

ACCESSORY DWELLING UNITS: LESSONS FROM AROUND THE COUNTRY

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Overview

- ***Why Study Accessory Dwelling Units (ADUs)?***
 - Growing interest in ADUs, particularly state-level policies.
- ***Research Question***
 - What might Massachusetts and other states learn from places that have recently adopted ADU-related laws and regulations?
- ***Approach***
 - Literature review
 - Expert interviews
 - Detailed case study research:
 - City of Portland, Oregon
 - State of New Hampshire

Notes:

Open source photo of an ADU.

Overview of Presentation

- ***Background on ADUs, their benefits and hurdles***
- ***Overview of case studies***
 - *City of Portland, OR*
 - *State of New Hampshire*
- ***Implications for states like Massachusetts***
- ***Key strategic questions and concluding thoughts***

Notes:

Open source photo of an ADU.

Key Findings



Requiring by-right approvals is critical.



Limiting localities' ability to require owner-occupancy and parking is important.



Changing policies in these areas can get others to break the “cycle of barriers.”

Notes:

Photos taken by author during Portland, OR ADU tour.





Background on ADUs

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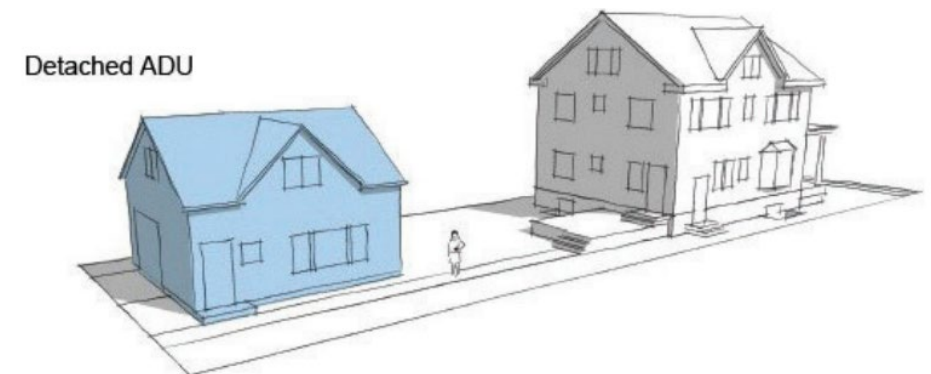
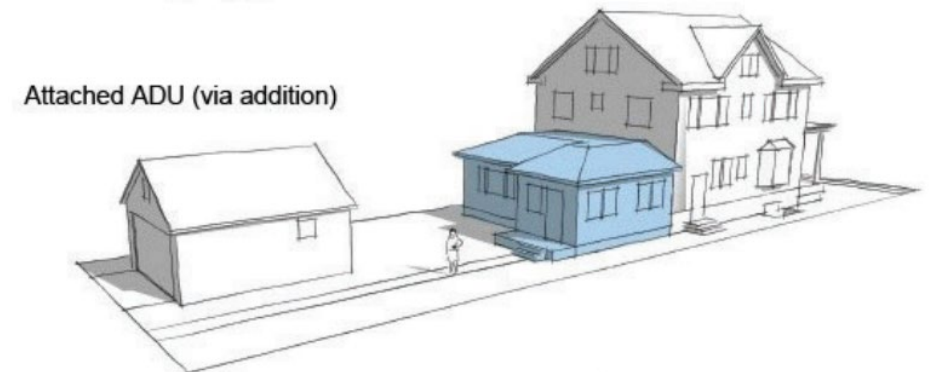
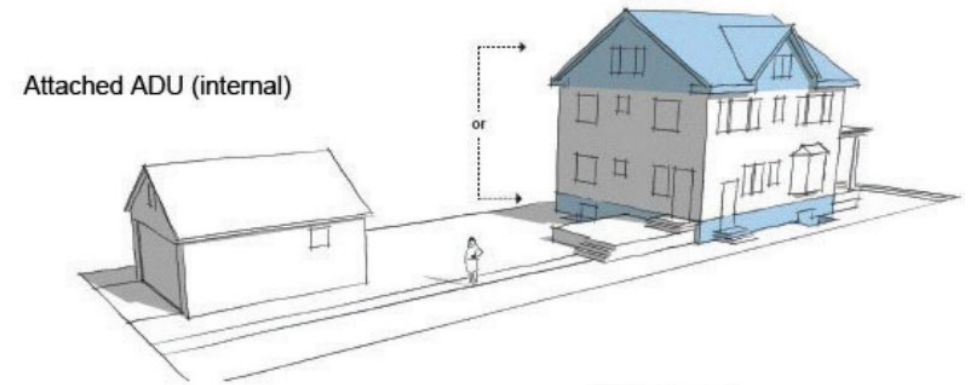
DEFINITION AND HISTORY

“Small, independent living units that are within, attached to, or detached but on the same parcel as a primary residence.”

- Must be subordinate to and functionally independent from the main house.
- A century or more of history
 - Predates early zoning
 - Mid-century prohibitive zoning
 - Late 20th C. growing interest
 - Early 21st C. more state interest

Notes:

Diagrams from City and County of Denver, CO.



Background on ADUs

BENEFITS

- Economic
- Environmental
- Social
- Health



ABOVE-GARAGE ADU



DETACHED-BEDROOM ADU



DETACHED ADU

Notes:
Photos from AARP ABC of ADUs publication.

Background on ADUs

HURDLES

- Neighboring homeowners often oppose them.
 - As a result, local zoning bans or restricts them.
- Key local zoning provisions:
 - Special/Conditional Use Permits.
 - As opposed to by-right permits.
 - Owner-occupancy.
 - Off-street parking.



Notes:

Open-source photo of ADU under construction in Portland, OR.

Background on ADUs

CYCLE OF BARRIERS

- This creates self-reinforcing cycle of barriers:
 - Little homeowner interest.
 - Lack of financial products.
 - Dearth of builders who specialize in ADUs.

Of 800 California ADU homeowners who were surveyed in 2021:

62% used personal savings to finance some or all of the costs of their ADU project.

43% sourced funds from some sort of mortgage on their primary property.

Notes:

Lusk Center for Real Estate, USC and Turner Center for Housing Innovation, UC Berkeley. "ADU Construction Financing: Opportunities to Expand Access for Homeowners."

*Note that the figures exceed 100% because some homeowners used a mix of both.

Background on ADUs

WHAT MIGHT BE CHANGING?

- Countervailing forces in the last two decades.
- Some localities have made it easier to build.
- A few states have addressed ADUs.
- MA and several other states are considering such laws.

Notes:

This is an updated and modified version of a table that appears in a 2023 Mercatus Institute study by Emily Hamilton.

Data also from AARP's 2021 ADU Model State Act and Local Ordinance.

State	Date(s)	By-right permitting required?	Ban on Owner Occupancy Requirements?	Limits on Parking Requirements?
WESTERN STATES				
Hawaii	1981	No	Yes	No
California	1982, 2003, 2016, 2019	Yes	Yes	Some
Washington	1993, 2023	Yes	Yes	Some
Oregon	2017, 2019	Yes	Yes	Yes
Utah	2021	No	No	No
Montana	2023	Yes	Yes	Yes
NEW ENGLAND STATES				
Vermont	2005, 2020	Yes	No	No
New Hampshire	2016	No	No	No
Connecticut	2021	No*	No	Some
Maine	2022	No	No	Yes
Rhode Island	2022	No**	No	Some

*Connecticut's law allows localities to opt out of by-right reviews with a two-thirds vote of both their planning board and legislative body.

**RI requires by right on owner occupied lots for family members, on large lots, for internal ADUs, or for an ADU within an existing accessory structure.

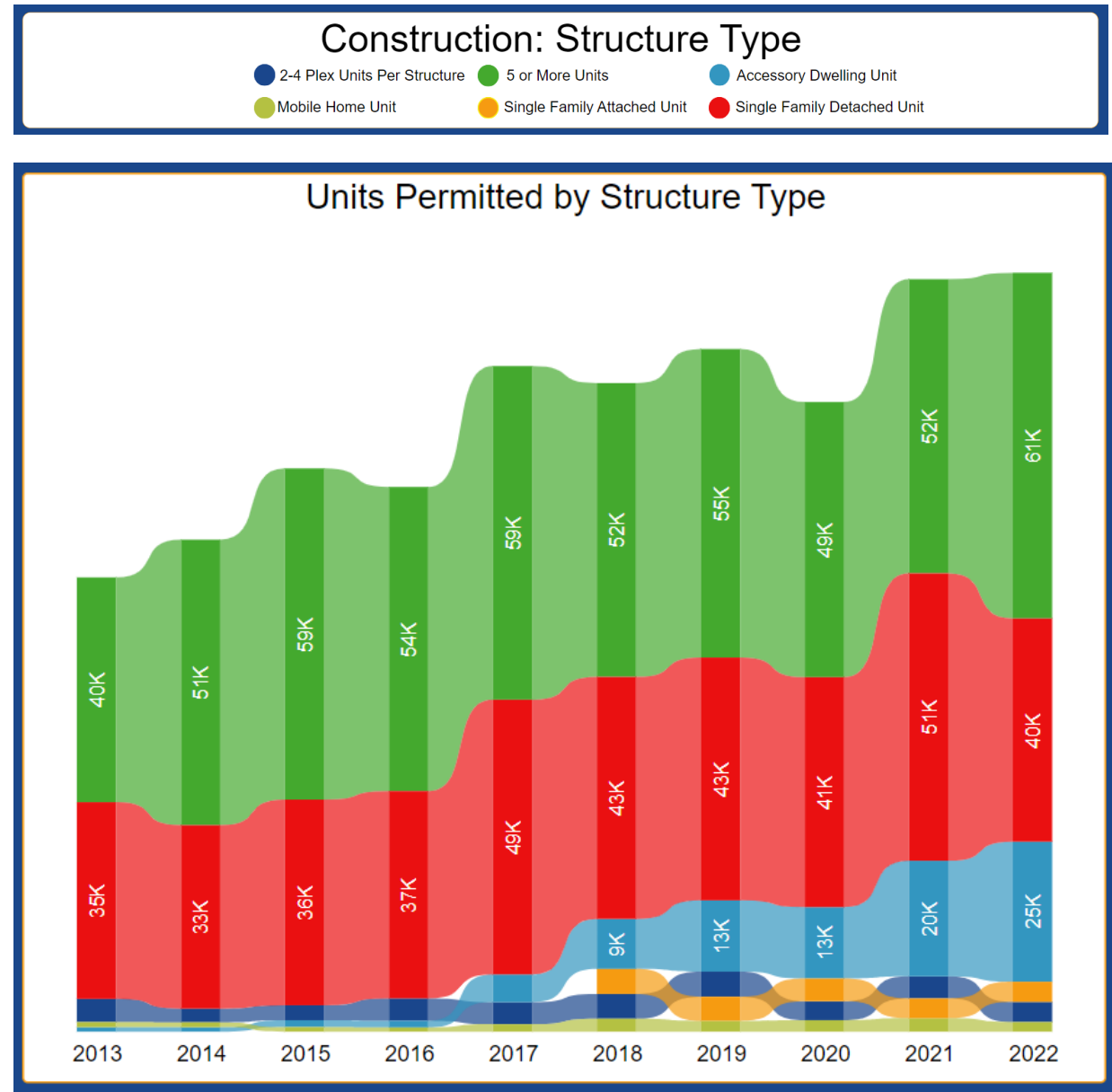
Background on ADUs

CALIFORNIA'S ADU GROWTH

- Illustrates noteworthy impact of expansive state-level law.
- Increased from 1,200 permits (2016) to over 25,000 (2025).
- ADUs 18% of new housing stock in 2022, up from 1% in 2016.

Notes:

“Annual Progress Reports - Data Dashboard and Downloads,” California Department of Housing and Community Development, accessed August 9, 2023, <https://www.hcd.ca.gov/planning-and-community-development/housing-open-data-tools/housing-element-implementation-and-apr-dashboard>.





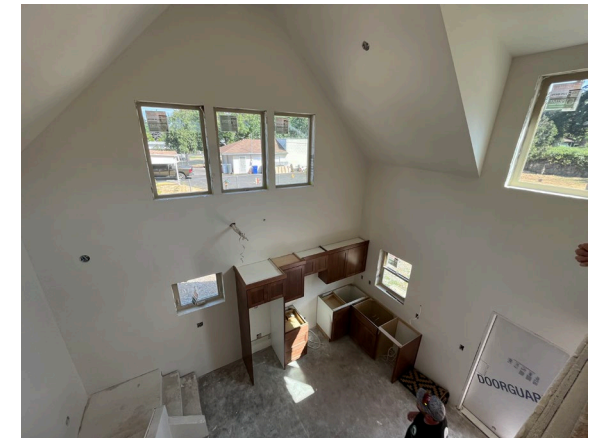
Case Studies: Portland, OR and New Hampshire

Case Studies

PORTLAND'S BY-RIGHT APPROACH

Key features:

- Liberalized land-use regulations.
- Advocacy initiatives.
- Expansion of financial products.
- Growing network of ADU-specialized builders.



Notes:

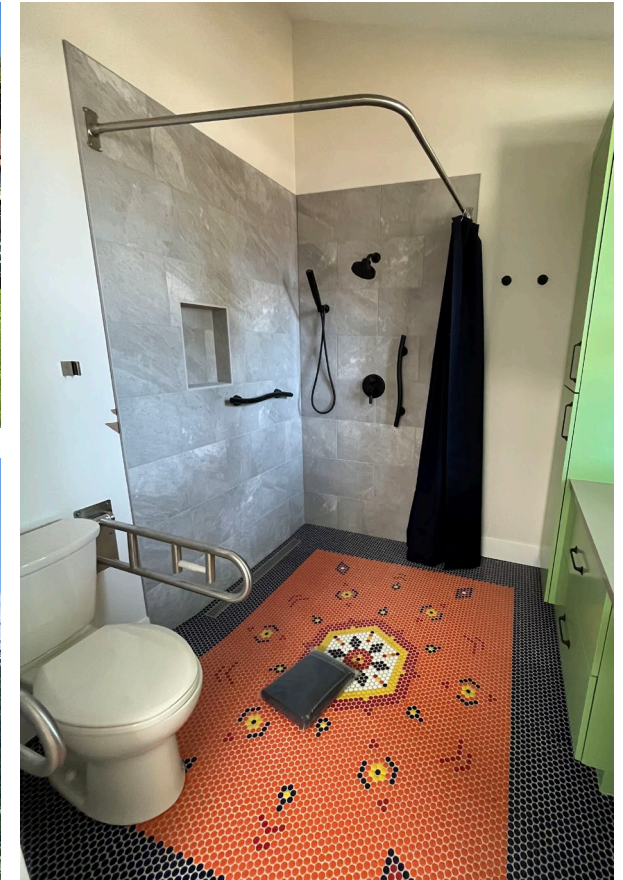
Photos taken by author during Portland, OR ADU Tours.

Case Studies

PORTLAND'S BY-RIGHT APPROACH

Key takeaways:

- The importance of by-right approvals.
- Eliminate other zoning barriers.
- Use strategic efforts to incentivize production.
 - A growing network of ADU supporters: advocates, homeowners, builders, and lenders.
 - A successful ecosystem that positively influenced statewide changes in Oregon and beyond.



Notes:

Photos taken by author during Portland, OR ADU Tours.

Case Studies

NEW HAMPSHIRE'S DISCRETIONARY APPROACH

Why study New Hampshire ADUs?

- Early adopter of state ADU laws.
- Similar to approaches used in other NE states.
- Long enough history to see effects on localities.

Key features:

- Localities have to allow attached ADUs.
- But can do so via special permits.
- Localities can impose occupancy and parking requirements.
- Has unique design requirement: interior door.



Notes:

Photos taken by author in Portsmouth (Above) and Manchester (Below) during ADU tours.

Case Studies

NEW HAMPSHIRE'S DISCRETIONARY APPROACH

Key takeaways:

- Results across the state have been modest and uneven.
- Localities responded differently to the state's mandate.
- Updates to state bill under current consideration for next legislative session.

	Manchester	Portsmouth	Dover
Population	114,730	21,897	32,599
Housing Units	51,121	11,093	15,353
Housing Units Built Since 2010	1,410	612	791
ADUs Permitted (as of July 2022)	24	35	61
ADU Share of Permits Since 2010	2%	6%	8%
Year ADUs first allowed	2017	2009	2012
Review Type	Conditional use (until 2023); Both (2023-)	Conditional Use	By-Right

Notes:

Author's calculations from ACS 2021 (5-Year Estimate), Zoning Ordinances and permit data provided by city officials in Manchester, Portsmouth, and Dover.



ADUs in Massachusetts: What might MA learn from other places?

Massachusetts

OVERVIEW OF ADUs IN MA

- State-level advocacy and reluctance
 - Minimal guidance on issue to date.
 - Came close in 2022 legislative session.
 - ADU bill under current consideration.
- Local discretion
 - Most municipalities allow ADUs, but via special permits and other restrictions.
 - Several localities (Salem, Barnstable) have made recent changes to move the needle and expand financing options.

Of 100 jurisdictions in greater Boston that were surveyed in 2018:

68 have some form of zoning for ADUs.

31 only allow family/caregiver occupation.

14 restricted ADUs to older, larger houses.

16 allowed detached ADUs.

7 capped the total number of ADUs (either in total and/or annually).

Notes:

Amy Dain, "The State of Zoning for Accessory Dwelling Units" (Boston, MA: Pioneer Institute for Public Policy Research, July 2018).

Key Findings

FOR MASSACHUSETTS AND OTHER STATES CONSIDERING NEW LAWS FOR ADUs



Requiring by-right approvals is critical.



Limiting localities' ability to require owner-occupancy and parking is important.



Changing policies in these areas can get others to break the “cycle of barriers.”

Notes:

Open-source image of MA state capital.



A Key Strategic Question

COMPREHENSIVE

- Require by-right permitting for all types of ADUs.
- Ban owner occupancy requirements.
- Bans (or greatly limit) parking requirements.
- Likely to produce more ADUs.
- Could generate opposition that imperils efforts.

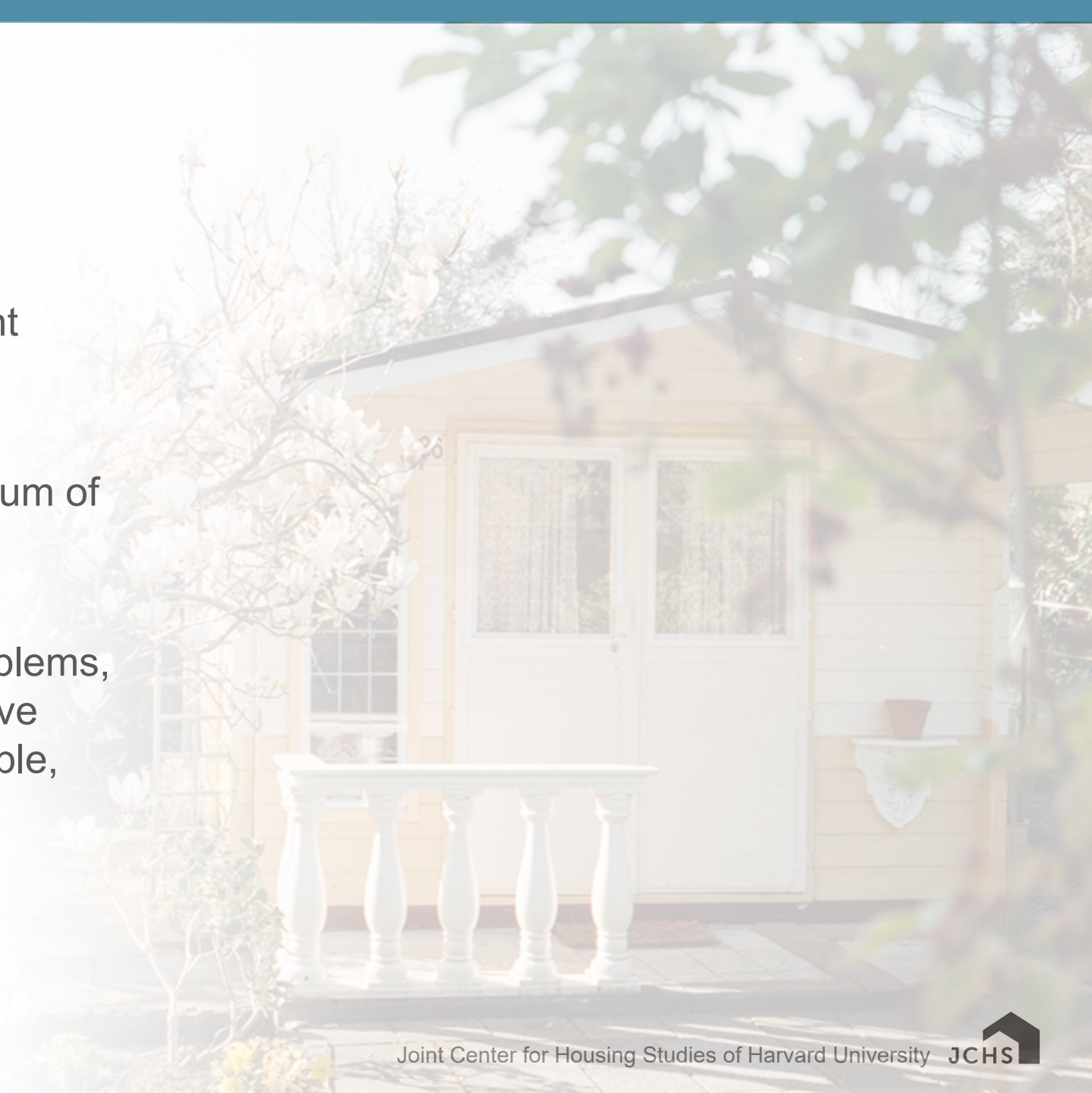
VS.

INCREMENTAL

- Still requires by right, preferably for all ADUs.
- Might not ban owner occupancy.
- Might not ban parking requirements.
- Almost certainly will not result in as many ADUs.
- Might be only politically feasible way to move forward.

Concluding Thoughts

- Changes in state law can lead to significant increases in the production of ADUs.
- ADUs alone cannot address the full spectrum of housing challenges.
- But increases can help alleviate many problems, particularly if they are part of comprehensive efforts to provide more affordable, accessible, and sustainable housing.



Thank You.



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