

The Honorable Brian J. Feldman, Chair and Members, Education, Energy, and the Environment Committee Maryland Senate
Miller Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401

February 20, 2023

Dear Chair Feldman, Vice Chair Kagan, and members of the Education, Energy, and the Environment Committee:

My name is Dan Reed and I serve as the Regional Policy Director for <u>Greater Greater Washington</u>, a nonprofit that works to advance racial, economic, and environmental justice in land use, transportation, and housing throughout Greater Washington. We support Senate Bill 382, Accessory Dwelling Unit Promotion and Policy Task Force with amendments as a much-needed start to addressing our state's housing shortage.

Maryland is short 120,000 homes, according to Freddie Mac and the National Association of Realtors.<sup>1</sup> One reason is that new home construction in the state has fallen by half over the past 20 years. Fewer than 1,400 homes received building permits in December 2022, the last month for which records are available, compared to 3,200 homes in March 2005, the month with the largest number of permits in the 21st century.<sup>2</sup> Given the reality of supply and demand dynamics, the result is double-digit increases in home prices throughout the state, including Anne Arundel, Frederick, Howard, Montgomery, Prince Georges, and Baltimore counties, even as incomes have remained flat.<sup>3</sup>

This has real consequences: more traffic, more suburban sprawl, more companies who can't find employees – all of this exacerbating racial inequities. It also means more Marylanders who can't afford to live near jobs, education, friends and loved ones, medical care, or social or worship activities. This will only become worse in the coming years, as the state Department of Housing and Community

https://www.delmarvanow.com/story/news/state/2023/02/13/with-housing-in-short-supply-statewide-legislature-considers-adus/69885219007/

The Washington, DC region is great >>> and it can be greater.

<sup>1</sup> 

<sup>&</sup>lt;sup>2</sup> https://fred.stlouisfed.org/series/MDBPPRIVSA

<sup>&</sup>lt;sup>3</sup> Data from Bright MLS



Development anticipates nearly 100,000 families and individuals earning less than 50% of the state's median income will move here by 2030, requiring a dramatic increase in affordably priced homes.<sup>4</sup>

Senate Bill 382 can help us find a solution. Accessory dwelling units are an important source of more-affordable homes, and are a way to support the many different kinds of families who live here by allowing multiple generations to live together and share costs, providing homeowners with an additional source of income, and giving people more choices to live, or stay, in their community. We are hopeful that the ADU Promotion and Policy Task Force can identify best practices and craft legislation that actually ensures housing can get built—and that the cost is actually accessible for property owners.

We request two key amendments. Currently, the bill describes part of the Task Force's scope as studying items such as policies that would "establish limits on the maximum square footage of an accessory apartment," as well as existing laws and policies concerning "the management or limitation of residential growth" and "minimum lot sizes." This language could be construed as asking the Task Force to identify ways to limit or restrict ADU construction, which could undermine attempts to create more of them. We would recommend striking the language about limits on square footage, and adding language that emphasizes the Task Force's goal to increase ADU production. Additionally, we recommend that the task force include perspectives from architects who have designed ADUs and mortgage lenders who have financed them, as well as homeowners who have built or tried to build an ADU. Hearing from these professionals and the public will ensure that any resulting legislation does not unintentionally create new barriers to building these much-needed homes.

Thank you for your consideration of our comments. I am happy to discuss any questions or concerns you have by phone at **202/256-7238** or by email at **dreed@ggwash.org**, and we look forward to working with you to achieve our state's affordable housing goals.

Sincerely,

Dan Reed

Regional Policy Director

**Greater Greater Washington** 

<sup>&</sup>lt;sup>4</sup> https://dhcd.maryland.gov/Documents/Other%20Publications/Report.pdf