Housing

CHAPTER 9

9. Housing

VISION

The County will consist of sustainable, walkable neighborhoods that collectively are economically diverse; provide living arrangement options and housing opportunities for all income levels and ages; with access to a variety of goods, services, transportation options, employment opportunities, public and private facilities, amenities, and services.

KEY ISSUES	PLAN THEMES
Affordable Housing	FISCAL RESPONSIBILITY Leverage local, State, and federal funding opportunities
Workforce Housing	SUSTAINABLE GROWTH Encourage aging-in-place opportunities
Multi-family Housing	COMMUNITY REVITALIZATION Alternatives to traditional single-family detached housing
Bonuses & Incentives	RESOURCE PRESERVATION Appropriate residential land use development policies
Aging in Place	HEALTH & RESILIENCE Avenues for workforce and affordable housing

RELEVANT STATE VISIONS

GOALS

The overarching goal for housing is to encourage the increased supply of housing of diverse types and price points to help sustain the County's economic vitality.

9-1 Create a variety of housing types that are affordable to residents of all needs, ages, life stage, and income levels.

9-2 Promote opportunities and programs to increase housing affordability for all County citizens.

9-3 Preserve the County's existing housing stock.

Housing is a basic need and plays an important role in developing and maintaining successful, sustainable living environments. Quality and affordable housing are important to the County's long-term economic and social vitality, encouraging residents to take pride and ownership in the wellbeing of their properties and neighborhoods—creating a stronger sense of place, community identity, and civic pride. Housing opportunities for both owner- and renter-occupied units can be positively affected by effective community development policy, which should stress the provision of a wide variety of housing opportunities for all ages, incomes, and abilities. This chapter discusses the County's existing housing conditions, needs, and trends and recommends strategies and policies to create better housing opportunities.

Sustainable communities include a balanced relationship between jobs and housing as well as offer housing options that meet the needs of a full range of household incomes. Housing is considered an asset for those who reside within the dwelling, as well as an asset to the community. A key issue of sustainability is that new housing construction trends and patterns across the State and County have resulted in a shortage of affordable housing.

Federal guidelines define affordability in the context of household income—housing is affordable when households spend no more than 30% of their annual income on housing. Households that pay more than 30% percent of their income for housing are considered "cost burdened" and may have difficulty affording basic necessities such as food, clothing, transportation, and medical care.

Federal guidelines also define workforce housing as housing that is affordable to households earning incomes that are 60-120% of the area's median household income. Workforce housing includes single-family homes, townhouses, condominiums, starter homes, and apartments affordable to the community's workers.

There are multiple possible definitions for the housing terms included in this chapter. **PlanQAC** includes intended meanings for these terms in **Appendix A—Acronyms & Definitions** and recommends their review.

GUIDING PRINCIPLES & LEGISLATION

GUIDING PRINCIPLES

The housing vision found in the State's *Land Use Article* recommends providing a range of housing densities, types, and sizes for citizens of all ages and incomes. This key vision sets the baseline for the County to provide sufficient affordable and workforce housing along with a full range of housing options that meet the needs of all citizens. This vision is supplemented by requirements identified in HB 1160, which emphasizes adequately providing local affordable workforce housing.

The following principles outline the context for the County to provide housing:

- Affordability—Promote an inventory of rental and for-sale housing that is attainable to households with incomes that are 60-120% of the County's area median income (AMI).
- Housing Stock Preservation—Preserve and maintain the existing housing stock.
- Size & Location—Emphasize infill sites within existing traditional neighborhoods or their expansion. Locations should provide easy access to goods, services, and community facilities, preferably providing walkable connections.
- Design—New development, redevelopment, or adaptive reuse projects should promote good design principles, including pedestrian-friendly site planning; contextual design compatible with existing neighborhood characteristics; and density that is compatible with streetscape and neighborhood scale.
- Energy Efficiency—Incorporate innovative and energy efficient approaches to building construction and land development.

POLICIES & LEGISLATION

FEDERAL FAIR HOUSING ACT

The *Fair Housing Act* is a federal law that protects people from discrimination when they are renting, buying, or securing financing for housing. The prohibitions specifically cover discrimination because of race, color, national origin, religion, sex, disability, and the presence of children.

In the sale and rental of housing, no one may take the following actions based on race, color, national origin, religion, sex, familial status, or handicap (disability):

- Refuse to rent or sell housing;
- Refuse to negotiate for housing;
- Make housing unavailable;
- Deny a dwelling;
- Set different terms, conditions, or privileges for sale or rental of a dwelling;
- Provide different housing services or facilities;
- Falsely deny that housing is available for inspection, sale, or rental;
- Persuade owners to sell or rent for profit (blockbusting); or
- Deny anyone access to or membership in a facility or service (such as a multiple listing service) related to the sale or rental of housing.

In mortgage lending, no one may take any of the following actions based on race, color, national origin, religion, sex, familial status, or handicap (disability):

- Refuse to make a mortgage loan;
- Refuse to provide information regarding loans;
- Impose different terms or conditions on a loan, such as different interest rates, points, or fees;
- Discriminate in appraising property;
- Refuse to purchase a loan; or
- Set different terms or conditions for purchasing a loan.

In addition, it is illegal for anyone to:

- Threaten, coerce, intimidate, or interfere with anyone exercising a fair housing right or assisting others who exercise that right.
- Advertise or make any statement that indicates a limitation or preference based on race, color, national origin, religion, sex, familial status, or handicap. This prohibition against discriminatory advertising applies to single-family and owner-occupied housing that is otherwise exempt from the Fair Housing Act.
- If you or someone associated with you have a physical or mental disability (including hearing, mobility, and visual impairments; chronic alcoholism, chronic mental illness, AIDS, AIDS Related Complex, or mental retardation) that substantially limits one or more major life activities; have a record of such a disability; or are regarded as having such a disability, your landlord may not:
  - Refuse to let you make reasonable modifications to your dwelling or common use areas, at your expense, if necessary, for the disabled person to use the housing. Where reasonable, the landlord may permit changes only if you agree to restore the property to its original condition when you move out.
  - Refuse to make reasonable accommodations in rules, policies, practices, or services if necessary, for the disabled person to use the housing.

Unless a building or community qualifies as housing for older persons, it may not discriminate based on familial status. That is, it may not discriminate against families in which one or more children under 18 live with a parent; a person who has legal custody of the child or children; or the designee of the parent or legal custodian, with the parent or custodian's written permission. Familial status protection also applies to pregnant women and anyone securing legal custody of a child under 18.

Housing for older persons is exempt from the prohibition against familial status discrimination if:

- The HUD Secretary has determined that it is specifically designed for and occupied by elderly persons under a Federal, State, or local government program; or
- It is occupied solely by persons who are 62 or older; or
- It houses at least one person who is 55 or older in at least 80 percent of the occupied units and adheres to a policy that demonstrates an intent to house persons who are 55 or older.

LAND USE ARTICLE

The *Maryland Land Use Article §3-114* describes the requirements for a comprehensive plan's housing element. It requires that, among other components, the element must address the need for affordable housing including workforce housing and low-income housing. In this context, low-income housing is housing that is affordable for a household with an annual income that is below 60% of AMI; workforce housing includes rental housing that is affordable for a household with an annual income that is 50-100%

of AMI or homeownership housing that is affordable to a household with annual income that is 60-120% of AMI or in recognized Maryland Mortgage Program target areas, affordable to a household with an annual income that is 60-150% of AMI.

COUNTY HOUSING CODE

Chapter 15 of the *County Code*, *Housing*, establishes minimum property maintenance standards, minimum requirements for residential structures, and outlines responsibilities of residential property owners, operators, and tenants.

INCLUSIONARY HOUSING

Article XXI—Inclusionary Housing of the County's *Zoning and Subdivision Regulations* includes provisions for moderately priced dwelling units.

MODERATELY PRICED HOUSING FUND

The County created a Moderately Priced Housing Fund for developer payments of fees in-lieu of building MPDUs or land donations for MPDUs. Its funds support the MPDU Program, which provides 0% interest-deferred second mortgages to help income-eligible (median income is 80% or lower) to buy homes. Available funding for these programs falls short of need.

Local Housing Trust Funds throughout the State have a number of different funding sources: recordation tax premiums on mortgages and refinancing, condominium conversion taxes, transfer tax revenues, percentage of local real estate transfer taxes, etc. The County should consider pursuing additional funding for the Moderately Priced Housing Fund through creation of an incremental tax on property transfers and recordation.

ACCESSORY DWELLING UNITS

In October 2020, the County adopted Ordinance No. 20-04 regarding Accessory Dwelling Unit Provisions in the Resource Conservation Area, to make the County's development standards and definition consistent with those outlined in the State *Natural Resources Article* as well as COMAR.

COTTAGE HOMES

In February 2021, the County adopted Ordinance No. 20-13 regarding Cottage Home Planned Residential Development. The Ordinance allows for cottage homes, a type of multifamily unit in a condominium regime where the detached single-family dwelling is individually owned and the common areas are commonly owned by the unit owners, as part of the Planned Residential Development standards.

HOUSING INVENTORY

Much of the data included in this section come from the U.S. Census Bureau. Beginning with the 2010 Decennial Census, the Census Bureau stopped distributing the traditional 'long form' survey that historically provided enhanced data. These included detailed housing statistics (e.g., unit makeup, year built, value), social statistics (e.g., educational attainment, veteran status, disability status), and economic data (e.g., employment, occupation, income, poverty status). These summary files were replaced by American Community Survey (ACS) data, which are available in five-year estimates. In addition, full release of 2020 Census statistics has not occurred due to delays caused by the COVID-19 pandemic. Where possible, the 2020 data will be utilized; however, more descriptive data is only available from the ACS.

HOUSING STOCK

The 2010 Census identified 20,140 housing units in the County. Compared to the 2000 Census, which listed 16,674 housing units, the County added 3,466 units, or increased housing units by 20.8%. This was a greater percent change than either the State (10.9%) or the nation (13.6%). The 2020 Census identified 21,274 housing units, or an increase of 4,600 units (27.6%) since 2000 and 1,134 units since 2010 (5.6%). **Table 9-1** shows the number of housing units and percent change from 1950 through 2020. *Please note that when 2006-2010 or 2015-2019 ACS data is used for analysis, total housing units will differ.*

Table 9-1. Housing Units

	County		State		Nation	
Year	No.	% Change	No.	% Change	No.	% Change
1950	4,705	–	689,116	–	46,137,076	–
1960	5,901	25.4%	934,552	35.6%	58,326,357	26.4%
1970	6,841	15.9%	1,249,814	33.7%	68,704,315	17.8%
1980	10,030	46.6%	1,570,895	25.7%	88,410,627	28.7%
1990	13,944	39.0%	1,891,917	20.4%	102,263,678	15.7%
2000	16,674	19.6%	2,145,283	13.4%	115,904,641	13.3%
2010	20,140	20.8%	2,378,814	10.9%	131,704,730	13.6%
2020	21,274	5.6%	2,530,844	6.4%	140,498,736	6.7%

Source: 1950-2020 U.S. Decennial Census

The County offers a mix of housing types including detached single-family dwellings, attached single-family dwellings, duplexes, townhouses, and multi-family dwellings. **Table 9-2** provides the composition of housing stock within the County in 2000, 2010, and 2019. The breakdown of units shown in this table may vary based on the respondent's knowledge of housing types. This table also uses the Census definition of multi-family housing: Residential buildings containing units built one on top of another and those built side-by-side, which do not have a ground-to-roof wall and/or have common facilities (e.g., attic, basement, heating plant, plumbing). This definition is different than that of the County.

Table 9-2. Housing Stock Composition

	2000		2010		2019		Change		
Housing Type	No.	%	No.	%	No.	%	'00-'10	'10-19	'00-'19
Single-Family Detached	13,873	83.2%	16,651	84.0%	17,743	83.8%	20.0%	6.6%	27.9%
Single-Family Attached	925	5.5%	1,217	6.1%	1,147	5.4%	31.6%	-5.8%	24.0%
2-Family/Duplex	213	1.3%	232	1.2%	183	0.9%	8.9%	-21.1%	-14.1%
Townhouse	269	1.6%	95	0.5%	351	1.7%	-64.7%	269.5%	30.5%
Multi-Family	560	3.4%	889	4.5%	1,161	5.5%	58.8%	30.6%	107.3%
Mobile Home	830	5.0%	740	3.7%	599	2.8%	-10.8%	-19.1%	-27.8%
Boat, RV, Van, etc.	4	0.0%	0	0.0%	0	0.0%	-100.0%	–	-100.0%
Totals	**16,674**		**19,824**		**21,184**		**18.9%**	**6.9%**	**27.0%**

Source: 2000 U.S. Decennial Census; 2006-2010 & 2015-2019 American Community Survey

HOUSING UNIT PROJECTIONS

Shown in **Table 9-3** are household and housing unit projections for Queen Anne's County, developed by the Maryland Department of Planning (MDP). These projections were derived from household population projections stemming from U.S. Census population estimates through July 1, 2019 (also see **Table 2-1** for County population projections).

Table 9-3. County Housing Unit Projections

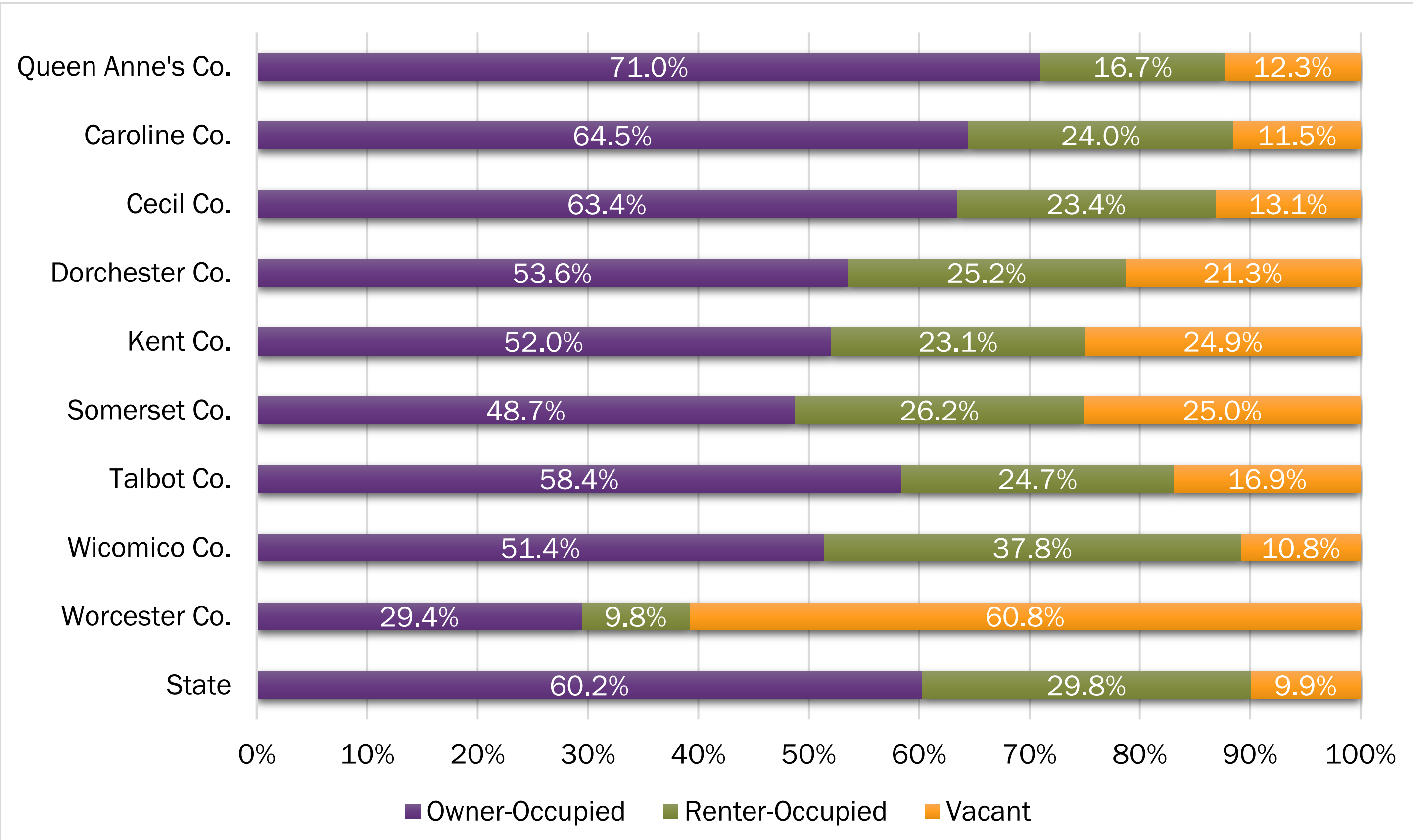
	Count	Estimate		Projection				
	2010	2015	2020	2025	2030	2035	2040	2045
Total Population	47,798	48,480	50,810	53,430	56,320	59,520	62,030	64,650
– GQ Population	515	560	599	643	718	806	885	967
= HH Population	47,372	48,030	50,330	52,910	55,730	58,880	61,330	63,880
÷ Avg. HH Size	2.63	2.74	2.68	2.66	2.65	2.63	2.63	2.63
= Households	18,016	17,521	18,750	19,856	21,018	22,349	23,283	24,282
÷ Occupancy Rate	89.5%	86.7%	89.7%	89.7%	91.8%	91.8%	91.8%	91.8%
Total Housing Units	20,140	20,220	20,914	22,148	22,883	24,332	25,349	26,436

Source: Maryland Department of Planning, Historical & Projected Total Population for Maryland's Jurisdictions, October 2020.
Notes: GQ = Group Quarters; HH = Household

OCCUPANCY & TENURE

Out of the 21,184 total housing units in the County listed in the 2019 ACS, 18,577 units (or 87.7%) are occupied. **Figure 9-1, Occupancy Rates** compares the proportion of vacant units, owner-occupied units, and renter-occupied units in the County with those of the State and selected comparison counties. As illustrated in this figure, the County's rate of owner-occupancy was higher than the State, as well as all of the listed comparison counties, indicating an imbalance in the types of housing products provided within the County.

Figure 9-1. Occupancy Rates, 2019



Source: 2015-2019 American Community Survey

The County's vacancy rate was similar to many of the comparison jurisdictions. **Table 9-4, County Housing Occupancy** provides additional occupancy information for the County. Between 2010-2019, the overall occupancy rate increased by 8.1%.

Table 9-4. County Housing Occupancy

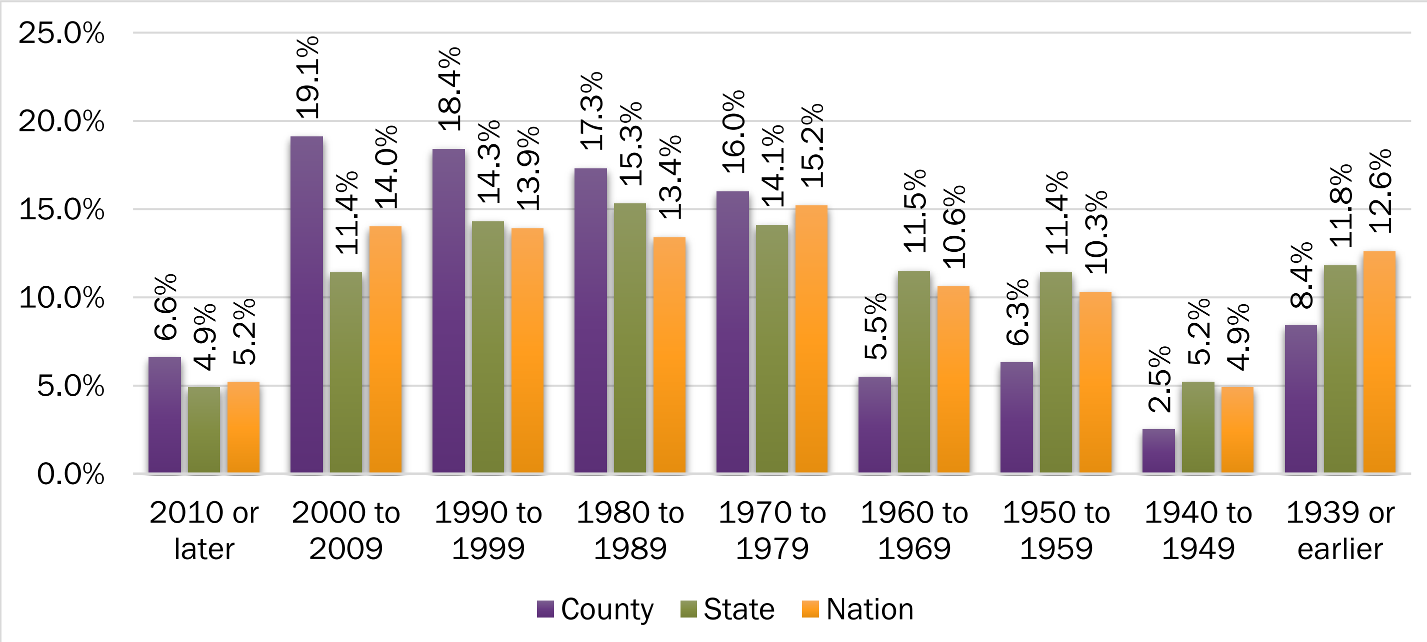
Occupancy Status	2010		2019		Change
	#	%	#	%	'10-'19
Occupied Housing Units	17,188	86.7%	18,577	87.7%	8.1%
Vacant Housing Units	2,636	13.3%	2,607	12.3%	-1.1%
Homeowner Vacancy Rate	2.1%		2.2%		4.8%
Rental Vacancy Rate	5.7%		2.6%		-54.4%
Total Housing Units	19,824		21,184		6.9%

Source: 2006-2010 & 2015-2019 American Community Survey

AGE & CONDITION

In the County, 25.7% of the housing stock (5,451 units) was built since 2000, 61.4% since 1980 (12,999 units), and 89.2% since 1950 (18,892 units) *(see **Figure 9-2, Housing Age**)*. Housing units built prior to 1940 make up about 8.4% (1,770 units) of the County's stock. The County showed an upwards trend in the number of homes being constructed beginning in the 1960s, which continued through the 2000s. Those structures built prior to 1970 now meet the age eligibility criteria for listing on the National Register of Historic Places. Approximately 22.7% of the County's housing structures would meet this age criteria. Additional information on this topic can be found in **Chapter 7—Historic & Cultural Resources.**

Figure 9-2. Housing Age, 2019

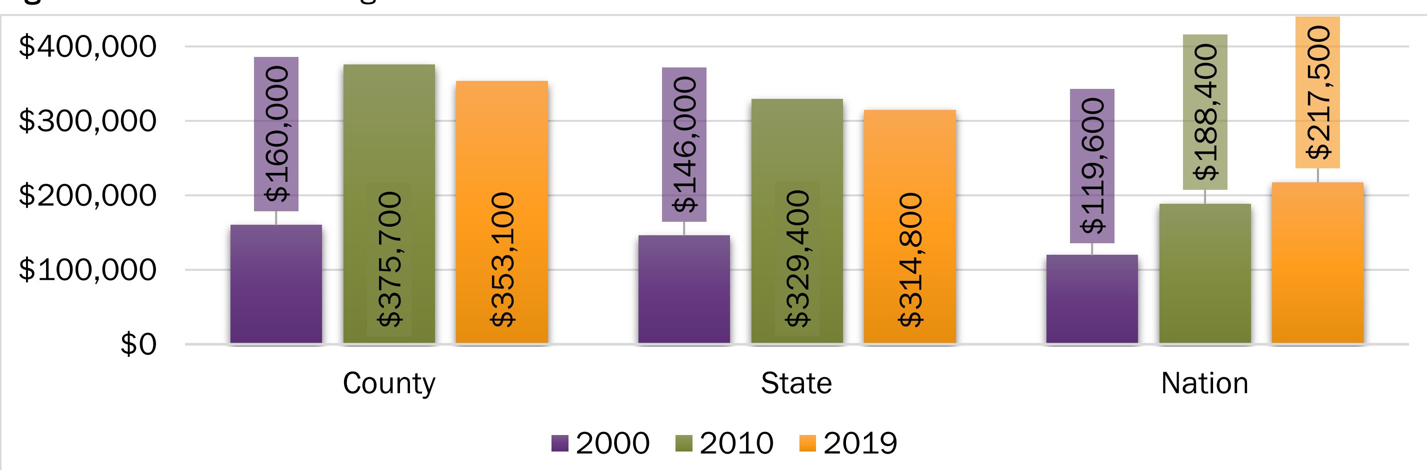


Source: 2015-2019 American Community Survey

VALUE & AFFORDABILITY

Compared to the State and the nation, housing values in the County were higher in 2019, by approximately $38,300 and $135,600, respectively *(see **Figure 9-3, Median Housing Values**)*. The median value of all housing units in the County in 2019 was $353,100, according to the 2019 ACS. In comparison, the median housing value in the State was $314,800 and in the nation was $217,500. The County and the State saw overall decreases in housing values (6.0% and 4.4%, respectively) between 2010 and 2019, while the nation saw an increase (15.4%) during the same period.

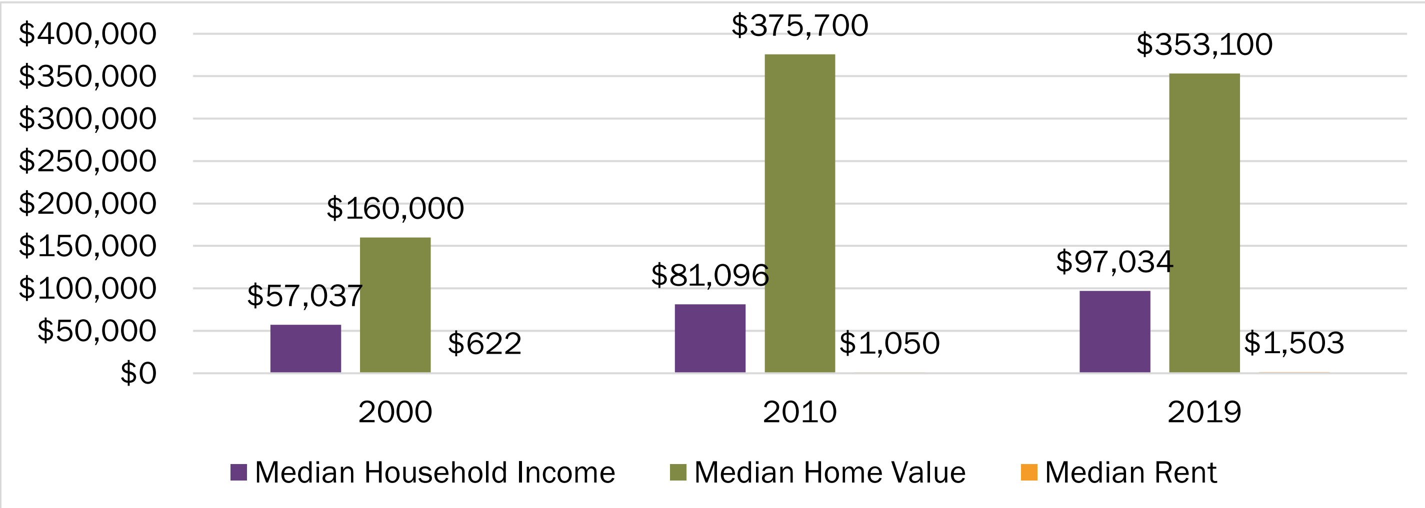
Figure 9-3. Median Housing Values



Source: 2000 U.S. Census; 2006-2010 & 2015-2019 American Community Survey

Between 2000 and 2010, median household income in the County increased by 42.2% *(see **Figure 9-4, Median Household Income and Home Value**)*. While that is a fair amount, median home values increased by 134.8% during the same period. Median rents also outpaced the increase in median household income, increasing by 68.8%. From 2010-2019, median household income only increased by 19.7%, while median home values decreased by 6.0% and median rents increased by 43.1%.

Figure 9-4. Median Household Income & Home Value



Source: 2000 U.S. Census; 2006-2010 & 2015-2019 American Community Survey

HOUSING CHALLENGES

According to the 2019 ACS, the County had 99 housing units (0.5%) that were considered overcrowded, meaning that there were 1.01 to 1.50 occupants per room reported for occupied housing units *(see **Table 9-5, Housing Challenges**)*. Both the State and nation had thousands of units meeting these criteria—the percentages were each over 1.5%; the County's was at least one-third that amount. The County had an additional 106 units (0.6%%) considered to be severely overcrowded, meaning 1.51 or more occupants per room, again less than the State and national percentages. Overcrowding is one response to high housing costs, with families and individuals 'doubling up.' There were 75 units (0.4%) in the County that reported lacking complete kitchen (consisting of a sink, kitchen, and stove) or plumbing (consisting of a sink, toilet, and bathtub or shower) facilities.

The County had more than 48% of its rental population reporting that 30% or more of their income was spent on selected monthly housing costs. This percentage was only slightly less than that of the State (49.7%) and the nation (49.6%). It also had 30% of its owner-occupied households reporting that 30% or more of their income was spent on selected monthly housing costs. This percentage was slightly higher than the State (27.5%) and the nation (27.8%). Cost burden captures the idea that households have other costs and paying more than 30% on housing restricts the amount that a household can spend on other necessities.

Table 9-5. Housing Challenges, 2019

	County		State		Nation	
Challenge	No.	%	No.	%	No.	%
Overcrowded Units[1]	99	0.5%	34,159	1.5%	2,744,718	2.3%
Severely Overcrowded Units[2]	106	0.6%	15,576	0.7%	1,301,261	1.1%
Units lacking complete facilities[3]	75	0.4%	18,915	0.9%	1,472,477	1.2%
Cost Burdened Renters[4]	1,473	48.1%	343,994	49.7%	20,002,945	49.6%
Cost Burdened Owners[4]	3,322	30.0%	294,770	27.5%	13,400,012	27.8%

Source: 2015-2019 American Community Survey. Notes: [1]Overcrowded units are those occupied housing units that the ACS reports as having 1.01 to 1.50 occupants per room; [2]Severely Overcrowded Units are those housing units that the ACS reports as having 1.51 or more occupants per room; [3]Units lacking complete kitchen or plumbing facilities are only reporting those that were occupied at the time of the 2019 ACS; [4]A household is considered cost burdened if selected monthly housing costs (such as rent and utilities for renters and mortgage, taxes, and insurance for owners) are greater than 30% of income.

RENTAL HOUSING SHORTAGE

The County's shortage of rental housing is a key cause of high rents and resulting cost burdens *(see **Table 9-5, Housing Challenges**)*. New construction has not kept pace with population growth, causing higher occupancy rates and less competition to keep rents lower. Over the last 20 years, only 5% of new housing units (283 units) built in the County were in multi-family structures.

The *2021 Housing Strategy for Queen Anne's County* identified a number of additional concerns related to the shortage of rental housing in the County:

- Rents far exceed affordability levels for those low-income families depending on private rental housing *(see **Public & Assisted Housing** later in this chapter for more information)*.
- Rental housing for seniors is in short supply, limiting ability to move out of single-family homes when maintenance becomes an issue.
- Families find that adult children can no longer live in the County because of high rents and housing prices.

HOMEOWNER CHALLENGES

Many County homeowners bear housing cost burdens as well. Spending more than 30% of income on homeownership costs is not uncommon because many home loans are written based on a higher share of the owner's income. Most critical are those spending more than half their income on housing. The *2021 Housing Study* identified a total of 1,200 low- and moderate-income owner households in 2019, almost 9% of all County homeowners, who fell into this category.

The substantial increases in housing prices over the past two decades have pushed single-family housing prices well beyond what many first-time homebuyers can afford. An estimated 345 County renter households would prefer to own their own homes and would become first-time homebuyers if affordable units were available.

AFFORDABLE & WORKFORCE HOUSING

In the past two decades, affordable housing has been a concern expressed by the County and its citizens—the present lack of affordable and workforce housing were commonly listed as needs during PlanQAC's public outreach events. The terms affordable and workforce housing mean different things to different people, and a variety of definitions have been advanced by various groups. For the purposes of PlanQAC, housing is affordable if the cost of occupying it does not consume more than 30% of household income—the definition endorsed by the U.S. Department of Housing and Urban Development (HUD). HUD defines housing costs as contract rent plus utilities for renters, and monthly payment (mortgage plus taxes and insurance) for owners.

Affordable housing refers to housing affordable to households with incomes at or below 80% of the HUD-estimated Area Median Income (AMI) for owners, and 60% for renters. Workforce housing is generally thought of as housing affordable to essential public- and service-sector employees such as teachers, fire fighters, and nurses. It is defined here as housing affordable to households with incomes up to 120% of AMI.

Income limits are calculated for metropolitan areas and non-metropolitan counties in the country and its territories using the Fair Market Rent (FMR) area definitions used in the Section 8 program, based on HUD estimates of median family income, with adjustments for family size. Queen Anne's County is part of the Baltimore-Columbia-Towson MSA *(see **Table 9-6, HUD FY 2020 Income Limits Summary**)*.

Table 9-6. HUD FY 2020 Income Limits Summary

Median Income	FY20 Income Limit Category	Persons in Family							
		1	2	3	4	5	6	7	8
$104,000	Low (80%)	$54,950	$62,800	$70,650	$78,500	$84,800	$91,100	$97,350	$103,650
	Very Low (50%)	$36,400	$41,600	$46,800	$52,000	$56,200	$60,350	$64,500	$68,650
	Extremely Low (30%)	$21,850	$25,000	$28,100	$31,200	$33,700	$36,200	$39,640	$44,120

Source: U.S. Department of Housing & Urban Development

AFFORDABLE HOUSING

The County has thrived as a desirable rural community with a high quality of life, but this has also led to a growing shortage of housing affordable to many of its residents and workers. Too many residents spend more than half their income on housing, while others commute long distances to find affordable housing. People must accept inadequate housing or live in overcrowded dwellings shared with multiple roommates. Unable to find affordable local housing, young people who grew up in the County must leave to find lower-cost or higher-wage locations. Facing this high-cost housing market, businesses and local governments struggle to recruit and retain workers, and the area becomes less competitive for economic development.

The National Center for Smart Growth developed projections of total households by income, based on MDP and CHAS data. The 2030 projections are shown in **Table 9-7, County Projected Total Households by Income**. **Table 9-8** provides a summary of the importance of affordable housing for residents, the local economy, and County and Town governments.

COVID-19 IMPACTS

The COVID-19 pandemic, which began in Winter 2020, revealed the precarious financial position of low- and moderate-income households. Temporary actions preventing evictions have protected many during this health crisis, but as the Governor's Orders ended in accordance with the path of the recovery efforts, the eviction moratorium no longer bridges this gap. The County will likely face a growing need for housing assistance and a possible increase in the number of homeless individuals and families.

Table 9-7. County Projected Total Households by Income (2020-2030)

2020				2030				Change			
≤30% AMI	31-50% AMI	51-80% AMI	>80% AMI	≤30% AMI	31-50% AMI	51-80% AMI	>80% AMI	≤30% AMI	31-50% AMI	51-80% AMI	>80% AMI
1,318	2,059	2,656	13,566	1,216	2,388	2,794	15,490	-102	329	138	1,924

Source: National Center for Smart Growth projections, based on Maryland Department of Planning and U.S. Department of Housing & Urban Development Comprehensive Housing Affordability Strategy (CHAS) data.

Table 9-8. Importance of Affordable Housing

For Residents	For the Local Economy	For County & Town Governments
Reduced financial stress Money for other life essentials Family stability & well-being Higher child educational achievement Better physical and mental health Shorter work commutes freeing time for family and other pursuits Reduced overcrowding Adult children able to continue living in the County Seniors able to downsize	More diverse workforce available for critical service jobs Better employee retention More competitive for business recruitment and retention Less environmental damage from commuting excessive distances	Better able to compete for qualified teachers, police officers, firefighters Better employee retention/lower turnover Lower response times for personnel called in for emergencies

WORKFORCE HOUSING

One of the most critical issues facing the County and surrounding region is the dwindling supply of housing that is affordable to moderate-income workers. Increasingly, housing costs in the region are exceeding the financial reach of many low-to-moderate wage earners, such as service-sector employees, government employees, entry-level staff and essential health personnel, as well as teachers, police and other emergency responders.

Workforce housing is housing affordable to households earning between 60-120% of AMI. Workforce housing targets middle-income workers, which includes professions such as police officers, firefighters, teachers, healthcare workers, retail clerks, and the like. Households who need workforce housing may not always qualify for housing subsidized by the Low-Income Housing Tax Credit (LIHTC) program or the Housing Choice Vouchers program (formerly known as Section 8), which are two major programs in place for addressing affordable housing needs.

From the 1940s to the 1990s, housing was affordable to many middle-income workers due to wages remaining relatively correlated with costs of living, and homeownership becoming more affordable through the introduction of the 30-year amortizing mortgage loan. However, during the late 1990s and early 2000s, incomes began to lag behind rising costs of living, and housing supply for middle-income workers grew stagnant, causing an acute need for workforce housing. The Great Recession of 2007-2009 further exacerbated the issue of housing affordability for middle-income workers by significantly reducing the production of new housing units across the nation. Because affordable housing programs focused on serving households making 60% or lower of AMI, middle-income workers were left with fewer housing options available to them in the cities where they worked.

Today there exists a policy gap to fund workforce housing development. Federal programs through HUD or state governments are geared toward low-income programs designed for people that make less than 60% of AMI. The workforce housing target of 60-120% of AMI is an income stratum that is largely unserved and unaddressed by both Federal and State programs aside from FHA loans. Affordable housing for the working and middle classes is largely left to individual municipalities and counties to deal with.

Families that fall into this income category have found it difficult to purchase a home that is located in the area where they work, and that is adequate for their needs. In response, many families have taken to driving for affordability, or drive till you qualify to own a decent home with quality schools and a low crime rate. This set of circumstances has caused average commuting time to expand. It often necessitates ownership of a car, which creates an added financial burden as gas prices rise. This trend has also caused congestion and the need to enlarge the highway system at huge costs. This trend has fueled homebuilding, but some municipalities have found it is difficult or impossible to generate enough new revenue from development to sustain or expand the infrastructure needed for this type of growth, which has come to be referred to as sprawl. Critics of suburbia describe a host of social costs stemming from these settlement patterns characterized by single-family homes, residential and commercial districts separated by zoning, and the lack of transportation alternatives to the personal vehicle in order to access employment, recreation, services and education.

An alternative to commuting is to locate housing close to the workplace. This option can be limited by price. An overall loss of affordable housing units to redevelopment and gentrification has contributed to the shortage in most cities. Remaining urban housing options are often undesirable due to issues of quality. Since the 1950s, America's urban centers have suffered from pervasive social problems, exacerbated by the loss of working- and middle-class households, creating concentrations of extreme wealth and poverty. Urban redevelopment has enhanced the economic base of cities with new office buildings and entertainment venues, hotels and tourist areas, and upscale apartment buildings; however, without successful schools, safe playgrounds and neighborhoods, and other basic amenities, cities have failed to compete with neighboring suburbs to attract and retain moderate income residents. Issues such as crime, unstable property values, low quality rental stock, and high concentrations of poverty created by low-income housing projects, further deter people from choosing to live near work.

ATTAINABLE HOUSING

According to an Urban Land Institute publication on *Attainable Housing*, an additional area for discussion related to the country's housing affordability challenge is the near disappearance in most areas of modestly priced, new for-sale homes—attainable housing. For the purposes of this section, attainable housing is nonsubsidized, for-sale housing that is affordable to households with incomes between 80-120% of the AMI *(see **Table 9-6, HUD FY 2020 Income Limits Summary**)*.

Although the homebuilding sector once built for the middle class, this strategy has shrunk dramatically since 2010 and today, very little nonsubsidized homebuilding activity is oriented to the middle-class price point. In addition to greater income discrepancy, housing prices have accelerated rapidly as a result of limited new supply. The lack of overall supply—and the next to zero growth in new construction at attainable price points—has led to significant challenges among many young adult households and others with moderate incomes who are looking to become homeowners.

Developers and builders are seeing demand shift as a result of the rise of small households, which has implications for smaller homes at attainable price points. The traditional family household has been declining and smaller households increasing—contributing factors include delayed marriage, fewer children, more women in the workforce, more divorces and later-in-life remarriages, healthy life longevity, and aging in place. Despite the distribution shift in household size, new construction has focused on delivering larger homes with more bedrooms.

The biggest challenges to delivering attainable housing are the cost of capital, lack of building efficiencies, availability of buyer financing, and cost of materials. Other important reasons include misunderstandings of attainable housing, lack (or prohibition) of density, NIMBYism (not in my back yard), local government regulation and fees, and land prices and availability. To reach success in providing attainable housing, research has shown that increased densities, relief from local requirements, local community support, financial incentives/subsidies, and building efficiencies may be needed.

Industry opinions identified limiting community amenities, providing development in less desirable locations, providing lower quality finishes, focusing on attached versus detached products, providing smaller lot sizes, and providing smaller home sizes would provide solutions. In contrast, consumer preference surveys indicate that buyers prefer better locations and amenities over lower densities and larger home sizes.

Decreases in for-sale housing supplies and lower-priced homes has translated into a mismatch between income and home price and household size and home size and bed/bath counts. To be successful, attainable housing developments may wish to focus on:

- Smaller Homes— Homes with less than 1,400 square feet offer first-time homebuyers, downsizers, and small households of any age and income level an alternative housing option. Small, attainable housing does not have to equate to lower-quality, less-desirable locations. Appropriate messaging highlighting the benefits of smaller homes can be universally appealing. Smaller housing can also feel larger with appropriate emphasis on spaces, both inside and outside the home.
- Value Housing—Many homebuilders are introducing brand segments to specifically address attainable housing and create an alternative product offering. The simplified versions of core brands do not have to mean stripped or lower-quality homes, but simplicity in terms of option packages and structural choices that enable the homebuilder to deliver products more efficiently and cost-effectively.
- Missing-Middle Housing—This strategy provides housing at densities between those of single-family homes and mid-rise communities whose scale would be compatible (e.g., duplexes, triplexes, courtyard buildings, bungalow courts, live-work buildings). The scale of these buildings can be attractive, especially when attached housing conjures thoughts of diminished home values. Units are typically smaller, which can help keep costs down.
- Cluster Housing—Detached cluster homes allow higher densities than traditional single-family homes but create the traditional feel that many homebuyers look for. Potential privacy issues

can be addressed through thoughtful planning of how the homes and outdoor spaces sit adjacent to one another and having multiple modules throughout a neighborhood.

PUBLIC & ASSISTED HOUSING

Queen Anne's County's supply of assisted housing is generally owned and operated by the Queen Anne's County Housing Authority. The Housing Authority's inventory is well maintained and occupied. This may become more challenging over time as federal support for assisted housing renovation continues to fall short of the need, so the County will need to pursue State support and perhaps devote more local funding to protecting this important housing resource. Other federally-assisted housing operated by area non-profits is reaching the age when significant capital improvements will be required to maintain them in good condition. The County should work closely with the development's sponsors to help identify and secure financial resources.

Low-income families compete for access to the County's 613 units of assisted housing and 141 Housing Choice Vouchers (HCV) supported by HUD, which limits their housing costs to 30% of household income. The current waiting list for these vouchers is approximately 10 years. For those who depend on private rental housing, rents far exceed what they can afford.

Table 9-9, Public and Assisted Housing identifies affordable and accessible housing in the County.

HOUSING AUTHORITY

The Housing Authority provides a broad range of housing related services to assist residents of Queen Anne's County to acquire and maintain decent safe and affordable housing. They develop and administer programs that provide and promote affordable rental housing, rental housing assistance, family self-sufficiency and homeownership.

Program Impact: The last time the private development community built such types of new rental units was in 1985. The Housing Authority has since built rental units. The Housing Authority owns approximately 50 percent or more of the current rental units that are considered affordable housing across the County. Emphasis is on affordable housing for low-to-moderate income households (a portion of the workforce) and senior housing. Of the total, 48 affordable units are designated for families with household incomes less than 50 percent of the County's median household income.

SPECIAL NEEDS HOUSING

The U.S. Department of Housing and Urban Development (HUD) defines special needs as frail and non-frail elderly, persons with physical disabilities, homeless persons and persons at risk of becoming homeless, persons with mental or behavioral disabilities, persons with HIV/AIDS, or persons with alcohol or drug addictions. Special needs housing targets these populations, using Federal, State, and local funds to create more opportunities for independent living.

Table 9-9. Public & Assisted Housing

Name	Type	Location	Units
Banjo Lane Apts.	Elderly/Disabled	Centreville	10 1 BR Apts.
Center Park Apts.	Family	Centreville	37 1, 2 & 3 BR Apts.
Fisher Manor	Family	Grasonville	25 3-4 BR TH
Foxxtown Apts.	Elderly	Sudlersville	41 1-2 BR Apts.
Grasonville Terrace	Elderly	Grasonville	33 1-BR Apts.
Kent Island Village Apts.	Family	Chester	38 1-2 BR Apts.
Renaissance Chase	Family	Centreville	32 1, 2 & 3 BR Apts.
Riverside Estates	Family	Chester	23 2 BR TH
Stevensville Village	Elderly/Disabled	Chester	38 1-2 BR Apts.
Sudlersville Elderly Housing	Elderly	Sudlersville	16 1 BR Apts.
Terrapin Grove	Elderly	Stevensville	94 1-2 BR Apts.
Tilghman Terrace	Elderly/Disabled	Centreville	42 1 BR Apts.
The Willows at Centreville	Family	Centreville	5 1 BR Apts

Special needs housing also provides an alternative living arrangement for individuals who are unable to live independently without care, supervision or support because of age, disability, substance abuse, mental illness, chronic homelessness or other circumstances. Supportive housing programs assist these individuals with daily life and also offer access to case management, housing support, vocational, employment and other services for clients (and client families) transitioning to independent living.

There are many subgroups that account for the majority of special needs housing:

- Chronically homeless. These individuals are among the most vulnerable groups and tend to have high rates of behavioral health problems, including severe mental illness and substance abuse disorders, along with other conditions that may be worsened by physical illness, injury, or trauma.
- Veterans. Veterans disproportionately experience poverty, unemployment, and homelessness at higher rates compared to non-Veterans. Veterans returning from Iraq and Afghanistan are already beginning to appear among the homeless population. This new generation faces a different set of challenges from previous generations, including an increasing number of women, parents, and members of the National Guard. Rapid rehousing and homelessness prevention strategies are critical for many; however, those Veterans with severe physical and mental health disabilities—often caused by their military service—require permanent housing with supportive services.
- Mental illness and substance abuse. Mental illness and addictive disorders tend to disrupt relationships with family and friends and also result in the loss of employment. For persons already struggling to pay their bills, the onset or exacerbation of addiction can cause them to lose their housing. Many shelters require sobriety to remain housed; however, housing-first models focus on immediate shelter and access to supportive services. Residential services can include short-term/variable length-of-stay treatments, long-term treatment, and halfway houses.
- Children and families. Homeless families possess similar characteristics to housed families living in poverty—they are overwhelmingly led by single-female parents who are typically young with limited educational backgrounds. Studies also show that children who experience homelessness are more likely to become homeless later in life.
- Released felons. Released felons face a number of barriers that place them at a high risk of homelessness, including limited income, limited prospects for employment, and ineligibility for public housing. When felons are released, the approval is typically short notice and does not allow for advance planning regarding job interviews, housing, and program assistance outside of the prison system.
- Victims of domestic violence. Women are the primary victims of domestic abuse within the State. When a woman decides to leave an abusive relationship, she is typically faced with the decision to leave her home and seek shelter elsewhere, particularly true of women with few resources. Lack of affordable housing and long housing wait lists means that many women and their children are forced to choose between abuse at home and life on the streets. Shelters are frequently filled to capacity and must turn away battered women and their children.
- Foster care. Youth who age out of foster care face a number of challenges during the transition to adulthood. Among the greatest may be achieving housing stability. Current federal funding provides very limited support for keeping youth in foster care past their 18th birthday. As a result, youth are discharged from foster care at the age of 18 or shortly thereafter. Foster parents stop receiving financial assistance to support the foster child and are unwilling or unable to continue to provide housing.
- HIV/AIDS. The cyclical nature of the HIV/AIDS disease perpetuates unstable housing situations. Whenever an individual is symptomatic with the disease, they may be unable to work and experience difficulties performing daily activities. Housing stability is crucial to health and wellness as a number of treatment medications require proper refrigeration. Many HIV/AIDS patients also have

substance abuse and mental health challenges, which exacerbate these problems.

- Physical and cognitive disabilities. Individuals with physical challenges can live independently, with or without personal care; however, the housing needs of individuals living with physical disabilities can be extensive and expensive and without proper supports to provide for appropriate facilities, these individuals may be at risk homelessness.
- Seniors. There are more Americans over the age of 65 today than ever before and the number is rapidly increasing. As this population continues to grow, there are a number of issues they face, including fixed incomes, connections to services, mobility and cognitive challenges, and their desire to age in place as they become older.
- Migrant and seasonal farm workers. Providing safe, decent affordable housing for migrant and seasonal farm workers is an ongoing challenge across the country. While the population is historically undercounted, farm worker housing is critical for meeting the needs of migrant and seasonal farm workers.

AGING POPULATION

The share of income spent on housing can be a primary concern for the County's senior population, many of whom live on fixed incomes and thus have less ability to afford increasing housing costs. As discussed in **Chapter 2—County Profile**, Queen Anne's County has a large and increasingly elderly population. The number of residents that are over 55 years of age has significantly increased since 2000. An increasingly older population will mean a greater demand for modestly priced housing that serves the special needs of the elderly. An aging population will place new demands on housing in terms of affordability, size, and proximity to community facilities and services.

MARYLAND STABILITY INDICES

The Maryland Homeowner Stability Index (MHSI) and Maryland Renter Stability Index (MRSI) were developed as part of the *2020 Maryland Housing Needs Assessment & 10-Year Strategic Plan* to provide a way to compare needs across the State and within regions. The MHSI identifies Census Tracts where homeowners are most stressed in terms of housing cost and quality and where the housing market needs the most support. The MRSI identifies Census Tracts where renters are stressed by cost and where the rental market needs to serve vulnerable residents.

- Lowest/Low Need Areas—For renters, these areas have fewer cost-burdened renters, subsidized units and property quality problems at rental properties *(see **Table 9-10, Tracts by MSHI Category**)*. They also have lower shares of households with special housing needs or people of color. The primary strategy to serve renters in these areas is to increase access to affordable homes, with an emphasis on spurring economic growth in areas with limited economic growth. For owners, these areas have higher-than-average home values and lower shares of cost-burdened owners and people living in poverty. The primary strategy to serve owners in these areas is to increase access to affordable homes, with an emphasis on supporting accessibility features for seniors and persons living with a disability.
- Moderate Need Areas—For renters, these areas are places where rents have increased, and special needs populations live *(see **Table 9-11, Homeowner Needs by MHSI Category**)*. The primary strategy to serve renters in these areas is to prevent displacement and support vulnerable renters and homeowners, including taking actions that support aging-in-place. For owners, these areas have higher shares of older homes and households facing delinquency and foreclosure rates, compared to lower need areas. These areas have more special populations than low need areas. The primary strategy to serve owners in these areas is to alleviate housing costs and, in some areas, undertake actions that support aging-in-place or economic mobility.
- Highest/High Need Areas—For renters, these areas have a high share of cost-burdened renters; high poverty rates; and significant housing quality problems at rental properties *(see **Table 9-12, Tracts by MRSI Category**)*. They also have higher shares of households with special housing needs and people of color. The primary strategies to serve renters in these areas are to improve housing quality and affordability; support economic mobility initiatives; and expand and scale assistance to

meet needs. For owners, these areas have a high share of cost-burdened homeowners; high poverty rates; higher foreclosure and delinquency rates; and significant housing quality problems at owner-occupied properties. They also have higher shares of households with special housing needs and people of color. The primary strategies to serve owners in these areas are to stabilize homeowners; revitalize existing homes; and deconcentrate poverty.

Table 9-10. Tracts by MHSI Category

County	Lowest Need	Low Need	Moderate Need	High Need	Highest Need	Regional Total
Caroline	0%	14%	5%	10%	14%	9%
Cecil	29%	33%	10%	10%	10%	18%
Dorchester	0%	5%	19%	10%	10%	9%
Kent	0%	0%	14%	5%	5%	5%
Queen Anne's	38%	10%	10%	0%	0%	11%
Somerset	0%	0%	0%	10%	24%	7%
Talbot	5%	24%	19%	0%	0%	10%
Wicomico	19%	0%	14%	38%	19%	18%
Worcester	10%	14%	10%	19%	19%	14%
Total Tracts	21	21	21	21	21	105

Source: 2020 Maryland Housing Needs Assessment & 10-Year Strategic Plan

Table 9-11. Homeowner Needs by MHSI Category

Low/Lowest Need Areas	Moderate Need Areas	High/Highest Need Areas
More housing stability Fewer housing quality concerns Low poverty and high household incomes High home prices Growing elderly population Low shares of non-White residents	Above average home prices High price appreciation Stagnant household incomes High delinquency and foreclosure rates Aging housing stock High share of elderly adults and people with a disability	High cost-burden rates, despite low home prices High poverty and low household incomes Significant housing quality concerns High residential mobility Highest share of residents with a disability Higher shares of non-White residents

Source: 2020 Maryland Housing Needs Assessment & 10-Year Strategic Plan

Table 9-12. Tracts by MRSI Category

County	Lowest Need	Low Need	Moderate Need	High Need	Highest Need	Regional Total
Caroline	5%	5%	0%	14%	19%	9%
Cecil	29%	33%	10%	10%	10%	18%
Dorchester	5%	14%	10%	5%	10%	9%
Kent	5%	0%	10%	5%	5%	5%
Queen Anne's	24%	10%	14%	10%	0%	11%
Somerset	0%	10%	5%	5%	14%	7%
Talbot	5%	5%	19%	14%	5%	10%
Wicomico	20%	24%	19%	14%	24%	18%
Worcester	19%	0%	14%	24%	14%	14%
Total Tracts	21	21	21	21	21	105

Source: 2020 Maryland Housing Needs Assessment & 10-Year Strategic Plan

Table 9-13. Renter Needs by MRSI Category

Low/Lowest Need Areas	Moderate Need Areas	High/Highest Need Areas
Few housing quality concerns Low poverty and high incomes Average rents and low rates of renter cost-burden Few assisted units Few elderly adults and people with a disability Low share of non-White residents	Average and increasing renter cost-burden rate Moderate household incomes Moderate rent Older than average housing Highest increase in median rent Highest share of elderly residents	High cost-burden rates, despite low rents High poverty and low household incomes Significant housing quality concerns High share of persons with disabilities High share of non-White residents

Source: 2020 Maryland Housing Needs Assessment & 10-Year Strategic Plan

Drawing on these indices and regional experience, stakeholders identified a series of priority needs and actions affecting owners, renters, and cross-cutting issues affecting residents *(see **Table 9-14, Maryland Stability Indices Priority Needs & Actions**)*.

Table 9-14. Maryland Stability Indices Priority Needs & Actions

Priority Needs	Priority Actions
Homeowners	
Vacant Homes—Vacant homes are common, making up 12% of the County's housing stock (although 33.5% of those are used seasonally as vacation properties). A range of interventions may be needed including stabilization, conversions, and neighborhood revitalization.	Increase Homebuyer Assistance Funding—Increased funding for down payment assistance and expanded financing options would help more people become homeowners and help overcome some of the higher home prices due to high construction costs.
High Cost of Construction—The high cost of construction (mainly attributed to infrastructure connections or improvements and State requirements for sprinkler systems) drives up the cost of homes, making it more difficult for potential homebuyers to find options that align with their earnings.	Expand Homebuyer Assistance & Education—Local and State resources should complement the State's homebuying resources and emphasize education about becoming a homeowner, the homebuying process, and available programs and resources. Consider partnering with larger-scale employers or community groups to host education courses.
Renters	
Evictions—Many renters face difficult circumstances due to loss of income from unemployment or underemployment related to COVID-19, including an inability to pay for housing costs. Uncertainty about the future has led to fears of an impending eviction crisis, as well as other impacts from the financial and public health emergencies.	Expand Rental licensing Programs—These programs require rental property owners to register their property and ensure they meet basic health and safety standards. Rental licensing proactively addresses housing quality issues and provides a way to track vacation rental properties.
Housing Age & Quality—The overall age of rental properties can contribute to code violations, overcrowding, and associated health and safety concerns.	Increase Funding for Property Rehabilitation—Many owners do not have easy access to funding to improve and rehabilitate their properties, especially to meet the needs of seniors and persons living with disabilities. CDBG funds (and others) can be used to support property rehabilitation.
Cross-Cutting Issues	
Persons experiencing homelessness.	Cultural competence, especially increased language access.

Source: 2020 Maryland Housing Needs Assessment & 10-Year Strategic Plan

HOUSING PIPELINE & NEEDS ANALYSIS

REGIONAL HOUSING MARKET

Regional housing markets today have priced out many low- and moderate-income families, and development in the County has produced few affordable workforce housing units. Housing production failed to keep pace with job growth within the greater region (Baltimore and Washington, D.C. Metropolitan Statistical Areas), making housing costs less affordable. The local and regional housing market coupled with aspirations to achieve a higher quality of life and access to jobs within the region make Queen Anne's County an attractive place to live.

Lack of housing diversity and affordability affects the commuting patterns as well as business growth in the County. An imbalanced relationship between jobs and housing diversity also affects the ability for local businesses to attract new talent, as well as the ability to attract new businesses and employers to our Towns and Growth Areas that could contribute to lowering the degree of commuting into and out of the County and its associated traffic congestion.

Housing in Queen Anne's County is among the highest priced of counties in Maryland. Indicators suggest there is a shortage of "workforce housing." A housing market out of reach of the average household has interrelationships with a number of influencing factors. **Table 9-15, Regional Comparison of Average Housing Sales Price** illustrates the average home sale prices for Queen Anne's County and neighboring counties. Queen Anne's County home sale prices increased $139,043 from 2010 to 2020, a 39.8% increase.

Cost of living is the cost of maintaining a certain standard of living. Changes in the cost of living over time are often analyzed in a cost of living index (see **Table 9-16, Cost of Living Comparison**). Cost of living calculations are also used to compare the cost of maintaining a certain standard of living in different geographic areas. Queen Anne's County has a cost of living index of 121.5 and has the highest cost of living on the Eastern Shore.

A greater variety of household sizes and demographics require a greater variety of housing choices. Young, affluent, technology-driven millennials desire mobile, walkable lifestyles. They are willing to exchange space for shorter commutes, mixed-use neighborhoods, and shared open spaces that foster community interaction. At the same time, baby boomers are working and living longer. They want to stay mobile and active in their later years, but they will not drive forever and do not want to be dependent on their family members for mobility. They also want to find ways to stay in their communities without having to care for a large home and yard.

Housing trends show singles demand more amenities, and women and older persons who live alone generally seek housing options that offer better security. They also drive less, reducing the need for off-street parking in private garages or lots, and increasing the need for accessible public transportation.

Table 9-15. Regional Comparison of Average Housing Sales Price

County	2010	2015	2020	Rank	% Change	Rank
Caroline	$172,576	$157,794	$224,112	7	29.9%	3
Cecil	$229,008	$218,963	$278,355	5	21.5%	6
Dorchester	$199,264	$172,695	$240,817	6	20.9%	7
Kent	$262,658	$246,370	$332,820	3	26.7%	4
Queen Anne's	$349,121	$342,620	$488,164	2	39.8%	1
Somerset	$119,847	$94,534	$157,282	9	31.2%	2
Talbot	$534,929	$459,371	$640,670	1	19.8%	8
Wicomico	$162,269	$154,732	$205,309	8	26.5%	5
Worcester	$300,170	$254,882	$322,444	4	7.4%	9

Table 9-16. Cost of Living Comparison

County	Cost of Living Index
Caroline	92.6
Cecil	105.8
Dorchester	86.4
Kent	94.7
Queen Anne's	121.5
Somerset	81.1
Talbot	108.8
Wicomico	88.5
Worcester	103.7

According to the National Association of Realtors (NAR), walkability is fast becoming one of the most important factors in choosing where to live. People of all ages want easy access to amenities such as stores, businesses, cultural centers, and transit. Homebuyers are seeking locations within walking distance to shopping, cultural amenities, jobs, and open space and the value of homes in walkable neighborhoods has increased at a much faster pace than homes in drivable suburban neighborhoods.

To retain and attract these household types, the County should focus on providing diverse, affordable housing options near jobs, schools, and other amenities within walkable communities. In addition, suburban and rural areas that want to retain their aging populations and attract newer, younger families, may need to create new, walkable environments and encourage the construction of more diverse housing options.

LAND USE DEVELOPMENT POLICIES

Housing development is guided by each jurisdiction's comprehensive plan, zoning code, environmental health regulations, water and sewer plan, building code, and fire prevention code. Those plans and regulations can directly impact the affordability of new housing and a developer's ability to build affordable housing successfully. Nationally, the provisions most often identified as having exclusionary impacts include:

- Minimum lot sizes
- Minimum unit sizes
- Maximum densities (i.e. limits on units per acre)
- Restrictions on specific types of housing
- Development approval processes that require special approvals
- Water and sewerage (public and private)
- Parking requirements that exceed market requirements
- Design standards that impose additional development costs
- Shortage of land zoned for residential development, particularly multi-family housing
- Other policies that constrain new development

Required housing rents and sales prices reflect the costs of development and the associated risks—many effective housing strategies include changes to zoning and development codes and approval processes to reduce barriers to housing development.

The *2021 Housing Study* reviewed the County's Zoning Ordinance. It notes that the County provisions that may limit housing development relate primarily to housing densities, approval requirements for apartment developments, and parking requirements.

DEVELOPMENT DENSITIES

The provision of zoning for multi-family development is limited. Though the specific provisions vary from district to district, the allowable densities for multi-family and apartment developments are low. Multi-family densities are generally 4.5-10 units per acre, although the Code does allow for 20 units per acre as long as certain conditions are met, with additional provisions to increase by up to 25% with Transfer of Development Rights. Expanding the areas where multi-family and apartment development is allowed would increase the availability of development sites and reduce the cost of land per unit. The County and municipalities should review and increase allowable densities where appropriate.

MISSING MIDDLE HOUSING

Many communities are making zoning provisions for "Missing Middle" housing—housing types with unit sizes and densities between those of single-family and multi-family zones. These are housing types that used to be an integral part of many neighborhoods before subdivisions came to dominate residential development and zoning codes limited uses to single-family detached houses. They include small-lot single-family units, duplexes, triplexes, townhouses, cottage homes, and small multi-family buildings of four to eight units.

PERMITTED DEVELOPMENT

Zoning provisions that make apartments and other types of less costly housing conditional uses dependent on Planning Commission and County Commissioner approval introduce politics into the development approval process, extending the time and costs and expanding the potential risks of non-approval. As with all businesses, development needs to make a return on investment. The scale of the return and the associated risks affect a developer's decision on what type of development to pursue and in what jurisdiction. The more certainty and predictability that can be provided, the more likely that new development of workforce housing will occur. Making workforce housing a permitted use would reduce the approval risks and encourage more developers to pursue local projects.

DEVELOPMENT INCENTIVES

Large disparities between the market rates required for private development and those affordable to the County's workforce create significant financial gaps. County incentives to help close those gaps could encourage private and non-profit developers to build new workforce housing. Such incentives could include bonus density, waivers of development fees, tax abatement, and provision of County-owned land.

- The County requires all developments with 20 or more units to make 10% of the units affordable to households at 80% of AMI, pay a fee in-lieu of providing MPDUs, or donate land for MPDU development. Over the past 10 years, this provision has resulted in the payment of $3M in-lieu fees and 46 loans for home purchases. To increase the production of MPDUs, the County should consider providing density bonuses.
- The County's development impact fees are relatively high, although the development impact fee ordinance provides exemptions for "residential housing units that are subsidized by any municipal corporation, County, state, or the federal government and are intended for low-income owners or tenants." Allocation fees paid for tapping into the water and wastewater treatment systems are also burdensome. The County should consider tiering the allocation fees to encourage development of multi-family and other smaller units. Reducing or waiving those fees for units committed for long-term affordability would provide a meaningful incentive.
- County property taxes account for roughly $1,500 per unit in annual operating expenses for local apartments. County reduction, abatement, or phasing-in of property taxes could provide a meaningful savings, allowing workforce housing providers to reduce monthly rents.
- Land costs are typically a major factor in residential development. Provision of unneeded County-owned land at below-market prices could support new workforce housing development. When developing new facilities, the County should also evaluate whether the property could also accommodate collocated affordable housing.

ORGANIZATIONS & RESOURCES

This section discusses the work of agencies and organizations that help provide affordable and workforce housing in Queen Anne's County.

USDA RURAL DEVELOPMENT

The USDA Rural Development's Rural Housing Service aids first-time low-income homebuyers through various loan programs:

SINGLE-FAMILY HOME LOAN PROGRAM

Also known as the Section 502 Direct Loan Program, this program assists low- and very-low-income applicants obtain decent, safe, and sanitary housing in eligible rural areas by providing payment assistance to increase an applicant's repayment ability. Payment assistance is a type of subsidy that reduces the mortgage payment for a short time. The amount of assistance is determined by the adjusted family income.

GUARANTEED SINGLE-FAMILY HOME LOANS

This program assists approved lenders to provide low- and moderate-income households the opportunity to own adequate, modest, decent, safe, and sanitary dwellings as their primary residence in eligible rural areas. Eligible applicants may build, rehabilitate, improve, or relocate a dwelling in an eligible rural area. The program provides a 90% loan note guarantee to approved lenders to reduce the risk of extending 100% loans to eligible rural homebuyers.

DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT

The Maryland Department of Housing and Community Development (DHCD) offers a wide array of homeownership and rental housing programs designed to help families find, rehabilitate, maintain, and keep affordable and livable housing in communities throughout the state, including Queen Anne's County. These programs work to revitalize communities and are used by a mix of State, local, and non-governmental organizations.

MORTGAGE PURCHASE PROGRAM

Home mortgages provide 30-year fixed-rate home loans to eligible homebuyers purchasing in Maryland. Loan terms are competitive with other home loan products on the market, and the program provides a range of associated financial incentives and other assistance (e.g., discounted interest rates, limited down payment assistance for moderate income households).

SPECIAL LOANS PROGRAM

Home improvement loans for low- and moderate-income homeowners.

LOW-INCOME HOUSING TAX CREDIT (LIHTC)

Awarded to qualified developers of low-income rental to invest in the construction and rehabilitation of rental housing for low- and moderate-income families.

INDEPENDENT LIVING TAX CREDIT

State income tax credit applied against home improvements to increase accessibility for homeowners, family members, or a rental property.

RENTAL HOUSING WORKS

Designed to create jobs and strengthen the State economy by providing gap financing for the creation and preservation of affordable rental housing financed through DCHD's Multifamily Bond Program and LIHTC.

PARTNERSHIP RENTAL HOUSING PROGRAM

Deferred loan program to local governments and qualified nonprofits to develop affordable rental housing for low-income households. Projects financed typically involve a partnership between State and local governments.

HOUSING CHOICE VOUCHER PROGRAM

HCVP is a federally-funded, locally administered rental assistance program that subsidizes the rent of lower income families, the elderly, and disabled to afford decent, safe housing in the private market using federal funds.

COMMUNITY DEVELOPMENT BLOCK GRANT

The CDBG program that is intended to benefit persons of low and moderate income, eliminate slum or blight and/or meet an urgent need of recent origin that threatens public health and safety. CDBG funds can apply to housing, community facilities or economic development projects.

COUNTY PROGRAMS

There are a variety of housing policies and programs that are currently administered by the County's Department of Planning and Zoning, the Housing Authority, and the Department of Housing and Community Services. The following provides a brief description of relevant policies and/or programs.

INCLUSIONARY HOUSING PROGRAM

Inclusionary housing is a housing program typically adopted as part of the zoning ordinance that requires developers to dedicate a certain percentage of new homes to qualifying households at an affordable housing cost for a specified duration of time. The County's inclusionary housing program is the Moderately Priced Dwelling Unit (MPDU) regulations contained in *Chapter 18, Zoning and Subdivision Regulations* of the County Code.

Following the adoption of the 2002 Comprehensive Plan, updates to Chapter 18 added provisions for MPDUs. Individuals whose household income is 80% or less than the AMI, with adjustments for household size, as reported by the United States Department of Housing and Urban Development (HUD) are eligible to participate in the County's MPDU Program.

The County's MPDU Program is intended to provide affordable new housing to moderate income households. When certain types of new residential developments are proposed at least 10% of the units are to be provided at a cost affordable to individuals and families earning 80% or less of the AMI. The maximum allowable income based upon family size is adjusted annually.

CRITICAL WORKFORCE HOUSING PROGRAM

The Department of Housing and Community Services offers a second mortgage financing to homebuyers who meet the Critical Housing Workforce Program guidelines. The purpose of the program is to ensure that the County continues to have an adequate supply of workers in local jobs that are critical to the safety and wellbeing of County residents. The loan cannot exceed 33% of the total purchase price or the appraised value of the home and property, whichever is less. At least one of the borrowers must be considered a member of the "Critical Workforce" which is defined as the following:

- Teachers employed full time in Queen Anne's County;
- Law enforcement officers, including correctional officers, employed full time in Queen Anne's County by County or Municipal Government;
- Emergency Medical Technicians employed full time in Queen Anne's County;
- An active member of a Queen Anne's County Volunteer Fire Company for the past 12 months, which includes both firefighters and Emergency Medical Technicians, and must be certified by the president of the County Volunteer Chief's Association; and
- Queen Anne's County Emergency Dispatchers.

NEIGHBORHOOD CONSERVATION INITIATIVE

Neighborhood Conservation Initiative (NCI) funds are part of the Federal and State Neighborhood Stabilization Program pursuant to the Housing and Economic Recovery Act of 2008. These funds are targeted to income-eligible, first-time homebuyers who are members of the critical workforce in Queen Anne's County. The County Department of Housing and Community Services is authorized to provide 0% deferred payment loans, not to exceed the amount of $50,000 as a second mortgage. In accordance with the State's approval, these loans can be used to purchase homes which have been foreclosed in Stevensville, Grasonville, and Church Hill.

SPECIAL LOAN PROGRAMS

The County Department of Housing and Community Services administer a variety of "Special Loan Programs" on behalf of the DHCD. These programs are designed to provide funding for improvements of existing single family units and rental properties that are available to low and moderate-income families. The funding from these programs are used to rehabilitate properties, increase energy conservation, modify structures to meet special housing needs, lead paint abatement and installation of indoor water and sewer facilities. The programs include:

- Maryland Housing Rehabilitation Program (MHRP)
- Accessory, Shared and Sheltered Housing Program (ACCESS)
- Lead Hazard Reduction Grant Loan Program (LHRGLP)
- Special Targeted Applicant Rehabilitation Program (STAR)
- Indoor Plumbing Program (IPP)

NON-PROFIT ORGANIZATIONS

HABITAT FOR HUMANITY

Habitat for Humanity is a non-profit, Christian housing ministry dedicated to eliminating substandard housing and homelessness worldwide and making decent, affordable shelter available to residents. Using volunteer labor and tax-deductible donations of money and building materials, Habitat constructs and renovates homes with the assistance of the homeowner/partner families. Upon completion, these homes are sold to partner families at no profit and financed with affordable no-interest loans. Tuckahoe Habitat for Humanity, located in Denton, MD works with qualifying families in Queen Anne's and Caroline Counties.

HAVEN MINISTRIES

Haven Ministries supplies shelter, clothing, food, and support to those in need. Ministries include a homeless shelter, Our Daily Thread Thrift Shop, emergency food pantries, resource centers, street outreach, Art for Your Home, and a warehouse with a job training program. Their vision is to secure a permanent facility for shelter for those less fortunate and to help people get back on their feet.

BMPs, TOOLS & TECHNIQUES

INDICATORS & MEASURES

As previously mentioned, housing diversity that provides affordable workforce housing is one of the keys to creating and sustaining healthy, economically vibrant communities. A lack of workforce housing influences opportunities for business development and business expansion.

There are direct relationships between land use, economic development and infrastructure investment that are described through a variety of influencing factors. Such factors include land and development regulations, infrastructure costs, impacts fees, construction techniques, building codes, market demand with respect to the following indicators of sustainability:

- The existence of housing unit diversity and variety.
- Housing production/growth inside and outside of Growth Areas and/or Priority Funding Areas.
- Housing variables that are published in the Decennial Census.
- Housing program participation and waiting lists for the units owned and managed by the County's Housing Authority units and the County's Rental Assistance Program.
- Infrastructure to support housing.

These sustainability indicators should be measured and evaluated over time to determine community impact with respect to meeting workforce housing needs as a factor affecting the overall sustainability of the County.

MARYLAND HOUSING TOOLBOX

The toolbox includes almost 70 actions, designed to address priority needs identified through the MHSI and MRSI, developed as part of the *2020 Maryland Housing Needs Assessment and 10-Year Strategic Plan*. Each action includes a description and keys to successful implementation and relates to elements of the shared framework:

- How the action addresses renters, owners, or both
- How the action achieves one of four desired outcomes: housing affordability, balanced supply and demand, access to opportunity, and economic growth
- The priority population the action serves, including seniors, persons living with disabilities, persons experiencing homelessness, or some combination of those groups
- The income group the population serves (30-60% AMI; 60% AMI, or both)

STRATEGIES & ACTIONS

The overarching goal for housing is to encourage the increased supply of housing of diverse types and price points to help sustain the County's economic vitality.

GOAL 9-1: Create a variety of housing types that are affordable to residents of all needs, ages, life stage, and income levels.

STRATEGY 1: Foster opportunities to create a supply of affordable, workforce, and attainable housing through various approaches, methods, and programs.

RECOMMENDATIONS:

1. Collaborate with incorporated municipalities and identify appropriate locations in Growth Areas to provide affordable, workforce, and attainable housing.
2. Encourage and allow appropriate density increases and a range of unit types to make affordable, workforce, and attainable housing an economically viable development option.
3. Encourage incorporation of affordable, workforce, and attainable housing within developments in appropriate locations.
4. Explore ways to improve the County's MPDU program.
5. Explore additional partnerships with non-profit and private housing organizations active on the Eastern Shore to encourage development within the County.

STRATEGY 2: Continue to implement various approaches, methods, and programs that promote affordable, workforce, and attainable housing.

RECOMMENDATIONS:

1. Continue to allow accessory apartments in association with single-family lots, as well as commercial apartments.
2. Promote infill development and redevelopment activities; where appropriate, encourage the replacement, installation, or upgrade of public infrastructure (e.g., roads, curbs, gutters, public water and sewer, sidewalks).
3. Establish partnerships between the County and its incorporated jurisdictions to identify new affordable, workforce, and attainable housing opportunities.
4. Continue to implement the County's housing and homeownership assistance programs.
5. Encourage the involvement of non-profit organizations to provide affordable housing.

STRATEGY 3: Support opportunities for County citizens to age in place.

RECOMMENDATIONS:

1. Provide opportunities to retrofit existing homes with accessible features so seniors and those with disabilities can remain in the community longer.
2. Coordinate with social service providers to expand transportation, medical, and social services access to elderly populations.

GOAL 9-2: Promote opportunities and programs to increase housing affordability for all County citizens.

STRATEGY 1: Support programs to increase the availability of affordable units.

RECOMMENDATIONS:

1. Collaborate with incorporated municipalities and identify appropriate locations in Growth Areas to provide affordable, workforce, and attainable housing.
2. Coordinate with municipalities and communities to publicize and promote information to residents and realtors about home ownership, rehabilitation, and renovation programs.
3. Consider pursuing additional funding for the County's Moderately Priced Housing Fund through creation of an incremental tax on property transfers and recordation.

STRATEGY 2: Identify land use policies to encourage housing availability and affordability.

RECOMMENDATIONS:

1. Collaborate with incorporated municipalities and identify appropriate locations in Growth Areas to provide affordable, workforce, and attainable housing.
2. Where appropriate, expand areas where multi-family and apartment development is allowed and review and increase allowable densities where appropriate.
3. Include opportunities for small-lot single-family units, duplexes, triplexes, townhouses, cottage courts, and small multi-family buildings within County development codes.
4. Evaluate parking requirements and consider reductions when requirements are likely to exceed actual demand.
5. Incorporate workforce housing as a permitted use in appropriate zoning districts.

STRATEGY 3: Incentivize development of workforce housing.

RECOMMENDATIONS:

1. Consider including density bonuses as part of the County's MPDU program.

2. Consider establishing tiered allocation fees to encourage development of multi-family and other smaller housing units.
3. Consider reducing or waiving development impact and other fees for housing units committed for long-term affordability.
4. Consider property tax reductions, or abatements for new assisted or workforce housing units.
5. When developing new County facilities, evaluate whether sites can incorporate collocated affordable housing.

GOAL 9-3: Preserve the County's existing housing stock.

STRATEGY 1: Support publicly assisted housing.

RECOMMENDATIONS:

1. Pursue State support and consider devoting more local funding as federal support declines.
2. Work with non-profit development organizations to identify and secure financial resources to maintain housing conditions.

STRATEGY 2: Prevent deterioration of existing housing stock.

RECOMMENDATIONS:

1. Continue and expand programs to help low- and moderate-income homeowners repair and modernize their homes (e.g., remedy health and safety hazards, weatherization, energy conservation, accessibility modifications, lead-based paint remediation).