



Accessory Dwelling Units for San Antonians

Accessory Dwelling Units (ADUs) are small, naturally affordable and climate-friendly homes tucked discreetly within residential neighborhoods. They're a great match for smaller households, and can be created through basement or garage conversions, additions, or new construction of backyard tiny homes. ADUs can be paired with affordable housing programs to serve low-income families, other vulnerable populations, and first-time homeowners. LISC is excited to help make ADUs more broadly available as a housing choice for San Antonians.

LISC San Antonio is delighted to provide an initial version of this guidebook in 2022; we will update it in 2023 with anticipated changes to the City's development code. For more information about updates to the UDC: <https://www.sanantonio.gov/DSD/Resources/Codes#154541587-udc-updates>

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What are ADUs?

An ADU is a small home on the same lot as the main house. This is the sort of affordable, family-friendly, community-creating housing San Antonio needs more of.

Although many people have never heard the term “Accessory Dwelling Unit,” this housing type has been around for centuries, comes in all sorts of shapes & sizes, and goes by many different names. In Texas, they’re sometimes called casitas, garage apartments, or alley flats. Here are some defining features:

- An ADU is a small residence that shares a single-family lot with a larger, primary dwelling.
- As an independent living space, an ADU is self-contained, with its own kitchen or kitchenette, bathroom and sleeping area.
- An ADU can be located within, attached to, or detached from the main residence.
- An ADU can be converted from an existing structure (such as a garage) or built new.
- ADUs can be found in cities, in suburbs, and in rural areas, yet they are often hidden from view because they’re located behind, inside, or under the main house.
- Because ADUs are built on single-family lots as a secondary dwelling, they typically cannot be partitioned off and sold separately.
- An ADU can provide rental income to homeowners and an affordable way for renters to live in single-family neighborhoods.
- An ADU can enable family members to live on the same property while having their own living spaces—or provide housing for a hired caregiver. This option can be especially helpful for adults with mental or physical health care needs who desire independence.
- For homeowners looking to downsize, an ADU can be a more appealing option than moving into an apartment or an age-restricted community.
- ADUs can help older residents “age in place” in the community they know and love.

A Casita by Another Name

Although most local governments, zoning codes and planners in the United States use the terms accessory dwelling unit or ADU, these small homes and apartments are known by dozens of other names. The different terms conjure up different images. (Who wouldn’t rather live in a “carriage house” than in an accessory or “ancillary” unit?) Even if you’ve never heard of accessory dwelling units or ADUs, you have likely heard of—and perhaps visited or lived in—some of these homes types:

- Accessory apartment
- Alley flat
- Backyard bungalow
- Basement apartment
- Carriage house
- Casita
- Coach house
- Elder Cottage Housing Opportunities (or ECHO homes)
- Garage apartment
- Granny flat
- Guest house or cottage
- In-law suite
- Laneway house
- Multigenerational house
- Secondary dwelling unit
- Sidekick



Veronica's casita at her parents' home

After weighing a lot of options, Veronica and her parents decided to remodel an unfinished garage at her parents' house into a casita for family use. Veronica's parents were considering moving to a more rural setting outside of town, where property taxes are lower. But Veronica is a social worker, and she keenly understands the importance of family support for her aging parents. Veronica wanted her parents close—maybe even at her house with her—but her parents want to maintain their independence. So they found the perfect compromise: an unfinished garage at Veronica's parents' house in the South Southwest neighborhood (close to Veronica's and her brother's house) that they can renovate into a casita.

She's getting some help with renovation work from a family that she's worked with professionally as a social worker. Together they're bringing the 25-year-old garage up-to-code and getting it ready to be a safe and cozy home. Her parents probably won't move in right away, so the casita will provide some flexibility—and some supplemental income—for their family in the meantime. It can be rented to somebody else while her parents enjoy the main house, and then her parents will rent the main house to a family member when they're ready to move into the casita. It's a creative idea for Veronica's family so that "[her parents] don't feel like they're a burden or that Veronica has the last word because they're staying with her." Veronica's parents will get to downsize and stay close by, but not too close. She gets peace of mind, and her parents maintain their independence. It's a win-win.

Types of ADUs



Since ADUs can be created in many different shapes and styles, they can fit discreetly into all sorts of communities, including suburban subdivisions, row-house streets (either with or without back alleys), urban neighborhoods, and large lots in rural areas.

A **DETACHED ADU** (aka DADU) is a stand-alone home on the same lot as a larger, primary dwelling. Examples include backyard bungalows and converted outbuildings.

An **ATTACHED ADU** connects to an existing house, typically through the construction of an addition along the home's side or rear. Such units can have a separate or shared entrance.

A **GARAGE ADU** makes use of an attached or detached garage by converting the space into a residence. Other options involve adding a second story ADU above a garage or building a new structure for both people and cars.

An **INTERNAL ADU** is created when a portion of an existing home—an entire floor, part of a floor, or an attic, or basement—is partitioned off and renovated to become a separate residence.

A **LOWER-LEVEL ADU** is typically created through the conversion of a home's existing basement (provided that height and safety conditions can be met), during construction of the house, or as part of a foundation replacement and house lift.

Access to an **UPPER-LEVEL ADU** can be provided through a stairway inside the main home or directly from an exterior staircase.

The Many Benefits of ADUs

ADUs are flexible & adaptable—and benefit San Antonians in multiple ways.

ADUs are an affordable housing option

- ADUs can generate rental income to help homeowners cover mortgage payments or simply make ends meet. The income provided by an ADU tenant can be especially important for older adults on fixed incomes.
- Since the land on which an ADU is built already belongs to the homeowner, the expense to build a secondary residence is for the new structure only. The lot is, in a sense, free.
- ADUs are typically owned and managed by homeowners who live on the premises. Once a personal relationship is established, such landlords may be less likely to raise the rent once a valued tenant has moved in. Many ADUs are created for family members to reside in for free or at a discounted rate.
- Although market rate rents for ADUs tend to be slightly more than for similarly sized apartments, they often represent the only affordable rental choices in single-family neighborhoods, which typically contain no studio or one bedroom housing options at all.
- Some cities are boosting ADUs as part of affordable housing and anti-displacement strategies. Several have programs to help lower-income households build ADUs or reside in them at reliably affordable rents.

Antonio's casita

After seeing a model casita at a local event in 2017, Antonio decided to build his very own casita for his mother in the backyard of his home in the Lavaca neighborhood. With the help of local ADU-builder Rising Barn, he built a 600 square foot casita in his backyard. The casita, which his mom lovingly refers to as the “casa de abuelita,” has a minimalist design and open floor plan, giving her a cost-effective way to live independently while also being close to her kids and grandkids.

As Antonio sees it, “It’s a gift for my kids to be able to have their grandmother right in the backyard. The casita is a great concept for many reasons. The treasure it provides to my mother and those grandchildren—you just can’t count that. It’s wonderful.”



ADUs house people of all ages

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ADUs are flexible. An individual's housing needs change over time, and an ADU's use can be adapted for different household types, income levels, employment situations, and stages of life. Following are just a few reasons why ADUs are created and by whom:

- **EMPTY NESTERS** can build an ADU and move into it, then rent out the main house for supplemental income or make it available to their adult children.
- **YOUNG PEOPLE** looking for entry-level housing choices can rent an ADU in a neighborhood they might not otherwise be able to afford.
- **FAMILIES WITH YOUNG CHILDREN** can use an ADU as housing for a nanny or au pair. Or they can house a grandparent or two, who can help raise the grandkids (without sharing a house with them) while also receiving support from family as they age.
- **INDIVIDUALS IN NEED OF CARE** can reside in an ADU to be near family members, or they can use the ADU to house a live-in aide. In fact, ADUs can be an affordable and more comforting alternative to an assisted-living facility or nursing home.
- **HOME BUYERS** can look forward to the rental income from an ADU to help pay their mortgage or finance home improvements, especially in expensive housing markets.
- **HOME-BASED WORKERS** can use an ADU as their office or workshop.
- **HOMEOWNERS** can use an ADU for guests or as housing for friends or loved ones who:
 - Aren't yet financially independent, such as new high school or college graduates,
 - Need temporary housing due to an emergency or while renovating their own home, or
 - Have disabilities but can live independently if family is nearby.

Partner Perspective

“There’s a huge need for housing for those that have been hospitalized for a mental illness but haven’t been able to adjust to living independently,” explains Doug Beach with San Antonio’s National Alliance on Mental Illness. “ADUs can fill this need, acting as a safety net for those who need a supportive living situation.”

John's Garage Apartment

When my wife and I were renovating our house in an older neighborhood we learned that my brother would be coming to live with us. He has cognitive disabilities and can't live on his own entirely, but, like any adult, he values his independence. Creating a small apartment for him above our garage made sense, and for the first time in his life he has a living space that he can call his own. Being in an urban neighborhood has also increased his sense of independence because he's able to walk to his job at a nearby restaurant, where he has proudly worked as a dishwasher for years. Before he moved here, he had to either take a bus, which is always a challenge for him, or rely on someone to drive him to work. He's a lot happier, and we are too.



ADUs are just the right size

Generally measuring between 600 and 1,000 square feet, ADUs work well for the one and two-bedroom homes needed by today's smaller households, which now account for nearly two-thirds of all households in the United States.

Big houses are being built, small houses are needed			
Do we really need more than three times as much living space per person as we did in 1950? Can we afford to buy or rent, heat, cool and care for such large homes?	YEAR	1950	2017
	Average square footage of new single-family homes	983	2,571
	Number of people per household	3.8	2.5
	Square feet of living space per person	292	1,012

Fact: ADUs house more people per square foot of living area than single-family homes do.

ADUs are good for the environment

- ADUs require fewer resources to build and maintain than full-sized homes.
- ADUs use significantly less energy for heating and cooling. (Of all the ADU types, internal ones tend to have the lowest building and operating costs.)

ADUs are community-compatible

- ADUs offer a way to include smaller, relatively affordable homes in established neighborhoods with minimal visual impact and without adding to an area's sprawl. This makes ADUs a great option for San Antonio! They provide a way to increase the housing supply without detracting from the city's historic architecture.
- ADUs provide a more dispersed and incremental way of adding homes to a neighborhood than other options, such as multistory apartment buildings. As a result, it's often easier to get community support for ADUs than for other housing types.

ADUs support equity, diversity and inclusion

- They're naturally small and less expensive, putting them within financial reach of lower-income San Antonians who can't afford to rent or buy a full sized home.
- ADUs can be integrated into any neighborhood, including low-density areas where single family zoning and minimum lot sizes have created barriers of entry to lower-income and racially diverse residents.

The National Resurgence of ADUs

While ADUs are becoming more and more popular across the United States, the housing type has actually been around for centuries.

Early settlers often built a small home to live in while constructing their larger, primary house nearby. When farming was a source of survival for most of the nation's households, families routinely constructed additional homes on their land when needed. People with wealth and acreage regularly populated their lands with secondary mansions and ancillary buildings independent of the main estate house. In fact, until the 20th century, people with land built as many homes as they wished. There were few or no zoning rules, municipal services or infrastructure (utilities, roads, schools, trash collection, first-responders) to consider.

A historic precedent for the modern day accessory dwelling unit is the “carriage house” or “coach house.” Originally built for horse-drawn carriages, the structures associated with grander homes were frequently large enough to double as living quarters for workers and stable hands.

Decades later, in response to housing shortages and economic need, many surviving carriage houses were converted into rental homes. This is true in many of San Antonio's downtown historic neighborhoods, where some homes have carriage houses that serve as short- and long-term rental homes, businesses, home offices, and more. By becoming landlords, the owners gain income from their otherwise unused outbuildings.

Automobile garages have a similar history. Some were originally built with a housing unit upstairs. Over time, many garages were converted (often illegally or under zoning codes no longer applicable today) into small homes when the spaces became more valuable for housing people than vehicles.

With the rise of suburban single-family home developments following World War II, ADUs practically ceased to be built legally in the United States. Then as now, residential zoning codes typically allowed only one home per lot, regardless of the acreage and with no exceptions. In Dallas, for example, the zoning code was changed to specify that the secondary unit in any new development could only be used as “bona fide servant's quarters not just for rent.” Attached and detached garages occupied yard space that might otherwise have been available for ADUs.

Some cities, including Chicago, grandfathered in pre-existing ADUs—but only if the residences remained consistently occupied. In Houston's historic and trendy Heights neighborhood, old and new garage apartments are common and desirable.

But elsewhere, even in rural areas with ample land, property owners are often prohibited from creating secondary dwellings. Many communities today don't allow new ADUs, even if they did in the past—and even if ADUs currently exist there. Countless units in single-family homes or yards are technically illegal or are allowed simply because they were created when such residences had been legal.

ADUs began making a comeback in the 1980s as cities explored ways to support smaller and more affordable housing options within single-dwelling neighborhoods. More recently, the increasingly high cost of housing has driven renewed interest in ADUs at the state and local levels. At the same time, homeowners with suitable space have sought out fewer restrictions in the use of their property—including the flexibility to create secondary units.

San Antonio was a leader in recognizing the benefits and opportunities of ADU, changing their development code in 2006 to allow an ADU on any single-family parcel (unless prohibited by covenants or deed restrictions).

Re-legalizing ADUs

San Antonio isn't alone in supporting ADUs. Municipalities nationwide are legalizing ADUs for the first time or relaxing the rules for them, and some states now require communities to allow an ADU on any residential lot.

ADUs are already allowed in major Texas cities including San Antonio, Dallas, Houston, and Austin. Further afield, they can be permitted in Anchorage, Alaska; Santa Fe, New Mexico; Atlanta, Georgia; Denver, Colorado; Honolulu, Hawaii; Philadelphia, Pennsylvania; Phoenix, Arizona; Seattle, Washington; and Washington, D.C.

Though some residents may worry that these code changes could cause cities to get overwhelmed by ADUs, this has not been the case. In fact, some jurisdictions that legalized ADU have been disappointed at how few actually get built. Limited adoption of ADUs is caused in part because strict rules on ADUs are hard for homeowners to work with, so they give up. But even in communities with flexible ADU rules, it's not all that easy to finance and build one. Even in cities like Portland, OR, where ADUs have taken off (averaging about 1 ADU permit per day for the past several years), still fewer than 3% of residential properties have them. Since ADUs pop up in back yards, converted basements and garages, it's also hard to tell from the street that anything has changed.



A growing trend:

- According to a 2019 National Association of Home Builders poll, one in five remodelers polled created an ADU by converting an existing space over the preceding 12 months, and nearly as many remodelers crafted an ADU by building a new addition.
- AARP surveys show that one-third of homeowners are interested in building an ADU for help, income, and companionship, and 75 percent of people aged 50 and over want to remain in their homes and communities as they age rather than relocate.
- Oregon, Washington, New Hampshire, and Vermont now require cities to allow at least one ADU per lot.
- In 2017, California required all of its cities and counties to allow ADUs. In Los Angeles, Mayor Eric Garcetti has said that ADUs could provide the city with a needed 10,000 housing units. He's touted ADUs as a "way for homeowners to play a big part in expanding our city's housing stock and make some extra money while they're at it." As of January, 2020, California now requires cities to allow 2 ADUs per lot: one internal and one detached.



Ruth & Paul's Two-Story Garage Apartment

When Ruth and Paul bought their 1930s home in the 1990s, it came with a run-down, leaky two-story garage in the backyard. After finding a contractor willing to help them renovate it (rather than just tearing it down and building new), they were able to turn the neglected back-building into a beautiful, functional space. They built a workshop/studio/home office space on the first floor and an efficiency apartment upstairs.

When they bought their house, the backyard building didn't add much value to the property. Now, after about \$75,000 in renovation and permitting costs (plus a little sweat equity), the valuation of their home has gone up. "When we bought the house, the garage building was in dreadful shape," Paul shared. "We put in a huge amount of improvement, and the place is far better now than it used to be. That's what we're all trying to do, make things better."

For now, Ruth, Paul, and their son enjoy the space for themselves as a much-needed work from home and hangout space. They may eventually rent it out, perhaps as an affordable and walkable housing option for a college student at one of two nearby universities. They also planned ahead by building a set of stairs off the upstairs apartment straight to the alley access behind their house so that their future renter will have a designated space to park, rather than adding to the number of on-street parkers in their neighborhood.

Financing an ADU

Most new homes in the United States are built by developers, often entire subdivisions at a time. Apartments are also usually built by pros. But ADUs are different. Although they're occasionally designed into new residential developments, the vast majority of ADUs are built by enthusiastic and motivated individual homeowners after they move in.

Sometimes, ADUs are created by do-it-yourselfers, who pump lots of sweat equity into building their mini dream home or converting part of their current house into a small, independent dwelling, all on a fairly small budget.

But more often, homeowners bring in a combination of architects, designers, and construction contractors to do the work, much as they would for a home addition or major kitchen remodel.

ADUs aren't cheap, and they are often the most significant home improvement project a homeowner will undertake. Internal ADUs and garage conversions can sometimes be completed for about \$50,000 while in many cities, the cost to complete new, detached ADUs can easily exceed \$150,000. However, given that the average cost of a new home in San Diego County, CA in 2021 was more than \$860,000; in Denver, about \$580,000; and in Nashville, TN, just under \$500,000, ADUs are a reasonably-priced alternative.

Like home additions and renovations, most ADUs are financed through some combination of:

- Cash savings,
- Second mortgage or cash-out refinancing of a conventional mortgage,
- Home equity line of credit (HELOC),
- Loans from family members (sometimes a relative who ends up living in it), and/or
- Sweat equity.

Unlike other common home improvements, the cost of creating an ADU can often be recouped over time by renting it out. If that's the plan, it's worth estimating the expenses versus the potential income before undertaking an ADU project. Property taxes may go up, so make sure to include that as an ongoing ADU cost.

Before delving into the options and challenges of financing ADUs, it's important to understand how lenders think. Prior to making—and sizing—any loan, a lender does some homework on the borrower and the property. This process is called *underwriting*, and the goal is to make sure their loan will get repaid.

Income. First, the lender confirms that the borrower will have enough income to make the monthly payments—and has a good track record of making payments on prior loans. To do this, the lender checks the borrower's income and credit score. The loan will be capped by how much the borrower can afford to pay each month.

One of the reasons people create ADUs is for rental income. In theory, that future rental income can support a larger monthly payment—and hence a larger loan. In practice, however, most lenders require a two-year history of stable rental income in order to factor that into the borrower's income calculation. Even then, only a portion of rental income is considered. So typically, loans people take out to create ADUs are based on their current income, not potential future income. It's more likely that rental income from an ADU can be taken into account with a refinance or subsequent purchase of the property, once there's a period of stable rental history.

Valuation. If at some point over the term of the loan the borrower stops making payments, the lender would have to rely on the value of the property to get paid back. So the lender also requires an *appraisal* to estimate what the property is worth now (current value) and/or what it will be worth once the ADU is complete (as-built value). The appraiser references comparable properties to estimate its value, which is used to figure out how large the loan can be such that the lender can, as a last resort, foreclose on the property and sell it to get their loan paid back.

In most cases, it costs more to create an ADU than the amount it adds to the property's re-sale value. But ADUs do add value, and the size of a loan for an ADU depends on how much *contributory* value it adds to the property, as determined by the appraiser. To do this, the appraiser researches what similar properties with ADUs have sold for recently.

Appraisers in markets with few ADUs often have a hard time determining their contributory value because appraisers rely on comparisons with other similar nearby properties, called comparables, to estimate value. If there are few or no other homes with ADUs in the local market, this comparison is hard to do. Also, the primary value of an ADU is often the rental income it can generate, and residential appraisers aren't accustomed to calculating value in that way. **Hence estimates of the contributory value of ADUs can vary a lot.** In one extreme example, appraisals ranged from \$10,000 to \$100,000 for the same detached garage ADU, as determined by two different appraisers.

In communities where ADUs are still rare, appraisers do the best they can without good comparables. One strategy for ADUs that add living space is to estimate their contributory value based on their size, coupled with the value-per-square-foot of the primary house. This approach tends to under-estimate value because ADUs have a kitchen, bathroom(s), and potential rental income you wouldn't get with a simple home addition. But sometimes that's the best appraisers can do. Another strategy, available in places without owner-occupancy restrictions, is to use duplexes as comparables because, from a lender's perspective, a house/ADU combination looks just like a duplex with one unit smaller than the other.

This doesn't mean people can't get traditional financing to build ADUs; they do it all the time. It just means that they might not be able to borrow as much (or with as much certainty) for their ADU project. As more ADUs get created in a community and appraisers get more comfortable with them, appraised values tend to climb and, importantly, become more predictable.

Practical ADU financing. All ADU financing strategies thus far are based on the owner's current income and home value. They don't take into account any additional value or income generated by the future ADU. If a loan based on current value isn't going to be big enough to cover the construction cost, homeowners supplement their bank loan with savings, private financing from family and friends, and old-fashioned sweat equity.

Partner Perspective

"Our Casas believes low- and moderate-income families should have access to the American dream of home ownership. On the near West Side of San Antonio where we work, there's a long tradition of having someone live in a casita in the back of the main home," said Zeke Romo, Executive Director of Our Casas Resident Council. "But trying to build a new home with an ADU, we are having trouble finding an appraiser and a lender who are willing to value the home with a casita sufficiently for the loan. There aren't any specific loan products here in San Antonio that take account of an ADU."

Innovations in ADU financing. As

ADUs become more common and local lenders get more comfortable with them, lenders are introducing new financing options. For instance, in some West Coast cities, it's possible to get loans to build ADUs based on the *as-completed* value of the property—which takes into account the added value an ADU creates.

In Portland, OR, [Consolidated Community Credit Union](#) offers five-year fixed or adjustable second position mortgages to build ADUs, based on the as-completed value of the house plus the ADU. This approach allows the buyer to retain their existing mortgage and not pay loan origination fees on the mortgage associated with the existing house.

Without financing options that are well-suited for ADUs, their development is unlikely to happen in a way that is equitable or sustainable. Unfortunately, many of the same people that might benefit most from the additional income that an ADU can provide are the very same ones who likely can't afford the initial construction costs of an ADU.

Around the county, community-based lenders, local governments, and partner organizations are getting creative to fill the void left by more traditional financing options. A few cities, nonprofits, and start-ups are experimenting with creative financing options that are putting ADUs within reach for more homeowners and their families, as well as prospective renters.

Income-restricted programs

In [Santa Clara, California](#), the Silicon Valley Housing Trust runs a program that provides Bay Area homeowners with favorable financing to build ADUs so long as they rent them to tenants with incomes below 120 percent of the Area Median Income (AMI) and cap rents at 80 percent of AMI, adjusted for unit size. Participants get second position loans of up to \$200,000 or 97% of the as-completed value, with no interest payments for the first year, a 36-month term, and 20-year amortization. This affordability restriction lasts for the term of the loan. The expectation is that at the end of the term, the borrower would refinance—at which point they could base their new mortgage on the as-built value and might be able to include a portion of their rental income towards their income requirement.

Another new program, also from California, is [LA Más' Back Yard Home Project](#) in which homeowners receive design and construction support for a new detached ADU in exchange for a commitment to rent it to a Section 8 tenant for ten years. For a limited number of participants, first position mortgage financing is available to pay off an existing mortgage and cover construction costs. This fixed-rate loan product has been developed specifically for this program through a partnership between a local credit union and CDFI.

In [Montpelier, Vermont](#), the state housing authority is using Community Development Block Grant (CDBG) funds to provide grants of up to \$20,000 and zero percent interest loans of up to \$10,000 that can be applied towards 50 percent of the construction costs of an ADU. To qualify for this financing, either the borrower *or* renter must be low- or moderate-income. If it's the tenant, the rent is capped at Fair Market rate for five years.

[Multnomah County, OR](#), built four simple ADUs on the properties of Portland homeowners to house formerly houseless residents for five years with case management support. The County and a local foundation split the program costs. An overwhelming 1,000+ residents volunteered to participate in the program.

Also in Oregon, a local Community Development Financial Institution (CDFI) called [Craft3](#) just launched a program with nonprofit [Back Home ADU](#) that provides low-interest financing and project management support to homeowners who build an ADU and rent it to tenants at 80% of area median income for 8 years. If the homeowner also income-qualifies, they get a reduced rate on the ADU loan.

In [West Denver, Colorado](#), the West Denver Renaissance Collaborative (WDRC) has an affordable ADU project under way.

The Habitat for Humanity affiliate of Monterey Bay and Santa Cruz, CA has built 7 ADUs through their [My House My Home](#) program to help low-income senior homeowners keep their property and age in place.

ADU Education

Although financing options and good local regulations are important to increase the number of ADUs in a community, it's hard to underestimate the importance of education. Many homeowners don't realize they can build a little home in the back yard—or convert part of their home or garage into an independent dwelling.



Tours. ADUs are often invisible from the street. There might be one or more near you that you don't even know exists. If more people knew of the existence of ADUs, more people would get the idea to build them. One effective strategy for increasing awareness of ADUs is to organize tours (real or virtual) for people to see real ones in their own communities. Tours allow people thinking of building an ADU to collect ideas for design features and finishes, learn about contractors and architects, and get inspired by neighbors who have already gone through the process.

Planners and Non-profits. Most homeowners aren't savvy about building or zoning regulations. So when they get the idea to create an ADU on their property, it's great if local government and/or nonprofits can help them climb the learning curve—especially for lower- and moderate-income residents. Many cities post easy-to-read ADU information on their websites, covering zoning rules, building permit submittal requirements, how utility connections are handled, rough permit fees, and review timelines. Some communities go further, by hosting ADU “lunch & learns” or identifying a plan review staffer to be the point person for reviewing ADU permit applications and fielding questions from applicants. In Burlington, VT, a nonprofit matches volunteer architects and planners up with homeowners for informal ADU consults at their home.

REALTORS®. The primary jobs of real estate agents are to help sellers show off all the ways a property can meet the needs of various buyers and help buyers find homes that meet their current and future needs. In communities where ADUs are allowed, it's critical for realtors to understand the rules for them. That way, they can let buyers know whether it would be easy, hard, or impossible to add an ADU to a particular property after purchase. They can also help sellers prepare marketing material that includes accurate information about the prospects of adding an ADU. And for properties that already have ADUs, they can let buyers know the range of possible uses for them. In places where ADUs are common, real estate listings routinely advertise the potential to build an ADU because many buyers want to know if that's an option. Learning about ADUs is a great way for REALTORS to get continuing education hours—and serve their clients better.

Partner Perspective

“REALTORS educated about the value propositions of ADUs would be an excellent means to inform consumers about this housing trend,” said Gilbert Gonzalez, President & CEO of the San Antonio Board of REALTORS. “Directly involved with the buyers and sellers of properties being able to explain the many benefits of an ADU whether for future housing needs or additional income would increase their use. Additionally, ADUs, as a solution for affordable housing, housing shortages, and Smart Growth initiatives, is good for all the community not just the homeowners.”

Architects and Contractors. The skill sets required to design or build an ADU are not substantively different from doing the same for an addition or new (small) home. But zoning codes often have a few special rules for ADUs that might not already be familiar. When a homeowner decides to build an ADU, their first call is often to an architect or contractor, so it benefits these professionals to know local ADU regulations if they want to help build them.



Can I build an ADU?

The City of San Antonio has adopted a set of ADU regulations that define where it's legal to build them, how large and tall they can be, what they can look like, who can live in them, and how they can be used.

The next pages include excerpts from the City of San Antonio's Unified Development Code Sec. 35-371. - Accessory Dwellings, along with descriptions of what each clause means.

Improving the Code

The ADU section of a community's zoning code needn't be overly complicated. It just needs to establish clear, objective, and fair guidelines.

Strict, burdensome, hard-to-understand, and discretionary rules for ADUs tend to stymie exactly the homeowners most likely to build them. Flexible and objective zoning regulations, on the other hand, can play a significant role in promoting this housing type. The more clear and permissive the code is, the more likely it is that ADUs will get built.

Marylin's Bexar County ADUs

Marylin lives in Bexar County outside of San Antonio city limits, so she did not have to worry about any restrictions when she needed to provide her family members, one with substance abuse issues and one with mental health issues, a stable place to stay. One family member stayed in a garage apartment for about ten years and another in a travel trailer on her property. Marylin's ADUs also enabled her to help a friend who needed housing because he had a criminal record and was facing homelessness. There was a real advantage to having a safe place for her loved ones who didn't have any other options for housing, especially because they needed some help but wanted to live on their own.

San Antonio is off to a great start. The code is easy to follow and clear as to what ADU-builders can and cannot do. But with a few changes, the San Antonio's ADU code can be even more supportive of this housing type and align the city with some of the most successful ADU codes found elsewhere in the country. Suggested changes are included in the third column of the table.

Note: The City of San Antonio's Code has separate rules for two types of ADUs: detached and attached. It refers to *detached* ADUs with the acronym ADDU. It refers to *attached* accessory dwelling units are referred to as "accessory apartments."

During 2022, the City of San Antonio is updating the municipal codes that regulate the construction of ADUs. This guide will be revised once this process is complete.

Topic	Current Code	Translation
Purpose for allowing ADUs	Affordable housing and neighborhood stability are important public objectives in the City of San Antonio. In recent years, accessory dwellings have become an important method to permit families to remain in their homes by securing rental income, while at the same time providing affordable housing for the elderly, single-person households, students, and other needy populations.	
Number of ADUs allowed per lot	(b)(4) Only one (1) accessory unit shall be permitted per lot.	
Occupancy requirements and limits	<p>(a)(1) The property owner, which shall include title holders and contract purchasers, must occupy either the principal unit or the accessory dwelling as their permanent residence, and shall at no time receive rent for the owner-occupied unit.</p> <p>(a)(4) The total number of occupants in the accessory dwelling unit combined shall not exceed three (3) persons.</p> <p>(c)(2) Occupancy of the [attached] accessory apartment shall not exceed one (1) person per two hundred (200) square feet of gross floor area.</p>	<p>Property owners are required to live on-site, either in the primary house or its ADU. This owner occupancy requirement is implemented through a covenant and by filing an affidavit confirming residency.</p> <p>The number of people that can live in an ADU is limited to 3. In attached accessory dwelling units, the number of people that can live there is determined by the size of the ADU; 1 person is allowed per 200 square foot.</p>
Utility connection requirements	(a)(3) The accessory dwelling shall be connected to the central electrical, water and sewer system of the principal structure. This provision does not apply to the electrical service if the distance between the primary structure and the accessory dwelling is greater than one hundred (100) lineal feet.	In most cases, the ADU must be connected to the same utilities as the main house.

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<p>Minimum and maximum size limits</p>	<p>(a)(5) The accessory dwelling shall not exceed eight hundred (800) square feet of gross floor area in any single-family residential zoning district other than the "FR" zoning district, or one thousand two hundred (1,200) square feet in the "RE" zoning district.</p> <p>(b)(1) The building footprint for the ADDU shall not exceed forty (40) percent of the building footprint of the principal residence.</p> <p>(b)(2) Total floor area of the ADDU shall not exceed eight hundred (800) square feet or be less than three hundred (300) square feet.</p> <p>(c)(1) The gross floor area of the [attached] accessory apartment shall not exceed thirty-five (35) percent of the total living area of the principal dwelling unit.</p> <p>(b)(3) An ADDU shall not contain more than one (1) bedroom.</p>	<p>Both attached <i>and</i> detached ADUs cannot be larger than 800 square feet, except in the Residential Estate District, where the maximum size is 1200 square feet. There is no size limit in the Farm and Ranch District.</p> <p>Detached ADUs must be between 300 and 800 square feet. They cannot be larger than 40% of the size of the principal residence.</p> <p>Attached ADUs cannot be larger than 35% of the size of the principal residence.</p> <p>Detached ADUs can only contain 1 bedroom.</p>
<p>Design standards regulating appearance</p>	<p>(b)(6) In order to maintain the architectural design, style, appearance and character of the main building as a single-family residence, the ADDU shall have a roof pitch, siding and window proportions identical to that of the principal residence.</p> <p>(b)(7) Accessory detached dwelling units shall require a minimum setback from the rear and side property lines of five (5) feet.</p>	<p>Detached ADUs must be designed to “match” the primary dwelling in roof shape, siding type, and window sizes.</p> <p>Attached ADUs must be located 5 feet from rear and side property lines.</p>
<p>Off-street parking</p>	<p>(b)(5) Parking areas shall be located behind the front yard.</p>	<p>Additional parking is not required for detached ADUs. If it is, it cannot be in the front yard.</p>
<p>Height, location on the site</p>		<p>ADUs follow the same height and location limits that apply to primary house.</p>

Hot Topics

Design Compatibility

Many cities don't have any special requirements that ADUs match the exterior appearance of the primary dwelling. There's a good case for excluding this kind of stipulation, especially since ADUs represent a sizable investment and builders have plenty of market incentive to make them look appealing and appropriate for the neighborhood. Also, sometimes the existing house is visually unpleasant, in which case it would be unfortunate if the zoning code required the ADU to match it.

That said, a benefit of design compatibility standards is that they ensure new ADUs fit in, which helps with public acceptance of them. Some design compatibility requirements make sense for San Antonio, which has multiple historic districts and a rich architectural heritage.

Within historic districts, design compatibility can be largely accomplished by subjecting ADUs to the same design review rules that would apply to the primary house on the lot. For elsewhere in the city, San Antonio could adopt clear and objective standards for design compatibility for detached ADUs. Similar language could apply to ADU additions. One approach is to use the format below (from Portland, OR), but fill in the rows with finishes and details appropriate for San Antonio.

Structures Over 15 Feet In Height Must Meet One Option From Each Row Below

Exterior Finish Materials	Must be the same or visually match in type, size and placement, the exterior finish material of the primary structure	OR	Siding made from wood, composite boards, vinyl or aluminum products. Siding must be a shingle pattern or in a horizontal clapboard or shiplap pattern ≤ 6 inches in width
Roof Pitch	Predominant roof pitch must be the same as the predominant roof pitch of the primary structure	OR	Roof pitch must be at least 6/12
Trim	Must be the same in type, size, and location as the trim used on the primary structure	OR	All window and door trim must be at least 3 ½ inches wide
Windows	The windows must match those on the street facing façade of the primary structure in orientation (horizontal or vertical)	OR	Each window must be square or vertical – at least as tall as it is wide
Eaves	Same projection distance as primary structure	OR	All eaves project at least 1 foot from the building walls

Since one-story ADUs are naturally less visible from the street and neighboring properties, the above standards don't apply to them. Excluding single-story ADUs would make it easier to build accessible and low-cost ADUs, which is important to making them available to lower income San Antonians.

Parking

Typically, it's not recommended to require additional parking for ADUs, since it increases cost and can be impossible to fit on some sites. If an owner wants additional parking for the ADU, they can always add it; they just wouldn't be required to.

But sometimes, public expectations for off-street parking are so strong that there's pressure to require at least one space for any new residence. Larger ADUs often aren't that different in size from small primary homes. One approach is to require one extra parking space for ADUs over 800 square feet. Some jurisdictions allow legal curb parking along the property's frontage (e.g. not blocking a driveway, fire hydrant, bus stop, etc.) to count towards this requirement. This approach provides additional flexibility for smaller sites without space for off-street parking while also minimizing parking conflicts with neighbors.

About LISC San Antonio and Orange Splot

Local Initiatives Support Corporation (LISC): Together with residents and partners, LISC helps forge resilient and inclusive communities of opportunity across America – great places to live, work, visit, do business and raise families.

LISC San Antonio supports comprehensive community development by empowering people to lead and benefit from growth; enabling organizations and enterprises to attract investment and build robust, sustainable neighborhoods and economies; and driving policy and systems changes that address past and current inequities. We boost capacity, provide resources and help San Antonians work together to tackle housing, health, wealth and other challenges.

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Orange Splot LLC is a development, general contracting and consulting company with a mission to pioneer new models of community-oriented, affordable green housing developments. Orange Splot projects have been featured in the New York Times, Sunset Magazine and on NBC's Today show. Company founder Eli Spevak has managed the financing and construction of more than 250 units of affordable housing, was awarded a Loeb Fellowship by the Harvard University Graduate School of Design, cofounded the website AccessoryDwellings.org and chairs Portland, Oregon's Planning and Sustainability Commission.



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