



CITY OF GRAND RAPIDS

AGENDA ACTION REQUEST

Item Number: 2

DATE: January 13, 2026

TO: Mark Washington, City Manager

COMMITTEE: Committee of the Whole

LIAISON: Mark Washington, City Manager

FROM: Kristin Turkelson, Planning Director
Planning, Design & Development

SUBJECT: ADU Task Force Update

In February 2025, the City Commission expressed its desire to see an increase in Accessory Dwelling Unit (ADU) production. To advance this goal, community leaders representing key stakeholder groups—including social justice organizations, small-scale developers, lending institutions, and affordable housing advocates—were invited to join an ADU Taskforce. The Taskforce was charged with identifying barriers in the development process and creating a prioritized list of changes to unlock additional ADU production and provide new housing options for current and future Grand Rapids residents. Their recommendations are summarized in the attached report. In total, the Taskforce generated more than one hundred ideas, which were organized into 20 themes and ranked by anticipated impact and ease of implementation. The report categorizes these priorities into Tiers 1–4 and offers a detailed overview of each theme, the supporting ideas, and key considerations for implementation.



The purpose of the January 13, 2026 City Commission briefing is to review Taskforce recommendations with the Commission and provide suggested next steps.

CORRECT IN FORM

DEPARTMENT OF LAW

ADU Task Force Recommendations

NOVEMBER 2025

This document synthesizes the work of the ADU Task Force and explains the suite of recommendations that can increase visibility, demand, and ease of producing new ADUs in Grand Rapids.

PREPARED BY



Flywheel Community
Development Services

flywheelmomentum.com



City of Grand Rapids
Planning Department

grandrapidsmi.gov

Background, Purpose, Members

February 11, 2025 the City Commission stated they wanted to expand ADU production. The city recruited community leaders that represented key stakeholders groups including social justice organizations, small scale developers, lending institutions, and affordable housing advocates. This group was tasked with identifying unnecessary frictions in the development process and creating a prioritized list of changes that could unlock additional ADU production and create new homes for existing and future GR residents.

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Business Owner, Former City
Commissioner

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Greater Regional Alliance of Realtors

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Executive Summary

Accessory Dwelling Units (ADU) have gained popularity in growing urban areas as a way to create additional homes in existing neighborhoods. As housing demand continues to outpace supply in Grand Rapids, there's been a growing interest in ways to spur this development to ease housing supply constraints.

The ADU Task Force was commissioned to identify points of friction in the current development process as well as existing best practices at play in other communities. The cohort identified this portfolio of opportunities for improvement that have been themed into four categories:



Customer Experience

How people discover, understand, decide, and plan to build an ADU



Zoning Reform

The rules and regulations that govern the placement, design, and use of an ADU



Building Code

The rules and regulations that guide the construction of an ADU



Finance

How people plan, budget, and access financial resources

Accessory Dwelling Units in Grand Rapids



Historically Popular

If you drive throughout the oldest neighborhoods in the City, you'll notice an abundance of these types of structures. Historically, they were called a Carriage House, Granny Flat, or Mother-in-Law apartments. These units provided flexible living space for family members, potential rental income for homeowners, and multigenerational living arrangements.

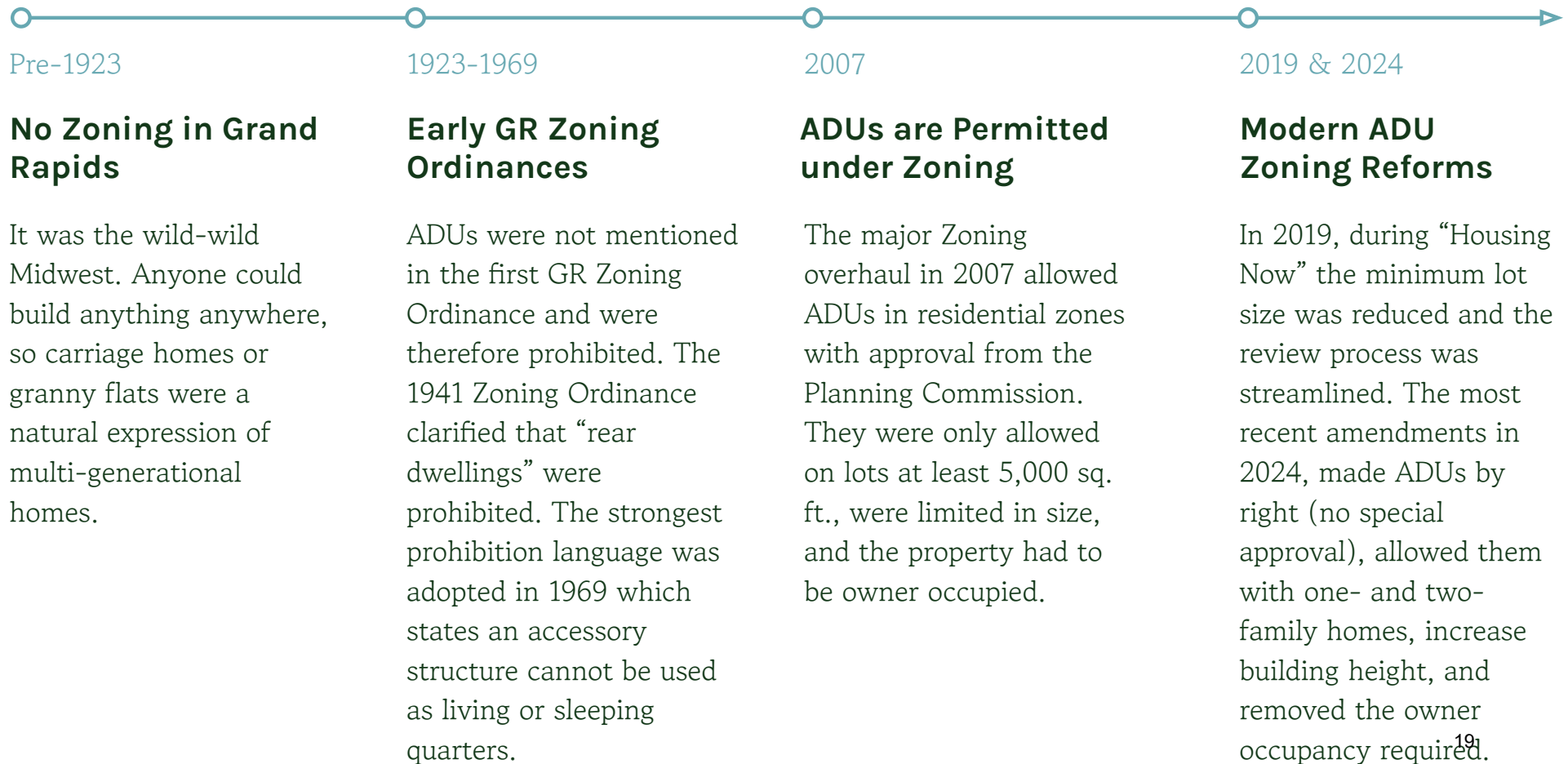


Current Definition

Grand Rapids currently defines an ADU as, "A secondary and clearly subordinate dwelling unit that is contained within a detached single-family or two-family dwelling, included within an accessory structure, or separate from but located on the same lot as a detached single-family or two-family dwelling. Also known as a "granny flat."

See: Article 16 of the City of Grand Rapids Zoning Ordinance

Timeline of ADU Regulations in Grand Rapids





Meeting Schedule

JULY

Understand the current process, understand the intent of the underlying codes and how those rules could be changed.

AUGUST

Explore the financial mechanisms and identify ways to improve resident ability + appetite for ADUs.

SEPTEMBER

Further develop and refine the list of recommendations for changes.

OCTOBER

Ruthless prioritization as the Task Force finalizes the recommendations.



Key Levers of Change

How might we increase a resident's awareness and ability?

Resident Ability + Appetite

Desire, Readiness, Education, Financing

How can we simplify the process or make it easier to navigate?

The ADU Process

Design

Permit

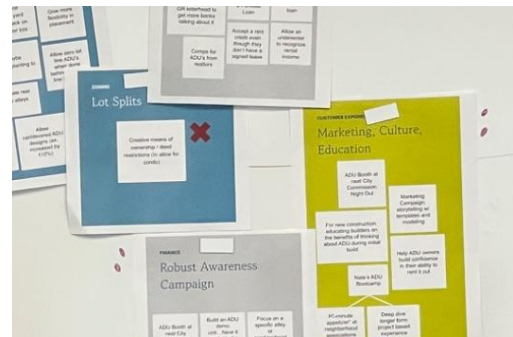
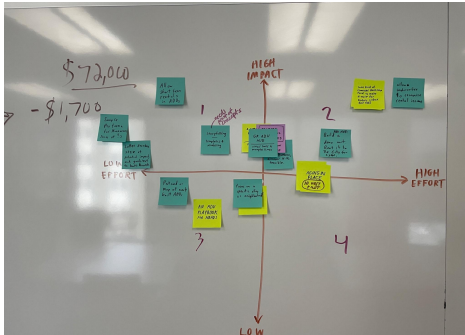
Build

Where can we eliminate/change unnecessarily burdensome code?

City / State Rules & Regulations

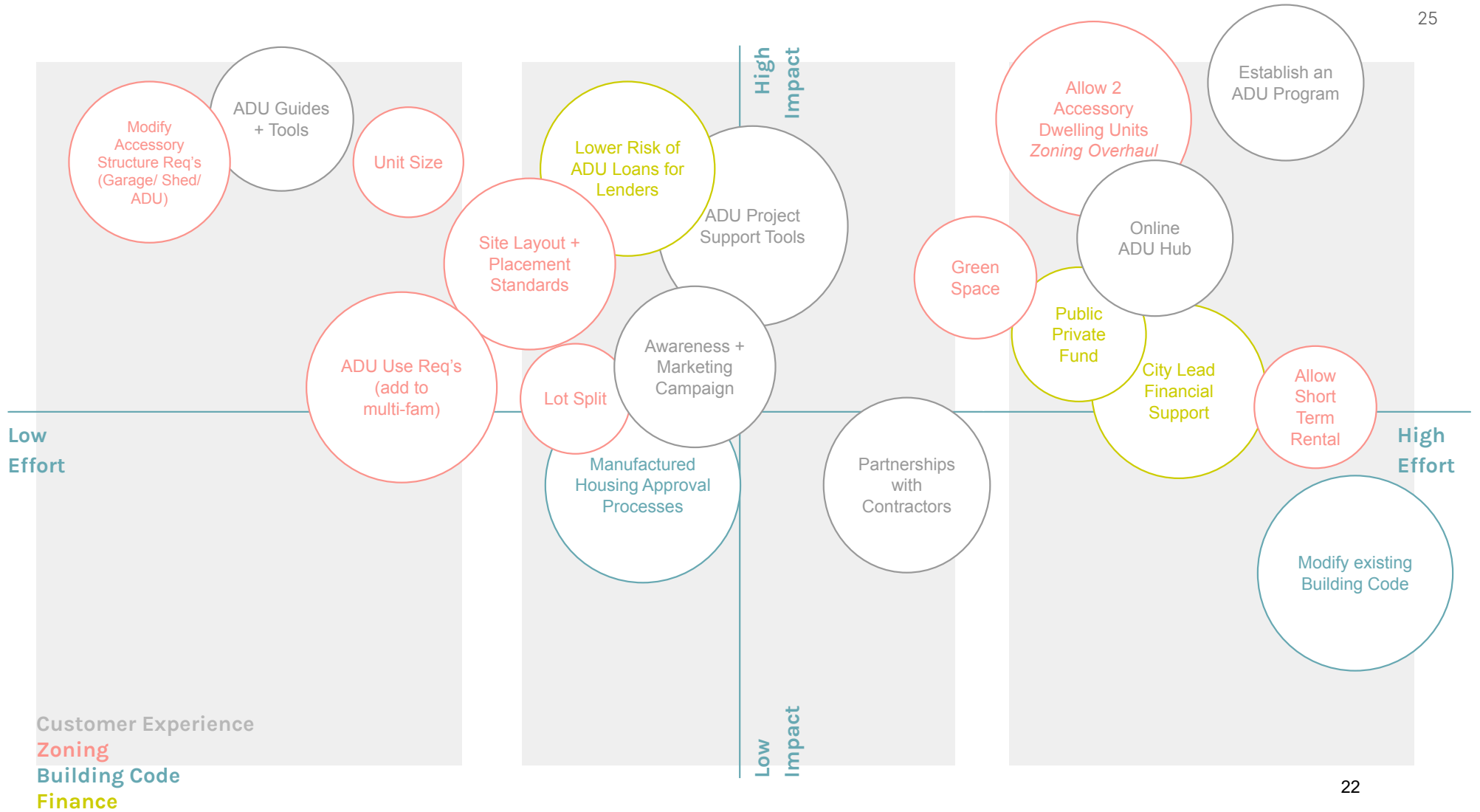
Zoning Code

Building Code



Discovering and Ranking Themes

105 Ideas were clustered into 20 themes, and then ranked by impact and ability to execute.



Overview**Tier 1****Tier 2****Tier 3****Tier 4****Customer Experience**

Develop a Marketing + Awareness Campaign

Publish ADU Guides + Toolkits

Create ADU Project Support Tools

Partner with Contractors

Develop a Grand Rapids ADU Hub

Establish an ADU Program

Publish Permit Ready ADU Plans

**Zoning Reform**

Adjust ADU Unit Size

Modify Accessory Structure Req's

Revise Site Layout + Placement Stds

Broaden ADU Use Requirements

Allow Short Term Rentals

Revise Greenspace Requirements

Allow ADU Lot Splits

Permit 2 ADUs per Property

**Building Code**

Change MFG Housing Approval

Modify Existing Building Code

**Finance**

Provide City Financial Support

Reduce Risk of Loans for ADUs

Establish a Public+Private Fund

Tier 1 Priorities



Customer Experience

Develop a Marketing + Awareness Campaign

Publish ADU Guides + Toolkits



Zoning Reform

Adjust ADU Unit Size

Modify Accessory Structure Requirements

Revise Site Layout and Placement Standards

Broaden ADU Use Requirements



Building Code



Finance



Develop a Marketing + Awareness Campaign

As an uncommon form of new housing construction, many people may be unaware of ADUs or how an ADU may be of benefit to them.

Design a marketing and awareness campaign that celebrates the opportunities that new ADU construction offers and normalizes their cultural adoption. Decrease resistance to the gentle increase in density in established neighborhoods.

Task Force Ideas

- Develop a map and/or tour for recently built ADUs as “demos” to show what they look like and how they fit on a property and in a neighborhood
- Promote ADUs via flyers/postcards
- Help builders understand the benefits of thinking about an ADU during initial build
- Identify a specific alley or neighborhood with willing property owners and assist them with ADU construction and use it as a template for future work
- Host an ADU booth at Commission Night Out and other community engagement events

Implementation Considerations

Feasibility	Time	Resources
Easy	2-3 Months	\$\$\$\$\$ 25



Publish ADU Guides + Toolkits

As those who are interested in building ADUs may have no or limited experience in construction and development, digestible and clear resources and guides are essential for building the confidence to move forward.

Creating easy-to-understand visual guides and toolkits will help those interested in ADUs make informed decisions and build confidence in the process.

Task Force Ideas

- Educate about fair housing laws
- Create a fillable deed restriction that meets ordinance requirements and does not require property owners to seek legal expertise to create their own
- Use illustrations and infographics to communicate the building code requirements for an ADU
- Create a separate permit for ADU's — *Currently you request a normal new building*
- Collect list of contractors and design professionals who can help
- Work with financial partners to produce sample budgets and publish a list of lenders willing to finance ADUs

Implementation Considerations

Feasibility	Time	Resources
Easy	2-3 Months	\$\$\$\$\$ 26



Zoning
Reform

Adjust ADU Unit Size

An ADU, by definition, is a subordinate home on the same lot as a primary house/structure. The Zoning Ordinance requirements around the size of an ADU are intended to reinforce this relationship. However, the Zoning Ordinance standards for ADU size can be complicated to calculate and can constrain the design and livability of an ADU. The cost of construction per square foot increases for smaller units.

Revising the Zoning Ordinance standards to allow for more flexibility in unit size can help make ADUs more feasible.

Task Force Ideas

- Increase the maximum ADU size as a share of the primary home — *Currently: Maximum 40% of the primary structure*
- Exclude non-living spaces (stairways, mechanical spaces, etc.) from counting towards an ADU's size
- Increase the maximum total ADU size — *Currently: Maximum total size of 850 square feet*
- Eliminate the size relationship between an ADU and the primary home and default to a maximum ADU size

Implementation Considerations

Feasibility	Time	Resources
Easy	4-6 Months	\$\$\$\$\$ 27



Zoning
Reform

Modify Accessory Structure Req's

Accessory structures, like a garage or storage shed are secondary buildings on a property that support the main use. ADUs are considered an accessory structure and must follow all of the standards for an accessory structure.

The Zoning Ordinance limits both the number of accessory structures per lot and the total square footage of all accessory structures. This can pose challenges for new ADU construction as it may force a property owner to modify existing accessory structures or make a decision on if they would rather have a garage or an ADU.

Task Force Ideas

- Exempt ADUs from the total maximum square footage of accessory structures per lot
- Redefine an ADU outside of an accessory structure
- Exempt an ADU from the total number of accessory structures per lot
- Increase the square footage bonus for ADUs built on the second story of an accessory structures (over a garage)

Implementation Considerations

Feasibility	Time	Resources
Easy	4-6 Months	\$\$\$\$\$28



Zoning
Reform

Revise Site Layout and Placement Standards

All accessory structures, including ADUs have more flexibility in placement than a primary home/structure, but the accessory structure placement standards were written for garages and sheds and can be limiting for creative ADU site layout and placement.

Writing ADU specific site layout and placement standards can promote better urban design principles and help maximize the use of land for ADUs.

Task Force Ideas

- Reduce the front yard setback for ADUs on corner lots
- Allow zero lot line setbacks for ADU's when done behind zero lot line buildings
- Give City Staff more administrative flexibility in ADU placement
- Reduce or eliminate the rear setback for ADUs along alleys

Implementation Considerations

Feasibility	Time	Resources
Easy	4-6 Months	\$\$\$\$\$29



Zoning
Reform

Broaden ADU Use Requirements

The use and function of an ADU is predicated on its classification as an accessory structure which can be limiting for residents. As an ADU is a legal dwelling unit, residents of an ADU should be able to use their home as they would a primary dwelling unit.

Expanding the types of homes and development an ADU can be built with will also expand opportunities for new ADU construction and promote more creative infill housing solutions.

Task Force Ideas

- Increase the maximum number of bedrooms permitted in an ADU — *Currently: Maximum of 2 bedrooms*
- Allow home occupations in ADU's
- Allow ADUs to be built in multi-family developments
- Allow ADUs to be built in mixed-use and commercial developments



Implementation Considerations

Feasibility	Time	Resources
Easy	4-6 Months	\$\$\$\$\$ 30

Tier 2 Priorities



Customer Experience

Create ADU Project
Support Tools



Zoning Reform

Allow Short Term Rentals



Building Code



Finance



Customer
Experience

Create ADU Project Support Tools

Moving from the idea of an ADU through construction is a lengthy process filled with many twists and turns. Providing project support tools to help people throughout the process and answer large questions around cost, design, and management is essential for successful large scale adoption and construction of ADUs. These project support tools will go beyond simply providing information and can be used to navigate the entire process of building an ADU.

Task Force Ideas

- Work with lending institutions to create a clear process for financing ADUs
- Create a pro-forma template for property owners to use to assess the financial feasibility of creating an ADU
- Publish a toolkit and resource library for property owners to use throughout the entire construction process of building an ADU
- Design a “Neighborhood ADU Playbook” that visually depicts ADUs widely adopted into a neighborhood and the benefits of scaling ADU construction to neighborhood level

Implementation Considerations

Feasibility	Time	Resources
Medium	6-12 Months	\$\$\$\$\$ 32




Zoning
Reform

Allow Short-Term Rentals

To help offset the cost of construction for an ADU, short-term rentals (such as AirBnB and VRBO) can provide a revenue stream for property owners. As the ADU may not be operated as a short-term rental indefinitely, revising the regulations around short-term rentals in ADUs to increase the production of ADUs in the near-term may help the supply of available standard rental ADUs in the long-term.

Task Force Idea

- Eliminate short term rental prohibition in ADUs 

Implementation Considerations

Feasibility	Time	Resources
Medium	6-12 Months	\$\$\$\$\$33

Tier 3 Priorities



Customer Experience

Partner with Contractors

Develop a Grand Rapids
ADU Hub

Establish an ADU Program

Publish Permit Ready ADU
Plans



Zoning Reform

Revise Greenspace
Requirements

Allow ADU Lot Splits

Permit 2 ADUs per
Property



Building Code



Finance

Provide City Financial
Support

Reduce Risk of Loans for
ADUs



Partner with Contractors

Construction permits for ADUs can be submitted by either the property owner or a licensed residential contractor. As most residential construction permits are completed by licensed contractors, they are an important partner in increasing ADU production.

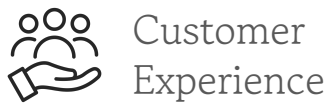
Growing the number of local contractors with experience building ADUs will help increase the production of ADUs as there are more professionals available locally to build them and advocate for their construction.

Task Force Ideas

- Maintain a list of local contractors who have completed ADU projects in the City
- Create an ADU portfolio that includes details on completed ADUs and the professional teams that worked on the project
- Develop an ADU certification program for contractors and share the list of certified contractors with those looking to build ADUs
- Partner with the Micro Local Business Enterprise (MLBE) Program to facilitate additional opportunities for contractors

Implementation Considerations

Feasibility	Time	Resources
Medium	6-12 Months	\$\$\$\$\$ 35



Develop a Virtual Grand Rapids ADU Hub

A “one-stop-ADU-shop” can serve as a singular hub for resources, guides, tools, and contacts for everything ADU related. Instead of sourcing materials from multiple locations, people can use the hub for all of their ADU needs.

Providing a singular source also provides assurances to people that the materials are accurate and reputable. Other communities in the United States have developed similar platforms that even support “shopping” for ADUs that could be built in their community.

Task Force Ideas

- Develop a Grand Rapids ADU Hub that coalesces all materials, resources, and tools relating to ADUs
- Evaluate other ADU Hubs, such as the Sonoma County ADU Marketplace, to learn best practices

Implementation Considerations

Feasibility	Time	Resources
Hard	6-12 Months	\$\$\$\$\$ 36



Customer
Experience

Establish an ADU Program

Currently, assistance for and questions about ADUs are handled by City Staff at the Development Center. There is not a singular role for supporting customers with ADUs which can lead to longer response times from City Staff as priorities with other job responsibilities fluctuate.

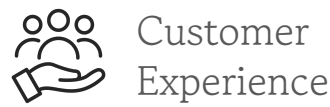
A more robust ADU program with resources managed by the City will require more dedicated Staff hours, or a position, to be successful and to deliver high quality customer service.

Task Force Ideas

- Establish an ADU Administrator position to create, manage, and implement a City ADU program
- Work with large property owners/managers to evaluate their portfolios and assess options for new ADU construction
- Design a tool to map and highlight in-progress and completed ADUs in the City

Implementation Considerations

Feasibility	Time	Resources
Hard	12-18 Months	\$\$\$\$\$37



Customer
Experience

Publish Permit Ready ADU Plans

A major part of the process in the production of a new ADU is the design and construction drawings for the structure. This process can be lengthy and expensive for property owners as it often requires the assistance of an experienced professional.

The City of Grand Rapids released a set of “permit ready plans” for single-, two-, and four-unit structures. To speed up permitting, these complete construction documents have been reviewed by all relevant City Departments to ensure their compliance with City codes and are available for free for anyone to use and build. Expanding the program to include ADUs will help reduce the design cost and decrease permitting times.

Task Force Ideas

- Create a set of permit-ready plans for ADUs
- Create a fully accessible permit-ready ADU

Implementation Considerations

Feasibility	Time	Resources
Easy	6-8 Months	\$\$\$\$\$38



Zoning
Reform

Revise Greenspace Requirements

The City of Grand Rapids Zoning Ordinance requires that a certain percentage of a lot remain as greenspace (lawn, landscaping, other pervious surface) to allow for stormwater to infiltrate into the ground and ensure that residents have space for outdoor living.

If a property is close to the minimum required greenspace, it can limit the size of an ADU or prevent the construction all together, unless the greenspace that will be lost is offset elsewhere on the property. Revising greenspace requirements can make ADUs more viable on properties close to the minimum required greenspace.

Task Force Ideas

- Lower the greenspace requirement for properties with an ADU to match the greenspace requirements for multiple-family uses — *Currently: ranges 20% - 60%* P
- Reduce green space requirements and require canopy tree planting to mitigate stormwater P
- Allow vertical green walls to count as greenspace on residential properties P

Implementation Considerations

Feasibility	Time	Resources
Easy	4-6 Months	\$\$\$\$\$39



Zoning
Reform

Allow ADU Lot Splits

The most common ownership structure of owner-occupied residential lots is one household per property, with any additional units on the property operating as rental units. Allowing for ADUs to be on their own parcel can create ownership opportunities for multiple households within the footprint of a standard residential lot.

ADUs on their own parcel are also easier to finance as a household can use similar financing that they would for a primary home.

Task Force Ideas

- Allow for ADUs to be on their own fee simple parcel (parcel condo)



Implementation Considerations

Feasibility	Time	Resources
Hard	6-12 Months	\$\$\$\$\$40



Zoning
Reform

Permit 2 ADUs per Property

Employing economies of scale, allowing up to two accessory dwelling units can help reduce the construction cost per unit and provide an opportunity for more housing within neighborhoods.

The City of Portland, an early adopter of ADUs, allowed two ADUs by right in 2025.

Task Force Ideas

- Allow up to two accessory dwelling units per property P

Implementation Considerations

Feasibility	Time	Resources
Easy	6-8 Months	\$\$\$\$\$41



Finance

Provide City Financial Support

In the current development landscape, economic incentives are an important tool to help projects “pencil” financially. While these incentives are typically applied for medium- and large-scale projects, evaluating their applicability for ADUs may help cover the financial gaps in the ADU production pipeline.

Evaluating existing incentives and tools will require close collaboration with the City’s Economic Development and Community Development Departments.

Task Force Ideas

- Adapt the PILOT (Payment In Lieu of Taxes) program for ADUs
- Use Housing Tax Increment Financing for ADUs
- Utilize the emerging developer grant for people building ADUs
- Create a grant/ loan/ special assessment tool for ADU financing

Implementation Considerations

Feasibility	Time	Resources
Medium	6-12 Months	\$\$\$\$42



Finance

Reduce Risk of Loans for ADUs

Many legacy homeowners (those who have owned their home for 30+ years) have established a large amount of equity but may not have the income to justify a traditional home equity line of credit. Put simply, some homeowners may have too little income to secure a traditional loan because they are viewed as a risk to a bank.

In these instances, the City can provide support to demonstrate financial security to a bank while supporting the homeowner.

Task Force Ideas

- Utilize a special assessment to secure a home equity line of credit with City as guarantor.
- Coordinate with local banks to create a local pilot initiative. Focus on supporting the creation of market comparables and establishing rental income specifications.

Implementation Considerations

Feasibility	Time	Resources
Hard	6-12 Months	\$\$\$\$43

Tier 4 Priorities



Customer Experience



Zoning Reform



Building Code

Change Manufactured
Housing Approval Process

Modify Existing Building
Code



Finance

Explore Innovative
Financing Models



Finance

Explore Innovative Financing Models

Access to capital for accessory dwelling units can be a barrier to many homeowners who are otherwise interested in adding a dwelling unit to their property. Partnership opportunities with local lenders, builders, and impact investors could be explored to reduce barriers to financing for otherwise eligible homeowners.

Alternative financing models should allow homeowners to benefit from the equity and cash flow resulting from the additional unit, while acknowledging the risk and cost of capital to the financing partners.

Examples

- Cultivate a public/private partnership that's capable of exploring new sustainable business models to make it easier to produce ADUs. An example could include a partnership with a local lender or CDFI and the City, using a special assessment and the GR Land Bank as a backstop for the loan.
- Another option could be funding a local nonprofit to be the builder and financier of new ADUs, and work with homeowners to take over the loan and property management over time.

Implementation Considerations

Feasibility	Time	Resources
Hard	12-18 Months	\$\$\$\$\$45



Change Manufactured Housing Approval Process

[Public Act 230 Section 125.1519](#) dictates statewide approval of pre-manufactured units. This means city-level authorities are currently not able to approve pre-manufactured ADUs that might be a great fit for local contexts.

Working with manufacturers to create beautiful and functional ADUs en masse would speed up production of off-the-shelf housing and reduce the barriers for homeowners to integrate an ADUs into their property.

Examples

- Change Public Act 230 to allow a delegated authority to perform offsite construction approval

Implementation Considerations

Feasibility	Time	Resources
Hard	24+ Months	\$\$\$\$\$46



Modify Existing Building Code

The Michigan Building and various Trades Codes are derived from International standards and set by the State of Michigan legislature. Changing building codes to relax construction standards may help reduce the cost of construction but comes with trade-offs for building safety, livability, and longevity.

The significant effort to change building codes and small impact made this recommendation land at the bottom of the task force's priority list.

Examples

- Allow sanitary service lines to route through the primary structure
- Reduce standards for required "cooking facilities" in an ADU
- Allow for shallower non-frost protected foundations

Implementation Considerations

Feasibility	Time	Resources
Hard	24+ Months	\$\$\$\$\$47