

March 28, 2025

MEMORANDUM

To: Land Use Committee
From: Lish Whitson, Analyst

Subject: CB 120949: Accessory Dwelling Unit Regulations

On April 2, the Land Use Committee (Committee) will receive a briefing from the Seattle Department of Construction and Inspections (SDCI) on <u>Council Bill (CB) 120949</u> that would update the City's Accessory Dwelling Unit (ADU) regulations in response to Washington State <u>2023</u> <u>Engrossed House Bill 1337</u> (HB 1337). HB 1337 requires the City to allow two ADUs in any configuration – attached or detached – on any lot where single family houses are permitted.

ADUs are residential units located on the same lot as another residential unit. Typically, they are smaller than the "principal unit." They may be added after the principal unit was built or built as part of the development of the principal unit. ADUs are either (1) attached (AADUs) – part of the same structure as the principal unit or (2) detached (DADUs) – separate structures. Historic unit types that would now be classified as DADUs include backyard cottages or carriage houses. Apartments in attics or basements would be considered AADUs.

According to data from the Office of Planning and Community Development (OPCD) <u>ADUniverse</u>, as of the end of 2024 there were approximately 7,073 ADUs in Seattle, approximately 40 percent of ADUs are AADUs. Most ADUs (95 percent) are located in Neighborhood Residential zones.

This memorandum describes:

- 1. Seattle's current ADU regulations,
- 2. HB 1337,
- 3. How CB 120949 would amend current regulations to comply with HB 1337,
- 4. Policy considerations related to CB 120949 and the interim regulations related to HB 1110, and
- 5. Next steps.

1. Current ADU regulations

Seattle has permitted ADUs since 1994. In 2019, the City Council <u>adopted changes</u> to the City's ADU regulations, which have resulted in a significant increase in the number of ADUs built in the City each year.

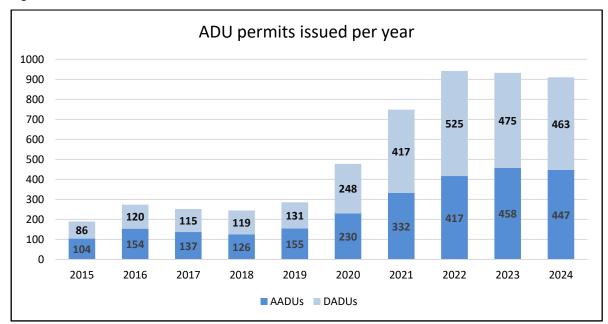


Figure 1. ADU Permits Issued Per Year

Figure 1: Office of Planning and Community Development ADUniverse: https://aduniverse-seattlecitygis.hub.arcgis.com/

ADUs are permitted in all Seattle zones that allow residential uses but are particularly prevalent in Neighborhood Residential (NR) and Residential Small Lot (RSL) zones.

NR Zones

In NR zones, up to two ADUs are permitted on lots that are at least 3,200 square feet and are at least 25 feet wide and 70 feet deep. One of the ADUs may be a DADU. The second ADU must:

- 1. Result from the conversion of space within an existing building;
- 2. Meet green building requirements in Seattle Municipal Code (SMC) Chapter 23.58D; or
- 3. Meet the definition of low-income unit in SMC <u>23.84A.040</u>.

ADUs and DADUs have a size limit of 1,000 square feet. ADUs are exempt from floor area limits that apply to principal structures. Space covered by an ADU is counted in determining the lot coverage on a lot. DADUs may be located in rear yards and may cover 60 percent of the rear yard.

While single family homes are permitted up to 35 feet high with a pitched roof, DADUs are limited to 17 to 25 feet depending on the width of the lot and roof configuration. No parking is required for ADUs.

¹ Conversion of existing structures into an ADU is permitted on smaller lots.

RSL Zones

Most regulations that apply in other NR zones also apply in RSL zones, with the following exceptions:

- projects are limited to one ADU;
- floor area in ADUs counts toward the Floor Area Ratio limit of 0.75; and
- floor area in ADUs also counts toward the maximum unit size of 2,200 square feet in RSL zones (e.g., if the ADU is 1,000 square feet, the principal unit is limited to 1,200 square feet).

Multifamily Zones

In Multifamily zones, single-family, rowhouse and townhouse units may have ADUs. Each principal unit can have one ADU. ADUs are limited to 650 square feet and may not equal more than 40 percent of the total residential floor area on a lot. Maximum height for DADUs is 23 feet with a pitched roof.

Other Zones

ADUs are not explicitly prohibited in Commercial, Seattle Mixed or Downtown zones. There are, however, no specific development standards that apply in these higher-density areas.

2. HB 1337

Seattle's current zoning regulations are generally in compliance with HB 1337. Provisions of HB 1337 applicable to Seattle include:

- The City must allow two ADUs on any lot that allows single family dwelling units, in any combination of AADUs and DADUs;
- ADU regulations may not be more restrictive than regulations that apply to a single-family house:
- ADUs must be allowed on any lot that meets the minimum lot size for the principal unit;
- ADUs must be allowed to be at least 1,000 square feet;
- Roof heights must be allowed to be 24 feet or higher;
- DADUs must be allowed to be located at a lot line that abut an alley, without a setback;
- The City may not require owner occupancy of any of the units;
- ADUs must be allowed to be sold as individual condominium units; and
- The City may not require street improvements as part of an ADU permit.
- These requirements do not apply to lots in environmentally critical areas (ECAs).²

As a result, the City's current requirements, which place a limit on the second ADU on a lot, are not permitted under HB 1337. HB 1337 requires that the City update its regulations to be in compliance no later than June 30, 2025.

² Environmentally critical areas (ECAs) include areas with natural or manmade conditions that have the potential to cause harm to or be harmed by construction or other activities. ECAs include geologic hazard areas, seep slope erosion hazard areas, wetlands, fish and wildlife habitat conservation areas, and abandoned landfills. They are regulated under SMC Chapter 25.09.

3. CB 120949

CB 120949 would amend the Land Use Code to bring Seattle's ADU regulations into compliance with HB 1337 and make other changes to consolidate regulations around ADUs. In particular, CB 120949 would create a new code section, Seattle Municipal Code (SMC) 23.42.022, that would contain most regulations related to ADUs. Below is a description of the provisions included in the proposed legislation. Requirements of HB 1337 are in bold.

Density limits

- Consistent with HB 1337, allow two ADUs on a lot, and allow those ADUs to be attached or detached in any configuration. Two detached ADUs could be located with one principal structure.
- In NR zones, exempt ADU floor area from the maximum floor area ratio limit.
- Limit ADUs to 1,000 square feet, which is the current limit in NR zones, and is consistent with HB 1337. However, AADUs within existing structures would be permitted to be larger than 1,000 square feet.
- Exempt up to 250 square feet of gross floor area in an attached garage, consistent with existing regulations, and 35 square feet of bicycle parking space from the ADU size limit.
- Exempt storage areas that can only be accessed via exterior doorways from the maximum size limit.

Height and setbacks

- Apply the maximum height limit for the zone to ADUs in NR and lowrise multifamily (LR) zones. In other zones, the maximum height limit would be the maximum height limit of the zone, or 40 feet, whichever is less.
- No requirement for ADUs to be set back from alleys.
- In NR zones
 - Allow DADUs to cover 60 percent of a rear yard, compared to 40 percent for other detached accessory structures.
 - Allow DADUs and appurtenant architectural elements³ to be located within the rear yard, so long as the structure is no closer than five feet from a lot line.
 - Require DADUs to be separated from the principal structure by at least five feet. All other zones require a three foot separation.
 - On through lots where a rear yard isn't clearly identified, allow the SDCI Director to determine the rear setback.
- In LR zones, apply the same setback requirements that apply to principal dwelling units to ADUs.

³ Appurtenant architectural elements include chimneys, eaves, cornices, columns, bay windows, and garden windows.

Other standards

- Allow existing accessory structures to be converted to DADUs. Allow the SDCI Director to
 modify any development standard to facilitate the conversion of an existing structure. Allow
 DADUs to exceed lot coverage and yard or setback requirements.
- Exempt ADUs from parking requirements.
- Allow ADUs to be sold as condominiums.
- Exempt ADUs from public street improvements.
- In NR zones allow garages to be located within 12 feet of the centerline if adequate turning and maneuvering areas can be provided.

4. Policy Considerations

CB 120949 would consolidate and clarify the City's regulations related to ADUs. In doing so, the bill would also change how ADUs are treated. Below are questions the Committee may want to consider while reviewing the proposal.

1. How should ADUs be considered when applying density requirements and limits?

Currently, ADUs are generally not treated as separate units for the purposes of applying density limits. In NR zones, one single family house is permitted per lot as a principal dwelling unit. Each lot may also have up to two ADUs that are not included in determining whether the one unit per lot limit is being met. In multifamily zones, there is not currently a limit on the number of ADUs that can be added to a lot, and ADUs are not considered in determining whether a project is within the maximum density limit.

Section 5 of CB 120949, would allow "a maximum of two accessory dwelling units... on the same lot as a principal dwelling unit." This would apply in all zones whether the principal dwelling unit is a single-family house or one unit in a multifamily structure, reducing the number of ADUs permitted on a multifamily lot.⁴ HB 1337 requires the City to allow at least two ADUs per lot where a single-family unit is permitted.

Under Washington State 2023 Engrossed Second Substitute House Bill 1110 (HB 1110), which will be considered separately, the City will be required to allow at least four units on every lot that permits a single family house, and six units on lots near major transit stops and with affordable housing units. This bill allows the City to consider ADUs as units for the purposes of meeting this requirement. See RCW 36.70A.635:

(5) [Cities within at least 25,000 residents] must allow at least six of the nine types of middle housing to achieve the unit density required in subsection (1) of this section. A city may allow accessory dwelling units to achieve the unit density required in subsection (1) of this section. Cities are not required to allow accessory dwelling units or middle housing types beyond the density requirements in [HB 1110].

⁴ It is rare to see a multifamily residential project built with ADUs, but there are some examples of multifamily projects that do include ADUs. For example, the project at 1422 Taylor Avenue N includes ADUs with each of its four townhouses. Because that project is permitted as a condominium in which the townhouses are all on the same lot, it might have been limited to two ADUs under CB 120949.

The Mayor's proposed interim legislation in response to HB 1110 would count ADUs as units for the purpose of complying with HB 1110.

Questions for the Committee's consideration:

- Should ADUs accessory to multifamily units be limited to two per lot or should the City allow at least one ADU per unit?
- Should ADUs be counted toward the density limit in NR zones?

2. Should ADUs be exempt from floor area ratio limits, or should FAR limits recognize ADUs?

Because CB 120949 is being adopted within weeks of new interim development standards for NR zones in response to HB 1110, the Committee should consider how the bills will work together. In particular, the choice to exempt ADUs from floor area ratio limits in NR zones is inconsistent with the approach taken in the proposed interim legislation to implement HB 1110, which would remove the ADU FAR exemption, and apply FAR limits to all structures on a lot. This could impact on how much floor area can be built on NR-zoned lots.

If the code continues to exempt ADUs from floor area ratio (FAR)⁵ limits, then up to two ADUs can be added to a NR-zoned lot without being counted toward the maximum FAR limit. For a 5,000 square foot lot in the NR3 zone, with a single family structure built to the maximum FAR limit, adding two ADUs at the maximum size limit would allow an additional 0.4 FAR, bringing the total FAR on the lot to 0.9. For comparison the interim legislation to implement HB 1110 would allow 1.0 FAR on a 5,000 square foot NR3 lot with three units.

If ADUs are considered units as described above under question 1, then under the provisions of the interim legislation, the base FAR limit would be increased due to the presence of ADUs. If this is the case, then ADUs should not be exempt from FAR limits under CB 120949.

Questions for the Committee's consideration:

- Should ADUs be counted within the total project floor area ratio limit?
- If ADUs are considered dwelling units for the purpose of implementing HB 1110, should FAR limits be adjusted?

3. Maximum height limit for higher-density projects

Currently, ADUs are generally required to comply with the standard height limits in multifamily, commercial, Seattle Mixed, or downtown zones. Most commercial, Seattle Mixed, and downtown zones have height limits at or above 65 feet.

CB 120949 would apply a maximum 50 foot height limit for ADUs in these zones, stating: "For zones with height limits greater than 40 feet, accessory dwelling units are subject to the permitted height for rowhouse and townhouse development in the LR3 zone..." The height

⁵ FAR or floor area ratio is the ratio of floor space within structures on a lot to the total lot area. A 2,500 square foot house on a 5,000 square foot lot has an FAR of 0.5.

⁶ There is a lower height limit for ADUs in required setbacks in multifamily zones.

limit for rowhouse and townhouse development in the LR3 zone is 50 feet in urban centers, urban villages, and Station Area Overlay Districts, and 40 feet outside of those areas.

While it is rare to have an ADU in a tower, there is nothing currently in the code or in CB 120949 that would preclude a condominium in a tower from being split into a principal dwelling unit and an accessory dwelling unit. Applying a lower height limit to AADUs would preclude that for many buildings.

Question for the Committee's consideration:

• Should AADUs be allowed up to the maximum height limit in higher-height zones?

4. Effective Date

CB 120949, as introduced, would be effective 30 days after the Mayor signs the bill. Implementing the CB will require changes to SDCI's systems and software and staff training. Having CB 120949 go into effect earlier than the interim HB 1110 legislation could require duplicative training and software updates.

Question for the Committee's consideration:

• Should CB 120949 be made effective on June 30 to provide SDCI with the maximum amount of time to prepare for implementation.

5. Reconciliation with interim legislation to implement HB 1110

CB 120949 would amend some of the same sections of the Land Use Code that the interim legislation to implement HB 1110 would amend. Following Committee action on CB 120949, Central Staff will prepare amendments to the interim legislation to ensure consistency across the two bills.

5. Next Steps

The Committee is scheduled to hold a public hearing on CB 120949 on April 17 at 2:00 p.m. It may vote on CB 120979 as early as April 30. The City must adopt regulations that implement HB 1337 by the end of May in order for the new regulations to be in effect on June 30, 2025.

cc: Ben Noble, Director
Yolanda Ho, Deputy Director