MEMORANDUM

TO: Planning Commission
City Council

FROM: Sarah Hanzel, Long Range Planner III
Ken R. Young, Community Development Director

DATE: 10/10/19, 11/7/19

RE: 19OA007 – Ordinance to Allow Accessory Dwelling Units (ADU’s) in Residential Districts

11/7/19 Planning Commission Update: The Planning Commission voted to approve this proposal in a split vote, 6 to 3. It should be noted that the three who voted “no” did so for differing reasons. One cited concerns that the proposal would over-regulate property rights, and another cited concerns that there should be tighter regulation than what was being proposed. Staff believes the proposed ordinance provides good, middle ground regulation to approve the permitting of a land use that currently exists outside of legality and regulation, which will provide for increased affordable housing opportunities, as identified in the recently approved Affordable Housing Policy.

10/10/19 Memo: The proposed Accessory Dwelling Unit (ADU) Ordinance was created in response to the City’s goal of diversifying options for housing in Rapid City. The Comprehensive Plan identifies multiple recommendations related to allowing ADU’s. These recommendations are cited at the end of this memo.

Accessory Dwelling Units are defined as “a subordinate dwelling which has its own cooking, sleeping and sanitation facilities and which is 1) within or attached to a single family residential building or 2) within a detached accessory structure associated with the single family dwelling that is smaller than the primary structure. ADU’s must be on permanent foundations. A motorhome/RV does not constitute an ADU. Other common terms for ADU’s are granny flats, mother-in-law units, and backyard cottages.

ADU’s are a tool to introduce small housing units in existing or new neighborhoods,
while maintaining the character of the neighborhood. This ordinance creates opportunities for the development of new units, as well as creating a path for existing ADU’s to operate within the legal parameters of the Rapid City Municipal Code.

It’s important to note that certain criteria must be achieved in order to register and operate an ADU under this ordinance. Not all properties will support an ADU. For existing ADU’s the proposed ordinance requires, among other criteria, property owner residency and minimum parking requirements. For new units, these requirements as well as additional zoning criteria, area regulations, and design standards must be met. If located within the West Boulevard Historic District, the ADU must comply with all applicable review processes and design standards for historic preservation.

This ordinance has been revisited and revised to address input from community members. The Community Development Department has facilitated multiple informational and public input meetings on the topic of ADU’s. An Open House was held at the Public Library on February 28, 2018. ADU’s were discussed at a “Coffee with Planners” event on August 2, 2018. Community Development staff also presented the proposal and obtained comments from residents at the August 21, 2018 gathering of the West Boulevard Neighborhood Association. Two Open Houses were held at City Hall on April 24th, 2019. Staff met with the BH Association of Realtor’s on May 22, 2019. Each of these events informed staff of residents’ questions and concerns, and helped to shape the final contents of the ordinance.

Please refer directly to the ordinance language for specific details about the proposed requirements and do not hesitate to contact me if you have any questions.

**Recommendation: Approve**

Enclosed: ADU Ordinance Overview Presentation

Comprehensive Plan References

Chapter 10: Growth and Reinvestment Framework
- Supplementary Design Principles-N1: Mix of Housing Types. Encourage a variety of housing types (e.g. single family, duplex, townhomes, accessory dwelling units, apartments/condominiums) in all new neighborhoods, particularly within Urban Neighborhoods where higher densities can be accommodated.

Chapter 12: Affordable Housing and Workforce Housing Options Implementation. Allow for ADU’s specifically in areas with high demand from students or seasonal tourism workers. These units can provide an income source for homeowners and contribute to the supply of rental housing. They also provide an opportunity for elderly residents to live close to family members and age in place.

The Zoning Diagnosis chapter recommends allowing ADU’s as an affordable housing option in Urban Residential Neighborhoods in conjunction with clear standards to guide size, occupancy limitations, etc. as part of a strategy to remove barriers to housing diversity.