

ACCESSORY DWELLING UNIT POLICY TASK FORCE

April 16, 2024

Maryland Department of Planning Offices
301 W. Preston St. Suite 1101
Olmsted Conference Room

AGENDA

9:30 – 9:45

Welcome & Overview

9:45 – 10:00

Draft Utilities and Fees Recommendations

10:00 – 10:45

Research and Reporting

10:45 – 1:00

Recommendations Prioritization

1:00 – 1:15

Public Comment

1:15 – 1:30

Summary and Final Thoughts

MEETING OBJECTIVES



Review and discuss research and reporting progress, input, and next steps



Review and discuss compiled public comment



Prioritize recommendations for final report to Governor Moore and General Assembly



Discuss final report drafting process



Receive, review, and discuss public comment

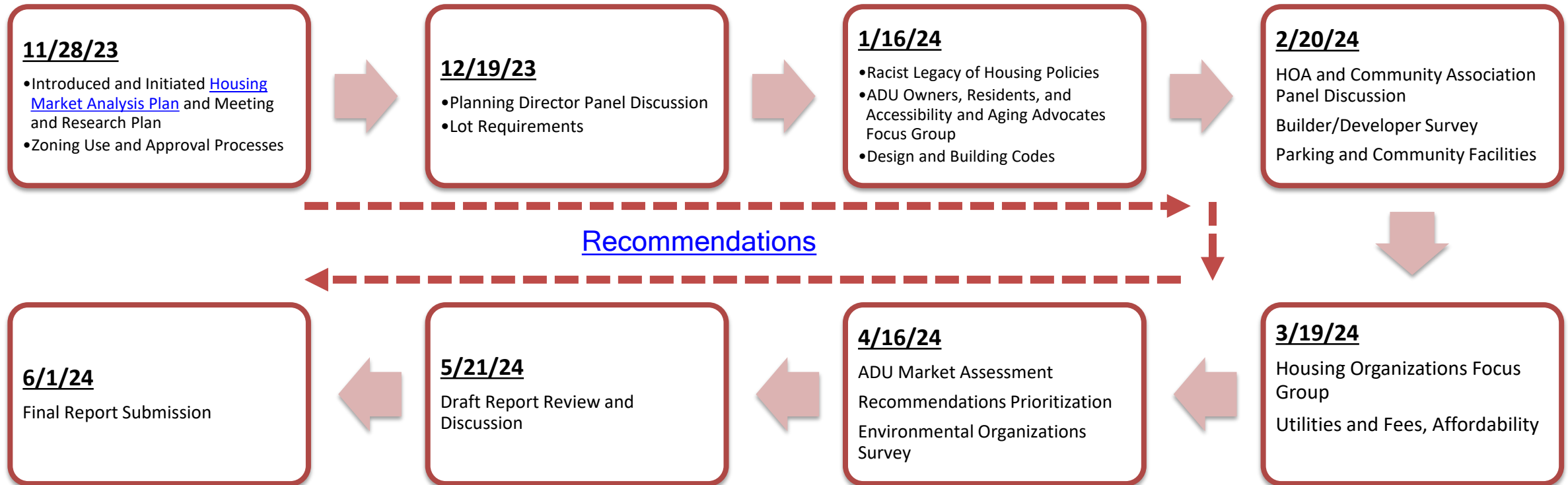
PUBLIC COMMENT


The Task Force will be accepting public comments at the end of each meeting, but only responding to any clarifying questions to ensure adequate time for those present in the room to comment.

Members of the public are encouraged to submit comments for Task Force consideration using [this commenting form](#), **including comments on the [preliminary recommendations](#)**.

PROCESS OVERVIEW AND TIMELINE

Meeting and Research Plan (shared during 11/28 meeting)





Detached New Construction

PROS:

- ✓ Most privacy for homeowners/tenants
- ✓ Most attractive for renters

CONS:

- ✗ Most expensive

AVERAGE COST:
\$100,000+

PRELIMINARY UTILITIES AND FEES RECOMMENDATIONS

PRELIMINARY UTILITIES AND FEES RECOMMENDATIONS



[Meeting recordings and materials available on the ADU Task Force webpage. 3/19/24 Meeting Notes](#)

Local Governments

Consensus that ADU ordinances and permitting should be sensitive to water and sewer infrastructure capacity.

- Jurisdictions seeking to expand housing supply, options, and affordability, including ADUs, must prioritize strategies and actions to expand water and sewer capacity.
- ADU ordinances should
 - limit ADU permitting in areas served by well and septic
 - regulate ADU permitting in areas with insufficient water and sewer capacity
 - exclude ADUs from fee or utilities ordinance requirements
 - not require separate utility connections
- If impact fees are required to ensure adequacy of water and sewer service, they should only be imposed on ADUs greater than 750 sq ft AND which have 2 or more bedrooms.

State Government

Incentives, guidance, analysis, and capacity

- Existing state laws and regulations are sufficient. Additional state and local requirements hinder ADU development
- State ADU guidance and/or requirements should include an analysis of existing and future water and sewer capacity
- State agencies should prioritize, and/or develop new, water and sewer capacity funding to support jurisdictions which adopt zoning reform measures which increase residential density, including by-right ADU permitting in areas zoned for single-family uses.

Best Practices

Local documentation and community context

- Impact fees for ADUs should be avoided unless a local government can document inadequacy of public water and sewer
- Allowing ADUs to share water and sewer lines with the principal structure can reduce costs for local governments, property owners, and ADU residents.
- When developing ADU utility or fee requirements for zoning districts and/or neighborhoods, jurisdictions should consider access to public water and sewer, infrastructure capacity, ADU size, and the capacity (financial and expertise) of property owners.

RESEARCH AND REPORTING

ADU FINANCING



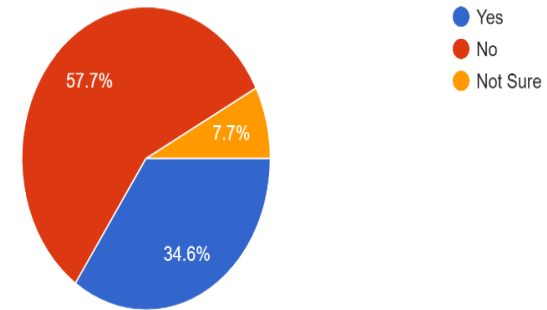
- DHCD's Maryland Mortgage Program products can be used to purchase a property with an existing ADU
- DHCD's State Revitalization Programs, which local governments, certain community development corporations, and "eds and meds" can apply to, can be used to fund the development of ADUs. This may include a local government creating a fund for homeowners to build ADUs. Although these are eligible expenditures, it will depend on the competitiveness of the individual applications if they are awarded funding.

ENVIRONMENTAL ORGANIZATIONS SURVEY

26 Responses

- Focus Areas include
 - Stormwater/Watershed Management/Water Quality
 - Land Cover/Low Impact Development
 - Land, Ecological, Agricultural Preservation, Forest Preservation
 - Sustainable Redevelopment, Design, Green Infrastructure
 - Chesapeake Bay Restoration/Climate Resiliency
 - Environmental Justice/Education

4. Has your organization worked on a project of any type that included ADUs, ADU planning, or ADU policies?

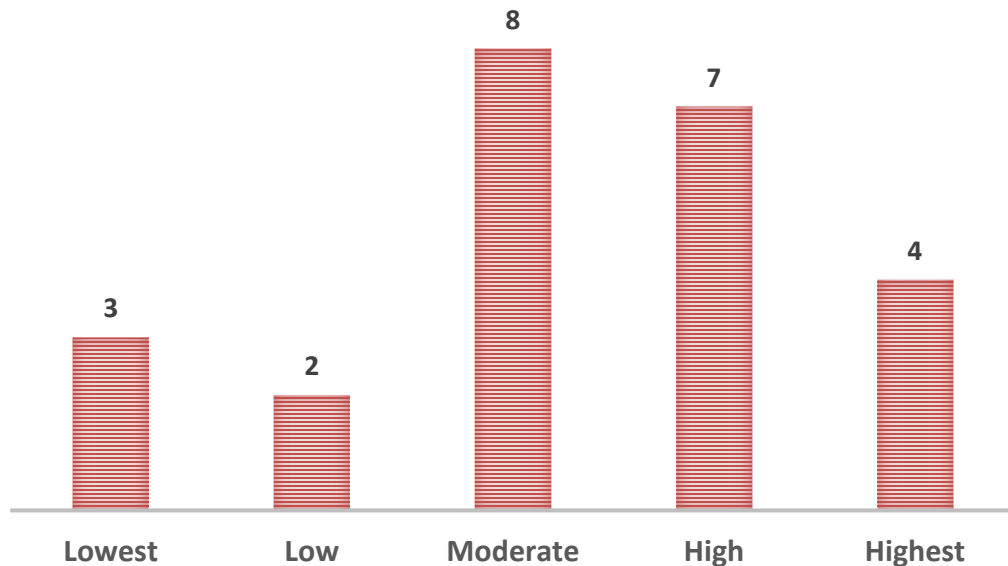


[Complete Survey Results](#)

ENVIRONMENTAL ORGANIZATIONS SURVEY

Impact of ADUs on environmental issues and neighborhood livability. 1 (lowest) to 5 (highest)

Primary barriers, related to environmental issues or neighborhood livability, to constructing ADUs.



Top six responses

1. Local neighborhood opposition (57%)
2. Residential density limitations (57%)
3. Lot coverage or open space (46%)
4. Septic reserve areas or private wells (42%)
5. Stormwater management requirements (26%)
6. Drinking water and sewer capacity (19%)

ENVIRONMENTAL ORGANIZATIONS SURVEY

Best ADU permitting/design methods to minimize negative environmental and neighborhood livability impacts

Top seven responses

1. Require stormwater and quantity/quality control for additional impervious area (69%)
2. Only permit ADUs on properties served by public water and sewer (50%)
3. If attached or detached ADUs are permitted, require them to be small (42%)
4. Incentivize green features, such as green roofs (34%)
5. Limit lot coverage to that permitted in the zoning district for primary structures (26%)
6. Require energy efficiency above that required by building code (19%)
7. Only permit internal ADUs that do not expand the lot's building footprint (19%)



ENVIRONMENTAL ORGANIZATIONS SURVEY

Environmental and neighborhood livability concerns that ADU policy, regulatory or permitting requirements should hold paramount.

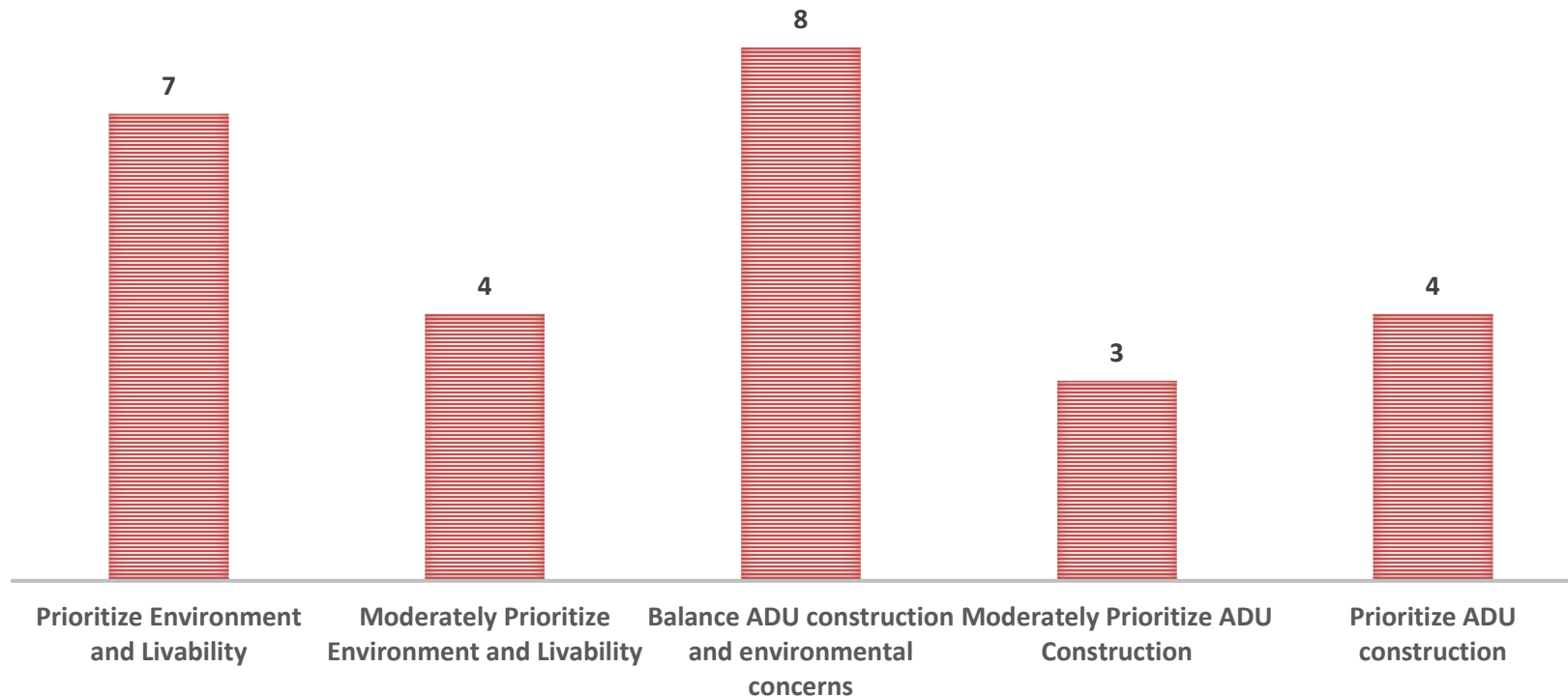


Top eight responses

1. Stormwater management (76%)
2. Septic requirements (61%)
3. Maryland Critical Areas (57%)
4. Air quality (57%)
5. Steep slopes (53%)
6. Impervious cover (50%)
7. Open space preservation and requirements (50%)
8. Drinking water and sewer connection (46%)

ENVIRONMENTAL ORGANIZATIONS SURVEY

State and local ADU policy regulations should prioritize environmental and neighborhood livability concerns (1), balance ADU construction and environmental and neighborhood livability concerns, or (5), prioritize ADU construction.



ADU MARKET ASSESSMENT

Research Questions

#1 : How do state and local policy, regulation, and implementation facilitate or deter ADU construction?

#2 : How does construction of ADUs affect the viability and appeal of local housing markets?

#3 : What is the impact of policy versus market demand on the proliferation of ADU development?

#4 : How do ADUs impact neighborhood livability in relation to the provision of public facilities, sustainability, affordability, and other related factors?

Focus Groups and Panel
Discussions

Survey Outcomes

Literature Review

How state and local policy, regulation, and implementation facilitate or deter ADU construction

Focus Groups and Panel Discussions

- Interested homeowners need prompt answers to zoning and regulations questions; streamlined application and review process is suggested along with pre-approved design plans.
- HOA covenants, special exception permits and family members only rules are obstacles in many Maryland counties
- Unique ordinances deter ADU development
- Concerns about regulatory enforcement suggests that legislation should allow local governments to enact ordinances necessitated by context
- Financing ADU construction requires incentives

Survey Outcomes

- State and local policies and regulations have significant impact on the proliferation of ADUs.
- Challenges in developing ADUs are tied to zoning and building code complexities.
- High permitting and development fees, along with parking requirements and a lack of financial incentives, pose additional challenges to ADU construction.
- By-right provisions encourage ADU development, while subjective approval destroys the momentum, suggesting the need for unified regulations
- Understanding building innovation is also important.

Literature Review

- Homeowners showed interest in ADUs but were uncertain about application process and regulatory compliance.
- Occupancy and parking requirements, lot and unit size, financial challenges, excessive fees were top concerns.
- Evidence from Oregon, California, Seattle, Austin shows that streamlining regulations increases ADU construction.
- Exclusionary zoning contributed to underutilization of ADUs, specially in racially segregated areas

How construction of ADUs affects the viability and appeal of local housing markets

Focus Groups and Panel Discussions

- ADUs are great housing option for the aging population and persons with disabilities.
- ADUs can bridge the demand for affordable housing options for various income class and vulnerable population
- Concerns about short term rental ADUs affecting the availability and affordability of long term affordable ADUs.
- Suggests owner occupancy disclosures when selling properties with ADUs

Survey Outcomes

- Almost 90% builders are familiar with ADU construction
- Majority owners consider the option of adding an ADU during the construction of a new home.
- Primarily property owners look into ADUs to house a family member or other individual. Significant amount of homeowners consider renting ADUs
- ADU help senior population to stay in their community by avoiding being priced out.
- Each person renting an ADU help reduce the demand for affordable rental unit.

Literature Review

- ADUs might help stabilize population density and promote multigenerational community, especially in communities with aging populations and declining numbers
- Maintain optimal density and mitigate sharp fluctuation i demand of service
- Middle to high income census tracts shows proliferation of ADUs in several states.
- ADUs were increasing in areas with good job access and reasonable rent levels.
- ADU development in Maryland, a state with a history of racial segregation, requires close data collection and analysis.

Impact of policy versus market demand on the proliferation of ADU development

Focus Groups and Panel Discussions

- There is local demand for multigenerational housing and ADUs can be a great option to meet that need.
- ADUs are great response to land scarcity when their design blends with the neighborhood characteristics.
- The impact of ADUs on neighborhoods, transitioning from single-family to multifamily, depends upon various factors such as housing demand, lot size, property value, and neighborhood typology.
- ADUs in affluent neighborhoods may not be accessible to low-income individuals and may only be within reach for middle-income earners.

Survey Outcomes

- Respondents from Builders Survey mentioned general demand of ADUs in Maryland, DMV, and Pennsylvania. 37% of respondents mentioned high ADU demand
- Urban and suburban markets, including rapidly expanding and affordable ones, are well-suited for ADUs.
- Unique ordinances contribute to confusion and may falsely suggest low demand for ADUs

Literature Review

- Older adults and owners of larger lot are more interested in ADU construction.
- The rising cost of development poses challenges for ADU owners looking to offer affordable rentals, potentially leading to an increase in ADUs as short-term rentals.
- In exchange for financial incentives, the implementation of rent control for a specific period of time was proposed in one study.

How ADUs impact neighborhood livability in relation to the provision of public facilities, sustainability, affordability and other related factors

Focus Groups and Panel Discussions

- To uphold neighborhood stability, the suggestion of an owner occupancy requirement was widely favored.
- Inclusive design elements make ADUs suitable for persons with disabilities.
- Amnesty programs offer the opportunity to convert risky, unpermitted units into ADUs that comply with regulations to ensure neighborhood safety.
- While there is concern about urban blight, some argue that ADUs contribute to slow densification
- Regulations on minimum lot size and unit size were widely favored.
- Septic systems and parking were major areas of concern.

Survey Outcomes

- Builders Survey results showed that ADUs support aging in place, increase property value, and add to housing affordability.
- ADUs densify neighborhoods in moderation .
- ADU construction could increase if owner occupancy were not required. However, this idea may not be popular due to concerns about investors dominating neighborhoods.

Literature Review

- Homeowners desire ADUs to accommodate family members, enhance property value, and generate rental income.
- Various studies show that top concerns about ADUS were parking space and increased density.
- Bringing undocumented housing up to regulation and safety standards can make them a viable housing option.
- Some studies show that rent for ADUs is cheaper than one-bedroom apartment in major US cities.
- ADUs typically occupy fewer square feet per person compared to traditional housing options, and parking share for ADU was 0.46 street parked car in Portland.

PUBLIC COMMENT ANALYSIS

- **Majority favorable**
 - Address housing crisis
 - Aging in place
 - Arguments against are exaggerated
 - Housing equity
- **Significant Minority Unfavorable/Cautious**
 - Skepticism about affordability
 - Neighborhood impacts (parking, open space, etc.)
 - Environmental and infrastructure impacts
 - Investor predation
- **Community Context Sensitivity**

Comment Form

- 96 comments
- 77 commenters

Two Letters

Many, many emails

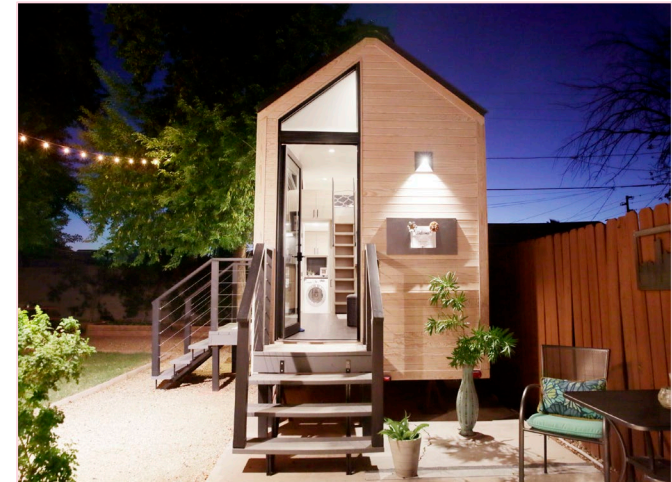
PUBLIC COMMENT ANALYSIS

Legislative and Policy Recommendations

Recommendation	In Favor	Opposed	Neutral/Informative
Owner occupancy requirement	4	7	2
ADU as ownership product	4	4	0
Proactive financing, technical assistance, education	13	0	0
Rental licensing and inspection requirement	5	0	1
Excluding ADUs from density calculations	1	4	0
State ADU mandate	10	4	3

[Draft Public Comment Report](#)

RECOMMENDATIONS PRIORITIZATION



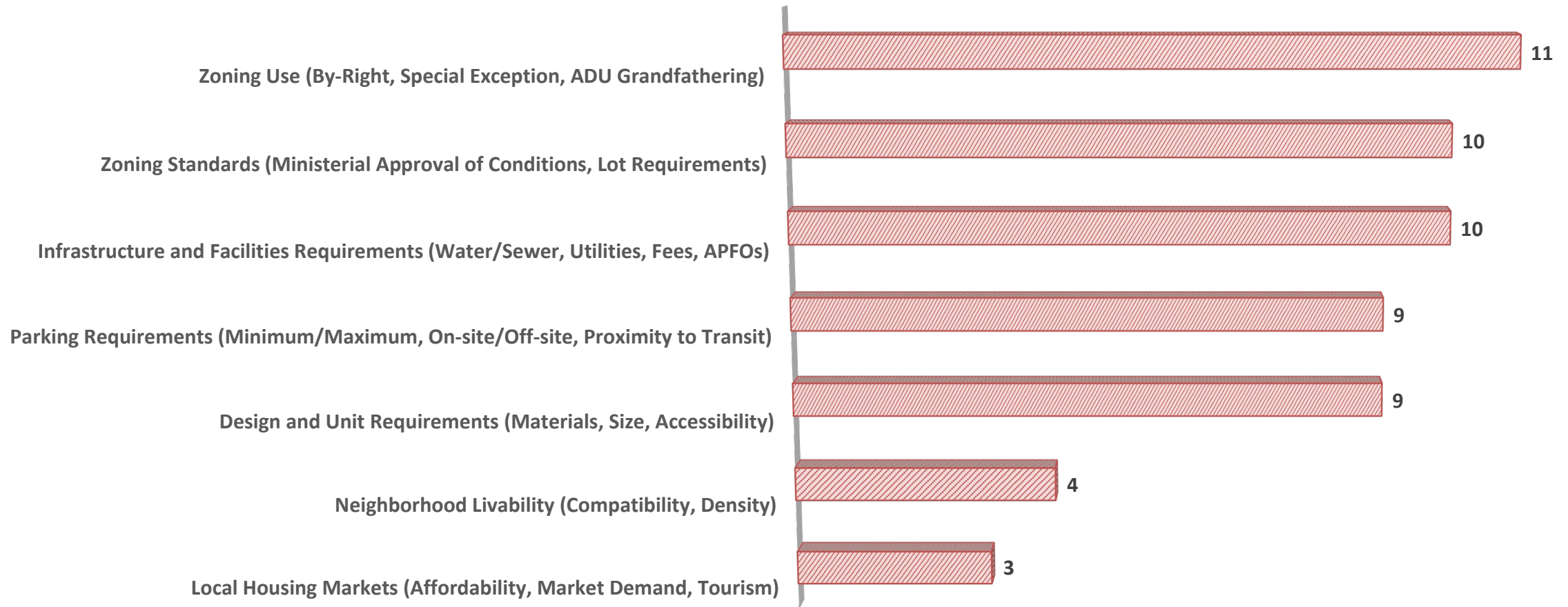
DRAFT RECOMMENDATIONS DOCUMENT

[SB 382](#) assigns the following tasks and deliverables to the Task Force. All recommendations should reflect these requirements.

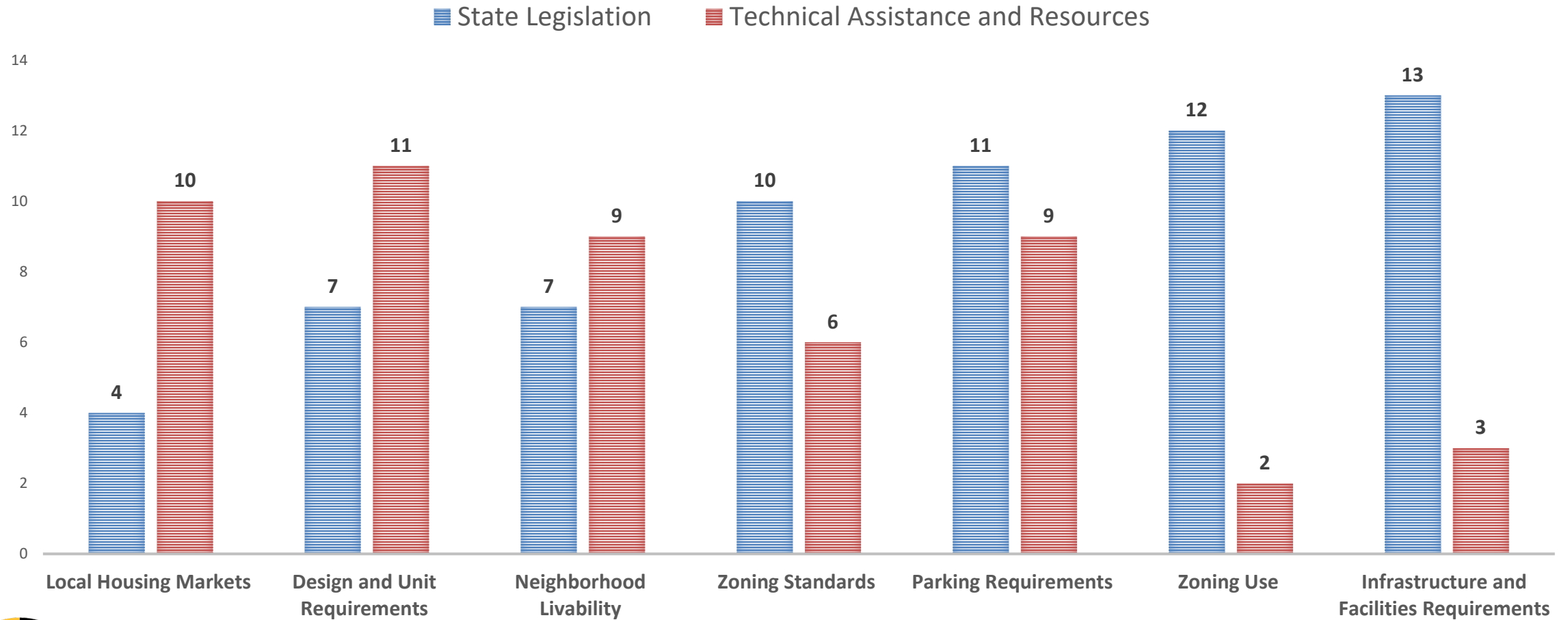
1. Study available best practices for streamlining or standardizing the application process for permits necessary to build or operate an accessory dwelling unit.
2. Make **legislative or other policy recommendations**, including a **list of best practices** for local governments in the State, that holistically address:
 - a. the **practical issues** associated with the development of accessory dwelling units on owner-occupied land zoned for single-family residential use; and
 - b. the **impacts on local housing markets, neighborhood livability**, and other policies and projects related to accessory dwelling units.

POLL RESULTS (TOPICS AND IMPLEMENTATION)

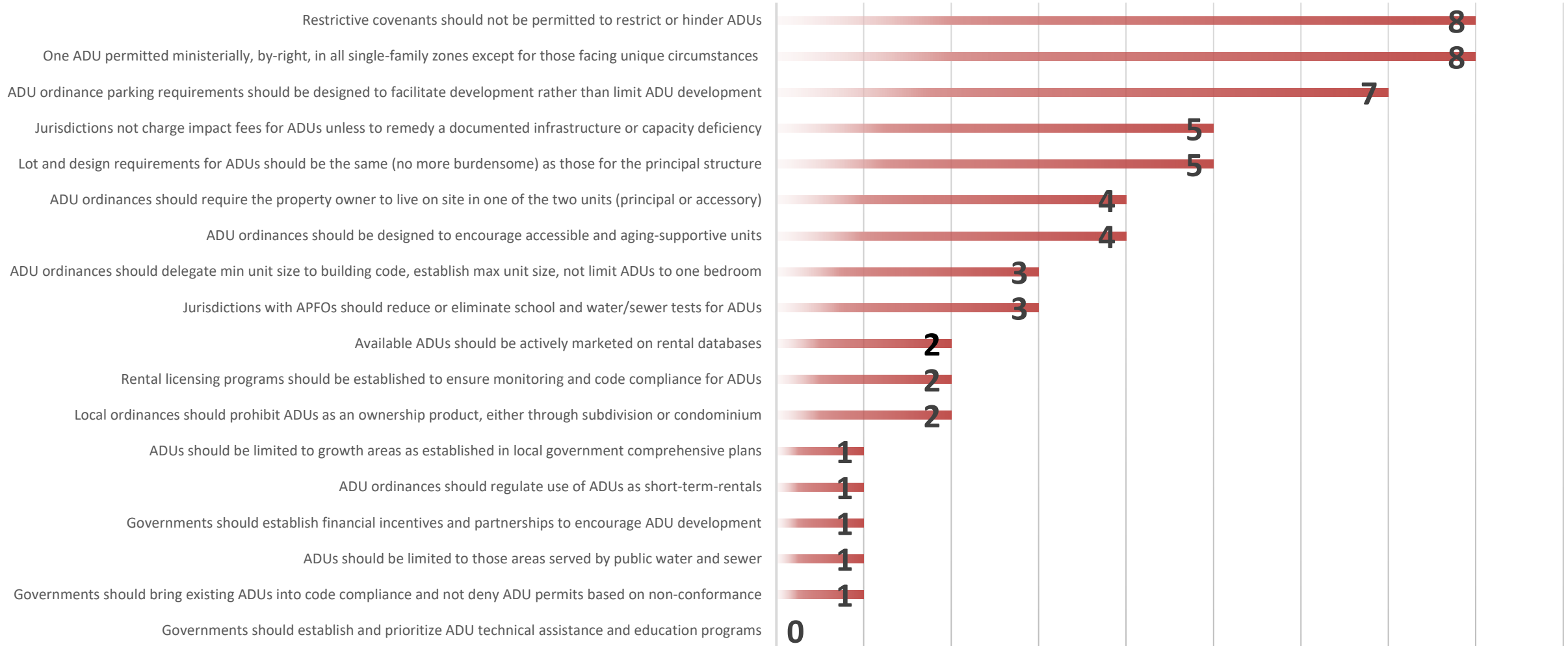
ADU TOPIC CATEGORIES WHICH THE TASK FORCE SHOULD PRIORITIZE



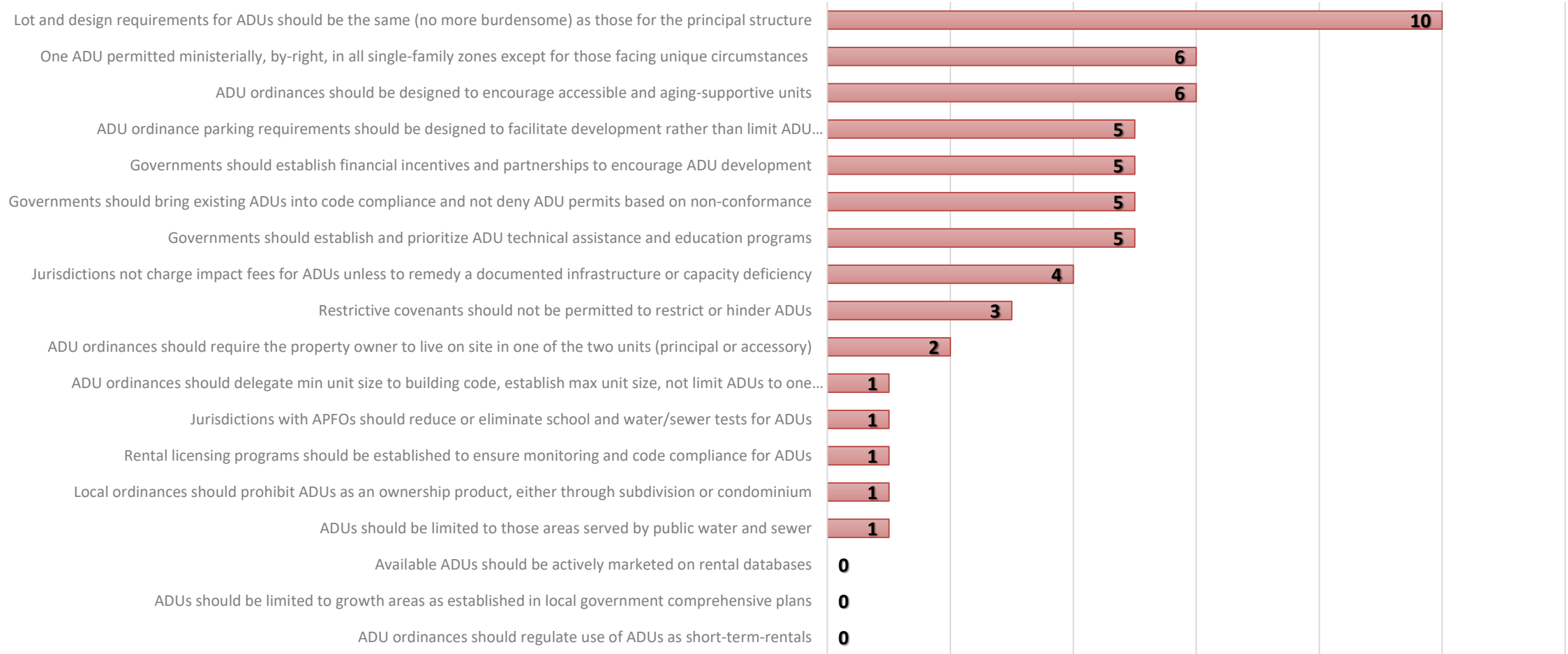
ADU TOPICS FOR STATE LEGISLATION OR TECHNICAL ASSISTANCE AND RESOURCES



PRIORITIES FOR STATE LEGISLATIVE ACTION



PRIORITIES FOR STATE TECHNICAL ASSISTANCE AND RESOURCES



PRIORITY TOPICS

Zoning Use

Zoning Standards

Infrastructure

Parking

Design

PRIORITIZATION EXERCISE

RECOMMENDATIONS IMPLEMENTATION

State Legislation	State Technical Assistance and Resources
By-right Approval	By-right Approval
Parking Requirements	Parking Requirements
Lot and Design Requirements the Same as Principal Structure	Lot and Design Requirements the Same as Principal Structure
Infrastructure and Facilities	Aging and Accessibility
Restrictive Covenants	Financial Incentives and Partnerships
Impact Fees	Non-Conforming Structures
	Government Directed Technical Assistance and Education

By-right approval, parking requirements, and lot and design requirements are priorities for both

STATE LEGISLATION DISCUSSION

By-right Approval

Parking
Requirements

Lot and Design
Requirements the
Same as Principal
Structure

Restrictive
Covenants

Impact Fees

Infrastructure and
Facilities

Draft Recommendation for Discussion

Maryland should pass legislation which mandates by-right approval of ADUs in all areas zoned for single-family residential use which are also connected to public water and sewer. The legislation should also direct the Maryland Departments of Planning and Housing and Community Development to devote staff and other resources to create guidance, educational materials, and models which jurisdictions can use to update their zoning ordinances to meet this requirement.

STATE LEGISLATION DISCUSSION

By-right Approval

**Parking
Requirements**

Lot and Design
Requirements the
Same as Principal
Structure

Restrictive
Covenants

Impact Fees

Infrastructure and
Facilities

Draft Recommendation for Discussion

Maryland should pass legislation which prohibits jurisdictions from requiring off-street parking for ADU permitting on any property within one-half mile of a fixed line rail or rapid bus transit stop and prohibits requiring more than one off-street parking space for any ADU outside of one-half mile. The legislation should require that off-street parking for ADUs be permitted in setback areas. The legislation should also direct the Maryland Departments of Planning and Housing and Community Development to devote staff and other resources to create guidance, educational materials, and models which jurisdictions can use to update their zoning ordinances to meet this requirement.

STATE LEGISLATION DISCUSSION

By-right Approval

Parking Requirements

Lot and Design Requirements the Same as Principal Structure

Restrictive Covenants

Impact Fees

Infrastructure and Facilities

Draft Recommendation for Discussion

Maryland should pass legislation which prohibits jurisdictions from establishing lot, bulk, and design requirements for ADU approval which are more restrictive than those for principal dwellings in the same zoning district, other than those for maximum ADU size. The legislation should require jurisdictions to establish objective standards subject to only ministerial approval. The legislation should also direct the Maryland Departments of Planning and Housing and Community Development to devote staff and other resources to create guidance, educational materials, and models which jurisdictions can use to update their zoning ordinances to meet this requirement.

STATE LEGISLATION DISCUSSION

By-right Approval

Parking
Requirements

Lot and Design
Requirements the
Same as Principal
Structure

**Restrictive
Covenants**

Impact Fees

Infrastructure and
Facilities

Draft Recommendation for Discussion

Maryland should pass legislation which overrides those portions of private restrictions or covenants, such as those imposed by homeowners associations, condominium association, or other neighborhood governing bodies or instruments, which prohibit ADUs or regulate them in such a manner as to unreasonable restrict their permitting and construction

STATE LEGISLATION DISCUSSION

By-right Approval

Parking
Requirements

Lot and Design
Requirements the
Same as Principal
Structure

Restrictive
Covenants

Impact Fees

Infrastructure and
Facilities

Draft Recommendations for Discussion

Maryland should pass legislation which prohibits jurisdictions from imposing impact fees as a requirement for ADU permitting approval unless the jurisdiction can document that the impact fees are needed to ensure sufficient water and sewer capacity for the drinking and wastewater facilities which serve the property.

Maryland should pass legislation creating a special water and sewer capacity enhancement fund for jurisdictions which adopt and implement housing reform zoning legislation, including that permitting ADUs by-right.

STATE LEGISLATION DISCUSSION

By-right Approval

Parking Requirements

Lot and Design Requirements the Same as Principal Structure

Restrictive Covenants

Impact Fees

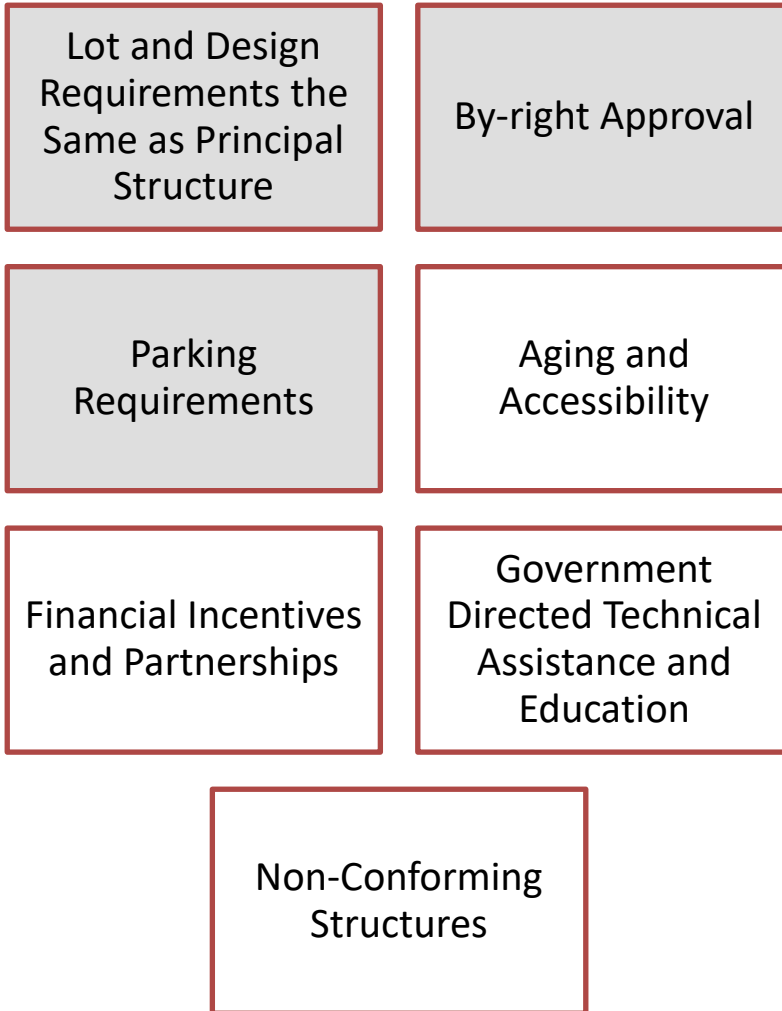
Infrastructure and Facilities

Draft Recommendations for Discussion

Maryland should pass legislation which prohibits jurisdictions from requiring an ADU applicant to install new or separate water and sewer lines.

Maryland should pass legislation which prohibits jurisdictions from applying adequate public facilities school tests to ADUs 750 sq ft or less.

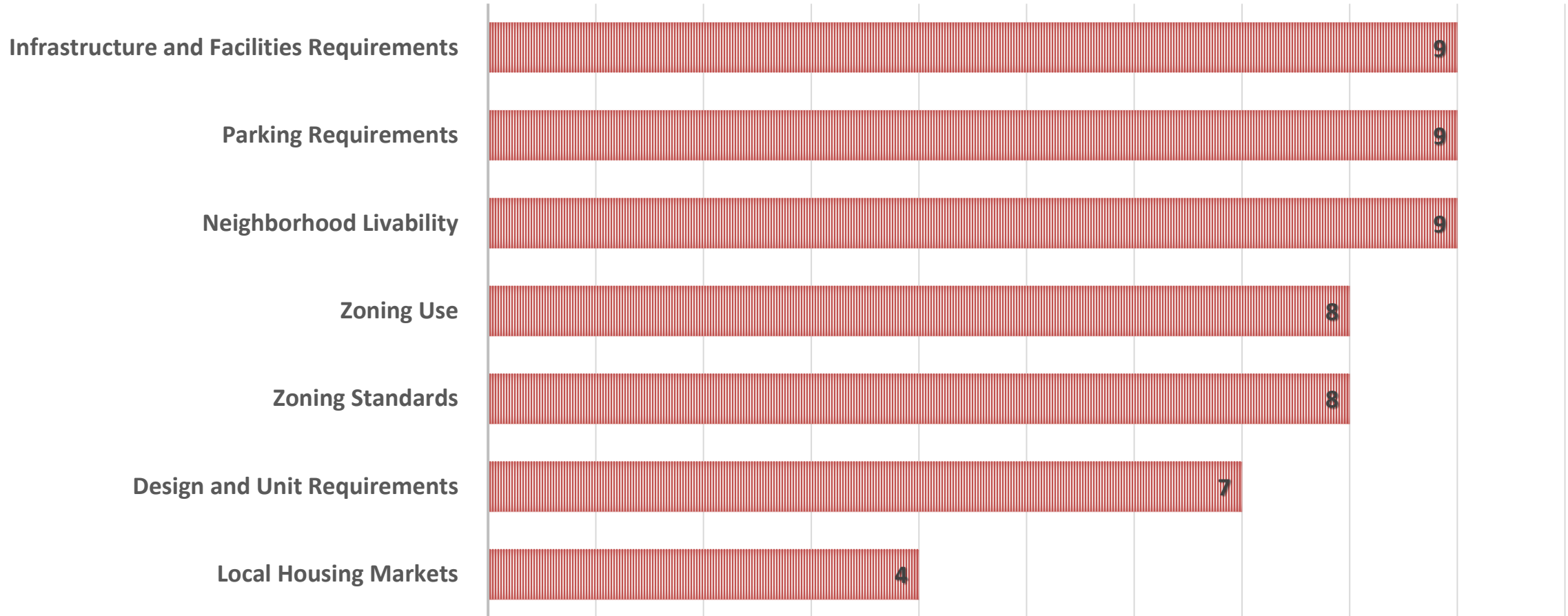
STATE TECHNICAL ASSISTANCE AND RESOURCES DISCUSSION



For [ADU TOPIC], the final report should include a recommendation for state technical assistance and resources that ...

COMMUNITY CONTEXT

ADU TOPICS FOR WHICH RECOMMENDATIONS MUST BE CRAFTED TO ACKNOWLEDGE COMMUNITY CONTEXT



COMMUNITY CONTEXT TABLE

Topic	Urban small lot sizes and served by sewer	Suburban medium lot sizes and served by sewer	Rural large lot sizes and served by septic	New Subdivision with optional permitted ADUs
Infrastructure and Facilities Requirements				
Parking Requirements				
Neighborhood Livability				
Zoning Use				
Zoning Standards				
Design and Unit Requirements				

DRAFT RECOMMENDATIONS DOCUMENT COMMENTS

Topic Area	Comments
Zoning Use and Approval Processes	<ul style="list-style-type: none">• By-right approval is appropriate, but policy decisions must consider infrastructure and environmental constraints and recognize rural/suburban/urban• State educational resources must be developed in lateral partnerships with jurisdictions• By-right approval should not differentiate between attached and detached ADUs
Lot Requirements	<ul style="list-style-type: none">• ADUs must be governed similarly to the principal dwelling and in conjunction with bulk standards• Provisions applied to accessory structures should be applied to ADUs in the same manner, no more liberal or more restrictive.• International Building Code already defines minimum size.• If ADU is being permitted in an existing legally conforming accessory structure, the discussion of ADU permissibility should not apply

DRAFT RECOMMENDATIONS DOCUMENT COMMENTS

Topic Area	Comments
ADU Design, Building Codes	<ul style="list-style-type: none">• Do not recommend changes to building code.• Design requirements already handled ministerially through permitting process.• Standard design criteria found in the context of bulk standards should hold sway, as it would for any other accessory use.• One clear message about ADUs is essential.• Covenants fall outside of the purview of this Task Force and should be generated through an AG opinion that guides potential state legislation.• Local governments cannot engage in ADU marketing.• Any amnesty programs or flexibility with non-conforming uses must still ensure requirements for life and safety.• Best practices in this topic area are not appropriate and go too far into the weeds. Should be handled by state agency education and outreach• Creating a subset of ADU codes to adhere to or exempt current codes will create chaos and workarounds especially in older established cities and neighborhoods.

DRAFT RECOMMENDATIONS DOCUMENT COMMENTS

Topic Area	Comments
Parking, Community Facilities, Code Enforcement	<ul style="list-style-type: none">• Each jurisdiction must have the means to address its own transit and infrastructure limitations. The goal of the flexibility cannot be used to restrict ADUs as a matter of right, but it must realistically provide transit and parking options.• Best practices too far into the weeds. Already addressed in zoning code use and bulk standards.
Utilities and Fees	<ul style="list-style-type: none">• The Maryland Department of the Environment controls water and sewer allocations. The recommendations for local governments in this section go beyond local purview.• Cost of capacity increases or service extensions must be considered, even if ADUs have a more minimal impact than principal dwellings.• Recommendations about impact fees are dismissive.

Members of the public are encouraged to submit comments for Task Force consideration using [this commenting form](#)

PUBLIC COMMENT

SUMMARY AND FINAL THOUGHTS

NEXT STEPS



Draft Report



Finalize ADU Market Assessment



Continue developing a glossary of terms



Next meeting: May 21, **9:30 am – 12:30 pm**. Location: MDP Office

ADJOURN