REGULAR MEETING AGENDA

Planning Commission meetings are being conducted in a hybrid format with in-person and remote options for attending, participating, and commenting. The public can make statements in this meeting during the planned public comment sections.

*Majority of the Commissioners will attend the meeting in the Council Chambers, one member requires greater social distancing and they will be located in the Council Conference Room. Both rooms are accessible to the public.*

Remote Attendance/Comment Options: Members of the public may attend this meeting by watching on cable channel 16, streaming on CCXmedia.org, streaming via Webex, or by calling 1-415-655-0001 and entering access code 2468 512 9151.

Members of the public wishing to address the Commission remotely have two options:
- Via web stream - Stream via Webex and use the ‘raise hand’ feature during public comment sections.
- Via phone - Call 1-415-655-0001 and enter meeting code 2468 512 9151. Press *3 to raise your hand during public comment sections.

1. Call to Order
2. Approval of Agenda
3. Approval of Minutes
   December 13, 2021, Planning Commission Meeting
4. Informal Public Hearing – Rezone Properties to Achieve Compliance with the 2040 Comp Plan
   Applicant: City of Golden Valley
   Address: Lewis Road and Post Office
5. Discussion – Outdoor Service Areas
6. Discussion – Accessory Dwelling Units
   – End of Televised Portion of Meeting –
   To listen to this portion, please call 1-415-655-0001 and enter meeting access code 2468 512 9151.
7. Council Liaison Report
8. Other Business
   a. Reports on Board of Zoning Appeals and Other Meetings
9. Adjournment

This document is available in alternate formats upon a 72-hour request. Please call 763-593-8006 (TTY: 763-593-3968) to make a request. Examples of alternate formats may include large print, electronic, Braille, audiocassette, etc.
Date: January 10, 2022
To: Golden Valley Planning Commission
From: Jason Zimmerman, Planning Manager
Subject: Informal Public Hearing – Rezone Properties to Achieve Conformance with the 2040 Comprehensive Plan

Summary
Staff is requesting that four properties be considered for rezoning in order to come into conformance with the Future Land Use Map in the 2040 Comprehensive Plan.

Background
State statute requires that all zoning designations be updated to be consistent with the land uses identified in the Comprehensive Plan. Most properties have already been rezoned and these changes represent modifications that were on hold while the City’s Downtown Small Area Plan was completed.

Analysis
The ten properties under consideration represent two areas – the first are the properties along Lewis Road in the northwest quadrant of the downtown and the other is the U.S. post office property at 7701 Golden Valley Road. They both demonstrate a desire on the part of the City to better align the zoning designations with current and future uses. The 2040 Comprehensive Plan put forward these land use designations as part of the approved Future Land Use Map.
Group 1

The nine parcels that line Lewis Road in the northwest quadrant of the downtown have historically been light industrial uses. In the early 2000s, a bank (PUD 96) was constructed on the corner of Lewis Road, 10th Avenue North, and Winnetka Ave. A second light industrial building, along with an associated parking lot, were recently converted for use as self storage. Bassett Creek runs to the south of these properties and could provide a future setting for a public trail.

Changing the zoning from primarily Light Industrial to Neighborhood Mixed Use better positions the area for future redevelopment with residential and service uses to compliment and strengthen the downtown area.

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<tr>
<th>Address</th>
<th>Current Zoning</th>
<th>Current Use</th>
<th>Proposed Zoning</th>
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<tbody>
<tr>
<td>945 Winnetka Ave N</td>
<td>Light Industrial</td>
<td>Bank</td>
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<td>8043 Lewis Road</td>
<td>Light Industrial</td>
<td>Rug cleaners</td>
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<td>8105 Lewis Road</td>
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<td>8175 Lewis Road</td>
<td>Commercial</td>
<td>Garage door sales/service</td>
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<td>8100 10th Ave N</td>
<td>Industrial</td>
<td>Self storage lot</td>
<td>MU-N</td>
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<tr>
<td>8121 10th Ave N</td>
<td>Light Industrial</td>
<td>Self storage</td>
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The U.S. post office is located at the corner of Golden Valley Road and Rhode Island Ave N. Prior to the 2040 Comprehensive Plan, the property had been guided for use as a Public Facility. That category changed to become Institutional – Civic on the most recent land use map, but the zoning has remained Commercial for decades. The proposed rezoning would bring the designation into alignment with the approved land use.

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<td>7701 Golden Valley Road</td>
<td>Commercial</td>
<td>Post office</td>
<td>Institutional - Civic</td>
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Should the City chose not to rezone any of these properties, an amendment to the Future Land Use Map would then be required with the Met Council – modifying the recently-adopted 2040 Comprehensive Plan – in order to maintain consistency between guided land use and zoning.

**Recommended Action**

Staff recommends approval of amendments to the Zoning Map to rezone the identified properties along Lewis Road to Neighborhood Mixed Use as well as the post office at 7701 Golden Valley Road from Commercial to Institutional - Civic.

**Attachments**

List of Affected Properties (1 page)
Maps of Future Land Use and Existing Zoning Designations (1 page)
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Summary
Spurred by a request from Schuller’s Tavern to explore options to allow outdoor seating at 7345 Country Club Drive, staff began work in 2021 to develop a new temporary outdoor service area use that could be applied throughout the City. The Planning Commission discussed this idea generally at three meetings and the concept was presented at a City Council Work Session in November. At that meeting, the Council expressed support for moving forward with a Zoning Text Amendment that would allow temporary Outdoor Service Areas in some zoning districts. The purpose of this memo is to recap what was discussed in 2021 in advance of an upcoming public hearing.

Background
Schuller’s has operated as a nonconforming use (a restaurant within a single-family zoning district) for many decades. In recent years, the owners have sought to find a way to utilize outdoor space for seating and dining. Due to the existing nonconforming status, this would be considered an illegal expansion of the restaurant use.

In search of solutions, the idea was raised to explore the possibility of creating an interim – or temporary – use within the Zoning Chapter and potentially applying the concept to this property. Interim uses are those which are temporary in nature and are allowed to exist for a pre-determined period of time. They can be targeted to specific aspects of individual zoning districts. If workable, this idea could provide a focused solution to the current problem without exposing the wider neighborhood to potentially greater impacts.

Staff also notes that COVID restrictions for restaurants and other retail/service uses in 2020 and 2021 resulted in the creation of Temporary Outdoor Service Area permits for use across the city. These permits – reviewed and approved by staff in Planning, Inspections, and Fire – allowed for outdoor seating/dining and retail sales using creative and temporary arrangements in parking lots and other areas.
Temporary Outdoor Service Areas
As discussed previously, the concept of a new temporary outdoor service area use would complement the City’s other current Temporary Uses found in Section 113-31 of the City Code: Mobile Food Vending, Seasonal Farm Produce Sales, and Temporary Retail Sales. It would need to be consistent with the criteria for interim uses outlined in Minnesota Statute 462.3597. There, an interim use is defined as “a temporary use of property until a particular date, until the occurrence of a particular event, or until zoning regulations no longer permit it.” A city may set conditions on interim uses, but may only grant permission for an interim use of property if:

(1) the use conforms to the zoning regulations;
(2) the date or event that will terminate the use can be identified with certainty;
(3) permission of the use will not impose additional costs on the public if it is necessary for the public to take the property in the future; and
(4) the user agrees to and conditions that the governing body deems appropriate for permission of the use.

In order to comply with these criteria, the Zoning Chapter would need to be amended in two ways. First, the Outdoor Service Area use would need to be listed as a permitted use in each zoning district where it would be applied. Second, new text would need to be added to the Temporary Use section of code that detailed the process for application and approval.

Staff previously recommended allowing temporary Outdoor Service Areas in all residential zoning districts, as well as in Commercial and Mixed-Use zoning districts. This would allow all restaurants as well as other retail businesses the opportunity to potentially take advantage of this option.

Additional Information
Staff examined other businesses in Golden Valley that have outdoor seating. All of them take place entirely on private property and utilize permanent patio space constructed specifically for this purpose. Staff involvement with respect to the “approval” of these areas typical revolves around ensuring compliance with accessibility requirements, confirming minimum parking counts are not impacted, evaluating potential stormwater impacts due to increased impervious coverage, and updating liquor licensing and insurance information to reflect an expanded service area.

Staff is not aware of any businesses that currently utilize outdoor space for retail sales, though if this were to be pursued it would likely not require any additional City approvals beyond the considerations of accessibility, parking, and potential stormwater impacts mentioned above.

If temporary outdoor service areas are to be approved via a public hearing, specific regulations that attempt to mitigate impacts would not be spelled out in the zoning text, but would be developed on a case by case basis as part of the proposal evaluation by staff, the Planning Commission, and the City Council. In general, staff would examine potential impacts to parking, hours of operation, lighting, noise, visual screening, etc. It is likely that the City Council would also be asked to make findings that the proposed use was consistent with the Comprehensive Plan
and not injurious to the surrounding neighborhood or otherwise impact the general public health, welfare, or safety.

**Conclusion**
Given the ability for most businesses to install outdoor seating or to conduct outdoor sales without going through an extensive approval process, staff believes it is unlikely the temporary Outdoor Service Area option would be pursued outside of the well-known situation at Schuller’s. The City Council supports this action and has directed the Planning Commission to finalize zoning language for consideration at a public hearing.

**Staff Request**
Staff is looking for feedback and discussion on the draft language attached regarding Temporary uses. Future consideration of a zoning text amendment is expected.

**Attachments**
Selected draft language from Section 113-31 – Temporary Uses (3 pages)
Sec. 113-1. - Definitions.

Outdoor Service Area: A defined space intended to provide outdoor seating/dining at a bar or restaurant, or to allow for retail sales or services to be performed outside of a principal structure. Outdoor service areas are not allowed in association with home occupations.

Sec. 113-31. - Temporary Uses.

(a) Purpose and Intent. The purpose and intent of this section is to provide conditions under which certain temporary uses may be allowed while ensuring a minimum negative impact to neighboring land uses.

(b) Permitted Temporary Uses.

(1) Mobile food vending.

(2) Seasonal farm produce sales.

(3) Temporary retail sales.

(4) Outdoor service areas.

(c) Prohibited Temporary Uses. Temporary family health care dwellings, as defined in State law, are prohibited in all zoning districts.

(d) General Requirements.

(1) Mobile Food Vending. […]

(2) All Seasonal Farm Produce Sales. […]

(3) Temporary Retail Sales. […]

(4) Outdoor Service Areas. A permit for an outdoor service area may be granted after approval by the City Council and with any necessary conditions that prevent or minimize injurious effects upon the neighborhood. All permits for outdoor service areas shall be subject to the following conditions:

a. An outdoor service area shall be allowed only in a zoning district for which it is listed as a permitted use.

b. An application for an outdoor service area permit may be made by any governmental body, department, board, or commission, or by any person, individual or corporate, having a legal interest in the property described in the application. Each property site shall require its own application. Single applications may not be made for noncontiguous or scattered sites.

c. The City Manager or their designee shall refer the application to the Planning Commission to hold an informal public hearing. The applicant and all property owners within 500 feet of the subject site shall be notified of the informal public hearing by the U.S.
mail, not less than 10 days prior to the date of this informal public hearing. Such notice
shall include the date, time, and place of the hearing and shall identify the subject site.

d. The Planning Commission shall make findings and recommendations to the City Council
based upon any or all of the following factors (which need not be weighed equally) and
shall present its findings and recommendations to the City Council in writing:

(1) Consistency with the Comprehensive Plan of the City.
(2) Effect upon property values in the neighboring area.
(3) Effect of any anticipated traffic generation upon the current traffic flow and
    congestion in the area.
(4) Increase in noise levels to be caused by the proposed use.
(5) Any odors, dust, smoke, gas, or vibration to be caused by the proposed use.
(6) Any increase in pests, including flies, rats, or other animals or vermin in the area to
    be caused by the proposed use.
(7) Visual appearance of any proposed structure or use.
(8) Any other effect upon the general public health, safety, and welfare of the City and
    its residents.

e. The City Council shall take no action on the application until it receives the Planning
Commission's recommendation, or until 60 days after such application has been submitted
to the Planning Commission. Upon receiving the findings and recommendations of the
Planning Commission, or the elapse of said 60-day period, the City Council shall call and
conduct an official public hearing to consider the application.

f. Notice of the official public hearing shall be published in the official newspaper of the City
not less than 10 days prior to the date of the hearing. Such notice shall include the date,
time, and place of the hearing and shall reasonably identify the subject site. In addition,
copies of the written notice in the form published shall be mailed to the applicant and to all
property owners within 500 feet of the subject site not less than 10 days prior to the date of
such official public hearing.

g. The City Council shall make findings and shall grant or deny a permit based upon any or
all of the factors found above. The City Council may make its approval of the permit
contingent upon such conditions as it determines necessary to prevent or minimize
injurious effects upon the neighborhood. The City Council may also require that sufficient
performance bonding by an acceptable surety be supplied by the property owner to ensure
satisfactory compliance with the conditions imposed by the conditional use permit.

h. The City Council shall set forth in writing its decision, and the specific reasons for such
decisions, following the official public hearing. The applicant shall be notified in writing of
the City Council's decision. If the application is denied in whole or in part or conditions are
imposed, the reasons for such denial or for the imposition of conditions, shall accompany
this notification.

i. No application which has been denied wholly or in part shall be resubmitted for a period
of six months from the date of said denial, except on the grounds of new evidence or upon
proof of changes of conditions. Each resubmission shall constitute a new filing and a new
filing fee in an amount adopted by resolution of the City Council shall be required.

j. Unless extended by the City Council in its sole discretion for an additional period of up to
six months, construction and all other pertinent implementation relating to an approved
outdoor service area permit must begin within three months of the date that the outdoor
service area permit is approved or the outdoor service area permit shall be deemed null and void. If the approved outdoor service area use should cease for a period of more than six consecutive months, the outdoor service area permit shall be deemed to have expired.

k. An outdoor service area permit shall expire and the use terminate at the earlier of:

   (1) The expiration date established by the City Council at the time of approval, but in no event more than two years from the date of approval;
   (2) The occurrence of any event identified in the outdoor service area permit for the termination of the use; or
   (3) Upon an amendment of the City Code that no longer allows the outdoor service area.

l. Changes to an approved outdoor service area permit other than minor changes shall require amendment to the outdoor service area permit by the City. The requirements for application and approval of an outdoor service area permit amendment shall be the same as the requirements for original application and approval.

m. The City Council shall have the right to revoke or suspend any outdoor service area permit whenever the terms or conditions of such permit have been violated or broken. All such action by the City Council to revoke or suspend an outdoor service area permit shall be by means of a majority affirmative vote of City Council Members.

n. The initial term of an outdoor service area permit must not exceed one year. Upon application for an extension of the same use on the same site, succeeding outdoor service area permits may be approved for up to two years each if the Planning Commission and City Council make the findings set forth above and also find that all previous conditions of approval have been satisfied.
Date: January 10, 2021
To: Golden Valley Planning Commission
From: Myles Campbell, Planner
Subject: Accessory Dwelling Units

Summary
Following a set of three discussions on Accessory Dwelling Units by the Planning Commission over the summer of 2021, the topic went to the City Council at its October Council Work Session. The Council at that meeting affirmed its desire to see an ordinance put in place to allow and regulate these types of uses within the R-1 and R-2 residential zoning districts.

This memo will provide additional background on the discussions at both bodies to date, as well as begin the discussion with the Planning Commission on the regulations and controls to be placed on ADUs.

Background
As a brief reminder, an Accessory Dwelling Unit is often defined as a subordinate unit that shares a parcel of land with an existing home, most typically an existing detached single-family home. ADUs are handled differently in terms of regulation by most municipalities, but one almost universal restriction is on the allowed maximum floor area, which is included to prevent the ADU from being out of scale with the existing home. In discussing ADUs it’s common to see them described in three ways:

Internal – The ADU is located fully within the existing home’s structure, such as a basement conversion.

Attached – The ADU shares one or more walls with the primary home, but can also include additions to the home, or conversion of an attached garage.

Detached – The ADU is a freestanding structure from the home, either an entirely new-build structure or the conversion of a detached garage. This also includes above-garage additions separate from the main structure.
These three options range in both their visibility and their cost. An internal ADU has the lowest costs and the least impact on existing exterior finish of a home. A detached structure will be costly to build and also be a more noticeable change overall for neighbors.

**Commission and Council Discussions**
In its review of ADUs over the summer, the Planning Commission had a number of questions still outstanding when it was sent along to the City Council for further direction on developing an ordinance. Generally, Commissioners were supportive of the idea of allowing ADUs with sensible restrictions. Commissioners were undecided on the value and the potential impacts of detached ADUs, and had asked staff to investigate existing conditions of detached accessory structures. There was also a number of discussions hinging on what balance to strike with the ordinance: accessibility for those who wanted to add an ADU, versus protections for neighbors and residents impacted by new construction and people in established neighborhoods. Another area outstanding was the discussion of permit/review requirements: should ADUs be allowed by-right, by conditional use permit, or with some special permit? Should only detached have added review requirements, or set one standard for all three types of ADU?

At their Work Session, the City Council voiced full support for the adoption of an ADU ordinance. There were some questions and concerns raised, but generally the Council was not turned away by the prospect of adding some additional density to existing single-family neighborhoods. They saw ADUs as a chance to add opportunities both for existing residents and to allow younger renters to access some of its more traditionally owner-occupied neighborhoods.

Some members of the Council voiced hesitation to allow for detached units, fearing the impact they may have visually or on neighboring properties. This were similar to concerns raised at the Planning Commission. This was not the opinion of all Council Members, however, and the Council requested the Planning Commission examine the potential for detached units and address them in its recommendation on the final ordinance. By having more information and a formal ordinance language to respond to, they might have an easier time evaluating the value/cost of detached ADUs.

The question of short-term rentals (Airbnb, Vrbo) also came up during the discussion. Currently the City does not regulate these types of short-term housing, although the Council asked for the existence of these types of use to be considered in discussion around ADUs. Beyond the added context for the discussion on ordinance language, any tackling of short-term rentals would involve code changes outside the Zoning Chapter.

Finally, the Council also weighed the issue of making ADUs accessible while protecting neighbors. Council made clear that they wanted the ordinance to be accessible to homeowners, and not have the City Code be what stops a person from considering an ADU. At the same time, they were aware of the potential for impacts on neighbors, such as with detached units. While not favoring one side over the other, the message from the Council seemed to be they wanted an ordinance that established objective boundaries to what would be allowed as an ADU, in order to protect neighbors, while making the process for building and using that ADU simpler on the homeowner.
**Ordinance Considerations**
Based on the discussion so far, it seems that one of the key objectives for any ADU ordinance adopted by the City should be to lay out an ordinance that can be applied consistently across different ADU applications, for a few reasons:

- A standardized regulation (such as a limit on floor area) can cap the scale of an ADU, helping to minimize impacts to neighboring properties when set reasonably.
- Consistency in code leads to less case-by-case subjectivity in review, which can put off homeowners who don’t know what to expect from the process.
- It is useful for officials to make findings of fact and to justify approving or denying an ADU project in cases with large or contradictory public input.
- From an accessibility standpoint, most zoning regulations will control the scale or form of the unit, but not be a barrier to adoption.

As a starting point for the ordinance, we can refer to those communities in the Twin Cities which had adopted an ADU ordinance as of 2019 (a table of these communities was shared with commissioners in their last meeting on the topic and is again attached with this memo). At the last meeting, a Commissioner highlighted the Minnetonka regulations as a starting point for the ordinance discussion. A copy of the verbatim code section is also included as an attachment.

Minnetonka’s ADU ordinance falls somewhere in the middle of the range when it comes to ordinances adopted by Twin Cities’ communities. Notably they do not allow detached ADUs and also require a conditional use permit for all ADUs, but at the same time they do not have a minimum lot size, don’t explicitly require added parking, and allow ADUs to connect to the primary home’s water/sewer connections (cheaper than a new street connection). They set a maximum floor area for the ADU at either 35% of the gross living area of the home (including the ADU) or 950 SF, whichever is smaller.

**Structure Scale and Location Regulations**
Most ADU codes in the region include this floor area limit, or some variation on it. Occasionally, internal and attached ADUs will have a different limit from detached, and some codes only have a flat sq. ft. cap without any percentage calculation for the rest of the structure. A max floor area, in conjunction with existing setback and lot cover requirements, is the principal controlling factor on the scale of the ADU allowed.

Using the 35% of gross floor area (GFA) or 950 sq. ft., it’s likely that the majority of homes in the city would be limited based on the percentage of GFA. A home with a GFA of 2,717 would be the smallest home possible for which a 950sq.ft. limit on the ADU would apply. Smaller homes would have correspondingly smaller allowances for their ADU floor area.
For internal and attached ADUs the most common methodology is to apply the same setback/building envelope requirements that would be applied to the rest of the main structure. Whether you are expanding a kitchen, or adding an ADU, you are working within the same parameters and keeping the same dedicated open space as with any residential addition. The question of setbacks becomes more complicated for detached ADUs. Detached ADUs can use the same setbacks as for other accessory structures like garages, or they can have their own specific setback requirements, such as a larger rear or side setback. A number of communities which allow detached ADUs restrict their location by requiring they be attached to an approved garage, such as in Richfield and Roseville. This has the benefit of reducing the number of individual buildings on a single parcel. At the last meeting on ADUs, Commissioners asked how many existing detached garages exist in the city today. The city’s most recent set of GIS data for structure footprints highlighted 813 detached garages. Based on the total number of residential lots in the City (6,840) this is roughly 12% of properties.

The story is similar for other common zoning regulations for residential properties such as height or lot cover. For attached ADUs, you apply the zoning standard for the principal structure. Doing so means the ADU should not drastically impact the appearance of the home beyond what was already possible under code, the only difference being the allowance for a second kitchen and the added household members.

**Exterior Finish and Character Regulations**

To further reduce visual impacts, most communities establish standards for exterior finish. Code regulating exterior finish can be challenging, as it often can become subjective. Compare these two sections of code, one from the Minnetonka Ordinance and the other Richfield.

*Exterior changes to the house must not substantially alter the single-family character of the structure;*

*The primary exterior materials of an attached accessory dwelling unit must match those of the principal structure. Exterior materials for new construction related to any type of accessory dwelling unit must match the structure to which it is attached;*

Both are establishing standards for exterior finish for an ADU addition, but the second provides a more objective one, whereas the first is more up to interpretation. Staff’s preference for any material or aesthetic requirements would be to have concise language regarding matching materials between the addition and the home, with our categories also potentially useful to include (roof pitch, eaves and details, windows).
To again use Minnetonka as an example, a handful of communities also include regulations that require the ADU not impact neighborhood character. The Minnetonka ordinance includes:

*to be permitted only where it is demonstrated that the accessory unit will not have an undue adverse impact on adjacent properties and where there will not be a substantial alteration of the character of the neighborhood*

While intended to protect neighboring properties from impacts, this type of ordinance language is very difficult to review. The language is open-ended, with different persons perhaps having different definitions for what constitutes an “undue adverse impact.” Whether reviewed solely by staff, or also by appointed and elected officials, this adds a layer of subjectivity that can complicate decision-making. The intention should be that the ADU ordinance is itself structured to mitigate any adverse impacts, along with the rest of the code which may apply (rental licensing, nuisance language, etc.).

**Parking**

Almost all communities require some type of additional parking for ADUs, and while sometimes looked at critically by ADU advocates, as a barrier to adoption, this is not necessarily the case in all ordinances. For one, the ordinance could have minimal requirements for an ADU, such as in Roseville, Burnsville, or Crystal, which all just require 1 additional space over the district minimum for an ADU. Parking can become more burdensome if the code requires these spaces be within an enclosed garage, and not just off-street. Golden Valley requires 2 spaces per dwelling unit currently, and all new build homes must demonstrate at least the capacity for a two-car garage. Single-car garages are common throughout the city, while a smaller sub-set of homes have 3 or 4 car garages. A parking requirement like that found in Lakeville, where 3 enclosed spaces for both the ADU and home must be provided, would eliminate most existing homes within the city.

Some form of minimum parking requirement would likely be beneficial in Golden Valley. The city, and especially its residential neighborhoods, are only served on a limited basis by public transportation and most residents travel via car to work or retail areas. In addition, winter parking restrictions city-wide limit the availability of on-street parking for a portion of the year. Requiring 3-4 minimum spaces for a property with an ADU would likely not require additional paving and already match how larger families/families with children of driving age are using their parking spaces. Not requiring the additional parking to be enclosed spaces is a benefit from an accessibility standpoint. And while two spaces may not be necessary for an ADU housing elderly family members who don’t own a vehicle, the same ADU could be used as a rental in the future, so it makes sense to plan for all potential uses.

**Other Regulations in Use**

While uncommon, some of the communities included in the 2019 tables included a minimum lot size requirement in their ADU ordinance, effectively eliminating any lots under that area from being eligible. A minimum lot size requirement is considered by ADU advocates to be a regulatory barrier, by design shrinking the pool of eligible parcels. Despite this, there may be some value in setting a limit for some of the smallest parcels within the city. While smaller lots will naturally
have less flexibility to add any additions to the home, removing them entirely eliminates any chance of overcrowding. The decision on whether to include a minimum lot area, to staff, seems to come down to whether detached ADUs would be allowed. Whereas an internal ADU is likely to have little visual impact whether it is on a 10,000 sq. ft. lot or a 5,000 sq. ft. one, an additional out-structure, potentially in addition to a detached garage, would have a much more significant visual impact on a smaller lot.

Another common topic of discussion is how to regulate sewer and water connections for the new ADU – whether to have it connect via the principal structure or a new stub to the utility in the public right-of-way. Connecting to the home is a far less costly option, but can also raise issues if the main home becomes delinquent in their utility payments. Shutting off the water to the main home also shuts off water for the ADU. On the flip side, adding a new connection to the city utility is expensive, and adds a new maintenance item to track for the property owner. But since the connection is completely separate, there is no danger of impacting services for one or the other. This question also seems to fall somewhat on urban-suburban-rural lines. Most rural communities explicitly state a connection to the home is required and disallow private septic systems, whereas some suburbs like Richfield and Plymouth allow internal and attached to connect to the home, with detached connecting to the city supply. Staff will consult further with Public Works and Building Inspections on if there is a preference from an operational standpoint to require one method or another.

Finally, in almost all cities in the region, some type of owner-occupancy requirement for the principal structure exists. While not impactful for an ADU planned for a family member. This does impact ADUs rented to another household, as it means that the property owner must live in the main home, rather than renting both units. The intention is that having the owner on-site might allow greater oversight for the rented unit, respond faster to nuisance issues, etc. This is similar to how City Code currently regulates the rental of individual boarding rooms but only when they owner also resides in the dwelling. This owner-occupancy requirement is less common nationwide and some communities locally have, or are considering, removing it. The thinking amongst ADU-advocates is this type of limitation can disincentivize a potential ADU builder, either by limiting their options over time to use the property, or in limiting their financing options for construction.

**By-right, Special Permit, or Conditional Use**

When discussing regulatory barriers to ADU development, advocates often highlight the level of review required in order to build an ADU. As was recently discussed by the Commission during our review of the zoning chapter’s land uses, a conditional use permit can be daunting to a homeowner or businessperson who doesn’t work closely with local government. It typically involves up front costs that may not be recouped if the permit is denied, and at least two appearances in front of a public body and public audience. The intent with conditional use permits, and to a lesser degree with special permits or restricted uses, is to provide an additional level of scrutiny to uses “with characteristics which may be appropriate within a given zoning district but which might have an unusual impact upon surrounding properties or which might otherwise adversely affect the future development of the City or the general public health, welfare, or safety of the property or residents therein.”
In terms of other local communities, the method of review for ADUs varies:

<table>
<thead>
<tr>
<th>By-Right</th>
<th>Conditional Use</th>
<th>Annual Registration/Affidavit</th>
<th>Other Special Permit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bloomington, Burnsville,</td>
<td>Apple Valley, Long Lake, Minnetonka,</td>
<td>Eagan, St. Paul, White Bear Lake</td>
<td>Shoreview, Stillwater</td>
</tr>
<tr>
<td>Chaska, Crystal, Inver</td>
<td>Lake, Minnetonka, White Bear Lake</td>
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<tr>
<td>Grove Heights, Lakeville,</td>
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<tr>
<td>Minneapolis, Plymouth,</td>
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<tr>
<td>Richfield, Roseville</td>
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<tr>
<td>Eagan, St. Paul, White</td>
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<td></td>
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<tr>
<td>Bear Lake</td>
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<td></td>
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<tr>
<td>Shoreview, Stillwater</td>
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</tbody>
</table>

An alternative to added review at the front end of an ADU project, a smaller group of communities have an Annual Registration requirement related to their owner-occupancy requirements. So while a property owner would need to register the ADU and maintain that registration annually (similar to a rental license), there would not be the public hearing requirements of a CUP or potentially a special permit.

When examining the 11 areas of review for a conditional use permit, some stand out more than others in considering an ADU and its impacts.

(1) Demonstrated need for the proposed use.
(2) Consistency with the Comprehensive Plan of the City.

**3. Effect upon property values in the neighboring area.**

- Potentially difficult to account for via CUP. ADUs have a clear positive impact to their own property value, less of a clear connection to surrounding properties.

**4. Effect of any anticipated traffic generation upon the current traffic flow and congestion in the area.**

- Additional people in a house can mean additional traffic.

**5. Effect of any increases in population and density upon surrounding land uses.**

- ADUs allow for increased density by design.

**6. Compliance with the City's Mixed-Income Housing Policy (if applicable to the proposed use).**

**7. Increase in noise levels to be caused by the proposed use.**

**8. Any odors, dust, smoke, gas, or vibration to be caused by the proposed use.**

**9. Any increase in pests, including flies, rats, or other animals or vermin in the area to be caused by the proposed use.**
Staff’s first impression is that a strong starting point in the ordinance for attached and internal ADUs would largely address any of the above highlighted concerns, and therefore not necessitate a CUP. Visual impacts should be minimal for these types of ADUs, required off-street parking should address traffic concerns, and a percentage-based floor area will help to ensure that any ADU is in scale with the home it is being added to, again addressing population/traffic concerns. If there are concerns that the rental of ADUs may cause impacts on surrounding property owners, this may be more directly addressed through a combination of an owner-occupancy requirement and annual registration of the ADU.

If the City is interested in pursuing detached ADUs, these may be more suited to additional scrutiny. These types of ADUs are considered more impactful on surrounding properties and added review for these may be warranted based on the purpose of conditional uses.

**Initial Staff Recommendations**

- Allow for attached and internal ADUs by right in the R-1 and R-2 zoning districts
  - Consider allowing detached ADUs via conditional use permit in the R-1 and R-2 zoning districts
- Consider developing a purpose statement for ADUs similar to Minnetonka
- Hold internal and attached ADUs to the same site requirements from code as principal structures (setbacks, building envelope, impervious surface)
- Limit floor area to 33-35% of gross floor area, or 950-1000 sq. ft., whichever is less
- Set objective but minimal design standards: matching materials, roof pitch matching the predominant roofline
- Require 1-2 additional off-street parking spaces for an ADU unit
  - Conversion of garage space to support an ADU should not reduce the minimum required off-street parking amount.
- Follow Public Works and Building Inspections recommendations regarding utility connections; if none, potentially forgo a regulation
- No minimum lot size requirement/minimal requirement such as 8-9,000 sq. ft.
- No additional lot cover requirement

**Detached ADUs**

Whereas the code can mostly fall back on its existing principal structure regulations for attached and internal ADUs, detached types raise specific questions relating to code.

- Are the existing setbacks for detached accessory structures (5 ft. from side and rear property lines) sufficient?
  - If different setbacks are established, how does this impact the convertibility of existing detached structures?
• Would detached accessory structures above a garage be allowed? To what height?
  o Would a freestanding detached ADU be limited to the existing 10 ft. maximum, or have its own max height allowance?
• Would a detached ADU count towards the code’s 1,000 sq. ft. limit of accessory structures (including garages) in R-1 and R-2, or would they only be limited based on a max floor area, the same as internal ADUs?

Before fully diving into these more specialized topics. Staff wanted to get the overall thoughts of Commissioners on the ADU ordinance, and what opportunities or challenges they saw with detached units specifically.

**Action Request**
This item is not a public hearing or voting item. Staff is seeking specific feedback or questions from Commissioners on the above ordinance discussion.

**Attachments**
Planning Commission Minutes from August 23, 2021 (2 pages)
ADU Information by City (FHF) (3 pages)
Copy of Minnetonka Accessory Apartment Ordinance (2 pages)
ADU Policy Brief (FHF) (6 pages)
MOTION made by Commissioner Baker to recommend denial of the Preliminary PUD Plan, based on the determination that the required findings of approval had not been met. Commissioner Segelbaum provided the specific findings and Baker noted especially Quality Site Planning, Efficiency, and Preservation had not been met. Motion was seconded by Commissioner Johnson.

The motion passed unanimously.

6. Discussion – Accessory Dwelling Units

Val Quarles, Community Development Intern, introduced the discussion. Quarles ran through the areas in which the code could restrict and regulate Accessory Dwelling Units (ADUs) and which of those fell under the zoning code, versus other sections of City code. The discussion also included comparison with how other Minnesota communities have applied the regulations.

As a discussion item there was no recommended action for the Planning Commission, staff had a few guiding questions for the Planning Commission to consider.

Chair Pockl asked if any commissioners had questions for staff. Commissioner Baker complimented the presentation and asked about what community input had been gathered thus far. Quarles noted that no official survey had been proposed yet, however, anecdotally staff hears from residents often asking about their ability to add a mother-in-law style apartment to their home, which is currently restricted under code. She noted staff plans to have community input once the ordinance is further developed.

Commissioner Johnson asked how the ordinance would be effectively enforced, and how the city would differentiate between an ADU and any other home addition. Quarles noted that it was a good question to keep in mind moving forward, and that the Commissioner was getting at some of the issues with the existing code language, namely that it was difficult to currently enforce the “boarding room” allowed for R-1 homes. Campbell provided additional information on the current requirements for building permits and rental licensing.

Commissioner Ruby asked how the additional structure is handled in terms of home value and taxable value. Staff noted it was something they needed to do more research around, and that they would contact the County Assessor to see if any market evidence could be found.

Pockl asked for a clarification on staffs’ comparisons in the memo and presentation to Minneapolis and Apple Valley. Quarles affirmed that the two were meant to describe opposite ends of the scale when it came to how restrictive an ADU ordinance was drafted, Minneapolis being one of the least restrictive, and Apple Valley one of the most. Quarles noted that Planning Commission’ own preference for an ordinance in Golden Valley would likely fall somewhere in between these two extremes.

Commissioner Brookins noted his appreciation for the City ordinance comparisons. He noted that he was initially interested and drawn to the ordinance adopted by Minnetonka. He asked that if the Commission were to continue considering detached ADUs, that he would like to have an estimate for the number of detached garages existing in the City today. He noted that he was in favor of internal and attached ADUs, and that he would consider detached ADUs, perhaps with a conditional use...
requirement. He also highlighted parking and utilities as other areas where he would like to see more information.

Commissioner Ruby asked if other cities regulate the appearance of the ADU. Quarles affirmed that many cities do have a requirement that the ADU match the exterior of the principal structure, some go into greater detail in terms of how the exterior treatment of the ADU must be handled to reduce visual impact.

Commissioner Johnson stated that he was supportive of the use of a special permit for ADUs, and also brought up the idea of a buffer or proximity restriction between ADUs. He noted that he was not as concerned about a maximum size compared to a minimum, given that no matter the size of the unit, it was still adding density by default. Quarles asked for clarification on the suggested buffer restriction. Johnson noted he felt it did not need to be a hard prohibition on multiple units in a small area, but felt that it could function as a quota or a way to control the rate of adoption through the city. Quarles noted that while difficult to predict demand for ADUs, she noted that it was important to bear in mind impacts on neighbors. Johnson agreed, and said there should be a balance between allowing ADUs while protecting long-term residents.

Commissioner Baker agreed with Johnson’s comments around aging in place. He noted that he felt this was in part an equity issue and that staff and the Commission continued to keep this in mind when considering regulations and what might be barrier to certain people. He appreciated Commissioner Brookins earlier analysis on the Minnetonka code.

Chair Pockl closed the discussion, and ended the televised portion of the meeting.

7. Council Liaison Report
Council Member Rosenquist provided a summary on the ongoing activities of City Council and other City-wide activities including: Facilities Study and upcoming City Hall tours for residents, the newly established PEACE Commission, and upcoming budget discussions.

8. Other Business
Campbell noted only that the Board of Zoning Appeals would be meeting on August 24th, 2021. The Board had one variance item for discussion and deliberation.

9. Adjournment
MOTION by Commissioner Brookins to adjourn, seconded by Commissioner Johnson, and approved unanimously. Meeting adjourned at 10:05 pm.

______________________________
Andy Johnson, Secretary

Amie Kolesar, Planning Assistant
<table>
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<tr>
<th>Local Cities</th>
<th>Where are ADUs allowed?</th>
<th>Special Permit Required?</th>
<th>Parking for ADU</th>
<th>Owner Occupancy</th>
<th>Water/ Sewer</th>
<th>Min. Lot Size</th>
<th>Lot Coverage</th>
<th>Min. ADU Size</th>
<th>Max. ADU Size</th>
<th>Type</th>
<th>Ordinance Section</th>
<th>Notes</th>
<th># Built or legalized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apple Valley</td>
<td>In R-1 zoning district</td>
<td>Conditional Use Permit</td>
<td>2 off-street for the ADU and 2 off-street for the main home</td>
<td>Yes</td>
<td>Must connect to main house</td>
<td>40,000 SF</td>
<td>Cannot exceed 35%</td>
<td>300 SF</td>
<td>Shall be no larger than 40% of the main home’s footprint</td>
<td>Attached, Internal</td>
<td>155.382</td>
<td>ADU occupancy limited to 3 people; ADUs must be two bedrooms or fewer</td>
<td>2</td>
</tr>
<tr>
<td>Bloomington*</td>
<td>In R-1 and RS-1 zoning districts</td>
<td>Primary home must have 4 off-street parking spaces</td>
<td>Yes</td>
<td>Must connect to main house</td>
<td>11,000 SF</td>
<td>300 SF</td>
<td>960 SF or 33% of the 4-season living area of the main home</td>
<td>Attached, Internal</td>
<td>§ 21.302.03</td>
<td>ADU occupancy limited to 2 people; ADUs must be two bedrooms or fewer</td>
<td>1 permitted and constructed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Burnsville</td>
<td>In R-1 and R-1A zoning districts</td>
<td>1 off-street for the ADU and 2 off-street for the main home</td>
<td>Yes</td>
<td>Must connect to main house. If not on municipal lines, must meet private well and septic standards</td>
<td>10,000 SF for attached 1 acre for detached</td>
<td>300 SF</td>
<td>960 SF or 33% of the footprint of the main home</td>
<td>Attached, Detached, Internal</td>
<td>10.7.52</td>
<td>ADUs must be two bedrooms or fewer; require park dedication and utility fees</td>
<td>0</td>
<td></td>
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<tr>
<td>Chaska</td>
<td>In Planned Unit Developments</td>
<td></td>
<td></td>
<td>Yes</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>Detached, above garage with alley access</td>
<td>Ord. #708</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Crystal</td>
<td>In R-1 and R-2 zoning districts</td>
<td>1 additional for the ADU</td>
<td>No</td>
<td>Can be connected to property or utility main</td>
<td>6,000 SF</td>
<td></td>
<td></td>
<td></td>
<td>Shall not exceed 50% of the finished floor area of the primary home</td>
<td>Attached, Detached, Internal</td>
<td>Chapter V, Subsection 515.23, Subdivision 3</td>
<td>1 permitted</td>
<td></td>
</tr>
<tr>
<td>Eagan</td>
<td>In Estate and R-1 zoning districts</td>
<td>Annual Registration</td>
<td>2 off-street for the ADU and 2 off-street for the main home</td>
<td>Yes</td>
<td>Must connect to main house</td>
<td></td>
<td>Cannot exceed 20%</td>
<td>300 SF</td>
<td>960 SF or 33% of the 4-season living area of the main home</td>
<td>Attached, Detached, Internal</td>
<td>Section 11.70, subdivision 32</td>
<td>ADU occupancy limited to 2 people; ADUs must be two bedrooms or fewer</td>
<td>1 constructed and 1 legalized</td>
</tr>
<tr>
<td>Inver Grove Heights</td>
<td>In the A, E-1, R-2, R-1A, R-1B, and R-1C zoning districts</td>
<td>2 off-street for the ADU and 1 off-street for the main home</td>
<td>Yes</td>
<td>Must share with main house</td>
<td>1 acre for detached</td>
<td>250 SF</td>
<td>1,000 SF</td>
<td>Attached, Detached, Internal</td>
<td>10.18.1</td>
<td>ADU occupancy limited to 3 people</td>
<td>5 registered</td>
<td></td>
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<tr>
<td>Lakeville</td>
<td>In RS-1, RS-2, RS-3, and RS-4 zoning districts and Planned Unit Developments</td>
<td>3 garage stalls for the ADU and main home</td>
<td>Must share with main house</td>
<td></td>
<td></td>
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<td></td>
<td>Attached, Detached, Internal</td>
<td>11.58.11.F, 11.51.11.F, 11.52.11.F, 11.53.11.F</td>
<td>Must be accessed from inside the main home</td>
<td>2 permitted</td>
</tr>
<tr>
<td>Long Lake</td>
<td>In the R-1, R-1A, R-2, R-3, and R-4 zoning districts</td>
<td>Conditional Use Permit</td>
<td>2 for the ADU</td>
<td>Yes</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>x2 the minimum lot size required by the zoning district</td>
<td>Attached, Detached, Internal</td>
<td></td>
<td>Cannot be rented to non-family members</td>
</tr>
<tr>
<td>Local Cities</td>
<td>Where are ADUs allowed?</td>
<td>Special Permit Required?</td>
<td>Parking for ADU</td>
<td>Owner Occupancy</td>
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<tr>
<td>Minneapolis</td>
<td>As an accessory to a permitted or conditional single-family or two-family dwelling.</td>
<td></td>
<td>0 for the ADU, 1 space each for other units</td>
<td>Yes</td>
<td>Connect to main home or the street</td>
<td>300 SF</td>
<td>Internal: 800 SF not to exceed the first floor of the main home. Attached: 800 SF Detached: 1,300 SF (incl. parking area) or 16% of the lot area. Footprint not to exceed 676 SF or 10% of the lot area, not to exceed 1,000 SF</td>
<td></td>
<td>Attached, Detached, Internal</td>
<td>537.11</td>
<td></td>
<td></td>
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<tr>
<td>Minnetonka</td>
<td>In R-1 and R-2 zoning districts</td>
<td>Conditional Use Permit</td>
<td>Determined on a case by case basis</td>
<td>Yes</td>
<td>Must connect to main home</td>
<td></td>
<td>No more than 35% of the gross living area of the home, including the ADU or 950 SF, whichever is smaller.</td>
<td></td>
<td>Attached, Detached, Internal</td>
<td>Section 300.16.3.d</td>
<td></td>
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<tr>
<td>Plymouth</td>
<td>Within residential subdivisions in RSF-R, RSF-1, RSF-2, and PUD zoning districts, that have received preliminary plat approval on or after June 1, 2001 and that include 10 or more single-family lots</td>
<td></td>
<td>2 off-street for the ADU</td>
<td>Yes</td>
<td>Detached must connect to utility main</td>
<td>300 SF</td>
<td>800 SF or the gross floor area of the principal dwelling, whichever is less</td>
<td></td>
<td>Attached, Detached, Internal</td>
<td>814.05 Subd. 8, 518.05 Subd. 8</td>
<td>Detached units are only allowed as part of a garage.</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Richfield</td>
<td>In R and R-1 zoning districts</td>
<td></td>
<td>3 off-street spaces are required</td>
<td>Yes</td>
<td>Attached and Internal may connect to home</td>
<td>300 SF</td>
<td>800 SF or the gross floor area of the principal dwelling, whichever is less</td>
<td></td>
<td>Attached, Detached, Internal</td>
<td>2190.04</td>
<td>Can only be constructed at the same time as the primary home, as part of a subdivision of 10 more homes</td>
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</tr>
<tr>
<td>Roseville</td>
<td>In the LDR-1 zoning districts</td>
<td></td>
<td>1 additional off-street space for the ADU</td>
<td>Yes</td>
<td>Attached and Internal may connect to home</td>
<td>300 SF</td>
<td>650 SF or 75% of the 4-season living area of the main home</td>
<td></td>
<td>Attached, Detached, Internal</td>
<td>11.01.11.B.1</td>
<td>ADU occupancy limited to 2 people; ADUs must be one bedroom or fewer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shoreview</td>
<td>In RE and R-1 zoning districts</td>
<td>Accessory Apartment Permit</td>
<td>3 off-street spaces are required</td>
<td>Yes</td>
<td>Must share with main house</td>
<td>500 SF</td>
<td>No more than 30% of the building's total floor area nor greater than 800 SF</td>
<td></td>
<td>Attached, Detached, Internal</td>
<td>207.01</td>
<td>ADUs must be two bedrooms or fewer</td>
<td></td>
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</tr>
<tr>
<td>St. Paul</td>
<td>R1-R4, RT1, RT2, RM1, RM2</td>
<td>Annual affidavit of owner-occupancy</td>
<td>No additional spaces if principal home meets minimum parking requirement</td>
<td>Yes</td>
<td>Must connect to principal home</td>
<td>5,000 SF</td>
<td>800 SF, if interior to the principal structure, the principal structure must be at least 1,000 SF and the ADU must not exceed 1/3 of the total floor area</td>
<td></td>
<td>Attached, Detached, Internal</td>
<td>Chapters 61, 63, 65, and 66</td>
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<td></td>
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<tr>
<td>Stillwater</td>
<td>In TR, CTR, and RB zoning districts</td>
<td>In CTR and RB: Special Use Permit</td>
<td>4 off-street for the ADU and main house</td>
<td>No</td>
<td>Can be connected to property or utility main</td>
<td>TR and RB: 10,000 SF CTR: 15,000 SF</td>
<td>CTR: 500 SF, one story attached or 720 SF above a detached garage RB: 800 SF</td>
<td>TR and CTR Attached, Detached, Internal RB: Detached, above garage</td>
<td>Sec. 31-501</td>
<td>16 approved, but likely more that were permitted by right in RB</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>White Bear Lake</td>
<td>Where single-family homes are permitted</td>
<td>Conditional Use Permit Annual Certificate of Occupancy renewal</td>
<td>Determined on a case by case basis</td>
<td>Yes</td>
<td>Can be connected to property or utility main</td>
<td>200 SF for the first occupant plus 100 SF for each additional occupant 880 SF or 40% of the habitable area of the main home</td>
<td>Attached, Detached</td>
<td>Section 1302.125</td>
<td>Maximum of 4 occupants</td>
<td>10 permitted</td>
<td></td>
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</tr>
</tbody>
</table>

* Updated policy is currently under consideration as of February 2019
Minnetonka Zoning Code Sec. 300.16 Conditional Use permit Standards for Residential Districts, Subd. 3.d.

d) Accessory apartments:

1) Accessory apartments shall be allowed for the following purposes:
   a. more efficient utilization of the existing single family housing stock in the city;
   b. enjoyment of the benefits of rental income, decreased housekeeping responsibilities or the companionship of tenants by persons residing in houses which are too large for their present needs;
   c. provision of housing which allows privacy and independence for older family members;
   d. preservation of property values and maintenance of the character of existing single family neighborhoods; and
   e. provision of housing for live-in employees, such as nannies.

2) For the purpose of this subdivision, the following definitions shall apply:
   a. “housekeeping unit” - all persons residing within a single family house whose relationship includes a substantial amount of social interaction including the sharing of housekeeping responsibilities or expenses or the taking of meals together;
   b. “living space” - the area within a house which is suitable for human habitation including suitable finished basement areas but excluding garages, services areas and unfinished portions of the building;
   c. “owner” - the person who holds fee title or is a bona fide purchaser under a contract for deed of the property;
   d. “unit of housing” - one or more rooms designed, occupied or intended for occupancy as separate living quarters, with cooking, sleeping and sanitary facilities separate from those of another unit of housing and intended for the exclusive use of a single housekeeping unit; and
   e. “temporary absence” - establishing residence outside of the twin cities metropolitan area for a period not to exceed 12 months but during which period the subject property continues to be the applicant's legal or principal residence.

3) no accessory apartment shall be created or used except in conformity with the following:
   a. to be created only on property zoned for single family detached dwellings and no more than one apartment to be created in any dwelling;
   b. structures in which an accessory apartment is created to be owner-occupied, with the owner residing in either unit on a continuous basis except for temporary absences throughout the period during which the permit is valid;
c. adequate off-street parking to be provided for both units of housing with such parking to be in a garage, carport or on a paved area specifically intended for that purpose but not within a required turnaround;

d. may be created by the conversion of living space within the house but not by conversion of garage space unless space is available for a two car garage on the lot without the need for a variance;

e. an accessory apartment must be no more than 35 percent of the gross living area of the house or 950 square feet, whichever is smaller. The gross living area includes the accessory apartment. The city council may approve a larger area where the additional size would not substantially impact the surrounding neighborhood.

f. exterior changes to the house must not substantially alter the single family character of the structure;

 g. no apartment to be created except in compliance with all applicable building, housing, electrical, plumbing, heating and related codes of the city;

 h. to be permitted only where it is demonstrated that the accessory unit will not have an undue adverse impact on adjacent properties and where there will not be a substantial alteration of the character of the neighborhood; and

i. all other provisions of this ordinance relating to single family dwelling units to be met, unless specifically amended by this subdivision.
Accessory Dwelling Units (ADUs) are a flexible, neighborhood-scale solution to regional housing needs. Cities can encourage ADUs as part of their overall housing strategy by adopting proven policies.
What makes ADUs good for cities?

**ADUs provide affordable options in the private market:** Most ADU rents are affordable to a household earning less than $56,000 annually.¹

- ADUs represent gentle, or “hidden” density as a form of small-scale infill housing.
- ADUs provide access for renters to established, well-connected neighborhoods.
- ADUs are built by homeowners on existing lots, providing new housing without expensive land acquisition costs, and add value to the property, which can lead to increased property tax revenue for a city.
- ADUs typically serve one- and two-person households, a growing demographic segment which comprises the majority of Twin Cities households.²

ADUs support stable homeownership by serving lifecycle housing needs. Over time, rental income provided by an ADU can help homeowners pay their mortgages or save up. Homeowners may use their ADU to house family members who need care, or they may move into the ADU themselves to downsize.

ADUs are environmentally-friendly housing options because they are smaller and use less energy than the average home. They help reduce transportation-related environmental impacts when they are located near employment centers and established public transit routes.³

ADUs support the local economy, as homeowners typically hire local construction and design firms to build them.

ADUs help create vibrant neighborhoods as new residents increase the customer base for nearby businesses and services.

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Why do we need ADUs as a housing option?

ADUs can help reduce pressures on the regional housing market, including:

- **Increasing demand** for more housing units: To meet the needs of anticipated workforce growth and other population trends, the seven-county Twin Cities region needs to add nearly 13,000 units of housing each year through 2040. ADUs engage private homeowners as a new set of partners addressing this housing need, without public subsidy.

- **Low supply** of rental housing stock: Throughout the Twin Cities metro area, vacancy rates for studio and one-bedroom units are 2.1% and 2.3%, respectively—far below a healthy rate of 5% or more. Adding ADUs in existing neighborhoods helps to address this gap.

- **Cost** pressures for renters: The greatest demand over the next 20 years will be for rental units priced below $1,875/month (in 2019 dollars), as ADUs typically are.

- **Smaller households**: The type of new housing needed in the coming decades will be affected by changing demographic trends. Nearly half of the region’s projected household growth will be individuals living alone, and ADUs are typically designed for these smaller households.

- **Aging population**: Four-fifths of household growth will be in older households headed by individuals aged 65 and older, many seeking options to downsize in their own neighborhoods; ADUs provide this option.

Where can I find ADUs?

Currently, an estimated 18 cities in the Twin Cities metropolitan area have policies permitting ADUs and approximately 150 permitted ADUs exist in the region. However, ADUs have always existed in the Twin Cities.

How much housing could ADUs provide?

ADUs are a cost-effective way to meet a substantial portion of the Twin Cities region’s future housing need without public subsidy.

If ADUs in the seven-county metro area became as common as they are in Portland, Oregon (representing about 1.5% of single-family homes), we could create 11,000 new housing units, potentially meeting most of the region’s need for new housing for households who earn $40,000-50,000 per year.

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1. Met Council Housing Policy Plan, p. 9
4. Met Council Housing Policy Plan, p. 9
5. Met Council Housing Policy Plan, p. 9
6. Met Council Housing Policy Plan, p. 151. The region needs 9,550 new units of housing to meet the needs of households earning between 51-80% of the Area Median Income by 2030. Per Metropolitan Council 2017 estimates, there are approximately 721,035 single-family homes in the Twin Cities region. stats.metc.state.mn.us/profile/detail.aspx?c=R11000
How can local policies support ADU development?

The evidence is clear: local government policies and practices that reduce regulatory and cost burdens make a critical difference in whether ADUs can reach their full potential for communities.

- In **Austin, Texas**, allowing larger ADUs (up to 1,100 square feet) and reducing other requirements paved the way for permit requests to rise nearly tenfold.

- In **Portland, Oregon**, annual ADU permit volume increased from just 24 (in 2009) to 615 (in 2016) when it waived development fees for ADUs, saving homeowners $8,000-12,000 per unit.

- In **Los Angeles, California**, ADU permits jumped from 80-90 per year to 1,980 in 2017, after California’s state legislature required cities to adopt ADU policies.

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**Flexible for Multigenerational Households**

Fue Lee’s parents live in the first-floor ADU attached to the family’s house in North Minneapolis. Fue and his adult siblings live in the main home.

_The Lees’ home and its neighbor to the north were developed by the City of Lakes Community Land Trust as the first two homes to be built with an ADU in Minneapolis._

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**REMOVE REGULATORY BARRIERS**
- Allow different types of ADUs as an accessory to all single-family or small multifamily homes, permitted by right rather than conditionally
- Designate ADU experts within departments to facilitate a clear permitting process
- Remove or reduce parking minimums
- Remove or reduce owner-occupancy restrictions
- Make design standards more flexible

**LOWER COSTS AND INCREASE ACCESS TO CAPITAL**
- Offer homeowners waivers, discounts, tiered pricing, and payment plans for fees
- Develop an ADU loan program for homeowners
- Work with developers to incentivize building ADUs in new construction

**PROMOTE ADUs AND INCREASE ACCESS TO INFORMATION**
- Create a dedicated webpage and resource materials for ADU development
- Host quarterly informational workshops about ADUs
- Sponsor, promote, and participate in ADU tours

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10 Austin Development Services Department. Accessory Dwelling Units. [www.austintexas.gov/page/adu](http://www.austintexas.gov/page/adu)
## Encouraging ADUs in Your City

### REMOVE REGULATORY BARRIERS

<table>
<thead>
<tr>
<th><strong>Allow ADUs to be permitted by right for all single-family and two-family developments.</strong></th>
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<tr>
<td>In California, allowing ADUs to be processed ministerially (i.e. administratively/by right) has had a major impact, with a rapid rise in ADU permit applications after the enactment of SB 1069 and AB 2299 in January 2017. The City of Oakland had a sevenfold increase, from 33 permit applications in 2015 to 247 in 2017. The City of Los Angeles had a nearly 25-fold increase in applications, from 80 in 2016 to 1,980 in 2017.</td>
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<tr>
<th><strong>Remove or reduce parking minimums.</strong></th>
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<td>In Oregon, a survey conducted by the Department of Environmental Quality found that ADUs had a negligible impact on parking congestion. ADU residents had a below-average vehicle ownership rate (less than one per household), and the dispersed nature of ADU development meant any additional on-street parking impact was also dispersed throughout the city.</td>
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<th><strong>Remove owner-occupancy and household size restrictions.</strong></th>
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<td>Most peer cities nationally and three Minnesota cities (Crystal, Stillwater, and Northfield) do not have owner-occupancy requirements. These requirements limit the use of the property over time and may be a disincentive to homeowners considering ADU development or limit their financing options.</td>
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<th><strong>Make design standards more flexible.</strong></th>
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<td>After adjusting its regulations in 2015 to allow larger floor areas, Austin, Texas saw a marked increase in ADU development, from 250 issued permits from 1994 to 2015 to more than 600 in the three years since the change.</td>
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<th><strong>Designate ADU experts in departments to facilitate a clear permitting process.</strong></th>
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<td>To clear its backlog of ADU applications, San Francisco is working with multiple city departments to define a checklist of consistent guidelines to help homeowners successfully navigate city processes.</td>
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### LOWER COSTS AND INCREASE ACCESS TO CAPITAL

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<th><strong>Offer waivers, discounts, tiered pricing, and payment plans for fees.</strong></th>
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<tr>
<td><strong>WAIVER FOR AFFORDABILITY:</strong> The City of Santa Cruz, California waives permit fees on a sliding scale in exchange for a commitment to renting an ADU to a low-income household. Approximately 39 households have used this waiver since 2016. <strong>TIERED PRICING:</strong> Most cities already offer tiered pricing in some form, such as for building permits. Offering tiered pricing for other fees, such as sewer access charges, can help reduce what would otherwise be a larger fixed cost for homeowners wishing to build an ADU.</td>
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<tr>
<th><strong>Develop an ADU loan program.</strong></th>
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<td>The County of Santa Cruz in California, the City of Portland, Oregon, and the West Denver Renaissance Collaborative (WDRC) in Colorado are developing low- or no-interest loan programs for ADU development. Each program has an affordability focus, either creating affordable rental units or building wealth and stability for lower-income homeowners. Santa Cruz County also has a specialized My House, My Home ADU loan program to help low-income senior homeowners build ADUs so that they can afford to age in place.</td>
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<tr>
<th><strong>Work with developers to incentivize building ADUs in new construction.</strong></th>
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<tr>
<td>The City of Lakes Community Land Trust (CLCLT) builds and sells multigenerational-living homes with attached ADUs in Minneapolis. The homes are designed for flexibility, with ADUs at the back of the first floor that can open to the inside of the main home or can be accessed through a separate entrance, allowing the home to meet changing housing needs over multiple generations.</td>
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<td>BEST PRACTICES FROM PEER CITIES</td>
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### PROMOTE ADUs AND INCREASE ACCESS TO INFORMATION

| Create a dedicated webpage and host informational workshops on ADU development. | City of Santa Cruz, California has become a national model by appointing dedicated staff to the development of its ADU program, creating a guide for homeowners, sharing prototypes of architectural plans, hosting workshops, and creating a webpage with ADU information.  

| Sponsor, promote, and participate in ADU tours. | The city of Portland boasts an annual ADU tour, run in partnership between advocates and the City. It has been a successful beginning point for many ADU homeowners, who embarked on their developments after attending the tour. Locally, a few ADUs already have been popular stops on the Minneapolis & Saint Paul Home Tour. |

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13 Garcia, David.
14 Oregon Department of Environmental Quality.
15 Northfield is noted here but is not counted as part of the 18 cities that have an ADU policy as it is outside the Twin Cities metro area.
16 City of Austin. Open Data. data.austintexas.gov
18 City of Santa Cruz 2016 Accessory Dwelling Units Fee Waiver Information and Application www.cityofsantacruz.com/home/showdocument?id=53802
22 Martinez-Stone, Renee. 28 June 2018.