



# Maryland

## DEPARTMENT OF PLANNING

### ADU Task Force Housing Organizations Focus Group

**3/13/2024**

#### Participants

- **Lisa May**, Maryland REALTORS®
- **Trudy McFall**, Anne Arundel County Affordable Housing Coalition
- **Jessica Zuniga**, Maryland Affordable Housing Coalition
- **Cheryl Meadows**, Salisbury Neighborhood Housing Services

#### Housing Market Questions

**What has your experience taught you about ADUs and the housing market? What prevents them from being a viable housing product? Conversely, what facilitates them as one?**

#### **Cheryl Meadows**

- Explained that there are limiting factors in Wicomico County. The ADU is allowed by Special Exception through the review of the Board of Zoning Appeals. Most of the ADUs are for family members, the square footage of the units is limited by the septic systems, and some communities have HOA restrictions that limit the development of ADUs. In Salisbury the ADU is limited to only family members.

#### **Lisa May**

- Unique ordinances deter the development of ADUs. Off-the-shelf design plans would help in the proliferation of ADUs. She suggested that extreme local control is harmful to housing development in general. There is a demand in the housing market for multifamily generational housing and the ADU could provide a supply of housing options to meet those needs.

#### **Jessica Zuniga**

- The ADU is a product that is questionable to fair housing advocates because the landlord is the homeowner and may not be aware of regulations for rental properties. In her opinion, ADUs are not an affordable housing product.

#### **Trudy McFall**

- Familial requirements are hard to enforce. There is very little help for the homeowner because it can be a complicated process and should be reasonable able to enforce. There is also a lack of marketing of the ADU housing product currently.

## Question 1 Conclusions

Lack of regulatory uniformity between jurisdictions depresses ADU market.

Skeptical that ADUs are a significant solution to affordable housing crisis

Nobody helps homeowners develop ADUs.

**How do policy or ordinance changes and market demand impact one another in the proliferation of ADUs? Do certain policies or ordinances work better in certain types of communities?**

**Lisa May**

- Suggested that initially local ordinances lock down the proliferation of ADUs because there are too many restrictions. But as the initial regulations are loosened over time through legislative amendments, the ADU ordinances become for flexible and more ADUs begin to Proliferate. For example, in California, one in four building permits are for ADUs.

**Trudy McFall**

- ADU regulations should be broad. ADUs are not affordable units but are geared more toward moderate-income earners.

**Jessica Zuniga**

- Suggested that ADUs are a form of slow densification.

**Cheryl Meadows**

- Asserted that flexibility is important, as there is an increase in foreclosure rates. Evictions of renters are also increasing due to the loss of Federal funding that was in place during COVID.

## Question 2 Conclusions

Jurisdictions take meager steps to support ADUs, few are developed, and then people say they do not work.

California continued to liberalize ADU policies and then they started happening.

If you want ADUs you must broaden allowances and be flexible. Family members, renters, etc.

ADUs are like a missing middle housing product.

**What practical issues associated with the development of ADUs on owner-occupied land zoned for single-family residential use must the Task Force address?**

**Lisa May**

- Lisa was involved in SB 382 drafting and confirmed that the bill was written intentionally to address owner occupied unit properties, not investor properties for the purpose of preserving neighborhood character. Issues of practicality relate to parking and water and sewer/septic capacity, etc....

### **Jessica Zuniga**

- Suggested distinguishing between familial and non-familial relationships as an ADU rental requirement. The issue of requiring familial relationships should be vetted in the report.

### **Trudy McFall**

- The ADU should not violate setback requirements of the primary dwelling unit. Owner living on-site is best to ensure a vested interest in the property and the neighborhood. It is a fair requirement to require on-site parking.

### **Question 3 Conclusions**

**Owner occupancy requirements hinder ADU development but may be a necessary compromise to limit neighborhood impacts.**

**Rental licensing can enforce owner-occupancy requirements.**

**Opposed to familial relationship requirements.**

**If the issue is parking, then address parking first rather than use the lack of parking to limit ADUs.**

**From your experience, how have ADUs impacted neighborhood livability? How can ADU policies and regulations be designed to minimize negative impacts on neighborhood livability?**

### **Cheryl Meadows**

- Explained that in Wicomico County the Special Exception requirements say that the ADU use shall have minimal adverse impacts to the neighborhood, the owner should live on-site, and adequate parking should be provided.

### **Lisa May**

- Indicated that regulations pertaining to an ADU should be enforceable upon sale of the property, and that licensing of the ADU as a rental unit is appropriate. Regulating lot coverage is an important issue to regulate as well.

### **Jessica Zuniga**

- Suggested that the height of the ADU should be regulated and perhaps limited to one story, setbacks should be sufficient to avoid impacts on neighboring properties. Minimum lot size could be an effective way to manage these elements to avoid negative impacts on adjacent properties.

### **Trudy McFall**

- Asserted that the use of the ADU as a short-term rental (STR) is cautioned and may cause major negative impacts on the neighborhood as what is happening in Annapolis.

## **Lisa May**

- Noted Trudy's concern regarding the STR issue but said this could be an issue in some areas of the State, but in other areas the STR is a very desirable use if there is a lack of hotels such as where tourism is a new economic engine for the community.

## **Question 4 Conclusions**

**Short-term rentals in ADUs can run counter to the purpose of ADU ordinances and should be closely considered if not prohibited.**

**It is appropriate for ADU ordinances to regulate lot coverage and ADU height.**

**For ADU regulations to be enforceable, they must travel upon sale of the ADU to new owner.**

## Other Questions

**How can ADU policies, regulations, and programs be designed to ensure that ADUs serve as an affordable housing option, both for the property owner seeking to develop an ADU and the ADU occupants?**

## **Lisa May**

- The ADU cannot ensure affordability, especially in high-cost areas. The ADU may provide some relief and needed housing options that cost less due to the size of the unit and provide some diversity. The ADU may also provide housing for caregivers or elderly parents who cannot live on their own.

## **Jessica Zuniga**

- Agreed that enforcing the affordability issue for the renter may be challenging.

## **Question 4 Conclusions**

**Income restrictions for ADUs are infeasible.**

**Smaller ADUs in expensive neighborhoods yield more moderate costs in comparison to principal units in the neighborhood, even if they remain generally expensive in comparison to all other units in a jurisdiction or region.**

**ADUs promote unit diversity and slower long-term rental appreciation.**

**What are the chief arguments or stipulations for convincing community members to support ADU ordinances and development?**

## **Trudy McFall**

- Homeowner requirement to live on the property in either the primary dwelling or the ADU.

### **Lisa May**

- Expressed her opinion that the public does not really need to be convinced. She believes that once the public understands the definition of the ADU, they are generally for the development of more housing options. She cited a recent Maryland survey in which 75% of the respondents say ADUs are a good idea.

### **Jessica Zuniga**

- Expressed her opinion that the public would be best convinced if the homeowner rents to someone they know.

### **Question 5 Conclusions**

**Your grandson does not have to live in your basement.**

**Owner occupancy requirements make ADUs more palatable for other residents.**

**Maryland polls/surveys show support for ADUs. What we need is awareness.**

**How can the state and local governments partner with housing organizations to develop ADU policies and regulations and support their construction? What resources can your organization, or similar organizations, bring to the table?**

### **Trudy McFall**

- Suggested that the government could provide funding/financing for construction of the ADU. The loan could incorporate some control over the rental situation. She also mentioned an example that in the case of current rental laws, with every turnover of tenant lead paint is required to be evaluated.

### **Cheryl Meadows**

- Suggested financing loans, especially for additions to SFD homes, to incentivize ADU construction.

### **Lisa May**

- Believes that the real estate industry could provide the facts about ADUs to raise awareness to the community at large.

### **Jessica Zuniga**

- Technical assistance to homeowners would be helpful.

### **Question 6 Conclusions**

**Government financing and collaborative technical assistance are needed to support ADUs.**

**Redundant and too frequent lead paint inspection requirements are a burden to ADU development.**

**Homeowners should be able to use rehab loan funds for ADU construction.**

**Maryland and local jurisdictions must use real estate data to inform ADU policy and ordinance decisions.**

**Closing Comment**

Trudy McFall

- The ADU is a type of missing middle at a smaller scale. She promoted that two-family dwellings should be allowed by-right on all SFD lots. Baltimore County has an ADU regulation that works well but has been loosened over the years. Sparks Glencoe is worried about large additional single-family detached homes as ADUs that the property infrastructure cannot support. Enforcement of familial relationship requirements is questionable, but the community does support ADUs for this purpose.