# Accessory apartments now allowed in low density DC neighborhoods

Accessory units can help homeowners earn income on excess space and help a small family to have a home

An accessory apartment, or commonly called an accessory dwelling unit or ADU, is a secondary dwelling unit established in conjunction with and clearly subordinate to a primary dwelling unit, whether a part of the same structure as the primary dwelling unit or a detached dwelling unit on the same lot. These units might be an addition to a garage, an entirely new structure, or a basement apartment in the existing single-family house.

The revised 2016 DC zoning regulations allow for the development of an accessory apartment (commonly called an accessory dwelling unit or ADU) as a matter of right in all residential (R) zones, except for zones R-19 and R-20. Before the 2016 revision, accessory apartments in these zones were highly restricted, and were subject to approval from the Board of Zoning Adjustment (BZA).

# Interior Attached ADUs Attached ADU (via Addition) Detached ADU

# Benefits

ADUs offer a variety of benefits to individuals and communities, including the efficient use of land and a more dynamic use of housing. Among other benefits, ADUs provide the following:

Source: City of St. Paul

Affordability – adding units to an existing lot maximizes the usability of the space and distributed property tax and mortgage costs among more residents. ADUs can provide additional income to the homeowner, and potentially less expensive rental housing.

Aging in place – retirees and long-term homeowners can stay in their house while having a source of income, or possibly move into the accessory apartment while a family occupies the primary residence.

Diversity – adding housing options can bring new residents to established neighborhoods throughout the city, including high-priced neighborhoods or those close to Metro, in-demand schools, and other amenities.

# Where rules apply (see examples of ADUs on R zone lots)

- One accessory unit is permitted by-right in all R zones except in Georgetown (R-19 & R-20), where a special exception is required from the BZA.
- An accessory apartment may be located in detached, semi-detached, and attached dwellings.
- No minimum lot area size is required for an addition of an accessory unit to an existing structure.
- Minimum gross floor area of the existing home must be 2,000 sq. ft. in order to build an interior ADU in zones R-1-A, R-1-B, and R19.
- Minimum floor area of 1,200 sq. ft. for the existing home required in order to build an interior ADU in zones R2, R3, R10, R13, R17, R20.
- An accessory apartment may occupy up to 35% (1/3) of the gross floor area of the primary dwelling.
- An accessory unit may be located in the house or in an accessory building with permanent access.
- Either the primary unit or the ADU must be owner-occupied
- In most R zones, the number of persons occupying the ADU must not exceed 3.

### How to build an accessory apartment (see DCRA Accessory Apartment Guidance)

- Check zoning of lot accessory apartments can only be built as a matter of right in all R zones
  except R-19 and R-20 (which require a "special exception" by the <u>BZA</u>). If the house is in a historic
  district, it may require review by the <u>Historic Preservation Office</u>.
- 2. Read <u>DC Zoning Code Chapter U, Section 253</u> to confirm that both the primary and accessory buildings qualify for an accessory apartment.
- 3. Hire a <u>qualified architect</u> or design/build firm to determine feasibility of ADU construction given lot occupancy requirements, recommend optimal configuration, and get plan <u>approvals</u>. The project will need to conform to all building code and development regulations.
- 4. Hire a licensed and insured <u>contractor</u> to navigate the permitting process, many will do so as part of their services. Owners can use the <u>Homeowner Center</u> at DCRA for planning & permitting.
- 5. To rent your unit, obtain a <u>Residential Rental Business License</u> from Department of Consumer & Regulatory Affairs (DCRA), which requires a <u>housing inspection</u>.

## **Financing**

A <u>recent study</u> of ADUs found that 40% of homeowners who developed accessory apartment financed the project with a home equity line of credit, cash-out refinance or similar equity-derived financing. Thirty percent used only their own cash, and others combined financing options. The <u>costs to build an accessory apartment</u> are substantial but not prohibitive considering the revenue stream that can pay off the costs. Interested homeowners can expect to invest \$80,000-\$160,000 (roughly \$100-200/sf) in accessory unit projects but, depending on certain assumptions, can receive a positive cash flow in less than ten years. Learn more about financing considerations <u>here</u>.

### Considerations

First time landlords should check out this <u>tip sheet</u> to learn how to be a good landlord and have a good experience with your tenant.

In DC, tenant protections under the <u>Tenant Opportunity to Purchase Act (TOPA)</u> will add extra steps to the sale of a house if a part of the house is rented. If the homeowner wishes to sell their home which has an apartment occupied by a tenant, they must make an Offer of Sale to the tenant and go through a process that allows the tenant to exercise their purchase rights. On the other hand, if the owner or new buyer would like to use the rented space for their immediate and personal use and occupancy as a dwelling, they have the right to occupy the rented space after the owner serves on the tenant a 90-day notice to vacate (see DC Code 42-3505.01(d) and (e)).

### Join us!

Sign up for DC Accessory Apartments Forum google group to get resources and join the conversation at: <a href="http://www.smartergrowth.net/adu-forum/">http://www.smartergrowth.net/adu-forum/</a>

For more accessory apartment resources, go to: <a href="http://www.smartergrowth.net/ADU/">http://www.smartergrowth.net/ADU/</a>

This fact sheet is provided by the DC ADU Workgroup Steering Committee and the Coalition for Smarter Growth, <a href="http://www.smartergrowth.net/ADU/">http://www.smartergrowth.net/ADU/</a>, T. 202-675-0016. Contributors include Maura Brophy. 1/8/2018

