



CITY OF PLANO

NOTICE OF MEETING

**PLANNING & ZONING COMMISSION
PLANO MUNICIPAL CENTER
1520 K AVENUE
AUGUST 8, 2006**

6:00 PM	Dinner	Planning 2E
6:30 PM	Work Session	Council Chambers

WORK SESSION AGENDA

1. *Discussion and Direction* – Workforce Housing and Accessory Dwelling Unit Studies

ACCESSIBILITY STATEMENT

Plano Municipal Center is wheelchair accessible. A sloped curb entry is available at the main entrance facing Municipal Avenue, with specially marked parking spaces nearby. Access and special parking are also available on the north side of the building. Requests for sign interpreters or special services must be received 48 hours prior to the meeting time by calling the Planning Department at (972) 941-7151.

CITY OF PLANO
PLANNING AND ZONING COMMISSION

Work Session – August 8, 2006

Agenda Item No. 1

Discussion and Direction: Workforce Housing and Accessory Dwelling Unit Studies

Applicant: City of Plano

DESCRIPTION:

Discussion and direction on the Workforce Housing and Accessory Dwelling Unit Studies.

BACKGROUND:

For the past several months, the Transition and Revitalization Commission (TRC) has been studying the availability of workforce housing and a separate but related topic, Accessory Dwelling Units. Workforce housing was included in City Council's Strategic Plan as a topic that warranted further study and Accessory Dwelling Units were recommended for further consideration in the Housing Element of the Comprehensive Plan. Both studies consider ways that Plano can preserve and enhance critical components of its housing stock.

Workforce Housing

Workforce housing is housing that is affordable to those workers earning between 80 and 120 percent of a metropolitan region's median income. Often these are the service workers essential to any community - police officers, firefighters, teachers, and government and retail workers. The availability of affordable workforce housing directly affects the ability of a community to attract and retain an adequate, stable and skilled labor pool at competitive wages. Ideally a community can provide housing at prices, sizes and locations suited to the labor force in a community.

A jobs/housing imbalance is said to occur when the housing available does not meet the needs of those persons employed by local businesses. To assess this imbalance the TRC has analyzed available information on commute patterns, income and Plano's housing stock. The results are imperfect as there is no specific data available on the income for people who work in Plano. The U.S. Census provides income data for persons who reside in Plano, but not for people who work in Plano but live in another city. What this means is that certain assumptions had to be made based on the data available and anecdotal evidence. The available information appears to support the assertion that there is a gap between the housing supply in Plano and that needed by our workforce.

When considering how we can ensure an adequate supply and range of housing, it must be recognized that there are limited opportunities within the city for new housing development. However, there is an existing inventory of housing affordable to persons within the noted salary

range. For this reason, the TRC has begun to focus on tools for preserving and enhancing our existing housing stock.

Accessory Dwelling Units

An Accessory Dwelling Unit (ADU) is a secondary home located within or adjacent to a primary dwelling unit (PDU) on a lot in a single-family residential area. ADU's provide a cost effective option for residents to provide housing for other family members in separate, independent units and therefore represent a further opportunity to add housing units for individuals with moderate incomes, such as retirees.

ADU's are currently allowed in Estate Development districts (one-acre minimum lot sizes), but not in other single-family residential districts. The attached report summarizes information obtained from other cities that allow ADU's in single-family districts. It includes a table that identifies the types of measures used by other cities to regulate ADU's and TRC's initial assessment of their applicability to Plano's needs. In making these assessments, TRC received input from the Legal Department about the enforceability of certain regulations and their ability to be upheld by the courts.

RECOMMENDATIONS:

Attached are the Transition and Revitalization Commission's Interim reports on Workforce Housing and Accessory Dwelling Units. These documents summarize the research and findings of the TRC to date. As the TRC prepares to make recommendations for each of these projects, they are requesting input from the Planning and Zoning Commission and City Council on the following questions:

1. Workforce Housing
 - a. Does the Commission agree with the focus on the existing housing stock?
 - b. Does the Commission think that encouraging reinvestment in older homes is an appropriate approach?
 - c. Are there additional questions, comments or suggestions?

2. ADU's
 - a. Does the Commission think that ADU's should continue to be considered as a future housing resource?
 - b. Does the Commission have any questions, comments or suggestions regarding the regulatory measures presented?

The TRC expects to conclude these studies and issue their final reports this fall.

Workforce Housing Study - Interim Report

- I. Definition – Housing that is affordable to those workers earning between 80 and 120 percent of the area median income. Often these are the service workers essential to any community - police officers, firefighters, teachers, and government and retail workers.**
- II. Why is workforce housing important to our community? - In order for communities to remain economically viable, there must be an adequate supply of housing in proximity to employment, public transportation, and community facilities, such as public schools. The housing stock must include affordable for sale and rental units.**

Like transportation and education, the availability of affordable workforce housing directly affects the ability to attract and retain an adequate, stable and skilled labor pool at competitive wages.

- III. Impacts – Ideally housing should be available at prices, sizes and locations suited to the labor force in a community. A housing imbalance occurs when, for one or more of the aforementioned reasons, the housing provided does not meet the needs of the area population.**

The affordability of housing remains the biggest housing challenge nation-wide. Approximately 33 million households (31 percent of the total) are housing burdened. This means that they are paying more than 30 percent of household income on housing (including utilities). These statistics understate the true magnitude of the affordability problem because they do not capture the tradeoffs people make to hold down their housing costs (Sources: *Housing Challenges and Something's Gotta Give*):

- a. Families that are housing burdened compensate by reducing expenditures for other essentials such as food, clothing, and healthcare.**
- b. Commuting is also a common strategy for working families to cope with high housing costs. When the cost of transportation is considered together with the cost of housing, the percentage of working families paying more than half their total expenditures increases five-fold from 8.3 percent to 44.3 percent of working families.**
- c. Families that are housing burdened often compensate by living in inadequate conditions such as overcrowded homes or substandard structures.**

IV. Trends that will impact housing decisions and needs

- a. Regional population growth and development patterns**
- b. Impacts of this growth on congestion levels and travel time to and from work.**
- c. Home prices and rents have outpaced wage growth**
- d. As Plano's population grows older and more diverse, housing needs are changing. The housing preferences of the fastest growing population segments differ from the preferences of past home buyers and renters.**
- e. Minority, single-person, single-parent, and female-headed households are making up larger shares of the housing market than ever before.**

V. What is the situation in Plano?

- a. Median per capita income in Plano is \$43,000 in 2005 dollars (making the 80% to 120% range: \$34,400 to \$51,600). Median household income in Plano is \$94,107 (ESRI 2005 Sourcebook America Report). [Note: This is data for people who already live in Plano, not those who are employed in Plano.]**
- b. Median per capita income for the DFW Metroplex is \$25,975 and the median household income is \$50,222 (2005 dollars, based on the 2004 American Community Survey)**
- c. A salary of \$34,400 would allow someone to purchase a house costing up to \$103,000 and a person earning \$51,600 to purchase a home costing up to \$155,000.**
- d. In Plano, homes in these price ranges are disproportionately located in the eastern part of Plano.**
- e. These more affordable homes also tend to be older homes and therefore have heavier maintenance burdens and lower levels of energy efficiency.**
- f. 18.2% of Plano ownership households spend 30% or more of their income on housing. (Source: 2000 US Census)**
- g. 30.3% of Plano rental households spend 30% or more of their income on housing. (Source: 2000 US Census)**

- h. A major portion of Plano's employment base is located in western Plano away from the affordable housing and with limited mass transit access.**

**** Additional data is attached (Note: While we have salary data for Collin County and household income for people living in Plano, we have been unable to obtain salary data for those employed in Plano.)**

VI. Strategies and Tools

- a. Preserve and maintain existing affordable units - This strategy focuses on the preservation of older market-rate owner-occupied and renter-occupied housing, much of which is affordable to low and moderate income households. Disinvestment and physical deterioration are removing some of these affordable units from the supply. Newly constructed units tend to serve the upper end of the rent and ownership spectrum and therefore do not effectively replace these more moderately priced homes.**
- b. Make affordable housing more sustainable and energy efficient - Integrating basic building (and renovation) strategies that consider easy access to jobs to minimize commuting, building orientation, water and energy efficient appliances, and appropriate landscaping can help make housing more affordable by increasing savings on transportation, operational, and maintenance costs.**
- c. Land Banking - One of the main issues for affordable housing production is the diminishing supply of vacant land available to prospective developers. Anecdotal information from local affordable housing developers indicates that it is becoming increasingly difficult to secure sites for new affordable housing projects. A land banking program would acquire unimproved sites that are appropriate for affordable housing and holds them long-term so that they are available when needed. Ultimately, land bank sites would be sold at discount to non-profit or for-profit developers to build affordable housing projects.**
- d. Community Land Trusts - A community land trust (CLT) is a private, nonprofit corporation created to provide secure, affordable access to land and housing for community members. CLTs generally focus on meeting the housing needs of those not served by the market. A CLT typically purchases and holds land while selling the structure along with a long-term lease on the land (typically 99 years). This strategy creates affordable housing by minimizing the cost of land.**

- e. **Housing Trust Fund** - Housing trust funds are distinct funds established by cities, counties and states that permanently dedicate a source of public revenue to support the production and preservation of affordable housing. Housing trust funds can support a variety of housing activities including new construction, preservation of existing housing, emergency repairs, housing-related services, and capacity building for nonprofit organizations.
- f. **Allow Mixed Land Uses** - Consider amending land-use provisions of zoning districts to allow mixed uses. Areas zoned for commercial uses may not allow any type of residence in the zone. Yet, a residential unit positioned over street-level retail or office space can be a very appropriate and convenient land use. Review all zoning classifications for the purpose of ensuring that compatible land uses are not specifically excluded. This will involve education and awareness efforts to change the culture of exclusionary zoning.
- g. **Accessory Units** - Sometimes referred to as “granny-flats” or “mother-in-law” units, accessory units are small apartment-like units added to single-family homes typically intended as a low-cost apartment for single-person occupancy. Allowing accessory units in an otherwise low-density single-family neighborhood is frequently more palatable to the existing residents than encouraging development of large apartment complexes to accommodate the demand. An important issue related to the accessory units is that of parking. Opposition may center on concerns that the single family character of the neighborhood would be altered with the addition of these units.
- h. **Home Occupation Regulations** - Living and working in the same place is probably the ultimate job/housing balance. Regulations regarding home occupations could be reviewed for the purpose of expanding the variety of occupations that can be conducted out of the home while maintaining the nature and tranquility of the neighborhood. The review should focus on modifying restrictions that are unduly restrictive and the review may want to even encourage telecommuting. [Note: With regard to home occupations, Plano’s existing regulations are already quite generous.]
- i. **Live/Work Units** - Live/work housing units are specifically designed and built to accommodate a business office in the home. Typically this arrangement may involve a separate entrance and off-street parking.

- j. Inclusionary Zoning - Inclusionary housing programs require developers to include some number (or percentage) of the units in a newly developed subdivision to be sold at a price that is affordable to lower income families. Typically the developer is allowed an increase in density to reduce the per-unit cost of site development and thereby partially or completely compensate the developer for selling the set-aside moderate-income units at a price below cost. A basic requirement of the inclusionary zoning is that the lower-cost homes be indistinguishable from the market rate homes. [Note: Texas does not currently allow inclusionary zoning. The only time we could require the inclusion of affordable units would be when the city is participating as a partner in a project. For example, as part of a development partnership the city might be upgrading infrastructure or selling land, then the provision of affordable housing might be included as part of the development agreement.]**

Linkage Programs - A linkage program would require that a major development (one that will attract a sizeable workforce) must provide or procure housing for the portion of the workforce that can not be housed by the existing supply. The term local would typically apply to a 10-mile or 20-minute commute distance from the development. The number and price range of the required units would be based on a projection of the future workforce broken down into income categories and a comparison of the new demand for housing with the existing and planned available inventory. The difference between the number of units that will be available and the projected new demand represents the need that the developer must meet. For example, a city might only have 800 houses available in a given range. A new employer bringing 1,000 new jobs to an area could be required to develop the additional 200 homes required to house their employees. Note: Few cities in the U.S. have official linkage programs. Those that do include: Boston (MA), Cambridge (MA), San Diego (CA), San Francisco (CA), Sacramento (CA), Berkeley (CA), and Seattle (WA). This is not a likely scenario in Plano because there is not much land available and Texas is very strong on property rights.

VII. Findings and Recommendations (To be completed following presentation of interim report)

- a. Extent of Imbalance (as can be ascertained from the available data)**
- b. Future Trends**
 - i. Job Market**

- ii. Housing Market**
- iii. Impact on Plano's Competitive Position**

c. Recommendations

- i. Code / Ordinance Changes**
- ii. Enforcement / Preservation of Housing Stock**
- iii. New or Expanded Programs**

Workforce Housing Summary Statistics

Commute Data (Source: North Central Texas Council of Governments)

Where people who work in Plano live and how they travel									
Place of Residence	Workers	Percent of Total Workers	Travel Time (minutes)	Drove alone	Carpooled	Rode Transit	Other: Bicycle, walked, taxicab, motorcycle	Worked at home	
Plano	45,390	39	16	33,275	4,525	115	1,800	5,585	
Dallas	17,890	15	29	14,195	3,205	290	170	0	
Garland	6,100	5	29	5,160	810	65	65	0	
Allen	4,825	4	21	4,445	355	15	10	0	
Richardson	4,750	4	19	4,170	470	60	25	0	
McKinney	4,570	4	27	3,995	515	0	50	0	
Frisco	3,980	3	22	3,545	415	15	4	0	
Carrollton	3,075	3	26	2,870	195	4	10	0	
Wylie	1,545	1	27	1,380	145	0	20	0	
Lewisville	1,365	1	33	1,275	90	0	0	0	
Mesquite	1,320	1	44	1,160	160	0	4	0	
Rowlett	1,105	1	36	940	165	0	0	0	
Irving	1,075	1	46	850	215	4	10	0	
Outside North Central TX	972	1	47	824	103	0	20	0	
Sachse	760	1	27	700	50	0	10	0	
Flower Mound	725	1	42	690	25	0	10	0	
Arlington	590	1	53	470	110	4	0	0	

Where people who live in Plano work and how they travel

Place of Work	Workers	Percent of Total Workers	Travel Time (minutes)	Drove alone	Carpooled	Rode Transit	Other: Bicycle, walked, taxicab, motorcycle	Worked at home
Plano	45,390	39	16	33,275	4,525	115	1,800	5,585
Dallas	31,650	27	36	28,390	2,240	915	105	0
Richardson	12,205	11	24	11,160	970	20	55	0
Irving	3,570	3	45	3,300	220	15	30	0
Farmers Branch	3,405	3	37	3,025	360	20	4	0
Addison	3,035	3	32	2,755	255	15	10	0
Carrollton	3,025	3	30	2,830	190	0	4	0
McKinney	2,425	2	24	2,075	305	4	35	0
Garland	2,110	2	31	1,790	245	60	15	0
Allen	1,715	1	17	1,520	180	0	15	0
Frisco	945	1	25	855	85	0	4	0
Lewisville	700	1	34	625	75	0	0	0
Mesquite	670	1	39	615	55	0	0	0
Outside Texas	620	1	42	342	85	32	153	0
Outside North Central TX	592	1	58	444	48	30	68	0

Demographic, Employment and Housing Data (Source: U.S. Census 2000)

HOUSEHOLDS BY TYPE			
Total households		80,875	100.0
Family households (families)		60,578	74.9
With own children under 18 years		33,973	42.0
Married-couple family		52,029	64.3
With own children under 18 years		28,802	35.6
Female householder, no husband present		6,069	7.5
With own children under 18 years		3,922	4.8
Nonfamily households		20,297	25.1
Householder living alone		16,359	20.2
Householder 65 years and over		2,369	2.9
Households with individuals under 18 years		35,371	43.7
Households with individuals 65 years and over		7,807	9.7
Average household size		2.73	(X)
Average family size		3.18	(X)
HOUSING OCCUPANCY			
Total housing units		86,078	100.0
Occupied housing units		80,875	94.0
Vacant housing units		5,203	6.0
For seasonal, recreational, or occasional use		238	0.3
Homeowner vacancy rate (percent)		1.4	(X)

Rental vacancy rate (percent)	12.6	(X)
-------------------------------	------	-----

YEAR STRUCTURE BUILT		
1999 to March 2000	7,831	9.1
1995 to 1998	19,470	22.6
1990 to 1994	13,379	15.5
1980 to 1989	23,808	27.6
1970 to 1979	16,983	19.7
1960 to 1969	3,619	4.2
1940 to 1959	823	1.0
1939 or earlier	194	0.2

Specified owner-occupied units	53,260	100.0
VALUE		
Less than \$50,000	506	1.0
\$50,000 to \$99,999	6,267	11.8
\$100,000 to \$149,999	16,205	30.4
\$150,000 to \$199,999	12,609	23.7
\$200,000 to \$299,999	10,775	20.2
\$300,000 to \$499,999	5,134	9.6
\$500,000 to \$999,999	1,518	2.9
\$1,000,000 or more	246	0.5
Median (dollars)	162,300	(X)

MORTGAGE STATUS AND SELECTED MONTHLY OWNER COSTS			
With a mortgage	47,398	89.0	
Less than \$300	40	0.1	
\$300 to \$499	238	0.4	
\$500 to \$699	1,157	2.2	
\$700 to \$999	4,222	7.9	
\$1,000 to \$1,499	15,881	29.8	
\$1,500 to \$1,999	12,409	23.3	
\$2,000 or more	13,451	25.3	
Median (dollars)	1,573	(X)	
Not mortgaged	5,862	11.0	
Median (dollars)	513	(X)	
SELECTED MONTHLY OWNER COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME IN 1999			
Less than 15 percent	16,729	31.4	
15 to 19 percent	11,963	22.5	
20 to 24 percent	9,122	17.1	
25 to 29 percent	5,580	10.5	
30 to 34 percent	3,110	5.8	
35 percent or more	6,623	12.4	
Not computed	133	0.2	
Specified renter-occupied units	25,182	100.0	
GROSS RENT			
Less than \$200	283	1.1	

\$200 to \$299	63	0.3
\$300 to \$499	453	1.8
\$500 to \$749	6,529	25.9
\$750 to \$999	9,421	37.4
\$1,000 to \$1,499	6,249	24.8
\$1,500 or more	1,760	7.0
No cash rent	424	1.7
Median (dollars)	862	(X)
GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME		
IN 1999		
Less than 15 percent	4,771	18.9
15 to 19 percent	4,692	18.6
20 to 24 percent	4,062	16.1
25 to 29 percent	3,358	13.3
30 to 34 percent	2,043	8.1
35 percent or more	5,592	22.2
Not computed	664	2.6

EMPLOYMENT STATUS	
Population 16 years and over	164,895
In labor force	124,183

OCCUPATION	
Management, professional, and related occupations	66,777
Service occupations	9,647
Sales and office occupations	32,833
	55.5
	8.0
	27.3

Farming, fishing, and forestry occupations	46	0.0
Construction, extraction, and maintenance occupations	5,568	4.6
Production, transportation, and material moving occupations	5,359	4.5
INDUSTRY		
Agriculture, forestry, fishing and hunting, and mining	973	0.8
Construction	5,102	4.2
Manufacturing	16,352	13.6
Wholesale trade	5,395	4.5
Retail trade	15,397	12.8
Transportation and warehousing, and utilities	3,225	2.7
Information	10,442	8.7
Finance, insurance, real estate, and rental and leasing	12,590	10.5
Professional, scientific, management, administrative, and waste management services	19,701	16.4
Educational, health and social services	17,333	14.4
Arts, entertainment, recreation, accommodation and food services	7,053	5.9
Other services (except public administration)	4,494	3.7
Public administration	2,173	1.8

INCOME IN 1999		
Households	81,179	100.0
Less than \$10,000	1,982	2.4
\$10,000 to \$14,999	1,595	2.0
\$15,000 to \$24,999	3,998	4.9
\$25,000 to \$34,999	5,670	7.0
\$35,000 to \$49,999	9,446	11.6

\$50,000 to \$74,999	15,798	19.5
\$75,000 to \$99,999	12,851	15.8
\$100,000 to \$149,999	16,880	20.8
\$150,000 to \$199,999	6,145	7.6
\$200,000 or more	6,814	8.4
Median household income (dollars)	78,722	(X)

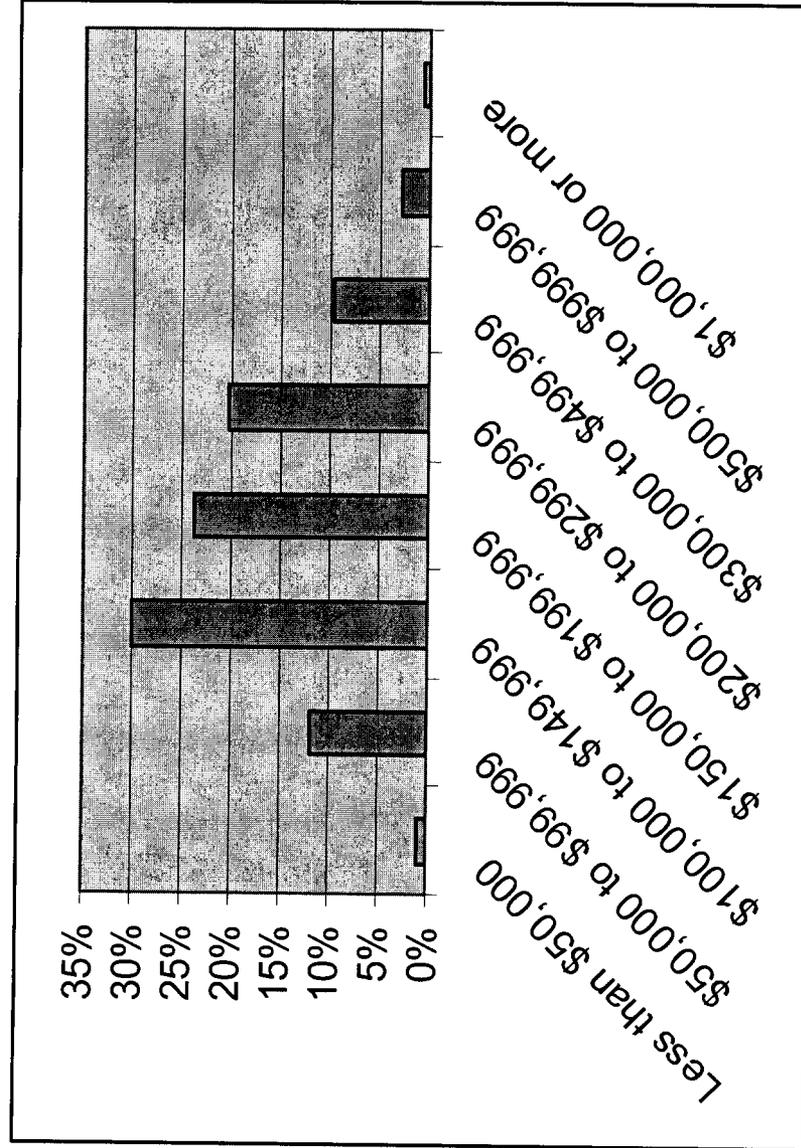


Figure 1: Plano Housing Stock by Value (1999). Source: US Census

Selected excerpts from: *Where is Workforce Housing Located? A Study of the Geography of Housing Affordability*

Source: National Association of Homebuilders

(<http://www.nahb.org/generic.aspx?sectionID=681&genericContentID=33617>)

This study looked at the location and characteristics of workforce housing by census tract in the 25 largest metro areas in the United States. In most of the metro areas studied, people holding important community infrastructure jobs—police officers, teachers, nurses—can afford homes in less than one-half of the tracts.

There is a general pattern to the location of workforce housing. In the middle of the metro area is an affordable “donut hole” that is often small and adjacent to or incorporated within the traditional business center of the city. Around this core is a large ring that contains housing that is not affordable to low- and moderate-income families. On the urban fringe, far from many employment centers, is a distant ring where housing again becomes affordable.

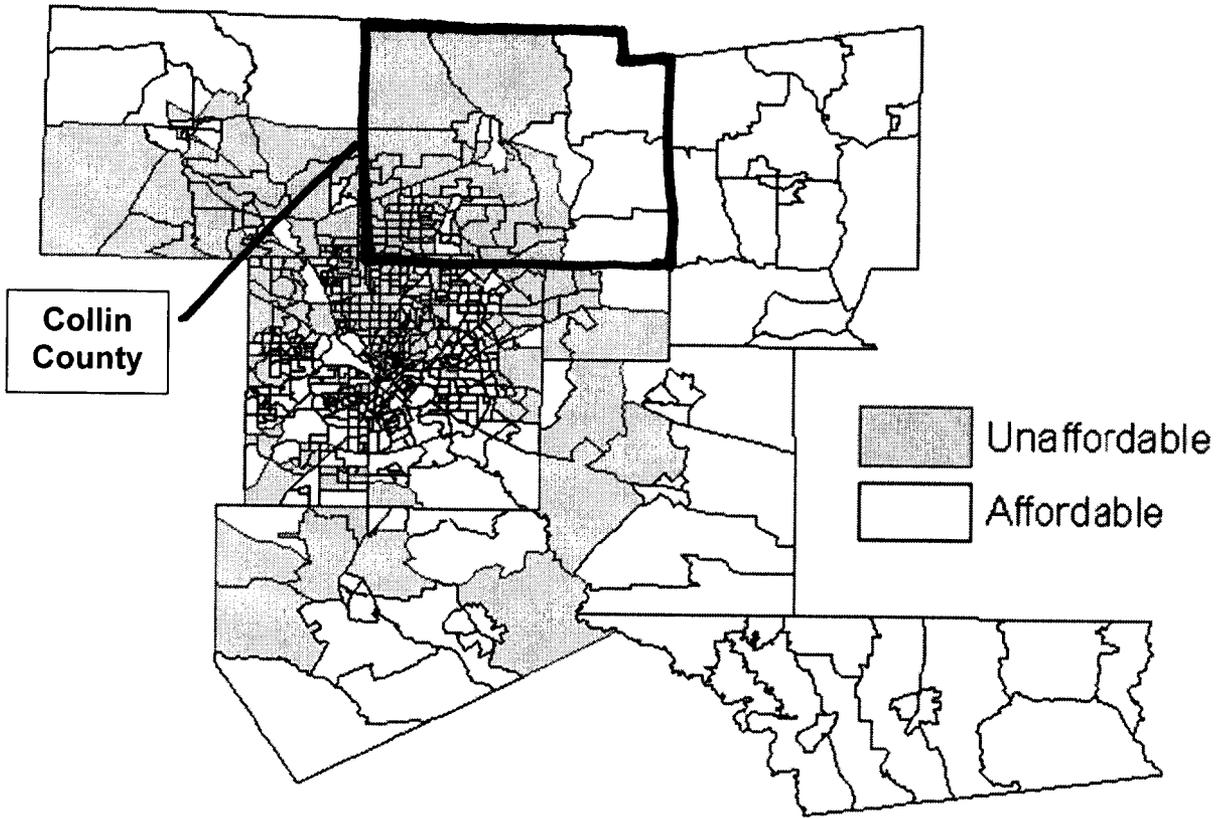
The census tracts that are affordable contain far less than one-half of the owner-occupied homes, and the housing in these areas is typically much older than the housing stock in the less affordable areas. It seems reasonable to infer that the older, more affordable neighborhoods are likely to have a disproportionate share of deteriorated and unusable homes, although the Census data does not contain enough data on housing characteristics to demonstrate that conclusively.

The numbers were even more stark for retail sales workers, who were unable to afford housing in 97 percent of the census tracts in the 25 metro areas studied. So a retail sales worker earning the median salary for that job can find almost no place in the entire metro area where homes are affordable, either to rent or own.

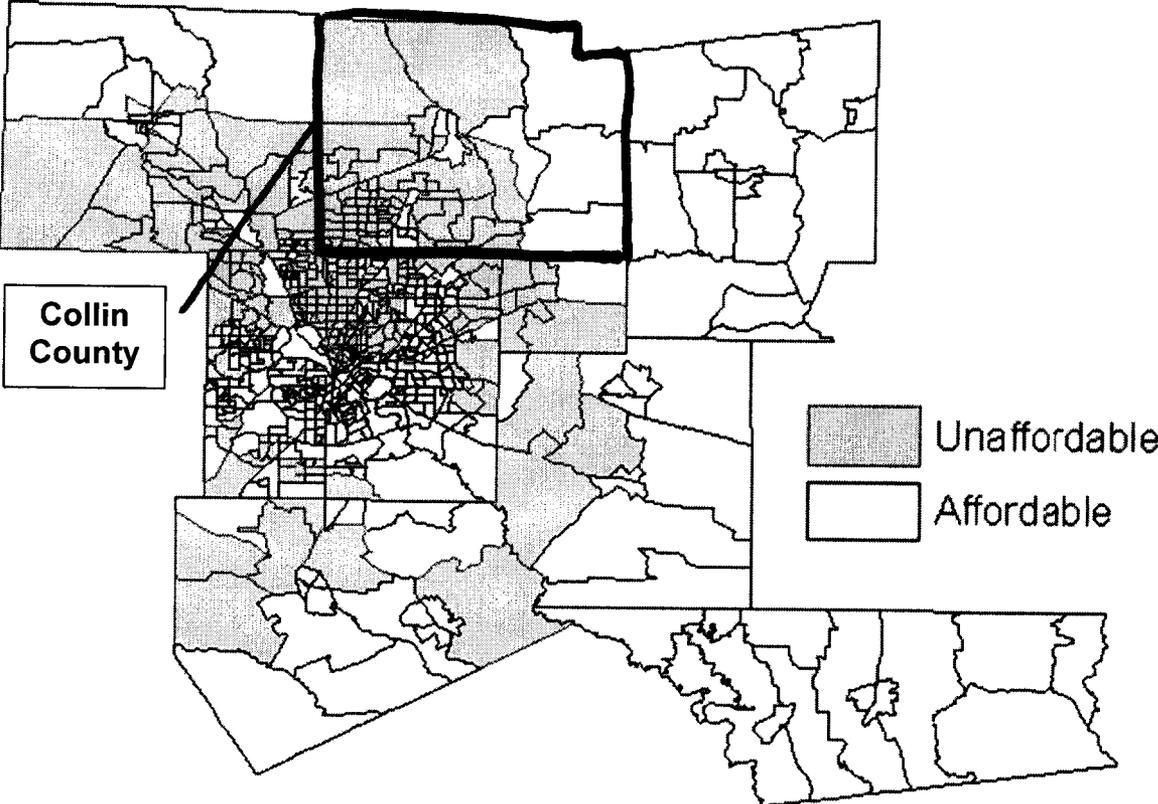
The shortage of workforce housing in large segments of metropolitan areas has many negative consequences. Essential workers must either commute longer or find less desirable homes or neighborhoods in order to live closer to their job. Longer commutes affect everyone since they add to everyone’s traffic congestion and auto-related pollution. Longer commutes also diminish time available to spend with family and friends. And when workforce employees leave the community at the end of the work day, it leaves a hole in the social fabric as these valuable members of society take their availability and interaction to another community.

The dichotomy between the need for human infrastructure jobs in every community and the large portions of metropolitan areas where homes are not affordable to people working in those jobs is striking and troubling. If communities do not contain a mix of homes that provide housing for the mix of jobs required to make them function, filling those jobs and maintaining essential fiscal services becomes more expensive and more difficult. Everyone in the community is affected with either higher taxes to support essential services or lower service levels or both. Neither outcome is acceptable.

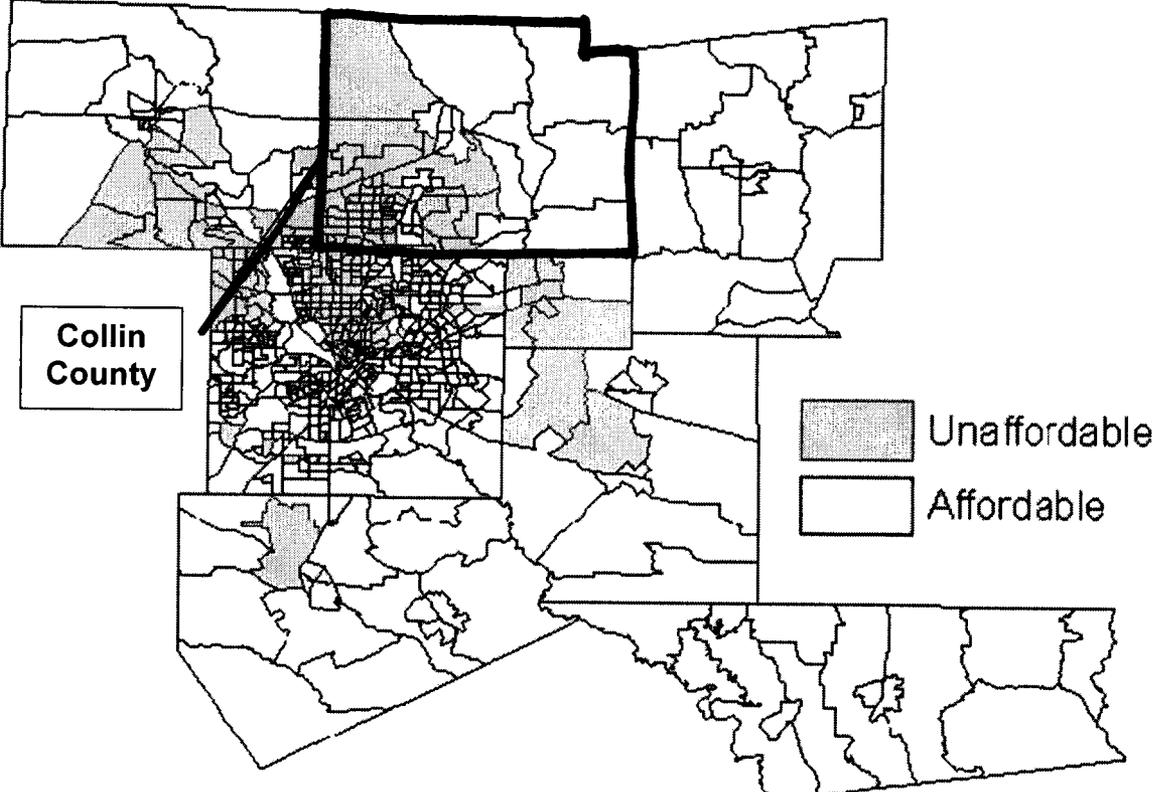
Tracts Affordable to Teachers in Dallas, Texas



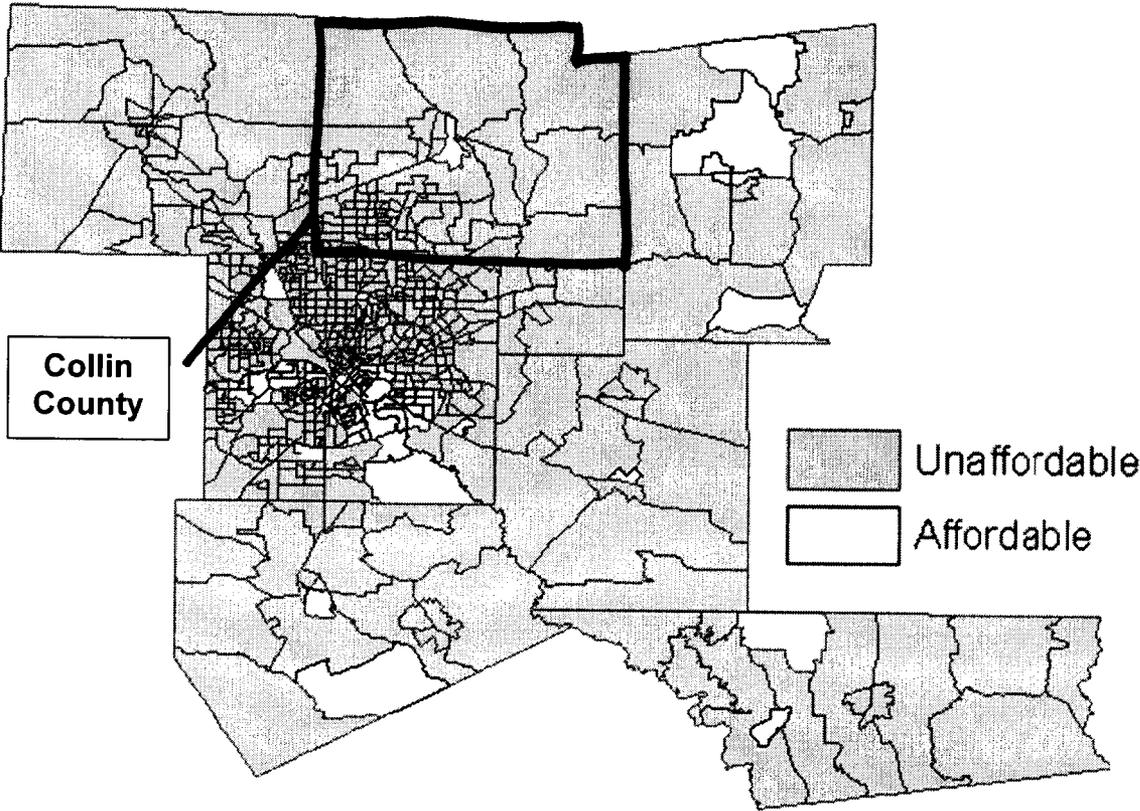
Tracts Affordable to Police Officers in Dallas, Texas



Tracts Affordable to Nurses in Dallas, Texas



Tracts Affordable to Sales Persons in Dallas, Texas



TRANSITION AND REVITALIZATION COMMISSION

ACCESSORY DWELLING UNIT STUDY

INTERIM REPORT

INTRODUCTION

Purpose

An accessory dwelling unit (ADU) is a secondary home located within or adjacent to a primary dwelling unit (PDU) on a lot in a single-family residential area. ADU's provide an excellent opportunity for residents to provide housing for other family members in separate, independent units in a cost effective manner. The Comprehensive Plan contains a recommendation to "Provide for accessory housing units so that elderly persons might live in fully functional units attached to main housing structures". The purpose of this study is to evaluate the potential effectiveness of ADU's as an approach to enable family members, dependents, or others with special needs to live in fully-functional dwelling units attached or immediately adjacent to main housing structures in single-family residential districts.

Definition

ADU's are commonly understood to be separate additional living units that are attached or detached from the primary residential unit; they typically include a separate kitchen and sleeping area, bathroom facilities, and are placed on a single-family lot. ADU's are usually subordinate in size, location, and appearance to the PDU. ADU's may also be referred to as granny flats, in-law suites, guest apartments, accessory apartments, or secondary units.

Background

ADU's have long been a topic of discussion in the City of Plano. The Housing Element of the Comprehensive Plan currently recommends that provisions be made to accommodate this form of housing in Plano. The Comprehensive Plan proposes allowing this type of housing for the following reasons:

- The Census data suggests that different housing types and neighborhoods may be needed to accommodate changing demographics.
- Plano's changing demographics highlight the need for the city to become a full "life cycle" community. This will require a variety of housing options to address the various stages in the human life process along with the accommodation of different life styles.
- There is a general need to expand the housing stock despite limited land availability.
- Plano has an abundance of housing for traditional families. Yet there are not enough housing opportunities to accommodate an increasing demand of smaller households resulting from growth in the elderly population and households with no children present.

ADU BENEFITS

ADU's are an opportunity to allow the housing stock to adjust to the changing demographics of Plano. Demand for smaller homes that require less maintenance will increase as the population continues to mature. ADU's help enable aging adults to live with younger relatives and still maintain an independent life style. The potential benefits of permitting ADU's include:

- Help address needs created by changing demographics;
- Provide an additional option to address the needs of the increasing elderly population;
- Provide an opportunity for relatives of various ages to live inexpensively and function independently;

- Provide an opportunity for citizens with special needs to live in a nurturing environment and maintain a certain level of independence;
- Increase housing resources without requiring more land for development;
- Make use of excess infrastructure capacity;
- Allow older homeowners to utilize existing space within their homes that is no longer required for children; and
- Provide another opportunity for affordable housing.

RESEARCH – ADU REGULATIONS

A recent survey of 34 jurisdictions' provisions was conducted to identify the regulatory trends and objectives associated with controlling ADU's. Of the 34 jurisdictions, 13 located outside Texas were chosen for having several common characteristics as Plano. Regulations tend to vary by jurisdiction in order to reflect the needs of each individual community. Plano's current regulations were compared to the regulations of the 34 jurisdictions included in the survey.

Plano's Current Regulations

The City prohibits accessory buildings from being used as dwelling units in all residential zoning districts except for ED (Estate Development) The ED district is intended to provide areas for single-family development in a rural or ranch-like setting or where topography and/or utility capacities limit the use of the land. Accessory kitchens are allowed in all residential districts as long as they are accessible to the PDU through a common door.

Regulations in Other Cities

Many approaches are used by cities across the country to allow ADU's in single family districts while attempting to minimize possible negative impacts on residential neighborhoods. Regulatory measures generally fall into the following categories:

- *Procedural* – some cities require Specific Use Permits or other additional permitting measures in order to create an ADU.
- *Occupancy limitations* – some cities require that occupants of an ADU must be family members of the residents of the PDU. Others require owner occupancy of the PDU or ADU and others restrict the ability to collect rent from ADU occupants.
- *Development criteria* – most cities that allow ADU's impose criteria aimed at maintaining the visual character of single family neighborhoods. These range from size limitations to detailed standards relating to the design and exterior materials used in the constructing ADU's.

IMPLEMENTATION AND REGULATORY APPROACHES

The City of Plano must determine if ADU's are appropriate in its single family zoning districts and if so, establish regulatory measures that are suitable to its needs and consistent with its current regulatory framework. Any regulations that it adopts must be legally defensible, clearly defined, and enforceable. If ADU's are definitely considered to be a viable housing option, the requirements associated with them should not be cost prohibitive or too complicated for persons to use them as intended.

The Transition and Revitalization Commission has evaluated the broad range of ADU regulations used by other municipalities and evaluated them in terms of their appropriateness and for Plano. The following table lists these regulations and rates them according to the commission's assessment of their ability to address various issues effectively including:

- Providing housing for target groups;
- Preserving the single-family intent of the applicable zoning district;
- Maintaining the visual character of neighborhoods;
- Holding up to legal challenges; and
- Consistency with the city’s enforcement and administrative resources.

Possible Criteria	Issue	Rating	Comments
If an accessory dwelling unit is constructed, the principal dwelling unit and the accessory dwelling unit will be considered a single structure and must conform to district standards. (Do not adjust regulations such as lot coverage maximums, set-back requirements, and height restrictions for the specific purpose of accommodating ADU's.)	Single-family intent	High	Ensures consistency with zoning
Prohibit accessory dwelling units in Patio Home and Townhouse districts.	Single-family intent	High	The lots are very small & garage conversions are prohibited.
Require that accessory dwelling units must be at least 350 square feet, and no larger than 600 square feet or 30% of principal dwelling unit – which ever is less.	Single-family intent & Visual character	High	Encourage smaller targeted households (1 or 2 residents) to live in an ADU. And discourage use by larger households that could have a greater impact on the single-family nature of the property.
Prohibit additional utility meters for accessory dwelling units.	Single-family intent & Visual character	High	Could help discourage rental activity
Limit the number of accessory dwelling units per lot is to one.	Single-family intent & Visual character	High	Avoids creating a structure with the potential for multiple rental units.
Maintain the current exterior wall requirements for residential structures. "Exterior wall construction for residential structures of three stories or less shall consist of a minimum of 75% masonry with no single wall face of any residence containing less than 50% of its exposed surface of masonry construction as herein specified. The construction standard applies only to the first floor of a building. "(City of Plano Zoning Ordinance §3.301)	Visual character	High	Ensures consistency with zoning. This would apply to any addition to Plano home. If the entire structure is currently brick, it could mean that the additional exterior walls could be off a different material if they do not exceed 25% of the total.
With the exception of ADU's that are part of a detached garage, ADU's shall attach to PDU by a common wall for a distance no less than 12'. Open or enclosed breezeways would not be acceptable means of attachment to the main unit.	Single-family intent & Visual character	High	Attached ADU's are easier to reincorporate into the PDU when the need arises.

Possible Criteria	Issue	Rating	Comments
Do not allow separate driveways serving accessory dwelling units.	Single-family intent	High	Multiple driveways would clearly change the appearance of a single-family property and denote separation between the two units.
Do not allow outside stairways and covered porches connected to the accessory dwelling unit to be located in the front or side yard of the principal dwelling unit.	Single-family intent & Visual character	Medium	Such 'appendages' would not be typical of a single family residence.
Do not require additional off-street parking.	Visual character	Medium	Additional paved surfaces for parking would be inconsistent with character of a single-family neighborhood.
Restrict separate accessory dwelling unit entrance to the side or rear of the principal dwelling units, with the exception of corner lots or unless the primary dwelling unit has a front entry garage.	Single-family intent & Visual character	Medium	Garage conversions could require an additional door to be built.
Window style and scale shall be consistent with that of the principal dwelling unit.	Visual character	Low	Not required with current regulations for home additions. Difficult to delineate "consistent".
Restrict the rental of accessory dwelling units to servants employed on the premises & relatives of the principal dwelling unit occupants.	Single-family intent	Low	Difficult to enforce & inconsistent with court decisions
Limit ADU occupancy to family members.	Single-family intent	Low	Difficult to enforce & inconsistent with court decisions
Do not permit the conversion of garages for ADU's.	Single-family intent & Visual character	Low	Difficult to enforce, inconsistent with current regulations, & eliminates an economical way to create an ADU.
Require the property owner to occupy the accessory dwelling unit or the principal dwelling unit.	Single-family intent	Low	Difficult to keep track of actual occupancy.
Use deed restrictions and covenants to regulate occupants.	Single-family intent	Low	Inappropriate municipal action for the City of Plano.
Require Specific Use Permits (an additional zoning process) for accessory dwelling units.	Visual character, Single-family intent	Low	The City could be exposed to mediating neighborhood disputes and not land use issues. SUP's could deter ADU construction.

SUMMARY

This document has introduced the topic of Accessory Dwelling Units, defined their purpose as a housing option, summarized regulations from other cities that permit ADU's in single-family districts, and evaluated those regulations in terms as they pertain to Plano's needs. Certain conclusions can be made from this initial evaluation:

- Although one of the primary target groups for allowing ADU's is elderly relatives of persons living in single-family homes, there is no legally justifiable or readily enforceable requirement to prevent ADU's from becoming rental units. Therefore, the allowance of ADU's could eventually increase the number of rental units in single-family districts.
- The most effective and enforceable regulatory measures are those that relate to maintaining the visual character of single family property and in turn, reduce the potential impact on the neighborhood.
- ADU's can offer a practical, reasonably inexpensive housing option for certain segments of Plano's population. ADU's become even more significant as an option for cities like Plano that have limited amounts of land available for new residential development.

This study is now at a point where the Transition and Revitalization Commission needs input from the Planning and Zoning Commission and City Council before proceeding further. Questions to consider are:

- Is the allowance of accessory dwelling units in single-family zoning districts an option that should be pursued?
- If so, are there certain regulatory measures that appear to be preferable to others?
- Is there additional information that would be beneficial to this process?