Accessory dwelling units (ADUs) are defined by the Municipal Research and Services Center of Washington as “a separate additional living unit, including separate kitchen, sleeping, and bathroom facilities, attached or detached from the primary residential unit, on a single-family lot.” These units are often considered a tool to address rising housing costs by providing more compact housing options for renters. While the concept of multiple units in one structure or on one lot is not new, market pressures across the country are pushing municipalities to consider altering their zoning codes to allow new ADU development “by right.” This report aims to address the conditions pertaining to ADU development in the City of Milwaukee, including zoning code changes, form-based code, zoning change implementation, and ADU financing.

The current City of Milwaukee Zoning Code does not reference the term “accessory dwelling unit” explicitly. In some instances, an additional unit may be added within a primary structure (e.g. converting a single-family residence to a duplex), but detached ADUs are prohibited per a 2002 zoning change disallowing multiple primary structures on one lot. In order to allow ADU development by right, the City would need to alter its zoning code to define additional dwelling units, include ADUs as an allowable use, and update design standards to reflect desired ADU development. The following sections suggest zoning code changes that reflect the historical development of ADU-type housing units already present in Milwaukee, ADU-related zoning code changes made by peer cities, and recommendations from city staff. To ensure the desired development outcomes of any zoning changes, a pilot zoning change option is detailed as a precursor to a city-wide zoning code update.

As an alternative to amending the existing code format to allow for ADU development, this report offers a form-based code solution. Form-based code is used in many cities to supplement traditional zoning codes related to the regulation of ADUs specifically. Because ADUs are often built by homeowners without experience in the traditional development process, the diagrammatic nature of the form-based code style offers a more accessible ADU development process. In addition to the advantages of the code format, form-based code addresses a commonly cited public concern relating to the alteration of neighborhood character. Many peer cities are including ADU development in a larger effort to update and modernize zoning regulations, particularly as they relate to urban form and density.

New accessory dwelling units are a relatively new phenomenon in housing infill development, and traditional financing tools may not be available for use in their construction. Despite the national conversation linking ADUs to affordable housing, a majority of ADUs built are not explicitly affordable. Many are built by homeowners for their personal use or for family members. However, homeowners in Milwaukee may find that lenders do not offer adequate loan products to finance an ADU project. If the City of Milwaukee is interested in incentivizing ADU development, some peer cities have pursued public loans, public grants, and public-private partnerships as possible incentives. The financing section offers analysis of public incentive strategies as well as private financing options available to homeowners.
Accessory dwelling units are a growing form of housing across the country and may prove to be a useful tool for the City of Milwaukee to consider utilizing. This report in meant to serve as resource for the City of Milwaukee when considering a zoning code update to include accessory dwelling units. The information provided here is not necessarily exhaustive, as there are many nuances to municipal regulations and the resulting development patterns; however, the information presented here is based on the experience of many peer cities along with City of Milwaukee’s own staff. While there are likely challenges that are not addressed here, this report provides the knowledge necessary to understand the basic components of ADU development in Milwaukee and the changes that would be required in the zoning code to allow their future development.
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The modern concept of accessory dwelling units dates back to around the 1970s. On a limited basis, cities began allowing accessory units to be built in addition to primary structures, typically as an internal addition. Many of these early programs did not produce the desired development and were ended soon after. Beginning in the 1990s, ADUs became a tool for cities to use in pursuit of urban infill. Market pressures in rapidly growing housing markets forced ADU development into the national spotlight, as cities like San Francisco, Seattle, and Portland began robust ADU implementation projects. These new accessory units are meant to promote neighborhood density and, in theory, provide a more affordable housing option.¹

Accessory dwelling units exist in many forms and fill many different housing needs. Examples from around the country indicate that ADUs can provide homeowners with additional income through rent, an opportunity to age in place by downsizing, an affordable option in hot housing markets, and an alternative housing type to large single-family homes. To simplify the exuberant number of forms and uses of ADUs, regulators have characterized them into the following ways: internal, attached, and detached.

With the resurgence of urban centers, along with growing housing costs, ADUs are becoming an increasingly popular housing choice. Cities are changing their zoning codes to allow, promote, or restrict ADU development in response to the growing trend. As Milwaukee enters the ADU conversation, the existence of historical ADU-type buildings may prove insightful as to how new ADU development should occur.

**HISTORY OF ADU-TYPE STRUCTURES**

Unlike other cities implementing ADU regulations, ADU-type structures are relatively common in Milwaukee. Beginning in the 1880s and continuing through the 1910s, Milwaukee’s newly built residential areas consisted primarily of densely arranged detached single-family houses and duplexes. During this time, additional housing was frequently added to these neighborhoods in the form of a second home built at the rear of the lot along the alleyway.

These additional housing units typically took the form of simple cottages, sometimes just a single story, but often with a partial second story. While usually smaller than the principal single-family or duplex at the front of the lot, these “back houses” or “rear cottages” often featured multiple bedrooms and square footages exceeding 1,000 square feet. They were considered large enough to comfortably house a family.

“Polish flats” were another common housing typology constructed in the late nineteenth century, named for the influx of Polish immigrants that built these houses in rapidly growing Milwaukee neighborhoods.² These units were made by lifting an existing one- or two-story cottage and building a semi-subterranean bottom floor unit. While this particular construction method is now rare, the concept is similar to a modern internal ADU that converts an existing basement to a stand-alone apartment.³

Not technically “accessory” dwelling units by current zoning code definition, these additional units have been grandfathered into continued use by classification as a second principal structure in the case of back houses, or as the lower half of a duplex in the case of Polish flats. Although their construction would be difficult or impossible under current regulations, their use remains the same as when they were originally built – to provide homeowners with rental income or additional housing for multi-generational families, with the added benefit of increasing housing density allowing for more walkable and sustainable urban areas.
NEW ADU DEVELOPMENT POTENTIAL IN MILWAUKEE

The full extent of demand for ADUs in Milwaukee is beyond the scope of this report, but based on the experience of peer cities, Milwaukee can expect relatively low levels of new ADU development regardless of any specific zoning change implementation. For example, only 92 ADUs were constructed in the three years following their allowance in Minneapolis. Because Milwaukee’s situation is substantially different from many cities that pursue ADUs as a development option, accurate future demand for ADUs is difficult to assess. Indicators of demand could include the following: aging population and high levels of owner-occupancy. The following neighborhoods—Riverwest and Historic Mitchell Street—could be primed for new ADU development due to their history of ADU-type housing structures and current demographics:

**Riverwest**

Riverwest is a primarily residential neighborhood located west of the Milwaukee River. It is noted for its racial and ethnic diversity. Rapidly rising real estate values in the nearby east side neighborhoods have made Riverwest more attractive to home buyers due to its closeness to downtown and a university. Riverwest still features more affordable rental opportunities in its bungalows, duplexes, and Polish flats than is generally found closer to the university. According to demographic data, the Riverwest neighborhood has a population of 12,197 with a population density of 7,390 per sq. mile, 19% higher than the Milwaukee population density.

**Historic Mitchell Street**

The Historic Mitchell Street neighborhood is the heart of a densely populated area of Milwaukee’s near south side. Most of the houses in the neighborhood are two- or three-story Polish flats, but this area also has a fair amount of five- to six-story brick walk-ups and apartment buildings. The popular and vibrant retail district in this neighborhood has made Mitchell Street more attractive to home buyers in recent years. As homeownership increases

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DESIGN FEATURES OF MILWAUKEE’S HISTORIC ADU-TYPE STRUCTURES

**Exterior Materiality**

Legacy ADUs often have the same or similar exterior materiality as the primary structure. This creates a cohesive appearance of both structures on the lot. While using the same or similar material is the most common, other examples show complimentary materials can appear cohesive as well.

**Window Fenestrations**

Both structures typically share similar window fenestrations, or the opening pattern and detail of the window. While the size and scale of the buildings often differ, the above example reflects the commonality of the shared design language of both structures on the same lot.

**Size**

These structures are commonly smaller in both size and height than the principal building. Many of these buildings are one to one and a half stories, while the street facing structures are commonly two stories. The example above is less common where the ADU-type structure is equal in size with the principal building.
EXISTING ADU-TYPE STRUCTURES

Identifying the number, location and other characteristics of Milwaukee’s existing ADU-like housing units through the city’s property database (MPROP) is difficult. Back houses on the same lot as other housing units are generally classified with the other principal structures as simply “one of more than 1 building.” All such classified parcels are included in this count estimate (in some rare cases, a parcel may actually have two back houses, but this cannot be discerned from MPROP).

Because the subdivision of lots with multiple houses was once allowed in Milwaukee, some of these ADU-like rear houses now sit on their own lots and can be owned separately from the front house. Although these are small in number (approximately 100), a count can be estimated by identifying all single-family homes on lots with an appended “A” to the lot number where a lot with the same number also exists (i.e. 123 Fake St. & 123A Fake St.). These parcels are also included in the count estimate. Not included are internal ADU-like units such as “Polish flats,” which are not distinguished from duplexes in the database.

Mapping the concentrations of these buildings shows the greatest numbers are in the near southside Walker’s Point neighborhood and the east side area around the Riverwest neighborhood. These areas were both developed starting in the 1880s. Smaller numbers can also be found sprinkled throughout much of the city, including the more suburban areas developed later in the 20th century. These are often garage apartments or additions to existing houses.

Estimated Total:
1,872 ADU-like Structures
in the neighborhood, property values have increased proportionately. Census data suggests that a large percentage of the Historic Mitchell Street population is made up of families with parents ages 25 to 44 and children ages 1-14. As the families age together, ADUs could provide a space for a high school graduate, an aging grandparent, or a future housing plan as the parents age into retirement.

**COST + AFFORDABILITY**

Due to high construction costs across all housing markets, ADUs are not an inherently affordable housing type; although, ADUs are often talked about in reference to affordable housing options. While our investigation found instances where ADUs were rented at an affordable price within their market, the construction of an ADU is not typically considered affordable. In Portland, for example, the average cost to construct a detached-ADU in 2016/2017 was $181,000, with a range of $112,000 to $285,000. Research and discussions with local developers and affordable housing experts in Milwaukee indicate that a detached-ADU would cost a homeowner at least $90,000 to construct. Internal ADUs and garage conversions would likely cost more.

To use ADU development as an affordable housing tool, cities have employed a few different techniques. In the most common method, seen in Boston and Los Angeles, cities stipulate that ADUs must be rented at an affordable price for a predetermined period of time. Another method is to allow separate ownership of the primary structure and ADU. This method transfers the cost burden from the owner of the primary structure to either a prospective homeowner or developer. While this does not always ensure affordability for any income level, it can create a relatively affordable option when compared to building primary housing structures. While these policy solutions are not discussed in great detail in this report, they could be future considerations for city officials.

**Character**

Many of these buildings have a rectangular floorplan with mundane design features; although, a few examples expressed unique design character even while facing the alley. The example below contains features like a covered porch and varying roof pitches which add to the overall aesthetic character.

**Lot Coverage**

The purpose of constructing an ADU-type structure is to maximize the available area of a lot. The resulting design creates a compact neighborhood form, with some lots containing two or three separate residences.

**Side Lot Setback**

ADU-type structures are often located on side lots. In the example below, the building covers much of the rear of the lot. In many cases, the design details of the façade facing the street appear to be designed as if the lot were mid-block.
FINANCIAL MECHANISMS

ADUs are a relatively unique housing type, so some traditional funding options are not available. For example, lending institutions are hesitant to include the cost of building an ADU in the value of a mortgage. Other homeowners cannot meet debt requirements for an additional loan. Some interested parties have turned to less traditional funding sources to complete projects. Home equity lines of credit, construction loans, ADU-specific loans, and renovation loans provide capital for growing ADU markets. Some cities have experimented with public lending options, waiving development fees, and allowing separate ownership of structures.

Private Loans

Home Equity Line of Credit (HELOC)
For homeowners with adequate equity in the primary structure, a HELOC may be well-suited to finance an ADU. A HELOC is like a credit card that a homeowner only pays interest on as they access the funds. This funding mechanism provides some financial risk for the carrier of the first position mortgage or owner of the primary structure.

Construction Loan
Construction loans are more challenging to close, but they can provide a homeowner with a high 80% of their ADUs future value. These loans have traditionally been used to finance new primary structures, so lenders may require more information for this type of loan product than any of the others mentioned here.

ADU-Specific Loan Product
This type of loan product is like a traditional loan; however, the expectations of the lender are appropriate for ADU development. Community Development Financial Institutions (CDFI), small-scale community lenders, have the most regulatory flexibility when it comes to loan terms. Products designed specifically for ADUs have been used with success by CDFIs in Portland and Palo Alto.

Public Options

HUD 203(k) Loan
Referred to as a renovation loan, or an acquisition rehab loan, this type of loan allows a buyer to access capital equal to the cost of the building plus the cost of intended renovation. HUD and Fannie Mae offer a similar product that can be used in this manner. Unfortunately, there are no lenders in the area that offer this type of loan.

STRONG Homes
The City of Milwaukee currently provides low-interest loans to qualified homeowners looking to make improvements on their home. Other cities have allowed these targeted loans to be used for the creation of an ADU. Some cities stipulate that the new unit must be rented at an affordable price in order to access the funding.

Other Public Options
Other barriers to ADU development are often a result of the planning process. Homeowners that do not have experience with development may not have the knowledge, time or resources to navigate the traditional planning process. Many cities have waived fees and certain requirements for ADUs that would otherwise be allowed by-right. For example, Seattle has pre-packaged ADU designs available for homeowners that are exempt from the permit application process. Other cities simply do not require occupancy permits for small ADUs.

Separate Ownership
The most innovative financing strategy used to spur ADU development is separate ownership schemes for and external ADU and the primary structure. In Portland, a development company will pay homeowners a land lease for a predetermined set of years to place a prefabricated ADU in their yard. The developer then rents the ADU at market rate. Other examples in Palo Alto and Los Angeles involve developers paying a percentage of the monthly rent to the owner of the primary structure. This type of financing method would prevent the City of Milwaukee from requiring owner-occupancy of ADUs.8
SOURCES


GOALS + OBJECTIVES

GOAL 1: UPDATE THE MILWAUKEE ZONING CODE TO ALLOW ACCESSORY DWELLING UNITS BY RIGHT

Objectives:
- Define accessory dwelling units within the Milwaukee Zoning Code
- Establish accessory dwelling units as an allowable use within the Milwaukee Zoning Code
- Define specific design standards for accessory dwelling unit development

GOAL 2: EDUCATE HOMEOWNERS AND DEVELOPERS ON THE BENEFITS OF ADUs AND THE STEPS OF THE DEVELOPMENT PROCESS

Objectives:
- Create a handbook to guide homeowners and developers through the ADU development process
- Provide for opportunities for the public to be engaged in the implementation process of new ADU regulations

GOAL 3: INTEGRATE ADU DEVELOPMENT INTO THE LARGER HOUSING DEVELOPMENT “TOOLBOX” OF THE CITY OF MILWAUKEE

Objectives:
- Investigate ADU incentive strategies and how they may be employed by the City of Milwaukee
- Investigate the use of ADUs as affordable housing and how they might fit in the strategies already undertaken by the City of Milwaukee
HOMEOWNER GOALS FOR ADU CONSTRUCTION

- rental income
- guest house
- age in place
- on-site care
- multigenerational
POLICY SOLUTIONS

ZONING CODE CHANGES
Changes to City of Milwaukee Zoning Code to Allow Accessory Dwelling Units

This policy solution proposes changes to the zoning code to incorporate and regulate by ordinance the development of new accessory dwelling units in the residential districts of the City of Milwaukee. These proposed changes designate areas within the city where ADUs will be permitted and impose specific requirements for their design, construction, and use. The goal of the changes is to establish accessory dwelling units as a viable option for homeowners in Milwaukee and ensure that ADUs are compatible with neighborhood context.
CITY OF MILWAUKEE - ZONING CODE ADDITIONS AND CHANGES:

Subchapter 2 - DEFINITIONS AND RULES OF MEASUREMENT:

Add ACCESSORY DWELLING UNIT entry to section 295-201. Definitions.

**Definition:** ACCESSORY DWELLING UNIT (ADU) means a smaller, additional, independent residential dwelling unit located on the same lot as a single-family or two-family home. An accessory dwelling unit is further categorized in relation to the principal structure as follows:

- **Internal:** located within the walls of an existing or newly constructed principal structure.
- **Attached:** located in an addition to an existing principal structure.
- **Detached:** located in a separate structure from the principal structure.

Add “Accessory dwelling unit” entry to subsection 295-203-1. Use Definitions. RESIDENTIAL USES.

**Use Definition:** “Accessory dwelling unit” means a dwelling unit that is additional to, and independent from, the dwelling units of a single-family or two-family dwelling.

Subchapter 5 - RESIDENTIAL DISTRICTS:

Add “Accessory Dwelling Unit” as a residential use to Table 295-503-1 (RESIDENTIAL DISTRICTS USE TABLE), designating it as a permitted use in all single-family (RS) and two-family (RT), multi-family (RM), and residential and office (RO) districts.
Add “ACCESSORY DWELLING UNITS STANDARDS” subsection to 295-505. Design Standards.

ACCESSORY DWELLING UNIT DESIGN STANDARDS:

Introduction
Accessory dwelling unit standards are established to ensure that new construction of ADUs are appropriate for the surrounding context in terms of size, placement, height and design characteristics.

Principal Building Required
No accessory dwelling unit shall be located on a lot not containing a principal building. The principal building must be either a single-family or two-family dwelling.

Lot Coverage
A detached ADU is counted towards the combined 15% lot coverage maximum for accessory structures in accordance with 295-505-3-c for all lots measuring at least 3,600 square feet. Total lot coverage may exceed 15% on lots measuring less than 3,600 square feet by the addition of an ADU, up to a total of 540 sq. feet. An attached or internal ADU is counted towards the lot coverage maximum of the principal structure in accordance with 295-505-2-i.

Lot Size Minimum
A detached or attached ADU shall be permitted only on lots meeting the minimum lot size requirements for the respective zoning district. No lot size minimum applies to the construction of an internal ADU that does not expand the lot coverage of the principal structure.

Maximum Size
The floor area of an ADU shall never exceed the floor area of the principal structure. Additional regulations on the maximum floor area vary by ADU type as follows:

Attached: The floor area for an attached ADU shall not exceed one thousand (1,000) square feet, or 75% of the size of the existing principal structure, whichever is greater. The combined primary dwelling unit and attached ADU must meet all size regulations pertaining to principal structures.

Detached: The floor area for a detached ADU shall not exceed one thousand (1,000) square feet, or 75% of the size of the existing principal structure, whichever is greater.

Internal: The floor area for an internal ADU shall be limited to one story of the principal structure in which it is located.
**Number Allowed**  
Only one ADU is permitted per residentially zoned lot.

**Height**  
The height for an attached, internal or detached ADU cannot exceed the height of the principal structure or twenty-four (24) feet, whichever is less.

**Location**  
A detached ADU must be located in the rear yard of the principal structure.

**Setbacks**
- **Detached:** Minimum side setback is 1.5 feet. Minimum rear setback is 4 feet; may be reduced to 1.5 feet if there is no alley or no access from an alley.
- **Attached:** Subject to the same setback requirements as the principal structure.

**Owner Occupancy**  
A lot containing an ADU shall be occupied by the property owner. The property owner must reside in either the principal structure or in the ADU as their primary residence, except for temporary absences not to exceed a combined total of 6 months in a calendar year. A deed covenant ensuring owner occupancy must be recorded prior to issuance of a building permit for an ADU.

**Short-Term Rentals**  
An ADU may not be leased for a period of less than 30 days.

**Subdivision**  
An ADU or the land on which it is located may not be subdivided or otherwise separated in ownership from the principal dwelling unit or the land on which the primary structure is located.
Minneapolis, MN

The City of Minneapolis, Minnesota had initial success with the adoption of its accessory dwelling unit ordinance. The main goal of the ADU ordinance adopted in December 2014 was essentially to offer a mechanism to increase the supply of additional, more affordable housing using the existing housing stock of the city.

To achieve this goal, the City’s Community Planning and Economic Development Department and Council members embarked on a substantial public engagement process. This process involved the creation of a website, including a survey that encouraged residents to interact around the proposed ADU ordinance, and five community meetings to gain additional input about the ADU implementation. The community engagement process revealed some key concerns that the City responded to in turn:

<table>
<thead>
<tr>
<th>RESIDENT CONCERNS</th>
<th>CITY RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADUs would not fit with neighborhood character</td>
<td>Design standards to match principal structure</td>
</tr>
<tr>
<td>Absentee landlords</td>
<td>Owner-occupancy requirements</td>
</tr>
<tr>
<td>Safety of new and illegal ADUs</td>
<td>Require building permit</td>
</tr>
</tbody>
</table>

In addition to these responses, the City also reached out to local architects for feedback on bulk and design requirements. City staff presented a model of ADU drawings to help people visualize what they can look like and distinguish them from other structures. With that feedback, city staff produced a code amendment that was adopted in November and took effect in December—just six months after the amendment was first discussed internally. The new ordinance allowed all three types of ADUs—internal, attached and detached—and permitted them to be built on single- and two-family lots throughout the city. Many homeowners in Minneapolis acted quickly on this new opportunity, and in the first three years, building permits were issued for 92 ADUs—49 internal units, 34 detached structures, and 9 attached units.

Minneapolis found that part of the ordinance implementation success was due to public awareness of the proposed zoning changes and their continued engagement throughout the process. The early and prolonged public engagement process allowed the final ADU ordinance to reflect the goals of the public and avoid confusion.2,3
FORM-BASED CODE AMENDMENT
An Alternative to Traditional Zoning

Accessory dwelling unit regulations can be challenging to fit within traditional zoning codes. In recent decades, some progressive municipalities have included form-based amendments to their zoning code for specific housing types (like ADUs) or converted their code entirely. Form-based code relies on regulating structures based on form as opposed to specific uses like a more traditional code. Many cities, however, have implemented some key components of form-based codes into their traditional code, creating a hybrid. This policy solution describes the inclusion of a form-based amendment to Milwaukee’s zoning code for the regulation of ADUs.

Form-Based Code Overview
To ensure that ADUs fit within the neighborhood contexts already established in Milwaukee, a form-based code amendment would rely on existing characteristics of form to regulate new development. While some of the development outcomes would mirror those established by the traditional zoning code amendment, the form-based alternative focuses more on form and presents the information in a diagrammatic fashion. While we understand that some aspects of form-based codes are not reflected here, this solution provides an exploratory overview of how a form-based amendment for ADUs could look within the Milwaukee zoning code, without requiring the entire code to be converted.

Development of Form-Based Code
The process of developing a comprehensive form-based regulation starts with the examination of existing conditions of ADU-type structures. The background section of the report examines existing ADU-type structures within the context of Milwaukee’s neighborhoods. The next step of the process requires community input through public visioning sessions and design charrettes. While this report does not outline a specific timeline for public input, it should be considered in the development of a form-based code amendment to ensure public consensus of the specified forms.

Regulating Plan
The regulating plan defines the location for each set of regulations. This solution proposes a set of regulations for two housing types: single-family and two-family (duplexes). We feel that blanket regulations for these two housing types will maintain the neighborhood char-
Section 3

Policy Solutions

acter. Additionally, we understand that there are both housing groups in other residential zoning districts. The alternative allows development of an ADU in these circumstances if they adhere to the following form-based regulations

Building Standards

The building standards section of the code regulates the form of the ADU. The section includes summary, lot parameters, building placement, access/parking location, height and mass, and public realm. Each section contains a series of regulations on the form of the ADU.

Single-Family Homes – ADUs will be allowed on any parcel with a detached single-family dwelling. Allowing the development of ADUs on lots with and within single-family homes is often to accommodate aging in place or the addition of space for a family member.

Duplex Homes – ADUs will be allowed on any parcel with a detached duplex. Allowing the development of ADUs on lots with duplexes is often for increased density. Landowners who wish to increase value of property/generate revenue build ADUs for monetary gain.

Access/Parking Location

Single-Family Zones – The current zoning code would not require an additional parking space with the development of an ADU. With alley, no new street curb cuts are allowed. With no alley, no new street curb cuts are allowed and driveway max. 10 feet wide.

Duplex Homes – The current zoning code would not require an additional parking space with the development of an ADU. For alleys, no new street curb cuts are allowed. With no alley, no new street curb cuts are allowed and driveway max. 10 feet wide.

Public Realm

Single-Family Zones – Attached ADUs with primary street frontage must have entrance on street side. Detached ADUs must have a visible entrance with properly defined entrance path off primary street. Entrance must not face alley and must have a 5-foot setback off lot line.

Duplex Homes – Attached ADUs with primary street frontage must have entrance on street side. Detached ADUs must have a visible entrance with properly defined entrance path off primary street. Entrance must not face alley and must have a 5-foot setback off lot line.
Portland, OR

The City of Portland, Oregon stands out for its success in fostering the implementation of ADU development. In 2013, the Oregon Department of Environmental Quality’s Green Building program sponsored a survey of the owners of permitted ADUs in the city to evaluate their impact on neighborhoods. The purpose of this survey was to learn about how ADUs were being used by owners in Portland and other cities in Oregon. The survey included questions about past, current, and future ADU use and current occupant demographics.

By comparing survey responses to Census summaries and other data, results indicated that 80% of ADUs were being used as primary residences, and that the 64% of properties with ADUs were owner-occupied, supporting future policy efforts to encourage ADU development in the city. In addition to high owner-occupancy, the survey results suggest that ADUs are primarily owned by residents ages 55 to 64, supporting the commonly held belief that ADUs encourage aging in place. In terms of attractiveness, the survey found that ADUs are as attractive to renters as apartments in multifamily buildings.

Most notably, the financial gain through rental income was the most commonly cited motivation for homeowners to construct ADUs, followed by housing for a family member or caretaker. In contrast, the construction costs, design constraints and lack of financing were the most common barriers to ADU development. These results are corroborated by national trends in housing construction.

Portland’s success can be attributed to a combination of regulatory, financial, and social factors:

**Regulatory:** Portland stands out as one of the most progressive cities in the U.S. in terms of having permissive ADU regulations. The city has no owner occupancy requirement, no design review, a by-right process, and fee waivers.

**Financial:** In 2010, the city waived one-time System Development Charges (SDC) fees based on the new or increased use of a property—a critical step to paving the way to more ADU production.

**Social:** The city is taking big steps to educate homeowners (for instance, via ADU manuals and prototype plans), as well as providing technical assistance, producing a large net benefit for relatively minimal cost and effort.

Portland found that local government played a catalytic role in publicizing the possibility for homeowners, which led to overall the increase of awareness and popularity of ADUs.\(^4,5,6\)
Administrative Ease

Form-based code streamlines the approval process and removes subjectivity. In essence, administrative staff can approve projects as long as all of the form-based regulations are met. This requires a comprehensive set of form-based regulations and a cohesive understanding and agreement of the set regulations. The development of the comprehensive form-based code will take many focus groups and charettes to agree upon standards.

PILOT PROGRAM
An Incremental Step to ADU Regulations

To ensure that language allowing the development of accessory dwelling units is incorporated strategically into a zoning code, many cities have employed a pilot program that can be implemented prior to allowing ADUs throughout the city. Pilot programs typically follow the zoning requirements that the city plans to enact on a citywide scale; however, the pilot only allows the new development in specific places (typically at the neighborhood scale). Incentive programs are often paired with the temporary zoning change to ensure some development is realized. For example, cities can offer fee waivers, grants, and low-interest loans. Incentives for ADU development do not require the use of a pilot program, but pilot programs generally utilize some type of incentive to spur the new development type.

The following section explores the use of a pilot zoning program designed to allow ADU development temporarily in specific neighborhoods. The viability of a pilot program assumes that the City of Milwaukee would like to promote ADU development in particular neighborhoods. Zoning changes required for the proposed pilot would reflect those described in the Zoning Change section but would be limited in their geographic implementation. The City of Milwaukee’s capacity to provide financial incentives for ADU development is very limited, so this policy solution would not include incentives.

The goal of the pilot would be to ensure a smooth implementation of ADU zoning language into the citywide zoning code and promote ADU development in the target neighborhoods. In addition to providing information to city staff on the impacts of the potential code change on development, a pilot program would give residents and developers the opportunity to engage with the new housing type prior to its allowance.
throughout the city as a whole. Pilot programs have been used in cities across the country to test the potential of ADUs as a new housing type and incentivize their development.

**Boston, MA**

One of the most successful ADU pilot programs was implemented in Boston, MA. The 18-month pilot program began in November of 2017 and allowed owners of 1, 2, and 3-bedroom homes in three specific neighborhoods to construct internal ADUs within the existing footprint of the building. Any eligible homeowner in the Mattapan, East Boston, and Jamaica Plain neighborhoods could bypass specific zoning requirements, such as floor-to-area ratio, occupancy type, and off-street parking, of which other building types would need to comply. Within the first 12 months of the pilot, 50 of the eligible applicants were able to move into the building phase of their projects. Prior to the pilot program, the City of Boston only allowed ADUs under a code variance, which required a prolonged planning process. Under the new pilot, eligible owner-occupants were required to adhere to the following process:

1. Submit an online application
2. Pass the preliminary review
3. Attend a final review with ISD and receive a building permit
4. Begin construction

The City of Milwaukee could establish a similar pilot program in the Historic Mitchell Street and Riverwest neighborhoods. These two neighborhoods are the most similar those designated in the Boston example. Both neighborhoods have many single-family and duplex homes and are already relatively walkable and dense. Additionally, both neighborhoods have historical precedence for ADU development, as both neighborhoods have some of the densest clusters of ADU-type structures in the city.

**SOURCES**

ANALYSIS

ANALYSIS OF PROPOSED ZONING CODE CHANGES

Accessory dwelling units have the potential to create a wider range of housing options within a community, increase property values and housing affordability, create a source of additional income for homeowners, enable seniors to stay in their neighborhoods or near family as they age, and allow a more efficient use of the existing housing stock. Consequently, many cities have signaled support for ADUs by adopted zoning regulations that explicitly permit their development in residential districts.

These regulations can greatly differ in their level of detail and permissiveness. Many municipalities have found it necessary to revisit their initial ADU ordinances to loosen restrictions after finding very few ADUs were being built. The most commonly revised aspects of initial ADU ordinances are those concerning maximum size, location and requiring separate utility connections. The following proposed changes to the Milwaukee Zoning Code reflect a desire to permit and regulate ADUs in a way that maintains neighborhood context, while also avoiding restrictions that create excessive barriers to their development.

The City of Milwaukee Zoning Code currently does not address accessory dwelling units. While they are not expressly forbidden, this lack of regulations concerning ADUs represents an obstacle for their development. The purpose of establishing ADU regulations is not only to explicitly allow for their construction, but to ensure newly built ADUs are appropriate for their surrounding context in terms of location, size, height and design characteristics. Additional provisions would also regulate aspects of their use such as owner-occupancy requirements and short-term rental restrictions.

Location

In cities where they are permitted, zoning codes typically restrict ADUs to certain zoning districts, lot sizes, and/or geographic areas within the municipality. If overly restrictive, these regulations can significantly constrain the number of eligible properties. Ideally, ordinances should assure that ADUs are allowed where appropriate, without limiting them to circumscribed areas.

By zoning district, ADUs are most often allowed in single-family areas, which in most cities constitute the majority of residential lots. Restriction of ADUs to those areas still allows for their construction throughout most of the city. The residential areas of Milwaukee, however, contain a much larger proportion of two-family zoning districts and their exclusion would prevent ADUs from being permitted throughout a large portion of the city. Much of the two-family zoning areas of Milwaukee already have existing ADU-like back cottage structures behind duplexes as well. For these reasons, allowing ADUs as a permitted use in both single-family (RS) and two-family (RT) districts in Milwaukee would be appropriate.

Additional restrictions within zoning district categories can be used to either prohibit or add additional limits to the size or type of ADU permitted in certain types of single-family districts. Where seen, this usually applies to the more suburban styles of single-family district. While residents in these areas may be more likely to voice concerns over things like street parking and construction of additional buildings, given the larger lot sizes of these areas, the relative impact of ADUs would be minimal.

A less common way to dictate where ADUs may be built is by the type of principal structure. Allowing an ADU to be built on any lot with an existing single-family and/or two-family home can remove the need to specify by
zoning district. As Milwaukee does have some single-family and two-family homes located in its multi-family (RM) and residential and office (RO) districts, this method could also be used to allow ADUs in those areas while restricting them to an appropriate principal structure.

Lot size requirements can also be used to regulate the location of ADUs. While this type of restriction is intended to prevent disproportionate building bulk on small lots, too high of a minimum can effectively prohibit ADUs from older, denser neighborhoods. One effective compromise method is to limit ADUs to lot sizes that meet the current zoning code’s minimum size for its zoning district. By doing this, ADUs will generally be permitted throughout a district, with only non-conforming lots excluded.

Best Options for City of Milwaukee:
Zoning Districts: Allow ADUs as a permitted used in all residential districts.

Principal Building Requirement: Require the principal building of a lot to be either a detached single-family or detached two-family dwelling. Explicitly prohibit the addition of an accessory dwelling unit to a lot not containing a principal building.

Lot Size Minimum: Require lots meet the minimum size for their respective zoning districts to be eligible for the addition of an detached or attached ADU. Do not require a minimum lot size for the construction of an internal ADU that does not expand the lot coverage of the principal structure.

Types and Number
Most codes permit detached, attached, and internal ADUs, but some limit detached ADUs, potentially to encourage retention of garages for off-street parking or to minimize impact of ADUs by confining them to the existing dwelling. Some other cities prohibit garage conversions unless the garage is replaced. The types of ADU allowed can also be differentiated between zoning districts, with more limitations in place for suburban style lots. Since detached are the most popular type, limiting their construction can greatly deter the development of ADUs.

The majority of ADU ordinances permit a maximum of one ADU per residential lot to limit the impact of allowing additional dwelling units in single-family areas. Exceptions to this are only seen in areas with acute housing shortages, and the permitting of a second ADU typically comes with additional restrictions.

Seattle, WA
Seattle is one of the few cities that allows for more than one ADU on a lot. Two ADUs are permitted provided that at least one is attached or internal. Further rules set a combined maximum number of unrelated people that are allowed to live in the ADUs and primary dwelling.
Best Options for City of Milwaukee:
Types: Allow detached, attached, and internal ADUs in all districts where ADUs are permitted.

Number Allowed: Allow a maximum of one ADU per lot.

Size & Dimensions
The addition of ADUs to a city's zoning code often comes with concerns about changing the character of residential districts. Regulations over their size, height, setback requirements and other land use controls can work to ensure that newly built ADUs are keeping with the character of the community.

In determining the allowable size of an ADU, many local governments set either a specific maximum size or designate a maximum percentage of living area square footage in comparison to the primary unit. The specified maximum sizes and percentages vary greatly between cities that allow ADUs. 700-800 square feet is a common set maximum size, but some ordinances allow for up to twice that amount. A more permissive size would be consistent with the existing back cottages of Milwaukee, which are typically larger than modern ADUs.

For cities that tie the maximum size to a proportion of the primary structure size, percentages range from 30-75 percent. These regulations are generally intended to keep ADUs smaller in proportion to the existing structure, although in some cases ADUs may meet the size of the primary dwelling. While a high set maximum could result in ADUs that meet or exceed the size of a small principal structure, proportional maximums can also have unintended consequences. In addition to being cumbersome to apply, a percentage maximum can disproportionately limit ADU development on lots with smaller houses. This can raise issues of equity as smaller houses are more likely to be owned by lower-income residents.

A potential solution to these problems is to use a hybrid system with both a set maximum size and a high maximum percentage, with the larger of the two numbers being used. The specified maximum number will apply to the majority of primary structures and the percentage size only needed for particularly small houses.

Size maximums can be set separately for detached, attached, and internal ADUs, but a universal size is not uncommon. Internal ADUs may additionally be limited to certain areas or floors of a house. Limiting an internal ADU to one floor of a house can simplify the administration of other ADU regulations and building codes.

In addition to the overall square footage of an ADU, the maximum height is typically restricted. For detached ADUs, the most common height standard is 20 to 24 feet, in line with best practices to permit two-story and over-garage units. In snowy climates where highly pitched roofs are common, the larger number is preferred. Almost all codes limit height for attached and internal ADUs to the same height as the primary dwelling, typically meaning the maximum height permitted in the underlying zone.

Madison, WI & Minneapolis, MN
Madison and Minneapolis offer opposite ends of the spectrum in the size of ADUs they allow. In Madison, ADUs are allowed to be a maximum of 700 square feet, smaller than an average one-bedroom apartment. Minneapolis on the other hand, allows for a maximum size between 1,300 and 1,600 square feet depending on the lot size.

Best Options for City of Milwaukee:
Maximum Size: Set a maximum of 1,000 square feet of floor area, or 75% of the principal structure’s floor area, whichever is less, for a detached or attached ADU, require that
the combined size of an attached ADU and its principal structure adhere to existing size regulations for principal structures, and limit internal ADUs to one story of the principal structure.

**Height:** Set a maximum height of 24 feet, or the height of the principal structure, whichever is less, for a detached or attached ADU.

**Lot Placement & Coverage**

As with other structures, setback requirements are used to ensure that ADUs do not encroach too closely on neighboring lots. Setbacks can be set specifically for ADUs or utilize existing standards for primary structures and/or similarly sized accessory structures. Because a rear garage can be of similar size as an ADU, or even converted to contain one, similar setbacks for a detached ADU as a garage would be consistent. Some cities also have standards requiring detached ADUs to be set back relative from the primary structure, measured in a variety of ways including minimum setback from the front property line, from the rear of the primary dwelling, or from the front façade of the primary structure.

Similar to setbacks, lot coverage maximums can be determined by rules specific to ADUs or can use the existing regulations that apply to accessory structures. An ADU-specific lot coverage maximum can be based on a percentage of the total lot area, or it can be based only on the area of the rear yard. Including ADUs in existing lot coverage standards, however, is the simplest method to ensure that ADUs are consistent with the existing building density of its neighborhood. In some cases, these existing coverage maximums are amended to allow additional allowances for the addition of ADUs under certain circumstances.

The current total lot coverage maximum allowed for accessory structures in the City of Milwaukee is 15% across all residential districts. Based on a minimum lot size of 3,600 square feet for RS-6, the smallest of single-family districts, this would allow for a building footprint of 540 square feet. This size would be suitable for a small single-story detached ADU, a two-story ADU that approaches 1,000 square feet in living area or a two-car garage with a second story ADU. Allowing that same moderately-sized ADU to be built on the smaller 2,400 square foot lots in Milwaukee’s RT-3 and RT-4 districts would require an exception to the 15% lot coverage maximum for accessory structures.

**Best Options for City of Milwaukee:**

**Setbacks:**

- **Detached:** Use the same setback requirements that apply to garages — minimum side setback of 1.5 feet and minimum rear set back of 4 feet (may be reduced to 1.5 feet if there is no alley or no access from an alley).

- **Attached/Internal:** Make subject to the same setback requirements as the principal structure.

**Lot Coverage:**

- **Detached:** Count ADUs towards the existing combined 15% lot coverage maximum for accessory structures. Make an exception for lots smaller than 3,600 square feet to allow up to 540 total square feet footprint for accessory structures if an ADU is built.

- **Attached/Internal:** Count towards the lot coverage maximum for the principal structure.

**Owner Occupancy & Rentals**

Many cities require that the property owner occupy either the primary or accessory dwelling unit if an ADU is added to the property. This requirement is a response to the common concern of residents that ADUs will be built primarily by property developers instead of owner-occupied homeowners. There are also concerns that without the homeowner present on the property, an ADU is more likely to cause unwanted nuisances. Although some cities do not require owner-occupancy, this is more typical of cities with housing shortages and tight rental markets who are seeking to incentivize housing development.
Rental length is also a concern with ADUs. The popularization of sites like Airbnb and Vrbo have made short-term rentals a common source of complaint for neighboring residents. Where allowed and where there is market demand, ADUs will often be built specifically for the purpose of short-term rentals. By placing a minimum length of lease allowed on the rental of ADUs, cities can deter this type of use, although it may be difficult to enforce. A typical minimum lease length is 30 days, but some cities may also allow a maximum number of days per year that an ADU can be used as a short-term rental. In places with high demand for short-term rentals this can help defray the costs of ADU development.

**Best Options for City of Milwaukee:**

**Owner Occupancy:** Require owner-occupancy of a property with an ADU through the recording of a deed covenant. The property owner must reside in either the principal structure or in the ADU as their primary residence but allow for temporary absences that do not exceed a combined total of 6 months in a calendar year.

**Short-term Rentals:** Stipulate a minimum length of lease of 30 days for an ADU.

**Design**

Design compatibility requirements for ADUs are sometimes used to help build public acceptance for ADUs. When used, they require some degree of design compatibility between the ADU and the primary dwelling. Most of those list specific elements, from siding materials, eave depth, colors, roof form and materials to window treatments and proportions that must be compatible. Other cities have no design compatibility standards, or standards that only apply to attached ADUs.

While design compatibility can help maintain neighborhood character, it can also limit design options and place an undue obstacle in the development of ADUs. It can also be difficult to demonstrate whether a particular design does or does not satisfy the standard.

**Best Options for City of Milwaukee:**

**Design Compatibility:** Do not specify the requirement of design compatibility for ADUs.
concerning shared utility services. Even where such subdividing of lots is regulated elsewhere in city code, stating explicitly that an ADU may not be separated in ownership from its principal structure can help prevent confusion.

**Best Options for City of Milwaukee:**

**Lot Subdivision:** Explicitly prohibit the separation in ownership of an ADU from its primary structure.

**Utilities**

ADUs may have utility services run from the principal structure or may require their own depending on local ordinance and/or building codes. Requiring ADUs to have separate utilities, and especially separate water service laterals, adds a burdensome expense to ADU development. Some cities that have initially required this in their ADU ordinances have later revised the requirement due to lack of ADU development.

One reason to require separate utility services to ADUs is to prevent problems that would occur should the structure ever be separated in ownership from the principal structure. Because this separation of dwelling units by lot subdivision was once allowed in Milwaukee, building codes were changed to require separate utility services for additional structures containing dwelling units. Permitting ADUs to share services a principal structure would require changes to these building codes regulations.

**Best Option for City of Milwaukee:**

Do not require separate utility connections for ADUs. Alter current building codes to allow an ADU to run utility service from the principal structure.

**ANALYSIS OF FORM-BASED CODE**

The development of form-based regulations for accessory dwelling units is an intriguing principle. Many municipalities have shifted to form-based codes throughout their zoning code due to many factors including ease of use. The illustrative nature of form-based codes allow developers to have easily comprehensible information which translates into an easier review process. Administrative tasks involved with plan review are often reduced as the form-based codes are easier to follow, apply to all building types, and often more comprehensive. Additionally, form-based codes apply principles based on the form of the building rather than the use. We found that these principles, applied to the City of Milwaukee’s zoning code, would become too complex to apply both form-based regulations and existing regulations.

**Regulating Plan**

The application of a form-based code regulating plan is similar to the traditional zoning map. The most common way to delineate form is to use transects. Transects are zones, similar to zoning districts, which outline the character of the neighborhood. These zones often work from rural to urban. The proposed applications for Milwaukee and ADUs is that transects are applied to residential housing types, single-family and duplex. This application of the regulating plan would allow any homeowner with a single-family home or duplex and a conforming lot to build an ADU.

Through our analysis, we determined that the current structure of the zoning districts and map are sufficient and the addition of the new concept of transects complicates the ADU development process.

**Building Standards**

The proposed building standards for ADUs in Milwaukee combine zoning regulations proposed in the zoning changes recommendation along with additional form-based regulations. The City of Chattanooga has a comprehensive form-based code for the entirety of their downtown. This code walks through each
building standard for each transect to idealize the form of the neighborhood. With appropriate building standards, city staff will have a clear idea of the form of each ADU. Additionally, the illustrative nature of these regulations provides an ease of use aspect to both plan reviewers and developers.

Through our analysis, we determined that while the proposed building standard regulations would facilitate more predictable development of ADUs, the existing Milwaukee Zoning Code is not illustrative, and adding a form-based amendment would only cause a disruption on continuity of the review process.

**Administrative Ease**

A set of comprehensive form-based regulations would create a predictable ADU form. Often, cities with complete form-based codes rely less on plan reviewers and can delegate plan reviewing tasks to administrative staff, as the form-based codes cover each aspect of the structure in an easy to use manner. Additionally, the building standards must be developed with public input through multiple charettes and visioning sessions. With an agreed upon, comprehensive set of form-based regulations, ADUs could be approved and developed in a predictable manner.

Through our analysis, we determined that training city staff on a new code and set of regulations could become a challenge. Additionally, switching code languages throughout the code could create conflicts during plan examination.

**ANALYSIS OF PROPOSED PILOT PROGRAM**

Pilot ADU programs are typically found in hot housing markets where there is unmet housing demand that may be addressed by increased ADU development. The two largest pilot programs evaluated for this report, Boston and Los Angeles, both relied heavily on public subsidies for ADU development costs. Both programs targeted specific neighborhoods where housing shortages inflated rental prices beyond the affordable threshold.\textsuperscript{11,12} For the pilot programs to work, temporary neighborhood-specific zoning changes made ADUs an allowable use. This model, with neighborhood-specific zoning changes and development incentives, is only applicable in cities with constrained housing supply and unmet rental demand.

The issues present in the Milwaukee housing market are associated with demand constraints, as evidenced by the high vacancy rate and low relative rental price in the majority of the city. While housing needs are neighborhood-specific, the city-wide demand for ADUs is likely low relative to national examples where pilot programs were implemented prior to city-wide zoning code changes. In the relatively slow Milwaukee housing development market, an ADU pilot program is not necessary at this time, and a city-wide zoning code change would be more appropriate.

**Public Financing Mechanisms**

In cities focused on promoting ADU development, a number of public funding and incentive programs have been employed. Cities with high permit or impact fees can use fee waivers to provide monetary incentive to homeowners or developers for ADU development. This type of incentive is only feasible where fees present a substantial barrier to new development. In Milwaukee, development fees are significantly lower than cities investigated for this report, in some cases more than $10,000 less. Development fees are not the primary hurdle to ADU development in Milwaukee and fee waivers would not promote their construction.

Other public incentive options include grants and low-interest loan programs. Milwaukee does have a low-interest home improvement loan program, STRONG Homes. Due to the high demand for funding through this program to bring vacant and dilapidated houses up to code, tapping these funds for ADU development is politically infeasible. General budgetary constraints likely prohibit other forms of public investment into ADU development.
The most unique form of financial incentive is owner-occupancy waivers. In many hot housing markets, allowing separate ownership of the ADU and the primary structure provides a mechanism for homeowners to benefit from an ADU without paying out of pocket. Multiple strategies were investigated here, but in general, development companies pay homeowners to build an ADU on their property through rent share schemes, land leases, or future equity speculation. Due to city staff support for owner-occupancy requirements, this type of financing scheme is not viable for Milwaukee.

SOURCES

Reductions in the size of American households, along with changes in their composition and economic circumstances, warrant consideration of zoning policies that encourage the more efficient use of the city’s infrastructure and supply of homes to meet current and future housing needs. ADUs provide a potential resource for addressing these issues by making more effective use of existing housing stock and providing homeowners with a potential source of income.

The recommendation is to approve the proposed zoning changes to the City of Milwaukee Zoning Code that this report describes above and regulate by ordinance the development of new ADUs in the residential districts of the city. The recommended policy solution designates areas within the city where ADUs could be permitted and imposes specific requirements for their design, construction, and use. In addition, the zoning code changes are intended to override local restrictions on construction of multiple housing units on one lot, while ensuring health, safety, and welfare of the public.

The materials presented here indicate that ADUs can be an effective solution for meeting myriad housing needs without engendering the negative impacts sometimes associated with other forms of housing development. The recommendation is also intended to serve as the basis for the implementation of ADUs in the City of Milwaukee, and it is our hope that this recommendation will be a valuable reference for other communities seeking to increase the housing choices available to their residents.

Based on the above analysis, the more traditional zoning code amendment is the most applicable solution for consideration at this time. The form-based code solution, while offering valuable concepts on the regulation of ADUs by form and graphic representation of code, would be challenging to implement in the current code format. A form-based zoning concept influenced the additional ADU development handbook discussed later. Similarly, the pilot program is a valuable option for consideration by the city, but due to low expected demand for new ADUs, a pilot does not seem necessary at this time.

If the City of Milwaukee chooses to implement the recommended zoning change policy, there are several optional provisions that could be incorporated to successfully implement the ADU zoning changes, including reference material and public engagement opportunities. While not discussed at length in this report, it will be important to solicit public input on this topic, as exemplified by the Minneapolis and Portland case studies. In addition to this report, we have provided an ADU development handbook to help translate technical zoning language into graphic representation for homeowners. The handbook includes resources that will expedite the development process, while ensuring adherence to the specified code requirements.

There are many nuances of zoning code and housing development that may not be captured in the materials provided; however, this report aims to be the beginning of a process undertaken by city staff. The background information, case studies, unique policy solutions, and analyses provide the basis of understanding ADUs and how they may fit into Milwaukee’s neighborhoods.
As laid out in this report, ADUs serve a specific role in housing diversity: flexibility. The national conversation surrounding ADUs connects their compact nature to affordability, and cities across the country are pursuing strategies to allow and incentivize their construction. Cities like Seattle, Portland, Los Angeles, and Boston have successfully integrated ADU development into their larger affordable housing strategies. Cities like Austin, TX are particularly innovative in their use of ADUs to promote urban infill by allowing separate ownership of structures. Minneapolis, however successful in their implementation of ADU regulations, has only seen a modest uptick in their construction. But where does Milwaukee fit in this conversation?

Due to the housing problems facing the city (vacant houses, foreclosures, evictions, low income, low homeownership, etc.), ADUs may not provide the same service as in other cities. For example, the cities that have seen a rapid expansion of the ADU market as a result of new zoning regulations are ones with very hot housing markets, where high housing price and rent is a function of inadequate supply of housing to meet demand. Milwaukee has the opposite problem in many places. Other midwestern cities that have recently allowed ADUs, like Madison and Minneapolis, have not seen ADU development on levels that would suggest a substantial impact on even neighborhood-level housing markets in Milwaukee. That being said, ADUs are not irrelevant as a housing diversity tool.

Amending the City of Milwaukee’s zoning code to allow ADU development is a practical step to ensure that city staff is well prepared to utilize any tool possible to provide adequate housing. There may be a time in the future where ADUs can provide a valuable option in a city initiative to expand affordable housing options. In the meantime, allowing their construction will only continue a long history of urban infill practices pursued by residents of the city, from Polish flats to cottage houses. While the information presented here may not yet fully integrate ADUs into the housing strategies the city currently undertakes, we feel that future strategies should consider ADU development as an asset.

The recommended zoning code amendment, along with all the supporting information in this report, can provide the city a starting point to officially allowing ADU development in Milwaukee. We hope the information provided here serves as a valuable guide to future research conducted on this topic. Whether accessory dwelling units are simply a fad or the way of the future, Milwaukee is well situated to envelop them into their larger housing stock.
APPENDIX
ADDITIONAL SOURCES


<table>
<thead>
<tr>
<th>City</th>
<th>Zoning and Allowable Lots</th>
<th>ADU Size</th>
<th>Height</th>
<th>Setbacks</th>
<th>Lot Coverage</th>
<th>Owner Occupancy</th>
<th>Design Compatibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portland, OR</td>
<td>Residential, commercial and industrial employment zones.</td>
<td>Min. -</td>
<td>Max. 20 ft.</td>
<td>Side and rear property line setbacks as the</td>
<td>Combined building coverage for all detached</td>
<td>Not Required</td>
<td>Compatible and visually</td>
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<td></td>
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<td>Max. 800 sq. ft. - Or no more than 75% of the living area of the principal structure (whichever is less).</td>
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<td>principal structure.</td>
<td>accessory structures may not exceed 15% of the total site area.</td>
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<td>match.</td>
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<td>Min. 40 ft. from front lot line.</td>
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<td>Min. 40 ft. from front lot line.</td>
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<td>Minneapolis, MN</td>
<td>Single-family or two-family homes as a permitted or conditional residential zone.</td>
<td>Min. 300 sq. ft.</td>
<td>Max. 20 ft.</td>
<td>Side and rear property line setbacks as the</td>
<td>Footprint and parking areas on-site cannot exceed 676 sq. ft. or 10% of the lot area (whichever is greater).</td>
<td>Required</td>
<td>Internal or Attached; Compatible and visually match. Detached: Not Required</td>
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<td></td>
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<td>Max. Internal or Attached: 800 sq. ft. - Cannot exceed the area of the first floor. Detached: 1,300 sq. ft. or 16% of the lot area (whichever is greater - Not exceeding 1,000 sq. ft.).</td>
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<td>principal structure.</td>
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<td></td>
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<td>Min. 20 ft.</td>
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<td>Min. 20 ft. separation between principal</td>
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<td>structure and ADU.</td>
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<td>Austin, TX</td>
<td>Single-family - 3 lots that are at least 7,000 sq. ft. Also allowed on Single-family 2 and Single-family-3 that are at least 5,750 sq. ft.</td>
<td>Min. -</td>
<td>Max. 30 ft.</td>
<td>Min. 10 ft. separation between principal</td>
<td>Max. Building Coverage 40% of the lot.</td>
<td>Not Required</td>
<td>Not Required</td>
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<td>Max. 1,100 sq. ft. - Or no more than 15% of the lot size (whichever is smaller).</td>
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<td>structure and ADU.</td>
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<td>Min. 1,000 sq. ft. for lots of 6,000 sq. ft. or less 864 sq. ft. for lots of 3,000 sq. ft or less 1,000 sq. ft for lots greater than 7,000.</td>
<td></td>
<td>Min. 10 ft. side and rear property line (laneway), if facing the rear property line setbacks.</td>
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<td>Max. 650 sq. ft.</td>
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<td>Denver, CO</td>
<td>Varies</td>
<td>Min. 200 sq. ft. per occupant (no more than 1,000 sq. ft.)</td>
<td>Varies</td>
<td>Min. 28 ft. separation between principal</td>
<td>Varies</td>
<td>Required</td>
<td>Compatible and visually match.</td>
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<td>Max. 650 sq. ft. for lots of 6,000 sq. ft. or less 864 sq. ft. for lots of 3,000 sq. ft or less 1,000 sq. ft for lots greater than 7,000.</td>
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<td>Min. 5 ft. side and rear property line (laneway), if facing the rear property line setbacks.</td>
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<td>Oakland, CA</td>
<td>All residential zoning districts, including single-family and multi-family,</td>
<td>Min. 250 sq. ft.</td>
<td>Max. 14 ft.</td>
<td>Min. 4 ft. side and rear property line (laneway), if facing the rear property line setbacks.</td>
<td>Max. 50% Rear Yard Coverage.</td>
<td>Not Required</td>
<td>Compatible and visually match.</td>
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<td>Max. 800 sq. ft. - Or no more than 75% of the existing gross area.</td>
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<td>Washington, DC</td>
<td>Zones R1, R2, R3, R4, R5, and R17; R19 and R20 only on the 2nd story of a detached existing accessory structure.</td>
<td>Min. -</td>
<td>Max. 20 ft.</td>
<td>Min. 8 ft. side and rear property line (laneway), if facing the rear property line setbacks.</td>
<td>Combination of all detached accessory structures may not exceed 15% of the total area of the lot.</td>
<td>Required</td>
<td>Not Required</td>
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<td>Max. No more than 35% of the gross floor area of the principal structure.</td>
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<td>Max. 20 ft.</td>
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<td>Max. 30 ft. from front lot line.</td>
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<tr>
<td>Seattle, WA</td>
<td>Single-family or low-rise zones.</td>
<td>Min. -</td>
<td>Max. 15 ft.</td>
<td>Min. 5 ft. side and rear property line (laneway), if facing the rear property line setbacks.</td>
<td>Max. 40% Rear Yard Coverage.</td>
<td>Not Required</td>
<td>Compatible and visually match.</td>
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<td>Max. Internal or Attached: 1,000 sq. ft.</td>
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<td>Pittsburgh, PA</td>
<td>Residential districts or planned development districts that has a single-family dwelling</td>
<td>Min. 200 sq. ft.</td>
<td>Varies</td>
<td>Min. 4 ft. side and rear property line (laneway), if facing the rear property line setbacks.</td>
<td>Varies</td>
<td>Required</td>
<td>Compatible and visually match.</td>
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<td>Max. Internal or Attached: 1,200 sq. ft. - Or no more than 50% of the primary structure heated floor area. Detached: 1,200 sq. ft.</td>
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<td>Madison, WI</td>
<td>Residential, Village, and Commercial</td>
<td>Min. -</td>
<td>Max. 25 ft.</td>
<td>Min. 5 ft. side and rear property line (laneway), if facing the rear property line setbacks.</td>
<td>Combination of all accessory structures may not exceed 50% of the lot area.</td>
<td>Required</td>
<td>Compatible and visually match.</td>
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<td>Max. 700 sq. ft. - Or no more than 75% of the principal structure (whichever is less).</td>
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<td>Ann Arbor, MI</td>
<td>R3A, R3B, R3C, R3D, and R3E.</td>
<td>Max. 650 sq. ft. for lots between 5,000 to 7,099 sq. ft. - Or the same size as the ground floor of principal structure. (whichever is less).</td>
<td>Max. 21 ft.</td>
<td>Min. 3 ft. side and rear property line (laneway), if facing the rear property line setbacks.</td>
<td>Sum of all structures may not exceed 35% of the required rear open space.</td>
<td>Required</td>
<td>Not Required</td>
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<td>Max. 800 sq. ft. for lots between 7,200 sq. ft. or greater - Or the same size as the ground floor of principal structure. (whichever is less).</td>
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ADDITIONAL HOUSING TYPES
Housing in many cities has stratified, consisting of two types: detached single-family housing and large multi-family structures. The term middle housing encompasses all housing in the middle of the spectrum. In addition to accessory dwelling units, here are some brief discriptions of other middle housing types that the City of Milwaukee may want to consider addressing in their zoning code moving forward.

Additional Housing Types
1. Tiny Homes
   a. Definition: A tiny home is a residential unit, generally defined as being under 400 square feet. Tiny homes can be used as Accessory Dwelling Units, simply a smaller version of a typical detached ADU.
   b. Typical Specifications
      i. Lot: See ADU Zoning Alternative
      ii. Units: Under 400 sq. ft.
      iii. Building Size: Width 8-20 ft., Length 20-40 ft., Height 1-1.5 Stories
      iv. Other Considerations: Tiny Home On Wheels (THOW)
   c. Zoning
      i. Permanent Tiny Home Dwelling: See ADU zoning alternative.
      ii. Tiny Home On Wheels (THOW): Prohibited based on Residential Districts Use Table which prohibits Mobile Homes. If desired, it is recommended that THOW is added to Table 295-503-1.

2. Townhomes
   a. Definition: A townhome is a stacked single-family unit which is attached side-by-side to additional single-family units. The units typically have street frontage and townhome complexes often are between two and eight units.
   b. Typical Specifications
      i. Lot: Lot Sizes within RT and RM zoning districts.
      ii. Units: Number of units 2-8, Size Varies
      iii. Building Size: Width 20-40 ft., Length 30-60 ft., Height 1.5-3 Stories
   c. Zoning
      i. Lot Area per Dwelling Unit: Current zoning would likely prohibit Townhomes from being constructed. It is recommended to lower Lot Area per Dwelling Unit in zoning districts RS6 and RT1-4 to accommodate Townhomes which fit neighborhood character.
      ii. Number of Principal Residential Buildings: While townhomes can be a single building, often they are not so would be prohibited. It is recommended to allow Townhomes in districts RT1-4 with form restrictions to fit neighborhood context.

3. Bungalow Courts
   a. Definition: A bungalow court is a cluster of small single-family homes usually positioned around a shared central courtyard. The courtyard generally runs perpendicular to the street in which the homes move back into the lot.
   b. Typical Specifications
      i. Lot: Width 100-150 ft., Depth 100-150 ft., 10,000-22,500 sq. ft.
      ii. Units: Number of units 5-10, 500-800 sq. ft.
      iii. Building Size: Width 18-24 ft., Length 24-36 ft., Height 1-1.5 Stories
   c. Zoning
      i. Lot Area per Dwelling Unit: Current zoning would likely prohibit Bungalow Courts from being constructed. It is recommended to shift to form-based regulations rather than density based.
      ii. Number of Principal Residential Buildings: Bungalow Courts would be prohibited as multiple structures. It is recommended to remove that line from the zoning code.