

ACCESSORY DWELLING UNIT POLICY TASK FORCE

October 31, 2023

7115 Ambassador Rd, Windsor Mill MD
Conference Room

AGENDA

9 – 9:10

9:10 – 9:20

9:20 – 9:30

9:30 – 10:15

10:15 – 10:45

10:45 – 11:15

11:15 -11:30

11:30 – Noon

Welcome & Overview

Administrative Updates

Recap of Previous Meeting

Resources and Best Practices

Topic Prioritization

Public Input, Research Methodology,
and Discussion

Public Comment

Summary and Final Thoughts

MEETING OBJECTIVES



Review and prioritize best practice topic areas to be examined by the Task Force will



Establish the Task Force's research methodology and future meeting topic areas



Review and discuss public comment


PUBLIC COMMENT

The Task Force will be accepting public comments at the end of each meeting, but not responding to questions

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

ADMINISTRATIVE UPDATES

- Financial Disclosure Exemption Request Submitted
- Appointee Exemption Disclosure
- OneDrive Shared Folder



Detached New Construction

PROS:

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

CONS:

- ✗ Most expensive

AVERAGE COST:
\$100,000+

SEPTEMBER 19 MEETING RECAP

WHAT WE HEARD



[Meeting recordings and materials](#) available on the ADU Task Force webpage

High cost of living in Maryland is causing people to leave

Barriers to ADU development

Promise of ADUs

Unintended consequences of ADUs

Not a silver bullet, but one tool among many

The Task Force may need to engage legal counsel

The Task Force needs to do something about ADUs, not just talk about them

9/19 DISCUSSION



Options for tracking ADU development

ADUs as short-term rentals can be counterproductive

Overregulation of ADUs can result in illegal versions

Building code, stormwater, sprinkler, water and sewer, and other requirements may hinder ADU development

Need to consider the inventory of jurisdictional services that ADUs impact

Develop and discuss ADU development scenarios

Don't lose sight of sustainability and health concerns

DEFINITIONS/FOCUS AREAS

Accessory Dwelling Unit

Areas Zoned for Single-Family Residential Use

ADUs for Rental Tenure

Considering ADU Best Practices that do not Require Owner-Occupation of Property

Short-Term Rentals (STR)

- The MD Tax Article defines STRs as “the temporary use of a short-term rental unit to provide accommodation to transient guests for lodging purposes in exchange for consideration.”



RESOURCES AND BEST PRACTICES

EXPANDING ADU DEVELOPMENT AND OCCUPANCY

AARP AND AMERICAN PLANNING ASSOCIATION



POLITICAL
CONSIDERATIONS



REGULATORY
CONSIDERATIONS



PROCEDURAL
CONSIDERATIONS



FINANCIAL
CONSIDERATIONS

POLITICAL CONSIDERATIONS


Seattle | English

Accessory Dwelling Unit

See also: [Garages](#)

What Is It?

An accessory dwelling unit (ADU) is a separate living space within a house or on the same property as an existing house. These units are not legal unless they have been established through a permit process. A legally permitted unit in the home is called an attached accessory dwelling unit (AADU). A legally permitted unit on the property (but not within the home) is called a detached accessory dwelling unit (DADU) or backyard cottage. Tiny houses, with foundations, are considered DADUs.



Note: Tiny houses on wheels are treated like camper trailers. You cannot live in a tiny house on wheels (or similar equipment such as RVs and boats) on lots in Seattle city limits. If your tiny house has wheels you need to follow parking rules for large vehicles.

Seattle, WA created an ADU information hub.
<https://www.seattle.gov/sdci/permits/common-projects/accessory-dwelling-units>

Understanding

Inclusivity

Local Planning & Zoning Control

REGULATORY CONSIDERATIONS

Lexington MA Accessory Dwelling Unit Zoning

PATHWAY: [Energy Efficiency, Conservation, and Fuel Switching in Buildings and Industry](#) → [New Buildings](#) → [Zoning](#)
PATHWAY: [Energy Efficiency, Conservation, and Fuel Switching in Buildings and Industry](#) → [Existing Buildings](#) → [Energy Efficiency](#)
JURISDICTION: [Local Governments](#)

Lexington MA's zoning code permits Accessory Dwelling Units (ADUs) so long as they are located in the principle dwelling, the gross floor area does not exceed 1,000 square feet, and there are no more than two bedrooms.

ADUs help increase neighborhood densities, which diminishes demand for automobile travel. ADUs, being smaller than traditional single-family homes, also consume fewer natural resources in the construction process as well as the during the day-to-day operation of the unit.

Locating ADUs

Discretionary Approvals

Zoning Standards

Lexington, MA modified its zoning ordinance to permit internal and attached ADUs by right in certain single-family districts while requiring discretionary permits for detached ADUs.

<https://lpdd.org/resources/lexington-ma-accessory-dwelling-unit-zoning/>

PROCEDURAL CONSIDERATIONS



Glenwood Springs, CO offered an amnesty period in 2017 for owners of unpermitted ADUs which required a building code inspection and the correction of code violations. <https://www.cogs.us/DocumentCenter/View/88/Accessory-Dwelling-Unit-ADU-Guide-PDF?bidId=>

Applicant Education and
Technical Assistance

Uncertain Processes

Unpermitted ADUs

FINANCIAL CONSIDERATIONS



Santa Cruz, CA created the My House, My Home Program in 2015, in which the city provides financial assistance to the local Habitat for Humanity to construct accessible ADUs on the properties of extremely low-income senior homeowners. <https://sccoplanning.com/Portals/2/County/adu/My%20House%20My%20Home%20Loan%20Program.pdf>

Planning & Design Costs

Construction Costs

Development Fees

NEIGHBORHOOD LIVABILITY ISSUES

“Telling people this is a great idea is despicable, it is ruining older neighborhoods left and right. Shame on you!”

Maxable

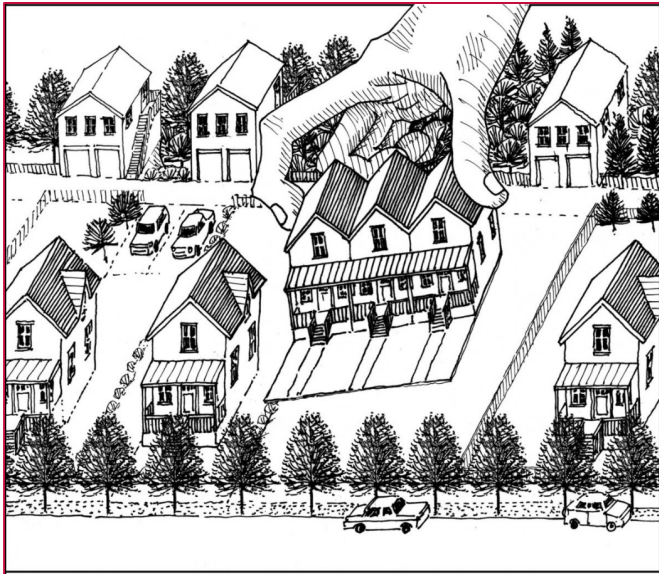


Image: CNU

Common Concerns

National case studies

Increased density and transients

Increased traffic & reduced parking

Higher percentage of renters

Declining home values

NEIGHBORHOOD LIVABILITY ISSUES

The **ABCs** of **ADUs**

A guide to
Accessory Dwelling Units
and how they expand housing options
for people of all ages



BASEMENT ADU



DETACHED ADU



ATTACHED ADU



SECOND-STORY ADU



GARAGE-CONVERSION ADU

AARP
Real Possibilities

Common Benefits

Seniors

Housing Choice

Tax Benefits

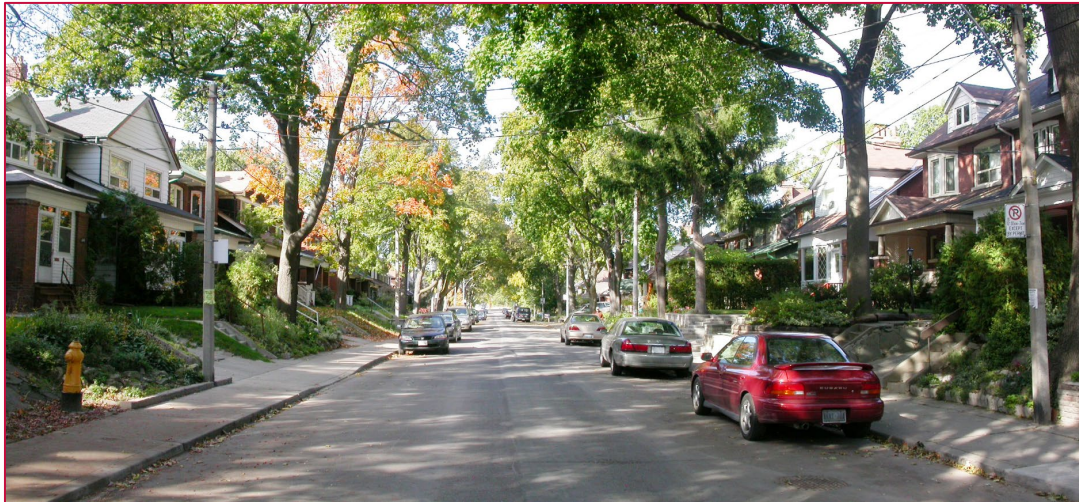
Smart Growth

Community

BEST PRACTICES

“Traffic and parking will become a problem as more cars are parked on residential streets, if garages are being converted to ADUs”

Maxable



Parking

Context/Design

Definitions/Graphics

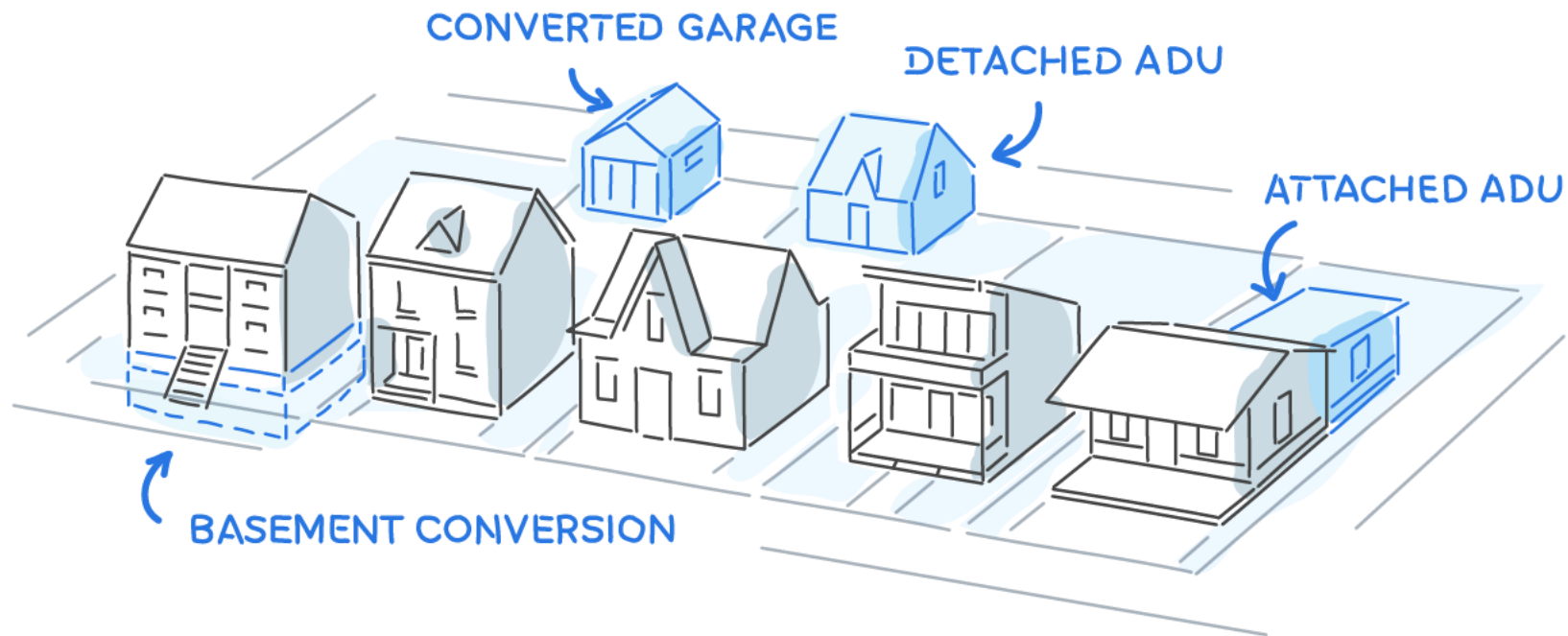
Foundations

Occupancy

Pre-Approved Designs

ADUs - COST AND AFFORDABILITY

Accessory Dwelling Units



MARYLAND HB 1045 DEFINITIONS OF AFFORDABLE HOUSING FROM THE MDP HOUSING DATABASE

[HTTPS://APPS.PLANNING.MARYLAND.GOV/HB1045/INDEX.HTML](https://apps.planning.maryland.gov/hb1045/index.html)

County Area Median Income i

2023 AMI for Prince George's[Washington-Arlington-Alexandria,DC-VA-MF HUD Metro] : \$152,100

HB 1045 Household Income Levels/Ranges

Workforce Ownership Range (60% - 120% AMI) : \$91,260 - \$182,520

Workforce Rental Range (50% - 100% AMI) : \$76,050 - \$152,100

Low Income (< 60% AMI) : \$91,260

Very Low Income (<50% AMI): \$76,050

Affordable Homeowner/Rental Monthly Payments (Based on 30% of Household Income)

Workforce Ownership Range : \$2,205 - \$4,411

Workforce Rental Range : \$1,838 - \$3,676

Low Income : \$2,205

*The ranges and limits in this table are calculated using .29% of income as a measure of cost burden.

HOW MUCH DOES IT COST TO BUILD AN ADU?

The cost associated with new detached ADU would be very similar to the costs of a single-family detached home.

Additions attached to a single-family home may also be similar.

What are the costs for a home conversion, or another structure on the property being converted?

<https://www.houzeo.com/blog/how-much-does-it-cost-to-build-a-house-maryland/>



Detached New Construction

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ADU CONSTRUCTION

ADUs may be more affordable for a homeowner to build because

No land cost.

No excavation - usually built on slab or are a conversion of existing structure.

Reduced infrastructure and easily connected to utilities.

Small size - ADUs generally range in size from 600 to 1,200 square feet.

- On average, it costs \$150 per square foot to build a home in Maryland, excluding land, permit fees, excavations, and other costs.



FHA EXPANDS ACCESS TO MORTGAGE FINANCING FOR HOMES THAT HAVE OR WILL INCLUDE ADUS

Press release HUD No. 23-237 – October 16, 2023

- Allow 75% of the estimated ADU rental income for some borrowers to qualify for an FHA-insured mortgage on a property with an existing ADU. This additional income flexibility will help to increase access to homes with ADUs for homebuyers with limited incomes, allowing them to benefit from the wealth-building opportunity of a property with an ADU.
- Use 50% of the estimated rental income, for some borrowers, from a new ADU the borrower plans to attach to an existing structure, such as in a garage or basement conversion, to qualify for a mortgage under FHA's Standard 203(k) Rehabilitation Mortgage Insurance Program. This will enable more homeowners with limited incomes to build ADUs, helping them sustain homeownership and expanding the production of ADUs as rental housing.
- Include ADU-specific appraisal requirements for appraisers to clearly identify, analyze, and report on ADU characteristics and the estimated rent the ADU can be expected to generate. The guidance provided in the Mortgagee Letter will assist appraisers to more accurately determine the market value of a property with an ADU and also will help advance the maturation of ADU valuation, thereby increasing access to ADU financing as more cities and states remove zoning barriers.
- Add ADUs to the types of improvements that can be financed under FHA's mortgages for new construction. This allows new homes to be built with ADUs from the ground up, an important source of ADU production in addition to rehabilitating existing structures.

TASK FORCE MEMBER RESOURCES



[Some Valley Cities Rethink Rules on Casitas](#) (Arizona Republic, 9/17/23): James Gaston, III



[Leesburg Council Passes Ordinance for Extended Family Residences](#) (Loudoun Times, 4/19/12): Deborah Buelow, AIA | Well AP



[State of Maryland Housing 2023](#) and [National Association of REALTORS® 2023 Report](#): Tiffany Harris, Broker



Queen Anne's County [Affordable Housing Strategy Overview](#) and [2021 Workforce Housing Financial Analysis](#): Amy Moredock, CFM

ADU LEGISLATIVE PURPOSE STATEMENTS (STATES)

Washington HB 1337: Many cities dedicate the majority of residentially zoned land to single detached houses that are increasingly financially out of reach for many households. Due to their smaller size, accessory dwelling units can provide a more affordable housing option in those single-family zones.

New Hampshire SB 146: Demographic trends are producing more households where adult children wish to give care and support to parents in a semi-independent living arrangement.

Colorado SB 23-213 (Failed): It is the intent of the General Assembly to increase housing supply, allow more compact development, encourage more affordable housing, encourage more environmentally and fiscally sustainable development patterns, encourage housing patterns that conserve water resources, and encourage housing units that are located in close proximity to public transit, places of employment, and everyday needs

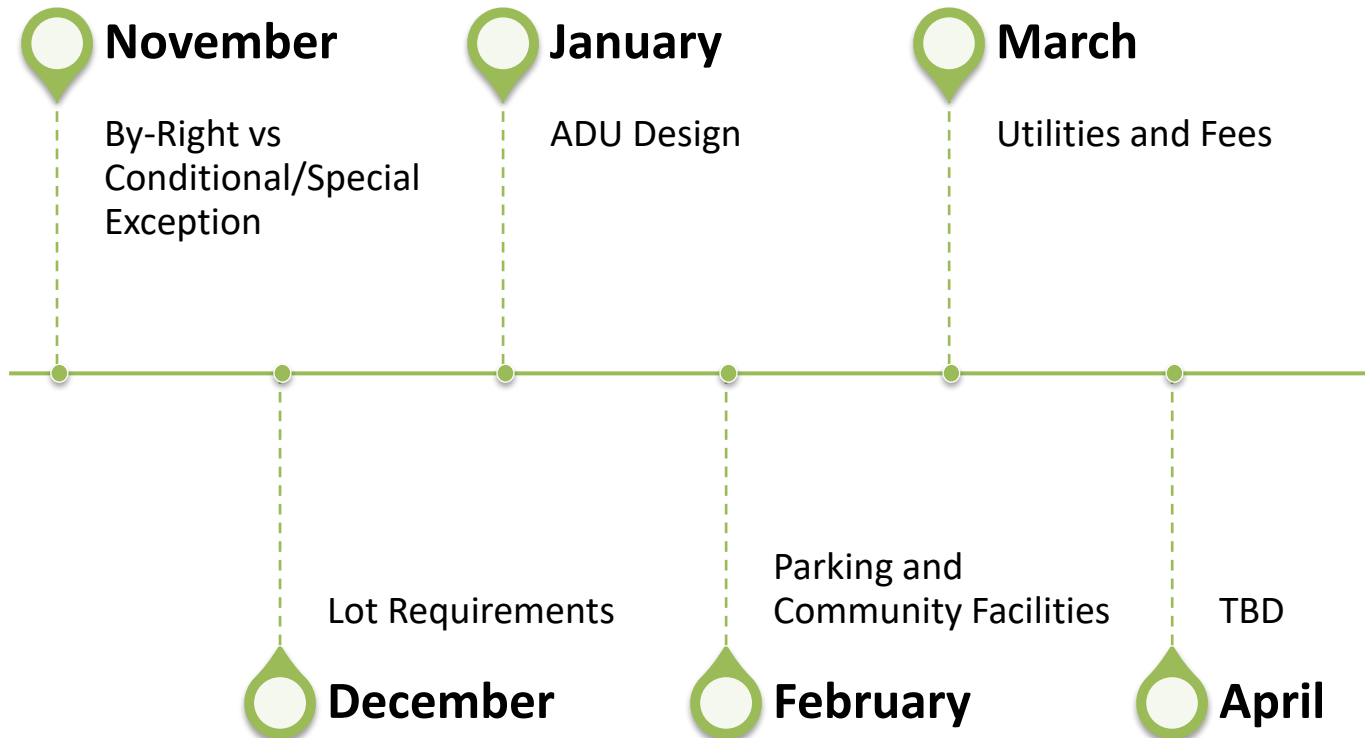
ADU ORDINANCE PURPOSE STATEMENTS (MARYLAND JURISDICTIONS)

Cecilton: Both the homeowner and the community can benefit from the presence of accessory apartments, if they are carefully managed. The most obvious public benefit of accessory apartments is that they offer a source of inexpensive housing units in the community with virtually no conversion of land use to produce them.

Indian Head: It is the specific purpose and intent to allow accessory apartments through conversion of existing larger residential structures located in those zones permitting residential uses and to provide the opportunity and encouragement to meet the special housing needs of single persons and couples of low and moderate income, both young and old, as well as relatives of families.

Wicomico: Ensure that accessory apartments are compatible with the desired character and livability of Wicomico County's residential districts; respect the general building scale and placement of structures to allow sharing of common space on the lot, such as driveways and yards; and ensure that accessory apartments are smaller in size than the principal dwelling.

STATE LEGISLATION AND MARYLAND INVENTORY OF ADU ORDINANCES





TOPIC PRIORITIZATION

TASK FORCE MEMBER PRIORITIZATION

Task Force Member Survey

Priority Topics	Priority 1	Priority 2	Priority 3	Sum Weighted Total
State Legislation	2	3	0	12
Aging in Place	3	1	1	12
Best Practices and Examples	3	0	2	11
Housing Affordability	2	2	1	11
Model Local Legislation/Ordinances	1	3	1	10
Design Guidelines	1	2	1	8
Parking Requirements	1	2	1	8
Overcoming Local Opposition	1	1	2	7
Housing Market Analyses	2	0	1	7
ADU data	2	0	1	7
Infrastructure Capacity	0	1	3	5
Permitting and Code Enforcement	1	0	1	4

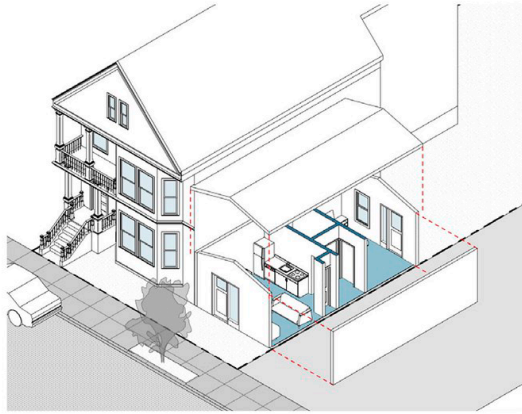
Planning Contacts Survey

Priority Topics	Priority 1	Priority 2	Priority 3	Sum Weighted Total
Best Practices and Examples	16	7	6	68
Infrastructure Capacity	11	13	5	64
Model Local Legislation/Ordinances	11	9	12	63
Parking Requirements	13	7	6	59
Design Guidelines	7	12	8	53
Permitting and Code Enforcement	10	7	5	49
Housing Affordability	7	10	6	47
Aging in Place	8	6	8	44
ADU Data	9	5	2	39
Housing Market Analyses	7	4	7	36
Overcoming Local Opposition	5	4	9	32
State Legislation	4	6	8	32

DISCUSSION

Why do the prioritization responses align in some areas and diverge in others?

How does the prioritization of Maryland's planning contacts inform the work of the Task Force?



Primary Considerations

A small one-bedroom or efficiency studio is typically all that can be accommodated in a free-standing garage, unless the footprint is expanded (see "Variations").

Historic Preservation: Changing the front of the garage to install the swing door will create a change visible from the street. Historic preservation review may also be required if the building is identified as historically significant or potentially significant as described in Chapter Two.

Exiting & Fire Ratings: If there is no access to

the street, compliance with the emergency egress opening requirements may dictate that the sleeping space be located with direct access to the sidewalk, (other than to the rear yard as shown in our example) unless the rear yard is deep enough to provide a safe refuge (typically over 25' from the building).

Since these are two separate buildings on the same property, the fire-rating requirements of the walls between the primary residence and the garage/dwelling unit need to be reviewed as part of the pre-application meeting.

Fire Sprinklers: The common fire protection



PUBLIC INPUT, RESEARCH METHODOLOGY, AND DISCUSSION

PUBLIC INPUT AT A GLANCE (COMPLETE COMMENTS)

ADUs can contribute to economic development and employment

ADUs will have a negative impact on neighborhood character and sustainability, including loss of open space and pervious land cover and stormwater management impacts

State legislation can support residential unit construction and overcome NIMBYism

Infrastructure, water and sewer capacity, and code enforcement must be addressed if ADUs are to be viable and so current residents are not negatively impacted

We need to remove as many regulatory barriers as possible

ADU ordinances will only encourage investors to buy up properties

Conflicting comments on *One Size Fits All*

Must include homeowners in any focus groups

Conflicting comments on ADUs and aging in place

ADUs are not necessarily affordable. Tenant protections are also needed

Homeowners need financial incentives to construct ADUs

RESEARCH METHODOLOGY



Housing Market Analysis Update



Ongoing Best Practices Literature Review



Organized by Topics



Focus Groups, Interviews, Guest Speakers

DISCUSSION QUESTIONS

Other than what has been discussed already today, what are some examples and best practices that support the development of ADU ordinances and units?

Should the Task Force seek additional insight into ADUs from Maryland jurisdictions? If so, in what form should the Task Force seek this insight?

Are there any other examples of local regulations (building code, code enforcement, utility metering, real estate) that the Task Force should research and compile?

If the Task Force decides to conduct focus groups and interviews and invite guest speakers as part of our research methodology, who should the Task Force invite, interview, and/or organize into focus groups?

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

- Submit activities report to Governor and General Assembly. Due November 1
- Finalize housing market analysis approach and partners. Main topic of November Task Force meeting.
- Follow up with offers of assistance
- Establish qualitative research format and partners
- Task Force member research assignments
- Best practices review by topic area
- Next meeting: November 28, location TBD

ADJOURN