

ACCESSORY DWELLING UNIT POLICY TASK FORCE

March 19, 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 Parking and Community Facilities Recommendations

10:00 – 10:45

Research and Reporting

10:45 – 11:30

Utilities and Fees

11:30 – 12:00

April 16 Meeting Preparation

12:00 – 12:15

Public Comment

12:15 – 12:30

Summary and Final Thoughts

MEETING OBJECTIVES



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



Develop preliminary legislative and policy recommendations related to ADU utilities and fees



Compile a list of best practices for local governments that address the practical issues associated with ADU utilities and fees



Prepare for April 16, 2024, recommendations prioritization



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](#)**.

Members of the public joining online can submit comments via the chat function. The Task Force will only unmute those joining online time permitting.



Detached New Construction

PROS:

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

CONS:

- ✗ Most expensive

AVERAGE COST:
\$100,000+

PRELIMINARY PARKING AND COMMUNITY FACILITIES RECOMMENDATIONS

PRELIMINARY PARKING AND COMMUNITY FACILITIES RECOMMENDATIONS



[Meeting recordings and materials available on the ADU Task Force webpage. 2/20/24 Meeting Notes](#)

Local Governments

Consensus that parking and community facilities requirements should be flexible and responsive to local context, not be used as a tool to limit ADU development where it would otherwise be viable and support multi-modalism.

- Zoning ordinance parking requirements should be designed to facilitate rather than limit or burden ADU development.
- ADU parking requirements should consider...
 - proximity to transit, burden of construction cost on homeowners, sufficiency of curb area for on-street parking, increase in impervious surface
 - variability of requirements based on lot size
- APFOs should account for lower rate of school age children in ADUs

State Government

Incentives, guidance, research, and TOD support

- Incentivize TOD responsiveness and discourage requiring more than one off-street parking space
- State agencies should analyze and develop guidance on...
 - maximum parking standards
 - the applicability and scale of school APFO tests to ADUs based on student generation estimates.
 - the documented parking, community facilities, and infrastructure impacts of ADU development

Best Practices

Zoning district/community context

- Variability by zoning district or neighborhood includes..
 - No parking requirements if...
 - proximate to transit, sufficient curb area, higher level of impervious surface or smaller lot sizes
 - One off-street parking space if ...
 - medium to larger lot sizes and construction of ADU removes existing space
 - largest lot sizes for ADUs 1.5 times larger than min ADU size
- Off-street parking spaces should be allowed in setback areas

RESEARCH AND REPORTING

RESEARCH

2/20 HOA and Community Associations Focus Group

ADUs and/or single family to multifamily conversions can negatively impact neighborhoods with struggling housing markets

ADUs in high-cost communities will not be affordable

ADUs should be strictly limited, if not prohibited, in communities served by septic systems

ADU ordinances and permitting are only as good as a local government's ability to enforce them

ADUs can provide accessible housing for vulnerable populations, provide additional income for homeowners, and support diversity

ADU owners may have to pay additional local fees as they are increasing the impact on services, capacity, and infrastructure.

- Environmental Organizations Survey Responses due by 4/5
- Focus Groups and Panels
 - Summaries posted to [webpage](#)
 - 3/13 Housing Organizations Focus Group
 - **Lisa May:** Maryland REALTORS
 - **Trudy McFall:** Anne Arundel County Affordable Housing Coalition
 - **Jessica Zuniga:** Maryland Affordable Housing Coalition
 - **Cheryl Meadows:** Salisbury Neighborhood Housing Services
- Restrictive Covenants

3/13 HOUSING ORGANIZATIONS FOCUS GROUP

What has the local government experience taught us about ADUs and the housing market?

- Lack of regulatory uniformity between jurisdictions depresses ADU market
- Skepticism about ADUs as 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?

- 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 must the Task Force address?

- 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 issue is parking, then address parking!
- Minimum lot size and height limitations
- Short term rentals in ADUs can ruin a neighborhood

3/13 HOUSING ORGANIZATIONS FOCUS GROUP

How can ADU policies, regulations, and programs be designed to ensure that ADUs serve as an affordable housing option?

- Income restrictions in ADUs infeasible
- Smaller ADUs in expensive neighborhoods yield more moderate costs
- 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?

- Your grandson does not have to live in your basement
- Owner occupancy requirements
- 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?

- Government financing to support ADUs
- Redundant and too frequent lead paint inspection requirements
- Using rehab loan funds for ADU construction
- Use real estate data to inform decisions
- Collaborative technical assistance

REPORTING

- [Final Report Outline](#)
 - Priority Recommendations
 - Process
 - Best Practices by Topic
 - Appendices
- [Glossary Updates](#) (Task Force Internal Link)
- [Zoning/Building Code/Other Regulations](#)

Accessory Dwelling Unit Policy Task Force

Final Report Outline

I. [Letter from Task Force to the General Assembly and Governor](#)

II. [Executive Summary](#)

Note: The executive summary will be written last, following the completion of the rest of the report.

III. [Priority Recommendations](#)

Note: These will be discussed, and preliminary versions developed, during the April meeting and will include a chart or table that organizes recommendations around community scale, size, and other characteristics.

IV. [Purpose](#)

In accordance with 2023's [SB 382](#) and State Government Article [§2-1257](#), the Task Force submits this document to report on its findings and recommendations to Governor Wes Moore and the Maryland General Assembly. The Task Force's purpose was to survey and document state and local codes, laws, ordinances, and policies about locating/developing accessory dwelling units (ADUs) in single-family residential zones.

SB 382 defined ADUs as secondary dwelling units on the same lot, parcel, or tract as a primary dwelling unit that are constructed:

- attached to, or through the conversion of, a portion of the primary dwelling [unit](#);
- attached to, or through the full or partial conversion of, an accessory structure located on the

ZONING/BUILDING CODE/OTHER REGULATIONS

Zoning

Lot Coverage
Far/lot occupancy
Set Backs (front, side & rear)
Height Restrictions
Parking Requirements
Historical District
Owner Occupation
Impact Fees
Neighborhood Density
Permeable & Impermeable Surfaces
Open Space
Neighborhood Livability
Size restrictions-maximum & minimum
Occupancy

Building Code

Sprinkler/ Fire Suppression
Egress
Life Safety
Room Size
Electrical
Mechanical
Plumbing
Accessibility
Fire Spread
Energy Efficiency
Construction Quality
Occupancy

Architectural, Historical & HOA Review Boards

Character of Exterior Material
Character of Lot
Restrictions
Restrictive Covenants

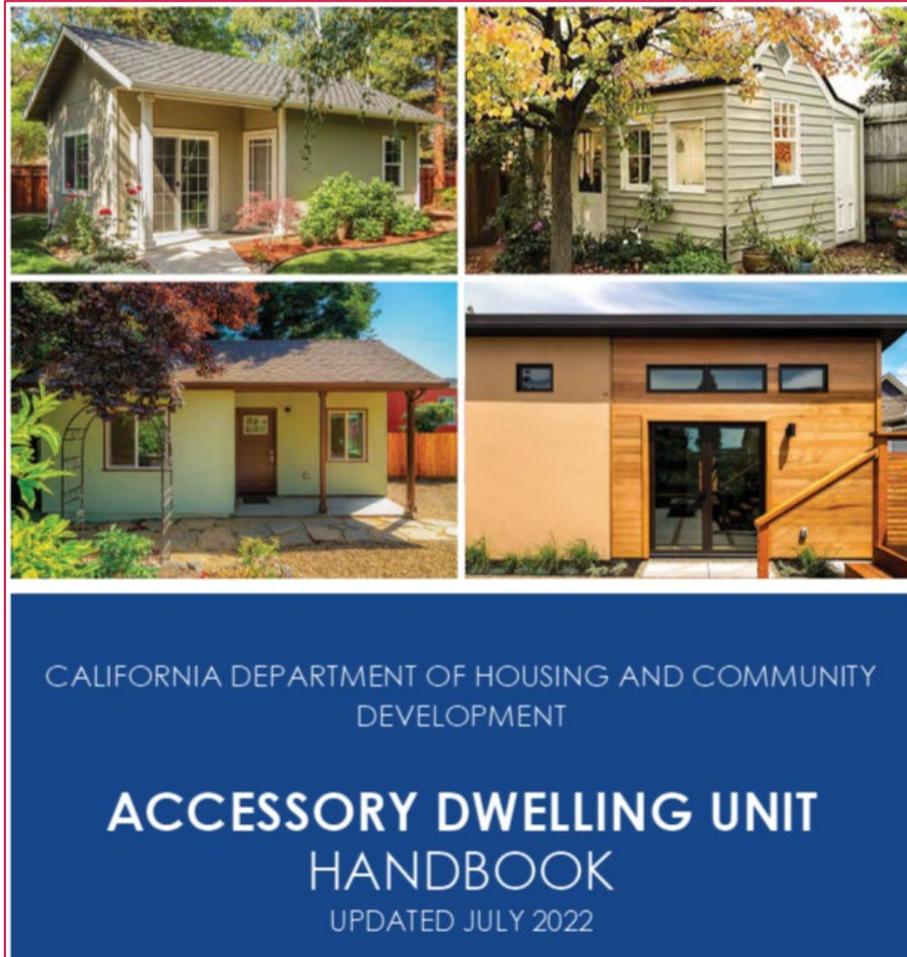
Other

Groundwater
Critical Area
Infrastructure
Stormwater management (DEP)
Loans & Grants
Property Values/ Assessments
Building Cost
Housing Policies (HUD)
Tiny Houses on Wheels
Insurance



UTILITIES AND FEES

RESOURCES AND EXAMPLES



[California ADU Handbook \(2022\)](#)

Permits locational limitations on ADU allowances only “based on the adequacy of water and sewer service and on the impacts on traffic flow and public safety”

[AARP Model State Act \(2020-2021\)](#)

Prohibits requiring ADU applicant to install new or separate water and sewer lines unless constructed at same time as single-family dwelling
Applicants can use shared meter or install a separate meter
ADUs shall not be considered a new residential unit for purpose of fees or capacity charges
No impact fees for ADUs less than 750 sq ft

[Equity in Zoning Policy Guide, APA \(2022\)](#)

Recommends reducing application or development impact fees for projects that improve neighborhood equity and opportunity

[Recommendations for Alexandria, VA, Urban Institute \(2020\)](#)

Reduce fees by allowing ADUs to share sewer and water lines with principal structure

[Access Inventory Here](#)

MARYLAND INVENTORY ANALYSIS

MARYLAND SUMMARIZED: UTILITIES



Lot size requirements impacted by availability of sewer

Not counted against density if connected to public water and sewer

Most prohibit separate connections for ADUs

Most ADU ordinances do not address utilities specifically

Some require sewer service, but surprisingly few

ADU approval and water/sewer system used based on health or utilities/public works department approval and capacity

MARYLAND UTILITIES EXAMPLES

Baltimore County

- If an internal ADU, it **may not have separate utility meters**, such as gas and electric
- If in an accessory building on owner-occupied property, “The accessory apartment may not have separate utility meters or water and sewerage services unless **approved by the Office of Administrative hearings** based on specific findings of necessity for the accessory building.”

Chesapeake Beach

“The principal dwelling shall be a single-family detached dwelling and shall be located on a lot of **at least 7,500 square feet served by public water and sewer.**”

Indian Head

“Prior to the issuance of a building permit for the establishment of an accessory apartment in an existing residential structure, or the conversion of an existing accessory building to an accessory apartment use, **approval of the proposed method of water supply and sewage disposal shall be obtained.**”

MARYLAND UTILITIES EXAMPLES

Caroline County

“ADUs **shall not have separate water and sewerage facilities** from the principal dwelling.”

Trappe

“Accessory dwelling units that rely on the same water connection **shall not be counted in the overall density calculation.**”

Talbot County

- Detached ADUs permitted on **lots 1 acre or more if on septic** or on **lots 1/2 acre or more on sewer**
- On lots of **5 acres or less, ADUs must use the same sewage disposal system** as the primary dwelling

MARYLAND SUMMARIZED: FEES



Some exempt ADUs
from school and other
impact fees

Based on Equivalent
Dwelling Units

Required if unit
necessitates capacity
enhancements

Most ADU ordinances do not
address fees specifically

MARYLAND FEES EXAMPLES

Chestertown

“A **hookup fee for water and sewer shall be made to the town and separate water and sewer laterals will be required** if the Director of Utilities **deems it necessary** or deems the principal residence to have **inadequately sized lines** for the additional usage.”

Smithsburg

“A water allocation benefit charge shall be imposed in the amount of **\$2,600 per domestic equivalent unit for nonresidential or residential**, or any combination thereof, water hookups or usage, including the conversion of, alteration of, or additions to residentially used property already connected to the Town's water system, on a per-domestic-equivalent-unit basis (200 gallons per day/per annum) with residential usage being assessed at the number of residences, including **each apartment or housing unit as a separate unit**”

MARYLAND FEES EXAMPLES

Frederick Co (Special Exception if 1,000 s.f. or greater, By-right if less than 1,000 s. f.)

ADUs 800 sq ft or less are exempt from payment of school development impact fees

Anne Arundel

[Bill 6-23 \(passed 1/23\)](#) exempted ADUs from development impact fees.

[Access Other State Legislation Table Here](#)

OTHER STATE LEGISLATION ANALYSIS

OTHER STATES SUMMARIZED



Water/Sewer

- All permit some variation of ADU restriction for properties not served by public water and sewer
- Not more restrictive than existing requirements
- Local documentation of insufficient capacity permits jurisdictions to prohibit ADUs in impacted areas

Fees

- Many do not address fees
- Some prohibit, others limit permitted fees based on unit size or percentage of fees for principal dwelling
- Enabling authority to either impose or require impact fees for ADUs
- Distinction between ADUs added to lots with existing single-family dwellings and those added with new construction

LOWER-DEGREE STATE PRE-EMPTION: WATER/SEWER



[HB 1337 \(2023\)](#)

Jurisdictions **can prohibit** ADUs on lots not connected to public sewer



[SB 528 \(2023\)](#)

“A municipality **may require** an accessory dwelling unit to have a will-serve letter from both a municipal water system and a municipal sewer system.”

MODERATE-DEGREE STATE PRE-EMPTION: WATER/SEWER



[HB 06107 \(2021\)](#)

Must **not be more restrictive than other requirements** where "well or private sewerage system is being used, provided approval for any such accessory apartment **shall not be unreasonably withheld**".



[Rhode Island H 6082 \(2023\)](#) **Passed by the House and referred to the Senate*

"A municipality **shall not require** such permitted ADUs to make infrastructure improvements, including, but not limited to, separate water or sewer service lines or expanded septic system capacity; **unless such improvements and/or modifications are required for compliance under state law or regulation**"

LOWER-DEGREE STATE PRE-EMPTION: IMPACT FEES

Permitted: Colorado

Not specified

- Arizona, Connecticut, Maine, New Hampshire, Oregon

Enabling: Rhode Island

- Municipalities *may* exempt ADUs from impact fees

MODERATE TO HIGH LEVEL STATE PRE-EMPTION: IMPACT FEES



Not greater than 50% of that which would be imposed on the principal dwelling unit



Prohibited if unit is less than 750 sq ft, otherwise must be in proportion to the sq ft of the principal dwelling unit



Prohibited

PUBLIC COMMENT ON UTILITIES AND FEES

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.

If a goal is to keep the ADUs as an accessory unit within an owner-occupied home/property, I would suggest that **the requirement be that there are no separate utility accounts** for the ADUs. Makes it less attractive for a non-onsite landlord.

This is a bad idea given the way people obey present laws. **I think wastewater will become a problem and electrical hook-ups will be haphazard and dangerous.** Unless the state can ensure all permits are acquired and passed, ADUs are a bad idea.

In total, with labor and materials, Montgomery county requirements for a detached ADU will **cost somewhere between 15-20K more** than the exact same size and finished unit in Arlington. This is regardless of whether or not the property is on well/septic. **These requirements are the same for ADUs served by public water/sewer OR via well/septic.** However, if the property is on well/septic, it is much, much more

Don't change the lot requirements, don't add additional parking requirement, don't include ADU in density calculations, **reduce or eliminate impact fees.**

DISCUSSION

What preliminary legislative and policy recommendations, related to utilities and fees, should the Task Force include in its final report to the Governor and General Assembly?

What preliminary best practices, related to utilities and fees, should the Task Force include in its final report to the Governor and General Assembly?

What additional research, if any, is needed to address this topic?

APRIL 16 MEETING PREPARATION (9:30 – 1:30)

Recommendations Prioritization

Housing Market Analysis

- [11/28/23 Plan](#)

Compiled Public Comments

Environmental Organizations Survey Results

Other Topics

Discussion



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



Distribute environmental organizations survey and encourage completion



Housing market analysis



Continue developing a glossary of terms



Craft preliminary utilities and fees recommendations



Next meeting: April 16, **9:30 am – 1:30 pm**. Location: MDP Office

ADJOURN