property first. Accessory structures/uses are in addition to the primary use or structure and may only occur if a primary structure or use has been established.

- Accessory structures/uses are typically required to be subordinate in size – this type of regulation helps to ensure the accessory structure or use is secondary in nature.
- Accessory structures are complementary and often customary to the primary structure or use. For example, a community may allow uses such as greenhouses, sheds, and small chicken coops as valid accessory uses to a single-family home.
- The primary/accessory distinction aids in ensuring development is orderly, predictable, and compatible with the purpose of the zoning district. For example, in most cities one couldn't build the greenhouse or shed unless a house is concurrently under construction or already exists.

Attached and Detached

ADUs may be detached or attached.

- A detached ADU could be a stand-alone structure (this is sometimes referred to as a "backyard cottage") or could be built on top of a garage.
- An attached ADU could occur in the form of an addition to the primary residence or a space within the primary residence could be retrofitted with an additional kitchen and bathroom to create an ADU. Spaces within primary residences often converted into ADUs include basements and master suites.

Size – Dimensional Standards

Dimensional standards are used to ensure the ADU is subordinate in size to the primary residence and that the entirety of development on the site is proportionate to the size of the lot.

- Height
 - When detached and stand-alone ("backyard cottage") or above a detached garage the height of the building is often required to be less than the maximum height the main residence can be.
- Square footage
 - Whether detached or attached a maximum square footage is typically established for ADUs. Commonly, the maximum size may be larger in a zoning district with larger lots and smaller in zoning districts with smaller lots.

- The maximum size of an ADU can also be ratio to size of primary structure – for example, the size of the ADU is limited to 66% of the square footage of the primary residence.
- Maximum sizes and ratios can work together. For example, an ADU may not exceed 950 square feet or 66% of the square footage of the primary residence, whichever is less.
- Lot coverage
 - Most zoning districts define a maximum lot coverage, or square footage of the lot that can be covered by buildings.
 - Maximum lot coverage regulations ensure adequate open space for light and air access, snow storage, and natural drainage. Commercial zones typically allow for larger lot coverage percentages than residential zones, but require engineered drainage solutions, snow-melt systems or hauling of snow, and other mitigating actions.
- Setbacks
 - Setbacks define the minimum distance from a property line that a structure may be located and can be used to specify a minimum distance between a primary residence and a detached ADU.

Exterior Design, Site Design and Functionality – Development Standards

Development standards are more nuanced than dimensional standards and are used to ensure structures and uses are compatible with the specific community or neighborhood where they are located. For example, a city in Hawaii wouldn't require a dedicated snow-storage area on a property.

- Design Review
 - Even in instances where a single-family home is not required to undergo Design Review communities may require ADUs to undergo Design Review. Design Review regulations are used to ensure the architectural style, exterior materials and colors, and so forth are compatible with the primary residence.
- Site Design
 - Parking
 - A minimum number of parking spaces, the parking surface (gravel, concrete, asphalt), and the location of the ADU's parking space(s) can be regulated.
 - Location of unit
 - For detached ADUs the location, or placement on the site, is typically regulated. Backyard cottages are commonly required to be located behind the primary residence.
 - Screening
 - Screening, in the form of landscaping or a fence/wall, can be required for an ADU's entrance or parking space.
- Functionality
 - Considerations for the functionality of a use or structure are typically captured by development standards. Common functionality considerations given to ADUs are the requirement that there be dedicated outdoor space for the ADU (balcony, patio, or a fenced portion of back yard) and that the ADU have dedicated storage within or accessible to the ADU (in the form of closet space of a specified square footage, a dedicated shed, etc.).

Existing Regulations and Conditions

Zoning Districts where ADUs are Permitted

ADUs have been permitted in with the Townsite Overlay (TO) Zoning District (old Hailey) since 2002 and have been permitted in the General Residential (GR) Zoning District since 2003. GR is the zoning district applied to Woodside, China Gardens, Old Cutters, Little Indio, and the new Carbonate View Subdivision.

Regulations Overview

For the most part, dimensional and development standards specific to ADUs are not currently in place. By and large, ADUs are subject only to the same baseline regulations required for primary residences – this includes Design Review, which is required for ADUs and other types of new construction and substantial additions alike in the Townsite Overlay, but is required of neither ADUs nor new single-family homes in GR. Exceptions, which include minimum and maximum sizes, required minimum lot size to build, and parking requirements are noted below.

Minimum and Maximum Sizes

GR: Minimum size 300 square feet, maximum size 950 square feet

TO: Minimum size 300 square feet, maximum size 900 square feet

Minimum Lot Size to Build an ADU

GR and TO: The minimum lot size required for an ADU to be built is 7,000 square feet.

Parking Spaces Required

GR and TO: ADUs required one additional off-street parking space.

Number of ADUs Built Per Year

Since 2002, less than three (3) ADUs have been built per-year on average. Further research will be conducted and the total number of permitted ADUs within Hailey will be brought to the meeting.

Number of ADUs constructed since 2014

Since 2014, approximately three (3) ADUs have been constructed each year. Primarily, the ADUs have been concurrent with the construction of a new home or have been in the form of an ADU above a newly constructed garage.

| Year | ADUs Built Per Year |
|------|---------------------|
| 2019 | 1 |
| 2018 | 5 |
| 2017 | 2 |
| 2016 | 3 |
| 2015 | 4 |
| 2014 | 1 |

Opportunities

Expanding the zoning districts where ADUs are permitted in Hailey presents the following opportunities:

- Sustainable use of existing infrastructure
 - Developed neighborhoods are already served by water, sewer, and improved street. In many cases, pedestrian, cyclist, and transit improvements already exist.
 - Allowing ADUs in additional residential zones allows for incremental infill development.
- Diversify housing types / housing price points
 - ADUs, which are rental-housing product type, allow one to live in Hailey without needing the capital required to purchase a home.
 - The smaller square footage of ADUs, as compared to primary residences, often results in lower rental rates than a larger home.

- Aid in affordability
 - As noted above, ADUs have the potential for lower rental rates
 - ADUs also have the potential to aid in qualifying for a mortgage on a home – some lenders will count the potential rental income toward a household’s income
- Development standards and Design Review allow ADUs to be woven into fabric of community
 - Development standards designed to ensure ADU are built in scale with existing neighborhoods, and with primary residences, will assist in weaving ADUs into existing built environment and community character. This includes existing development standard and new standards that can be implemented specific to ADUs.
 - Design Review, whether on an administrative basis or before the full body of the Planning and Zoning Commission, can further ensure ADUs are developed in a way that is compatible with and complementary to existing neighborhoods.
- ADUs can be expanded and permitted in such a way that Hailey maintains character as a community of full-time residents
 - Hailey is home to the largest population of full-time residents in the Wood River Valley and the largest concentration of housing stock occupied by full-time residents.
 - When a property has an ADU, McCall, Boise, and Coeur d’Alene all require that either the primary residence or the ADU be utilized as a full-time residence. In Boise, either the ADU or the primary residence must be owner occupied. In McCall and Coeur d’Alene either the ADU or primary residence must be owner occupied or a long-term rental

Topics for Policy Direction

While there are an unlimited number of development and dimensional standards that can be amended or created to regulate ADUs, the topics below have either come up in prior discussions with elected officials, the public, or have innovatively been addressed by similar communities. For these reasons these topics have been identified for high-level policy direction from the Hailey City Council.

Upon receiving direction from the Hailey City Council, a variety of potential code amendments will be drafted, presented to the Planning and Zoning Commission, refined, and presented to Council for consideration after receiving a recommendation from the Commission. Additionally, the topics below will be included in an upcoming public workshop on ADUs scheduled for February 27, 2020 with the Commission.

- Administrative Design Review for ADUs or Design Review with the Planning and Zoning Commission
- Requirement that either the primary residence or ADU be owner occupied or rented long term or no occupancy requirements
- Requiring a Conditional Use Permit (CUP) for ADUs or not
- Requiring higher development standards for ADU parking spaces, or higher standard for existing and new parking spaces on a property when an ADU is proposed, or requiring no heightened parking-related standards.

Citations

1. <https://www.housingwire.com/articles/47878-home-prices-are-rising-faster-than-wages-in-80-of-us-markets/> “Home prices are rising faster than wages in 80% of U.S. markets: New ATTOM report shows renting is cheaper option in the majority of metros”
2. <http://windermeresunvalley.com/november-2019-market-snapshot> Windermere Sun Valley, December 2019 Market Snapshot
3. <https://www.inquirer.com/business/homes-federal-reserve-millennials-ownership-baby-boomers-20200120.html> “Millennials’ share of the U.S. housing market: small and shrinking”
4. <https://housingmatters.urban.org/articles/four-reasons-why-employers-should-care-about-housing> “Four Reasons Why Employers Should Care about Housing”
5. <https://www.opb.org/news/article/oregon-single-family-zoning-law-effect-developers/> “Oregon Strikes Exclusive Single-Family Zoning, But Effects May Take Years”
6. <https://www.politico.com/magazine/story/2019/07/11/housing-crisis-single-family-homes-policy-227265> “How Minneapolis Freed Itself From the Stranglehold of Single-Family Homes: Desperate to build more housing, the city just rewrote its decades-old zoning rules.”
7. <https://www.hcd.ca.gov/policy-research/AccessoryDwellingUnits.shtml> California Department of Housing and Community Development, Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs)
8. <https://www.sandpointidaho.gov/Home/ShowDocument?id=6459> City of Sandpoint, Idaho staff reports, meeting minutes, and ordinance
9. <https://boisedev.com/news/2019/06/11/boise-adu-restrictions> “Home sweet (adjacent) home: Boise proposes loosening some ADU restrictions”
10. <https://www.cdaid.org/3521/departments/planning/adu-code-amendments-at-a-glance> ADU Code Amendments at a Glance

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PUBLIC COMMENT

Jessica Parker

From: Lisa Horowitz
Sent: Thursday, February 20, 2020 4:38 PM
To: Jessica Parker
Subject: FW: ADU info/data

Public comment for ADU workshop

Lisa Horowitz
COMMUNITY DEVELOPMENT DIRECTOR
CITY OF HAILEY
115 S. MAIN ST. HAILEY, ID 83333
208-788-9815 EXT. 2013
CELL: 727-7097

From: Nate Hart <hart.nathanthomas@gmail.com>
Sent: Thursday, February 20, 2020 2:44 PM
To: Lisa Horowitz <lisa.horowitz@haileycityhall.org>
Cc: Martha Burke <martha.burke@haileycityhall.org>
Subject: ADU info/data

Hi, Lisa-

I attended last week's Council meeting and had some thoughts and desire to know more from the ADU conversation. I am currently the chair of the Blaine County Housing Authority (BCHA) and the Hailey representative for the last couple of years. My apologies for not being at more meetings, we had a child not too long after I joined the BCHA and I want to be quite involved in her care. My intention is to make it to at least one meeting a quarter, shooting for monthly, in 2020.

One thing I was wondering about from the meeting came out of a statement at the beginning of the report which said Hailey already permits ADUs in the GR and TO zones. I was wondering if you have any data on the use/occupation of those existing units?

The addition of housing to our community is vital, we all know that, and we're all grappling with the rising cost of both existing stock and getting additional stock built. The trick, as was brought up during this discussion session last week, is how to prevent ADUs from going to the already-hot vacation rental market? I have shared a couple of ideas with Councilors Linnet and Husbands, and as well with Mayor Burke (copied), on how the city could start thinking about how to keep ADUs from adding to the vacation/short-term rental market and start adding to real rental inventory for our local populations. One way to do that is to open up ADUs to all residential/commercial zones (why not have upstairs apartments to businesses?) but have a minimum lot size that may be large enough to exclude a lot of lots. The trick with that is there would be a **clear and quick** application process to have a variance applied for the building of an ADU. This application would have a few things that would allow the city to regulate items like parking, fire access, sanitation, and perhaps even a covenant of some sort that would apply to the property - perhaps prohibiting lease lengths less than 6 months, or requiring to only rent to a certain pool of renters like teachers, public servants (fire/police/EMT), or at certain affordability rates like what the BCHA has already in place. This would allow the city or their representative to follow up on rentals and ensure that ADU is being used appropriately (presumably not as a short-term rental). There would be exceptions for family-occupied ADUs, but that would still require some sort of certification as to the relationship or potentially could be abused.

That's just a small idea that I thought of, which may address some of the concerns I heard at the meeting. Our Executive Director, Nathan Harvill, will be at the public discussion next week, and if you're able to attend and connect with him he would be happy to speak further if there are any questions. We as a board discussed this as part of my commissioner's report at our meeting last night, and see a lot of potentials, and potentially a model for the county at-large to look at as an innovative housing solution.

Thank you for your time, and let me know if there are any insights to those existing ADUs in Hailey.

-Nate

BCHA Chair and Hailey Commissioner

Nathan T Hart

808.203.4759

From: [Lisa Horowitz](#)
To: [Jessica Parker](#)
Subject: FW: ADU Workshop
Date: Wednesday, February 5, 2020 2:56:27 PM

Public comment

[Lisa Horowitz](#)
COMMUNITY DEVELOPMENT DIRECTOR
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208-788-9815 EXT. 2013
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From: Nate Hart <hart.nathanthomas@gmail.com>
Sent: Wednesday, February 5, 2020 2:28 PM
To: planning <planning@haileycityhall.org>
Cc: Nathan Harvill <nharvill@bcoha.org>
Subject: ADU Workshop

Hello-

My name is Nate Hart, and I am both the the current chair and the Hailey representative to the Blaine County Housing Authority (BCHA). I will be traveling internationally on the 27th, so cannot make the ADU workshop. Is it possible to be sent the materials and notes from the ADU workshop to this email address?

My biggest concern with ADUs in our valley is regulating them to increase local housing stock instead of just adding to short-term rentals. Given the state laws preempting regulation of Airbnb-type rentals, our local permitting for ADUs will have to be quite strict and creative in order to support local housing instead of tourist housing. We may want to look around to other communities and see how they've approached ADU regulation in the face of Airbnb and other short-term rental services.

We would be happy to collaborate on this, and our Executive Director Nathan Harvill is copied and plans on attending the workshop.

Thank you, and I look forward to hearing more from this workshop and the overall discussion of ADUs in Hailey.

Nathan T Hart
Social: nhart99

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