



Accessory Dwelling Units: Owner Occupancy

Question: Should property owner be required to live on property that contains an ADU? If so, should there be an exception for property owners (e.g., non-profit housing organizations) that are providing a guarantee of low-income housing?

Current Olympia Approach: The property owner must live on the site as his/her principal residence. This applies in all residential zones where ADU’s are allowed, including low, medium and high-density zoning districts where apartments are allowed.

What is current approach intended to accomplish?

It appears this regulation is intended to avoid a specific situation: having two rental units on the same property, when one unit is a single-family residence and the other is an ADU. There is no requirement for the property owner to live in a single-family home when it is the only residence on that property. There is also no requirement for the property owner to live on site when multiple-unit apartments are allowed.

Alternative Approaches:

Below is a table of some other cities and counties’ approaches:

Jurisdiction	Required to be Owner Occupied?
Lacey	No
Tumwater	No
Thurston County	No
Bremerton	Yes – 6 months
Bainbridge Island	No
Port Orchard	Yes – year round
Poulsbo	Yes – 6 months
Kitsap County	Yes – 6 months
Tacoma	Yes – year round
Everett	Yes – year round
Vancouver, WA	Yes – 6 months
Vancouver, BC	No
Seattle	Yes
Portland	No

Based on these examples, there are two primary alternatives to Olympia’s current approach:

1. Remove the owner-occupancy requirement for properties with ADUs, treating these properties the same as properties with single-family residences or multi-unit apartments.



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2. Amend the owner-occupancy requirement for properties with ADUs to require the property owner reside on site for six-months per year.

Analysis:

The factors for consideration discussed by the Missing Middle Work Group are:

- **Affordability**
While construction costs are generally higher per square foot than a typical single-family house, ADUs typically do provide a more affordable rental option in low-density neighborhoods. This is because of their smaller size and because many are rented for a below-market rate, according to a recent Urban Land Institute study.¹
- **Variety of housing types**
Increasing the number of accessory dwelling units will increase the variety of housing types in Olympia, as there are relatively few ADUs relative to other housing types. It will particularly increase housing variety in neighborhoods that are predominantly single-family housing.
- **Ability to accommodate growth**
ADUs will accommodate more households without increasing the overall area of the city. They primarily will provide housing for households of 1-2 persons, which was 70.4% of Olympia's households in 2010 Census (*The Profile*, Thurston Regional Planning Council).

Lacey, Tumwater and Thurston County do not require property owners to live on site when there is an ADU on their property. This allows for long-term rental of ADUs.

A six-month owner-occupancy requirement would likely minimize the number of ADUs available for rent, or limit either the ADU or primary house on the property to short-term rental.

¹ *Jumpstarting the Market for Accessory Dwelling Units: Lessons Learned from Portland, Seattle and Vancouver*, Karen Chapple, et al., Urban Land Institute – San Francisco Chapter, 2017.