

To: Community and Economic Development Committee (CEDC)

Meeting Date: June 14, 2023

From: Aimee Nassif, AICP, Deputy Director of Development Services

Shannon McGuire, Planner

RE: Accessory Dwelling Unit (ADU) Discussion and Ordinance

As part of our implementation work with the Ignite! Strategic Plan, Ignite! Comprehensive Plan, and Communities for All Ages (CFAA) Program, Staff has been researching and identifying opportunities to increase housing diversity and choice throughout the community. Accessory Dwelling Units (or ADUs) are identified as a tool available to increase housing diversity while protecting existing neighborhoods for implementation in our **Strong Neighborhoods and Healthy Choice Plan Element (Element 3.2)** of the Ignite! Comprehensive Plan. While ADUs are currently permitted in the City, the goal with the ADU ordinance update is to strengthen our current regulations, protect existing neighborhoods, encourage aging in place, and advance efforts for implementation of Ignite! Comprehensive Plan.

Staff has been collaborating with the CEDC on this effort shortly after adoption of the Ignite! Comprehensive Plan. Below is a brief overview of ADUs, history of this process, and action items requested to advance this effort to the next steps.

What is an ADU?

An ADU or Accessory Dwelling Unit is a residential dwelling unit located on the same lot as a single-family dwelling unit, either within the same building, attached to the same building, or detached. An ADU is not a short-term rental building. While ADUs are customarily used for family members and also provide an affordable housing option; ADUs may only be used as a short-term rental (STR) if allowed by ordinance. Currently, the City's existing Unified Development Ordinance does not prohibit use as a STR, however the proposed draft language (Exhibit A and Exhibit B) does include this prohibition.

Existing Unified Development Ordinance Allowance

Language allowing for accessory dwelling units are currently identified in the Unified Development Ordinance (UDO) as accessory dwelling units, guesthouses, and loft dwelling units.

- 1. Section 6.1480 allows for guesthouses in the AG, RDR, RLL, and R-1 districts with restrictions to setbacks, lot size, and location.
- 2. Section 6.1340 allows for ADUs and loft dwelling units above a detached garage or laterally attached to an existing structure in the AG district with minimal restrictions.
- 3. Section 6.1350.M allows for loft dwelling units above a detached garage in all R-1 districts except for locations within the "Old Lee's Summit" area. This section includes restrictions for lot size and parking.

CEDC Meeting and Discussion History

Discussion regarding our existing ADU regulations began in early 2022 with the following outcomes. A link to these meeting agenda packets, minutes, and videos are available at: City of Lee's Summit - CEDC Meetings

- 1. February 9, 2022 Initial discussion, CEDC requested additional information and research be conducted.
- 2. November 9, 2022 CEDC discussion was continued due to additional time needed for other agenda items and prioritization of other pending items.
- 3. February 8, 2023 CEDC directed Staff to draft an ordinance consolidating existing sections of code and updating regulations for continued allowance of ADUs. Draft language that was presented was a result of discussions with the CEDC, research from national organizations such as AARP and APA, neighboring municipalities such as Olathe, Overland Park, Blue Spring, Liberty, and Springfield, and community survey results.
- 4. April 12, 2023 Community Survey results were shared along with requested draft language. After discussion of items such as parking, lot size, location and short-term rental use, the CEDC asked staff to see if there was any studies or information on the impact of ADUs on neighboring properties. In addition, Staff was asked to update the draft language so that ADUs are permitted only in the downtown area or on lots ½ acre or larger in size which are zoned AG, RDR, or RLL, unless submitted and approved through the PDP process.

April 12, 2023 Requested Information and Updates

Property Value Impacts

Staff was asked if any data, studies, or research existed regarding the property value impacts to a resident if their neighbor has an ADU. In this effort, Staff researched several housing and planning organizations such as the APA, MARC, AARP Livable Communities, Missouri Appraisers Advisory Council; as well as real estate entities such as the National Association of Realtors, National Association of Real Estate Appraisers, and the Kansas City Area Realtors Association and was advised that they were not aware of any such data or information existed. The only research on this topic found was from Purgula.com who reported on their website that there were no known negative impacts on neighboring properties.

To date, much of the research from entities such as the Urban Land Institute (ULI), American Association of Retired Persons (AARP), American Planning Association (APA), Bankrate.Com, Freddie MAC, and Forbes.com have all focused on the property value of the property which the ADU is located and not the resident next door or the neighborhood. In terms of the property with the ADU on it, property values have the potential to increase 20-30%. According to the National Association of Realtors, a property with an ADU existing on it is priced an average of 35% higher than a property without one.

<u>Draft Ordinance Update – Property Size and District Limitations</u>

After discussion with Staff, the CEDC requested that draft language be updated to include a restriction on the location and minimum property size requirements. Specifically, the direction was to include the following:

- 1. Restrict the location of ADUs to properties within the Downtown Area (see Exhibit C) or
- 2. If outside of the Downtown Area, properties must be ½ acre or larger in size and appropriate zoning such as AG, RDR, R-1, RP-1 or RLL zoning.

3. Other properties outside of the downtown or smaller than ½ acre would be eligible for an ADU consideration with approval of a Preliminary Development Plan.

Additional discussion occurred regarding parking and if short-term rentals should be allowed within an ADU; which current draft language prohibits. The CEDC determined that no other language updates regarding these items were necessary as these items would be discussed during the public hearing process and then continue to be vetted when this UDO update and associated draft are before the full Council.

Conclusion and Next Steps

Attached is a copy of the draft ordinance as prepared by Staff from these collaborative discussions, research, community survey responses, and direction with the CEDC. This draft proposal has been updated as requested from the April 12, 2023 meeting, and additional updates made to increase readability, formatting, expectations, and clarity. Exhibit A covers language pertaining to development and criteria for ADUs and Exhibit B updates Section 6.505 pertaining to Short Term Rentals to include language prohibiting the use of ADUs as a short-term rental for consistency with Exhibit A. No other changes are proposed for short term rentals at this time as that is not part of this ADU project.

Staff is prepared to initiate next steps for preparation and advertisement of a public hearing at the Planning Commission for this UDO update upon the direction of the CEDC. Discussion and continued vetting and research of various items such as parking, location, and use, will continue through the consideration of the UDO amendment with the following review steps.



As stated previously, several sections of the UDO currently contain language on ADUs, guesthouses, and loft dwelling units which are being consolidated into a single, comprehensive section. A link to these existing sections is found here for you:

<u>Sec. 6.1340. - AG Agricultural District—Permitted accessory uses and structures. | Unified Development Ordinance | Lee's Summit, MO | Municode Library</u>

<u>Sec. 6.1350. - Residential districts—Permitted accessory uses and structures. | Unified Development Ordinance | </u>Lee's Summit, MO | Municode Library

Sec. 6.1480. - Prohibited accessory uses and structures. | Unified Development Ordinance | Lee's Summit, MO | Municode Library