

CITY COUNCIL

READ FILE COVER SHEET

Subject: **Ordinance 1230 concerning Amending Chapter 147 Rental Property as it relates to Accessory Dwelling Units (ADUs)**
(Public Hearing)

Date: **9/9/2026**

Notice: Any comments made after 5:00 p.m. on the Thursday before the Council Meeting will not be seen in the agenda packet.

Purpose:

- ☐ FYI
- ☒ **Read and Comment as Needed**
- ☒ **Action Required by September 21, 2026**
- ☐ In Confidential File Drawer

Approve:

Johnny Boker ☐ Yes ☐ No ☐ No Comment

Comment: _____

Casi Boyer ☐ Yes ☐ No ☐ No Comment

Comment: _____

Lizz Clarke ☐ Yes ☐ No ☐ No Comment

Comment: _____

Matthew Ellis ☐ Yes ☐ No ☐ No Comment

Comment: _____

David Glenn ☐ Yes ☐ No ☐ No Comment

Comment: _____

Vicki Jones ☐ Yes ☐ No ☐ No Comment

Comment: _____

Note: Legislative summary attached.



CITY OF HAVRE DE GRACE

OFFICE OF THE MAYOR

William T. Martin

MEMORANDUM

TO: The Honorable Council President Casi Boyer and
The Honorable Members of the City Council

FROM: Adam Rybczynski, Senior Aide to the Mayor

DATE: September 4, 2026

SUBJECT: Introduction of Ordinance - Chapter 147 (Rental Property) Regarding Accessory Dwelling Units (ADUs)

1. Administrative and Legal Review

At the direction of Mayor Martin, the City Attorney and the Director of Planning Geoff Goins, have drafted the attached ordinance.

2. Executive Summary

On behalf of Mayor Martin, the administration requests the introduction and passage of the attached ordinance amending Chapter 147 (Rental Property) of the Havre de Grace City Code as it relates to Accessory Dwelling Units (ADUs).

The proposed legislation establishes clear regulatory frameworks distinguishing long-term rental uses of ADUs from short-term rental (STR) uses. The primary policy rationale is to ensure that as ADUs are integrated into the city's housing supply under Chapter 205, proper oversight, health and safety standards, and neighborhood consistency are maintained. It ensures long-term rentals follow standard rental licensing, while preventing ADUs from bypassing existing short-term rental caps, licensing requirements, or district safety rules.

3. Existing City Code or Legislation

- **Code Citation:** City Code Chapter 147 (Rental Property), specifically amending § 147-2 (Definitions), § 147-13 (Applicability), § 147-14 (License Required), § 147-16 (Short-Term Rental District), § 147-18 (Maximum Number of Licenses), § 147-19 (Host Compliance), § 147-20 (Local Responsible Party), and § 147-21 (Occupancy Limits), while adding new provisions under Article I.
- **Current Process:** Under current code, Chapter 147 regulates standard rental properties and short-term rentals, but lacks specific statutory language, definitions, and operational distinctions explicitly incorporating ADUs into these frameworks.

- **Purpose for Legislation:** Without these conforming amendments, the existing system creates regulatory ambiguity regarding whether ADU rentals fall under general rental property provisions or short-term rental oversight. This gap could allow short-term ADU rentals to circumvent established STR caps, district boundaries, and local responsible-party rules, creating enforcement challenges and potential negative impacts on residential neighborhoods.

4. Proposed Changes to the City Code

Specific Amendments & Citations

- **Definitions (Proposed Code § 147-2):** Adds explicit definitions for "Accessory Dwelling Unit (ADU)," "Host," "Long-Term Rental" (30+ consecutive days), "Short-Term Rental" (less than 30 consecutive days), and "Transient Guest".
- **Long-Term ADU Framework (Proposed Code Chapter 147, Article I):** Establishes that ADUs rented for 30 or more consecutive days are long-term residential rentals subject to standard registration, inspection, and property-maintenance requirements. Expressly excludes long-term ADU rentals from short-term rental district caps.
- **Short-Term Rental Applicability (Proposed Code § 147-13):** Clarifies that Article II applies to any ADU operated as a short-term rental, while explicitly excluding rentals of 30+ consecutive days.
- **Licensing Requirements (Proposed Code § 147-14):** Mandates a separate short-term rental license for an ADU used as an STR, clarifying that zoning approval under § 205-9H does not substitute for or grant an STR license.
- **District, Cap, and Operating Rules (Proposed Code §§ 147-16, 147-18, 147-19, 147-20, 147-21):**
 - o Subjects short-term ADU rentals to established Short-Term Rental District boundaries.
 - o Counts short-term ADU rentals against the City's overall STR license cap and waiting list (long-term ADU rentals are exempt from the cap).
 - o Enforces all host compliance, safety, life-safety, advertising, and local designated responsible-party obligations.
 - o Calculates occupancy limits strictly based on approved ADU bedroom counts, preventing combination with the primary dwelling's bedroom count unless both units are licensed together.

CITY COUNCIL
OF
HAVRE DE GRACE, MARYLAND

ORDINANCE NO. 1230

Introduced by _____ Council Member Jones _____

**AN ORDINANCE BY THE MAYOR AND CITY COUNCIL OF
HAVRE DE GRACE, MARYLAND, ADOPTED PURSUANT TO THE
AUTHORITY OF ARTICLE XI-E OF THE MARYLAND
CONSTITUTION, THE LOCAL GOVERNMENT ARTICLE OF THE
ANNOTATED CODE OF MARYLAND, AND SECTIONS 33 AND 34
OF THE HAVRE DE GRACE CITY CHARTER TO AMEND
CHAPTER 147 RENTAL PROPERTY AS IT RELATES TO
ACCESSORY DWELLING UNITS (ADUs)**

On: September 8, 2026
at: 7:00 p.m.

Ordinance introduced, read first time, ordered posted and public hearing scheduled.

PUBLIC HEARING

A Public Hearing is scheduled for September 21, 2026 at 7:00 p.m.

EXPLANATION

Underlining indicates matter
added to existing law.

[Bold Brackets] indicate matter
deleted from existing law.

Amendments proposed prior to
final adoption will be noted on a
separate page with line
references or by handwritten
changes on the draft legislation.

32 **WHEREAS**, the City's proposed amendment to City Code § 205-9H authorizes an accessory
33 dwelling unit to be occupied by an owner, tenant, or other lawful occupant and rented for any term
34 permitted by applicable law; and
35

36 **WHEREAS**, a short-term rental operated in an accessory dwelling unit remains subject to Chapter
37 147's short-term rental district, licensing, safety, occupancy, and enforcement requirements; and
38

39 **WHEREAS**, conforming amendments are necessary to distinguish long-term rental of an
40 accessory dwelling unit from short-term rental use;
41

42 **NOW, THEREFORE**, it is determined, decided, and ordained by the City Council that the
43 amendments to Chapter 147 of the City Code are approved and adopted as follows:
44

45 1. AMENDMENT TO § 147-2—DEFINITIONS
46

47 City Code § 147-2 is amended by adding or repealing and replacing the following definitions in
48 alphabetical order:
49

50 **ACCESSORY DWELLING UNIT (ADU)**

51 An accessory dwelling unit as defined in City Code § 205-13.
52

53 **HOST**

54 The owner of a dwelling or accessory dwelling unit who provides or offers to provide all or part
55 of the dwelling or accessory dwelling unit for short-term residential rental use in exchange for a
56 fee or other compensation.
57

58 **LONG-TERM RENTAL**

59 A dwelling unit or accessory dwelling unit rented to an occupant for a period of 30 or more
60 consecutive days. A long-term rental is not a short-term rental and is governed by Article I and
61 other generally applicable rental-property requirements.
62

63 **SHORT-TERM RENTAL**

64 A dwelling, accessory dwelling unit, or portion thereof that is available for use or is used for
65 accommodations or lodging by a transient guest for a fee or other compensation for a period of
66 less than 30 consecutive days. A short-term rental must occur within a dwelling or accessory
67 dwelling unit lawfully established under the City Code. A tent, shed, shelter, gazebo, pavilion,
68 recreational vehicle, boat, or other similar nonpermanent living space is not a dwelling or portion
69 thereof for purposes of this definition.
70

71 **TRANSIENT GUEST**

72 A person who uses a hosting platform or contracts directly with an owner or owner's agent to
73 arrange a short-term rental of a dwelling, bedroom, or accessory dwelling unit.
74
75

2. ARTICLE I—LONG-TERM RENTAL OF AN ACCESSORY DWELLING UNIT

Article I of Chapter 147 is amended by adding the following provision:

Accessory dwelling units rented for 30 or more consecutive days.

- A. An accessory dwelling unit rented for 30 or more consecutive days is a long-term residential rental property subject to the registration, licensing, inspection, occupancy, property-maintenance, and enforcement requirements of Article I that apply to a dwelling unit of the same type.
- B. The owner shall provide the City with the accessory dwelling unit's zoning use permit, use-and-occupancy permit, and any address, subaddress, or unit designation assigned by the City.
- C. Registration or licensing under this chapter does not authorize an accessory dwelling unit that has not been lawfully approved under City Code § 205-9H.
- D. Article II's short-term rental district, license cap, hosting-platform, transient-guest, and local-responsible-party requirements do not apply to a rental for 30 or more consecutive days solely because the rented premises is an accessory dwelling unit.
- E. A long-term rental shall comply with all generally applicable occupancy, building, fire, property-maintenance, and rental-license requirements. No additional rental restriction shall apply solely because the dwelling unit is an accessory dwelling unit unless expressly stated by law.

3. AMENDMENT TO § 147-13—APPLICABILITY

City Code § 147-13 is repealed and replaced with the following:

§ 147-13. Applicability.

- A. This Article II applies to all short-term rentals, including a short-term rental conducted within a lawfully established accessory dwelling unit.
- B. This Article II does not apply to:
 - (1) A rental for 30 or more consecutive days; or
 - (2) Accommodations lawfully operated and licensed as part of a hotel, motel, inn, bed-and-breakfast, or group home, as defined in the City Code.
- C. The exclusion in Subsection B(2) does not apply to a separate accessory dwelling unit located on the same lot, parcel, or tract as a hotel, motel, inn, bed-and-breakfast, or group home unless the accessory dwelling unit is lawfully included within the approved and licensed establishment.
- D. A separate accessory dwelling unit that is not included within the approval and license of an establishment listed in Subsection B(2) is subject to this Article II when offered or used as a short-term rental.
- E. Nothing in this chapter requires an accessory dwelling unit to be used as a short-term rental.

A lawfully approved accessory dwelling unit may be owner-occupied, occupied without rent, rented for 30 or more consecutive days subject to Article I, or operated as a short-term rental subject to Article II and all applicable location, cap, licensing, and operating requirements.

4. AMENDMENT TO § 147-14 - LICENSE REQUIRED

City Code § 147-14 is amended by adding the following to the end of the section:

A separate short-term rental license is required for an accessory dwelling unit operated as a short-term rental. Approval of an accessory dwelling unit under City Code § 205-9H does not constitute a short-term rental license and does not exempt the host from any requirement of this article.

5. SHORT-TERM RENTAL DISTRICT, CAP, AND COMPLIANCE

A. Section 147-16. City Code § 147-16 is amended by adding the following to the end of the section:

An accessory dwelling unit operated as a short-term rental is subject to the Short-Term Rental District boundaries and all location restrictions and exceptions applicable to other short-term rentals. Approval under City Code § 205-9H does not create an exception to this section.

B. Section 147-18. Add a new subsection E.

E. The short-term rental of an accessory dwelling unit requires a license subject to the maximum license cap and waiting-list requirements applicable under this section. A long-term rental of an accessory dwelling unit is not counted against the short-term rental license cap.

C. Section 147-19. Add a new subsection F.

F. A host operating a short-term rental in an accessory dwelling unit shall comply with all host-compliance requirements, including applicable building, fire, property-maintenance, zoning, health, life-safety, emergency-contact, license-display, and advertising requirements.

D. Section 147-20. Add the following to the end of the subsection:

The local designated responsible-party requirements apply to an accessory dwelling unit operated as a short-term rental.

E. Section 147-21. Add the following to the end of the subsection:

The occupancy limit for a short-term rental in an accessory dwelling unit shall be calculated from the number of lawful bedrooms approved for the accessory dwelling unit and shall not be combined with the bedroom count of the primary dwelling unless both units are included in the same licensed short-term rental premises.

6. CONFORMING REFERENCES

All references in Chapter 147 to a “dwelling,” “dwelling unit,” “rental unit,” or “short-term rental unit” include a lawfully established accessory dwelling unit when the context concerns the applicable rental use. No provision of this Ordinance authorizes separate ownership, subdivision, or conveyance of an accessory dwelling unit.

7. COORDINATION WITH CHAPTER 205

This Ordinance shall be interpreted consistently with City Code §§ 205-9H and 205-13 and shall take effect concurrently with the City’s Chapter 205 accessory dwelling unit ordinance.

8. SEVERABILITY; CODIFICATION; EFFECTIVE DATE

- A. If any provision or application of this Ordinance is held invalid, the remaining provisions and applications are severable.
- B. The Director of Administration and Code publisher may correct numbering, capitalization, punctuation, cross-references, and nonsubstantive formatting necessary for codification.
- C. This Ordinance shall take effect as provided by the City Charter and applicable law.

ADOPTED by the City Council of Havre de Grace, Maryland this ___ day of ____, 2026.

SIGNED by the Mayor and attested by the Director of Administration this ____ day of _____, 2026.

ATTEST:

MAYOR AND CITY COUNCIL
OF HAVRE DE GRACE

Christopher Ricci
Director of Administration

William T. Martin
Mayor

Introduced/First Reading: 9/8/2026

Public Hearing:

Second Reading/Adopted:

Effective Date: