

MEMO

Date: July 8, 2026

To: Community and Economic Development Committee (CEDC)

From: C. Shannon McGuire, Assistant Director of Plan Services
Adair Bright, AICP, Senior Planner

CC: File

Re: Accessory Dwelling Unit (ADU) Update and Discussion

Accessory Dwelling Units (ADUs) have received increasing attention nationwide as communities seek to expand housing choices, support aging in place, provide opportunities for multigenerational living, and create modest additions to the housing supply within existing neighborhoods. In response to these trends and the housing goals identified in the Ignite Comprehensive Plan, the City amended its Unified Development Ordinance (UDO) in 2023 to permit ADUs under certain circumstances and establish standards intended to balance housing flexibility with neighborhood compatibility. This memorandum provides an overview of the City's ADU initiative, summarizes the current regulatory framework, reviews activity since adoption of the ordinance, and discusses factors that may be limiting broader implementation, including homeowners' association restrictions, financing challenges, construction costs, and existing development standards.

The City's evaluation of ADUs began in early 2022 through a series of discussions with the CEDC. Between February 2022 and August 2023, staff conducted research on ADU regulations, reviewed practices from peer communities, gathered public input, and developed draft ordinance language for Committee consideration. Throughout the process, the Committee generally expressed support for expanding housing options while emphasizing the importance of maintaining neighborhood character and addressing concerns related to parking, design, ownership, and short-term rentals.

Following several rounds of review and refinement, staff presented a final draft ordinance to CEDC in August 2023. The Committee recommended the proposed amendments move forward through the UDO amendment process. The Planning Commission subsequently held public hearings and recommended approval of the amendments. The City Council approved the ordinance in December 2023, establishing the City's current ADU regulations and creating a framework for attached, internal, and detached accessory dwelling units within designated residential zoning districts.

The City's ADU regulations were adopted to provide additional housing options while ensuring new units remain compatible with existing neighborhoods. The ordinance permits attached, internal, and detached ADUs in designated residential zoning districts, subject to development standards intended to address neighborhood character, parking, scale, and ownership.

Key provisions of the ADU ordinance include:

- One ADU permitted per lot containing a single-family residence.
- Attached, internal, and detached ADUs are allowed.
- Maximum size of 1,000 square feet or 50% of the principal dwelling, whichever is less.
- Properties located outside the Old Downtown Lee's Summit area must contain a minimum of one-half acre.
- Maximum of two bedrooms.
- Detached ADUs must be located behind the principal structure and meet setback requirements.
- One additional off-street parking space is required.
- ADU height may not exceed the height of the principal dwelling.
- Architectural design must be compatible with the principal residence and surrounding neighborhood.
- Either the principal dwelling or the ADU must be owner-occupied.
- The principal dwelling and ADU must remain under common ownership and cannot be sold separately.
- ADUs are prohibited from being used as short-term rentals.

ADU Activity Since Adoption

Since the adoption of the ADU ordinance in December 2023, ADU activity has been limited. Staff identified one Preliminary Development Plan application requesting a modification to the maximum allowable ADU size, which was subsequently approved and permitted, as well as one permit for the conversion of an existing garage into an ADU. Discussions with staff indicate that while there is periodic interest in ADUs, relatively few projects ultimately move forward to permitting and construction.

Observations and Potential Barriers

While there is periodic interest from homeowners, relatively few projects ultimately advance to permitting and construction. Staff observations suggest that both regulatory and non-regulatory factors are contributing to the limited number of ADUs developed since adoption of the ordinance.

Key observations include:

- **Minimum Lot Size Requirements:** Staff consistently identified the minimum lot size requirement as the most common reason homeowners abandon ADU proposals. Many otherwise suitable properties do not meet the minimum lot size threshold.
- **Size Limitations:** Staff have observed that homeowners frequently redesign projects to avoid ADU classification by removing features such as a kitchen or stove. This allows larger accessory structures while avoiding the size limitations applicable to ADUs.
- **HOA Restrictions:** Many residential neighborhoods are subject to private covenants and homeowners' association regulations that prohibit or restrict ADUs, regardless of whether they are allowed by the UDO.
- **Basement Conversion Uncertainty:** Basement finish projects represent a potential source of ADU development; however, it is often difficult to determine whether these projects function as ADUs because permit applications frequently lack sufficient detail. Additional clarification regarding when a basement conversion constitutes an ADU may be warranted.
- **Limited Utilization in Planned Communities:** Although ADUs are permitted within New Longview through the Preliminary Development Plan, most finished loft spaces above garages are being used for storage, offices, workout rooms, or other accessory purposes rather than as dwelling units.

- **Financing and Construction Costs:** The cost of constructing an ADU, combined with limited financing options available to homeowners, may make projects financially infeasible despite regulatory approval.

Collectively, these observations suggest that the relatively low number of ADUs constructed since adoption of the ordinance may be driven more by lot size restrictions, HOA limitations, financing challenges, and construction costs than by a lack of public interest in the concept itself.

Discussion Items

At this time, the limited number of ADUs developed since adoption of the ordinance makes it difficult to draw definitive conclusions regarding the effectiveness of the current regulations. However, based on permit activity, staff observations, and feedback received from homeowners, several topics may warrant discussion by the Committee.

Topics for discussion include:

- Whether the current minimum lot size requirements continue to be appropriate or may unnecessarily limit ADU opportunities.
- Whether additional clarification is needed regarding basement conversions and when such spaces qualify as an ADU.
- Whether existing size, design, parking, and ownership requirements appropriately balance housing flexibility with neighborhood compatibility.
- The extent to which HOA restrictions, financing challenges, and construction costs may be impacting ADU construction independent of City regulations.
- Whether additional time and data collection are needed before considering potential amendments to the ordinance.

Conclusion

The City adopted ADU regulations in 2023 to expand housing options while maintaining neighborhood character and compatibility. Since adoption of the ordinance, ADU activity has been limited, with only a small number of projects advancing through the development and permitting process. While staff observations suggest that minimum lot size requirements, HOA restrictions, financing challenges, and construction costs may influence ADU development, additional experience with the ordinance may be needed before clear trends emerge. The information contained in this memorandum is provided to facilitate discussion regarding the effectiveness of the current regulations and any potential future considerations related to ADUs in Lee's Summit.