

Accessory Dwelling Units

Joint Public Hearing

July 8, 2019

**homes
for Salem!**



The state of housing



Salem median household income is **13%** lower than the Commonwealth's, but home prices are only **3%** lower

50% of Salem households are low income and **10%** are moderate income



For every **4** low-income Salem households, there is **1** Affordable unit

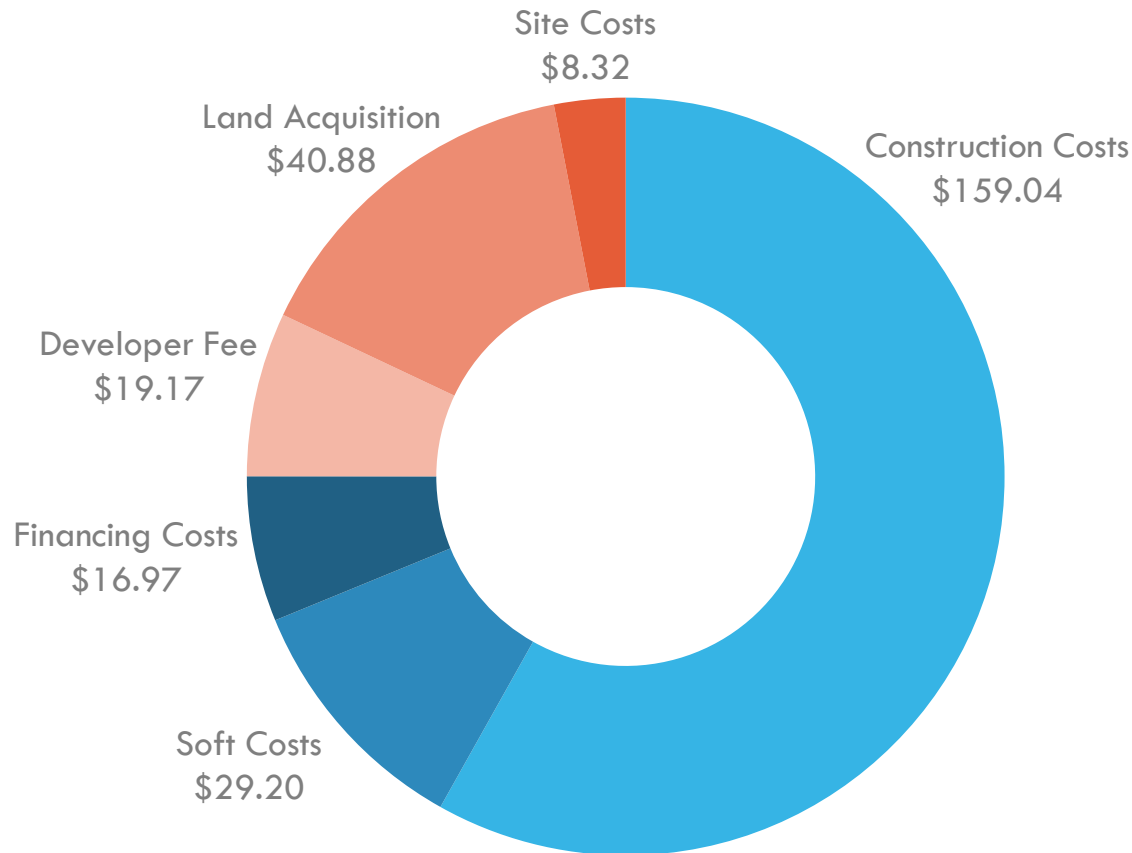
67% of low-income households are cost burdened, as are **25%** of moderate-income households



The Salem Housing Needs + Demand Assessment (2015) found the city needs **2,725** units of housing by 2030 to meet demand

The state of housing

Housing is **very expensive** to produce

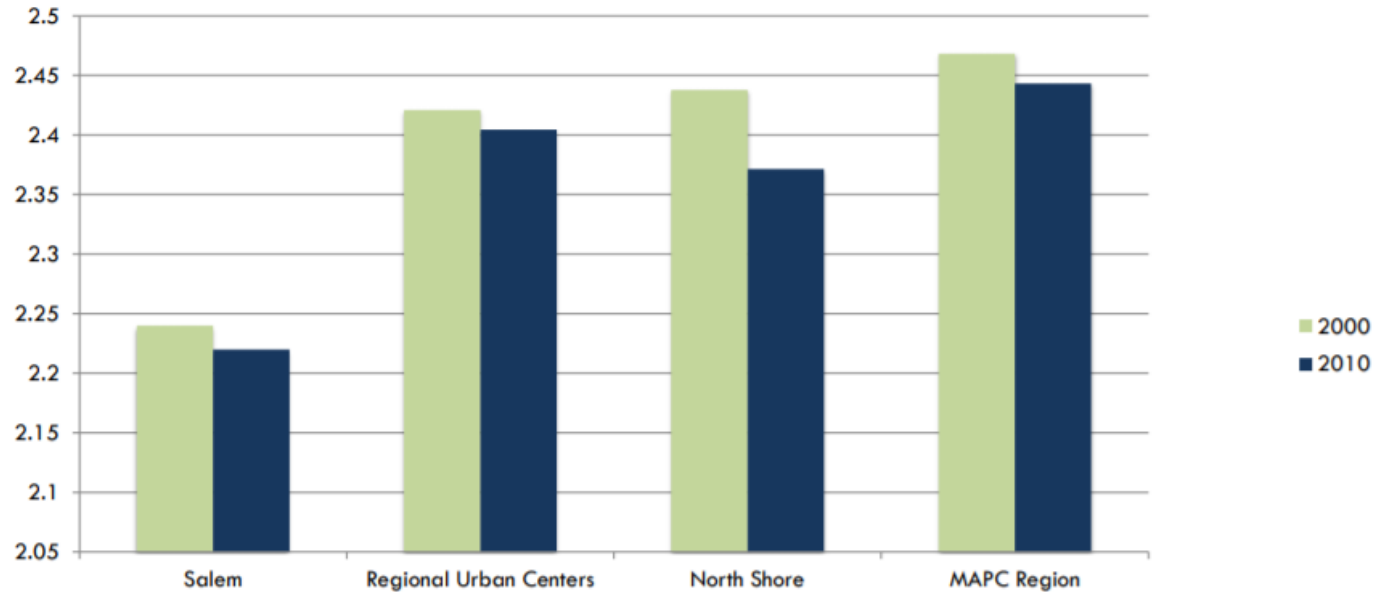


= \$273.58
per square foot

= \$410,370
for a 1,500-square-foot
home

TOTAL HOUSING DEVELOPMENT COSTS PER SQUARE FOOT,
MASSACHUSETTS URBAN PROJECTS, 2011-2015

Household Size on the Decline



Source: U.S. Census Bureau

Average household size to decline to 2.2 by 2030

“Since household sizes are shrinking, new residents in ADUs might maintain current neighborhood population densities, but are unlikely to increase them”

Source: The State of Zoning for Accessory Dwelling Units, Pioneer Institute White Paper by Amy Dain

Planning to meet housing need

- **Housing Needs and Demand Analysis, 2015**
- **Imagine Salem, 2016**
- **Salem for All Ages Action Plan, 2016**
- **Affordable Housing Trust Fund Board Re-established, 2018**
- **Housing Forum, 2019**
- **ADU and Inclusionary Zoning Workshop, 2019**



**The City of Salem does not
build any housing.**

Who does?

**The Salem Housing Authority
owns and manages 715 units.**

**These units are for low income,
elderly, and disabled people.**

**New units haven't been created
since 1990.**

None are in the pipeline.



Not-for-profit partners (North Shore CDC, Harborlight Community Partners) own and manage 288 units in Salem.

These units are for low and moderate income people and the formerly homeless.

NS CDC has 46 units permitted but not yet built due to lack of state funding.



The private sector is responsible for about 95% of Salem's 18,998 existing housing units.

These units are for anyone who can afford to live in them.

1,116 new units are permitted or under construction. These units are a mix of single family houses, apartments, and condominiums.



Some of these private sector units are “Naturally Occurring Affordable Housing” (NOAH).

Others have affordability requirements, including new 82 affordable units that are permitted or under construction.



The private sector is building about 96% of new housing in Salem.

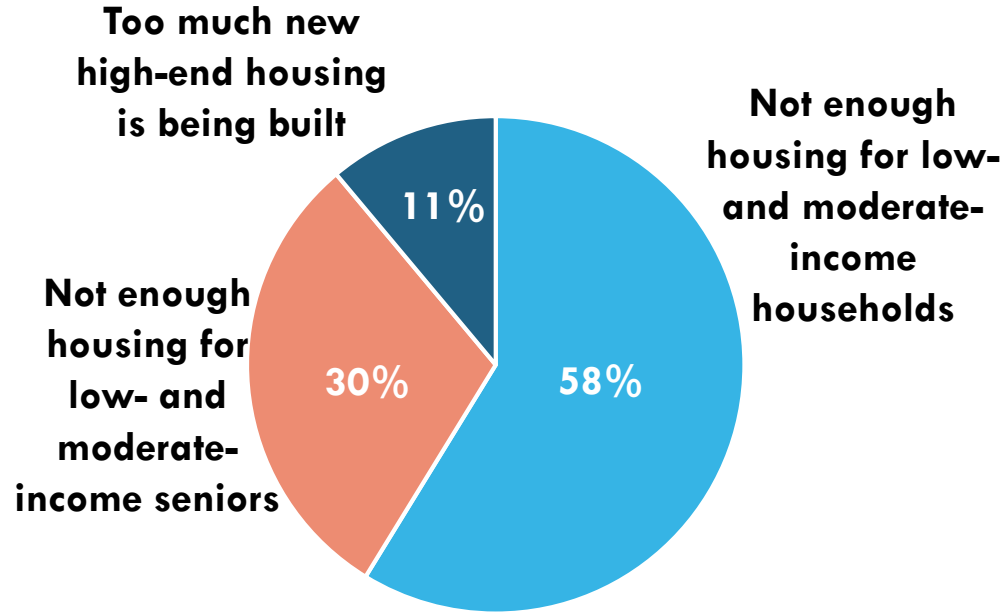
The City of Salem can take action to help the private sector build more housing.

Some of the new units can be affordable including more NOAH.



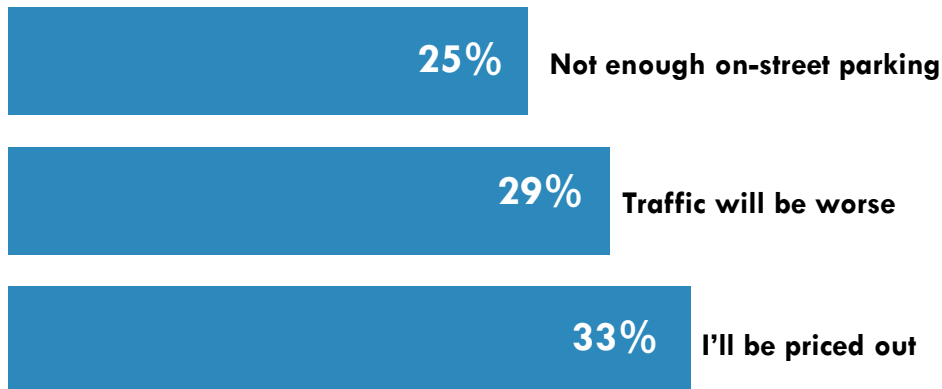
What we've heard

Housing Challenges



Top 3 housing concerns

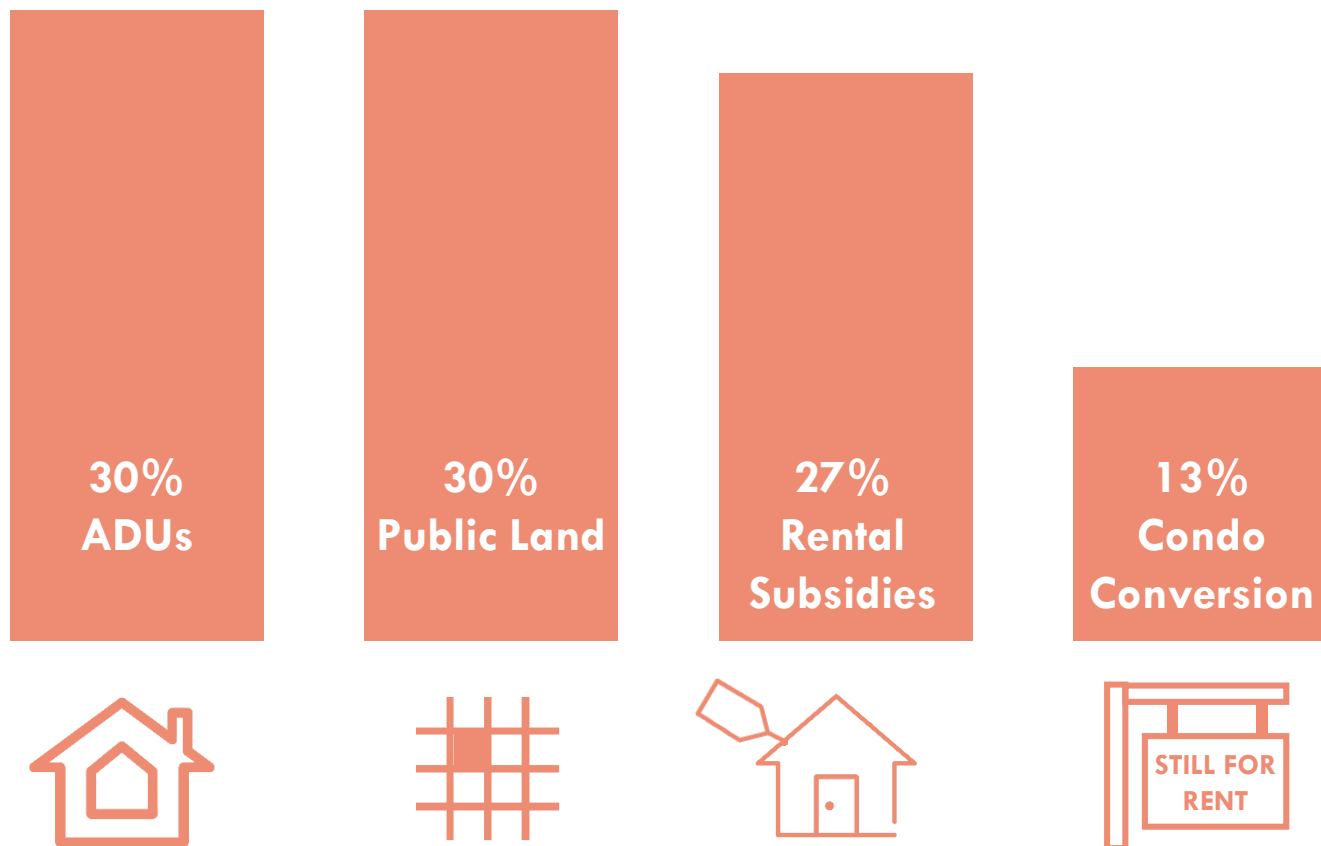
Top 3 fears about new housing



Why are we talking about ADUs?

Housing Strategies

Support for new strategies to create housing at the March 5th Housing Forum



It takes many different tools!

Recent and proposed housing tools

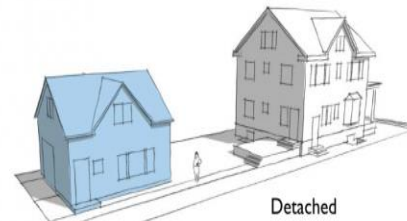
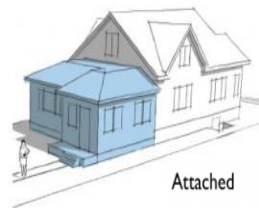
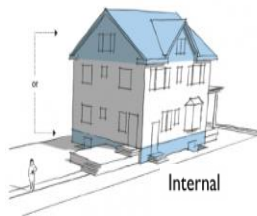
- Housing Development Incentive Program (HDIP)
- Municipal and Religious Conversion Special Permit
- **Accessory Dwelling Unit Ordinance update**
- Inclusionary zoning
- Public land for affordable housing
- Rental subsidies
- Condo conversion ordinance



What are Accessory Dwelling Units (ADUs)?



- A self-contained residential unit that shares the same lot as a another home
- Can be within the existing home, attached or detached
- Generally for smaller households (1-2 people)
- Typically rent for less than standard market-rate apartments
- Cannot be sold separate from the primary home



Who Benefits from ADUs?

- Homeowners—rental income
- Middle-income tenants—more units
- Local businesses—employee housing
- Residential contractors—remodeling
- Lending institutions—home improvement loans

Source: Massachusetts Smart Growth/Smart Energy Toolkit



Who Typically Chooses to Build ADUs?

- Older singles/couples
- Middle-aged “empty nesters”
- Younger singles/couples
- Single working parents
- People who travel often

Source: Massachusetts Smart Growth/Smart Energy Toolkit



Current Salem ADU Ordinance

Adopted January 2018, the ordinance:

- Limits occupants to caretakers and family members
- Requires a special permit
- Resulted in less than 10 permits issued to date
- The accessory unit must be removed when the tenant leaves.



Proposed Ordinance

1. Amend the stated purpose

“To add moderately priced rental units to the housing stock to meet the needs of smaller households...”

2. Allow in all residential zones

3. Remove tenant restrictions

4. Require Owner Occupancy for a minimum of 2 years

5. Prohibit Short-term Rentals

6. Amend the Process



Amend the ADU process

Criteria

- Onsite parking
- 800 square feet
- Meets the dimensional requirements
- No net loss of trees

Building Permit (“by right”)

- ADU complies with **all** criteria
- Does not require a special permit
- Does require a building permit

Special Permit

- ADU does not comply with the criteria
- Requires Special Permit from Zoning Board of Appeals and a building permit



More and more cities and states are allowing ADUs as-of-right.

ADUs allowed by right in Massachusetts, at least in some circumstances:

- Acton
- Bolton
- Burlington
- Lexington
- Littleton
- Newton
- Reading
- Stow
- Wilmington
- Rockport
- Bedford
- Chelmsford

Questions?