

# Welcome.

Thank you for helping us explore policy changes to encourage more backyard cottages.

## Agenda

|             |                             |
|-------------|-----------------------------|
| <b>6:00</b> | <b>Doors Open</b>           |
| <b>6:30</b> | <b>Presentation</b>         |
| <b>6:50</b> | <b>Clarifying Questions</b> |
| <b>7:00</b> | <b>Open House</b>           |
| <b>7:30</b> | <b>Adjourn</b>              |

## Share your ideas

Increasing production of backyard cottages could provide thousands of new housing units throughout Seattle for a range of households. But only about 200 have been built.

### How can we change this?

Tonight, share your feedback on the policy changes we are exploring. What do you think about backyard cottages? What other ideas should the City consider?

## Contact us

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# Encouraging Backyard Cottages

## What is a backyard cottage?

Backyard cottages, also known as detached accessory dwelling units or DADUs, are a type of small housing units that is on the same lot as, but physically separate from, a single-family house.

In 2006, the City Council allowed backyard cottages in a pilot area in southeast Seattle. Due in part to the positive response from homeowners and neighbors, the City expanded the program to allow cottages in Single Family Residential and Lowrise zones citywide. Attached ADUs (i.e., mother-in-law units) have been allowed since 1994.

However, to date only 221 backyard cottages have been constructed or permitted. Despite the benefits for owners and renters, just 1 of every 550 single-family lots in Seattle has a backyard cottage.



## Why do we want more of them?

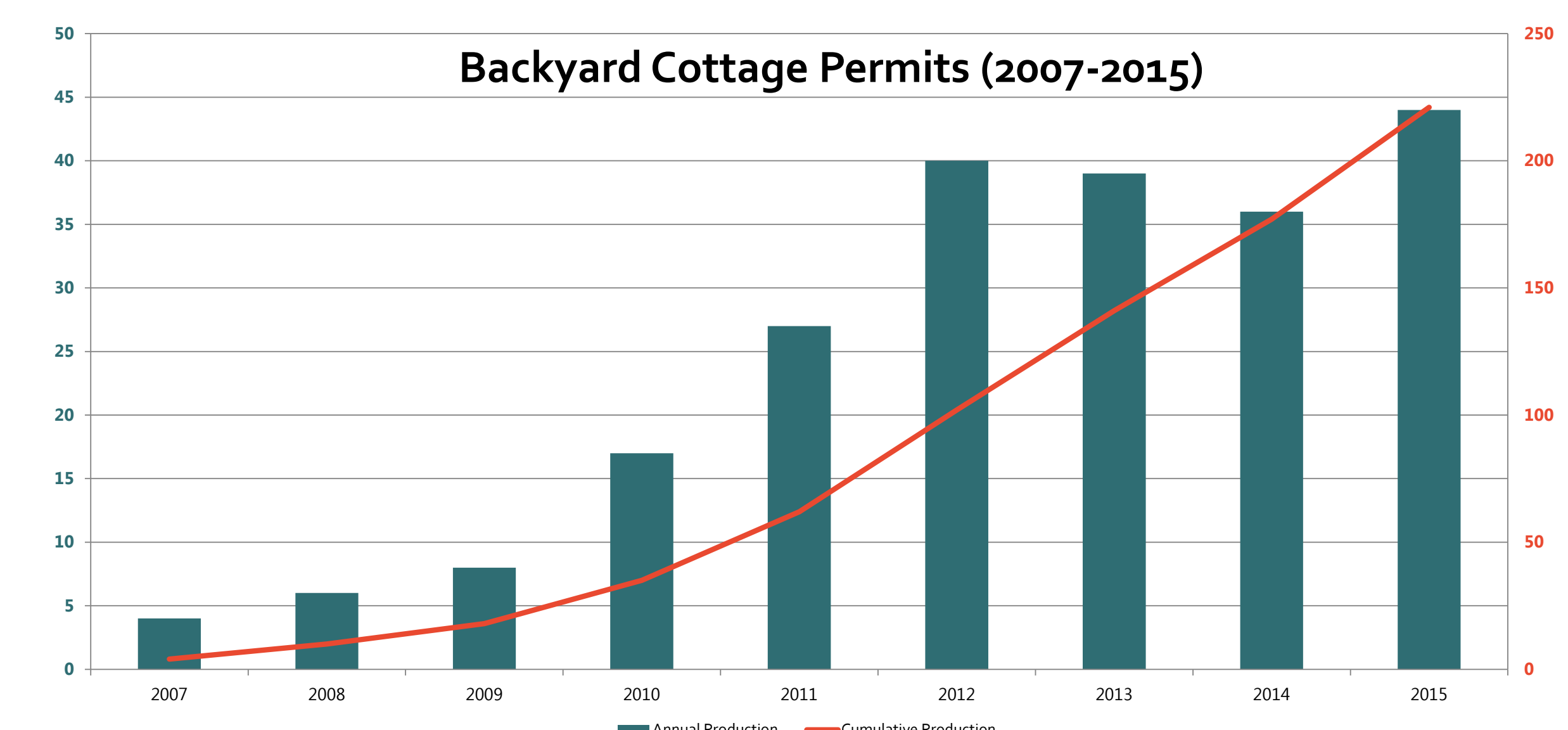
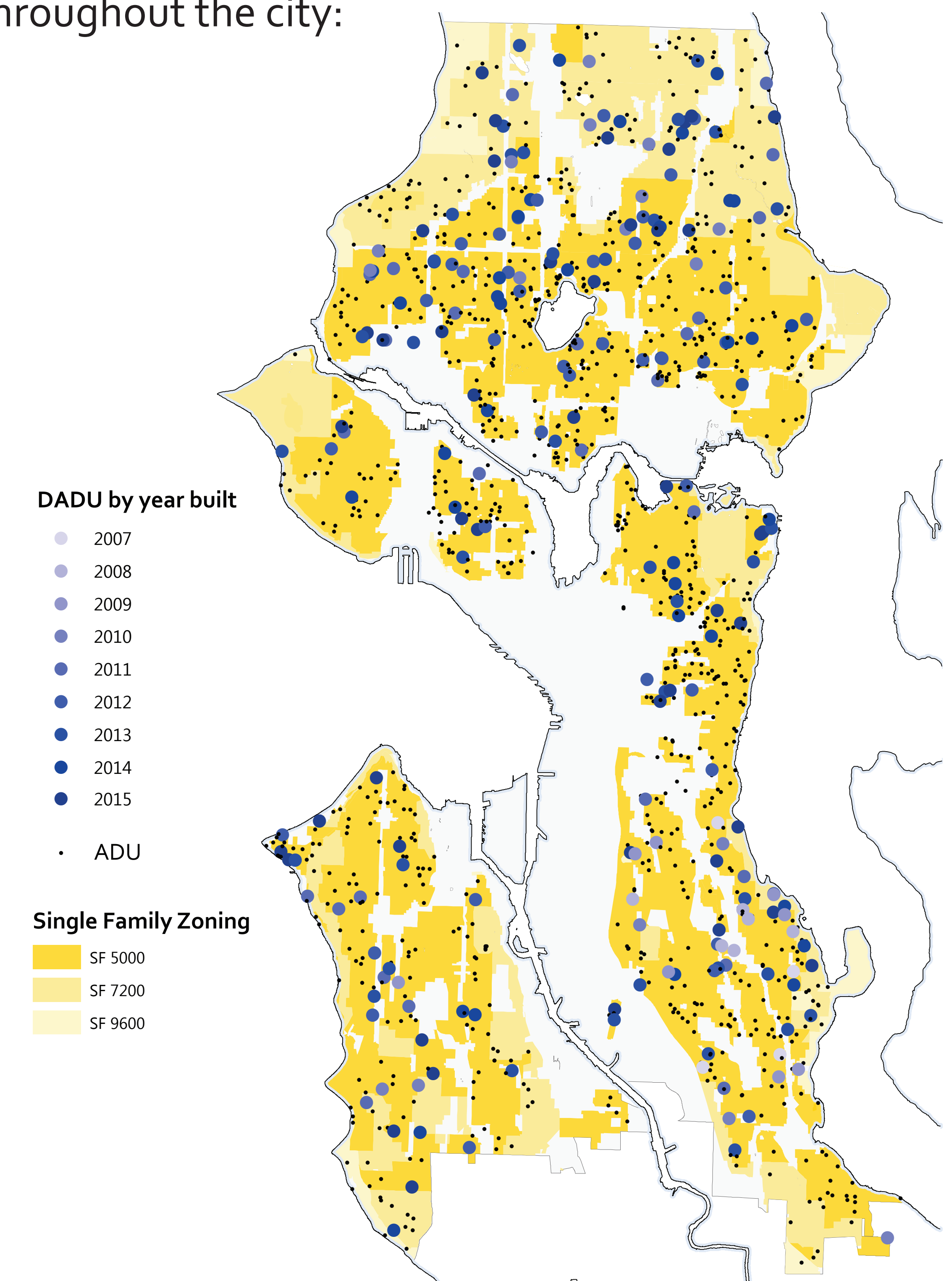
In 2014, the City Council adopted a Resolution calling for policy changes that would increase production of accessory dwelling units.

Increasing production of backyard cottages offers many benefits for homeowners, tenants, and the public:

- DADUs provide housing with many of the characteristics of a small single-family house: a single unit with no shared walls in a lower-density residential neighborhood.
- Cottages can increase and diversify the housing choices available to people in neighborhoods where homes are often unaffordable to many households.
- For homeowners, cottages provide stable extra income for homeowners, which can help them remain in their neighborhood.
- Cottages address the current mismatch between housing stock and demographic trends. While average household size has been decreasing for decades, we also have a growing number of multigenerational households. Most new single-family housing are large and poorly suited in both cases.
- Cottages are “infill” development, gently increasing density and using already developed land and existing infrastructure more efficiently.

## How many have been built?

The 221 cottage built to date are well dispersed throughout the city:





# Encouraging Backyard Cottages



Cottages can be freestanding structures or built above a garage.





# What is the opportunity?

## Criteria for building a cottage

Backyard cottages can be constructed:

- in Single Family Residential zones
- on lots that are at least 4,000 square feet in area
- not in the Shoreline District or in some Environmentally Critical Areas (ECAs).

Various development standards limit the location and scale of backyard cottages, including a maximum lot coverage limit that applies to all single-family lots. The map at right illustrates the roughly 75,000 single-family lots where a property owner could build a backyard cottage.

## Potential production

Cottages on just 5 percent of the eligible lots would result in almost 4,000 new housing units, all located in developed areas already served by infrastructure and services and without public investment.

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## Barriers to backyard cottages

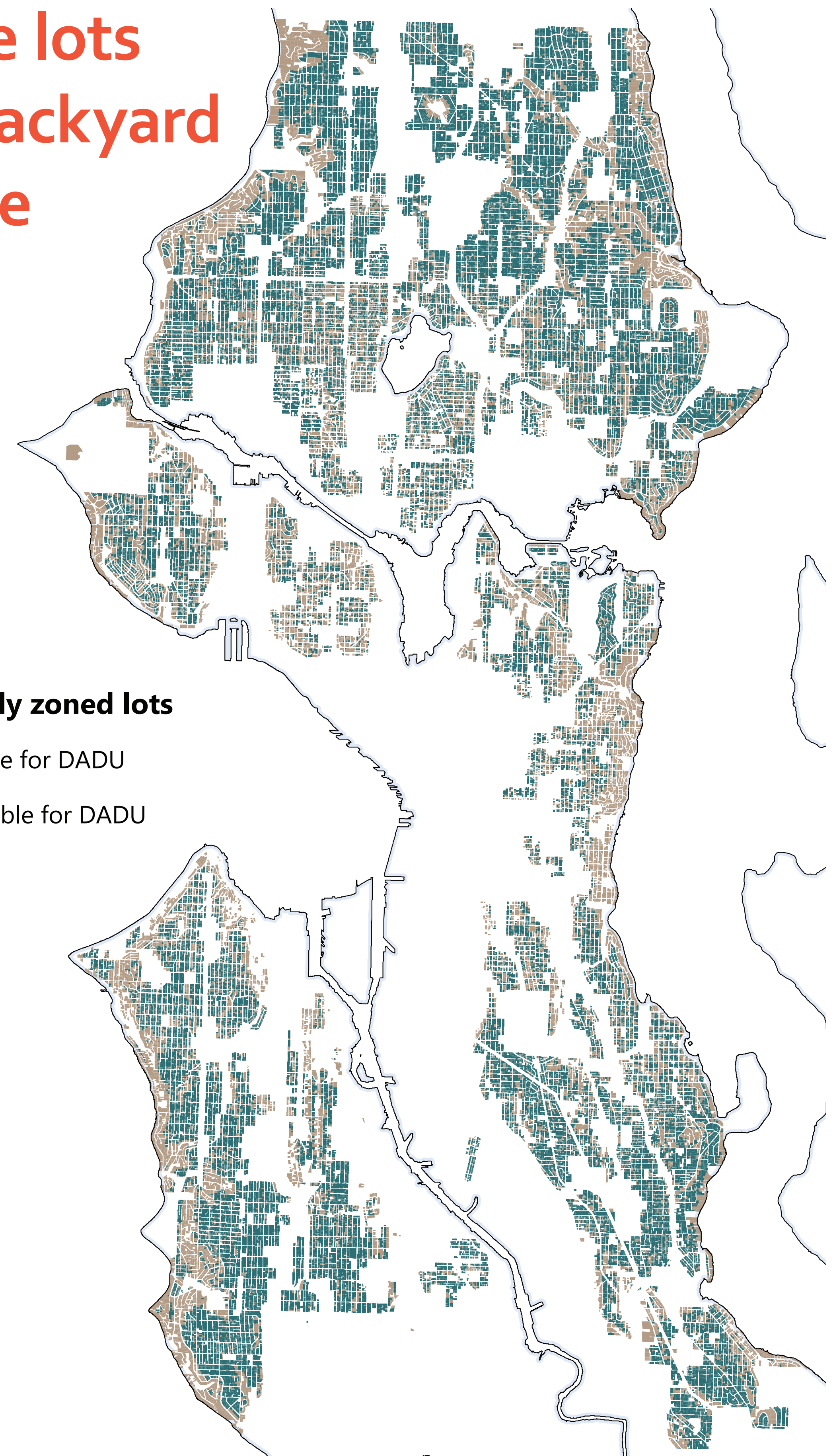
Through a survey of current cottage owners, research, and outreach to various stakeholders, we've heard of several barriers people face when trying to build a cottage:

- Development regulations such as height limits, setbacks, and minimum lot size
- Requirement to provide off-street parking
- The owner-occupancy requirement
- Construction cost
- Obtaining financing
- The cost of design, engineering, and permitting fees

## Eligible lots for a backyard cottage

### Single-family zoned lots

- Eligible for DADU
- Ineligible for DADU



## What we've heard...

*"We wanted the cottage for parents to live permanently with us and help with child care. With the additional restrictions that Seattle puts on DADUs, it's not simply not worth it for us."*

*"We are reluctant to add a DADU if we are unable to also rent out the main house. If we needed to relocate for more than six months, we would be forced to sell our house or forego renting the DADU, which would not be feasible given the significant cost of building the unit. This requirement makes adding a DADU too financially risky for us."*

*"Our primary residence on Beacon Hill could easily sustain a cottage and would fit well with the neighborhood character since right across the alley is zoned for town-houses and already has dense housing. However we don't fit the minimum square footage of the lot."*



POLICY OPTION:

# Should we remove the off-street parking requirement?

Generally, one off-street parking space is required for an accessory dwelling unit. This can be waived if topography on the lot makes an off-street parking space infeasible. Nevertheless, providing the required parking prevents or deters some people from building a cottage. It can add to project cost, increases impervious surfaces, and often results in the removal of landscaping and vegetation.

New cottages are so dispersed that each additional unit creates only small incremental change. A change in the parking requirement isn't likely to have a perceptible impact on the supply of on-street parking.

## Case study: Portland, OR

Accessory dwelling units in Portland are not required to provide off-street parking. But a recent survey found that nearly two-thirds of accessory dwelling units had zero vehicles parked on the street. In those cases, either tenants did not have a car, or the property owners voluntarily provided parking despite no requirement to do so.

# Should we remove the off-street parking requirement?

• • • **no** • • • • • **maybe** • • • • • **yes** • • •

Why or why not? Give us your thoughts:



POLICY OPTION:

# Should we allow an ADU and a DADU on the same lot?

Currently, we have just over 1000 attached accessory dwelling units (ADUs) and about 220 backyard cottages (DADUs) permitted and/or constructed in Seattle. A single-family lot cannot have both an ADU and a DADU.

With both an ADU and DADU, structures on the lot would still be limited by the maximum lot coverage and other

development regulations. From the outside, a house with a DADU might not look different than a house with a DADU and an ADU since the latter is inside the main house.

The current household size limit would continue limit the number of people of the lot. Each single-family lot can have only one household, defined as any number of unrelated people or at most 8 people if any one of them is unrelated.

## Should we allow an ADU and DADU on the same lot?

• • • **no** • • • • • • • • **maybe** • • • • • • • • **yes** • • •

## Why or why not? Give us your thoughts:



POLICY OPTION:

# Should we remove the owner-occupancy requirement?

Currently, the property owner must reside either in the main house or the cottage for six months of the year. A waiver may be granted for up to 3 years for specific reasons like illness or job dislocation.

This requirement deters many interested homeowners from building cottages since they cannot rent both units. If they move someday, they would have to sell the house, or leave the cottage vacant, which could result in less maintenance of the structure.

The owner-occupancy requirement also makes obtaining financing more difficult because appraisers and lenders are generally uncertain how to value the accessory unit since

the property owner cannot rent both units. This results in fewer cottages being constructed and available as housing for people.

## Case study: Portland, OR

Portland does not have an owner-occupancy requirement and allows both the accessory dwelling unit and the main house to be rented. Despite this, a survey of ADU owners found that 64% occupy their properties anyway. The vast majority of accessory units in Portland are built by current homeowners.

## Should we remove the owner-occupancy requirement?

• • • **no** • • • • • **maybe** • • • • • **yes** • • •

Why or why not? Give us your thoughts:



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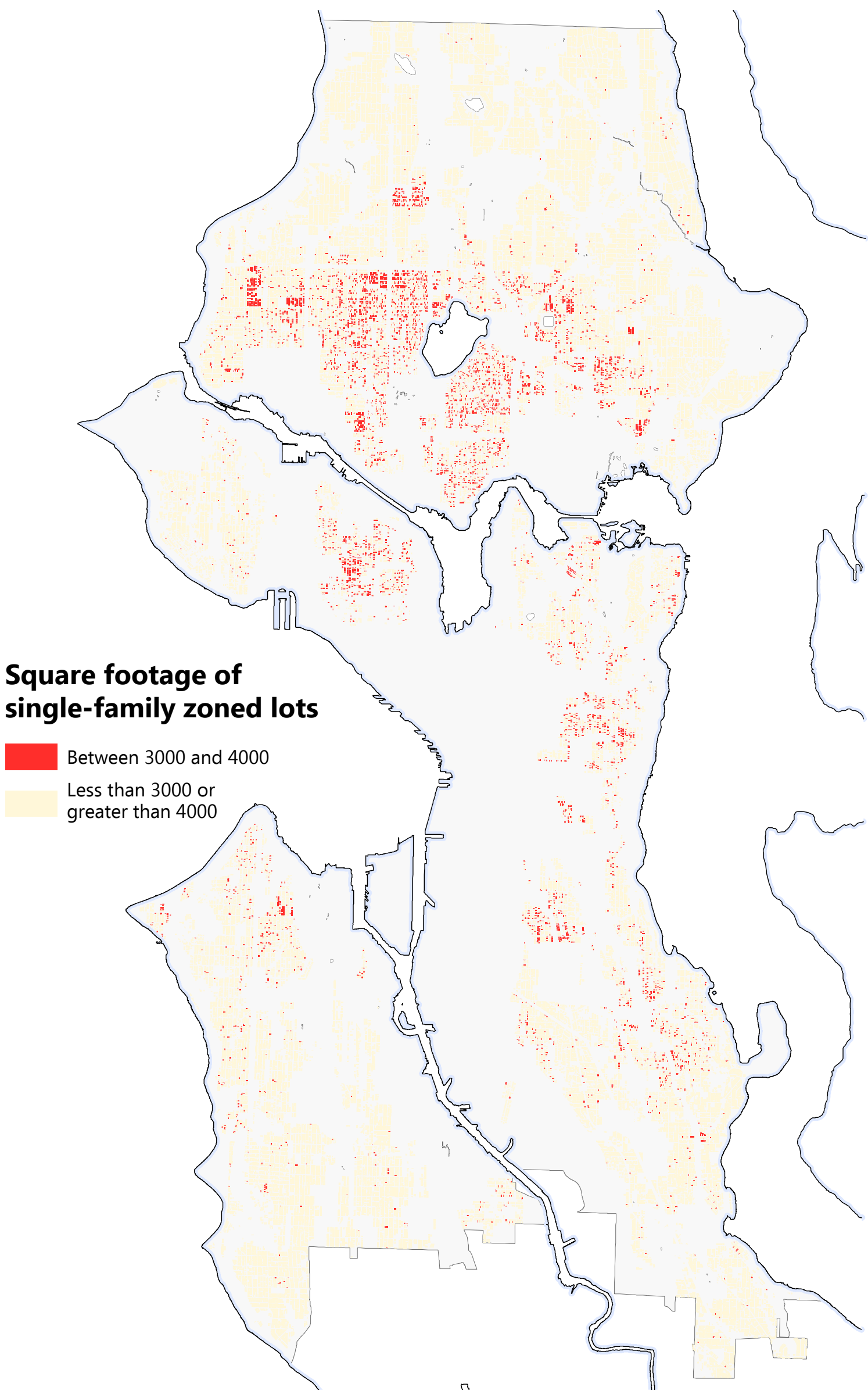
# Should we modify development standards for backyard cottages?

Development standards for backyard cottages are intended to regulate where cottages can be built and their scale and location on a single-family lot. However, some of the requirements prevent homeowners from constructing a cottage or make it difficult for owners to achieve a design that functions well.

Here are 4 potential changes to development standards that could make it easier for more people to build backyard cottages and allow those cottages to serve a greater diversity of household types.

## Should we reduce the minimum lot size?

Currently only lots 4,000 square feet and larger can have a cottage. Reducing this minimum to 3,000 square feet would add over 9,000 new eligible lots, as shown in the map. Many of them are in centrally located neighborhoods close to transit and services.



On smaller lots, other dimensional requirements like the lot coverage limit would continue to restrict how large the cottage footprint could be. A small lot could probably only accommodate a cottage if the main house were relatively small. The maximum height limit is lower on narrower lots as well.

## Should we change the maximum square footage for a cottage?

Backyard cottages can be at most 800 gross square feet, including any garage or storage space in the structure. This means a cottage over a garage is often limited to 350 or 400 square feet and generally isn't large enough for a second bedroom.

Currently, an attached ADU can be 1,000 square feet. Using a consistent standard for detached ADUs (i.e., cottages) would allow for more productive and useful units that could more often accommodate families with children.

If maximum square footage were changed, other standards, including maximum lot coverage and required setbacks, would continue to limit the scale of a backyard cottage.

• no • • • • maybe • • • • yes • • no • • • • maybe • • • • yes •



POLICY OPTION:

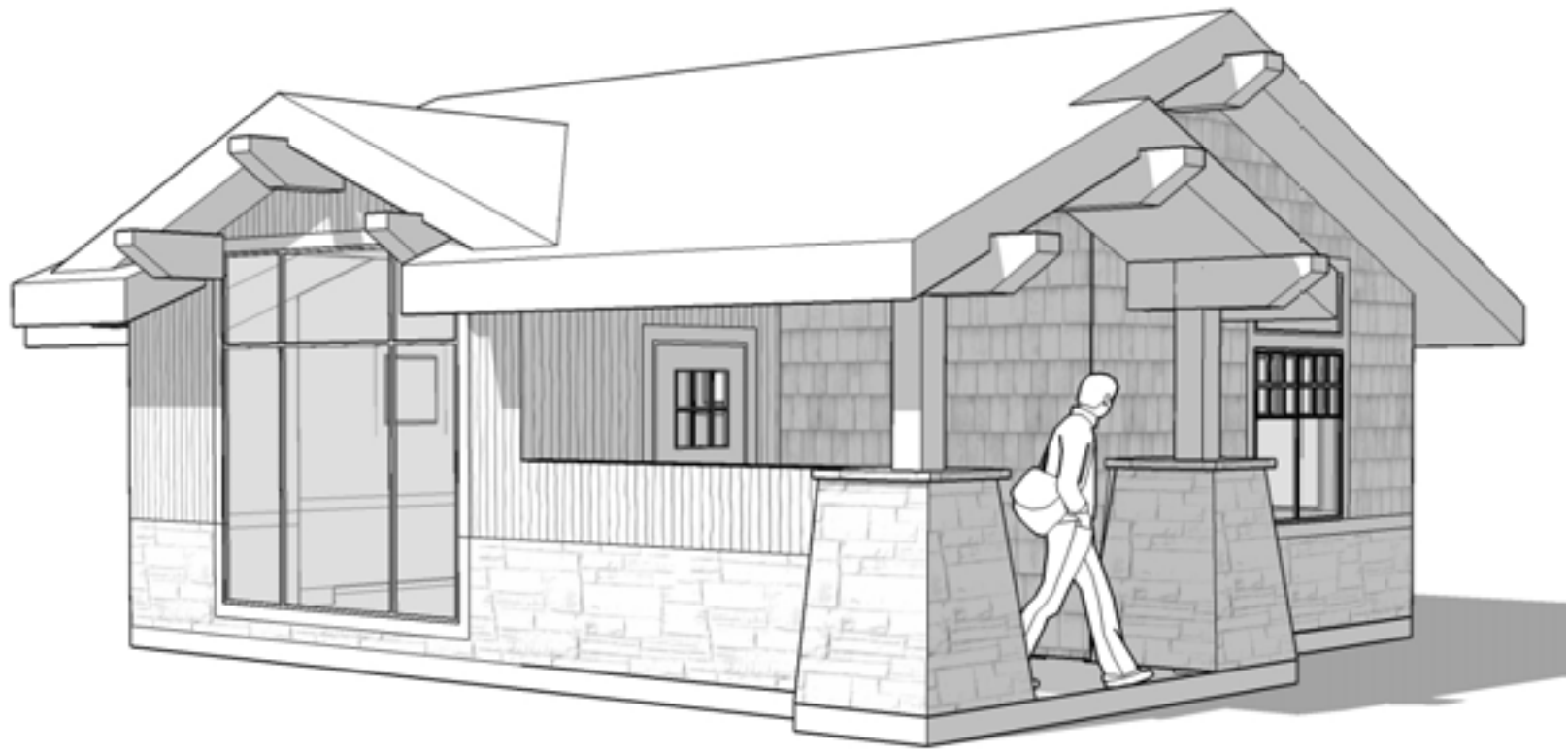
# Should we increase the height limit for certain lots?

Our observations show that many homeowners find it difficult to get a usable second story given current height limits. A second story allows more rental income for homeowners, more functional units, and housing more suitable to families with children.

For some cottages, the height limit penalizes adding high-quality insulation for energy efficiency, since this would take up valuable space in the unit. On sloping lots, homeowners sometimes have to put some of the structure below grade, which is expensive.

Would a modest increase in the maximum height limit be helpful to encourage cottages? On what types of lots would this be appropriate? Give us your thoughts.

This example studio cottage is only one story. On some narrow lots, the height limit prevents building a second story.



This cottage is 1.5 stories. It could have a more functional second story if allowed a few more feet. This could make it more suitable to a family with a child and provide more rental income for the homeowner.



## Should we increase the height limit for certain lots?

• • • **no** • • • • • **maybe** • • • • • **yes** • • •

Why or why not? Give us your thoughts:

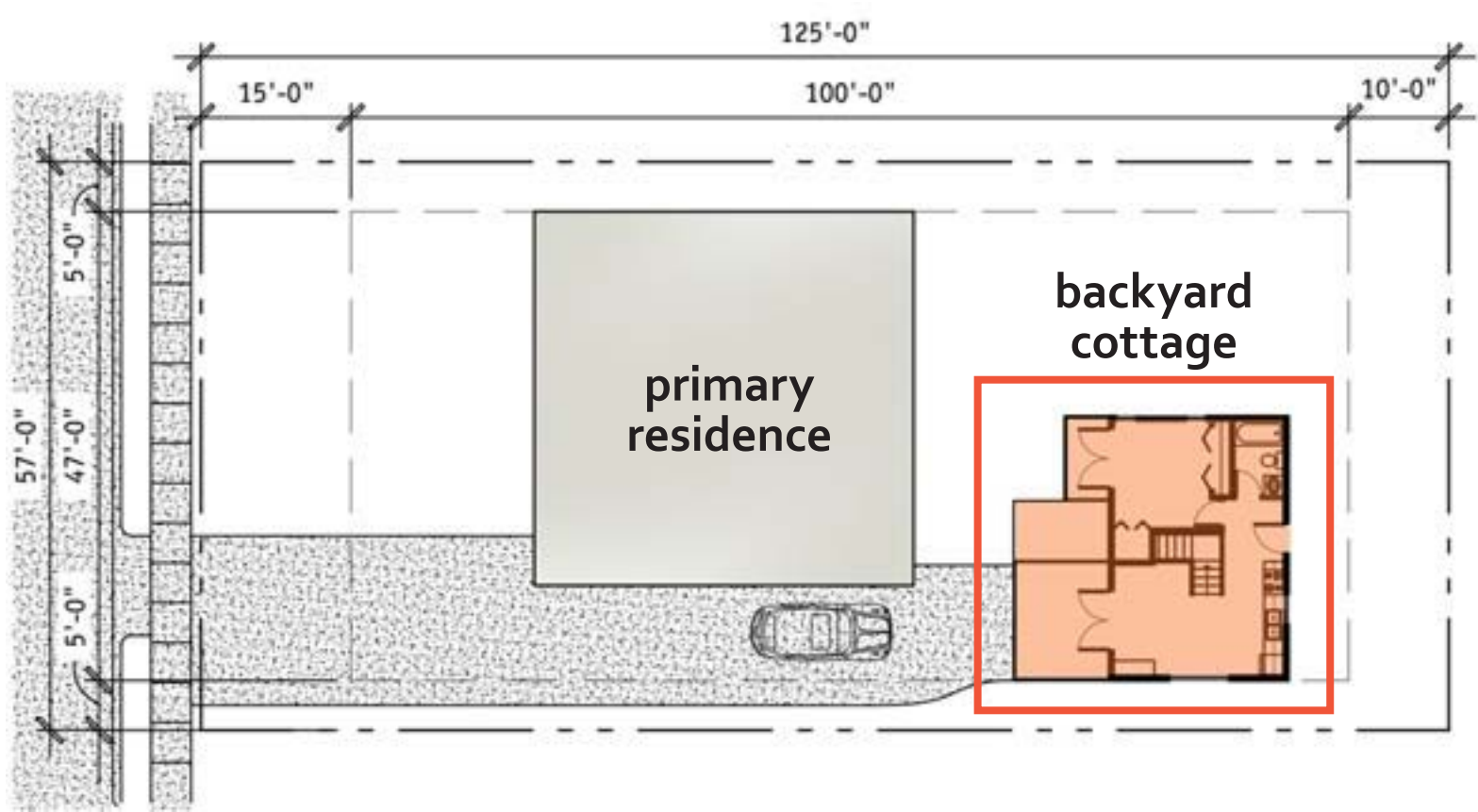


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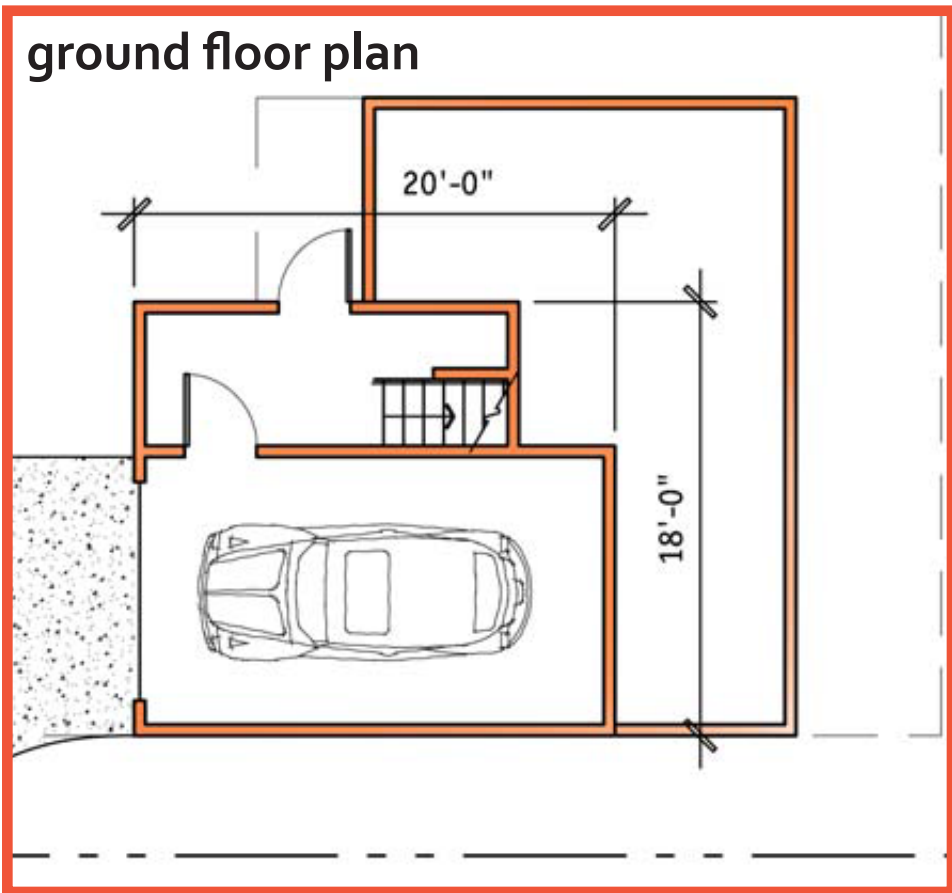
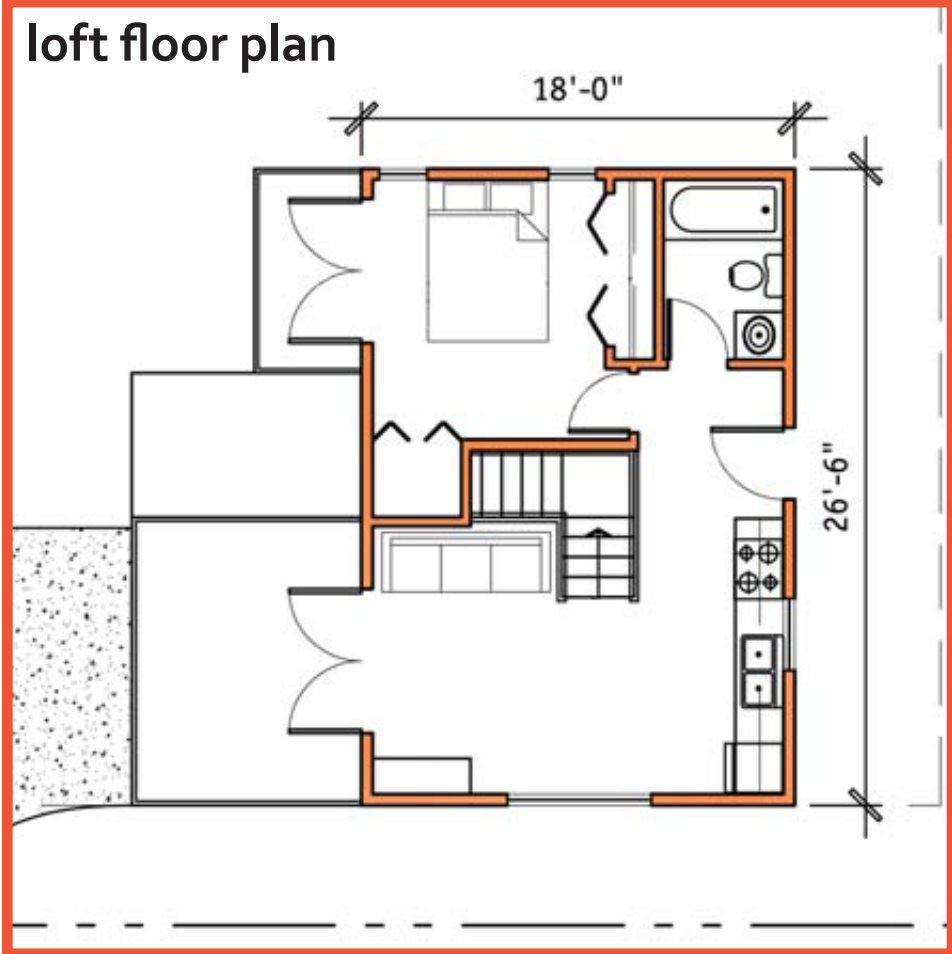
# Should we modify the rear yard coverage limit?

Currently, an accessory structure like a backyard cottage can cover only 40% of the rear yard. For homeowners who want to build a one-level cottage, perhaps for a parent aging-in-place, this standard limits the design options, even when a taller two-story structure might be allowed.

If we modify the rear yard coverage limit, should it apply to all cottages or be limited to one-story cottages?



This cottage prototype is 796 gross square feet. But because of the rear yard coverage limit, it cannot be on a single level — a design that would be much more suitable for a tenant with limited mobility or a homeowner looking for ways to age-in-place.



## Should we modify the rear yard coverage limit?

• • • **no** • • • **maybe** • • • **yes** • • •

Why or why not? Give us your thoughts:



# How else can we make it easier to build a backyard cottage?

## We know that to increase production means going beyond the land use code.

In addition to the potential regulatory changes discussed here, we are exploring other ways to create more housing through accessory dwelling units, such as:

- Making it easier to obtain financing
- Finding ways to allow a greater range of households to construct accessory dwelling units
- Modifying some of the permitting fees associated with accessory dwelling units
- Providing resources for prospective homeowners, such as information about consultants, guides and tips, or pre-approved designs

We will also continue our ongoing monitoring and biennial reporting of all backyard cottages permitted in order to understand the effect of any changes adopted.

## Do you have other ideas for how we can create more housing for people through accessory dwelling units?

