



Planning, Development, and Assessment

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Memorandum

To: Neighborhood Revitalization Commissioners and Economic & Community Development Commissioners

From: Lewis Kuhlman, AICP

Date: April 5, 2023

Re: **Survey of communities that allow accessory dwelling units**

After receiving suggested questions about Accessory Dwelling Units (ADUs) from the Neighborhood Revitalization Commission and Community Development Committee in December, staff sent information requests to ten communities that allow ADUs. Eight responded—Madison, Appleton, Eau Claire, Stevens Point, Ripon, Oshkosh, New Berlin, and Harrison.

There are not many ADUs in the responding communities. Some have only recently allowed them and have less than five if any. Madison has approved about twenty-two and about twelve have been built. Stevens Point and Ripon had a few legally nonconforming carriage houses before permitting ADUs.

The cost to build an ADU depends on its size and if it is a new construction or renovation. Stevens Point staff said ADUs could cost roughly \$250-350 per square foot to construct. An article on Madison's ADUs from 2020 said they can cost between \$100,000 to \$250,000. Another estimate was about \$140,000.

Specified maximum areas for ADUs ranged from 400 sq. ft. in Oshkosh to 900 sq. ft. in Madison and Stevens Point. Ripon and Eau Claire have maxes of 800 sq. ft. Two others had maximums based on the primary structure's gross floor area—Less than 100% in Appleton and less than 30% in Harrison. Stevens Point allowed a higher maximum (1,200 sq. ft.) if the ADU was part of the principal building.

Prefabricated homes (except mobile homes) are allowed in all communities. For those that only allow attached ADUs, the construction would likely have to match the house.

Madison, Appleton, Oshkosh, and New Berlin do not have a minimum parking requirement for ADUs. Stevens Point, Ripon, and Harrison require at least one space. Eau Claire technically requires at least two since their ADU code is based on the Traditional Neighborhood Development model code.

Most municipalities don't specify whether utilities should be separate. However, Stevens Point requires that water service be separate, while Harrison requires that water service be connected to the principal dwelling. Requiring detached ADUs to have separate utility connections from the principal structure can increase the cost compared to internal ADUs.

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Regarding concerns about splitting lots, Madison's minimum lot sizes and street frontages wouldn't allow the creation of a new lot around the ADU. Appleton and Stevens Point also requires that ADUs be in the same ownership as the primary dwelling. In Ripon, an accessory use alone would be noncompliant.

Madison, Appleton, Oshkosh, New Berlin, and Harrison allow ADUs by right in specified zoning districts. Of those, New Berlin requires an administrative permit and deed restriction. Stevens Point and Ripon require conditional use permits, and Eau Claire relies on the Traditional Neighborhood Development zoning process. Neighbors are not notified where ADUs are allowed by right. They would be notified through a CUP or rezoning petition.

In Madison, ADUs fill a need for more and diverse housing types. It also supports their vision to promote inter-generational living. Stevens Point also wanted to address their housing shortage. Appleton was looking for an alternative for providing affordable housing solutions without the need for large scale redevelopment of existing neighborhoods. Ripon and Oshkosh wanted to encourage the reuse of carriage houses and add housing. Oshkosh's vision is to add to the workforce housing stock, use existing infrastructure, and increase opportunities to accommodate extended family members. Harrison wanted an option for nearby caretaker facilities.

ADUs only indirectly address housing affordability. They add to the overall supply, but rents are still likely high due to high expenses to build. They also shouldn't be used for short-term rental. Some communities have general housing incentives that could apply, but only Madison has specific incentives for ADUs—loans up to \$130,000 at 2% interest for 15-year term.

Based on the research, an ordinance for the City of La Crosse could allow ADUs as a permitted use in conjunction with single-family homes in zoning districts where duplexes are allowed - R2-R4. The City could establish a maximum size of 800 sq. ft. (or no more than the principal unit) and allow prefabricated housing. Regulations for parking minimums and water connection may not be necessary. An ordinance may want to explicitly prohibit the ADU from splitting off. If directed, planning staff can request funding for an ADU incentive program.