

# POLICY AND PROGRAM MODELS FOR CREATING ACCESSORY DWELLING UNITS IN NEW HAMPSHIRE



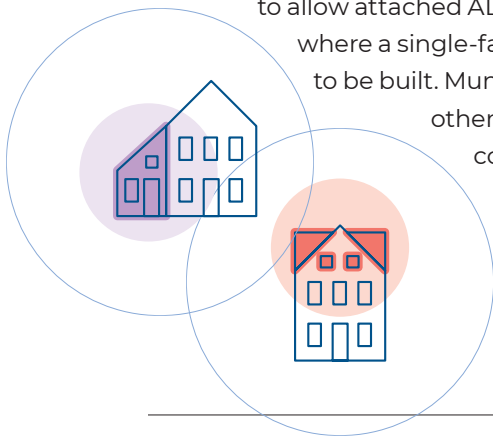
**POLICY AND PROGRAM MODELS FOR CREATING ACCESSORY DWELLING UNITS IN NEW HAMPSHIRE** explores a range of initiatives implemented in other states to encourage and support the creation of Accessory Dwelling Units (ADUs).

This report presents ADU program models, tools, and techniques for New Hampshire and its cities and towns to reference as they develop their own regulations and programs to stimulate development of this much-needed type of housing.

**Accessory dwelling units are an important component of expanding New Hampshire's housing supply.** ADUs (also known as in-law apartments and granny flats) are a proven way to expand the supply and diversity of housing without further land development. An ADU supports the efficient use of existing housing stock and infrastructure, and results in adding a more affordable housing option for individuals and families in all stages of life.

In 2016, the New Hampshire Legislature passed the Accessory Dwelling Units law (RSA 674:71-73) recognizing that ADUs are an important component to addressing the state's housing needs.

The law states that local governments are required to allow attached ADUs on any property where a single-family home is allowed to be built. Municipalities also have other options for ADU construction, including detached ADUs and multiple ADUs.



The need to encourage the construction of ADUs is underscored in the *2023 New Hampshire Statewide Housing Needs Assessment*, which found the state's current housing shortage to be over **23,500 UNITS**, and that nearly **90,000 UNITS ARE NEEDED** between 2020 and 2040.

**The Policy and Program Models for Creating Accessory Dwelling Units in New Hampshire report includes:**

- Research and analysis on ADUs, including programs that support developing affordable ADUs, offer pre-approved ADU plans, and encourage ADU design initiatives
- Case studies of models of ADU production, including approaches, successful elements, and challenges encountered
- ADU financing tools and programming techniques used in other states
- Identification of ADU development tools and techniques that can be applied in New Hampshire
- Scenarios for, and feasibility of, ADU production in New Hampshire
- Source and information links throughout the report.



## The ADU models that can be most readily implemented by New Hampshire municipalities include:

### PERMITTING AND ZONING

#### Solutions:

- Regulatory changes
- Technical assistance
- Pre-approved plans

### CONSTRUCTION COSTS

#### Solutions:

- Supports for industry
- Job skills training for labor
- Innovative materials & methods

### FINANCIAL TOOLS

#### Solutions:

- Affordability programs aimed at low-income households
- Rent supports to ADUs
- Deferred loans
- Grants to address risk of ADU permitting and approval

### HOME VALUE AND INCOME

#### Solutions:

- Use changes to FHA regulations to adopt new underwriting practices
- Deploy new lending tools to tap home equity
- Bridge financial gaps for downsizing into an ADU

## TOOLS AND TECHNIQUES FOR INCREASING THE AVAILABILITY OF ACCESSORY DWELLING UNITS IN NEW HAMPSHIRE

Note: This table is a useful quick reference guide for exploring the tools and techniques used by each case study. The table follows the order in which the case study information is laid out in the *ADU Policy and Program Models* report.

	Tool Number		AFFORDABLE FOCUS (2.1)			PRE-APPROVED FOCUS (2.2)			DESIGN INITIATIVE FOCUS (2.3)		
			Barnstable, MA	Boston, MA	California	Eugene, OR	Chico, CA	Seattle, WA	Los Angeles, CA	Houston, TX	Salt Lake City, UT
<b>Reductions in Zoning Regs/Approval Process</b>	1	Momentum- Building Tools	X	X	X	X*	X*	X*	X*		X*
<b>Technical Assistance: Permitting/Approval</b>	2		X	X	X			X	X		
<b>Technical Assistance: Permitting Checklist</b>	3			X							
<b>Technical Assistance: Homeowner Workshops</b>	4			X						X	
<b>Annual Reporting of ADU Production</b>	5	Case Study Tools of Focus			X	X		X	X		X
<b>ADU Design Initiatives: ADU Design Guides</b>	6				X			X	X		X
<b>ADU Design Initiatives: Design Competition</b>	7							X	X	X	X
<b>ADU Design Initiatives: Pilot ADU Project</b>	8								X		
<b>Pre-Approved Plans: Free for Public Use</b>	9					X	X				
<b>Pre-Approved Plans: License Fee for Plan Use</b>	10					X		X	X		
<b>Financial Incentives: ADU Design/Permit</b>	11			X		X*		X*			
<b>Financial Incentives: ADU Construction</b>	12		X	X							

\*Tools Implemented as Statewide Actions (not included in Cumulative Use of Tool count).

Red "X" designates the tool of focus in the case study.

*Policy and Program Models for Creating Accessory Dwelling Units in New Hampshire* was written by Southern New Hampshire Planning Commission on behalf of New Hampshire Housing.

Download the full report via the QR code or at [NHhousing.org/ADU](https://NHhousing.org/ADU). To learn more about how your community can help support the development of ADUs, contact New Hampshire Housing at [info@nhhfa.org](mailto:info@nhhfa.org).

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