# Farmington City ADU's As a Policy Tool for Homeownership

ULCT Conference, September 5, 2024

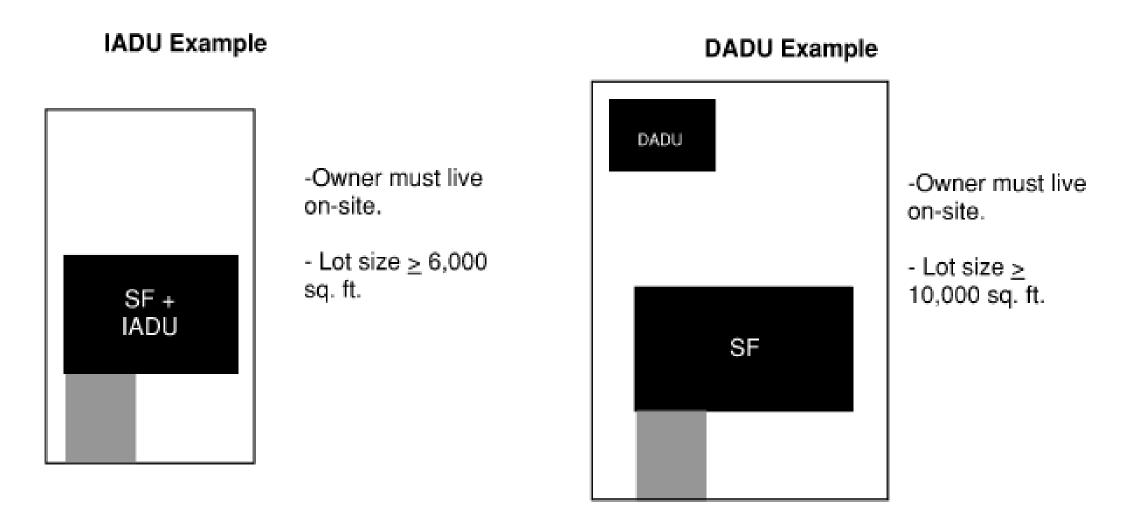
Presenter: David Petersen, Community Development Director

### Definition of Words and Terms

- ADU (Accessory Dwelling Unit)
- DADU (Detached Accessory Dwelling Unit)
- IADU (Internal Accessory Dwelling Unit)

### **Existing ADU Ordinance**

**Including Recent Slight Modifications** 

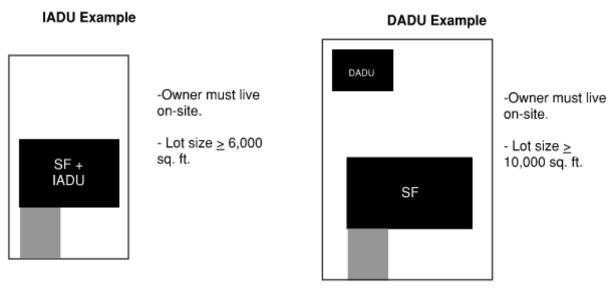


\*SF = Single-Family Dwelling

DADU Height/Coverage: Must meet underlying zone

### **Existing ADU Ordinance**

Including Recent Slight Modifications



\*SF = Single-Family Dwelling

- <u>Number</u>: One ADU per single family home
- <u>Parking</u>: One for the ADU and two for the single family home
- <u>Size</u>: A DADU shall be equal to or subordinate to the footprint and an IADU to the floor area of the SF dwelling.
- <u>Foundation</u>: Secured to a permanent concrete foundation
- Occupants: One family.
- <u>Temporary Absentee Ownership</u>.
- Notice of ADU.

## Housing Affordability In Farmington City

- For Sale Townhomes = \$500K +
- Freestanding Homes = \$750K +
- New Construction Homes = \$1M+
- Average household income = \$130,000 (Census)
- \$165,000 needed to purchase a home value of \$500K

## Is a "For Sale" DADU Possible ?

• January 2024 – Introduction to Planning Commission

• February 2024 – City Council discussion

## Timeline

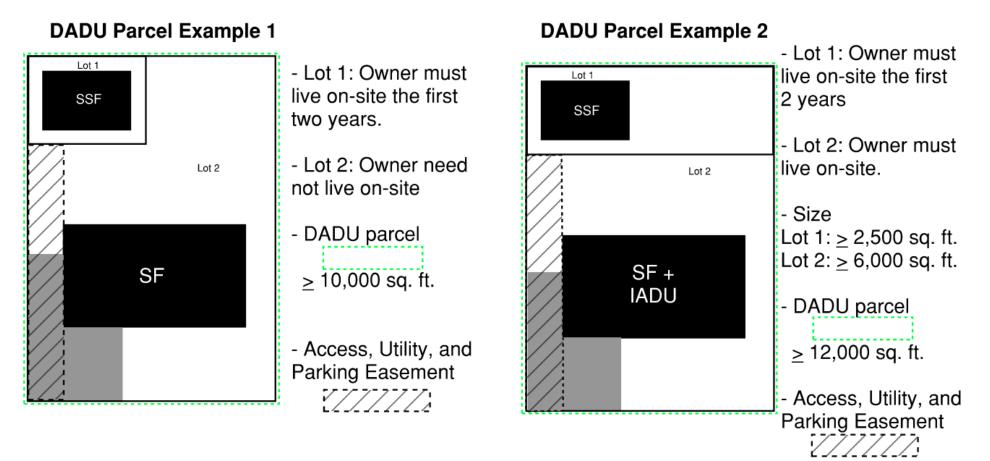
- January 2024 Introduction to Planning Commission
- February 2024 City Council discussion
- May 2024 Working Committee meetings begin
- July 2024 Planning Commission recommendation
- July 2024 City Council approval

# Working Committee Participants

- Planning Commission:
  - Commission Chair
  - Retired attorney
  - Realtor
- City Council:
  - Property Owner
  - PhD Urban Planning and Economics
- Consultants:
  - Lender
  - Appraiser
  - Realtor
  - Loan officer

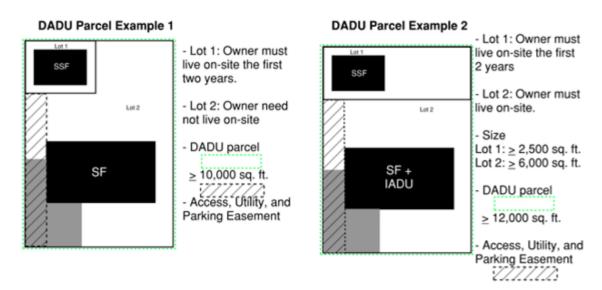
### **DADU Ownership Alternatives**

**Recently Adopted** 



### **DADU** Ownership Alternatives

**Recently Adopted** 



- <u>DADU Parcel</u>: A defined area of ground which contains only two lots, each with a dwelling, and which, if combined together as one lot, including the structures thereon, meets the building lot, building placement, building height, parking standards, and other requirements of the underlying zone.
- <u>SSF</u>: A Subordinate Single-Family dwelling (SSF) is a DADU held in separate ownership from owner of the single-family dwelling, which ownership includes land separate from the DADU.
- <u>Separate Utilities Required for the SSF</u>
- <u>Certificate of Occupancy</u>: A property owner, or the City, shall not record a subdivision to enable an SSF until the City has issued a certificate of occupancy for the SSF.

## Background – Why For Sale DADUs ?

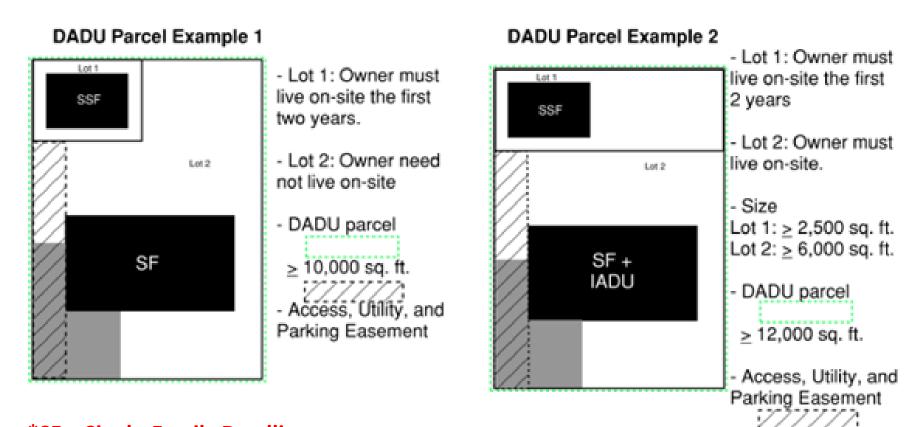
- Renting is not affordable eliminating the ability to save for a down payment
- Renting does not enable the creation of equity
- Developers build similar homes and then tend to sell to homogeneous buyers causing neighborhoods to age and die
- Families are getting smaller; single person and single parent households are more frequent
- Housing not affordable in Farmington
- "Drive to own" is getting more difficult with traffic congestion
- Children are being forced to move-away

### **Detached Ownership Options**

- Land lease, but ownership of building.
- <u>"Condo"</u>
- Ownership of building and land

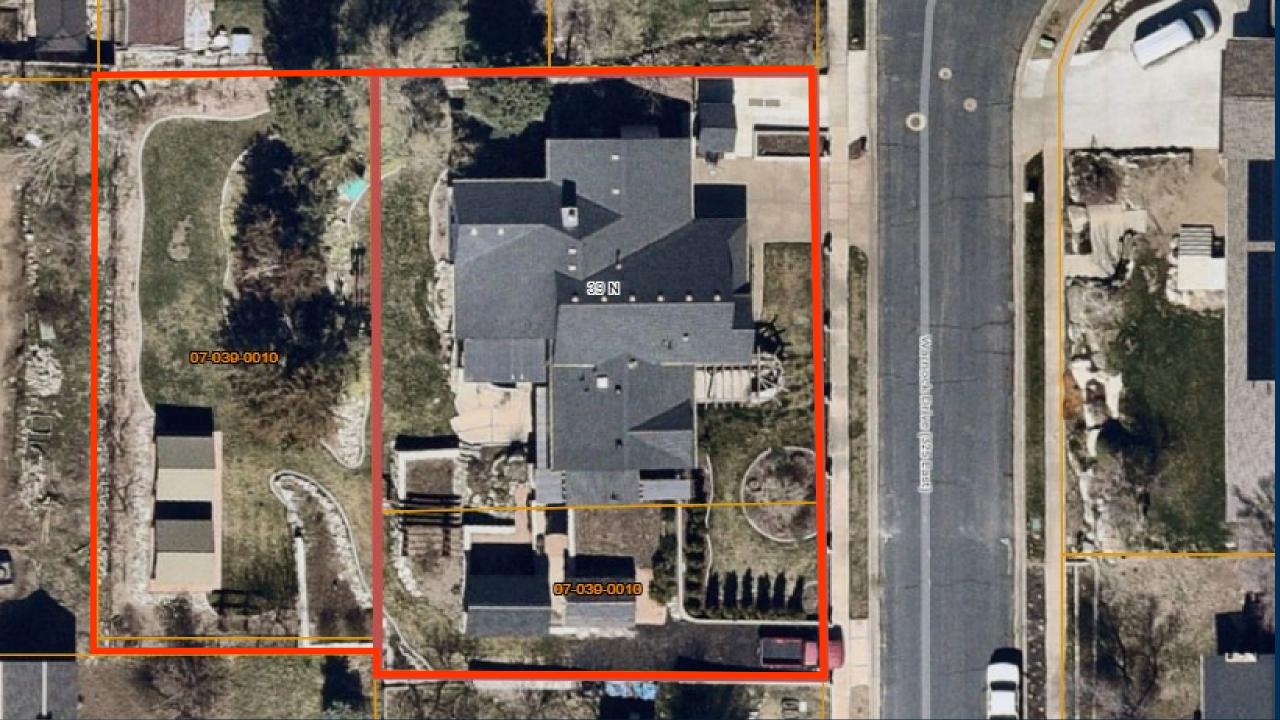
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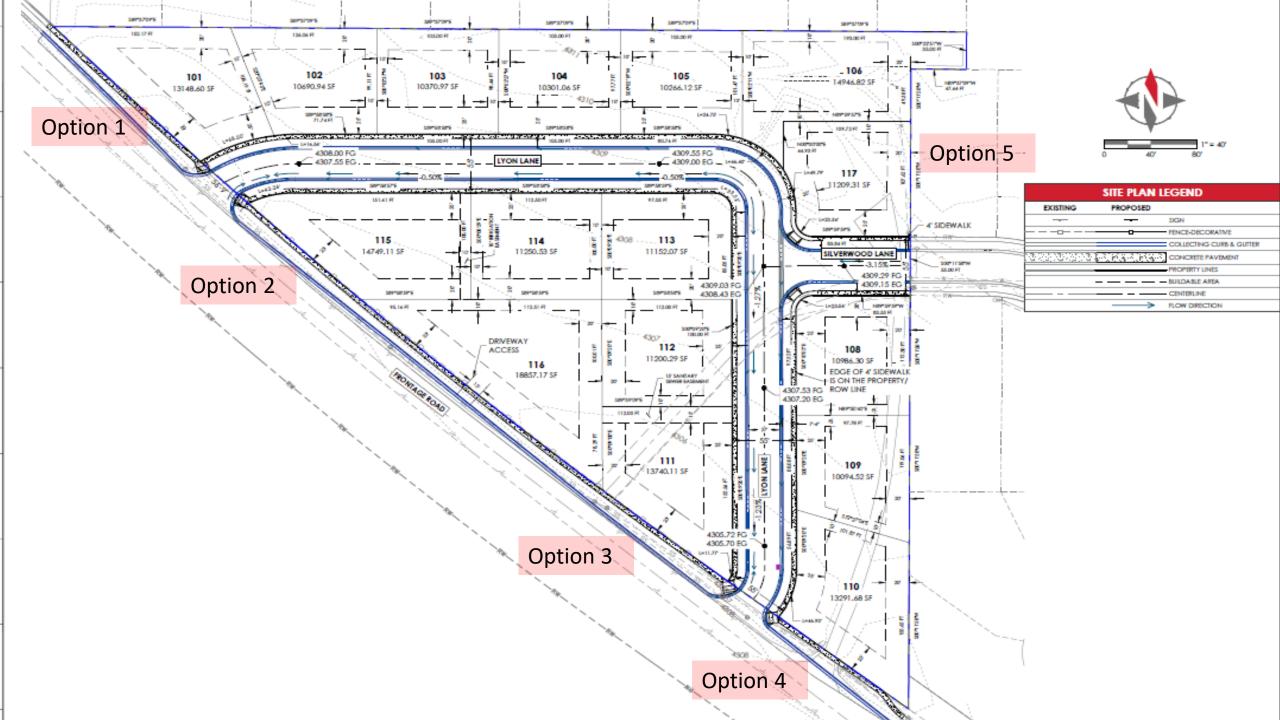
## DADU Examples









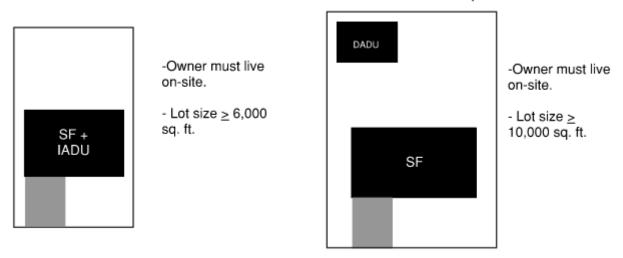


### 9/11/2024

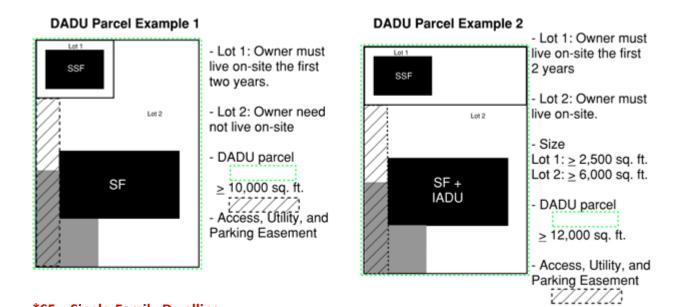


#### IADU Example

#### DADU Example



\*SF = Single-Family Dwelling



## Benefits of DADU Ownership

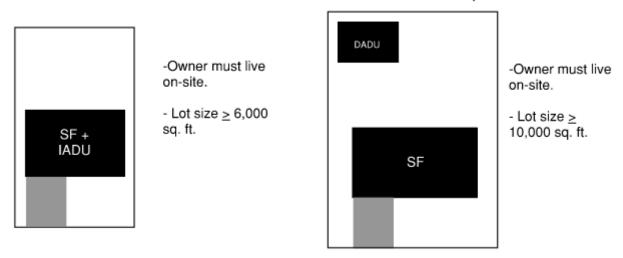
- Housing affordability
- Demographic diversity
- Age in-place
- Reduce fear of overbuilding for neighborhood with ADU's
- Downsize in familiar neighborhood
- Discourages "flippers" by requiring 3-year ownership
- Eliminates large lot non-maintenance

# Downside of DADU Ownership

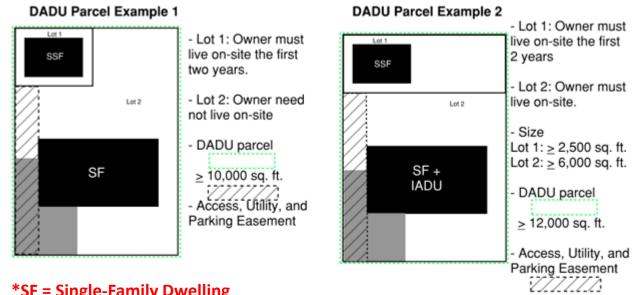
- Architectural compatibility with neighborhood
- Neighbor impact
- Parking
- "Pick your neighbors"

#### IADU Example

#### DADU Example



\*SF = Single-Family Dwelling



## Benefits of a DADU Rental

- Income source
- 1:1 ratio of owner to tenant
- No absentee landlord
- On-site maintenance arrangement



#### FARMINGTON CITY, UTAH ORDINANCE NO. 2024 -

#### AN ORDINANCE AMENDING SECTONS 11-2-020, 11-28-200, 11-10-040, 11-11-060, 11-11-070, 11-13-050, 11-13-060, 11-17-050, and 11-32-060 OF THE ZONING <u>ORDINANCE</u> RELATED TO ADUS. (ZT-8-24)

WHEREAS, the Planning Commission held public hearings in which the text changes proposed to the Zoning Ordinance were thoroughly reviewed and has recommended that this ordinance be approved by the City Council; and

WHEREAS, the Farmington City Council has also held a public meeting pursuant to notice and deems it to be in the best interest of the health, safety, and general welfare of the citizens of Farmington to make the changes proposed;

### NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF FARMINGTON CITY, STATE OF UTAH:

Section 1. Amendment. Sections 11-2-020, 11-28-200, 11-10-040, 11-11-060, 11-11-070, 11-13-050, 11-13-060, 11-17-050, and 11-32-060 of the Farmington City Zoning Ordinance are amended or enacted in their entirety as set forth in Exhibit "A" attached hereto and by the reference made a part hereof.

Section 2. Sunset. This ordinance shall sunset and code language shall revert to its pre-amendment text on July 16, 2027, unless extended by resolution by the City Council. This section shall not be applied to deny land use applications filed before the date of reversion.

**Section 3.** Severability. If any provision of this ordinance is declared invalid by a court of competent jurisdiction, the remainder shall not be affected thereby.

Section 4. Effective Date. This ordinance shall take effect immediately upon publication or posting or 30 days after passage by the City Council, whichever comes first.

PASSED AND ADOPTED by the City Council of Farmington City, State of Utah, on this 16<sup>th</sup> day of July, 2024.

#### FARMINGTON CITY

#### ATTEST:

Brett Anderson, Mayor

DeAnn Carlile, City Recorder

### Questions or Comments?

9/11/2024

## Thank You