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Historic homes in Philly can now add garage or basement apartments

‘Accessory dwelling units’ are seen as a way to encourage preservation.

by [Michaëlle Bond](#), Updated: March 19, 2020



MONICA HERNDON / STAFF PHOTOGRAPHER



Owners of historic homes in Philadelphia's Chestnut Hill neighborhood would like to create dedicated spaces for the multiple generations living in them. Garages might be converted into housing for parents, for instance, which adds value for homeowners.

Until this year, that wasn't allowed.

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As recently as December, Philadelphia offered no tangible incentives to homeowners with buildings on the city's historic register. But as of Jan. 1, owners of historic properties for the first time can add "accessory dwelling units," such as in-law suites and basement rentals.

Allowing the units in historic structures is one of several measures City Council passed last year to [incentivize ownership of historically designated buildings](#), a suggestion of the [Philadelphia Historic Preservation Task Force](#) that Mayor Jim Kenney convened in 2017. Other incentives include reducing parking requirements and easing zoning restrictions.

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“We’ve chosen Philadelphia because it’s a beautiful, historic, livable city,” said Lori Salganicoff, executive director of the Chestnut Hill Conservancy. “But we don’t really have as much of a culture of historic preservation as other cities do. And I think that has to do with the fact that the city is just starting to incentivize historic preservation.”

Starting in the early 1980s or so, across the country, accessory dwelling units “were seen as a strategy to keep these older homes financially viable,” said David Morley, research program and quality assurance manager at the American Planning Association, based in Chicago.

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Conversation around the units has broadened to include increasing the housing supply and choice, and lowering rents, depending on a community’s needs, Morley said. Accessory dwelling units are “generally seen as the least radical way to add housing without changing the appearance of existing neighborhoods,” he said.

“ADUs are great, and places should really, really, really think hard about what they should do to promote” opportunities for them, Morley said. “I’m really happy with the step Philly is taking. I think it’s a good one.”

**BEN KESSLER (UNITED DWELLING)**

A model of an accessory dwelling unit by California-based United Dwelling. Unlike in California, homeowners in Philadelphia cannot build new living units on historic properties.

The Pacific Northwest is seeing more construction of secondary dwelling units than the East Coast, which is denser and generally has more housing choice already, he said. A spike in the construction of accessory dwelling units across the country over the last few years has largely been driven by legislative changes in states such as California and Oregon, which have expanded permissions and reinvigorated interest nationwide, Morley said.

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Philadelphia's zoning change is meant to allow people struggling to maintain old properties to bring in additional income and to add an incentive that could make people less likely to fight a historic designation for their property, said Councilmember Mark Squilla, who introduced the incentive legislation. It's an attempt to "make it more reasonable for people who want to be part of the preservation of our city architecture landscape," he said.

The city hasn't tallied how many properties are eligible to take advantage of the zoning code change, but homes must be deemed historic by the Philadelphia Historical Commission and [added to the Philadelphia Register of Historic Places](#). A [Zillow "housing aspirations" report](#) in November found that in the Philadelphia metropolitan area, 58% of homeowners said they should be allowed to renovate their homes for multifamily use.

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Eligible city residents need a zoning permit from the Department of Licenses and Inspections to add to a property's current use. And the owner has to be one of the parties living in the home, a caveat that must be recorded in a deed restriction on the property. Units can be within the house, such as a basement or top floor, an addition that is already part of the historic structure, or in a detached structure, such as a carriage house. Any separate structure has to have been added by 2012. New structures cannot be built from the ground up.

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Anecdotally, Andrew Meloney, a senior planner for the city's Planning Commission, said he's heard about the use of accessory dwelling units in areas such as University City, where there are larger houses and demand for more housing from students or visiting professors. "In those locations, there's probably a need for such things," he said.

Meloney said allowing the units in historic buildings "seems like a very important thing to be doing right now."

"It could really help to increase the affordability of historic properties," he said.

Paul Steinke, executive director of the Preservation Alliance for Greater Philadelphia, said the authorization of the units in historic properties is "part of the toolbox" for making historic properties more attractive for preservation and reuse.

"It is an important step," Steinke said. "It represents the city taking more seriously its shortcomings in historic regulations."

When a subgroup of the Historic Preservation Task Force started looking into existing financial incentives for homeowners with historically designated houses, "we realized really there were none," said Peter Angelides, senior vice president and principal of Econsult Solutions and co-chair of the incentives subgroup. "You got additional burdens," such as restrictions on renovations.

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He said accessory dwelling units "could be a pretty powerful" incentive. A lot of historic homes were built to hold bigger families and are larger than people need now, especially when children leave and the household is down to one or two, Angelides said. Some houses are 3,000 or 4,000 square feet and entire sections go unused.

"The best way to make sure a historic building is preserved is to make sure it's used," he said.

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With extra income from a tenant, he said, homeowners would be better able to repair and maintain the home.

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Renovating old properties responsibly is more time consuming and costly than regular jobs, said Rachel Street, president of Hestia Construction, renovator of historic properties, and host of the television show *Philly Revival* on the DIY Network.



JESSICA GRIFFIN

Rachel Street, star of the television show "Philly Revival" and a renovator of historic properties, at a property she purchased in South Philadelphia.

She said she hopes the zoning code change "shift[s] things so homeowners start to view historic properties as more valuable and unique rather than a burden or a headache to renovate."

But not everyone has the upfront funds to pay for renovations or know-how to act as a property manager, said Morley of the American Planning Association.

With this in mind — and a vastly different housing landscape in which to work — Steven Dietz founded United Dwelling, a California-based start-up in the accessory dwelling unit business. The company's goal is to address concerns about housing affordability and availability, not historic preservation.



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A model of an accessory dwelling unit by California-based United Dwelling. Unlike in California, homeowners in Philadelphia cannot build new living units on historic properties.

United Dwelling plans to lease detached garages from homeowners in Los Angeles County, tear them down, and replace them with 18-by-24-foot identical structures made in a factory. The original plan was to remodel the garages, but their quality varied too much and substituting new structures is cheaper. The company also can place units in backyards. United Dwelling focuses on middle-income residents in areas that are fully built out and need additional housing. The company will share income with homeowners.

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The first homeowners signed up almost two years ago, and about 60 more have come on board since then, Dietz said. Most are retired or about to retire and want a way to stay in their home as they age, he said. Target tenants include those who work in a neighborhood but can't afford to live there, such as teachers, nurses, or social workers. Dietz plans to build more than 200 dwelling units this year and almost 2,000 next year.

"I expect as we demonstrate we can build a lot of units," he said, "I do hope people think, 'Hey, we can do that in our community.'"



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