

# ACCESSORY DWELLING UNITS (ADUs)

*How we can add 1-2 bedroom housing  
that preserves the environment and our neighborhoods.*



# SMARTER CAPE PARTNERS



# SMARTER HOUSING FOR CAPE CODDERS

The Cape's biggest umbrella organizations, housing advocates, and employers all agree: We have a housing supply shortage (particularly 1-2 bedroom rentals). And it's getting worse.

Workers' ability to find housing is beginning to impact the customer service experience, how much businesses charge customers, traffic, and municipalities (everyone). So how can we address housing *Smarter* together?



# CCYP SHAPE THE CAPE SURVEY

- Surveyed 5,200 people across all industries
- Found housing availability and affordability as one of the main reasons young professionals either do not locate on Cape Cod or simply leave the region altogether.
- A majority (34%) of respondents said they wanted more 1 & 2 BR housing as opposed to 3BR houses or 1-2 BR apartment buildings - they wanted something standalone, but small.
- Half of all renters were “housing cost burdened” meaning they spend over the suggested 30% of their income on housing
- 51% needed to supplement their income



# MILLENNIALS' HOUSING CHALLENGE

- The “Goldilocks problem”:
  - Housing supply = single family 3-4 bedroom houses
  - Drastic shortage of 1-2 bedroom units that the backbone of our economy need in order to afford to live here.
  - Young people don’t make enough to afford single family home and/or don’t want a roommate as they get older
- Being displaced as landlords rent seasonally or sell to part-time residents.
- Face larger debt that previous generations (student loans)
- Don’t qualify for “Affordable Housing”

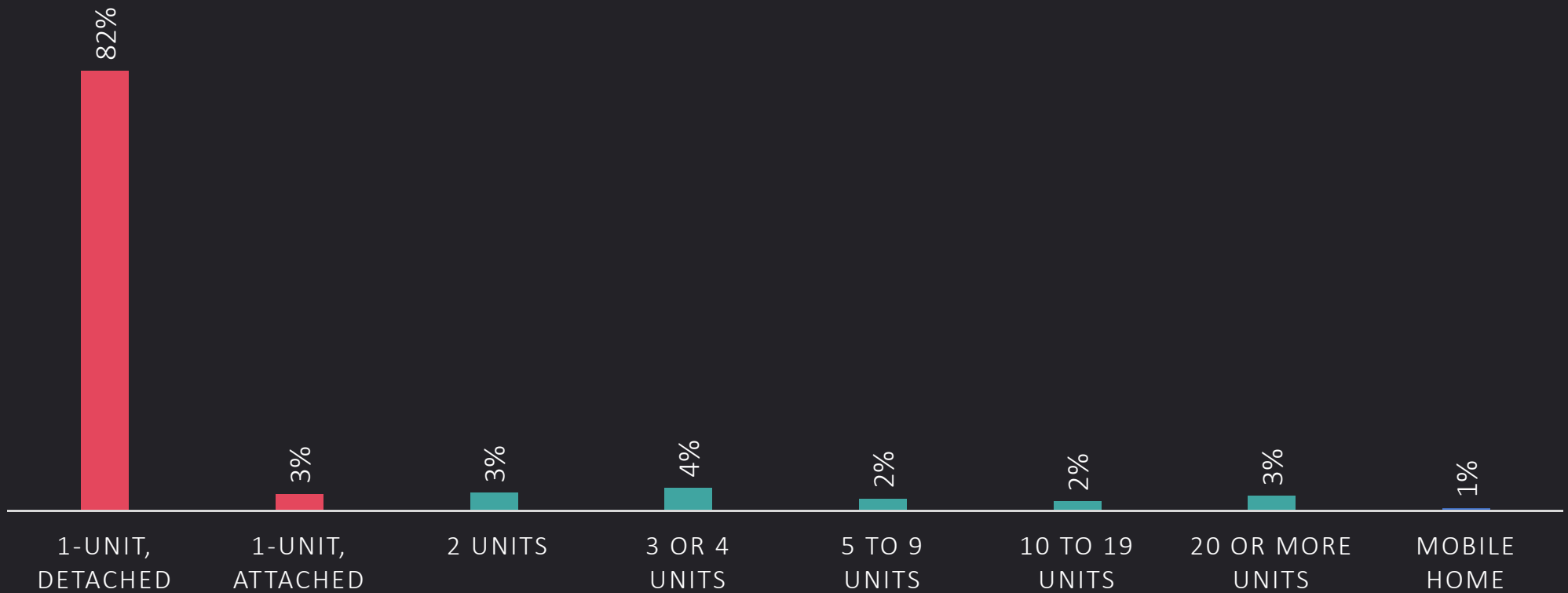


# State of Housing Stock

## Problem of Monoculture



CAPE COD  
COMMISSION

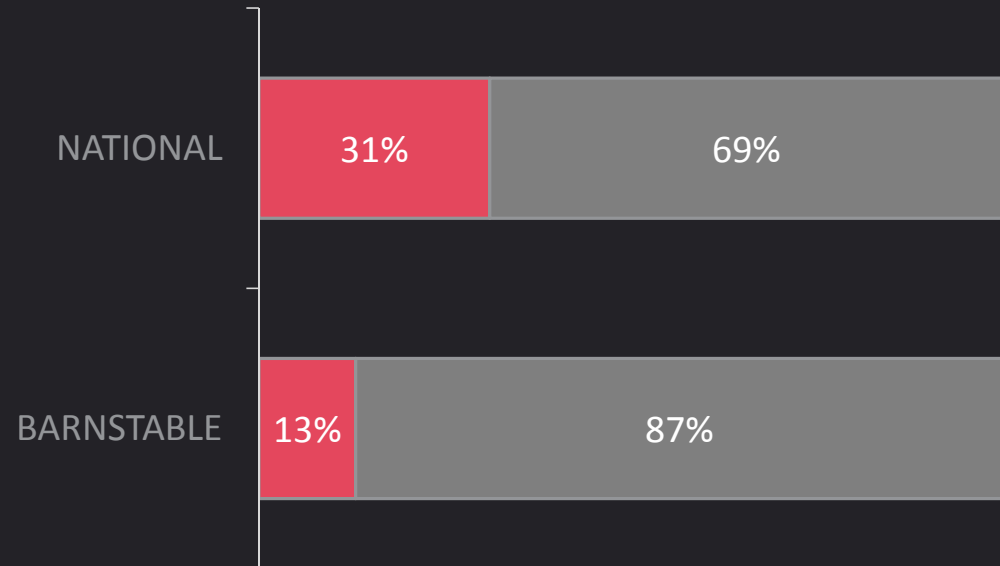




We have  
lower share of  
year-round  
rental  
properties

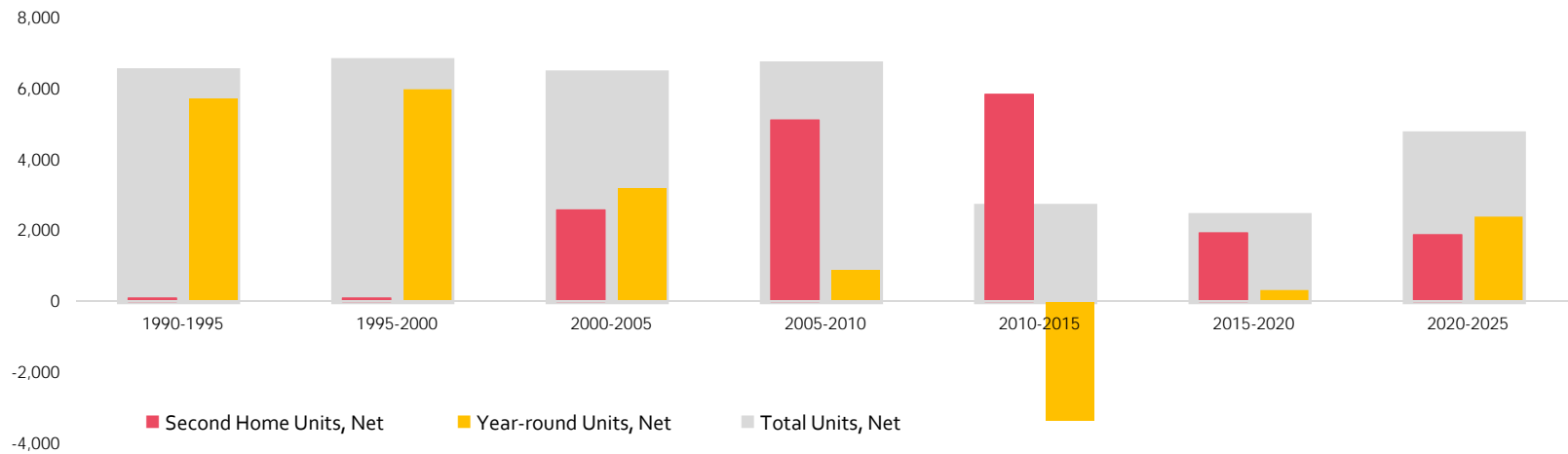
### Year-round Rental Availability

■ Renter Occupied    ■ Owner Occupied



# SHIFTS IN SUPPLY AND DEMAND

In the last six years alone, Barnstable County lost 3,000 year-round homes and gained 5,000 seasonal homes. The corresponding decrease in year-round supply is driving rental prices out of reach of even high-income earners.





# HOW BAD IS IT?

## Current Cape Cod Year-Round Rental Pricing

Apartment Type	Average Rent	Range	Sample Size
1 Room (House Share)	\$705	\$500 - \$1,000	19
Studio	\$956	\$800 - \$1,200	8
1BR	\$1,296	\$800 - \$1,895	39
2BR	\$1,600	\$1,200 - \$2,200	49
3BR	\$1,875	\$1,600 - \$2,500	20
4BR	\$2,460	\$2,000 - \$3,000	5

FIGURE 1

# HOW BAD IS IT?

- Vacancy rate: 1% vs healthy 7%
- Over the next 10 years, the number of seasonal units are expected to increase at **TWICE** the rate of year-round units.
- While year-round renters represent diverse ages and income levels (11% of renters earn over \$100,000 in annual income and 27% make between \$50-100k) Housing Assistance Corporation (HAC) is seeing an increase in higher income renters being displaced.



# SENIORS

- The “Goldilocks problem”:
  - Widows/widowers living alone in 3, 4, 5 + bedroom homes
  - Few downsizing options
- Want to age-in-place
- Where do they put a caretaker?
- What happens to the property when they can’t age-in-place?  
(Hint: summer residents buy it.)



# (A, not *the*) SOLUTION

More 1-2 bedroom units

- Attached or Detached
- Above garages
- Basements
- Carriage houses

Accessory Dwelling Units (ADUs), more commonly known as in-law apartments, fit into the design of the existing home and the community character.

## EXAMPLE 1



Interior ADU  
within existing  
footprint

## EXAMPLE 2

Interior ADU  
with an addition



## EXAMPLE 3



Separate ADU  
detached



# EXAMPLE OF AN ADU LOCATED IN A DWELLING (INTERIOR)



# EXAMPLES OF ADUS LOCATED OVER A GARAGE (INTERIOR WITH MODIFICATIONS)



# EXAMPLES OF ADUS THAT ARE A SEPARATE STRUCTURE (DETACHED)



# A FLEXIBLE OPPORTUNITY FOR HOMEOWNERS

- Young buyers supplement income
- Parents provide housing for children after college
- Mom & Dad move into ADU and rent house to kids/others

## Accessory Dwelling Unit (ADU) Potential



35





# A FLEXIBLE OPPORTUNITY FOR RETIREES

- Early retirement: build ADU, rent it to local worker, earn \$\$ to pay for ADU.
- Senior years: CNA or other caretaker lives there rent-free.



# WHY DON'T WE HAVE MORE ADUs?

Current bylaw:

- Requires renting to relative or person off a list/price restriction (math doesn't add up)
- Requires deed restriction
- Owner occupancy requirement
- Uncertainty about predictability of approval (special permit)



# CAPE COD COMMISSION'S MODEL BY-LAW

- Owners have flexibility in whom they rent to (except Air BNB)
- No deed restriction
- By-right instead of special permit
- Lets snow birds participate
- Minimum tenancy/No short-term rental clause
- Design standards
- Wastewater-compliant
- Requires compliance with existing setback, minimum lot coverage, health standards
- Off-street parking required
- Monitoring & Enforcement



# MODEL BY-LAW

**Question:**

*How many units produced existing under Dennis bylaw?*

**Answer:**

0

Analysis of Accessory Dwelling Unit Provisions	Model By-Law	DENNIS
By Right	✓	✓
Income or Family Restriction	X	✓
Long-term Deed Restriction	X	✓
Owner Occupancy Requirement	X	✓
Additional or Specific Dimensional or Lot Requirements	X	✓
Design Standards	✓	X
Maximum Size	1000sf/50%	X
Approval/Enforcement	Building Comm.	Building Comm.



## WHAT ADUs *are*

- In-law apartments, granny flats (1-2 bedrooms)
- Accessory in use to primary residence
- Small, market rate rentals (what we have a shortage of)
- Attainable housing

## WHAT ADUs *aren't*

- Density (no more bedrooms than currently allowed on a lot)
- Duplexes
- Condos (you can't sell the ADU separate from the house)
- Affordable Housing



## WHAT ADUs *do*

- Repurpose existing homes
- Allow a second stove on the property
- Add to the variety of housing while protecting the environment and neighborhoods
- Regulate safety, health, etc. standards (people are building them illegally already)
- Add property value (and tax revenue to the town)

## WHAT ADUs *don't do*

- Bypass existing wastewater, setbacks, and other development standards. (Any restrictions on additions/additional bedrooms apply to additions/additional bedrooms that are ADUs.)
- Develop open space
- Cost taxpayer dollars
- Add any more nitrogen or density than allowed under existing zoning
- Burden infrastructure



# CHANGE ON CAPE COD

- 1700-1800s: carriage houses and other ADUs were common
- 80's-90's: 3-4 people per house
- From 2000 to 2010, there was a 26% decline in Barnstable County residents age 25-44
- Today: year-round housing shortage impacts people earning 80% of AMI and below most severely.
- Today: "You couldn't build the prettiest parts of 6A under today's regulations."
- Today: 1-2 people per house
- A staggering 27.5% of Barnstable County residents are over the age of 65, making it the oldest county in Massachusetts.
- By 2025: Shortage will impact 120% of AMI and below.



# CHANGING SMARTER

If the Cape is going to change no matter what, shouldn't we create the framework for a Cape Cod that creates opportunities for year-rounders (while still protecting our beautiful environment and community character)?

- ADUs are a low-impact form of housing
- Fit into neighborhood
- Allow homeowners to age-in-place
- Add much needed supply of rentals for workforce
- Simply repurpose existing housing





# QUESTIONS

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