## **BUILDINGENERGY BOSTON**

### Moving the Needle on ADU Policy and Production

Greg Bossie, Rare Forms
Katie Faulkner, West Work
Hilary Gove, Maine Dept. of Economic and Community Development
Chris Lee, Backyard ADUs
Parlin Meyer, BrightBuilt Home

**Curated by Lauren Baumann** 

Northeast Sustainable Energy Association (NESEA) | March 21, 2025

### **WELCOME**

ADUs: Small Homes, Big Solutions What makes ADU's...

Exciting...

Confusing...

Intriguing...

Accessible...

Timely.



### **Today's Panel**

#### **Greg Bossie**

President, Director Of Design

Rare Forms, Inc. | Easthampton, MA

#### **Katie Faulkner**

Founder & Principal

West Work | Boston, MA

#### **Hilary Gove**

Housing Opportunity Program Coordinator

Maine Dept of Economic & Community Dvpt

#### **Chris Lee**

CEO

**Backyard ADUs | Brunswick, ME** 

#### **Parlin Meyer**

Managing Principal, Co-owner

BrightBuilt Home LLC | Portland, ME











## LEARNING OBJECTIVES









#### **Understanding Legislation**

Ability to navigate state and local legislation, to better utilize density and ADU incentive programs

#### **Strategy for Marketing**

For designers, ability to understand ADU marketplace, to inform marketing campaigns and approach to design.

#### **Construction Methods**

Understand methods of both on and off-site construction, and benefits therein

#### **Site Analysis**

Capacity to evaluate a property and understand potential for ADU size, placement, and type.

## TODAY'S CONTENT



#### 1. What | How | Why

Definitions, Ordinances, Social Drivers



#### 2. Policy & the Marketplace

New Laws & Initiatives



#### 3. Methodologies of Construction

Renovation, Site Built, Off-Site



#### 4. Roadblocks & Tips

New Tools, Cautionary Tales, Exciting Opportunities



## WHAT | HOW | WHY 1

Definitions,
Ordinances,
& Social Drivers



## WHAT IS AN ADU?

- → An accessory dwelling unit (ADU) is a self-contained secondary dwelling unit on the same lot as a primary residence. These units contain cooking, sleeping, and toilet facilities and can be located within, attached to, or detached from the primary structure.
- → Common names for ADUs include accessory apartments, in-law suites, and granny flats.

## **HOW** does it work?

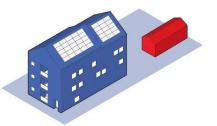
- → ADU construction is regulated by state or local municipalities; Regulations vary from jurisdiction to jurisdiction
- → Common ordinance components include:
  - ◆ ADU configuration
  - Parking requirements
  - Dimensional standards
  - ◆ ADU size
  - Owner-occupancy requirements
  - ◆ Short-term rental requirements
  - Water and wastewater (including impact fees)
  - Design standards



## WHY build them?

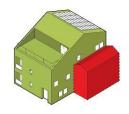
- Housing for Family (Kids, Parents)
- Rental Income
- Property Value Boost





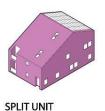










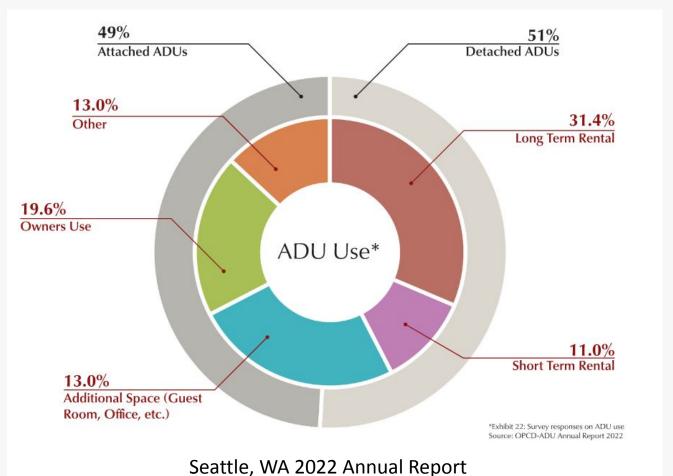








## **WHY** build them?



### **HOW** to build them?

#### **Education**

## 

Social Media

of the City's ADU

Technical Assistance

- Public-Private Partnerships
- Educate homeowners and offer technical support
- Incentive sustainability

#### **Finance**



- Low-interest or 0% interest loans
- Grants and Property Tax
   Incentives
- Vouchers





- Fast track and preapproval permitting
- Relaxed zoning restrictions in high-need areas

## **HOW: INNOVATION**









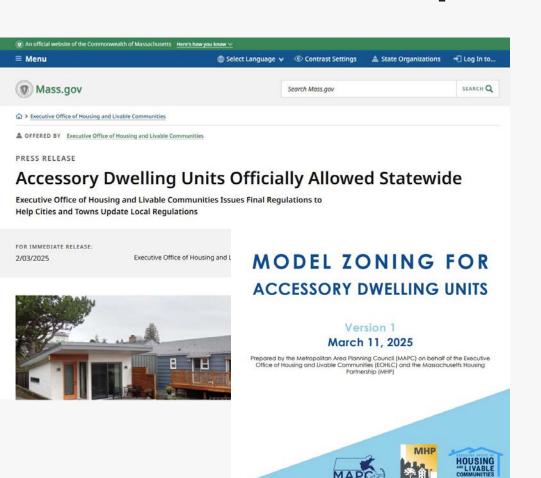


# POLICY & THE MARKETPLACE

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New Laws & Initiatives

## **POLICY and Marketplace: Massachusetts**



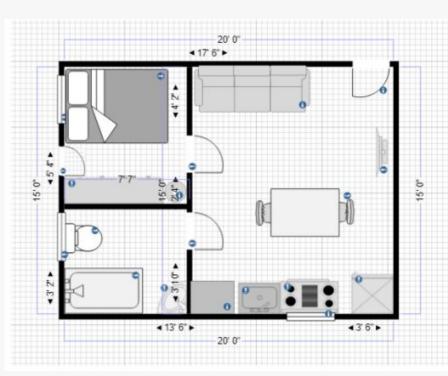
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The undersupply of housing in Massachusetts has dramatically increased housing costs in recent years. ADUs are part of the solution to build more homes and drive down costs for tenants and homebuyers. As of Sunday, Feb. 2, ADUs less than 900 square feet can be built by-right in single-family zoning districts statewide, and the Executive Office of Housing and Livable Communities estimates that 8,000 to 10,000 ADUs can be constructed over the next five years thanks to this simplification of the ADU permitting process.

Press Release, EOHLC 02/03/2025

## POLICY & THE MARKETPLACE: MAINE

- → Case Study: City of Bath (coastal community NE of Portland)
- → Permits ADUs on single-family and two-family lots.
  - ◆ Exempts ADUs from density calculations
  - ◆ Size: 190 minimum; 850 maximum
  - No parking for ADUs on single-family lots
  - ♦ Must be rented for >90 days
  - Permit required from the CEO
- → Created a how-to <u>quidebook</u> in 2022
- → 9 permitted units since December 2022



Source: Planning for Accessory Dwelling Units: A Guidebook, Bath, Maine Converted Garage Floorplan; 300 sq. ft.

## POLICY & THE MARKETPLACE: MUNICIPAL ADU INCENTIVES



- → <u>Kittery, ME</u>: Coastal community in Southern Maine (2024 re-upped)
  - ◆ Up to \$75,000 for design, permitting, and construction
  - ◆ Income restrictions for homeowner and renter
- → <u>Auburn, ME</u>: City in South-Central Maine (2022- ARPA/Grant)
  - ◆ Forgivable loan program; up to 15% of construction costs (or \$30,000)
  - Income restrictions for homeowner and renter
- → <u>Salem, MA</u>: (2022-ARPA)
  - ◆ Design grant: funded up to 50% of the design cost (or \$2,500)
  - ◆ Construction grant: funded up to 50% or \$45,000; limited rent to 50% FMV for 20 years
- → Limitations on funding:
  - Limited municipal funding
  - ◆ Limited in scope/number of people supported
  - Income-restricted for both homeowners and renters

# A Roadmap for the Future of Housing Production in Maine

#### HR&A Advisors

- → Policy roadmap to address Maine's 84,000 housing unit shortfall.
  - **♦** Set clear standards about infrastructure costs
  - ♦ Reform State and local building codes to reduce costs
  - ◆ Establish a working group to explore innovative construction technologies
  - Expand the pool of qualified workers, recruit non-traditional workers and improve worker retention in the construction industry.

January 2025



# METHODS OF CONSTRUCTION

RENOVATION | ON-SITE | OFF-SITE

3



## RENOVATION

**BASEMENT / ATTIC / GARAGE** 

- Lower Costs (Usually)
- Potentially Shorter Permit Process
- Preserves Open Space On Site
- Less Material Use / Embodied Carbon
- Potentially Faster Timeline

- Unpredictable Costs
- ♦ Design Constraints
- **♦ Performance Hurdles**
- ♦ Reduced Privacy
- Incompatible Conditions



### **ON SITE**

#### Pros:

- Familiar To Trades (Accessible Labor Pool)
- ♦ Familiar To Clients
- Materials And Trades Kept Local
- Flexibility In Design
- No Shipping Constraints

#### Cons:

- Unpredictable Costs
- Longer Construction Time
- High Site & Homeowner Impact







### **ROADBLOCKS & TIPS**

Verify Feasibility & Budget First

#### 4

You Can Almost always build an ADU, but when should you spend time and money?

- Talk to the town
- Do a survey
- Hire an architect
- Talk to a builder

## CAUTIONARY TALES

- Conservation In Lexington, MA
- Septic in Wellfleet, MA
- Sprinklers in Portland, ME & Burlington, VT
- Public Water In Concord, MA



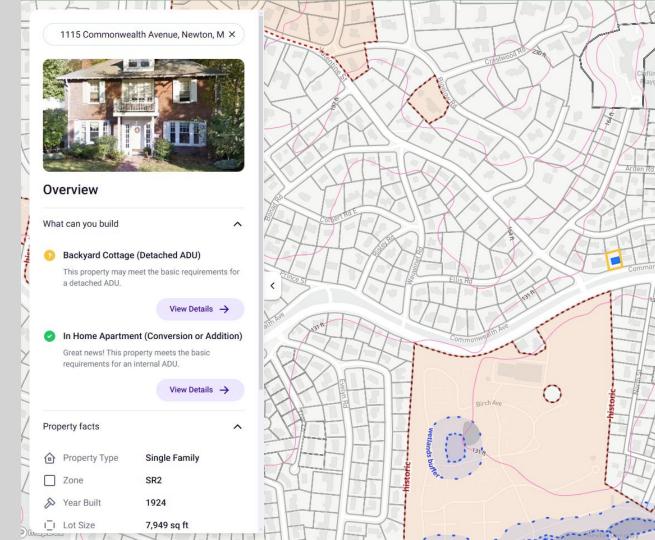
## **NEW TOOLS**

thebuilder.ai (MA, RI, NH)

canibuild.com (not yet in NE)

Quickly performs basic feasibility study for residential properties

Check zoning, dimensional controls, wetlands, and historic restrictions so you can quickly determine which lots and which leads are worth pursuing



#### **NEW PROGRAMS**

#### **State Trust Fund**

ADUs do not need grants, to spur construction, allowing relatively small amount of money per unit to go a long way.

## **Employer Partnerships**

Offer **Housing as a Service** to Employers and unlock commercial financing for ADUs via master lease guarantees

#### **Sell Your Backyard**

Do you need to subdivide to sell your Backyard?
With ADUs and upzoning, sell the right to build and own a to be built ADU Condo

## MUNICIPAL SUPPORT



For Professionals

**For Homeowners** 

**For Developers** 







## **ADUs are Simply Cheaper to Build,** Let's Build Them!

ADU Space Conv. ADU Detached

\$150,000 - \$300,000 \$270,000 - \$310,000







New SF Home

\$350,000 - \$550,000



**New Apartments** 

\$450,000 - \$650,000

## THANK YOU