

HOUSING

PRIOR Goals & Objectives:

- Assure that a supply of affordable housing on Shelter Island exists over time adequate to serve the diversity of the island's population and that any new housing be developed in a manner harmonious with the island environment.
- Create and maintain affordable housing opportunities for the diversity of age and income groups that make up shelter islands year-round population assure that new housing construction or conversions of existing housing will be carried out in harmony with the environment with the supply and quality of natural resources and with the particular style and character of shelter islands existing housing and traditional development pattern
- Assure that creation of affordable housing is undertaken with minimal impact upon Shelter Island taxpayers

PRIOR Action Items:

- Establish code and policy regarding the development of Accessory Dwelling Units through the use of grants, low interest loans, code amendments, and enforcement
- Update the existing Town Code to ensure that it is consistent with the goal of increasing year-round community housing opportunities.
- Develop educational materials and resources to assist and educate homeowners in the process of developing accessory dwelling units on their property
- Establish Funding sources for homeowners to develop year-round Accessory Dwelling Units
- Explore a community land trust model to maintain affordable housing in perpetuity
- Target outreach to seniors on the island to understand the needs of this growing population
- Establish a low interest loan program for first time home buyers
- Construct a maximum of 2 year-round rental units at 6g North Ferry Rd
- Construct a maximum of 8 year-round rental units at 12 South Ferry Rd
- Monitor the effectiveness of the short-term rental law and make necessary code adjustments to increase enforcement ability and renter safety
- Evaluate regulations for homes exceeding 6000 SFLA and determine standards for appropriateness of building size vs. lot size and type

Goals & Recommendations (REVISED):

Goal 1: Preserve the quality and character of existing single-family residential zones and other residential neighborhoods.

Establish a limit on size of a knock down house

Knock-down homes, which involve demolishing existing structures and rebuilding new ones in their place, can be a serious issue. The building of new homes, which tend to maximize building envelopes on their property, can raise several concerns, including:

- **Loss of architectural heritage:** Demolishing older homes can erase valuable elements of Shelter Island's cultural and architectural history.
- **Neighborhood character and aesthetics:** Knock-down homes can impact the overall character and aesthetics of a neighborhood. If new construction is significantly larger or visually incompatible with the surrounding older and more modest homes, it can disrupt the established architectural styles and create a sense of visual imbalance or discord.
- **Displacement and affordability:** Knock-down homes can contribute to gentrification and housing affordability issues. In some cases, older homes targeted for demolition may have been more affordable options for residents. Replacing them with larger, more expensive homes can drive up property values and potentially displace lower-income residents from the area.
- **Impacts from construction:** The demolition process of knock-down homes can generate a significant amount of waste, including construction debris, hazardous materials, and other pollutants. Noise, dust, increased traffic, and construction-related activities may also impact the quality of life for those living nearby, especially if the construction process is prolonged.

To address these concerns, Shelter Island should consider regulations or design guidelines to mitigate the negative impacts of knock-downs. This could include linking the coverage of a replacement house to the size of the house being removed. Size of the replacement house could also be linked to the relative size of neighboring houses.

We will provide more detail on this – specifically look at size controls related homes exceeding 6,000 SFLA in relation to different parcel sizes. Will look at standards for appropriateness of building size vs. lot size and type. The detailed zoning recommendations would go in the future land use chapter.

Address issue of illegal conversions

In the building code, as written, unfinished areas in homes such as unfinished basements or attic areas do not count towards permitted gross square footage. It is understood that on occasion, individuals proceed to finish unfinished areas after their applications are approved. This practice is commonly known as "illegal conversions" or "unpermitted renovations," and it has been a mean to bypass certain building regulations, zoning laws, or safety standards that are in place to ensure the habitability and safety of residential properties. To address this issue, the Town should evaluate zoning requirements and permitting processes to reduce the incentive or ability for property owners to gain approval for a dwelling that does not meet the necessary standards. One method would be to count a portion of

basement or attic areas as part of the allowable square footage for a given parcel, regardless of whether they are finished or not.

Strengthen limits on density in residentially zoned areas

Existing zoning regulations regulate housing density, which depending on the district, is either 1 acre per unit (1-acre zoning) or 0.5 acres per unit (2-acre zoning). It is widely understood that building sanitary sewers will help to improve water quality by managing and treating wastewater. While this infrastructure would help to address water quality, some residents have expressed a serious concern that the built infrastructure would eventually lead to additional density. It is important to affirmatively state that if public sewers are built, the residential density of existing residentially zoned areas should be maintained, and should never exceed 2 units per acre. This would not include rebuilding homes in kind on existing small lots. This also does not preclude the use of cluster subdivisions where houses or buildings are grouped together on smaller lots, leaving larger portions of the land undeveloped as open space. While cluster subdivisions may have smaller individual lots, the overall density of the development is not significantly increased.

If public sewers are built, it may be reasonable to consider limited locations in business zone where additional housing types and densities may be appropriate. A limited amount of housing in business areas would help to support existing businesses and provide more housing opportunities on the island. Engaging in open dialogue, providing accurate information about the benefits and potential impacts, and incorporating community feedback into planning and decision-making processes can help alleviate concerns and ensure that any changes in residential density in business areas with the addition of public sewer systems are implemented in a manner that benefits the community as a whole.

Monitor the effectiveness of the short-term rental law and make necessary code adjustments to increase enforcement ability and renter safety

The short-term rental law was adopted to address various concerns and challenges associated with the growth and management of short-term rentals. This includes concerns about impacts to neighborhood character (such as noise disturbances), turnover of occupants, safety and building standards, code enforcement, and taxation. Short term rentals can also have an impact on the housing market by reducing the amount of affordable housing options. The Town should monitor regulations and enforcement carefully to ensure that short-term rentals contribute positively to the community's well-being while minimizing potential negative impacts.

Goal 2: Provide for a more diverse range of year-round housing options across income, household size, and age groups.

Consider allowing second floor apartments above retail in business zones (B and B1 zones)

Allowing for apartments in the Town's business zones can offer several benefits and contribute to the vitality and livability of the community. Allowing apartments, potentially on the 2nd floor of retail spaces, allows for a wider range of housing options, including affordable units. Utilizing upper floors is also an effective way to focus development around existing infrastructure such as roads and create additional housing units without significantly altering the Town's character or landscape. Allowing for apartments can also help to promote the revitalization of underutilized or vacant buildings, and can provide long-term financial stability with a year-round income. The Town may consider tax incentives to make such apartments affordable.

However, it is important to consider potential challenges and mitigate any negative impacts. Adequate infrastructure (septic and water), access management, parking provisions, and appropriate zoning regulations should be in place to ensure compatibility with the surrounding area. This would include limitations on signs and lighting illumination.

Establish code and policy regarding the development of Accessory Dwelling Units (ADUs)

Accessory Dwelling Units (ADUs) are secondary housing units on a single-family residential lot. They can be established through the construction or retrofitting of an additional detached structure, through an addition that is attached to an existing structure, or within a portion of an existing structure such as the upper story of a residence. ADUs benefit homeowners, renters and the community by creating more housing options while maintaining the character of single family residential suburban and rural communities. For homeowners, a code-compliant ADU can provide additional source of income, flexibility for multi-generational housing, and an increase in property value. When developing this program, the Town should target outreach to seniors better understand housing needs for this growing population on the island. The Town should reexamine the regulations to find ways to promote ADUs for year-round residents while restricting their use as short-term units. For example, the Town may consider allowing ADUs by special permit in residential zones. Conditions could include minimum lot size, width, and depth to ensure sufficient room for off-street parking and other infrastructure needs. Some municipalities require the principal owner to live in either the single-family unit or the accessory apartment. The non-principal owner must be a full-time resident or be employed in Shelter Island. This issue requires further study and analysis.

What else are we saying here? Some requirements to consider

- Minimum 400 square feet of livable floor area
- Separate entrance, but only one entrance may face the street. One off-street parking space per additional bedroom.
- Special permit process – perhaps from Town Board?
- Important to focus on necessary requirements and permits – do not make process overly cumbersome - as it is a burden for many property owners to upgrade.

Develop educational materials and resources to assist and educate homeowners in the process of developing ADUs on their property

Educational materials play a crucial role in helping homeowners develop ADUs by providing them with the necessary information, guidance, and resources. These materials would provide at a minimum, a summary of the approval process, including relevant zoning regulations, building codes, permitting processes, size restrictions, parking requirements, and any other relevant guidelines. Clear and accessible educational materials help homeowners navigate the regulatory landscape, ensure compliance with legal and safety standards, and help to create well-designed and functional ADUs that meet their specific needs. In addition, educational materials can provide guidance on the following:

- Design and construction: Design ideas, architectural guidelines, and construction best practices for ADUs.
- Financing and cost considerations: Information on financial options, available grants or incentives, and cost estimation guidelines.
- Management and rental considerations: Guidance on tenant selection, lease agreements, property management, and local rental regulations.

Establish funding sources such as grants and low-interest loans to encourage homeowners to develop year-round Accessory Dwelling Units

The Town should work with other partners to establish funding sources to help homeowners overcome financial barriers of creating additional housing options - provided they can meet the requirements of Town zoning and Suffolk County Department of Health Services (SCDHS). Some options include government grants and subsidies, low interest loans – in partnership with financial institutions, tax incentives, and housing trust funds. The Town could work with SCDHS to provide grants that support the installation IA septic systems to meet current wastewater standards. One grant recently established is New York’s Plus One ADU Program, which Shelter Island for inclusion. The program pairs the Community Housing Board with the Community Development Corporation of Long Island (CLCLI) to issue grants up to \$125K (for a total of \$2M). Eligible local homeowners can use the funds to build a new accessory dwelling unit on their property or improve an existing ADU to make it compliant with code requirements.

Update Community Housing Plan every five years

This Comprehensive Plan includes recommendations from the Community Housing Plan released in 2023. The recommendations in that plan provide an overall roadmap of the vision for community housing on Shelter Island. The Comprehensive Plan supports recommendations made in the Community Housing Plan, even if they are not specifically cited within this document. As the Community Housing Plan is implemented and updated over time, its objectives should also be revisited and revised as appropriate to reflect the most recent conditions and housing/demographic trends. It is recommended that the plan be revisited every five years, with the following updates:

- Update Housing Needs Assessment,

- Conduct public outreach to understand current public opinion and priorities for community housing initiatives, and
- Evaluate progress in creating community housing, fund availability, and potential refinements to program administration and priority expenditures.

Goal 3: Create and maintain affordable and workforce housing opportunities for the diversity of age and income groups that make up shelter islands year-round population or for those that work on the island.

Support creation of a Shelter Island Land Trust, to assist with acquisition and management of land for community housing.

Land trusts offer a sustainable and community-driven approach to managing open space and community housing. By preserving land, promoting conservation, and ensuring long-term affordability, land trusts contribute to the environmental, social, and economic well-being of communities, both in the present and for future generations. While the land trust would be an independent non-profit agency, it would collaborate with the municipality, county, other non-profits, and community organizations to leverage resources, secure funding, and implement joint conservation and housing initiatives. This collaboration fosters a sense of shared responsibility and builds a collective commitment to the long-term success of open space and community housing projects. Other benefits of a land trust are listed below:

- **Affordable Housing:** Land trusts can acquire land and hold it in perpetuity, while partnering with affordable housing organizations to develop and manage affordable housing units. This approach helps ensure long-term affordability for low- and moderate-income individuals or families, promoting socioeconomic diversity and addressing housing affordability challenges.
- **Resident Control and Community Engagement:** Land trusts often involve residents in decision-making processes, allowing them to have a say in the management and governance of the community housing. This resident control empowers the community and fosters a sense of ownership and stability.
- **Permanence and Stewardship:** Land trusts ensure that community housing remains permanently affordable by holding the land and enforcing resale or lease restrictions. They monitor compliance with affordability requirements and provide ongoing support to residents, including maintenance and property management services.

Proactively identify sites and build community housing in appropriate locations

The Town should continue to identify suitable locations for year-round rental housing, considering factors such as water constraints, proximity to amenities, transportation, and services. Two sites identified in the Community Housing Plan include the potential for 2 units at 69 North Ferry Road

and 8 units at 12 South Ferry Road. In the short-term, the Town should develop a plan for each site which conforms to SCDHS standards but is designed in a way that could be expanded if the necessary infrastructure becomes available in the future. Additional guidance on this can be found in the Community Housing Plan.

What else are we saying here? Potential for private partnership? Need to change zoning to encourage development? What is the barrier here?

Goal 4: Ensure that new housing construction or conversions of existing housing are sensitive to the natural environment, are of high design and build quality, and are consistent with the general scale of shelter islands existing housing and traditional development pattern

Limit the development of pre-existing nonconforming small lots in sensitive shoreline areas

Shoreline areas are often ecologically diverse and provide important habitats for various plant and animal species. They are also highly vulnerable to natural hazards such as erosion and flooding. It may be appropriate to adjust zoning standards to limit the size, height, or density of structures near the shore (in Special Flood Hazard Areas) to limit the risk of erosion and flooding, and to preserve the recreational and aesthetic value of coastal regions for future generations. It may also be appropriate to develop criteria for evaluating variances or exceptions to these standards.

Goal 5: Identify ways to leverage development and forge public-private partnerships to achieve other community goals such as open space and community housing

Strengthen subdivision ordinance to require land for open space and/or affordable housing.

Utilizing subdivisions to require land for open space or affordable housing is a strategy employed by many communities to address the need for preserving natural areas and promoting affordable housing options. This approach involves incorporating specific requirements or incentives within the subdivision development process to allocate land for open space or ensure the availability of affordable housing units. When drafting regulations, the Town must carefully assess and balance requirements to ensure they are reasonable, economically viable, and compatible with the overall development objectives. Strategies to consider are listed below:

- **Mandatory Set-Asides:** Subdivision regulations currently require developers to set aside 10 percent of land within the subdivision for open space. This land can be used for parks, greenways, trails, or other recreational purposes. The Town code should be strengthened so that the Town Board has more authority in the approval process to select open space land or to refuse inappropriate land offer to satisfy open space requirements. For example, the proposed open space dedication should meet criteria for high priority lands using the priority system used

in CPF dedication. In other cases, the Town should require developers to pay a fee in lieu of dedication.

- **Green Infrastructure:** Subdivisions can be designed to incorporate green infrastructure elements, such as stormwater management systems, wetlands, or natural buffers. These features not only serve environmental purposes but also provide open space for residents to enjoy.
- **Right of first refusal:** The Town should require a right of first refusal on key lands in public or semi-public ownership, to permanently assure that the public interest is protected in the event of change in ownership
- **Affordable housing:** Subdivision regulations can include an affordable housing fee, perhaps for larger subdivisions. The collected fee would be used to fund the creation or preservation of affordable units. The fund would be managed by the local government or a designated housing agency. It could also be used to support various affordable housing programs which may include the construction of new units, rehab of existing units, down payment assistance, or rental subsidies.

Establish a low interest loan program for first time home buyers

This program would be an effective way for the Town to support affordable housing and promote homeownership. In order to set up such a program, the Town should consider the following:

- Program parameters such as eligibility criteria, income limits, and other requirements.
- Sources of funding, which could include local government budgets, grants, partnerships with financial institutions, or leveraging other housing-related programs and resources.
- Program guidelines that outline the application process, requirements, loan terms, etc.
- Collaboration with a local financial institution to administer the program
- Promotion of the program to create awareness
- Monitoring to evaluate the program's performance and impact.