4. Accessory Apartment.
   a. The creation of an accessory apartment meeting the following criteria shall be reviewed as a single family permitted use:
      (1) one such unit may be located within or appurtenant to an owner occupied single-family dwelling, or within an existing accessory structure located on that lot;
      (2) the unit shall be an efficiency or one-bedroom apartment;
      (3) the unit shall have facilities and provisions for independent living, including sleeping, food preparation, and sanitation;
      (4) on- or off-site wastewater processing capacity shall be sufficient for both units;
      (5) existing parking at the site is sufficient to meet the parking requirements for a two family dwelling contained in this ordinance; and
      (6) the unit does not exceed 40 percent of the total habitable floor area of the single family dwelling; units created within existing accessory structures are exempt from this criteria.
   b. Accessory apartments are exempted from the lot area per dwelling unit requirements of this ordinance.
   c. Conditional use review shall be required if one or more of the following is involved in the creation of an accessory dwelling unit:
      (1) the development requires an increase in the dimensions of the parking area (s);
      (2) the unit is proposed within an existing accessory structure that does not meet the side or rear yard setback requirements of this ordinance, and a request has been received by the affected adjoining property owner within 15 days after notice by certified mail, return receipt requested, notifying them of the application and the opportunity to request a conditional use hearing within 15 days of receipt; or
      (3) the accessory apartment is proposed to be larger than 40 percent of the habitable area of the dwelling.
   d. The Development Review Board may reduce or waive the off-street parking requirement for accessory apartments where the waiver will not create an undue negative impact on the neighborhood.