Maryland DEPARTMENT OF PLANNING

Accessory Dwelling Unit Policy Task Force Public Comment Report

Introduction

From September 2023 through May 2024, the <u>Accessory Dwelling Unit Policy Task Force</u> (Task Force) solicited public feedback to inform deliberations and its assignment, established with <u>2023's SB 382</u>, to develop legislative and policy recommendations regarding Accessory Dwelling Units (ADUs) and study their impacts on surrounding single-family neighborhoods, local housing markets, and neighborhood character. To this end, the Task Force created and marketed an online public comment form, accepted emailed comments, and reserved time for public comments during every meeting. Commenters represented a range of stakeholder groups, including residents, local governments, community associations, developers, and environmental organizations, among others. In total, the Task Force received comments on its public comment form from ______ unique commenters, as well as _______ emails and letters. The combined comments, including those submitted using the chat function during meetings, are included as an attachment to this document. The quantity, complexity, and passion exhibited in the comments demonstrate the significance of this topic to a wide variety of Marylanders.

ADU Support and Concern

A majority of comments demonstrated a generally favorable view of ADUs, the work of the Task Force, and policies and regulations designed to facilitate ADU development. Commenters noted the promise of ADUs as one among many strategies for tackling Maryland's housing crisis, often recommending that the state pursue legislation and policies comparable to those of California and Washington; examples include:

ADUs are a fantastic way of providing more shelter to people, especially those who can't afford or don't want to own a home.

The Task Force should not compromise on making the most innovative and permissive ADU recommendation. Any requirement for owner occupancy, minimum lot size, parking, and setbacks will kill ADU development.

Given the success of the ADU Grant Program in California, I propose the establishment of a similar initiative in Maryland. The objective would be to encourage homeowners to

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invest in and share their property, addressing the pressing need for affordable housing in our state.

Many comments in support of ADUs described them as an aging in place strategy; examples include:

I am a resident and homeowner of Prince George's County living in a neighborhood without an HOA. I am interested in the opportunity for ADUs to allow option for multigenerational living. I have aging in-laws that may benefit in the future from living closer to us for medical care (currently 45 min drive). In addition, my sister had to move out of state to Nebraska after our mother died due to unaffordable housing. She would be able to live in Maryland with our family we had an ADU on one of our properties.

Provide a tax break for offering ADUS that meet Aging in Place standards. Most ADUs I have designed are for aging seniors and it would be helpful for homeowners to include these types of modifications so that all renters are welcome in these unit types.

Some pro-ADU commenters countered oft-stated concerns with ADUs, such as insufficient parking and neighborhood impact, by arguing that such concerns are exaggerated or secondary to the need for more housing; examples include:

Please allow as few barriers as possible to construction. The state has a strong interest in making sure that there are no odious mandates on who can live in an ADU vs not, it should not require as much parking as a normally sized home.

Eliminate any parking or special setback requirements - We are housing people not cars and unless you wish to add parking requirements to all homes. It's a red herring. Act and make recommendations as if our earth is on fire and people are becoming homeless because they are every single day that we delay this action.

There's an apparent focus on required parking for ADUs. In many scenarios the ADU occupant will be an elderly familial person w/o a car and the primary dwelling owner cares for and transports that elderly person. So please allow the required parking discussion to include a way to easily waive that requirement. Said differently, if a daughter (primary owner) wants her elderly Mom to come live in an ADU ... and Mom longer drives ... then don't require the daughter to construct 2 unnecessary parking spaces.

During its January 16, 2024, meeting, the Task Force invited guest speaker Lisa Hodges, Executive Director of the Westport Economic Development Corporation. Ms. Hodges addressed the long legacy of racist housing policies in the United States and Maryland and how ADU policies and regulations, if correctly managed, can serve as one strategy to counter that legacy. Multiple commenters expressed similar sentiments; examples include: A lot of the existing zoning concepts were created as a work-around to accomplish racist objectives, with a focus instead upon class as a proxy. Quality schools are available to everyone that can afford to buy a house for \$500k+. If you can't, stay over there so you won't be a drain on our beloved ability to spread out and keep our local property tax base to ourselves.

Everyone should know that Single Family Zoning has a horrific racist legacy, Baltimore was one of the first areas to adopt zoning, and that ADU's are a key tool in breaking that exclusionary segregationist de-jure policy.

Over half of the grants (California ADU Grant Program) were directed to low-income and very low-income borrowers, with a specific emphasis on supporting the Black, Indigenous, and People of Color (BIPOC) community.

Other ADU supportive comments addressed the need for state and local financing to support ADU development, the promise of ADUs as an anti-sprawl, climate resilience, accessible housing, and wealth building strategy, the suitability of ADUs in transit-oriented development areas, and the need for continued research and policies supporting junior ADUs.

A sizable minority of comments expressed either negative views of ADUs or caution about liberalizing policies and regulations to promote ADUs. Multiple commenters noted skepticism that ADUs will be affordable or address Maryland's housing crisis; examples include:

I truly understand the need for more affordable housing, but the cost per square foot to build a detached home in Howard County means detached ADUs will still be very expensive. ADUs are not a good answer to the affordable housing problem.

I hope that the Task Force will take into serious consideration the cost of conversion or building a new ADU when looking at them as a source of affordable housing. An owneroccupier will incur those expenses, which can be extremely high when converting an older home and will need to set the rent at a sufficient level to recoup those costs, as well as the operational costs for the rental and a reasonable profit.

The cost to create the ADU will pretty much ensure that the rent will not be what you might consider to be affordable or be something the aging in place owner could not afford to create.

Others commented on the negative impact that ADUs will have on parking, open space, and community character in existing neighborhoods; examples include:

Good land use protects the character of established neighborhoods. ADUs could lead to significant changes in the character of the neighborhood. Older neighborhoods lack dedicated open space. Our backyards are our open space, so ADUs could significantly reduce the open space we all enjoy, even when it is in a neighbor's yard. Concerns about parking and infrastructure are real and have a real impact on the quality of residents' life. Baltimore has an aging infrastructure; its main water lines, for example, are leaking and causing subsidence issues throughout the city. There needs to be sufficient flexibility in any state policy/legislation of ADUs to allow the local governments to take into consideration their own unique set of circumstances.

I understand that parking can create a burden and expense, and allowances and or substitutions should be provided for available public transportation, however that is the key, in communities such as Rising Sun, we have no public transportation in any manner. So, when applicants create a dwelling unit for two adults, that will likely result in two vehicles being used to commute. Where do they park and what are the unintended consequences associated with just letting people figure that out? Congested, unpassable streets and roads restricted for the passage of emergency response, trash collection etc., simply lead to community frustration and angst. To simply eliminate off-street parking requirements without regard for the availability of public transportation could have significant impacts on a community.

Many expressed concerns about the potential environmental and infrastructure impacts of ADUs, both at the site/neighborhood and the regional/state levels; examples include:

Any decrease in green space is downright harmful in my neighborhood with our poor drainage and inadequate stormwater management. ADUs will significantly increase impermeable surfaces and runoff problems and flooding for nearby homes.

The area of northern Baltimore County represented by Sparks-Glencoe lies outside of the Urban/Rural Demarcation Line (URDL). This means that there is no public water or sewer service; all houses rely on public wells and septic systems. Increasing the load on those systems will cause a predictable decline in water quality.

If the State has mandated capacity of our sewer plant cannot be increased, new capacity for ADU demands and all other demands cannot be solved. While we can physically solve the water demands issue at our water plant, it will take over \$100 million to solve it. Not happening overnight. If the State tells us not to require a separate water line or separate sewer line for an ADU, what happens if those old lines are inadequately sized to handle the addition of another dwelling unit on the property? The units will be condemned.

A few commenters noted that the investment industry, combined with poor code enforcement, will undermine the positive impacts of ADUs; examples include:

A Task Force member observed that creating ADU regulations will help stop the "wild west" environment of illegally created ADUs. It is my experience with a robust investor community for rental housing in my jurisdiction that creating regulations to address a problem like unpermitted dwelling unit construction does not turn scofflaws into boy scouts. Those working to get around the rules will continue that activity so long as they are not caught.

What happens if we sell a house with an ADU? It may make the house harder to sell, because most people will not want a second house on the property. The property may be most likely to appeal to investors who will want to rent out both units with a conditional use. Nonresident landlords do not maintain the property the way a resident owner would. On the other

hand, the seller may just ask to have the property divided and sell it to two buyers, and I would give you odds that the county would allow it. Hmmm, since the original property would still be zoned for single family, I wonder if they could then add a new ADU?

Need to consider how you can craft your recommendations to meet your goals that does not result in creating another avenue for increasing revenue for predatory rental housing investors in communities already under strain from this phenomenon.

In urban areas, how can we find a balance between bringing in new residents so longterm residents will not feel forced out? As one of the Task Force members said, many incorporated and unincorporated areas in Prince George's County cannot afford more density for several reasons, among them being parking, infrastructure, code violations, etc.

Just enforce the codes. Another Task Force member said we just need to enforce our codes if illegal activity is occurring. There are two enforcement challenges with this: a. catching this activity is difficult if contractor trucks are not spotted at the property or if the available unit is not advertised on Zillow; b. having the staff to undertake the enforcement is the other challenge for many jurisdictions, particularly if they do not have a rental licensing program and are not collecting fees on the units so staff can be hired to administer the program.

Finally, a few commenters expressed nuanced views on ADUs which respect unique community contexts, demand further research, and promote incentives and encouragement rather than mandates; examples include:

It was brought up, and it is also true for Carroll County, our growth is limited by allowed effluent limitations in the growth areas.

I hope that in your focus groups you include people who have concerns about the ADUs or who have dealt directly with issues of high-density neighborhoods. They are not all "NIMBYs" and have many legitimate concerns about the impact that ADUs can have on their towns and cities. In particular, I strongly recommend that you talk to leaders in historically black neighborhoods such as Coldstream-Homestead-Montebello or Howard Park about their experiences. In many of our rural communities, there is plenty of underdeveloped land for ADUs in our 1970s +80s single-family detached housing developments with 1200 sf homes on 1/3 acre lots. But without reliable public transit, our land is being eaten up by parking requirements and in many cases prevents this type of incremental development. If the state helped rural counties and regions in expanding local and regional transit, our communities could waive parking requirements and even offer incentives for residents not to own a car. This would open the market for more housing development along existing infrastructure and in areas that are more walkable.

Other comments expressing concern about ADUs and/or policies designed to facilitate them noted skepticism that ADUs can increase owner income, that schools would become overcrowded, that ADUs would be converted to short-term rentals (Airbnbs), and that they would complicate property resale.

Legislative and Policy Recommendations

Beyond providing general comments on the desirability of ADUs as a residential product in Maryland's communities, those engaging with the Task Force also expressed strong and varied opinions on the legislative and policy recommendations that should be included in the final report to Governor Moore and the General Assembly. On balance, more commenters promoted ADUs than those that did not, but their prescriptions for ADU regulations often diverged. While some commenters implored the Task Force and Maryland to mandate that all counties and municipalities liberalize their ADU ordinances, others expressed the need for further analysis of ADU impacts and the importance of local decision-making autonomy.

SB 382 charged the Task Force with considering "the practical issues associated with the development of accessory dwelling units on owner-occupied land zoned for single-family residential use". As the Inventory of ADU Ordinances in Maryland shows, many jurisdictions require that the owner of a property which contains an ADU must live in either the principal dwelling or accessory unit. The public comments on this topic included four in favor of owneroccupancy requirements, seven opposed, and two neutral or informative. A representative supportive comment noted that "since Baltimore has been the target of speculators and absentee landlords, and many of its neighborhoods are still recovering from the time when conversion of single-family to multi-family housing was a matter of right, I'm very glad to see the emphasis on owner-occupied ADUs", while one opposed to owner-occupancy requirements asked the Task Force to "consider the consequences of making ADUs allowable exclusively on owner-occupied properties. Minority groups living in rental homes now need equal access to affordable housing options like ADUs but may see significant increases in rent prices if a landlord adds an accessory apartment or unit, which could in turn force them out as well". The informative comments acknowledged the difficulty in enforcing owner-occupancy requirements, one proposing that "if the law is set up for owner-occupied units or other occupant/owner criteria, it will be extremely difficult for the local government to administer ensuring the program goals are still met for subsequent owners and ADU occupants".

The same legislative assignment to examine ADUs on owner-occupied land appears to direct the Task Force to eschew analysis or deliberation of ADU subdivision or condominium ownership structures. However, many commenters expressed views on this topic, with four comments in favor and four opposed to ADUs as a potential residential ownership product. One pro-ownership comment compared Maryland unfavorably by noting that California "just jumped ahead of us in Maryland again on ADUs by allowing through Assembly Bill 1033 for ADUs to be sold as Mini-Condos.... AB 1033 would allow ADUs to be sold independently from the primary residence. This would open up a reservoir of reasonably priced homes for first-time homebuyers". An opposition commenter, who also supported local autonomy, stated that "each county and each municipality should have their own ordinance. The state ADU should be general – ADU should be less than 50% of main structure - No parcel subdivision allowed".

During its analysis of ADU best practices, the Task Force reviewed multiple resources and examples championing the idea that ordinance changes alone are insufficient to promote an increase in ADU development. Proactive funding, technical assistance, and marketing of ADUs is required if jurisdictions want them to proliferate as a viable housing product. Thirteen comments supported such efforts. One recommended that the Task Force go "beyond just permitting ADUs but PROMOTING THEM often and loudly with recommendations for significant grants and low or no-interest loans, an ADU navigators' office to cut red tape, and helping owners access funding and plans that are pre-approved". Another spoke highly of California's ADU Grant Program, in which homeowners are "eligible for a \$40,000 grant to cover predevelopment and closing costs, including interest rate buydowns". During one Task Force meeting, an individual joining online stated that "what is missing is marketing the new ADU rules - Most still don't know what they are much less what is allowed and encouraged. Also, we need a navigator and grants and loans using the new FHA and HUD rules".

During multiple meetings the Task Force discussed the strategy of requiring rental inspection and licensing for ADUs to monitor code compliance and limit negative neighborhood impacts. Many commenters expressed concerns with the efficacy of local code enforcement, which could potentially be addressed by such programs, and five commenters promoted them specifically. One argued that "if ADUs are to be seen as a viable source of quality housing, the local governments must have meaningful inspection programs". Another described the benefits of an existing rental inspection program by explaining that their community adopted one "to ensure our housing meets the standards of fairness, safety, and inclusiveness, our community adopted a rental inspection program. This initiative aims to guarantee that a significant portion of our housing stock adheres to these essential criteria, providing all residents with access to quality living conditions. Through systematic inspections, we can identify and address any deficiencies, ensuring that rental properties offer a secure and equitable environment for everyone. This program represents a proactive step towards fostering a community where every individual has the opportunity to live in safe and dignified accommodations". One comment recommended conditional use permitting of ADUs, as such conditioning facilitates inspection and gives jurisdictions a leverage point to enforce code requirements.

ADU development is often described as gentle density, which proponents argue is less disruptive of communities than standard density increases enacted through land use designation changes and rezonings. One commenter noted that gentle density "helps maintain the residential facade and aura of neighborhoods while offsetting the growing housing crisis". Zoning ordinances frequently regulate density based on the number of permitted dwelling units per acre. Some ADU ordinances exempt ADUs from this calculation because they are smaller and "gentler", while others do not. Four commenters expressed concern about excluding ADUs from density calculations, while one promoted the idea. For the former, the statement that "removing density calculations ignores serious stormwater considerations and parking" and the question "if a structure (accessory or not) is occupied on a full-time basis, why would we not consider the lot requirements for 'primary residence' to be potentially in scope? And why would we exclude the structure from density calculations?" exemplify the concern some have about treating ADUs differently than principal dwelling units. Another commenter, when describing what ADU requirements should avoid, stated "don't change the lot requirements, don't add additional parking requirements, don't include ADU in density calculations, reduce or eliminate impact fees".

Throughout its tenure, the Task Force examined ADU legislation from other states. Beyond California, state legislatures in Connecticut, Rhode Island, Montana, and Maine have also passed laws that mandate ADUs at the local level in some form and exert varying degrees of state pre-emption of local planning and zoning authority. Someone in favor of ADUs is not necessarily in favor of state mandates, and those in favor of state mandates may disagree on the severity of pre-emption. Commenters had a lot to say about state ADU mandates in Maryland, with ten comments generally in favor, four opposed, and three neutral or informative. One commenter noted that the "assertion that each locality is somehow a unique and special snowflake is going to lead to NIMBYism (Not in My Backyard) that we already see on ADUs and housing. Localities love to exclude, and the state needs to do something about it". Another commenter stated that "to see any real uptake in ADUs we will need to go from just passively permitting ADUs to actively promoting them as they are doing in California. We need to continually remove restrictions and barriers to getting ADUs created". Demonstrating that the issue is not black and white, one commenter in support of a state mandate recommended flexibility based on local conditions, noting that "the State should be able to require an ADU policy. The policy would not have to be one size fits all, but there should be something mandated to relieve the housing crisis".

On the other end, one commenter opposed to ADU mandates in Maryland explained that they would have unanticipated consequences because older communities have small lot sizes that cannot accommodate additional units and parking, homeownership initiatives would be undermined, and investors would take advantage of the mandate and further degrade neighborhoods. Another suggested that the Task Force's preference for by-right approval of ADUs, which a few other states mandate, is premature. They argued that "I value the respect of privacy and rights, the task force seems most interested in green lighting the allowance and permitting of ADUs on account of solving the housing shortage. Please share with the public how current/existing ADUs have been tracked and measured for how they are helping the

housing shortage. In other words, beyond a survey of public opinion on how people think ADUs "can" be used, let's audit the number of units that are currently built and how they are being used". Finally, one asked the question "would state legislation possibly preempt local farmland preservation regulations?", highlighting that state legislation to support ADU construction cannot be considered in a vacuum.

Conclusion

As previously noted, the preponderance of comments express support for ADUs and for the Task Force to recommend assertive measures to encourage their development in Maryland. It is important to recognize, however, that those in favor of ADUs and state legislation are more likely to be aware of the Task Force's existence and engage in its deliberations, thus skewing toward favorable comments. Some commenters may also have a financial interest in local ordinances or state legislation that liberalizes ADU construction. The Task Force was neither designed nor equipped to administer objective and fully representative surveys, nor other forms of outreach that ensured every possible ADU viewpoint would be represented. SB 382 required the Task Force to "study available best practices for streamlining or standardizing the application process for permits necessary to build or operate an accessory dwelling unit", indicating a desire of the General Assembly, which adopted the bill, to discern ways in which ADUs can be expanded and serve as a viable housing option for Marylanders. The comments, on balance, demonstrate a favorable opinion of ADUs. They are most informative, however, in how they recommend ADU development be encouraged, which in turn informs the Task Force's recommendations.