

To: Tri-City Mayors' Joint Task Force
Fidelity Committee
From: Christopher Parker, AICP
Cc: J. Michael Joyal, Jr. City Manager
Date: August 11, 2021
Re: Update on Actions Taken

ISSUE:

The agenda for the August 12th meeting, has an agenda item reviewing local Planning Department(s) recommendation request

INTENT:

This memo will serve as the update

GOALS:

Provide a summary of efforts in place in the past, and proposed amendments to promote affordable housing in the City of Dover.

Background

Having a diverse and affordable housing options is a timeless need. Affordability can mean the cost to buy a home/unit or rent one. It has a lot of implications and there is a need to constantly be aware of what the market is like and how times are changing. Provided below is a review of the basic lens through which Dover views housing affordability, current opportunities Dover has in place, and some options we are considering.

Housing costs are tied, in part to 5 L's: Land, Lumber, Labor, Lending and Legislation. Land is the base and finite. In Dover, a housing lot ranges in cost from \$120,000 to \$160,000. Over the last few years, lumber and all construction materials needed to build a unit have escalated for a variety of reasons. The next L is for labor. The trades have suffered from a lack of employees over the past decade, resulting in increased costs for skilled labor. Together, lumber and labor result in home construction costs of about \$184-\$190 a square foot. Lending is the portion of providing financing to both builders and paying for a home. Finally, Legislation includes zoning and other regulations that govern residential construction. Regulations can vary from one community to another

Past Actions

From a local legislative perspective, Dover has focused on density, keeping an eye on supply and demand. Dover allows:

- multi-family housing in over half of the City
- manufactured housing in most residential areas
- A variety of densities throughout the City:
 - In "urban areas" we allow 1 unit per 2K square feet of lot size,
 - In more "rural areas" we allow 1 unit per 40K.
- Rooming houses in the urbanized areas.

Dover incentivizes affordable housing through a Transfer of Development Right's Ordinance, which allows property owners to purchase density from lots elsewhere in the City. There are a variety of options such as some homes being size restricted, or allowing density increase if rent rates are restricted. Additionally, developers can build above 5 stories in the downtown area if additional units are HUD rent restricted.

Since 2010, Dover has increased density the following ways:

- Removed density calculation from residential projects downtown;
- The Gateway district (along the major entrance corridors to Dover) offers range of density (2K (if HUD rent restricted) – 4K sf /unit);
- If you rent restrict a unit to HUD limits in other cases, you can exceed the base density (in single or multi-family residential);
- Commercial/Industrial properties can have residential density (1 unit/2000 sf of commercial building space) within industrial zones for new construction over 40,000 square feet. This incentivizes commercial growth with related employee housing.

Dover has recognized the value in creating commercial and residential mixed uses. Within most non-residential zones, and in the Residential/Commercial Mixed Use Overlay district, the community has

zoning that allows mixed use buildings, so long as there is commercial on the first floor of the building. This allows both commercial growth and high density residential options in Commercial zones, and in selected areas of Dover, like Pointe Place.

Dover has allowed Accessory Dwelling Units or ADUs since 2010. Dover also allows Customary Home Occupations, which in many cases increases options for live/work. Finally, Dover does not have a “family” requirement for Single Family homes, nor do we prevent private leases between parties for rooms. As long as life safety code is met, you may have multiple unrelated people sharing a home, so co-housing or other forms of tenancy can occur.

A final action to note is that the City, working with Rochester and Somersworth, obtained a grant to purchase property and open an extreme weather warming center. This center opened in December 2020 and was in place as needed that winter. The intent is to keep that shelter in place for the upcoming winter while the communities collaborate on a more permanent solution closer to services and accessible to those in need.

Proposed Actions

On February 9, 2021, the Planning Board posted Zoning Amendments to reduce barriers to housing availability. These changes include:

- Allowing smaller homes to be built, without zoning relief, on lots smaller than 5,000 sf;
- Allowing more than one ADU, if the additional ADU is HUD rent restricted;
- Allowing conversion of single family homes to two family homes, by right, in all single family zones if the home looks and operates like a single family home;
 - Currently, any home built prior to 1964 can do this
 - This new provision will allow for increased density and opportunity to create housing options for people, while still having the look and feel of an established neighborhood.
- Allowing new construction of two family homes in all single family districts;
- Removing the dimensional requirement for conversion of a two family home in the urban multifamily district into a 3 or 4 family by special exception if the owner agrees the new units will follow HUD rent restrictions.

The Planning Board will vote on these items on August 24, 2020 with City Council review in September/October.

Beyond the above, staff is looking at the feasibility of the following policy opportunities:

- Identify public land to be made available for affordable housing;
- Making tax acquired parcels available for low/mod buyers/users;
- Provide CDBG Grants to landlords to bring existing rental units up to certain housing quality standards with the requirement that the units be rent restricted to HUD limits for a period of time after the improvements are made.