City Council Item

March 24, 2025

Item	Accessory Dwelling Unit Discussion	
File No.		**Item No:** A.3
Agenda Section	**5:30 P.M. - WORK SESSION**	
Prepared By	Rachel Jeske, Planner	
Reviewed By	Eric Maass	

SUGGESTED ACTION No action; discussion purposes only.	
Motion Type	N/A
Strategic Priority	Development & Redevelopment

SUMMARY

Currently, the city's ordinance requires the application and approval of a variance in order to permit a single-family dwelling to be utilized as a two-family dwelling or "ADU". A variance may only be allowed under the following circumstances:

- There is a demonstrated need based upon disability, age, or financial hardship;
- the dwelling has the exterior appearance of a single-family dwelling, including the maintenance of one driveway and one main entry;
- separate utility services are not established (e.g., gas, water, sewer, etc.);
- the variance will not be injurious to or adversely affect the health, safety, or welfare of the residents of the city or the neighborhood where the property is situated, and will be in keeping with the spirit and of the city or the neighborhood where the property is situated and will be in keeping with the spirit and intent of this chapter.

Formal decision-making on variance requests related to Chapter 20 of the city code has been delegated to the Planning Commission by the City Council. Since its adoption in 1986, the city has received 10 variance applications for an ADU and the city has approved all 10 of those requests. Outside of those

who submitted applications, staff has record of 25 resident inquiries on ADUs in the last 5 years. From those inquiries, the most common issues for residents were the additional cost and time in seeking a variance, the interest but inability to be allowed a detached ADUs, and the inability to convert existing accessory structures.

BACKGROUND

The use of a variance process for ADUs does not have a strong legal basis. While the city has not been challenged to date, it makes sense to consider other approaches. Based on the consistent support that the Planning Commission has historically shown applications for ADUs, the city could consider amending its city code to allow for ADUs to be reviewed solely through an administrative approval process as well as reviewing standards and options associated with ADUs.

DISCUSSION

The Planning Commission held a lengthy discussion regarding ADUs at their July 2, 2024 work session and the adopted meeting minutes from that meeting are attached. In summary, the Planning Commission was interested in the following policies for the regulation of ADUs:

1. Update the city's definition of an ADU.
2. Internal to the home and attached ADUs should not require a variance or conditional use permit process but rather be permitted through the building permit process as a home improvement.
3. One ADU allowed per property.
4. ADUs over a detached garage should also be allowed and permitted through the building permit process.
5. Rental Policy - ADUs may be rented as either a short-term or long-term rental, but only if the other dwelling unit on the property is owner-occupied.
6. Maintain a single utility service and single roadway access.
7. Design standards - ADUs should complement the main principal structure.
8. Lot Cover - total lot cover would continue to be restricted by the base zoning district.
9. Properties zoned as A2, RR, RSF, R-4, RLM, or PUD-R (i.e. low density residential use) is eligible for a detached or attached ADU.
10. ADUs may not be sold independently from the principal dwelling.
11. Additional parking is not required for an ADU.
12. ADUs shall abide by Minnesota State building code regulations.

The City Council discussed the Planning Commission's findings at their work session on January 27, 2025. The City Council expressed interest in seeing a draft ordinance and the history of resident inquiries and gaining a better understanding of what issues residents have struggled with as a result of the current process.

Potential future timeline:
April 8th - Planning Commission review of draft ordinance
April 15th - Planning Commission (public hearing)
April 28th - City Council meeting (possible adoption)

BUDGET

RECOMMENDATION

No formal recommendation, discussion only.

ATTACHMENTS

Draft Ordinance - Accessory Dwelling Units
Example Plan Set 1 - Variance would be required
Accessory Dwelling Unit Inquiry History
Approved Planning Commission Work Session Meeting Minutes