



# Small Lot Development

Small lot development allows single-family homes to be built on lots that are smaller than typically allowed in single-family zoning districts, generally ranging from approximately 1,500 to 5,000 square feet. Development is permitted by ordinances that reduce or relax minimum lot size, setback or lot coverage regulations to allow greater density. Ordinances can be written to apply to specific zoning or overlay districts.

## WHAT ISSUES DO SMALL LOT DEVELOPMENT ADDRESS?

Small lots have great potential to encourage density and increase housing choices in jurisdictions and neighborhoods dominated by single-family housing types on large lots. Allowing small lots in areas where the value of land is high can reduce the per-unit land costs, making housing more affordable.

## WHERE IS SMALL LOT DEVELOPMENT MOST APPLICABLE?

Small lot development can be used in all sizes of cities and in a variety of situations. It is effective in developed residential zones with fragmented lots that, under present land use regulations, are undevelopable but would make good home sites. It can also be applied effectively in areas below maximum density where large or adjacent lots could be subdivided to create denser development. Small lot development may also be used in greenfield development, and is often deployed in combination with [short plats](#), [lot size averaging](#), [planned unit developments](#), [cottage housing](#), [cluster development](#) and [master planned communities](#).

## TOOL PROFILE

### Objectives

[Housing in Centers and Near Transit](#)

[Housing Options in Expensive Markets](#)

[Missing Middle Density Addressing Racial Inequities](#)

### Type of Tool

**Development types**

### Project Type

**Single family**

**Ownership**

**Rental**

### Affordability

**Market-rate incentives and tools**

## WHAT DO I NEED TO KNOW ABOUT USING SMALL LOT DEVELOPMENT?

**Tailoring Small Lot Ordinances.** Small lot development begins with an ordinance or changes to your jurisdiction's development standards. While model ordinances exist, the code needs to be tailored to the zoning and lot requirements that fit with the targeted zones or neighborhoods. Relative to the density and existing standards of the district, appropriate "small" lot sizes may range from 1,500 square feet in dense neighborhoods to 5,000 square feet in districts characterized by large lots. Some communities have experimented with "right-sizing" their ordinances through enacting trial ordinances that can be renewed and amended as they approach their sunset date. This allows a jurisdiction to try out a set of regulations, monitor the results, solicit external review, and adjust accordingly.

Small lot ordinances are flexible in their application. Most commonly they apply only to certain zones or are implemented as an overlay/floating zone.

Planning staff should determine which neighborhoods or zones are best suited for this type of development, paying attention to the development standards and lot sizes in the areas of interest. Are there many lots larger than the zoned minimum lot size? These lots could be subdivided into small lots. Are there many undeveloped lots smaller than the minimum lot size? The ordinance could address infill on these lots.

**Development Standards.** Setback and lot coverage requirements will dictate the size of the unit constructed on the lot. Since housing choices and density are the goals of the ordinance, these requirements should ideally permit a number of different sized units to reflect the needs of the target population. Because of the smaller lot size, lot coverage requirements and square footage demands may put upward pressure on building height. It might be helpful to specify density requirements using floor-area ratio (FAR) instead of dwelling units-per-acre. FAR takes the bulk and height of a building into consideration, and this will be important for ensuring that the homes are sized in proportion to the lot size and fit in with surrounding single-family development.

Understanding the developer's point of view is essential to creating a sound ordinance. If the small lot ordinance does not allow developers to build homes at sizes and configurations suited to the target population, or if it directs development to neighborhoods with weak demand, it may not be successful.

**Privacy.** Privacy among neighbors within small lot developments can be a concern. Implementing [design guidelines](#) with small lot development assures that appropriate fences, landscaping, house placement, and other features are included to respect privacy while knitting the new development into the neighborhood.

**Transitions.** Creating smooth transitions between traditional and new neighborhoods can alleviate tension over characteristics of small lot development that differ from traditional single-family neighborhoods. Consider the neighborhoods where new developments may be sited.

- Are uses that fit well with small lot development, like parks and open space, mixed-use and neighborhood commercial, located nearby?
- Would development be served by transit?
- Is land available close to areas where the built-out capacity is near the zoned maximum?
- Could development bridge a gap between a commercial center and single-family development?
- Are there non-residential properties within the zone available for residential redevelopment?



**Density Bonus.** Many communities pair small lot development with other tools to encourage density. Granting [density bonuses](#) to developers building small lot homes may be effective because building cost per square foot on small lots can be higher than traditional single-family designs. Additionally, density bonuses can be awarded as an extra incentive to include affordable units in a small lot project. Jurisdictions can create de facto small lot development by providing density bonuses that allow construction of single-family homes on lots smaller than what is allowed under zoning. Similarly, [master planned communities](#) and [planned unit developments](#) frequently include small lot housing developments. Success in these types of developments could build support for a separate ordinance.



**Combining Tools.** Small lot ordinances are tied to other tools like [cottage housing](#) and [short plats](#). Combining these tools will increase the options builders have to build dense, diverse homes. For example, combining cottage housing with a small lot ordinance can create dense clustered lots exempt from setback and building orientation regulations that would apply under a small lot ordinance alone. A small lot ordinance could permit individual ownership possibilities for cottage homes that would otherwise operate as condominiums.

**Parking.** Household sizes tend to be smaller in small lot developments, so the need for parking spaces may be less than in traditional single-family neighborhoods.

Consider [parking reductions](#) from what the zone would otherwise mandate. Additionally, the higher density of small lot developments makes them more transit-supportive, further reducing the need for large parking requirements (see [Housing in Centers](#) and Near Transit).

**Education and Outreach.** Communication with residents in the areas being considered for small lot development, as well as with developers and builders, is vital to ensure a successful ordinance. Receiving community input before and after the ordinance is implemented, as well as when a development is proposed will help reduce resistance. Adopting [design guidelines](#) or a design review process specifically for these developments can help ease community concerns about how developments fit in with the existing neighborhood and address congestion, parking, and open space concerns. Design guidelines can be woven into the ordinance or exist as a related document. A design review process can keep the public engaged as development plays out. Developers can provide important feedback on the feasibility of building the types of housing for the target population under the ordinance.

## STEPS TO DEVELOPING AND IMPLEMENTING A SMALL LOT ORDINANCE

**Assess community capacity for small lot development.** The first step in creating your ordinance is to determine where and how small lot homes fit into your jurisdiction. Depending on your community, small lots may best be applied to specific zones or neighborhoods, or through combining the concept with other tools that increase housing density and choices, like [planned unit developments](#).

**Assemble stakeholders, including resident, business owner, and developer/realtor representatives for guidance and input on the ordinance.** Supplement your initial findings with input from stakeholders. Stakeholders are key resources that can help throughout the process of implementing the ordinance. Input and feedback on specific development standards in the ordinance will ensure new standards will create marketable, attractive homes that fit the neighborhood vision. Learn the variety of concerns that may exist among the different segments of your community. Later in the process, stakeholders can play a critical role in [community engagement](#) or marketing the ordinance to developers.



**Determine the specifics of the ordinance.** Consider how small lots could be implemented with other strategies such as [lot size averaging](#), flexible setbacks, [cottage housing](#) or [density bonuses](#). Including these incentives may be key to generating more affordable housing for low-income households. Small lot housing may be less expensive than traditional single-family development, but, at market rates, still out of reach for many. Speak with stakeholders in the development community concerning the levels of incentives that would allow affordable small lot homes to be built.

**Put the ordinance out for public comment and input. Revise as necessary.** After considering the key issues in designing a small lot ordinance with staff and stakeholders, draft the ordinance and begin the planning board and public comment processes to get the ordinance adopted.

**Adopt changes to the development/zoning code.** Amend documents to include language that updates standards allowing small lot housing.

**Train staff and market the ordinance.** Ensure that building officials and planning staff working with builders are up to date on the requirements and intent of the ordinance. Staff should be able to point out incentives and advertise the program in conversation with developers and applicants. After the ordinance has been enacted, monitoring the progress of the program, in terms of units constructed, median sale price, neighborhood opinions, and intensity of development, can provide information on whether the ordinance needs adjusting to make it more successful.

## MODEL POLICIES, REGULATIONS, AND OTHER INFORMATION

City of Everett: [Small lot single-family dwelling, and duplex development standards](#). (2020)

City of Kirkland: [Small lot single-family zoning requirements](#) (2020)

City of Mountlake Terrace: [Housing Options](#) (2020)

City of Eugene, OR: [Small Lot Development in Eugene A Study of Density and Site Design](#) (2020)

City of Los Angeles, CA: [Small Lot Ordinance, HUD case study](#) (2020)

City of Vancouver, B.C.: [Increasing Housing Density in Single Detached Neighbourhoods](#) (2007)

