



# Maryland

## DEPARTMENT OF PLANNING

### ADU Policy Task Force Housing Market Analysis Plan: November 28, 2023

#### Housing Market Analysis Requirements of SB 382

The legislative and policy recommendations, as well as the best practices, which the Task Force must include in its final report to the Governor and General Assembly must “holistically address the **impacts on local housing markets, neighborhood livability**, and other policies and projects related to accessory dwelling units”.

#### Housing Market Analysis Objectives

The Task Force will...

- consider and analyze how state and local ADU policy, regulation, and implementation facilitate and/or deter the construction of ADUs.
- evaluate how the construction of ADUs affects the viability and appeal of local housing markets.
- compare and contrast the impact of policy versus market demand on the proliferation of ADU development.
- evaluate how ADUs impact neighborhood livability in relation to the provision of public facilities, sustainability, affordability, and other quality of life factors.

#### Housing Market Analysis Approach

The Task Force will complete the housing market analysis using an almost entirely qualitative approach. MDP staff will insert quantitative data and insights for focus group, interviewee, and Task Force consideration through feedback from SDAT (ADU impact on property assessments) and Planning Contacts (permitting data where available), but the data will be too limited to inform a true quantitative analysis prior to the June 1, 2024 final report due date.

The Task Force will use focus groups, interviews, guest speakers, and deliberations to talk to experts and among the group. When available, focus groups are preferred, but if insufficient participants are identified or recruited, or if scheduling is an insurmountable barrier, the Task Force will use interviews. In addition to specific questions developed for the respective focus groups/interviews (ie. housing advocates, planning directors), all focus groups/interviewees will be asked the following questions to inform the qualitative housing market analysis and access as broad a perspective as possible. Using this method, the Task Force will build and complete its housing market analysis in coordination with its other SB 382 required deliverables.

- What has the local government experience taught us about ADUs and the housing market? What prevents them from being a viable housing product? Conversely, what facilitates them as one?

***Purpose: Responses to this question will inform how local policies, community engagement, and the built environment have both impacted and been impacted by ADUs.***

- What is the interplay of policy or ordinance changes and market demand in the proliferation of ADUs? How do they impact each other? Do certain policies or ordinances work better in certain types of communities?

***Purpose: Responses to this question will inform a market analysis that accounts for distinctions in local housing demand and help the Task Force determine if impacts should be considered differently based on the type, size, and character of communities.***

- What practical issues associated with the development of accessory dwelling units on land zoned for single-family residential use should the Task Force address?

***Purpose: Responses to this question will ensure that the market analysis focuses the appropriate level of attention on single-family zoned land, which SB 382 specifically targets for analysis. Responses will also help prevent the analysis from addressing the housing market on a purely analytical and abstract level and ground it in the realities and intricacies of land development.***

- From your experience, how have ADUs impacted neighborhood livability?

***Purpose: Responses to this question will directly address the neighborhood livability requirements of SB 382 and provide a full picture of ADU impacts for the Task Force.***

- How can ADU policies and regulations be designed to minimize negative impacts on neighborhood livability and ensure that ADUs increase the supply of affordable housing?

***Purpose: Responses to this question will directly address the neighborhood livability requirements of SB 382 and inform potential Task Force recommendations that balance the need for housing affordability and neighborhood stability.***

### Role of Potential Intern

The intern will aid the ADU housing market analysis by performing literature review and analysis on best practices for ADU proliferation and any demonstrated impacts on local housing markets and neighborhood livability. This research will include examples, data, and research completed in other states as well as in Maryland. The intern will develop a final analysis and report for the April meeting of the Task Force, which will be due to MDP staff in mid-March.

### Final Analysis Review, Deliberation, and Recommendations

During the April 16, 2024, meeting, MDP staff and the intern will present compiled and categorized housing market analysis research (quantitative as available, qualitative, and literature review sources) to the Task Force, organized around the objectives stated above. Staff will lead the Task Force through a discussion which measures the research against the preliminary legislative and policy recommendations previously developed by the Task Force in earlier meetings, and as described in the meeting organization plan.