



AGENDA

Lake Park Town Commission
Town of Lake Park, Florida
Accessory Dwelling Units
Workshop

Wednesday, December 16, 2020, 6:00 P.M.
Commission Chamber, Lake Park Town Hall
535 Park Avenue

Michael O'Rourke	—	Mayor
Kimberly Glas-Castro	—	Vice-Mayor
Erin T. Flaherty	—	Commissioner
John Linden	—	Commissioner
Roger Michaud	—	Commissioner
<hr style="border-top: 1px dashed black;"/>		
John O. D'Agostino	—	Town Manager
Thomas J. Baird, Esq.	—	Town Attorney
Vivian Mendez, MMC	—	Town Clerk

PLEASE TAKE NOTICE AND BE ADVISED, that if any interested person desires to appeal any decision of the Town Commission, with respect to any matter considered at this meeting, such interested person will need a record of the proceedings, and for such purpose, may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. *Persons with disabilities requiring accommodations in order to participate in the meeting should contact the Town Clerk's office by calling 881-3311 at least 48 hours in advance to request accommodations.*

- A. **CALL TO ORDER/ROLL CALL**
- B. **PLEDGE OF ALLEGIANCE**
- C. **SPECIAL PRESENTATION/REPORTS:**
 - 1. Accessory Dwelling Units
- D. **TOWN ATTORNEY, TOWN MANAGER, TOWN COMMISSION COMMENTS:**
- E. **PUBLIC COMMENT:**

This time is provided for addressing items that do not appear on the Agenda. Please complete a comment card and provide it to the Town Clerk so speakers may be announced. Please remember comments are limited to a TOTAL of three minutes.
- F. **ADJOURNMENT:**

Special Presentations /Reports

TAB 1



Town of Lake Park Town Commission

Agenda Request Form

Meeting Date: December 16, 2020

Agenda Item No. _____

Agenda Title: WORKSHOP ON ACCESSORY DWELLING UNITS

- SPECIAL PRESENTATION/REPORTS
- BOARD APPOINTMENT
- PUBLIC HEARING
- NEW BUSINESS
- OTHER: _____
- CONSENT AGENDA
- OLD BUSINESS
- ORDINANCE ON FIRST READING

Approved by Town Manager

Date:

12/9/2020

Anders Viane/Town Planner

Originating Department: <p style="text-align: center;">Community Development</p>	Costs: \$ 0.00 Funding Source: Acct. # <input type="checkbox"/> Finance _____	Attachments: <ul style="list-style-type: none"> • PowerPoint Presentation
Advertised: Date: _____ Paper: _____ <input checked="" type="checkbox"/> Not Required	All parties that have an interest in this agenda item must be notified of meeting date and time. The following box must be filled out to be on agenda.	Yes I have notified everyone _____ OR Not applicable in this case <input checked="" type="checkbox"/> AV Please initial one.

Summary Explanation/Background:

At a prior meeting, the Town Commission requested the ability to revisit Accessory Dwelling Units in a workshop setting so that Staff can reintroduce the concept and the Commission can have an opportunity to discuss and determine what the most appropriate next steps might be. This workshop is open to the public, but it is primarily for the benefit of the Commission per the request. A future public workshop with adequate noticing will be scheduled at a later time if this is determined to be the desire of the Commission after tonight's workshop.

HISTORY & GENERAL INTRODUCTION

Accessory Dwelling Units (ADUs) are secondary residences on single-family parcels, either in the form of an apartment within the primary structure or a standalone secondary structure on the same lot. Sometimes called mother-in-law cottages or in-law apartments, they typically serve as living quarters for an owner's extended family or a rental unit for a close friend. Where implemented, ADUs provide a variety of benefits to both private citizens and the community as a whole. They create affordable rentals since their construction can usually be financed while drawing a rent that's below the market average. They facilitate multigenerational, flexible living arrangements by providing extra living space for people with extended families. Finally, they promote environmental sustainability through refreshing the housing stock and urban infill. A living part of Lake Park's history, the Town currently has approximately 54 existing nonconforming ADUs. Legalizing ADUs would not only serve to secure the investments of existing ADU owners for years to come, but also embrace the local charm, innovate planning, and unique character that makes Lake Park so special.

On November 20, 2019, Community Development Department staff presented their initial ADU research to the Town Commission at a special presentation. Following this meeting, staff was instructed to conduct a public outreach workshop, which was held on February 19, 2020. This event elicited substantial public interest. At the meeting, the townspeople and Town Commission asked questions, voiced concerns on a variety of topics and provided their feedback on the ADU concept. At the time, staff intended to conduct a final workshop to refine their proposals to better address identified concerns relating to parking, nuisances, and congestion. However, due to the COVID-19 pandemic, this workshop was postponed.

By October 2020, the Town Manager requested that staff resume working on the ADU initiative with the intent of presenting to the Commission in December. The Town Commission discussed the possibility of this presentation and determined it was best to hold a workshop for the Commission since quite some time has passed. Given the intervening months, staff prepared a new presentation designed to serve as a reintroduction to the ADU concept, highlighting best practices and what ADUs can offer Lake Park.

Following this direction, staff has reviewed Town demographic data, property sales data, existing ADU data, and a variety of case studies to identify the key benefits of ADUs – affordability, flexibility, and sustainability – and how these principles might apply to Lake Park. With careful consideration given to existing conditions, citizen concerns, and future trends, staff has assembled a set of recommendations for implementing ADUs in the single-family districts that is designed to promote the benefits they create while still protecting the health, safety, and welfare of the surrounding neighborhoods with commonsense zoning controls.

PowerPoint presentation of what will be presented to the Town Commission is enclosed.

RECOMMENDED MOTION: N/A. For discussion and possible direction.

A Brief Introduction to Accessory Dwelling Units

Anders Viane, Planner – Community Development Department

Introduction

- This is a follow-up informational session to the workshops held on November 20, 2018 and February 19, 2019.
- Staff's goal is to provide a refresher on what ADUs are and what they can do for the Town of Lake Park.
- We will look at ADU facts, case studies, and best practices before finally providing our recommendations for how we envision ADUs working in Lake Park.

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Agenda

- What are ADUs?
- When were they popular?
- Where have they been proved?
- What's the consensus on impacts?
- Why ADUs?
 - Affordability
 - Flexibility
 - Sustainability
- How can the ADU concept be implemented?
 - Best practices
- Final pros and cons

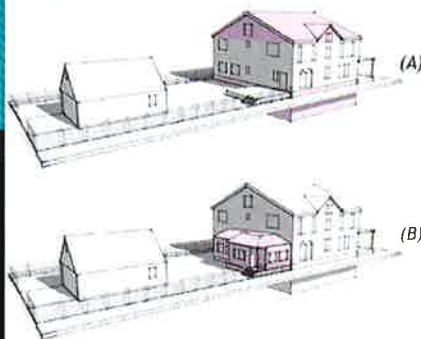


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What's an ADU?

- Accessory dwelling units (ADUs) are secondary dwellings on single-family parcels
- Florida State Statute 163.31771 defines ADUs as "an ancillary or secondary living unit that has a separate kitchen, bathroom, and sleeping area existing either within the same structure, or the same lot, as the primary dwelling unit."
- ADUs can be either attached, internal to the primary dwelling or detached (standalone).

1. Attached Accessory Dwelling Unit (ADU)



2. Detached Accessory Dwelling Unit (ADU)



- Typical ADU characteristics:
- Smaller massing than the primary home
 - Backyard location
 - Matching aesthetics with the primary home
 - Average 1-2 person occupancy

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Source: City of Boulder, CO - Planning and Development Services (2020)

When were ADUs popular?

Existing ADU Locations in Lake Park



Legend

ADU Locations



Source: Town of Lake Park Community Development (2020)

- In Lake Park and elsewhere, ADUs seem to have flourished mostly before widespread zoning regulation.
- There are approximately 54 ADUs in Lake Park, all but one built before when the Town's Zoning Code was adopted in 1970.
- Most Lake Park ADUs were constructed in the 1920s or the 1950s, times of population growth for the Town.

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When were ADUs popular?

144 Park Avenue



Primary Home: 1922

ADU: 1935

505 Forestella Drive



Primary Home: 1945

ADU: 1951

500 Evergreen Drive



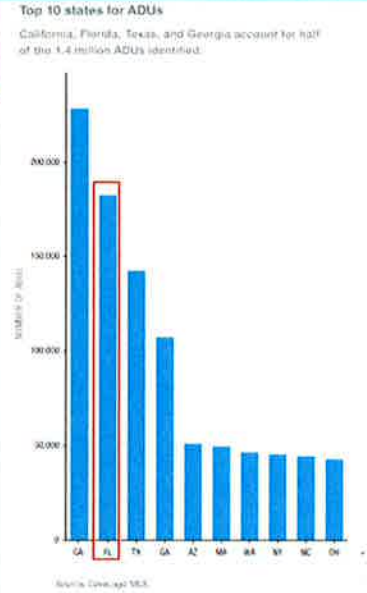
Primary Home: 1925

ADU: 1930

- ADUs have historically served as a natural outlet for growth in Lake Park and throughout the country.

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Where else have ADUs been tried?



- Half of the nation's 1.4 million ADUs are located in California, Florida, and Texas – the nation's three most populous states.
- Most of the new ADU growth has been occurring in those states as well.
- The West Palm Beach-Boca Raton-Boynton Beach Metro area ranked 12th in the top 25 metros experiencing ADU growth.

Top 25 metropolitan areas with the fastest growth in ADUs entering the MLS market for the first time, 2015-18

METROPOLITAN AREA (CITIES & STATES)	REGION	AVERAGE GROWTH (% YTD)
Portland-Vancouver-Hillsboro, OR-WA	West	22.3
Dallas-Ft. Worth, TX	South	18.8
Seattle-Bellevue-Redmond, WA	West	17.5
Los Angeles-Long Beach-Glendale, CA	West	14.8
Miami-Miami Beach-Kendall, FL	South	14.6
Chicago-Naperville-Evanston, IL	Midwest	13.7
Austin-Round Rock-Georgetown, TX	South	13.6
Orlando-Kissimmee-Sanford, FL	South	12
Virginia Beach-Norfolk-Newsport-News, VA-NC	South	10.6
Fort Worth-Arlington-Grapevine, TX	South	10.6
Atlanta-Sandy Springs-Alpharetta, GA	South	9.7
West Palm Beach-Boca Raton-Boynton Beach, FL	South	7.8

Source: Freddie Mac, Economic & Housing Research Group (2020)

Where else have ADUs been tried?

- West Palm Beach permits "garage apartments" in their SF-14 Single Family High Density District, has approximately 1,200 existing nonconforming ADUs in historic districts, and is also exploring deregulating ADUs.
- ADUs have been legalized in the form of "guest cottages" for family only in Delray Beach since 1994.
- Stuart currently has provisions for accessory dwelling units and their commission has asked staff to investigate deregulating rental restrictions to promote their growth.
- Palm Bay legalized ADUs in 2020 and may also consider further ADU deregulation.

What's the consensus on ADU impacts?

- In a 2017 Urban Land Institute survey of 1,837 Portland, Vancouver, and Seattle ADU owners,
 - 46% reported renting to close friends
 - 17% reported letting family stay for free
 - 12% reported renting to family
 - 58% rented at below-market rates
 - 57% rented to one occupant
 - 36% rented to two occupants
 - Only 7% rented to more than two occupants
- A 2013 survey by Portland Department of Environmental Quality found 80% of ADUs served as long-term housing.

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What's the consensus on ADU impacts?

- We surveyed planning staffs at small, medium, and large metros where ADUs have been legalized on the impacts ADUs have had on their communities.
- Delray Beach, FL; Palm Bay, FL; West Palm Beach, FL, and Stuart, FL have not reported major issues with their ADU ordinances.
- In fact, Stuart and WPB are exploring further deregulating ADUs to promote their growth. This is has also been in the trend in large metros with ADUs like Vancouver and Seattle.
- In Lake Park to date ADUs have **NOT**:
 - Been used exclusively for rental (only 33 of 54 existing ADUs maintain rental BTRs)
 - Generated significant additional traffic (estimated 10 trips per day per unit based on the ITE Trip Generation Manual)
 - Worsened on-street parking issues, generated a disproportionate number of code violations or naissances relative to an average single-family home (per code compliance officer field observation)

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Why ADUs in Lake Park?

○ **Affordability** – for current owners, new buyers, and renters



○ **Flexibility** – for multigenerational households, parents and young adults

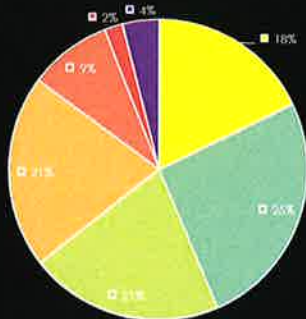


○ **Sustainability** – for community health and the environment

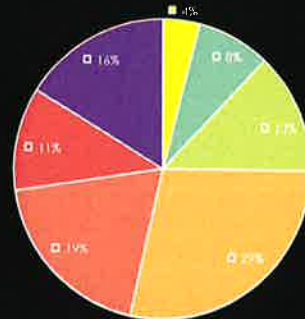


On Affordability – National Trends

Distribution of National Home Contract Values in 2002



Distribution of National Home Contract Values in 2018



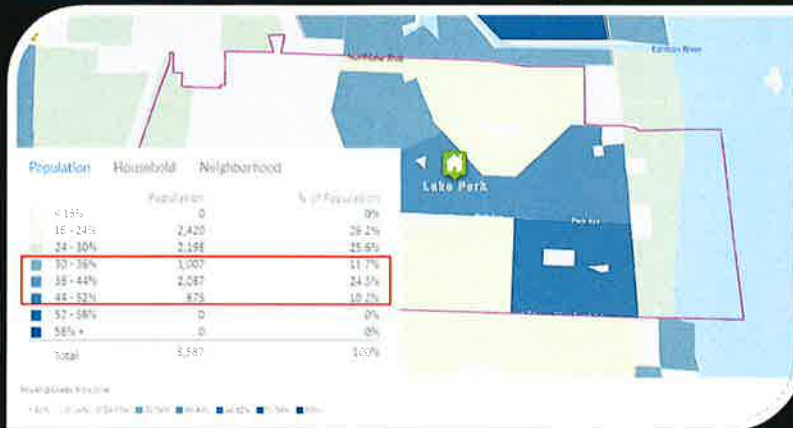
■ Under \$100k ■ \$100k to \$149.9 ■ \$150 to \$199.9 ■ \$200 to \$299.9
 ■ \$300 to \$399.9 ■ \$400 to \$499.9 ■ Over \$500k

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 ■ \$300 to \$399.9 ■ \$400 to \$499.9 ■ Over \$500k

Source: United States Census Bureau (2018)

Affordability – Lake Park Overview

PBC 2010: 1,320,135 → 2020: 1,496,770 LP 2010: 8,055 → 2020: 8,556



Source: Housing and Transportation Index (2020)

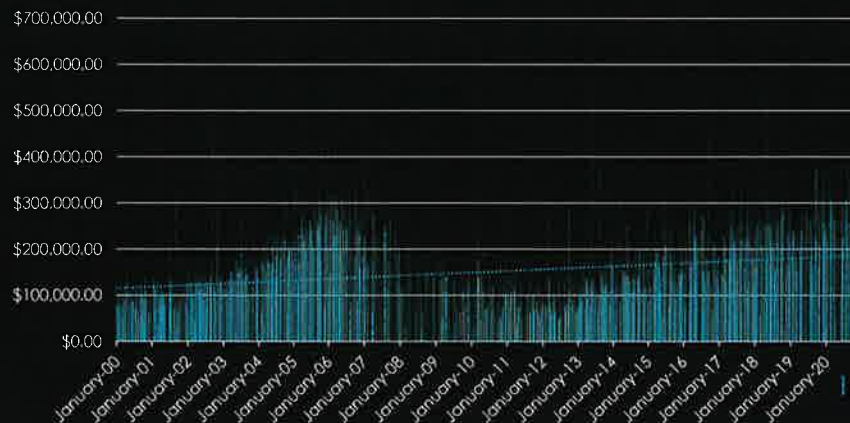
- Demographic change puts pressure on the supply-and-demand relationship of our housing market, impacting renters and owners.
- If you spend more than 30% of your income on housing, you are cost burdened.
- At the HUD standard, an owner making Lake Park's median income of \$53,659 could mortgage \$241,455 over 15 years.

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On Affordability – Sales Data

Lake Park Single-Family Sales Prices

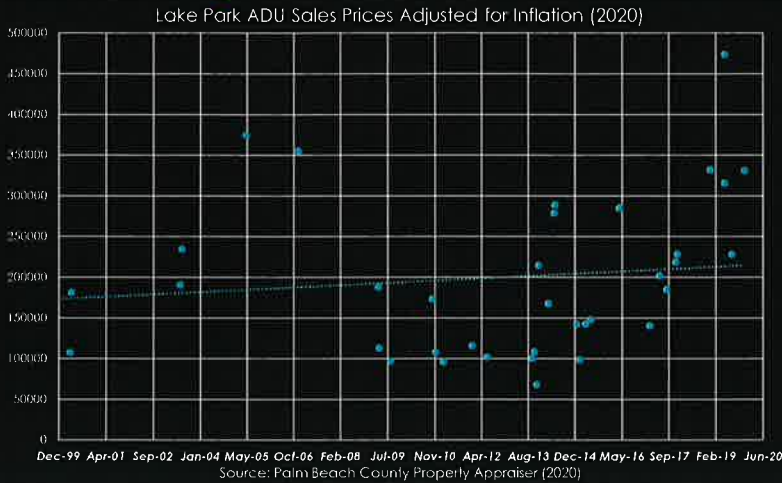
- What can be comfortably mortgaged and housing prices may be diverging.
- In 2000, the average Lake Park home price was \$132,340 (adjusted for inflation).
- In 2020, the average Lake Park home price was \$256,586.
- In 2020, the average PBC sale price was \$431,293.



Source: Palm Beach County Property Appraiser (2020)

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On Affordability – ADU Resale Value



- Over the last five years, Lake Park ADU resale values ranged from \$129,600 to \$465,000.
- The average resale value of a Lake Park ADU has been \$196,759, adjusted for inflation.
- ADUs don't appear to significantly increase resale price, though their valuations are trending higher since the mid 2010s.

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On Affordability – Financing Construction

- In 2014, the Oregon Department of Environmental Quality found detached ADU construction cost nearly 1/3 of the price of a traditional dwelling, with attached ADUs costing even less.
- According to the International Code Council's Building Valuation Data for February 2019, the average cost per square foot for new single-family construction ranges between \$122.46 and \$130.04.
- Presuming the higher cost and an ADU of 1,000 SF, the projected hard costs (construction costs) would be approximately \$130,040 and soft costs (permitting, engineering, fees) would likely be approximately \$25,000.
- This new construction would be cheaper than many resale housing options, bolstering the rapidly shrinking market segment for homes at or under \$150,000.

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On Affordability – Rental Market Implications

- The rental income ADUs can generate could help facilitate purchases. Many lenders will count a rental contract or letter of intent toward a buyer's total income, helping secure mortgages that might not otherwise be attainable.
- At a total construction cost of \$150,000, a Lake Park homeowner could cover their ADU construction costs while drawing a rent of only \$833 per month, far below Town and County market averages.
- The (2014-2018) Lake Park Monthly Median Rent is \$1,123 (US Census Bureau, 2018).
- The (2014-2018) Palm Beach County Monthly Median Rent is \$1,320 (US Census Bureau, 2018).
- Case studies suggest ADUs are usually rented to close friends or the family of the owner. Rather than bringing strangers into the community, ADUs will most likely bring families closer together.

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On Flexibility- Lake Park Data

- Lake Park has more extended families and persons per household than the PBC Average.
- The average owner-occupied household size in Lake Park was 3.45 and for renter-occupied houses it was 3.08.
- In Lake Park in 2018, 297 grandparents lived with their grandchildren under 18 years old. Of those grandparents, 24.2 percent were responsible for the basic needs of their grandchildren.

Palm Beach County Household Types 2014-2018	Percentage	Lake Park Household Types 2014-2018	Percentage
Married-couple families	46.2	Married-couple families	39.5
Other families	16.1	Other families	21.6
People living alone	31.0	People living alone	29.4
Other nonfamily households	6.7	Other nonfamily households	9.5
Persons per household	2.60	Persons per household	3.25

Source: United States Census Bureau (2018)

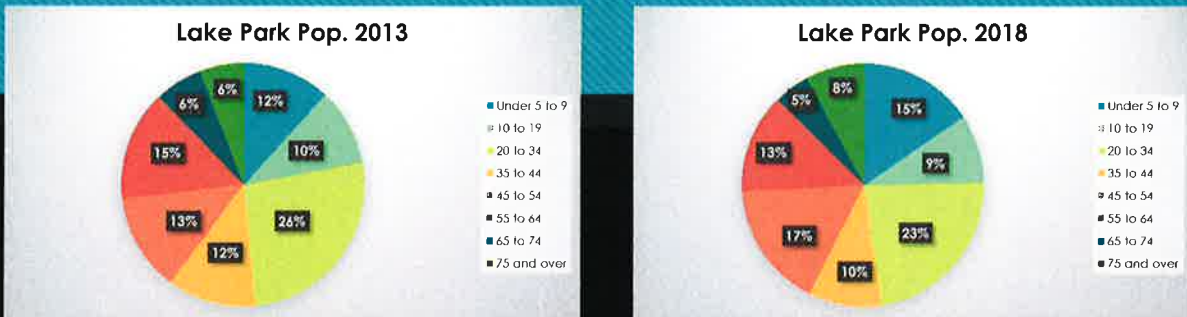
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On Flexibility – Multigenerational Families

- ADUs can facilitate flexible living arrangements for Lake Park’s extended and multigenerational households.
- Interestingly, the population cohort that experienced the most growth since 2013 is the 45 to 54 demographic, growing by 4%.
- Equally as likely to have aging parents as young adult children, ADUs would allow middle-aged people to keep family close, a desirable option especially in the wake of the economic hardships caused by COVID-19.

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On Sustainability – Community Health



Source: United States Census Bureau (2018)

- ADUs would play a key role in bolstering the growth of the 20-34 demographic by creating new affordable rental options in Lake Park.
- Despite shrinking slightly over the last 5 years, Lake Park’s single largest age demographic cohort is now 20-34 at 23% of the total population. ADUs would likely attract more young residents to the Town.
- Additionally, legalizing ADUs would serve to secure the investments of those who own existing nonconforming ADUs that otherwise cannot be rebuilt if significantly damaged or destroyed.

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On Sustainability – Environmental Health

- ADUs promote sustainability by refreshing the housing stock and consolidating new development on existing parcels rather than greenfields.
- The average age of a Lake Park house is 60! New ADUs, equipped with new technologies and built to today's standards reduce energy consumption and may "refresh" older homes, giving them a unique asset to boost resale value.
- Additionally, the rental income an ADU may generate could be reinvested into improvements into the main home.
- ADUs are consistent with Comp Plan GOP 3.4.2, Policy 1.1 i and j. and Comp Plan GOP 5.5.2 Obj. 3.

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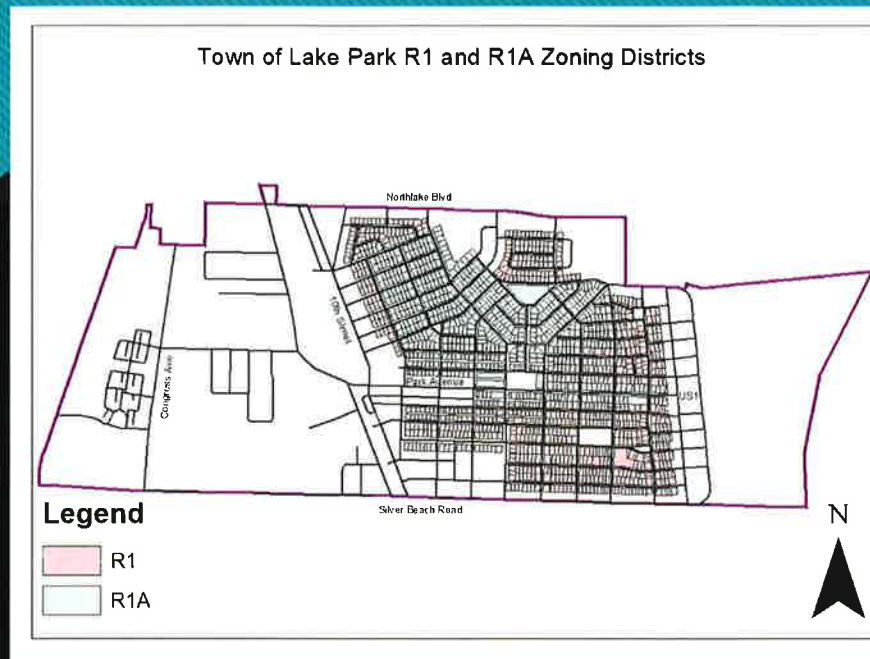
How to ADU (Best Practices)

- Throughout the US, every municipality has its own approach to ADUs that's tailored to the built environment and needs of its citizens.
- What is desirable in an ADU ordinance depends on the conditions you are seeking to create.
- In assembling these best practices, staff has researched ADUs in a dozen municipalities from coast to coast and selected for those standards we feel would fit best in Lake Park.
- ★ Our favorite concepts are highlighted at the bottom of each slide with a star!

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Districts

- ADUs are a retrofit that's specific to single-family districts.
- Some jurisdictions allow them in office and commercial districts!
- ★ Allow ADUs in our two single-family zones: R1 and R1A.



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Density

- From my survey of municipalities with ADU provisions, most tend toward excluding the ADUs from the density calculation.
- Including ADUs in the density calculation may have the effect of excluding some homeowners from building an ADU.
- ★ **Staff Recommendation:** Exclude accessory dwelling units from the density calculation. This provides the greatest flexibility to residents and ensures no situations where residents are denied a zoning entitlement. Furthermore, we recommend limiting the number of ADUs in the zoning code, allowing one per parcel for a total of two units, including the primary dwelling.

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Minimum Lot Size

- Most, though not all, municipalities stipulate a minimum lot size. Among those cities surveyed, this figure ranged from 5,000 SF to 10,000 SF.
- In Lake Park, the smallest legally conforming lot is 7,500 SF for an interior parcel and 10,000 SF for a corner lot. According to data from the Palm Beach County Property Appraiser, which takes into account 1,213 single family homes within the Town, only 86 are below the minimum lot size.
- The average lot size is 10,495 SF.
- ★ Staff Recommendation: Allow all parcels meeting the minimum legal lot size be eligible for an accessory dwelling structure, provided they do not exceed the maximum building coverage in their district. This entitles the overwhelming majority of homes to an ADU while not creating inconsistency in our zoning code.

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Building Coverage

- All municipalities stipulate maximum lot coverage for ADUs.
- Best practices generally dictate that ADU coverage is entitled based on a maximum area rather than a percentage, as the latter can adversely impact small dwellings, of which LP has many.
- In order to determine a maximum allowable ADU area that works within these existing constraints, Town staff performed case study calculations to determine how a maximum ADU area of 1000 SF would work on different lots, including those of substandard area, minimal legal area, average area, and above-average area.
- The results showed that a maximum of 1000 SF would be viable on all the studied lots, save for the substandard one.
- ★ Staff Recommendation: Set a maximum ADU coverage of 1000 SF so long as it doesn't exceed the maximum built coverage on the lot. This is the existing mechanism for regulating accessory structures and currently works very well.

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Setbacks

- In general, ADU setback regulations seem to observe whatever the existing setback standards are for the residential districts where they are implemented throughout the country.
- The Town's existing setbacks promote harmony between structures and are unlikely to inhibit ADU development based on case studies.
- ★ Staff Recommendation: Apply the existing setback standards to accessory structures in the R1 and R1A districts. Additionally, staff proposes an accessory dwelling structure be set back at least 10 feet from the primary structure, per the Florida Building Code.

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Parking

- Attitudes toward parking vary with municipalities' permissiveness toward ADUs. For those that are trying to maximize the number that are built, such as Portland, OR, the parking requirement is waived. In smaller communities, like Lexington, MA, one off-street parking space is required for every ADU.
- ADUs will not generate significant additional traffic. Based on the Institute of Traffic Engineers' Trip Generation Manual, it is estimated that ADUs would generate no more than 10 trips per day per unit.
- ★ Staff Recommendation: Require every accessory dwelling unit to either demonstrate the ability to accommodate parking on site using existing driveway area or provide a new space per 78-142-1 (1) and 78-142 (c)(9)c.1. No grass parking and no exceptions!

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Architectural Standards

- Many municipalities specify architectural design standards, but some – in the interest of promoting ADUs – do not.
- Architectural design standards are a commonsense inclusion for any ADU ordinance and Lake Park's bare minimum standards should not serve to hinder ADU development.
- ★ Staff Recommendation: Have accessory dwelling units conform to the preexisting standards for accessory structures generally, which requires they be harmonious and compatible with the primary dwelling in features such as color, height, and materials. Prefabricated buildings would not be excluded by this ordinance, but would have to meet these standards.

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Occupancy and Renting Practices

- Occupancy and renting practices vary among municipalities, but a few reoccurring themes are as follows:
 - Allow for rental or family occupancy.
 - Allow owners to occupy the primary or secondary dwelling.
 - Permitting provisions often tie the issuance of a CO to the completion of a business tax receipt for rental. Most municipalities also require an ADU be occupied by no more than the maximum number of people allowed to occupy a primary dwelling, though some require less.

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Occupancy and Renting Practices

- ★ Staff Recommendations: allow for owner occupancy of either the primary or secondary unit.
- ★ Allow for rental and family occupancy.
- ★ No ADU lot may be replatted and sold off.
- ★ If any of these conditions are violated, occupancy of the ADU must cease immediately or the Town shall place fines and – in the case of continued noncompliance – a lien against the property.

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Approval Process

- ADUs are often permitted without the need for a public hearing though some jurisdictions require the special exception or conditional use process.
- Special exception has the benefit of allowing for more scrutiny on ADU development, but may also discourage homeowners from building ADUs.
- Portland has found waiving fees as a great boon to ADU development.
- ★ Staff Recommendation: Staff proposes ADUs be an administrative approval item. If we craft the ordinance right, the Town should be confident that the necessary provisions are already in place.

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Pros and Cons Summary

Pros

- Bring families together
- Refresh the housing stock
- May increase property values
- Create affordable rental options for renters
- Create revenue for owners
- Create a unique entitlement in Lake Park

Cons

- May increase property values
- May marginally increase traffic
- May bring strangers into the community (studies suggest otherwise)
- May create on-street parking issues (Can be mitigated)

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Town Commission Open Discussion

Thank you for your time!

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