NCSG

Maryland Housing Needs Assessment & 10-Year Strategic Plan

A shared framework & toolbox for the Maryland Department of Housing and Community Development and local partners

December 2020
Prepared by the National Center for Smart Growth and Enterprise Community Partners, Inc.

www.umdsmartgrowth.org

This report was made possible through the generous support of the Maryland Department of Housing and Community Development and reflects the work of The National Center for Smart Growth (NCSG) at the University of Maryland and Enterprise Community Partners, Inc.

We thank the many partners and communities whose commitment shaped this research study and the contents of this report. Particular thanks go to the housing developers, service providers, property managers and other community stakeholders across Maryland who supported this study through their participation and engagement.

We also specifically thank the following individuals across Maryland for their valuable time and input as members of the Maryland Housing Needs Assessment Advisory Group: Milton Bailey (Frederick County Department of Housing and Community Development); Donn Bibb (Crisfield Housing Authority); Jackie Brown (Prince George's County Council); Eric Brown (Maryland Association of Housing and Redevelopment Agencies); Jesse Buggs (City of Bowie); Warren Burris (Prince George's County Council); Kelly Cimino (Howard County Department of Housing and Community Development); Miranda Darden-Williams (Maryland Affordable Housing Coalition); Frank Demarais (Montgomery County Department of Housing and Community Affairs); Jeannine Dunn (Housing Authority of Baltimore City); Chickie Grayson (Maryland Affordable Housing Coalition); Joe Griffiths (Maryland Department of Planning); Dan Hoff (Carroll County, Maryland REALTORS); Everett Howard (City of Salisbury); Gerard Joab (Community Development Network of Maryland); Bill Jorch (Maryland Municipal League); Erin Karpewicz (Anne Arundel Community Development Services); Mindy Lehman (Maryland Bankers Association); Dee Dee Miller (Maryland REALTORS); Jennifer Moreland (Calvert County); Sally Nash (City of Annapolis); Dennis Nicholson (Housing Authority of St. Mary's County); Aseem Nigam (Montgomery County Department of Housing and Community Affairs); Victoria Olivier (Maryland Department of Planning); Marsha Parham Green (Baltimore County Office of Housing); Stephanie Prange-Proestel (Community Development Network of Maryland); Ronald Strickler (City of Salisbury); Alfred Sundara (Maryland Department of Planning); Ryan Trout (Frederick County Department of Housing and Community Development); Theresa Wellman (City of Annapolis); Duane Yoder (Garrett County Community Action Committee); and Bruce Zavos (Frederick County).

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SECTION 1
INTRODUCTION

Maryland is an incredible place to live, work, and raise a family. And every Marylander deserves the opportunity to live in safe, affordable housing. The Maryland Department of Housing and Community Development (DHCD) has made great strides in increasing the affordable housing stock by leveraging various state and federal programs. Since 2015, Maryland has accelerated the creation of affordable housing, constructing and financing 22,434 units of it.

To build on this progress, Maryland DHCD commissioned the Maryland Housing Needs Assessment & 10-Year Strategic Plan to chart a course for Maryland to become a more affordable place to live by 2030.

If current trends continue, more seniors, more families with children, and more people of different races and ethnicities will call Maryland home by 2030. The need for a safe, stable place to live will still exist.

Despite continued progress, there is still work to be done. Maryland currently lacks approximately 85,000 rental units for its lowest income households (meaning extremely low-income or those earning 30 percent of area median income [AMI] or below).[1] In many parts of the state, there aren't enough rental units for very low-income households (those earning under 50 percent AMI) either.[2] Maryland will add an estimated 97,200 extremely and very low-income households between 2020 and 2030.[3] Without further acceleration to create and preserve deeply affordable units, this shortage will worsen.[4]

Maryland's homeownership market has largely recovered from The Great Recession. However, some communities still feel its lingering effects in the form of vacant, abandoned properties and limited public and private investment. Potential homebuyers in some parts of Maryland continue to face difficulty when seeking a home loan and low for-sale inventory. As the state grows over the next 10 years, more for-sale homes will be needed to support homeownership among Marylanders, but the state's housing delivery system is hampered by high construction costs and incompatible land use standards. Existing homeowners continue to grapple with high housing costs; ongoing maintenance; and health and safety problems associated with older homes.

Perhaps most concerning, however, are the demographic disparities that exist in the state's housing market today. Households of color experience higher rates of cost-burdens, lower levels of homeownership compared with white households, and tend to live in higher-need areas across Maryland. These disparities are especially pronounced among Black households, whose homeownership rate is 26 percentage points lower than white households.[5] In a bright spot, representation among borrowers of color in the Maryland Mortgage Program exceeds market participation rates.

At the same time, many of the state's most vulnerable households—for example seniors and persons living with disabilities who are making up a larger share of Maryland's population—need to be better served by Maryland's housing market and existing programs designed to serve them. Maryland should ensure that local and state housing programs and policies serve everyone, especially vulnerable populations.

A roadmap for 2030

Addressing Maryland's housing needs requires leadership at all levels of governance: local, state, and federal, along with continued engagement of the private and philanthropic sectors, and the support of all Marylanders.

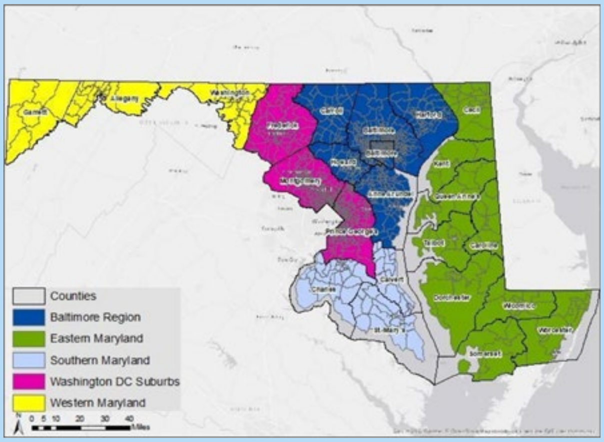
While individual communities' contributions to address these needs may differ, a common objective unites this work. In Section 2, this plan outlines a shared framework for housing investments in Maryland as local and state leaders work to act on unmet housing needs over the next 10 years. Section 3 of this plan details the housing needs affecting renters and homeowners across Maryland and highlights the existing programs and policies offered by Maryland DHCD. Section 4 outlines a common way to understand needs across Maryland and in its regions through the Maryland Homeowner and Renter Stability Indices. This plan concludes with the Maryland Housing Toolbox, an interactive matrix of nearly 70 housing-related actions to equip local and state decision-makers and their partners with ways to meet their community's housing needs over time (see Appendix A for a static version of this toolbox).

A note about data used for the Maryland Housing Needs Assessment

Conclusions in this plan draw on a mix of quantitative and qualitative analysis to provide a comprehensive and integrated understanding of housing needs in Maryland.

Quantitative analysis in this plan comes from seven main data sources: Decennial Censuses; American Community Survey Five-Year Estimates; U.S. Department of Housing and Urban Development (HUD) (for data on housing affordability and income levels); CoreLogic via Maryland Department of Housing and Community Development Research; Home Mortgage Disclosure Act; Maryland Department of Planning (MDP); and estimates prepared by the National Center for Smart Growth for this assessment.

Qualitative analysis in this plan comes from four main data sources: Maryland Housing Needs Assessment Advisory Group, a group of stakeholders from across Maryland who provided ongoing feedback during the development of this plan; focus groups and interviews to discuss specific topics; an assessment of select state housing programs and policies; and an assessment of select local housing programs and policies.



MARYLAND REGIONS

This report uses five regions to discuss housing needs (see map above). These regions align with the categorization used by the Maryland Department of Planning (MDP) (though MDP separates Eastern Maryland into two parts, northern and southern). For the purposes of this report, the state's 23 counties and Baltimore City are categorized as follows: 1) Greater Baltimore region: Baltimore City, and Anne Arundel, Baltimore, Carroll, Harford and Howard counties; 2) Washington, DC suburbs: Frederick, Montgomery and Prince George's counties; 3) Eastern Maryland: Caroline, Cecil, Dorchester, Kent, Queen Anne's, Somerset, Talbot, Wicomico and Worcester counties; 4) Western Maryland: Allegany, Garrett and Washington counties; and 5) Southern Maryland: Calvert, Charles and St. Mary's counties.

A note about COVID-19

The Maryland Housing Needs Assessment started in 2019, before the COVID-19 global pandemic began to affect the lives of Marylanders. The data sources used throughout this report to assess housing needs in Maryland reflect pre-pandemic conditions. While COVID-19 is already affecting Maryland's economy and Marylanders' lives as of 2020, comprehensive and accurate data to assess its impact on the state's housing market are not yet available.

Maryland stakeholders have identified emerging housing needs in their communities created or exacerbated by COVID-19, and many of these needs (housing instability, homelessness, and accessing housing and housing services, to name a few) were identified in the baseline conditions analysis for this report as needs already affecting renters and owners. Due to the pandemic, these needs now affect more people and are more visible to local and state leaders.

The pandemic has also reinforced the importance of reliable, affordable Internet access to support distance learning and working from home (for those who are able) and holistic response and recovery efforts that coordinate housing, food, and utility assistance for households and additional resources for local small businesses.

Beyond these needs, the pandemic has generated unprecedented uncertainty and anxiety. As more Marylanders face housing instability as a result of COVID-19, the need for an affordable state is even more pressing. It also means achieving this objective will be a larger challenge than initially envisioned. One aspect of this plan, the Maryland Housing Toolbox, aims to speak to this uncertainty. Instead of static recommendations, this plan presents a flexible toolbox that implementers can use to identify actions to help respond to local housing needs that exist today or may emerge over time.

What is the Maryland Housing Needs Assessment and 10-Year Strategic Plan?

The Maryland Housing Needs Assessment and 10-Year Strategic Plan outlines the key housing needs affecting renters and homeowners in Maryland; articulates a unified vision for housing investments across Maryland; and provides supportive tools, such as Maryland Homeowner and Renter Stability Indices and Maryland Housing Toolbox, to equip implementers to achieve this vision.

How was the Maryland Housing Needs Assessment and 10-Year Strategic Plan developed?

The Maryland Housing Needs Assessment and 10-Year Strategic Plan was developed through a baseline conditions analysis of housing needs affecting renters and owners statewide; evaluation of housing and community development programs administered by the Maryland Department of Housing and Community Development; development of housing stability indices to compare housing needs across Census Tracts; and identification of actions designed to address statewide and local housing needs.

The process was supported by consistent feedback from the Maryland Housing Needs Assessment Advisory Group, a 20-member body with representatives from statewide organizations and local and regional governments; topical focus groups; and supplemental interviews. The advisory group met eight times between January and September 2020. Through this engagement, the Maryland Housing Needs Assessment and 10-Year Strategic Plan reflects perspectives from across the entire state. For a full summary of stakeholder feedback, see Appendix B.

SECTION 2
PROPOSED STATEWIDE PRIORITIES

The Maryland Housing Needs Assessment Advisory Group crafted a framework to help guide state and local investments across Maryland over the next 10 years. This framework outlines a vision and guiding principles to unify housing activities and identify priority needs and populations that are common across the state. It can be used to coordinate housing decisions across local, state, and federal government and private- and philanthropic-sector partners, building on input collected from the Maryland Housing Needs Assessment Advisory Group.

Vision for 2030

By 2030, stakeholders would like Maryland to be a more affordable, equitable place to live. To them, housing affordability means supporting both renters and homeowners through direct assistance; financing more rental properties and for-sale homes; and promoting policies that help encourage a wider range of homes throughout the state. It also means helping the most vulnerable residents of Maryland, who need more flexible requirements to rent a home and higher-quality, accessible units available at a lower cost to maintain a stable home.

Guiding principles

Promote equity in housing.

Stakeholders elevated the importance of centering housing activities and investments on equity in housing for all Marylanders, especially people of color. Maryland's housing market must be affordable and serve its residents equally. When it doesn't meet those standards, the result is disinvestment in communities and concentrations of poverty. One key metric illustrating this problem is a significantly lower homeownership rate among Black Marylanders.[6] Over the next 10 years, housing policy should be created with a focus on activities and investments that create equal opportunity for people of color. This focus means actions need to address disparities that have created concentrations of poverty and uneven outcomes and existing practices that do not result in equal access to affordable housing among households of color. It also means future investments should be aligned with policies that protect and promote equity in order to achieve more positive outcomes.

Create a balanced housing supply.

Stakeholders emphasized that Maryland cannot become a more affordable place to live if housing production and stabilization activities are not aligned with projected growth. Housing investments over the next 10 years should balance the need for new or stabilized homes with projected household growth. Maryland is poised to add an estimated 178,000 households between 2020 and 2030, mostly in the Greater Baltimore region and suburbs of Washington, DC.[7] Maryland will also need to promote homes that serve a wider range of households and incomes, based on projected demographic trends (see Section 3 for a detailed discussion of these trends).

Increase access to opportunity.

A stable home in a strong community unlocks opportunity. Stakeholders see a need to closely connect housing investments to high-quality schools, job centers, and public transportation and other services to ensure every Marylander can reach their full potential. Making these connections include continuing to leverage Maryland's Communities of Opportunity designation when financing new or preserving existing affordable housing properties and forging stronger partnerships with lenders to promote homeownership opportunities for households of color, especially Black households who are denied home loans at twice the rate of white households.[8]

Support economic growth.

Stakeholders would like to see housing investments used to promote economic development and neighborhood revitalization. Many communities in Maryland need more homes to help retain and attract a local workforce for employers, and many local businesses and residents can directly benefit from investment in the creation of new homes and improvements to existing ones.

Create context-specific approaches.

Stakeholders expressed a desire for more tailored programs and policies that account for regional and community context to ensure they work in all parts of Maryland and for more people. Households across Maryland face similar housing needs, including cost burdens, barriers to purchasing a home or finding a rental home that meets their needs, and housing quality problems. However, a one-fits-all approach will not effectively address these needs, and many state-level programs designed to serve homeowners and renters are not tailored to varying cultural and geographic contexts, capacity, and resources in different parts of the state.[9]

Priority needs across Maryland[10]

When asked to prioritize housing needs identified through the quantitative and qualitative analysis conducted for the Maryland Housing Needs Assessment, the Maryland Housing Needs Assessment Advisory Group identified two key needs:

- **Homes for low-income households**
  Stakeholders prioritized the importance of meeting the varied and largely unmet housing needs among low-income households over the next 10 years. Low-income households—in particular, extremely and very low-income households—are underserved by Maryland's housing market today. These households will represent more than half of all new households in Maryland by 2030. In addition to housing affordability, there's a need to align with household characteristics, including more families with children, more people living alone, and more racially and ethnically diverse households.

- **Constructing affordable and market-rate housing**
  Stakeholders emphasized the need for a well-functioning housing delivery system as a precondition for keeping pace with projected growth. However, home builders in Maryland face several challenges: higher construction materials and labor costs, costs associated with providing or connecting to infrastructure, strict local and state-level regulatory requirements, limited land use standards for higher density development, and lack of local political support for new development. These challenges create uncertainty and drive up the cost to build affordable and market-rate homes, with builders passing along these higher costs to Marylanders seeking to rent or buy a home in the state.

Priority populations

Two specific income groups—households at 30 percent AMI and households at 60 percent AMI—were identified at the start of the Maryland Housing Needs Assessment as two priority populations. When asked to prioritize populations with unmet housing needs in Maryland, the Maryland Housing Needs Assessment Advisory Group affirmed the needs of these income groups and identified additional groups to focus on serving over the next 10 years: seniors; persons with disabilities; and persons experiencing homelessness.

SERVING EXTREMELY AND VERY LOW-INCOME HOUSEHOLDS

The Maryland Department of Housing and Community Development's commissioning of the Maryland Housing Needs Assessment and 10-Year Strategic Plan was inspired by a request from the chairs of the Maryland General Assembly's Senate Budget and Taxation and House Appropriations committees to understand the unmet housing needs among two specific income groups: households at 30 percent AMI and households at 60 percent AMI.[11] These pages detail the unique challenges facing each income group and local and state-level actions to serve them.

Needs among households at 30 percent AMI & actions to serve them

Households earning 30 percent AMI or extremely low-income households represent 13 percent of Maryland households, or 269,636 total households.[12] Individuals at this income level may be employed in occupations such as fast food workers, cashiers, childcare providers, home healthcare providers, or farmworkers.[13]

HUD-defined Income Limits for Maryland (2020)

30% AMI	1-person household	2-person household	3-person household	4-person household
	$21,950	$25,100	$28,200	$31,650

Source: huduser.gov

Key needs among extremely low-income households

A shortage of affordable and available units. Homes priced for households at 30 percent AMI tend to be the most scarce in the state's housing market, with an overall deficit of about 85,000 affordable and available units for extremely low-income households.[14] Statewide, there are 33 units available for every 100 extremely low-income households.[15]

Risk of losing existing subsidized units. Subsidized units are a critical source of housing for low-income households, especially those at the lowest end of the income spectrum. Subsidized properties with expiring affordability restrictions, aging infrastructure, and poor property conditions could be lost from the housing stock without intervention, which would further exacerbate the shortage of affordable and available units for extremely low-income households. Based on the age and anticipated needs of these properties, there is an opportunity to renew expiring covenants through the provision of additional resources, providing residents with higher quality living conditions and preserving affordability in the longer term.

Concentrations of extremely low-income households. Extremely low-income households are concentrated in Baltimore City (23 percent of the state's total), Prince George's (15 percent), Montgomery (14 percent) and Baltimore (14 percent) counties. Together, these four places are home to 66 percent of the state's extremely low-income households.[16] These counties are also where most assisted housing is available in the state, underscoring the limited housing options households at this income level may face.[17]

Increased competition for homes. Between 2020 and 2030, Maryland will add nearly 100,000 new households earning less than half of median income. About 49,000 of those will qualify as extremely low-income households, and 47,500 will qualify as very low-income households.[18] Based on current conditions, these households will face increased competition for a small number of affordable homes and high rates of cost-burden, if affordable units aren't available.

Severe and increasing cost-burden. Extremely low-income households, which often intersect with vulnerable groups such as seniors and persons living with a disability, experience higher rates of severe cost-burden than other income groups. This is in part driven by the overall lack of affordable housing priced for them and difficulties of keeping pace with increased housing costs. Out of 167,778 severely cost-burdened renter households in the state, more than 120,000 have extremely low incomes. Out of 143,205 severely cost-burdened owner households around the state, 66,390 are extremely low-income.[19] Without action, severe cost-burden among extremely low-income households is projected to grow through 2030.[20]

Relevant actions to address key needs among extremely low-income households

Actions to expand and preserve housing options priced for extremely low-income households:

- Offer operating subsidies for affordable housing developments
- Expand use of project-based vouchers
- Create housing trust funds
- Create housing preservation funds
- Establish dedicated revenue sources for affordable housing

Actions to relieve housing cost-burden and prevent housing displacement:

- Increase awareness of available housing programs and assistance to navigate eligibility and other program requirements
- Develop cross-sector partnerships to provide integrated services, including health, employment, and education
- Increase tenant protections and access to information, legal services, mediation, or other supports
- Extend affordability periods associated with development subsidies
- Expand emergency rental assistance programs

For more information about each these actions, please see a static version of the Maryland Housing Toolbox in Appendix A or download a copy of it here:

https://dhcd.maryland.gov/Documents/Research/HousingToolbox.xlsx

Needs among households at 50 percent AMI & actions to serve them

Households earning up to 50 percent AMI or very low-income households represent 527,760 households, or 25 percent of Maryland households.[21] There are approximately 86,666 additional households (4 percent of all Maryland households) earning between 50 and 60 percent AMI.[22] Due to data availability, data on households at 50 percent AMI or less is used as a proxy for understanding housing needs among households at 60 percent AMI or less.[23] Individuals at these income levels may work as claims adjusters, logisticians, budget analysts, medical transcription professionals, or pharmacy technicians.[24]

HUD-defined Income Limits for Maryland (2020)

50% AMI	1-person household	2-person household	3-person household	4-person household
	$36,600	$41,800	$47,050	$52,250

Source: huduser.gov

Key needs among very low-income households

Shortage of affordable rental & homeownership options. Thirteen of Maryland's 23 counties and Baltimore City lack enough rental housing for very low-income renters (those earning 50 percent AMI or below).[25] Of the 231,990 homeowners at or below 50 percent AMI statewide, there are only 189,926 homes affordable to them, leaving a gap of more than 42,000 homes.[26] This emphasizes the importance of housing assistance to fill the gap between supply and demand among households at this income level.

Availability of assisted units. While many current programs target households at 60 percent AMI and below, such as the Low-Income Housing Tax Credit and Housing Choice Voucher Program, there is not enough housing assistance for every household that needs it and assisted units are not available equally throughout the state. Nearly 60 percent of the federally subsidized rental units located in Maryland are in three places: 1) Baltimore City (27,456 units); 2) Montgomery County (15,350 units); and 3) Prince George's County (11,447 units).[27] While these two counties and Baltimore City host 60 percent of federally subsidized units, they are home to 43 percent of the state's population,[28] with 50 percent of the state's extremely and very low-income households.[29] Accordingly, it is evident that federally subsidized units are over concentrated in these jurisdictions relative to population and the extremely low-income population.

Cost-burden. A little more than two-thirds of moderately cost-burdened renters are considered very low-income and low-income (by HUD-defined income categories).[30] These households make up 40 and 29 percent of all moderately cost-burdened renters, respectively. Very low-income households also account for most of the state's owner households that are severely cost-burdened (28 percent).[31]

Limited access to homeownership. Homeownership is limited among low-income households. Very low-income and extremely low-income homeowners make up only 16 percent of homeowners statewide, compared with 65 percent of households earning above area median income.[32] This is compounded by the shortage of homes affordable to this income group.

Relevant actions to address key needs among very low-income households

Actions to preserve and expand housing options priced for very low-income households:

- Increase use of multifamily private activity bonds to draw down 4 percent Low-Income Housing Tax Credits
- Expand access to capital for owners of unsubsidized affordable rental properties.
- Establish inclusionary zoning policies
- Create housing trust funds
- Leverage publicly and partner-owned property for affordable housing development

Actions to reduce barriers to accessing and maintaining homeownership:

- Increase availability of foreclosure prevention programs and related services
- Increase availability of homebuyer education programs and related services
- Use resale restrictions for homes receiving public assistance
- Increase use of financial tools for streamlined home purchase and rehabilitation

For more information about each these actions, please see a static version of the Maryland Housing Toolbox in Appendix A or download a copy of it here:

https://dhcd.maryland.gov/Documents/Research/HousingToolbox.xlsx

SECTION 3
STATE OF HOUSING IN MARYLAND

Statewide housing trends

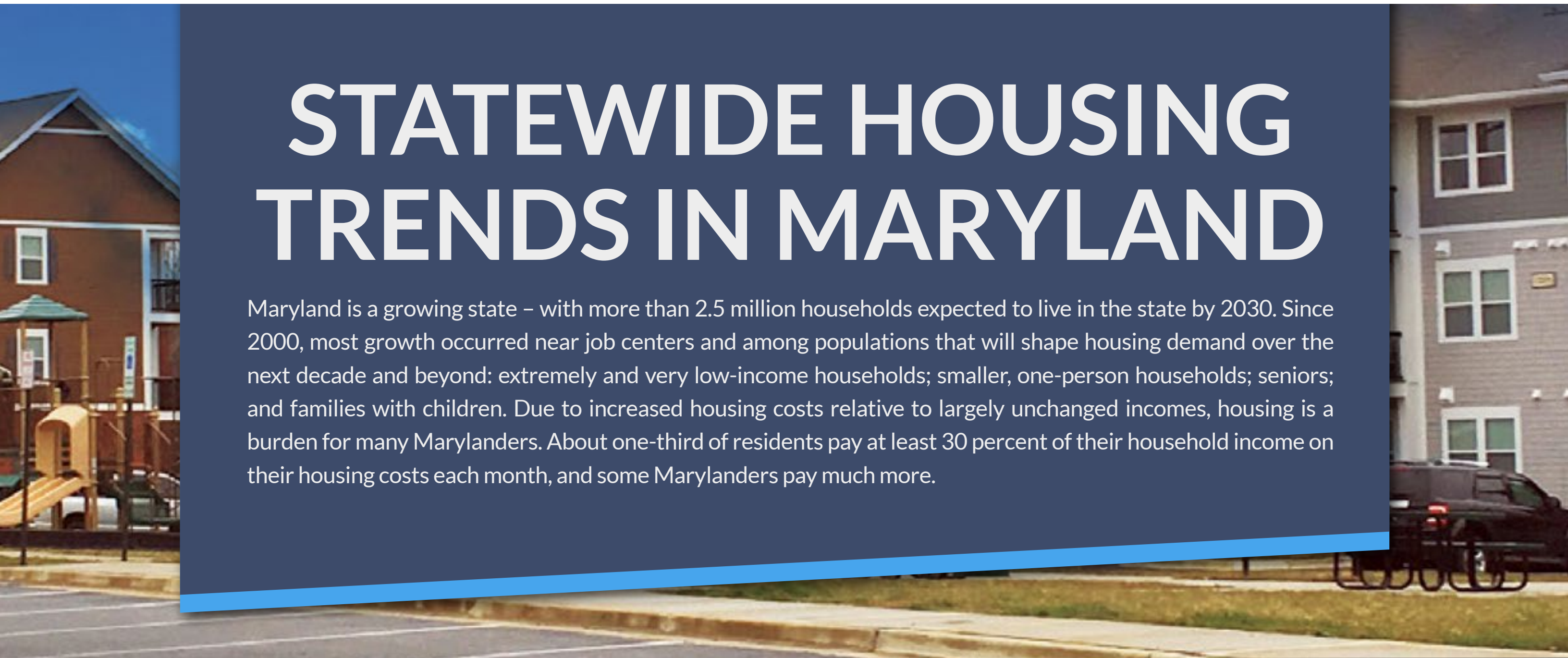
Over the last 10 years, Maryland's economy recovered from the harsh impacts of The Great Recession and experienced steady economic growth. That economic growth was fueled by a growing and diverse population, a steady job market, and growth in the housing market, especially in the last five years.

However, this growth has not been distributed evenly throughout the state. Certain areas of the state experienced much slower growth, while others grew rapidly. The spread of the COVID-19 global pandemic into Maryland beginning in early 2020 has already impacted the state's labor and housing markets.[33]

It is too early to assess the pandemic's long-term impacts, as the future trajectory of the pandemic is unknowable (as of December 2020). However, one likely impact is slower economic growth, fewer housing starts, and slower increases in housing prices in the early 2020s in comparison to the 2015–2019 time period.

This section discusses statewide economic and demographic changes and assesses future demographic trends through the year 2030 (see Appendix C for additional supporting tables and figures for data discussed in this section).


Super Bowl
CHAMPIONS
58



STATEWIDE HOUSING TRENDS IN MARYLAND

Maryland is a growing state – with more than 2.5 million households expected to live in the state by 2030. Since 2000, most growth occurred near job centers and among populations that will shape housing demand over the next decade and beyond: extremely and very low-income households; smaller, one-person households; seniors; and families with children. Due to increased housing costs relative to largely unchanged incomes, housing is a burden for many Marylanders. About one-third of residents pay at least 30 percent of their household income on their housing costs each month, and some Marylanders pay much more.

HOUSEHOLD GROWTH (2017-2030)

2017
2,181,093
HOUSEHOLDS

2020
(forecasted)
2,325,516
HOUSEHOLDS

2030
(forecasted)
2,503,843
HOUSEHOLDS

CHANGE (2020-2030): +8%

SENIORS (2017)

849,185
SENIORS

14%
OF ALL MARYLANDERS

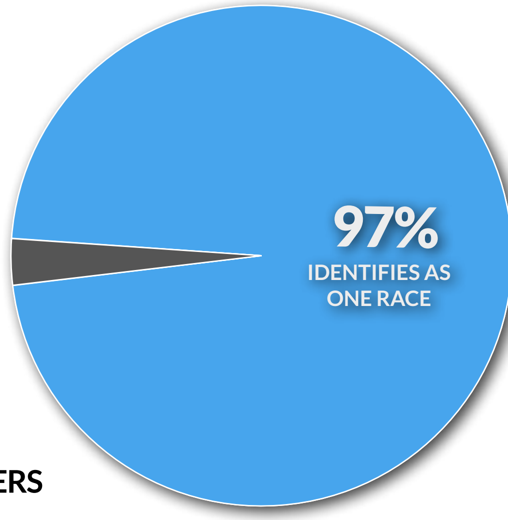
PERSONS LIVING WITH A DISABILITY (2017)

638,104
PERSONS

11%
OF ALL MARYLANDERS

RACE AND ETHNICITY (2017)

3%
IDENTIFIES AS MORE THAN ONE RACE



- White: **57%**
- Black or African-American: **30%**
- Asian: **6%**
- American Indian and Alaska Native: **< 1%**
- Native Hawaiian and Other Pacific Islander: **< 1%**
- Other Race: **4%**

HISPANIC OR LATINO (of any race)

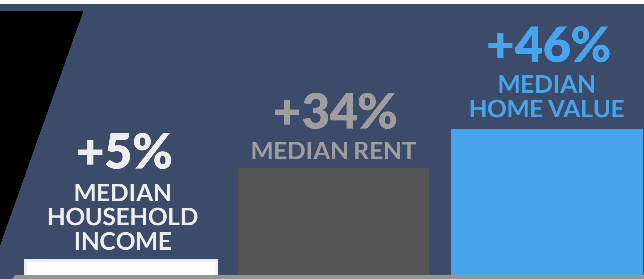
10% OF ALL MARYLANDERS

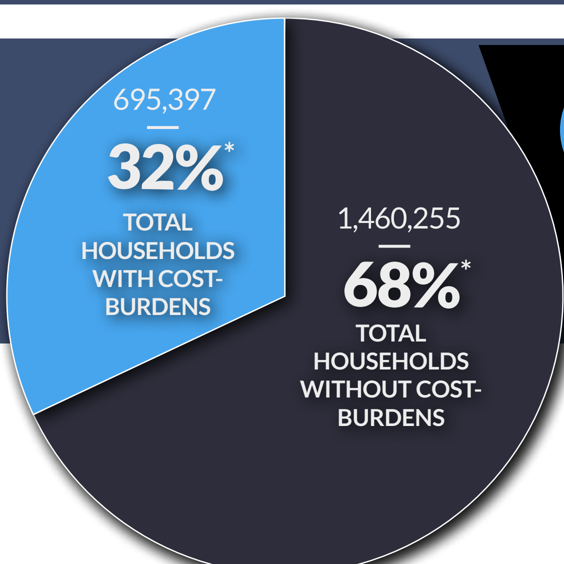
Note: Figure does not sum to 100 due to rounding.

CHANGE IN HOUSEHOLD INCOME

COMPARED TO HOUSING COSTS (2000-2017)

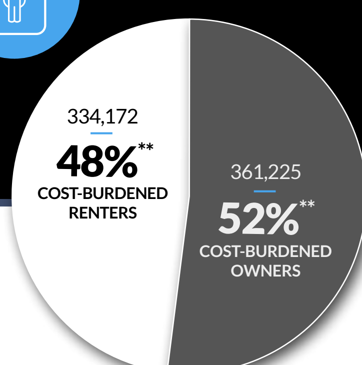
Note: Calculations used 2017 inflation-adjusted dollar amounts.



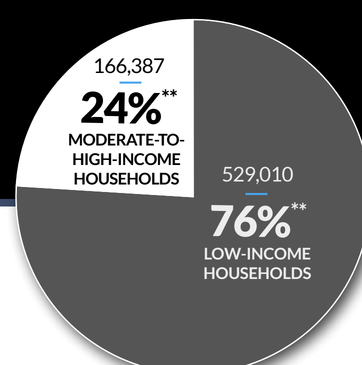


* of all households

HOUSING INSTABILITY (2016)



** of all cost-burdened households



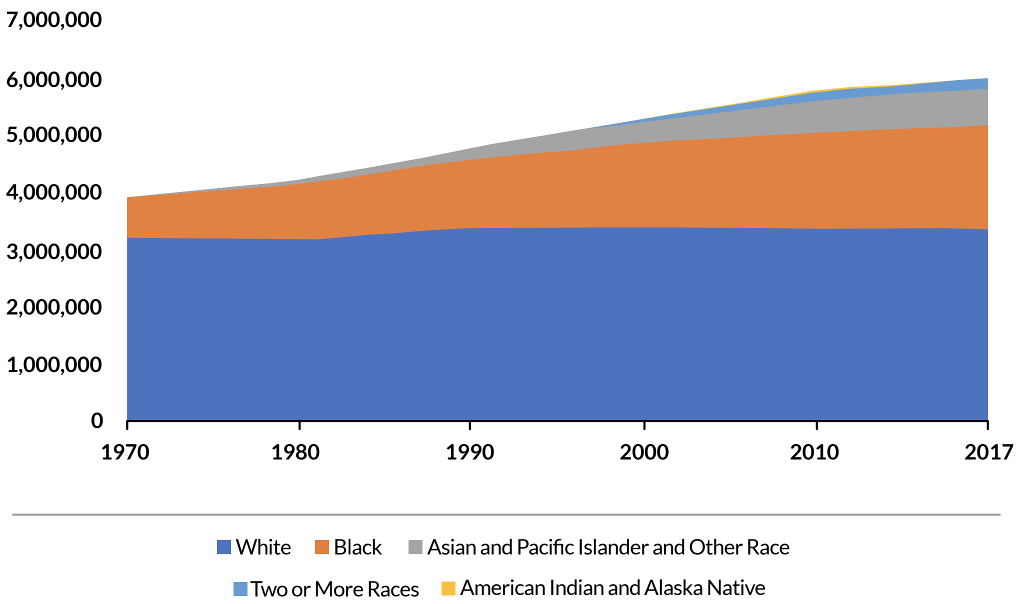
** of all cost-burdened households

67% OF ALL HOUSEHOLDS ARE OWNERS / **33%** ARE RENTERS

Sources: National Center for Smart Growth projections based on Maryland Department of Planning data; 2013-2017 American Community Survey 5-Year Estimates; 2000 U.S. Census; 2012-2016 Comprehensive Housing Affordability Strategy via the U.S. Department of Housing and Urban Development.

Figure 1. Total Population by Race and Ethnicity, Maryland (1970–2017)

Sources: IPUMS 1970–2010, ACS 2013–2017 5-Year Estimates



Demographic trends

One primary driver of Maryland's economic growth has been the state's population, which has become increasingly racially and ethnically diverse over time (see Figure 1). Nearly all of Maryland's population growth since 2000, more than 700,000 people,[34] has been among people of color.

Population by age

Maryland's population is growing older, like many other states across the United States, and through 2030, older adults will make up a significant portion of Marylanders on average.[35] As of 2017, 14 percent of Maryland's population was over 65 years old, compared to 11 percent in 1990 and 8 percent in 1970. In contrast, children and youth became a lower share of Marylanders over the same time period. Residents under 18 years old decreased, from 35 percent of the state's total population in 1970 to 22 percent in 2017. The largest adult age cohort in Maryland are those aged 45–54; by 2030, the oldest people in this age group will be reaching retirement age. The number of Marylanders over 85 years old increased by 500 percent since 1970, and this age group now consists of more than 108,000 individuals.[36]

Persons living with a disability

The number and share of Marylanders living with a disability also increased. In Maryland, about 11 percent of the population has at least one self-reported disability: hearing, vision, cognitive, ambulatory, self-care, or independent living. Between 2010 and 2017, the absolute number of persons with a disability has increased by 12 percent (or 22,449 persons), more than double the 5 percent increase in total population over the same time period. Nearly all Maryland counties and Baltimore City experienced an absolute increase in the number of individuals with a disability since 2010.[37]

Economic trends

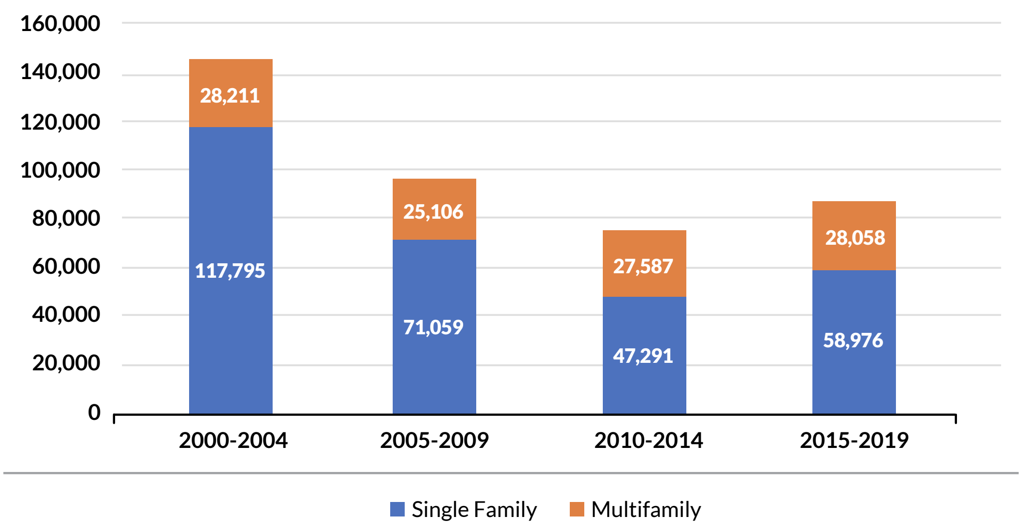
Job growth across Maryland has been steady since 2000, although much of this growth is concentrated in a few parts of the state. These faster-growing areas, particularly in the Greater Baltimore region, Washington, DC suburbs, and Southern Maryland, are responsible for much of the state's recent job growth. While these regions grew, other parts of Maryland experienced a decline in employment. For instance, rural counties, including Allegany, Kent, and Somerset, had lower total employment in 2017 compared to employment levels in 2000.

Overall job growth has been matched by slower, modest household income growth across the state. Changes in median household income illustrate the economic importance of the state's central regions, consisting of the Washington, DC suburbs and Greater Baltimore. Counties in these regions have seen higher growth in median household income.

Rural counties like Allegany, Caroline, Cecil, Somerset and Wicomico had lower real median household incomes in 2017 than in 2000; these counties are farther from the state's central regions.

Figure 2. Total Construction Permits, Maryland (2000–2019)

Source: Maryland Department of Planning



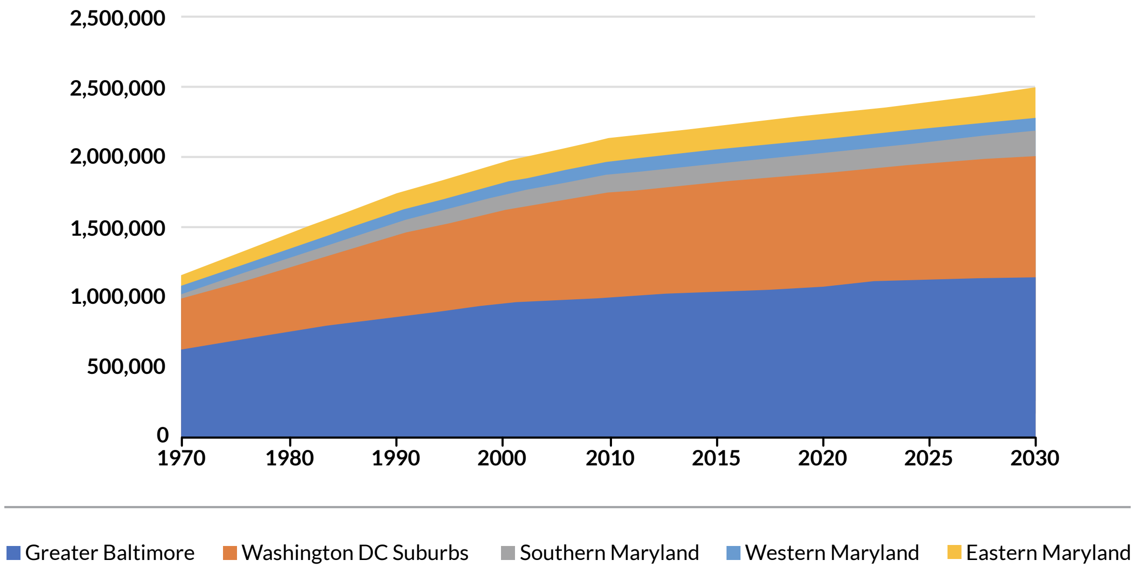
Maryland's housing market

Growth in population, income and jobs across the state has been matched by growth in the residential sector. Over the past 20 years, 404,083 construction permits for new housing units have been issued statewide. Of those permits, nearly three-quarters (73 percent or 295,121 permits) were for single-family homes and more than one-quarter (27 percent or 108,962 permits) were for multifamily units.[38] In the past five years, those proportions have shifted slightly, as about one-third of permits issued were for multifamily units and two-thirds were for single-family homes (see Figure 2).

Permitting of single-family homes has varied over the last decade. The number of single-family permits issued between 2000 and 2019 ranged from as high as 117,795 from 2000 to 2004 to as low as 47,291 from 2010 to 2014. Accordingly, the percentage of permits for single-family homes changed between 2000 and 2019. These shifts are largely due to boom and bust cycles in single-family construction, which peaked before the 2007–2009 recession, bottomed out after 2009, and trended upward since. The number of multifamily permits issued over five-year intervals has remained relatively steady, despite fluctuations in the state's housing market.

Figure 3. Historic and Projected Households by Maryland Region (1970–2030)

Source: Maryland Department of Planning



Demographic and economic trends: 2020–2030

Between 2020 and 2030, Maryland's population and economy will continue to grow. Statewide projections by the MDP show that Maryland will add an estimated 178,000 households and 377,000 residents over the next ten years.[39] In absolute terms, the bulk of household and population growth will occur in the Greater Baltimore region and Washington, DC suburbs (see Figure 3). Each of these regions will add more than 60,000 households by 2030. The remaining regions of the state will add about 50,000 households over that span.

Looking ahead to 2030, if current trends hold, Maryland will need more homes that serve extremely and very low-income households; smaller, one-person households; seniors; and families with children. These homes and any complementary services, such as homeownership counseling, down payment assistance, or rental assistance, will need to align with the unique needs of an increasingly racially and ethnically diverse population.

Maryland's new households will have different incomes, and in turn, their income will determine what homes are affordable to them. If Maryland's income distribution across households remains largely unchanged over the next 10 years, most households in Maryland by 2030 will fall into one of two main income groups: 1) extremely and very low-income households (97,166 households) and 2) moderate- and high-income households (111,620 households).[40]

Among extremely and very low-income households, most new households (49,000 households) in Maryland between 2020 and 2030 will earn less than 30 percent AMI.[41] Based on current conditions, these households will face increased competition for a small number of affordable homes and high rates of cost-burden, if affordable units aren't available.

New households by household type

More than one-half (90,000 households) of new Marylanders will live in nonfamily households,[42] and most of these Marylanders will be living alone. The remainder, another 90,000 households, will be split between married couples, households with a male householder, and households with a female householder. About 1 in 4 new households (or 44,325 households) in Maryland will have children and youth living in them (those 18 years old or younger).

New residents by race and ethnicity

Maryland's racial and ethnic diversity will continue to grow by the year 2030. The state will add more than 360,000 new residents.[43] Among these residents, Maryland will add more than 200,000 Black residents; 128,000 Hispanic residents; and 128,000 non-Hispanic residents of other races. These totals sum to greater than 360,000 because projections show that the number of non-Hispanic white residents will decline by about 100,000 by 2030. While new white residents will continue to move to Maryland, the projections show that the overall population of white residents will decline slightly, as it has over the past several decades, primarily due to aging among existing residents.

STRONG GROWTH, HIGHER HOUSING COSTS

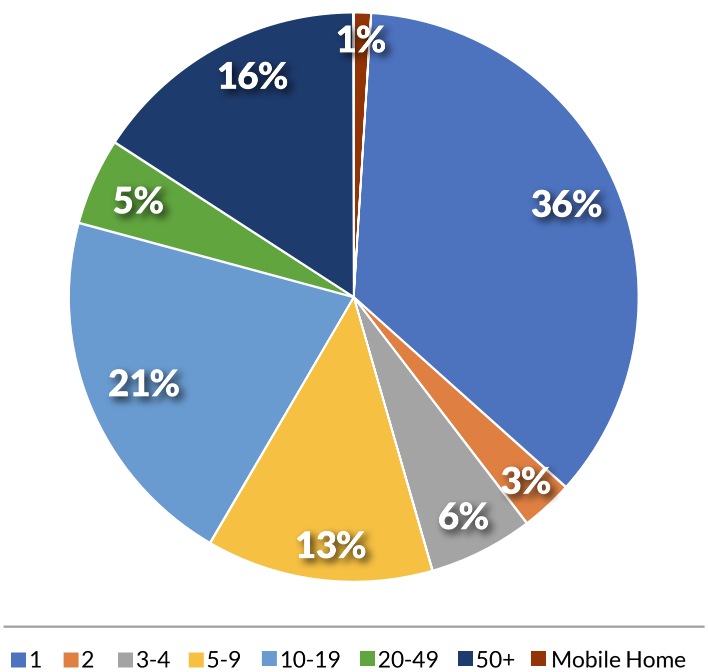
Maryland experienced a dramatic turnaround from the 2007–2009 recession, especially in the latter part of the last decade. That turnaround was driven by population growth and a strong job market, especially in the Greater Baltimore region and Washington, DC suburbs. These two factors drove growth and price increases in the state's housing market. While the economic impacts of COVID-19 may mute growth in the 2020s, Maryland's economy, population and housing market are projected to grow over the next 10 years.

Renters in Maryland

About 1 in 3 homes (724,335 units) in Maryland are occupied by renters. Most of these units are in multifamily structures with more than three units, as shown in Figure 4. About 36 percent of rentals are single-family attached or detached houses. Projections indicate that by 2030, there will be an additional 59,561 renter households in Maryland.

Figure 4. Renter-occupied Units by Structure Type (2017)

Source: ACS 2017 5-Year Estimates



Note: Figure does not sum to 100 due to rounding.

Maryland's rental market

Between 2000 and 2017, median rent rose by 34 percent in Maryland.[44] Every county in the state, except Somerset and Garrett counties, and Baltimore City experienced at least a 20 percent increase in real rent prices, after adjusting for inflation. Increases in median rents have been driven by increasing population, economic growth, and relatively limited construction of multifamily units.

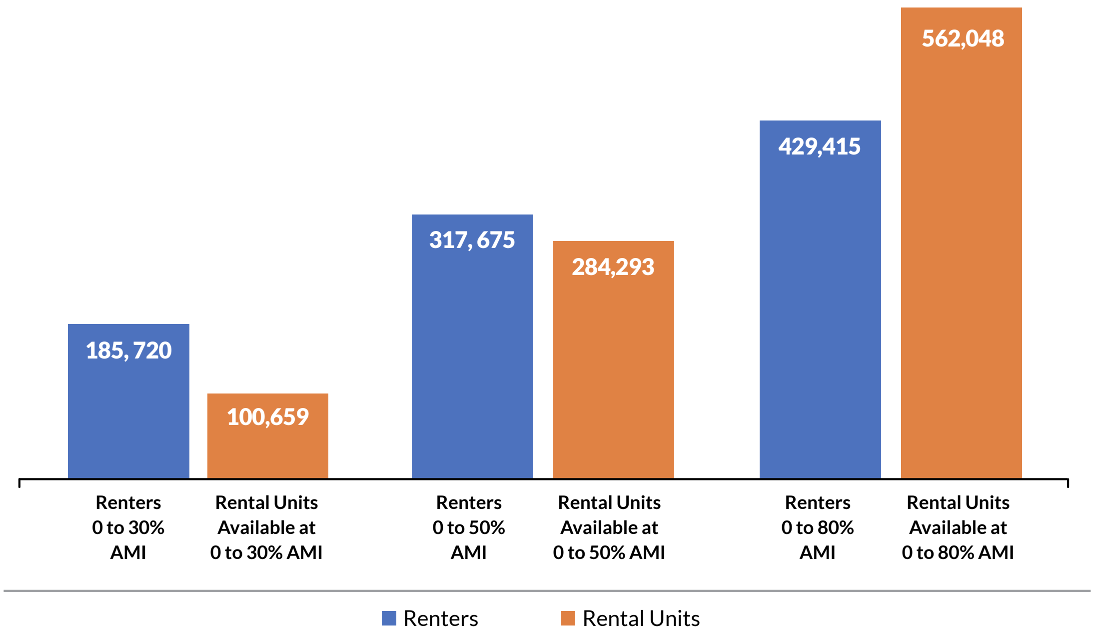
Maryland's affordable rental supply

At the county-level, most counties lack enough rental housing affordable to extremely low-income renters. The exceptions are Kent, Queen Anne's and Garrett counties, which have a small surplus of units priced for extremely low-income renters.

Overall, there is a shortage of rental units affordable to households with incomes less than 30 percent AMI (or $31,650 for a family of four in Maryland) (see Figure 5).[45] There are approximately 85,000 more households making less than 30 percent AMI than units that can affordably accommodate them. Lack of rental units priced for extremely and very low-income households is one factor driving cost-burdens among these income groups; more than 88,000 extremely and very low-income renter households experience cost-burdens.

Figure 5. Rental Supply by Household Income, Maryland (2016)

Source: HUD CHAS, 2016



Baltimore City has the greatest deficit of rental housing for extremely low-income households. This is partly due to the high number of low-income households residing in the city. Median rent in Baltimore City is slightly more than $1,000, which is under the state's median rent, but not the lowest relative to other counties.

Thirteen of Maryland's 23 counties and Baltimore City lack enough rental housing for very low-income renters (those earning 50 percent AMI or below). The following counties need units for these households (in order from largest to smallest deficits): Montgomery, Baltimore, Howard, Anne Arundel, Prince George's, Wicomico, Charles, Talbot, Harford, Caroline, Dorchester, Somerset, and Calvert.

Maryland's subsidized housing supply

Housing subsidy programs provide subsidies that reduce rents for low-income tenants who meet program eligibility requirements. Public programs, like those supported by Maryland DHCD and federal agencies such as HUD and the U.S. Department of Agriculture (USDA), and local government play an important role in helping individuals and families afford housing across Maryland.

There are nearly 93,000 publicly supported rental units in the state (after deduplicating across funding streams). More than 50 percent of federally subsidized rental units in Maryland are in three places: 1) Baltimore City (27,456 units); 2) Montgomery County (15,350 units), and 3) Prince George's County (11,447 units).[46]

Cost-burdened renters

Nearly 1 in 2 renters in Maryland are cost-burdened (335,000 renters out of 716,000), as of 2016.[47] One-half of these cost-burdened renters (about 167,500 households) paid more than 30 percent of their income on housing but less than 50 percent; these renters are "moderately cost-burdened" by HUD's definition. The number of moderately cost-burdened renter households increased from 113,858 in 2000 to 166,394 in 2016 (from 18 to 23 percent of renter households). Since 2000, moderately cost-burdened renter households in every HUD-defined income group, except for 80 to 100 percent AMI, increased in absolute number and share.

Moderately cost-burdened renters

Who is moderately cost-burdened in Maryland? In general, these renter households earn between 31 and 80 percent AMI, and some of them have seniors living in them. Most of them are households of color. They tend to be clustered in more expensive counties in the state, such as Anne Arundel, Montgomery, Prince George's and Howard counties.

Nearly 30,000 moderately cost-burdened renter households have someone aged 62+ years old living in them.[48] Most moderately cost-burdened renters qualify as very low-income or low-income. These households make up 40 and 29 percent of all moderately cost-burdened renters, respectively. In some counties (Anne Arundel, Montgomery and Howard), moderate cost-burdens affect renters at higher incomes (those earning above 80 percent AMI).

Moderate cost-burdens are not equal among different races in Maryland. Forty-two (42) percent of renters in Maryland identify as Black compared with 46 percent of moderately cost-burdened renters who identify as Black.[49] Forty-one (41) percent of renters in Maryland identify as white, compared with 36 percent of moderately cost-burdened renters who identify as white. For people who identify as Asian, another race, or Hispanic, those numbers are (in the same order) 5 percent / 4 percent; 3 percent / 3 percent; and 10 percent / 12 percent, respectively.

Severely cost-burdened renters

The remaining 167,500 cost-burdened renter households pay more than 50 percent of their income on housing; these renters are "severely cost-burdened" by HUD's definition.[50] As a share of renters, these households increased by about 8 percentage points between 2000 and 2016 (from 15 percent to 23 percent). Growth in renters who are severely cost-burdened has occurred among lower-income households: extremely low-income households experiencing severe cost-burdened increased by 77,168 households since 2000; very low-income households by 14,678. The state's most populous jurisdictions, Montgomery, Prince George's, and Baltimore counties and Baltimore City, together have 68 percent of Maryland's severely cost-burdened households.

Who is severely cost-burdened in Maryland? In general, these renters are extremely low-income, and among elderly households, severe cost-burdens have increased since 2000. Most are households of color. They tend to be clustered in more populous areas of the state, such as Baltimore City and Baltimore, Montgomery, Prince George's counties, but affect renters living in more rural areas, too. More than 38,000 severely cost-burdened renter households have someone aged 62+ years old living in them.[51]

In contrast to moderately cost-burdened renters, most of these households are extremely low-income (making less than 30 percent AMI): 120,430 of all severely cost-burdened households in Maryland. Geographically, severely cost-burdened renters are spread across the state, with some of the most populous counties home to large numbers of them. The largest number live in Baltimore City, where 1 in 5 severely cost-burdened renters in Maryland live. Baltimore City and Baltimore, Montgomery, and Prince George's counties all have 20,000 or more in each place (or about 15 percent of the state total each). Severe cost-burdens also affect renters in more rural parts of Maryland. Dorchester, Charles, Somerset, Talbot and Wicomico counties have higher shares of severely cost-burdened renters relative to the total share of renters in each place.

The racial and ethnic composition of severely cost-burdened renters largely follows the racial and ethnic composition of communities across Maryland. However, the burden is not borne equitably by Black households, who are somewhat overrepresented among severely cost-burdened households. Forty-two (42) percent of renters in Maryland identify their race as Black; more than 45 percent of severely cost-burdened renters in Maryland identify their race as Black.[52]

State programs and policies serving renters

Maryland DHCD supports renters through direct assistance programs as well as resources to support the creation, preservation and stabilization of rental properties throughout the state. As of 2020, these programs include the Rental Housing Program; Low-Income Housing Tax Credit; Rental Housing Works Program; and Housing Choice Voucher Program. For descriptions and a full discussion of all of Maryland housing and neighborhood revitalization programs, see Appendix D; for examples of how local communities are leveraging state resources, see Appendix E.

Opportunities for new or expanded state programs or policies for renters

The following opportunities were identified through the Maryland Housing Needs Assessment & 10-Year Strategic Plan for expanded or new state support for renters or development of rental housing:

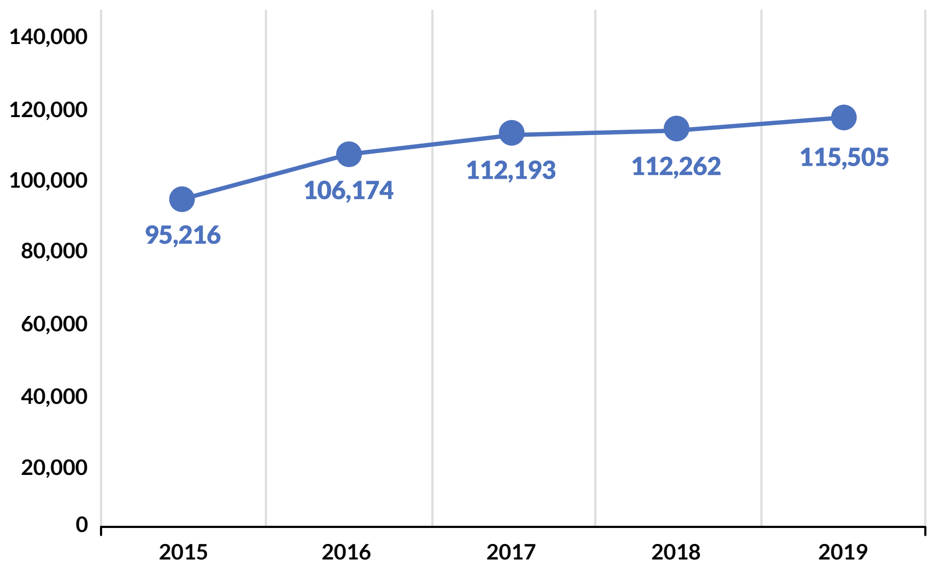
- **Increase financing available through state rental housing programs.** Increased financing should include continued increased investment in state-funded rental programs, including allocating additional gap financing for the Rental Housing Works Program. Maryland DHCD should have financing tools at its disposal that can serve the entire development cycle (predevelopment funding, financing for site acquisition and improvements, bridge loans, and financing for housing development and property rehabilitation).
- **Increase alignment between existing rental programs and local programs and context.** This alignment should include assessing the geographic target areas used in the state's Qualified Allocation Plan to tailor future housing production and preservation to account for needs across Maryland regions and updating guidelines for the Rental Housing Works and Multifamily Bond programs to support use among smaller for-profit developers, nonprofits, and public housing authorities. It should also increase resources designed to serve local governments, public housing authorities, and nonprofits. For instance, Maryland DHCD could create a pool for predevelopment capital designed to serve these local entities (coupled with capacity-building and technical assistance as needed). Complementary state-level policies, such as creating a tax abatement or exemption for affordable multifamily properties in designated areas throughout Maryland, could spur denser development and overcome local NIMBY attitudes.
- **Offer capacity-building and technical assistance support for local housing providers, including local public housing authorities, and nonprofits.** Technical assistance to local governments, emerging nonprofit developers, or land-holding entities (such as faith-based institutions) may help them play a larger role in the state's housing delivery system. These efforts may involve sponsoring or providing technical assistance to develop local programs or form multi-jurisdiction consortia for federal funding; convening communities of practice around specific housing issues or policy development; or providing financial or in-kind support for pilot or demonstration projects. Capacity-building and technical assistance should be tied to the use of state resources, such as building capacity among smaller developers to use the Rental Housing Program.
- **Forge more partnerships with local and regional nonprofits and public housing authorities to increase the impact of state programs.** For instance, Maryland DHCD could encourage local public housing authorities that directly administer rental assistance, including Housing Choice Vouchers, to create policy preferences for special populations and align with housing programs for persons living with a disability administered by the Maryland Department of Disabilities.

Owners in Maryland

Homeownership in Maryland has become more expensive since 2000, even after accounting for the declines in prices that took place following The Great Recession. The state has had a strong real-estate market over the last decade, but statewide average prices are still below their peak before The Great Recession. Looking ahead to 2030, 118,766 of 178,327 new households in the state will be homeowners.[53] These homeowners will largely live in the Washington, DC suburbs and Greater Baltimore region. Specifically, homeownership will increase most in the state's most populous counties (Montgomery and Prince George's). Frederick, Howard and Washington counties will also see strong growth in homeowners relative to total households. These new households will enter a higher-cost homeownership market.

Figure 6. Total Home Sales, Maryland (2015–2019)

Source: CoreLogic via Maryland DHCD Research



Maryland's homeownership market

In 2017, the median home value in Maryland was $296,500, almost 50 percent higher than in 2000 (after accounting for inflation), reflecting the state's recovery from The Great Recession. The median home value in Maryland is $100,000 more than the national median of $193,500.[54] While recovery in the homeownership market during the last decade was a key part of Maryland's economic recovery from The Great Recession, more homeowners in Maryland are cost-burdened now than before the recession, and homeownership remains out of reach for many.

There is significant variation in the homeownership market across Maryland counties and Baltimore City. Some rural areas in Eastern and Western Maryland, along with Baltimore City and Prince George's County, are still struggling with higher-than-average foreclosures, delinquency rates, and short sales. Other counties like Howard and Montgomery have some of the highest median home values (more than $400,000) in the state and experienced a decline in recent resales, limiting access to homeownership in these places.[55]

Housing market conditions in more than half of the state's counties and Baltimore City lag the statewide median. Allegany, Baltimore, Caroline, Cecil, Dorchester, Garrett, Harford, Kent, Prince George's, Somerset, Washington, Wicomico and Worcester counties and Baltimore City all have median home values below the state median. Median home values are lowest in Allegany County ($119,900) and Baltimore City ($153,200).[56]

There were 115,505 total home sales in 2019. This represents a 21 percent increase from 2015 (see Figure 6). Every county in the state experienced an increase in home sales over this time period, but the increases were not spread evenly by county. Two counties experienced only a 5 percent increase or less in home sales from 2015 to 2019: Montgomery (+5 percent) and Howard (+2 percent). Meanwhile, three counties experienced 35 percent growth or greater: Frederick (+43 percent), Saint Mary's (+36 percent), and Prince George's (+35 percent).[57]

Resales of existing homes were the most common type of home sale in 2019, accounting for 84 percent of all home sales statewide. New construction home sales accounted for 10 percent of all sales. The remaining six percent of sales were either short sales (1 percent of all home sales in Maryland in 2019) or Real Estate Owned (REO) sales (5 percent of all home sales in Maryland in 2019).[58]

In 2019, there were 11,072 sales of newly constructed homes.[59] There were two counties where new home sales accounted for more than 15 percent of all home sales: Frederick (24 percent) and Charles (16 percent). While new construction sales and resales have increased year-over-year across the state (consistent with the increases in overall sales), short sales and REO sales have declined from 2015 to 2019, by 80 percent and 59 percent statewide respectively. This decrease occurred in every county in the state and Baltimore City over that time period. The continued decline of completed short and REO sales illustrate ongoing improvement in the housing market in the aftermath of The Great Recession, as the excess of short sales and REOs caused by that crisis move through the market.[60]

Maintaining homeownership in Maryland

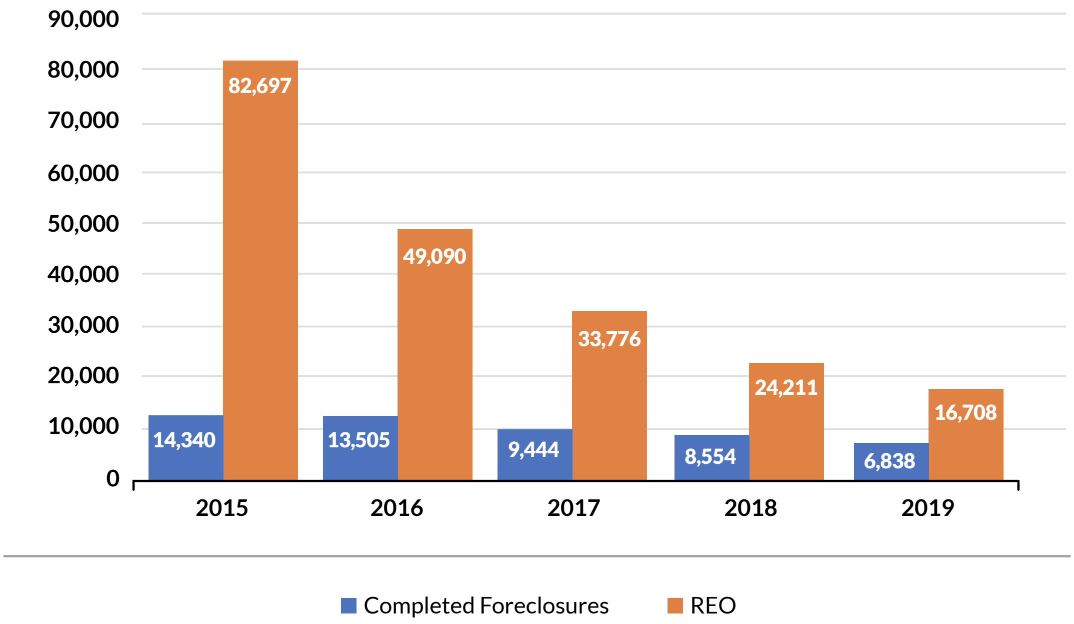
While recent trends suggest that the state's homeownership market is recovering, other indicators suggest continued distress. Between 2015 and 2019, pre-foreclosure filings increased across Maryland by 37 percent on average.[61] Additionally, these trends are impacting some areas and some people in the state differently. For instance, Baltimore City and Prince George's County have a disproportionate number of underwater homes and in-progress foreclosures, relative to overall loan activity.[62]

Homeowners with negative home equity owe more on their home loan than the home's current market value, also known as "being underwater." These homeowners are at greater risk for default and foreclosure.[63] In 2019, nine percent of all outstanding first lien loans (or 80,171 loans) in Maryland were negative equity loans. This represents a significant decrease since 2015, when 20 percent of outstanding first lien loans (or 187,932 loans) were negative equity loans. A mortgage is considered "delinquent" when the borrower has failed to make required payments on their home loan. In 2019, an estimated 19,144 mortgages across the state were more than 90 days past due (often considered "serious delinquency").[64] These mortgages represent two percent of all home loans in Maryland in 2019. The number of seriously delinquent mortgages has decreased across Maryland since 2015, falling by more than 50 percent in every county and Baltimore City over that time period.[65]

In 2019 as shown in Figure 7, there were an estimated 8,554 completed foreclosures and 24,211 homes that had been foreclosed upon and were REO property (i.e., bank-owned property). Throughout the year, there were also a number of homes in different stages of foreclosure: 1,007 homes in pre-foreclosure and 5,041 in-progress foreclosures.[66] The number of completed foreclosures fell over the past five years by 52 percent, a smaller decline than the statewide decrease in seriously delinquent home loans (-61 percent from 2015 to 2019). There was also a significant drop (-80 percent) in the number of REO properties across the state in that time period.[67]

Figure 7. Total Completed Foreclosures, Maryland (2015–2019)

Source: CoreLogic via Maryland DHCD Research



Note: This foreclosure data is recorded as point-in-time data, such that properties could be double counted when summing across months. To account for this, the yearly estimates for 'Pre-Foreclosure' and 'In-Progress Foreclosures' are calculated as an average across months.

Accessing homeownership in Maryland

There were nearly 273,000 home loan applications in Maryland in 2017.[68] Three counties accounted for double-digit shares of the application pool: Prince George's (19 percent), Baltimore (14 percent), and Anne Arundel (13 percent). Notably, Montgomery County, the state's most populous jurisdiction, is excluded from that list, possibly due to the high cost of homeownership there. Among those loan applications, slightly more than one-half (51 percent) were for home purchases. Another 42 percent of applications were for refinancing and 7 percent were for home improvements.

Forty-eight (48) percent of home loan applications (or 130,187 applications) resulted in originations in 2017, while 14 percent (38,413 applications) were denied. The remaining 38 percent of applications were either approved but not accepted; withdrawn by the applicant or incomplete; or did not move past pre-approval.

Accessing homeownership is difficult for certain populations. Primary applicants identifying as American Indian or Alaskan Native, Black or African American, and Native Hawaiian or other Pacific Islander all faced a higher home loan denial rate than the statewide average. Home loan applications that were submitted by female primary applicants faced an 18 percent denial rate, compared to a 15 percent denial rate for male primary applicants and a 14 percent denial rate statewide (inclusive of applications where the sex of the primary applicant was not reported).

Cost-burdened homeowners

In Maryland, 25 percent of homeowners are cost-burdened. Cost burdens among homeowners increased by about 3 percentage points since 2000, up from 22 percent. Most of this increase has been among severely cost-burdened households (those paying at least half of their household income on housing costs).

Moderately cost-burdened homeowners

Fifteen (15) percent of homeowners in Maryland paid more than 30 percent of their income on housing but less than 50 percent; these homeowners are "moderately cost-burdened" by HUD's definition. Several counties and Baltimore City have a higher share of moderately cost-burdened households compared with the statewide rate: Calvert, Caroline, Carroll, Charles, Garrett, Prince George's, Queen Anne's and Worcester.[69]

More than 68,000 moderately cost-burdened homeowner households have someone aged 62+ years old living in them, representing 5 percent of all homeowners. While the overall share of moderately cost-burdened households has largely remained unchanged since 2000, moderate cost-burdens have increased among elderly homeowners by about 2 percentage points or nearly 31,000 households.[70]

In terms of income, trends among moderately cost-burdened homeowners reflect the fact that homeownership is limited among low-income households. Very low-income homeowners make up 15 percent of homeowners statewide compared with 65 percent of households earning above the state's median income. Accordingly, the largest share of moderately cost-burdened households earn above the state's median income (6 percent of owners statewide), followed by moderate-income; low-income; and very low-income (each representing 3 percent of these households). Slightly more than 1 percent of homeowners are moderately cost-burdened and extremely low-income.[71]

Since 2000, there have been small increases in moderately cost-burdened homeowners, although these shares differ by income group. More extremely and very low-income households experience moderate cost-burdens as of 2016, while fewer low-income households do (compared with 2000).[72]

Black and Hispanic households are overrepresented among moderately cost-burdened homeowners. Nearly 28 percent of moderately cost-burdened households are Black, but they only represent 22 percent of all homeowners. About 7 percent of moderately cost-burdened households are Hispanic, while they represent about 5 percent of all homeowners.[73]

Severely cost-burdened homeowners

Ten (10) percent of all homeowners in Maryland pay at least 50 percent of their household income on housing; these homeowners are "severely cost-burdened" by HUD's definition. These households increased by about 3 percentage points since 2000, meaning 45,000 more homeowners experience severe cost burdens today than 15 years ago. Several counties and Baltimore City exceed the statewide rate: Caroline, Charles, Dorchester, Kent, Prince George's, Somerset, Talbot and Worcester.[74]

More than 58,000 severely cost-burdened homeowner households have someone aged 62+ years old living in them, representing 4 percent of all homeowners. The number of elderly households experiencing severe cost-burdens nearly doubled since 2000, meaning that most of the increase among severely cost-burdened households was among elderly ones.[75]

Seventy-four (74) percent of the state's severely cost-burdened owners earn less than 50 percent AMI (which equals more than 106,000 households), even though they account for about 7 percent of all owners in Maryland.[76]

Black and Hispanic households are overrepresented among severely cost-burdened homeowners. Nearly 28 percent of moderately cost burdened homeowners are Black, but they only represent 22 percent of all homeowners. About 7 percent of Hispanic homeowners are severely cost-burdened but represent about 5 percent of all homeowners.[77]

State homeownership programs and policies

Maryland DHCD supports existing and potential homeowners through direct assistance programs as well as resources to support local programs designed to serve them. As of 2020, these programs include the Maryland Mortgage Program; MD HOPE Network; and Special Targeted Applicant Rehabilitation (STAR) Program. For descriptions and a full discussion of all of Maryland housing and neighborhood revitalization programs, see Appendix D; for examples of how local communities are leveraging state resources, see Appendix E.

Opportunities for new or expanded state programs or policies for homeowners

The following opportunities were identified through the Maryland Housing Needs Assessment & 10-Year Strategic Plan for expanded or new state support for existing homeowners and potential homebuyers:

- **Increase funding and create more flexible standards for the Maryland Mortgage Program.** Increased financing should include additional appropriations for DHCD's down payment and settlement expense assistance program, which is used in conjunction with the Maryland Mortgage Program. Maryland DHCD may consider adopting a regional program focus, aligning its program standards with needs in Maryland regions, such as increasing the amount available for down payment assistance and closing costs in higher-cost jurisdictions and working with participating mortgage lenders to create more flexible qualification standards.
- **Expand products for combined home purchase and rehabilitation.** Maryland DHCD could develop a home acquisition–rehabilitation loan product for the Maryland Mortgage Program. These products may include the Federal Housing Administration's Section 203(k) Standard and Streamline Home Loans, which enable homebuyers or homeowners to finance the purchase and rehabilitation of a home through a single mortgage.
- **Create complementary tools and partnerships to ease implementation of existing homeownership programs.** Tools that support stronger implementation of existing Maryland DHCD homeownership programs may include a public information campaign about existing programs for homeowners; a database of qualified contractors (among other services, such as property inspections) to support implementation of the STAR Program (among other programs); updates to DHCD program requirements to extend financing to homes built outside of priority funding areas; and partnerships with MDP and development community to expand priority funding areas (which in turn, could increase the development capacity for homeownership units).
- **Create a for-sale housing production program.** Maryland should consider creating a program that supports the direct production of for-sale homes, similar to its Rental Housing Program. This type of program could be incorporated into DHCD's existing rental housing production program as a set-aside or created as a stand-alone program that offers financing for the development of for-sale homes, including site improvements.[78] Complementary state-level policies, such as creating a preference for affordable homeownership opportunities on state-owned land or tax abatements for affordable for-sale homes, could spur the creation of them.[79]
- **Forge partnerships to serve underserved homebuyers.** Recognizing challenges faced by underserved communities and historical inequities that still exist today, financial institutions, real estate professionals, and community organizations should collaborate on outreach to underserved communities about education and resources that can further homeownership goals.

NEEDS AMONG SPECIAL POPULATIONS

Many households in Maryland face unique—and often, unmet—housing needs. According to Maryland stakeholders, accessibility, deep affordability, housing instability and access to transportation and health services are challenges that affect many vulnerable populations in Maryland. Meeting the housing needs of Marylanders means meeting the varied needs of these groups.

Persons living with a disability

In total, 11 percent of Marylanders live with at least one disability.[80] About 26 percent of all renters and 20 percent of all owners have at least one disability, according to a 2016 Maryland Department of Health survey.[81] The same survey found that having a disability was more prevalent among lower income households, where more than one-half of persons living with a disability had a household income of less than $15,000. Many persons living with a disability in Maryland need affordable homes, but many existing homes don't meet their needs.[82] Background checks, including requirements imposed directly by private landlords, screen out many vulnerable groups, including persons living with a disability. Units lack accessibility features and many persons living with a disability experience strained relationships with landlords, or even harassment, due to misunderstandings about receipt and use of public benefits to pay for housing.

Seniors

As of 2017, 14 percent of Maryland's population was 65 years old or older, compared to 11 percent in 1990 and 8 percent in 1970. By 2030, MDP estimates that 20 percent of Maryland's population will be 65 or older.[83] About 194,300 seniors (62 years or older) pay more than 30 percent of their income on housing costs, with seniors who own making up a large portion of these cost-burdened households (65 percent) than seniors who rent their homes (35 percent).[84] In addition to cost-burdens, more than one-half of the state's housing supply is single-family, detached homes, which is not suitable to support aging-in-place over time even though many seniors would like to do so.

Building on this data, stakeholders emphasized a range of similar needs among seniors: housing affordability (including ways to keep homeowners' property taxes low); different housing options (including independent and assisted living options); assistance with home maintenance and upkeep; and help with aging-in-place modifications. For instance, among seniors who own their homes, Maryland stakeholders shared difficulties associated with maintaining and improving their properties and paying high property taxes. While the State of Maryland offers programs to assist homeowners maintain their homes and offset property taxes, other barriers, such as lack of access or comfort in using online applications or ability to meet program requirements (like flood insurance) affects program use among this group. For seniors looking for alternatives to their current housing situation, they cannot find suitable homes for larger, intergenerational families or seniors living alone.

Persons experiencing homelessness

Nearly 6,600 people experienced homelessness on any given night in Maryland in 2019.[85] The needs among persons experiencing homelessness in Maryland are broad, spanning people experiencing a minor disruption in their ability to pay for housing, people leaving institutions and foster care, people without legal status, and seniors and persons living with a disability. In general, Maryland needs more deeply affordable homes, as well as permanent supportive housing and stronger connections to behavioral and mental health services, for persons experiencing homelessness.

SECTION 4
NEEDS BY REGION & CORE ACTIONS TO ADDRESS THEM

The Maryland Homeowner Stability Index and Maryland Renter Stability Index were developed as part of the Maryland Housing Needs Assessment and 10-Year Strategic Plan (see Appendix F for full technical documentation).[86] Each index provides a way to compare needs across Maryland and within Maryland regions.

This section provides a brief summary of homeowner and renter needs by Maryland region and describes some of the core needs and actions that stakeholders identified as especially important for their respective regions.[87]

A common way to understand housing stability

Broadly, these indices highlight that homeowners and renters experience housing instability through the entire state and outline a spectrum of needs present in each Maryland region:

- **Lowest/low need areas:**[88] For **renters**, these areas have fewer cost-burdened renters; subsidized units; and property quality problems at rental properties. They also have lower shares of households with special housing needs (seniors or persons living with a disability) and 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 (although these areas have more variation by region than lowest and low need renter areas). 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 between 2011 and 2017 and special needs populations live. 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 (seniors or persons living with a disability) 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:**[89] For **renters**, these areas have a high share of cost-burdened renters; high poverty rates; and significant housing quality problems at rental properties. They also have higher shares of households with special housing needs (seniors or persons living with a disability) 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 (seniors or persons living with a disability) and people of color. The primary strategies to serve **owners** in these areas are to stabilize homeowners; revitalize existing homes; and deconcentrate poverty.

MARYLAND HOMEOWNER STABILITY INDEX

This index identifies Census Tracts where homeowners are most stressed in terms of housing cost and quality and where the housing market needs the most support across Maryland.

MARYLAND RENTER STABILITY INDEX

This index identifies the Census Tracts where renters are stressed by cost and where the rental market needs to serve vulnerable residents across Maryland.

Click here for a state-level web-based map of the Maryland Homeowner and Renter Stability Indices. Click a region's name for web-based maps of the indices for that region: Western Maryland; Washington, DC suburbs; Greater Baltimore; Eastern Maryland; Southern Maryland.

GREATER BALTIMORE

Baltimore City and Anne Arundel, Baltimore, Carroll, Harford, and Howard counties

Regional overview

Greater Baltimore, the largest region in Maryland, has a large number of households with special housing needs (in part due to its geographic size and high population). It is also one of the most racially and ethnically diverse, and notably has the most racially/ethnically concentrated areas of poverty (R/ECAP).[90] While median rents and home prices are lower than statewide average values, this region had the largest change in home prices (51 percent compared with 49 percent statewide) and second largest change in household income (7 percent) between 2000 and 2017.

Housing market: Greater Baltimore

Households:

1+ Million Households

Population:

2.7 Million People

Total Census Tracts:

668 Tracts

- **Median rent (2017):** $1,320
- **Home price (2017):** $271,858
- **Mortgage delinquency rate (2019):** 0.4 percent
- **Foreclosure rate (2019):** 0.1 percent
- **Share of housing units built before 1980 (2017):** 60 percent
- **Share of housing units built after 2000 (2017):** 9 percent

Homeowner stability: Greater Baltimore

Map 1 and Tables 1–4 show needs among homeowners by need category in the Greater Baltimore region and how needs intersect with race and ethnicity and special populations.

Map 1. Maryland Homeowner Stability Index, Needs by Category, Greater Baltimore region

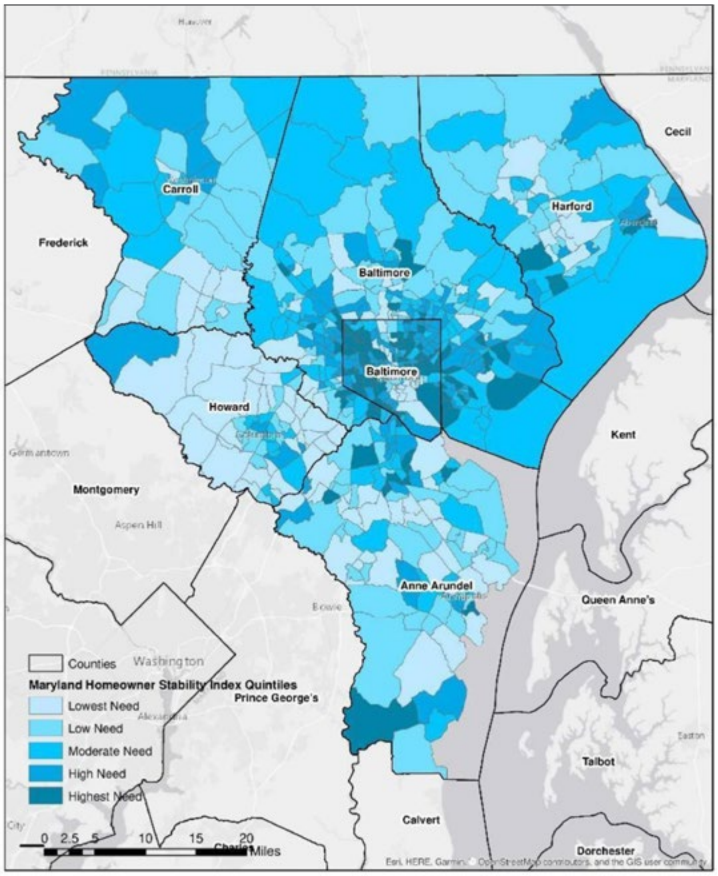


Table 1. Homeowner Needs by Category, Greater Baltimore region

LOW/LOWEST NEED AREAS	MODERATE NEED AREAS	HIGH/HIGHEST NEED AREAS
• More housing stability • Fewer housing quality concerns • Low poverty and high household incomes • Tight housing market (high occupancy, high home prices) • Lowest share of non-white residents	• Lower than average owner cost-burden rate • Some residents with special housing needs • Stable housing market, with average prices • Higher home loan delinquency rate	• High cost-burden rates • Significant housing quality concerns • High poverty and low household incomes • High shares of elderly adults and persons with disabilities • Highest share of non-white residents

For a full discussion of each category, see Appendix G.

Table 2. Total tracts by Maryland Homeowner Stability Index category, Greater Baltimore region

	LOWEST NEED	LOW NEED	MODERATE NEED	HIGH NEED	HIGHEST NEED	REGIONAL TOTAL
Total tracts	**133**	**133**	**134**	**134**	**134**	**668**
Anne Arundel County	22%	26%	13%	10%	8%	16%
Baltimore City	20%	11%	12%	40%	66%	30%
Baltimore County	17%	32%	52%	37%	22%	32%
Carroll County	8%	11%	5%	4%	0%	6%
Harford County	10%	12%	11%	6%	4%	9%
Howard County	23%	8%	7%	3%	0%	8%

Table 3. Race & ethnicity by Maryland Homeowner Stability Index category, Greater Baltimore region

RACE/ETHNICITY	LOWEST NEED	LOW NEED	MODERATE NEED	HIGH NEED	HIGHEST NEED
Hispanic	5%	5%	6%	6%	6%
Non-Hispanic White	69%	72%	59%	47%	31%
Non-Hispanic Black	14%	15%	26%	40%	59%
Non-Hispanic Asian	9%	5%	5%	3%	2%

Note: These values display the share of the population that belong to each racial category in each need category and should be not be summed across categories. Totals sum to close to 100 vertically, and do not sum to 100 percent because some categories are not included for brevity.

Table 4. Special populations by Maryland Homeowner Stability Index category, Greater Baltimore region

POPULATION	LOWEST NEED	LOW NEED	MODERATE NEED	HIGH NEED	HIGHEST NEED
People with a disability	8%	9%	11%	13%	18%
People that are elderly	12%	15%	15%	16%	15%

Note: These values display the share of the population in each need category that have any disability or are elderly. The data is not exclusive in either row. Elderly individuals with disabilities are counted in the disability category, and individuals who have a disability and are elderly are counted in the elderly category.

Renter stability needs: Greater Baltimore

Map 2 and Tables 5–8 show needs among renters by need category in the Greater Baltimore region and how needs intersect with race and ethnicity and special populations.

Map 2. Maryland Renter Stability Index, Needs by Category, Greater Baltimore region

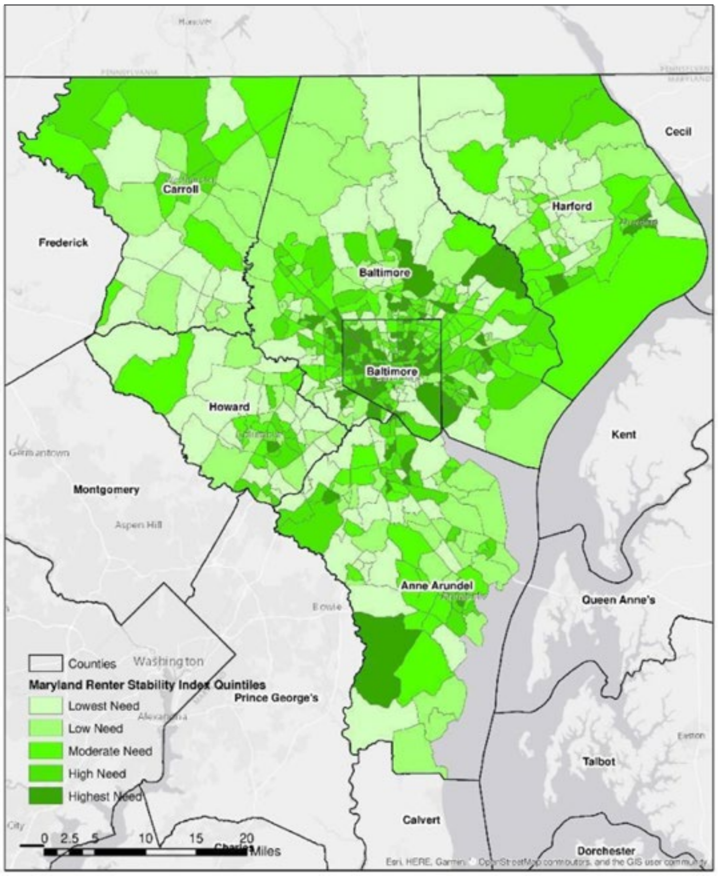


Table 5. Renter Needs by Category, Greater Baltimore region

LOW/LOWEST NEED AREAS	MODERATE NEED AREAS	HIGH/HIGHEST NEED AREAS
• More housing stability • Fewer housing quality concerns • Low poverty and high household incomes • Few assisted units and low rates of voucher usage • Lowest share of non-white residents	• Average renter cost-burden rate • Some residents with special housing needs • Highest increase in median rent from 2011 to 2017	• High cost-burden rates • Significant housing quality concerns • High poverty and low household incomes • High shares of elderly adults and persons with disabilities • Highest share of non-white residents

For a full discussion of each category, see Appendix G.

Table 6. Total tracts by Maryland Renter Stability Index category, Greater Baltimore region

	LOWEST NEED	LOW NEED	MODERATE NEED	HIGH NEED	HIGHEST NEED	REGIONAL TOTAL
Total tracts	**133**	**133**	**134**	**134**	**134**	**668**
Anne Arundel County	19%	21%	18%	14%	6%	16%
Baltimore City	16%	13%	21%	34%	66%	30%
Baltimore County	26%	38%	37%	36%	24%	32%
Carroll County	10%	8%	6%	5%	0%	6%
Harford County	15%	10%	10%	5%	3%	9%
Howard County	15%	11%	9%	6%	1%	8%

Table 7. Race & ethnicity by Maryland Renter Stability Index category, Greater Baltimore region

RACE/ETHNICITY	LOWEST NEED	LOW NEED	MODERATE NEED	HIGH NEED	HIGHEST NEED
Hispanic	4%	5%	6%	7%	5%
Non-Hispanic White	72%	67%	56%	51%	31%
Non-Hispanic Black	13%	18%	29%	35%	59%
Non-Hispanic Asian	8%	6%	6%	4%	2%

Note: These values display the share of the population that belong to each racial category in each need category and should be not be summed across categories. Totals sum to close to 100 vertically, and do not sum to 100 percent because some categories are not included for brevity.

Table 8. Special populations by Maryland Renter Stability Index category, Greater Baltimore region

POPULATION	LOWEST NEED	LOW NEED	MODERATE NEED	HIGH NEED	HIGHEST NEED
People with a disability	8%	9%	11%	13%	18%
People that are elderly	12%	14%	15%	15%	16%

Note: These values display the share of the population in each need category that have any disability or are elderly. The data is not exclusive in either row. Elderly individuals with disabilities are counted in the disability category, and individuals who have a disability and are elderly are counted in the elderly category.

Priority needs & actions: Greater Baltimore

Stakeholders from the Greater Baltimore Maryland, drawing on data from the Maryland Homeowner and Renter Stability Indices, additional data, and experience working in the Greater Baltimore region, identified a series of priority needs and actions affecting owners, renters, and cross-cutting issues affecting residents living in this region. Each priority need and action, as well as cross-cutting issues, are discussed in more detail in the remainder of this subsection.

Priority needs among homeowners

- **Disparities in homeownership by race**
  Stakeholders highlighted the gap in homeownership rates among white households living in the Greater Baltimore region and households of color. As of 2016, the homeownership rate among Black households was 46 percent, 31 percent lower than the 77 percent rate for white households across all the counties in this region and Baltimore City.[91] This gap is partially explained by lack of financial and homebuyer education specifically designed to reach Black and other underrepresented groups and access to capital and services from lending institutions.

- **Lack of long-term public & private support for homeownership**
  Stakeholders in this region highlighted a need for ongoing public and private funding and services to help people both become homeowners and stay homeowners over time, especially for lower-income households.[92] These households are especially difficult to serve in the current homeownership market. In some parts of the Greater Baltimore region, these households can become homeowners, but then often lack resources to maintain a home over time. Stakeholders explained that homeowners' incomes do not increase proportional to homeownership costs, with limited public and private funding to help offset those costs.

- **Vacant homes**
  The Greater Baltimore region has one of the highest vacancy rates in the state (10 percent as of 2017), and many stakeholders noted that the loss of stable income due to the impact of the coronavirus will exacerbate vacant homes in this region. While some local jurisdictions in this region already have tools in place to acquire vacant property and repurpose it (notably, Baltimore City's Vacants to Value Program), it is often a time-consuming and expensive process, especially to prevent widespread blight. To that end, Governor Hogan tasked Maryland DHCD with developing a plan to support community growth in the City of Baltimore by reducing blight and encouraging investment in Baltimore's underserved communities. Since FY16, the State of Maryland has directed more than $98 million to Project C.O.R.E. (Creating Opportunities for Renewal and Enterprise), eliminating more than 4,300 units of blight and leveraging more than $237 million worth of investment in these communities. Stakeholders shared a need to proactively stabilize homeowners to prevent vacancy and streamline the acquisition-rehabilitation process to address existing and new vacant property.[93]

Priority actions to serve homeowners

- **Increase homeowner education and tools for foreclosure prevention and home maintenance.**
  Implementation of this action should include more local and state resources that assist with home maintenance and preventative measures, such as foreclosure counseling and legal services, in addition to building increased awareness of existing homeowner stabilization programs. Stakeholders shared that the most effective use of these tools and resources would be through multiyear funding commitments that enable a sustained, place-based effort.

- **Streamline the acquisition-rehabilitation process.**
  A goal of a more streamlined process should be to support early intervention in vacant or properties at-risk of becoming vacant. Actions that pair interested homebuyers with low-cost homes in need of repair, such as programs like Baltimore City's Vacants to Value Program or combined home purchase and repair mortgages, could improve the housing supply and promote community reinvestment.

- **Increase funding for the homebuyers.**
  Increased funding to complement the Maryland Mortgage Program, which provides home loans to eligible Marylanders, would help more Marylanders attain homeownership. Investment in assistance that supports these first-time homebuyers, such as down payment and settlement expenses, will help more Marylanders achieve this goal and enable them to accrue wealth. Stakeholders noted that increased funding would enable the program to offer a higher amount of assistance for down payments or other expenses, with lack of cash for down payment assistance cited consistently as a barrier to becoming a homeowner in Maryland.[94]

Priority needs among renters

- **Lack of mixed-income rental homes**
  The Greater Baltimore region is home to about one-half of Maryland's assisted housing supply—concentrated in Baltimore City—and the most R/ECAPs in the state. Stakeholders highlighted a need to deconcentrate poverty by creating more mixed-income housing opportunities.[95] Two separate fair housing voluntary compliance agreements related to this need are in effect in this region. Connecting existing and new rental homes to jobs, resources, and health services (among others) will be a critical component in creating more equitable communities in the Greater Baltimore region.

- **Increased financial literacy and education and improved relationships between landlords and tenants**
  Stakeholders noted a need for better relationships between landlords and tenants, especially as rents have increased significantly in this part of the state. Tenants and landlords alike may not be aware of their rights, obligations, and available resources.

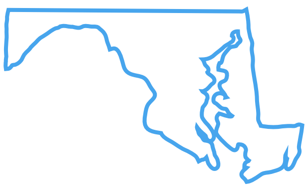
- **Barriers accessing rental housing**
  Tenants living in the Greater Baltimore region face a series of barriers that make it more difficult to find and keep a rental home: eviction in the past; involvement with the criminal justice system; limited rental or job history; and limited credit history. Stakeholders shared that landlords are less likely to rent to households with one or more of these issues, making it difficult for households to find safe, stable rental homes. The two fair housing voluntary compliance agreements in effect in this region also focus on increasing access to homes for families by race, with children, and/or disability, through the vehicle of affirmatively furthering fair housing.

Priority actions to serve renters

- **Increase the supply of income-restricted homes.**
  One solution to increasing rents and a limited affordable housing supply in the Greater Baltimore region is to create more income-restricted homes with long-term affordability. Stakeholders noted limited gap funding still poses a barrier to increasing the region's supply of income-restricted rental homes. Building on the desire to deconcentrate poverty through mixed-income development and stronger access to opportunity and address fair housing issues, funding—more of it and different priorities for it at the state and local levels—will be needed to achieve these outcomes.[96]

- **Increase tenant education and rental assistance.**
  Increased tenant education would help renters understand their rights and availability of existing programs and services, including access to legal services and assistance with rental payments. Stakeholders emphasized the importance of making existing and new rental programs as easy as possible to use, meaning renters in need of support should be able to apply and receive support quickly. They also recommended this action should include programs that offer direct payments to landlords as a way to stabilize tenants living in their properties.

- **Offer incentives and education for landlords.**
  Incentives for landlords—coupled with increased education about tenants' rights and programs designed to serve rental property owners—would encourage more landlords to rent to tenants that don't meet stringent criteria and lower barriers to renting for tenants. Incentives may include tax abatements, access to rehabilitation or other financing to support property improvements, or access to funds if a security deposit does not cover damages to a unit once a tenant moves out.



Cross-cutting issues of regional importance

- Need for more accountability in local master planning processes and decisions
- Land use that supports diverse homes and lower-cost housing types
- Lack of public and political understanding of housing needs
- Lack of public and political will to address housing affordability


Learning Center
Snowballs

WASHINGTON, DC SUBURBS

Frederick, Montgomery and Prince George's counties

Regional overview

As the second largest region in Maryland, the counties near Washington, DC are some of the most racially and ethnically diverse in the state. Homes in the Washington, DC suburbs are the most expensive in Maryland, with median rents and home prices above statewide average values. This region is home to the largest share of cost-burdened homeowners (26 percent) and second largest share of cost-burdened renters (47 percent). Together, the region's high median income ($98,046) and share of people living in poverty (8 percent of the region's population) suggests significant disparities across residents in this region.

Housing market: Washington, DC suburbs

Households:	Population:	Total Census Tracts:
766,000 Households	2.2 Million People	494 Tracts

- **Median rent (2017):** $1,704
- **Home price (2017):** $379,122
- **Mortgage delinquency rate (2019):** 0.3 percent
- **Foreclosure rate (2019):** 0.1 percent
- **Share of housing units built before 1980 (2017):** 53 percent
- **Share of housing units built after 2000 (2017):** 13 percent

Homeowner stability: Washington, DC suburbs

Map 3 and Tables 9–12 show needs among homeowners by need category in the Washington, DC suburbs and how needs intersect with race and ethnicity and special populations.

Map 3. Maryland Homeowner Stability Index, Needs by Category, Washington, DC suburbs

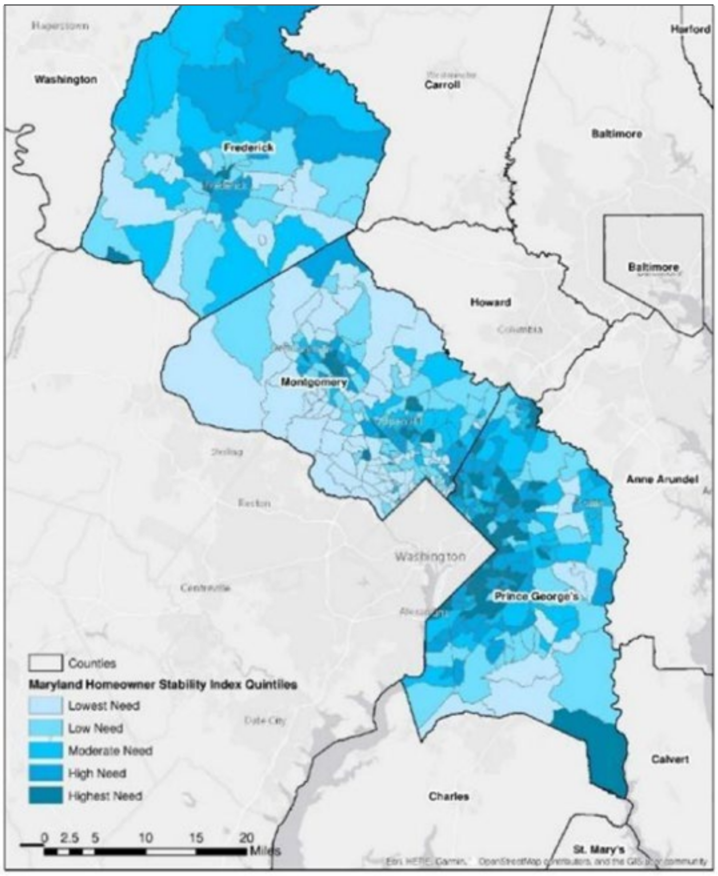


Table 9. Homeowner Needs by Category, Washington, DC suburbs

LOW/LOWEST NEED AREAS	MODERATE NEED AREAS	HIGH/HIGHEST NEED AREAS
• More housing stability • Fewer housing quality concerns • Low poverty and high household incomes • Tight housing market (high occupancy, high home prices) • Lowest share of non-white residents	• Increasing cost-burden • Stagnant household incomes • Some residents with special housing needs • Stable housing market, with average prices • Older housing stock	• Increasing cost-burden • Stagnant household incomes • Some residents with special housing needs • Stable housing market, with average prices • Older housing stock

For a full discussion of each category, see Appendix G.

Table 10. Total tracts by Maryland Homeowner Stability Index category, Washington, DC suburbs

	LOWEST NEED	LOW NEED	MODERATE NEED	HIGH NEED	HIGHEST NEED	REGIONAL TOTAL
Total tracts	**99**	**99**	**99**	**99**	**98**	**494**
Frederick County	14%	14%	16%	12%	5%	12%
Montgomery County	75%	56%	34%	28%	24%	44%
Prince George's County	11%	30%	49%	60%	70%	44%

Table 11. Race & ethnicity by Maryland Homeowner Stability Index category, Washington, DC suburbs

RACE/ETHNICITY	LOWEST NEED	LOW NEED	MODERATE NEED	HIGH NEED	HIGHEST NEED
Hispanic	9%	12%	17%	25%	25%
Non-Hispanic White	56%	43%	33%	22%	17%
Non-Hispanic Black	17%	31%	38%	43%	49%
Non-Hispanic Asian	14%	10%	8%	7%	6%

Note: These values display the share of the population that belong to each racial category in each need category and should be not be summed across categories. Totals sum to close to 100 vertically, and do not sum to 100 percent because some categories are not included for brevity.

Table 12. Special populations by Maryland Homeowner Stability Index category, Washington, DC suburbs

POPULATION	LOWEST NEED	LOW NEED	MODERATE NEED	HIGH NEED	HIGHEST NEED
People with a disability	7%	8%	9%	10%	10%
People that are elderly	14%	14%	13%	12%	12%

Note: These values display the share of the population in each need category that have any disability or are elderly. The data is not exclusive in either row. Elderly individuals with disabilities are counted in the disability category, and individuals who have a disability and are elderly are counted in the elderly category.

Renter stability needs: Washington, DC suburbs

Map 4 and Tables 13–16 show needs among renters by need category in the Washington, DC suburbs and how needs intersect with race and ethnicity and special populations.

Map 4. Maryland Renter Stability Index, Needs by Category, Washington, DC suburbs

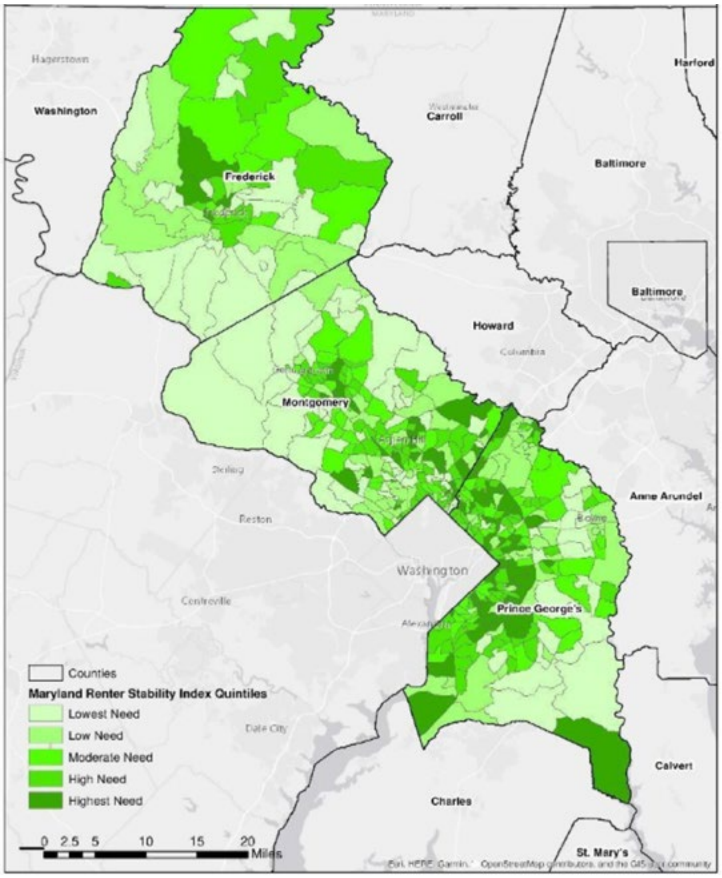


Table 13. Renter Needs by Category, Washington, DC suburbs

LOW/LOWEST NEED AREAS	MODERATE NEED AREAS	HIGH/HIGHEST NEED AREAS
• More housing stability • Fewer housing quality concerns • Low poverty and high household incomes • Few assisted units and low rates of voucher usage • Lowest share of non-white residents	• Average renter cost-burden rate • Some residents with special housing needs • High increase in median rent from 2011 to 2017	• High cost-burden rates • Significant housing quality concerns • High poverty and low household incomes • High shares of elderly adults and persons with disabilities • Highest share of non-white residents

For a full discussion of each category, see Appendix G.

Table 14. Total tracts by Maryland Renter Stability Index category, Washington, DC suburbs

	LOWEST NEED	LOW NEED	MODERATE NEED	HIGH NEED	HIGHEST NEED	REGIONAL TOTAL
Total tracts	**98**	**99**	**99**	**99**	**99**	**494**
Frederick County	23%	16%	7%	9%	6%	12%
Montgomery County	54%	38%	47%	39%	38%	44%
Prince George's County	22%	45%	45%	52%	56%	44%

Table 15. Race & ethnicity by Maryland Renter Stability Index category, Washington, DC suburbs

RACE/ETHNICITY	LOWEST NEED	LOW NEED	MODERATE NEED	HIGH NEED	HIGHEST NEED
Hispanic	9%	12%	18%	22%	25%
Non-Hispanic White	52%	43%	32%	26%	23%
Non-Hispanic Black	24%	33%	36%	40%	43%
Non-Hispanic Asian	12%	8%	11%	8%	7%

Note: These values display the share of the population that belong to each racial category in each need category and should be not be summed across categories. Totals sum to close to 100 vertically, and do not sum to 100 percent because some categories are not included for brevity.

Table 16. Special populations by Maryland Renter Stability Index category, Washington, DC suburbs

POPULATION	LOWEST NEED	LOW NEED	MODERATE NEED	HIGH NEED	HIGHEST NEED
People with a disability	7%	9%	9%	9%	10%
People that are elderly	13%	14%	13%	12%	14%

Note: These values display the share of the population in each need category that have any disability or are elderly. The data is not exclusive in either row. Elderly individuals with disabilities are counted in the disability category, and individuals who have a disability and are elderly are counted in the elderly category.

Priority needs & actions: Washington, DC suburbs

Stakeholders from the counties surrounding Washington, DC, drawing on data from the Maryland Homeowner and Renter Stability Indices, additional data, and experience working in the Washington, DC metropolitan region, identified a series of priority needs and actions affecting owners, renters, and cross-cutting issues affecting residents living in this region. Each priority need and action, as well as cross-cutting issues, are discussed in more detail in the remainder of this subsection.

Priority needs among homeowners

- **Disparities in homeownership by race**
  Stakeholders highlighted the gap in homeownership rates among white households living in the Washington, DC region and households of color. As of 2017, the homeownership rate among Black households was 56 percent, 20 percentage points lower than white household rate of 76 percent across all the counties in this region.[97] This gap can be traced back to a history of discriminatory and predatory lending practices, prevalence of home loan denials, and state and local priorities for investment and policymaking, such as tax structure. Stakeholders stressed the need for an explicit racial equity lens when addressing these disparities, including tailoring actions to meet the needs of underserved populations.

- **Housing age and quality**
  Stakeholders noted that the overall age of homes, coupled with poor quality when initially constructed, creates housing quality issues for homeowners. More than half of homes in the counties around Washington, DC were built prior to 1980. They also noted that relative to an aging population, especially in Prince George's County, these homes are not well-suited for seniors who want to age-in-place or persons living with a disability in terms of size and accessibility features.

Priority actions to serve homeowners

- **Adopt policies and practices that support accessible homes.**
  To create more accessible homes, stakeholders stressed the importance of proactively building homes that incorporate accessibility features from the start. Policies that require or incentivize universal design or visitability standards will increase the supply of accessible homes in the region, avoiding costly rehabilitation.[98] Proactive policies should be coupled with more resources to support home accessibility modifications for existing homes.

- **Create or expand local mortgage subsidies.**
  This action would create local financing, such as mortgage interest subsidies (sometimes called "interest-rate buy downs") or deferred zero-interest loans, that would lower the monthly mortgage payments for low- and moderate-income households.

Priority needs among renters

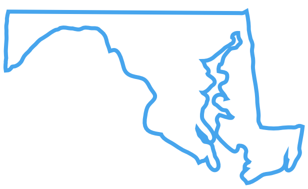
- **Homes offering deep affordability**
  Renters in the Washington, DC suburbs need deep affordability—often much lower than what the federally defined AMI suggests. Based on this income standard, all three counties in this region lack enough homes for extremely low-income households, and this deficit extends to very low-income households, too, in Montgomery and Prince George's counties.[99] However, stakeholders noted that household incomes in these three counties are lower than the federally defined AMI standard, which accounts for the entire Washington, DC region. This difference between the federally defined area median income and county-level household incomes often means that affordable housing, which largely uses the federal standard to determine eligibility and rent levels, still does not align with the household income of many residents.[100] To the extent possible, Maryland DHCD, among other state departments, should account for this difference when making state-level programmatic decisions (including how investments are targeted).[101]

- **Housing age and quality**
  Renters in the Washington, DC area live in poor-quality properties and other conditions that affect their overall health and safety, such as overcrowding. Three (3) percent of renters in this region live in overcrowded conditions, which represents the highest overcrowding rate of all Maryland regions. Mirroring the same issue affecting homeowners, variation in building practices and initial construction quality across the region, coupled with limited upkeep over time and the high cost of labor and materials, requires more time and money to improve these properties.

Priority actions serving renters

- **Create or expand dedicated local resources for affordable housing.**
  Increasing the amount that local governments invest in housing programs and development will help increase the supply of deeply affordable homes and services that provide a social safety net in the Washington, DC region. Stakeholders highlighted one of the benefits of having local, dedicated resources for affordable housing: It leverages state and federal dollars, which help developers be more competitive for financing. Stakeholders stressed that all actions, including the creation or expansion of local resources for housing, need to focus on addressing disparities within each county, tailoring local resources to residents' needs. They highlighted racial equity assessment tools and racial equity impact statements as ways to integrate a racial equity lens into decision making.

- **Increase capacity among nonprofits and nonprofit developers.**
  Serving renters in the Washington, DC region—especially if more resources are available locally and at the state and federal levels—requires a strong group of nonprofit partners. To scale with new resources, these partners may need to build their capacity to serve more people or undertake different housing activities to meet more complex housing challenges. Local governments in this region should support increased capacity by providing incentives for true joint ventures between for-profit and nonprofit developers through tools like competitive solicitations for funding. Joint ventures enable greater access to development sites, financing, staff and community support and help build local capacity to develop affordable or mixed-income housing as more development organizations undertake housing activities.[102]



Cross-cutting issues of regional importance

- Advancing racial equity, including using a racial equity lens in all decision making


THE EDITION

EASTERN MARYLAND

Caroline, Cecil, Dorchester, Kent, Queen Anne's, Somerset, Talbot, Wicomico and Worcester counties

Regional overview

Cost burdens are prevalent in Maryland's third largest region, even though rents and home prices are lower than in other parts of the state. Compared to other Maryland regions, Eastern Maryland's homeownership market shows signs of distress, with the highest mortgage delinquency and foreclosure rates of any region. It's also home to people with unique housing needs. Eastern Maryland has some of the highest shares of seniors (18 percent) and persons living with a disability (13 percent) in the state and the second highest poverty rate (12 percent).

Housing market: Eastern Maryland

Households:	Population:	Total Census Tracts:
171,077 Households	**453,159 People**	**105 Tracts**

- **Median rent (2017):** $1,067
- **Home price (2017):** $236,108
- **Mortgage delinquency rate (2019):** 2.4 percent
- **Foreclosure rate (2019):** 0.7 percent
- **Share of housing units built before 1980 (2017):** 46 percent
- **Share of housing units built after 2000 (2017):** 16 percent

Homeowner stability: Eastern Maryland

Map 5 and Tables 17–20 show needs among homeowners by need category in Eastern Maryland and how needs intersect with race and ethnicity and special populations.

Map 5. Maryland Homeowner Stability Index, Needs by Category, Eastern Maryland

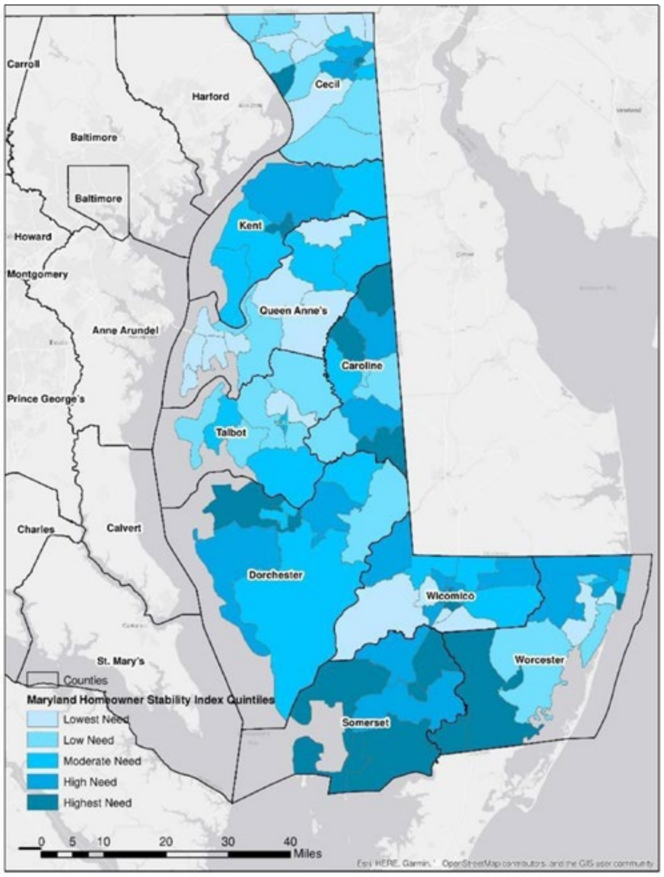


Table 17. Homeowner Needs by Category, Eastern Maryland

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

For a full discussion of each category, see Appendix G.

Table 18. Total tracts by Maryland Homeowner Stability Index category, Eastern Maryland

	LOWEST NEED	LOW NEED	MODERATE NEED	HIGH NEED	HIGHEST NEED	REGIONAL TOTAL
Total tracts	**21**	**21**	**21**	**21**	**21**	**105**
Caroline County	0%	14%	5%	10%	14%	9%
Cecil County	29%	33%	10%	10%	10%	18%
Dorchester County	0%	5%	19%	10%	10%	9%
Kent County	0%	0%	14%	5%	5%	5%
Queen Anne's County	38%	10%	10%	0%	0%	11%
Somerset County	0%	0%	0%	10%	24%	7%
Talbot County	5%	24%	19%	0%	0%	10%
Wicomico County	19%	0%	14%	38%	19%	18%
Worcester County	10%	14%	10%	19%	19%	14%

Table 19. Race & ethnicity by Maryland Homeowner Stability Index category, Eastern Maryland

RACE/ETHNICITY	LOWEST NEED	LOW NEED	MODERATE NEED	HIGH NEED	HIGHEST NEED
Hispanic	3%	4%	7%	4%	6%
Non-Hispanic White	84%	85%	74%	74%	58%
Non-Hispanic Black	9%	7%	16%	18%	31%
Non-Hispanic Asian	2%	1%	1%	2%	2%

Note: These values display the share of the population that belong to each racial category in each need category and should be not be summed across categories. Totals sum to close to 100 vertically, and do not sum to 100 percent because some categories are not included for brevity.

Table 20. Special populations by Maryland Homeowner Stability Index category, Eastern Maryland

POPULATION	LOWEST NEED	LOW NEED	MODERATE NEED	HIGH NEED	HIGHEST NEED
People with a disability	10%	13%	13%	14%	15%
People that are elderly	16%	19%	20%	19%	17%

Note: These values display the share of the population in each need category that have any disability or are elderly. The data is not exclusive in either row. Elderly individuals with disabilities are counted in the disability category, and individuals who have a disability and are elderly are counted in the elderly category.

Renter stability: Eastern Maryland

Map 6 and Tables 21–24 show needs among renters by need category in Eastern Maryland and how needs intersect with race and ethnicity and special populations.

Map 6. Maryland Renter Stability Index, Needs by Category, Eastern Maryland

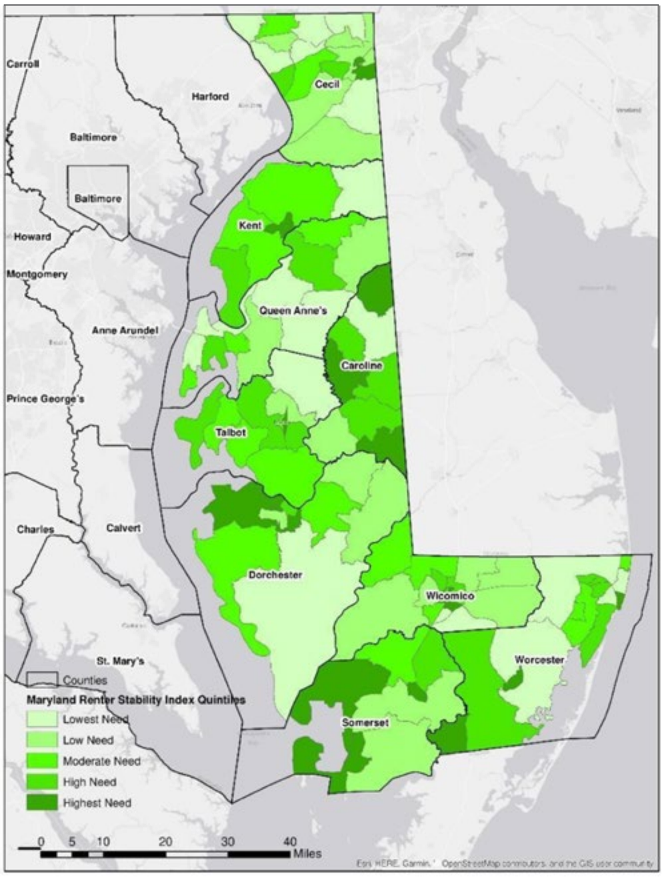


Table 21. Renter Needs by Category, Eastern Maryland

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 & increasing renter cost-burden rate • Moderate household incomes • Moderate rent • Older than average housing • Highest increase in median rent from 2011 to 2017 • 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

For a full discussion of each category, see Appendix G.

Table 22. Total tracts by Maryland Renter Stability Index category, Eastern Maryland

	LOWEST NEED	LOW NEED	MODERATE NEED	HIGH NEED	HIGHEST NEED	REGIONAL TOTAL
Total tracts	**21**	**21**	**21**	**21**	**21**	**105**
Caroline County	5%	5%	0%	14%	19%	9%
Cecil County	29%	33%	10%	10%	10%	18%
Dorchester County	5%	14%	10%	5%	10%	9%
Kent County	5%	0%	10%	5%	5%	5%
Queen Anne's County	24%	10%	14%	10%	0%	11%
Somerset County	0%	10%	5%	5%	14%	7%
Talbot County	5%	5%	19%	14%	5%	10%
Wicomico County	10%	24%	19%	14%	24%	18%
Worcester County	19%	0%	14%	24%	14%	14%

Table 23. Race & ethnicity by Maryland Renter Stability Index category, Eastern Maryland

RACE/ETHNICITY	LOWEST NEED	LOW NEED	MODERATE NEED	HIGH NEED	HIGHEST NEED
Hispanic	3%	5%	4%	4%	7%
Non-Hispanic White	87%	78%	79%	71%	59%
Non-Hispanic Black	6%	13%	13%	20%	29%
Non-Hispanic Asian	1%	2%	1%	2%	2%

Note: These values display the share of the population that belong to each racial category in each need category and should be not be summed across categories. Totals sum to close to 100 vertically, and do not sum to 100 percent because some categories are not included for brevity.

Table 24. Special populations by Maryland Renter Stability Index category, Eastern Maryland

POPULATION	LOWEST NEED	LOW NEED	MODERATE NEED	HIGH NEED	HIGHEST NEED
People with a disability	11%	12%	13%	14%	14%
People that are elderly	17%	16%	20%	22%	17%

Note: These values display the share of the population in each need category that have any disability or are elderly. The data is not exclusive in either row. Elderly individuals with disabilities are counted in the disability category, and individuals who have a disability and are elderly are counted in the elderly category.

Priority needs & actions: Eastern Maryland

Stakeholders from Eastern Maryland, drawing on data from the Maryland Homeowner and Renter Stability Indices, additional data, and experience working in this region, identified a series of priority needs and actions affecting owners, renters, and cross-cutting issues affecting residents living in this region. Each priority need and action, as well as cross-cutting issues, are discussed in more detail in the remainder of this subsection.

Priority needs among homeowners

- **Vacant homes**
  Vacant homes are common in Eastern Maryland, making up 27 percent of the region's housing stock (although some of these properties are used seasonally as vacation properties).[103] Stakeholders underscored a need for a range of interventions to address vacant homes in this region: property stabilization, property conversions (to turn multi-room rental properties into single-family homes); and neighborhood revitalization.

- **High cost of construction for new affordable homeownership**
  Even though Eastern Maryland's home price is lower than other Maryland regions, the high cost of construction drives up the cost of homes, making it more difficult for potential homebuyers to find options that align with their earnings. These higher costs were attributed to infrastructure connections or improvements and state-level requirements for sprinkler systems.

Priority actions serving homeowners

- **Increase homebuyer assistance funding and update standards in the Maryland Mortgage Program.**
  Increased funding for down payment assistance, and expanded financing options for the Maryland Mortgage Program, which provides home loans to eligible Marylanders, would help more people become homeowners and help overcome some of the higher home prices due to high construction costs. Stakeholders also shared that some program requirements (like strict debt-to-income ratios) exclude some homebuyers who would otherwise qualify for the state's homebuying program. Maryland DHCD should assess their program standards to ensure they work for entry-level homebuyers, including assessing the performance of the current program standards relative to changes over the last several years.

- **Expand homebuyer assistance and education.**
  Implementation of this action should include more local and state resources that complement the state's homebuying resources and more education about becoming a homeowner, with an emphasis on the homebuying process and available programs and resources. Stakeholders in this region saw an opportunity to partner with large-scale employers, such as Perdue Farms and Chesapeake Shipbuilding, and community groups with close ties to Eastern Maryland's Haitian, Creole, and Hispanic communities to host homebuyer education courses (among other topics).

Priority needs among renters

- **Evictions**
  Many renters face difficult circumstances due to loss of income from unemployment or underemployment related to the coronavirus, including an inability to pay for their housing costs. At the time this document went to publication in 2020, Governor Hogan's Executive Order on Evictions and Mortgages which shields from eviction all Marylanders who have suffered a COVID-related loss of income, is still in effect. However uncertainty about what the future holds has some stakeholders in Eastern Maryland fearing an impending eviction crisis, as well as the immediate and long-term impacts of the current financial and public health emergencies. Stakeholders surveyed are especially concerned about the long-term impact on renters and communities. For renters, having an eviction in one's rental history can make it harder to find another home. For property owners, a significant loss of rental income could result in an increase in vacant properties—in a region where vacancy is already a challenge.

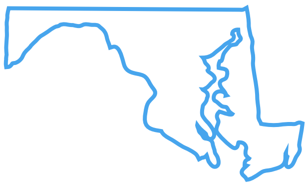
- **Housing age and quality**
  Regionwide, slightly less than half (46 percent) of homes were built before 1980, but in some parts of Eastern Maryland, homes are much older (for instance, built before 1900). According to stakeholders, the overall age of rental properties in the region contributes to code violations, overcrowding, and associated health and safety concerns.

Priority actions serving renters

- **Expand rental licensing programs.**
  Rental licensing programs require rental property owners to register their property and ensure rental properties meet basic health and safety standards (often enforced by a property inspection prior to being able to register). While most local jurisdictions in Eastern Maryland do not have a rental licensing program, rental licensing would proactively address housing quality issues affecting renters in the region, as well as provide a way to track vacation rental properties that are prevalent in this part of the state.

- **Increase funding for property rehabilitation.**
  Many property owners, especially owners of small rental properties, do not have easy access to funding to improve their properties and rehabilitate them to meet the needs of seniors and persons living with disabilities. Implementation of this action should include more local and state resources that assist property owners with property improvements and home accessibility modifications. Communities that receive direct assistance from the federal government can devote a portion of their Community Development Block Grant (CDBG) funds to support property rehabilitation. or leverage their CDBG allocation through the Section 108 Loan Guarantee Program for catalytic rehabilitation projects that annual allocations alone may not be able to fund. Maryland DHCD should consider ways to support communities that do not receive direct assistance for housing and community development activities from the federal government, such as the ability for local jurisdictions to create a revolving loan for property rehabilitation with federal funds from DHCD.

- **Increase capacity for rental property inspections.**
  Stakeholders expressed a need for more capacity for rental property inspections to help increase the supply of properties where renters can use federal rental assistance. Increased capacity will assist with implementation of Maryland's *Housing Opportunities Made Equal (HOME) Act*, enacted in 2020, which outlawed housing discrimination based on income. However, due to a limited number of building inspectors in Eastern Maryland and in general, the wait time to receive an inspection by a local public housing authority, which is required for property owners accepting federal rental assistance like Section 8 vouchers, can be several weeks. Implementation of this action could include cross-training local departmental staff to conduct inspections for federal rental assistance; coordinate local and federal property inspection processes (such as those used for rental licensing); or add on-call contract inspectors at public housing authorities to assist on an as-needed basis.



Cross-cutting issues of regional importance

- Cultural competence, especially increased language access
- Persons experiencing homelessness


School
#5

WESTERN MARYLAND

Allegany, Garrett and Washington counties

Regional overview

Homes in Western Maryland, Maryland's smallest region, have some of the lowest rents and home prices in the state, although 14 percent of households still live below the poverty line (mirrored in significantly lower household income relative to the state). Homes in Western Maryland tend to be older than the housing stock across the state (with 63 percent of housing units were built before 1980 compared with 55 percent statewide).

Housing market: Western Maryland

Households:	Population:	Total Census Tracts:
95,623 Households	251,653 People	62 Tracts

- **Median rent (2017):** $781
- **Home price (2017):** $163,452
- **Mortgage delinquency rate (2019):** 1.3 percent
- **Foreclosure rate (2019):** 0.4 percent
- **Share of housing units built before 1980 (2017):** 63 percent
- **Share of housing units built after 2000 (2017):** 10 percent

Homeowner stability: Western Maryland

Map 7 and Tables 25–28 show needs among homeowners by need category in Western Maryland and how needs intersect with race and ethnicity and special populations.

Map 7. Maryland Homeowner Stability Index, Needs by Category, Western Maryland

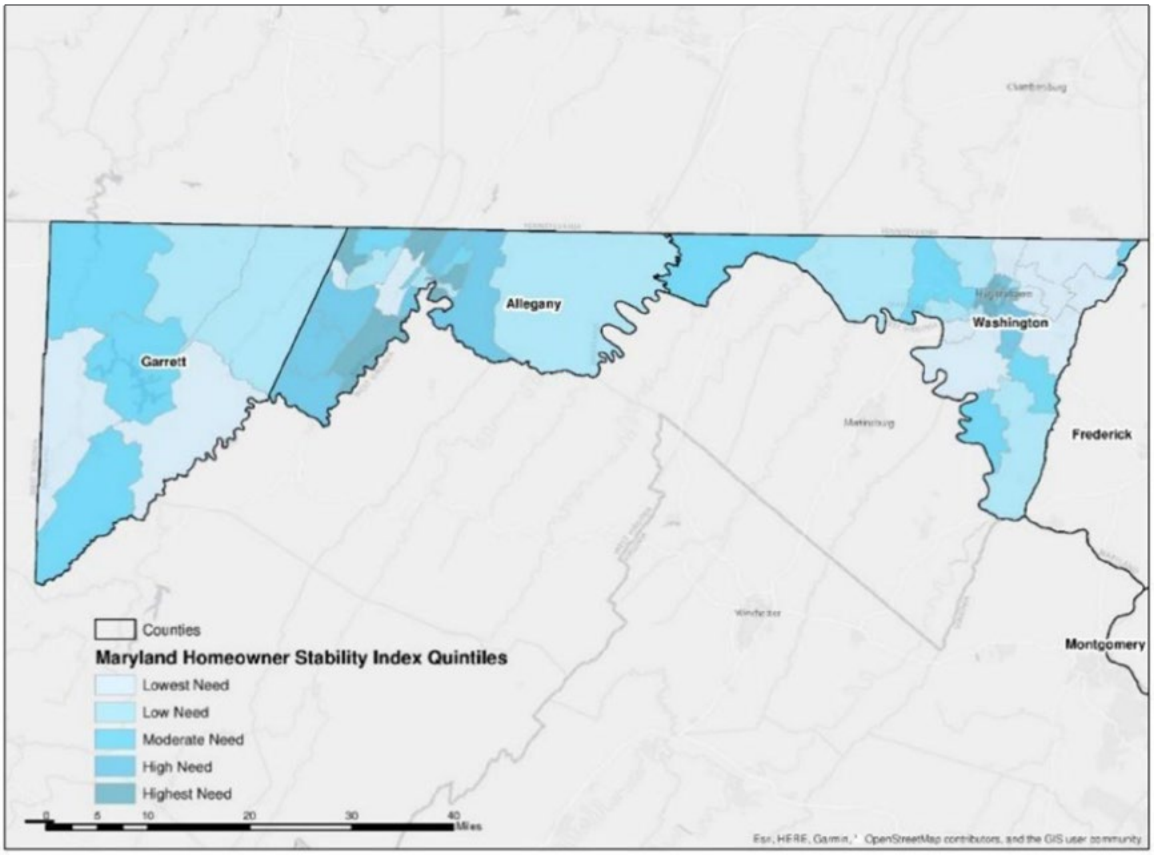


Table 25. Homeowner Needs by Category, Western Maryland

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	• Average home prices • Highest price appreciation • Stagnant household incomes • High delinquency rate • 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

For a full discussion of each category, see Appendix G.

Table 26. Total tracts by Maryland Homeowner Stability Index category, Western Maryland

	LOWEST NEED	LOW NEED	MODERATE NEED	HIGH NEED	HIGHEST NEED	REGIONAL TOTAL
Total tracts	**12**	**12**	**12**	**13**	**13**	**62**
Allegany County	17%	33%	25%	54%	54%	37%
Garrett County	17%	17%	25%	0%	0%	11%
Washington County	67%	50%	50%	46%	46%	52%

Table 27. Race & ethnicity by Maryland Homeowner Stability Index category, Western Maryland

RACE/ETHNICITY	LOWEST NEED	LOW NEED	MODERATE NEED	HIGH NEED	HIGHEST NEED
Hispanic	3%	2%	2%	5%	4%
Non-Hispanic White	86%	90%	93%	72%	79%
Non-Hispanic Black	6%	4%	2%	19%	11%
Non-Hispanic Asian	2%	2%	0%	1%	1%

Note: These values display the share of the population that belong to each racial category in each need category and should be not be summed across categories. Totals sum to close to 100 vertically, and do not sum to 100 percent because some categories are not included for brevity.

Table 28. Special populations by Maryland Homeowner Stability Index category, Western Maryland

POPULATION	LOWEST NEED	LOW NEED	MODERATE NEED	HIGH NEED	HIGHEST NEED
People with a disability	14%	14%	17%	14%	20%
People that are elderly	18%	18%	19%	16%	17%

Note: These values display the share of the population in each need category that have any disability or are elderly. The data is not exclusive in either row. Elderly individuals with disabilities are counted in the disability category, and individuals who have a disability and are elderly are counted in the elderly category.

Renter stability: Western Maryland

Map 8 and Tables 29–32 show needs among renters by need category in Western Maryland and how needs intersect with race and ethnicity and special populations.

Map 8. Maryland Renter Stability Index, Needs by Category, Western Maryland

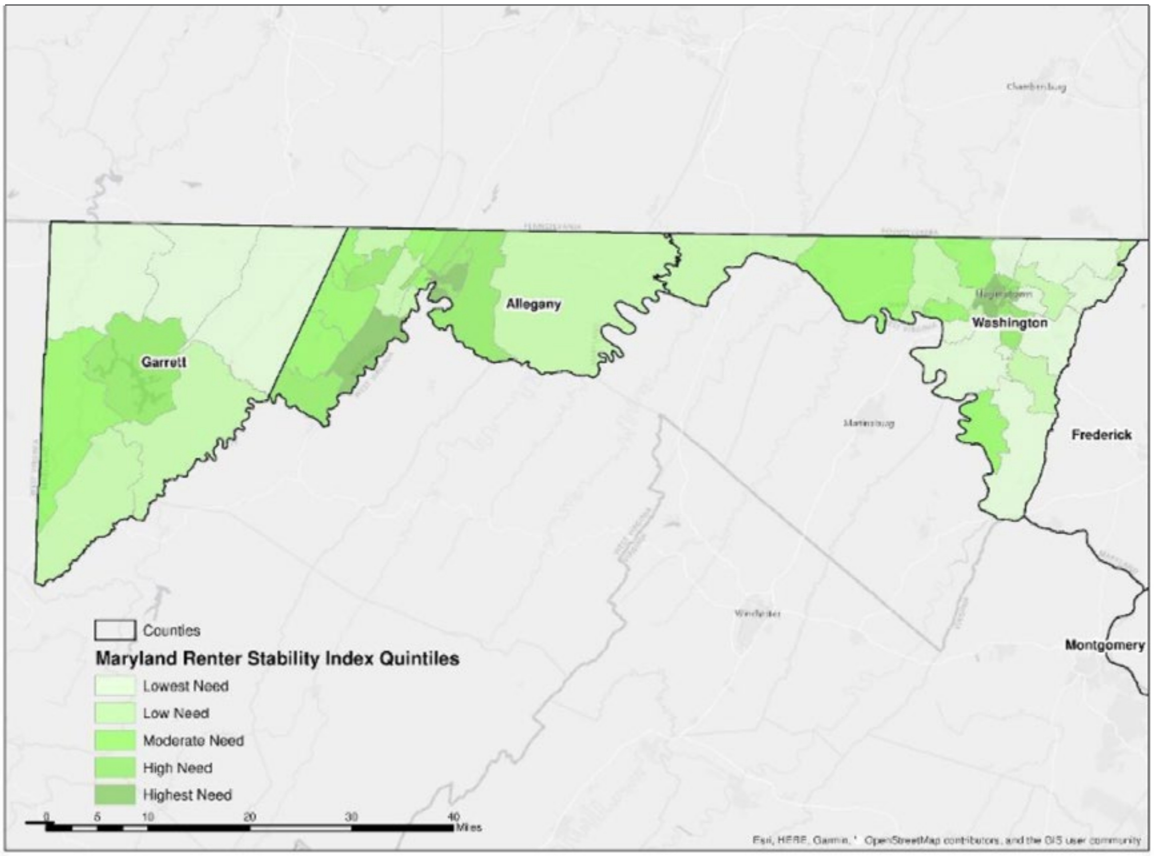


Table 29. Renter Needs by Category, Western Maryland

LOW/LOWEST NEED AREAS	MODERATE NEED AREAS	HIGH/HIGHEST NEED AREAS
• More housing stability • Fewer housing quality concerns • Low poverty and high household incomes • Few assisted units and low rates of rental assistance • Few elderly adults and people with a disability	• Average & increasing renter cost-burden rate • Moderate household incomes • Moderate rent • Higher increase in median rent from 2011 to 2017 • Highest share of elderly residents	• High cost-burden rates • Significant housing quality concerns • Decreasing incomes and rents • High poverty and low household incomes • High share of persons with disabilities • High share of non-white residents

For a full discussion of each category, see Appendix G.

Table 30. Total tracts by Maryland Renter Stability Index category, Western Maryland

	LOWEST NEED	LOW NEED	MODERATE NEED	HIGH NEED	HIGHEST NEED	REGIONAL TOTAL
Total tracts	**12**	**13**	**12**	**13**	**12**	**62**
Allegany County	0%	33%	50%	54%	46%	37%
Garrett County	25%	17%	8%	8%	0%	11%
Washington County	75%	50%	42%	38%	54%	52%

Table 31. Race & ethnicity by Maryland Renter Stability Index category, Western Maryland

RACE/ETHNICITY	LOWEST NEED	LOW NEED	MODERATE NEED	HIGH NEED	HIGHEST NEED
Hispanic	3%	2%	2%	4%	5%
Non-Hispanic White	83%	88%	89%	84%	77%
Non-Hispanic Black	10%	7%	6%	8%	12%
Non-Hispanic Asian	2%	1%	2%	1%	1%

Note: These values display the share of the population that belong to each racial category in each need category and should be not be summed across categories. Totals sum to close to 100 vertically, and do not sum to 100 percent because some categories are not included for brevity.

Table 32. Special populations by Maryland Renter Stability Index category, Western Maryland

POPULATION	LOWEST NEED	LOW NEED	MODERATE NEED	HIGH NEED	HIGHEST NEED
People with a disability	12%	15%	15%	17%	21%
People that are elderly	16%	19%	19%	19%	16%

Note: These values display the share of the population in each need category that have any disability or are elderly. The data is not exclusive in either row. Elderly individuals with disabilities are counted in the disability category, and individuals who have a disability and are elderly are counted in the elderly category.

Priority needs & actions: Western Maryland

Stakeholders from Western Maryland, drawing on data from the Maryland Homeowner and Renter Stability Indices, additional data, and experience working in this region, identified a series of priority needs and actions affecting owners, renters, and cross-cutting issues affecting residents living in this region. Each priority need and action, as well as cross-cutting issues, are discussed in more detail in the remainder of this subsection.

Priority needs among homeowners

- **Vacant homes**
  Vacant homes are common in Western Maryland. Vacant homes make up 16 percent of the region's housing stock.[104] Stakeholders underscored a need for flexible tools, like selling homes for $1 to community partners, to assist with the acquisition and rehabilitation of vacant homes. While stakeholders acknowledged that federal funds are available to support acquisition and rehabilitation activities, they noted that federal programs such as the HOME Investment Partnership Program are cumbersome to use.

- **Housing age and quality**
  Regionwide, 63 percent of homes in Western Maryland were built before 1980. Stakeholders shared that poor housing quality, in part due to age, is a common problem for homeowners living in this region—and this problem extends to potential homebuyers as they look for homes to buy in the region as well. Stakeholders shared that poor housing quality goes unaddressed due to lack of local and state resources to support home rehabilitation in the region.

- **High cost of construction for new affordable homeownership**
  Even though Western Maryland's home price is lower than other Maryland regions, the high cost of construction drives up the cost of homes, making it more difficult for potential homebuyers to find options that align with their earnings. These higher costs were attributed to providing, upgrading, or connecting to infrastructure.

Priority actions serving homeowners

- **Expand homebuyer assistance and education.**
  Implementation of this action should include down payment assistance designed to serve homebuyers in rural areas, with an emphasis on alternative ways to deliver homebuyer assistance when Internet access and digital literacy is limited. For instance, one housing service provider in Western Maryland provides onsite homebuyer education courses, as well as staff to assist with navigating online applications. Absent large-scale improvements in Internet access in more rural parts of Maryland, more staff at regional and local housing organizations would be needed to effectively expand homebuyer assistance and education.

- **Update standards in the Maryland Mortgage Program.**
  A common theme across stakeholders related to priority actions for renters and homeowners was to ensure that state-level programs and policies account for the unique rural character and needs in regions like Western Maryland. They agreed that the Maryland Mortgage Program could be improved to work better in Western Maryland through the following changes: flexible mortgage qualification standards; lending products for both home purchase and rehabilitation; and program changes that incentivize community banks to increase loan originations.

- **Restart local homeownership programs.**
  Some of the local governments in Western Maryland, such as Allegany County, previously had programs to support homeowners, including local homebuyer assistance and home rehabilitation programs. Restarting local housing programs, designed around the needs and goals of each community, would provide more resources to assist with vacant and owner-occupied homes in need of repair; support homebuyers; and enable more flexibility.

Priority needs among renters

- **Market-rate rental homes**
  Lack of market-rate rental housing—designed for households earning the region's median income or higher—is often cited as a barrier to economic development in Western Maryland. Many households in Western Maryland look for rental homes when they first move to the region, but find limited options in terms of the quality, features, and location in the region's housing market, making it difficult to attract and retain workers.

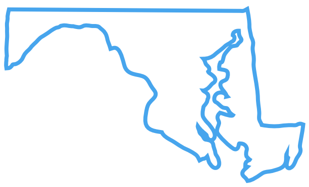
- **Housing age and quality**
  Mirroring the needs among homeowners, housing quality, in part due to the age of rental properties in the region, is a common problem for renters living in Western Maryland. Stakeholders attribute this need to limited local and state resources for property owners to maintain and improve their properties and to a lesser extent, problems with absentee landlords.

- **Rental homes for persons experiencing homelessness**
  Western Maryland needs more rental homes designed to serve persons experiencing homelessness, which was about 500 people in 2018.[105] Stakeholders specifically shared a need for deeply affordable rental units (those that can serve households with incomes at or below 30 percent AMI) and more transitional housing for people in need of behavioral or mental health services.

Priority actions serving renters

- **Align federal funds and policies in non-entitlement communities with local needs.**
  A common theme among regional stakeholders was their reliance on federal resources allocated to local jurisdictions and organizations in Western Maryland by Maryland DHCD. After accounting for federal requirements, DHCD determines how federal funds can be used and allocated to non-entitlement communities. Stakeholders expressed a desire for the state to allow revolving loan funds using federal resources to support long-term community investment and have a stable resource to address the region's rental housing needs (among others). They also asked for the state to consider revisiting its policies around use of rental assistance, such as state-allocated Section 8 vouchers for justice-involved persons seeking housing, which would help some Western Maryland residents.[106]

- **Increase state-level support for transitional housing.**
  Stakeholders would like to see more investment of state resources that support transitional housing in Western Maryland. Even though Maryland DHCD provides funding for transitional housing through grants like the Shelter and Transitional Housing Facilities Grant Program and recently created a set-aside for permanent supportive housing, regional stakeholders felt more could be done to promote transitional housing through more mainstream funding, including the state's Qualified Allocation Plan.



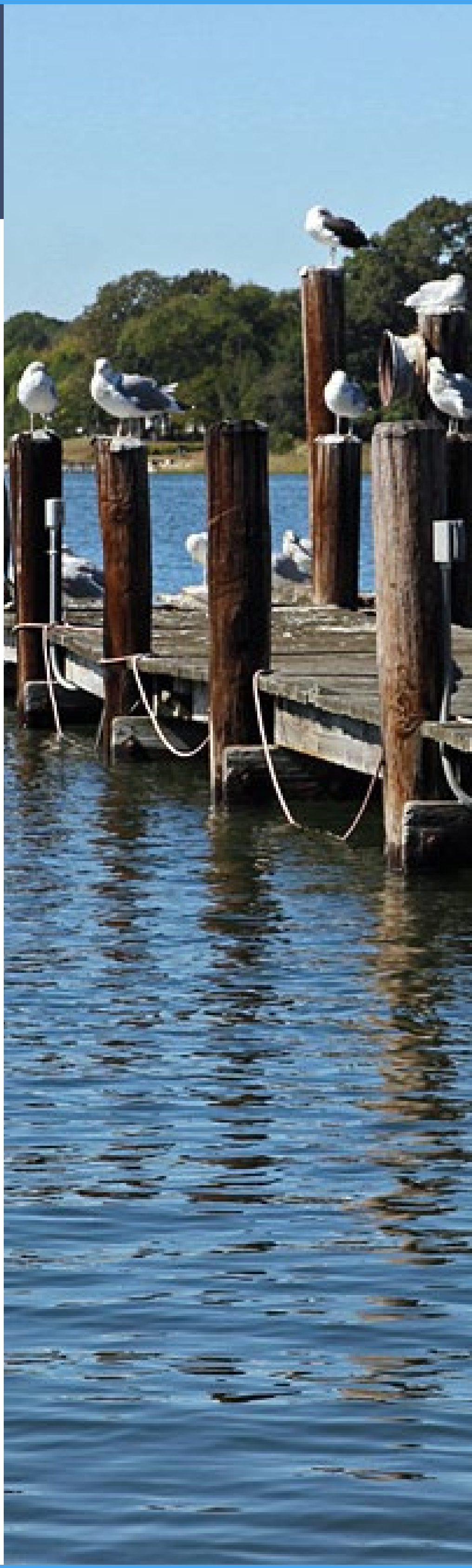
Cross-cutting issues of regional importance

- Tailored approaches for rural communities
- Homes for seniors
- Capacity-building for nonprofit developers
- More flexible state-level environmental regulations


CRAYONS
FAMILY DOLLAR
STATE PARK

SOUTHERN MARYLAND

Calvert, Charles and St. Mary's counties



Regional overview

Homes in Southern Maryland, the state's second smallest region, experienced the highest increase in rent and second highest increase in home prices of any other Maryland region between 2011 and 2017. Southern Maryland has some of the state's highest home loan delinquency and foreclosure rates, although these rates are decreasing faster than the state average. Seniors are becoming a larger share of Southern Maryland's population, with growth among seniors slightly outpacing other regions, though the region has fewer seniors than the state average.

Housing market: Southern Maryland

Households:	Population:	Total Census Tracts:
171,077 Households	357,824 People	65 Tracts

- **Median rent (2017):** $1,530
- **Home price (2017):** $307,944
- **Mortgage delinquency rate (2019):** 2.4 percent
- **Foreclosure rate (2019):** 0.6 percent
- **Share of housing units built before 1980 (2017):** 34 percent
- **Share of housing units built after 2000 (2017):** 23 percent

Homeowner stability: Southern Maryland

Map 9 and Tables 33–36 show needs among homeowners by need category in Southern Maryland and how needs intersect with race and ethnicity and special populations.

Map 9. Maryland Homeowner Stability Index, Needs by Category, Southern Maryland

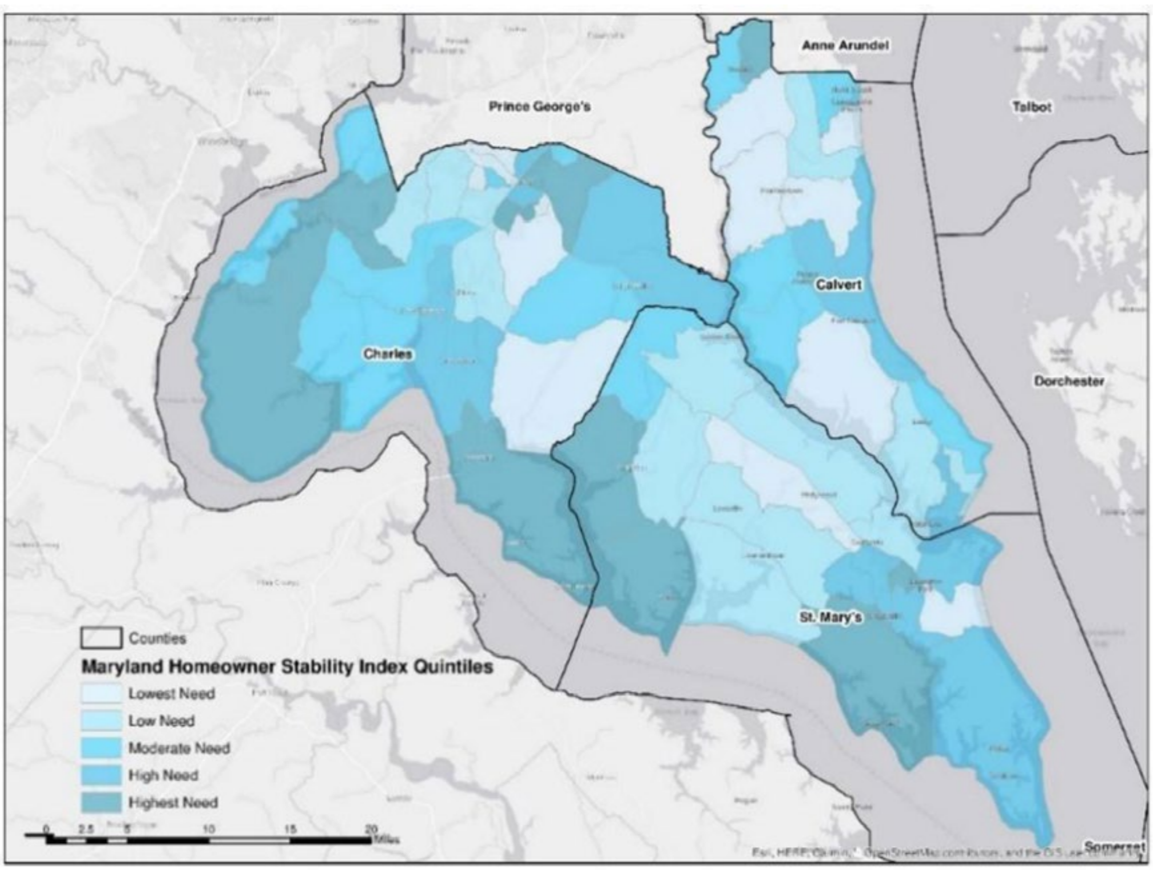


Table 33. Homeowner Needs by Category, Southern Maryland

LOW/LOWEST NEED AREAS	MODERATE NEED AREAS	HIGH/HIGHEST NEED AREAS
• More housing stability • Fewer housing quality concerns • Low poverty and high household incomes • Tight housing market (high occupancy, high home prices) • Low shares of elderly adults and persons with disabilities	• The largest increase in home prices from 2000 to 2017 • Lower than average owner cost-burden rate • Older housing stock • Some residents with special housing needs	• High poverty and low household incomes • High cost-burden rate • High foreclosure and delinquency rates • High shares of elderly adults and persons with disabilities

For a full discussion of each category, see Appendix G.

Table 34. Total tracts by Maryland Homeowner Stability Index category, Southern Maryland

	LOWEST NEED	LOW NEED	MODERATE NEED	HIGH NEED	HIGHEST NEED	REGIONAL TOTAL
Total tracts	**13**	**13**	**13**	**13**	**13**	**65**
Calvert County	38%	23%	38%	31%	8%	28%
Charles County	46%	31%	54%	38%	62%	46%
St. Mary's County	15%	46%	8%	31%	31%	26%

Table 35. Race & ethnicity by Maryland Homeowner Stability Index category, Southern Maryland

RACE/ETHNICITY	LOWEST NEED	LOW NEED	MODERATE NEED	HIGH NEED	HIGHEST NEED
Hispanic	4%	4%	5%	7%	5%
Non-Hispanic White	60%	69%	61%	58%	59%
Non-Hispanic Black	27%	21%	25%	29%	29%
Non-Hispanic Asian	4%	2%	3%	2%	2%

Note: These values display the share of the population that belong to each racial category in each need category and should be not be summed across categories. Totals sum to close to 100 vertically, and do not sum to 100 percent because some categories are not included for brevity.

Table 36. Special populations by Maryland Homeowner Stability Index category, Southern Maryland

POPULATION	LOWEST NEED	LOW NEED	MODERATE NEED	HIGH NEED	HIGHEST NEED
People with a disability	8%	10%	10%	10%	12%
People that are elderly	10%	13%	14%	11%	14%

Note: These values display the share of the population in each need category that have any disability or are elderly. The data is not exclusive in either row. Elderly individuals with disabilities are counted in the disability category, and individuals who have a disability and are elderly are counted in the elderly category.

Renter stability: Southern Maryland

Map 10 and Tables 37-40 show needs among renters by need category in Southern Maryland and how needs intersect with race and ethnicity and special populations.

Map 10. Maryland Renter Stability Index, Needs by Category, Southern Maryland

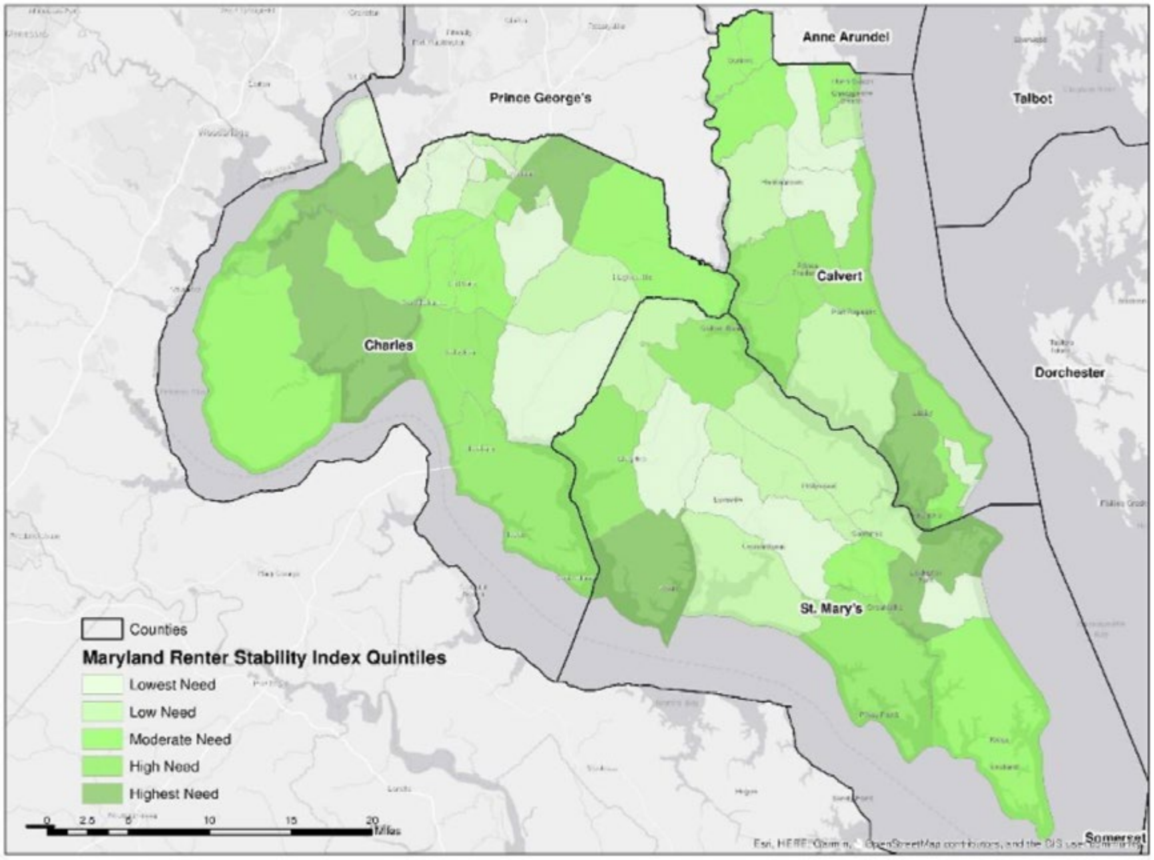


Table 37. Renter Needs by Category, Southern Maryland

LOW/LOWEST NEED AREAS	MODERATE NEED AREAS	HIGH/HIGHEST NEED AREAS
• Tight housing market (low vacancy, high rent, low mobility) • Decrease in rent (2011 to 2017) • Fewer housing quality concerns • Low poverty and high incomes • Fewer assisted units and low rates of voucher usage • Few elderly or disabled persons	• Average renter cost-burden rate • Some residents with special housing needs, especially older adults • Highest increase in median rent from 2011 to 2017	• High cost-burden rates • Housing quality concerns • High poverty, low incomes • High increase in median rent, but low occupancy & limited new market activity • Highest share of non-white residents

For a full discussion of each category, see Appendix G.

Table 38. Total tracts by Maryland Renter Stability Index category, Southern Maryland

	LOWEST NEED	LOW NEED	MODERATE NEED	HIGH NEED	HIGHEST NEED	REGIONAL TOTAL
Total tracts	**13**	**13**	**13**	**13**	**13**	**65**
Calvert County	23%	23%	38%	46%	8%	28%
Charles County	54%	38%	46%	31%	62%	46%
St. Mary's County	23%	38%	15%	23%	31%	26%

Table 39. Race & ethnicity by Maryland Renter Stability Index category, Southern Maryland

RACE/ETHNICITY	LEAST IN NEED	LOW NEED	MODERATE NEED	HIGH NEED	HIGHEST NEED
Hispanic	5%	4%	4%	5%	6%
Non-Hispanic White	56%	64%	68%	72%	49%
Non-Hispanic Black	31%	25%	20%	18%	37%
Non-Hispanic Asian	3%	2%	3%	2%	2%

Note: These values display the share of the population that belong to each racial category in each need category and should be not be summed across categories. Totals sum to close to 100 vertically, and do not sum to 100 percent because some categories are not included for brevity.

Table 40. Special populations by Maryland Renter Stability Index category, Southern Maryland

POPULATION	LEAST IN NEED	LOW NEED	MODERATE NEED	HIGH NEED	HIGHEST NEED
People with a disability	8%	10%	10%	11%	12%
People that are elderly	9%	12%	14%	14%	13%

Note: These values display the share of the population in each need category that have any disability or are elderly. The data is not exclusive in either row. Elderly individuals with disabilities are counted in the disability category, and individuals who have a disability and are elderly are counted in the elderly category.

Priority needs & actions: Southern Maryland

Stakeholders from Southern Maryland, drawing on data from the Maryland Homeowner and Renter Stability Indices, additional data, and experience working in this region, identified a series of priority needs and actions affecting owners, renters, and cross-cutting issues affecting residents living in this region. Each priority need and action is discussed in more detail in the remainder of this subsection.

Priority needs among homeowners

- **Barriers to accessing homeownership**
  Regional stakeholders shared that potential homebuyers in the region need more resources for assistance with down payment and closing costs and face tighter post–Great Recession lending standards from financial institutions. In Southern Maryland, it is especially challenging to help households earning between $45,000 and $60,000 annually (which would qualify as very low-income or low-income by federally defined income standards for Maryland depending on household size). Some homebuyer assistance programs, like those offered by the St. Mary's Housing Authority as part of the Housing Choice Voucher Program, aim to serve even lower-income households, and these households face additional barriers to homeownership, such as meeting down payment or credit score requirements to qualify for a mortgage. They also noted that changes to eligible target areas for the USDA 502 Guaranteed Rural Housing Loan Program resulted in the loss of a powerful tool for accessing homeownership in Southern Maryland, especially St. Mary's County.

- **Demand for single-family homes**
  Regional stakeholders shared that many potential homebuyers are looking to purchase single-family homes, even though macro-level demand and preferences for homes has shifted toward higher density, walkable places that offer a mix of for-sale homes, like townhomes and condominiums. Lack of local and state-level tools or resources to directly support production of for-sale homes was cited as statewide barrier to accessing homeownership. Few tools are designed to directly support the production of new homeownership units, creating a mismatch between what people are looking to buy and the overall housing supply in Southern Maryland.

- **High cost of construction for new affordable homeownership**
  Home prices in Southern Maryland posted the second highest increase of any Maryland region between 2011 and 2017. Regional stakeholders share that the high cost of construction in the region drives up the cost of homes, making it more difficult for potential homebuyers to find options that align with their earnings. These higher costs were attributed to infrastructure connections or improvements, which one stakeholder said puts homes out-of-reach for households earning between $75,000 and $90,000 annually.

Priority actions serving homeowners

- **Create local homeownership programs.**
  Stakeholders see the creation of local homebuyer assistance programs, coupled with homeownership education, as a critical part of increasing homeownership opportunities in Southern Maryland, especially if these programs align with other state or federal homebuyer programs like the Maryland Mortgage Program or USDA 502 Guaranteed Rural Housing Loan Program, or employers start employer-assisted housing programs (see next action). Since local jurisdictions in Southern Maryland would need to allocate local funding to establish local homeownership programs, public and political support will be vital for successful implementation of this action.

- **Establish employer-assisted housing programs.**
  Public- and private-sector regional employers, such as county governments, county boards of education, and MedStar should consider creating employer-assisted housing programs to increase homeownership opportunities in Southern Maryland. Employer-assisted housing programs provide assistance, such as down payment grants or loans that are forgiven over a period of employment, and homeownership counseling and education, among other resources depending on the goals of the program. This program should be aligned with Maryland's House Keys 4 Employees Program, which provides additional state funding to eligible homebuyers by matching employer-sponsored homebuyer assistance.

- **Expand Maryland Mortgage Program financing beyond existing Priority Funding Areas.**
  Currently, the Maryland Mortgage Program (MMP) is prohibited from financing the purchase of new homes outside of Priority Funding Areas. In order to meet demand for homeownership and mitigate rising costs of construction, MMP and its associated assistance should be allowed to finance new home construction throughout the state. This would have a particularly outsized impact on rural regions, such as Southern Maryland.

Priority needs among renters

- **Barriers accessing rental housing**
  Tenants living in Southern Maryland face a series of barriers that make it more difficult to find and keep a rental home: involvement with the criminal justice system; limited credit history; or delinquent utility payments. Stakeholders shared that landlords are less likely to rent to households with one or more of these issues, making it difficult for households to find safe, stable rental homes.

- **Need for more housing types**
  The existing rental homes in Southern Maryland do not align with some renters' needs in the region. Namely, regional stakeholders stressed a need for smaller, one-bedroom units to serve persons experiencing homelessness. They noted that newer, market-rate development usually has rental units with two bedrooms or more. For subsidized rental properties, stakeholders shared that the state's Qualified Allocation Plan (along with the economies of scale needed to achieve affordable housing generally) makes it difficult to achieve a range of bedroom sizes or housing types in a state-funded development.

Priority actions serving renters

- **Create good landlord programs or other incentives for landlords.**
  Implementation of this action would help remove the barriers that renters in Southern Maryland face. A good landlord program provides resources or incentives to acknowledge and reward strong property management practices. This program can be designed to increase the acceptance of rental assistance or renters that do not need stringent rental criteria in exchange for benefits, such as property tax reductions/abatements, reimbursement for fees (e.g. business licensing fees), or access to funding to address issues at individual units. Regional stakeholders noted a need to identify a source of funding to use for these incentives, especially for non-entitlement communities in the region that do not directly receive federal housing and community development funds, suggesting health funding as a potential source.

- **Increase available resources for accessibility improvements.**
  Stakeholders shared that a mismatch exists between available, accessible units and affordable ones, resulting in a need for more resources for modifications for persons living with a disability at subsidized properties. For instance, they shared that some properties for seniors in the region offer accessible units but do not currently offer affordable rents, making them unaffordable to renters who need deeply subsidized rents.

SECTION 5
MARYLAND'S HOUSING TOOLBOX

This plan ends with a call to action: For local and state leaders to create a more equitable, affordable Maryland for existing and future residents. To assist with realizing this objective, this document includes the Maryland Housing Toolbox designed to equip local and state decision-makers and their partners to better meet the housing and community development needs in their communities.

The Maryland Housing Toolbox provides a matrix of strategies that decision-makers can use to address needs identified through this housing needs assessment. Each of the actions in this document are designed to expand the solutions available in the state when tackling complex housing issues.

Maryland Housing Toolbox
Click link to download an interactive copy of the toolbox.

Maryland's Housing Toolbox

The toolbox includes almost 70 actions, designed to address priority needs by region in the state. Needs were identified through the Maryland Homeowner and Renter Stability Indices, which were developed as part of the Maryland Housing Needs Assessment and 10-Year Strategic Plan, along with stakeholder input and supplemental data analysis. These indices considered housing costs, housing quality, market conditions, rental costs, and where the housing market needs to serve vulnerable populations.

Each action includes a description and keys to successful implementation (see Appendix A or download the interactive version here). Each action also relates to elements of the shared framework in the Maryland Housing Needs Assessment and 10-Year Strategic Plan:

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

The toolbox reinforces the Maryland Housing Needs Assessment's shared framework, while allowing users to filter among the many potential actions they could take to effect housing change within the state. Users can select based on what matters most to them, their region, or their community. Here are some ways to approach the toolbox:

- **By type of outcome achieved** – e.g. what actions address housing affordability specifically?
- **By priority populations served** – e.g. what actions serve persons living with a disability?
- **By household income (based on area median income)** – e.g. what actions serve extremely low-income groups?

WAYS TO USE THE MARYLAND HOMEOWNER AND RENTER STABILITY INDICES & MARYLAND HOUSING TOOLBOX

- **Identify unmet local housing needs** – Use the data in the indices to identify needs affecting owners and renters and where these needs are affecting people in your community or region.
- **Tailor actions to people and place** – Use the Maryland Housing Toolbox to find actions that align with the priority needs in your community or region and collaborate with local and state partners to implement these actions. Use the indices to inform approaches that address the unique needs or context of different places in the region and people that live there.
- **Collaborate on issues of regional or statewide importance** – Use the Maryland Homeowner and Renter Stability Indices to identify issues affecting your region or the entire state and Maryland Housing Toolbox to identify opportunities to tackle these issues regionally or statewide.

REFERENCES

[1] U.S. Department of Housing and Urban Development. (2012-2016). Comprehensive Housing Affordability Strategy (CHAS). [Data file]. Retrieved from www.huduser.gov/portal/datasets/cp.html.

[2] The terms "extremely low-income;" "very low-income;" and "low-income" are used throughout this document to describe households in specific HUD-defined income categories. Extremely low-income households are those earning $28,200 based on 2020 HUD-defined income standards for a three-person household in Maryland; very low-income households are those earning $47,050 for a three-person household; and low-income households are those earning $70,650 for a three-person household. Data for the rental supply gap via 2012-2016 Comprehensive Housing Affordability Strategy (CHAS) from the U.S. Department of Housing and Urban Development.

[3] Projections prepared by the National Center for Smart Growth using Maryland Department of Planning and HUD CHAS data.

[4] "Deeply affordable units" or "deep affordability" generally refers to units that align with households earning at or below 30 percent of area median income and in many cases, for households with even lower incomes (10–15 percent of area median incomes) and often the fewest resources to find and maintain a home.

[5] Data via 2012-2016 Comprehensive Housing Affordability Strategy (CHAS) from the U.S. Department of Housing and Urban Development.

[6] The statewide homeownership rate among Black householders was 51 percent compared with 77 percent among white householders, according to 2013-2017 American Community Survey Five-Year Estimates. American Community Survey (ACS), U.S. Census Bureau. (2013-2017). Five-Year Estimates. [Data file]. Retrieved from www.census.gov/programs-surveys/acs.

[7] Projections prepared by the National Center for Smart Growth (NCSG) using Maryland Department of Planning (MDP) data.

[8] In 2017, the home loan denial rate among Black applicants was 22.5 percent, compared with 12.5 percent among white applicants. U.S. Consumer Financial Protection Bureau. (2017). Home Mortgage Disclosure Act (HMDA). [Data file]. Retrieved from www.consumerfinance.gov/data-research/hmda/.

[9] Based on qualitative data collected for the Maryland Housing Needs Assessment.

[10] See Sections 3 and 4 for a full discussion of the housing needs affecting Marylanders statewide and by region.

[11] Due to data availability, data on households at 50 percent AMI or less is used as a proxy for understanding housing needs among households at 60 percent AMI or less. HUD's CHAS data, used throughout this report, classifies household income into groups as follows: less than or equal to 30 percent AMI, greater than 30 percent to 50 percent, greater than 50 percent to 80 percent, greater than 80 percent to 100 percent, and 100 percent or more. Further breakdown on the number of households at more narrow income bands is not available. We estimate that about 1/3 of households in the 50 percent to 80 percent band earn between 50 percent and 60 percent AMI, which assumes a smooth distribution of households within the 50 percent to 80 percent band.

[12] Data via 2012-2016 CHAS from the U.S. Department of Housing and Urban Development.

[13] U.S. Bureau of Labor Statistics. (2019, May). National Occupational and Wage Estimates. [Data file]. Retrieved from www.bls.gov/oes/current/oes_nat.htm.

[14] Data via 2012-2016 CHAS from the U.S. Department of Housing and Urban Development. A unit is affordable and available at a given level of income if it is affordable at that income level and it is occupied by a renter either at that income level, or at a lower level, or is vacant.

[15] National Low-Income Housing Coalition. (March 2019). The Gap: A Shortage of Affordable Homes. Retrieved from https://reports.nlihc.org/sites/default/files/gap/Gap-Report_2019.pdf.

[16] Data via 2012-2016 CHAS from the U.S. Department of Housing and Urban Development.

[17] National Housing Preservation Database. (2020). [Database]. Retrieved from https://preservationdatabase.org/?cn-reloaded=1.

[18] Projections from NCSG based on MDP and HUD CHAS Data.

[19] Data via 2012-2016 CHAS from the U.S. Department of Housing and Urban Development.

[20] Projections from NCSG based on MDP and HUD CHAS Data.

[21] This includes 12.5 percent of Maryland households that are extremely low-income, earning up to 30 percent AMI. Data via 2012-2016 CHAS from the U.S. Department of Housing and Urban Development.

[22] NCSG calculation based on HUD CHAS data.

[23] HUD's Comprehensive Housing Affordability Strategy (CHAS) Data, used throughout this report, classifies household income into groups as follows: less than or equal to 30 percent AMI; greater than 30 percent to 50 percent AM; greater than 50 percent to 80 percent AMI; greater than 80 percent to 100 percent AMI; and 100 percent AMI or more. Further breakdown on the number of households at more narrow income bands are not available. We estimate that about one-third of households in the 50 percent to 80 percent band earn between 50 percent and 60 percent AMI, which assumes a smooth distribution of households within this income band.

[24] Data via 2019 National Occupational Employment and Wage Estimates from the U.S. Bureau of Labor Statistics.

[25] Data via 2012-2016 CHAS from the U.S. Department of Housing and Urban Development.

[26] Data via 2012-2016 CHAS from the U.S. Department of Housing and Urban Development.

[27] Data via 2020 National Housing Preservation Database.

[28] Data via 2020 National Housing Preservation Database and 2013-2017 American Community Survey Five-Year Estimates.

[29] Data via 2012-2016 CHAS from the U.S. Department of Housing and Urban Development.

[30] Data via 2012-2016 CHAS from the U.S. Department of Housing and Urban Development.

[31] Data via 2012-2016 CHAS from the U.S. Department of Housing and Urban Development.
[32] Data via 2012-2016 CHAS from the U.S. Department of Housing and Urban Development.

[33] Maryland Center on Economic Policy. 2020. "Lessons from the Great Recession." Baltimore, MD. Available at www.mdeconomy.org/recession-budget-cuts/ and Maryland Realtors. 2020. Monthly Housing Statistics. MD Realtors, Annapolis, MD. Available at www.mdrealtor.org/Publications/Publications/Monthly-Housing-Statistics.

[34] Data via 2013-2017 American Community Survey Five-Year Estimates.

[35] Data via Maryland Department of Planning.

[36] Data via 2013-2017 American Community Survey 5-Year Estimates and IPUMS.

[37] Data via 2013-2017 American Community Survey 5-Year Estimates and IPUMS.

[38] Multifamily units are counted as individual residential units, not entire multi-unit structures. The data reported here counts individual residential units, whether they are single-family homes, apartments, or condos. Data via Maryland Department of Planning.

[39] Data via Maryland Department of Planning.

[40] "Moderate- and high-income households" refers to households earning above 80 percent of area median income (or more than $70,650 for a family of three in Maryland based on 2020 HUD-defined income standards). The two figures add up to 208,786, which is 29,919 more than the expected addition of 178,000 new households. That is because projections show a decrease in the number of households earning between 51 and 80 percent AMI by 29,919. This is a continuation of trends that have occurred since 2000, as the number of households in that income bracket has been shrinking over time. Data via NCSG projections based on MDP and HUD CHAS data.

[41] Data via NCSG projections based on MDP and HUD CHAS data.

[42] A family household is a household with two or more related persons living together. A nonfamily household is a household with one or more unrelated persons living together. Data via NCSG projections based on MDP, HUD CHAS and ACS.

[43] Data via Maryland Department of Planning.

[44] Data via ACS 2017 5-Year Estimates and IPUMS 2000–2010.

[45] Figure 5 compares the number of renter households by income (left column) with the number of rental housing units that are affordable to renters in that income range (right column). Data via HUD CHAS, 2016.

[46] Data via 2020 National Housing Preservation Database.

[47] Data via 2012-2016 CHAS from the U.S. Department of Housing and Urban Development.

[48] Data via 2012-2016 CHAS from the U.S. Department of Housing and Urban Development.

[49] Data via 2012-2016 CHAS from the U.S. Department of Housing and Urban Development.

[50] Data via 2012-2016 CHAS from the U.S. Department of Housing and Urban Development.

[51] Data via 2012-2016 CHAS from the U.S. Department of Housing and Urban Development.

[52] Data via 2012-2016 CHAS from the U.S. Department of Housing and Urban Development.

[53] Data via NCSG projections based on MDP and American Community Survey 2013-2017 5-Year Estimates.

[54] Data via 2013-2017 American Community Survey 5-Year Estimates.

[55] CoreLogic. 2015-2019. [Data file]. Data provided by the Maryland Department of Housing and Community Development (DHCD) Research.

[56] Data via 2013-2017 American Community Survey 5-Year Estimates.

[57] Data via CoreLogic provided by Maryland DHCD Research.

[58] Data via CoreLogic provided by Maryland DHCD Research.

[59] Information on sales of newly constructed homes is derived from the CoreLogic variable on "new construction home sales."

[60] Data via CoreLogic provided by Maryland DHCD Research.

[61] CoreLogic data is available on a more recent basis than Census data. 2019 data is the latest full-year data available. 2015 represents the midpoint of the last decade and thus a good comparison point, since by then, housing markets had recovered significantly from the 2007-2009 recession, and can illustrate recent trends.

[62] Data via CoreLogic provided by Maryland DHCD Research.

[63] Christopher L. Foote, Kristopher Gerardi, and Paul S. Willen. (2008). Negative Equity and Foreclosure: Theory and Evidence. Federal Reserve Bank of Boston. Available at: http://www.bos.frb.org/economic/ppdp/2008/ppdp0803.htm

[64] Mayer, Christopher, Karen Pence, and Shane M. Sherlund. 2009. "The Rise in Mortgage Defaults." *Journal of Economic Perspectives*, 23 (1): 27–50.

[65] Data via CoreLogic provided by Maryland DHCD Research.

[66] Some loan and foreclosure data are recorded as point-in-time counts, such that properties could be double counted when totaling across months. To account for this, the yearly estimates for '90+ Day Delinquency,' 'Pre-Foreclosure,' and 'In-Progress Foreclosure' are calculated as an average across months. 'Completed Foreclosures' and 'REOs' are not point-in-time counts, so they are summed across months.

[67] Data via CoreLogic provided by Maryland DHCD Research.

[68] Data via 2017 HMDA from the U.S. Consumer Financial Protection Bureau.

[69] Data via 2012-2016 CHAS from the U.S. Department of Housing and Urban Development.

[70] Data via 2012-2016 CHAS from the U.S. Department of Housing and Urban Development.

[71] Data via 2012-2016 CHAS from the U.S. Department of Housing and Urban Development.

[72] Data via 2012-2016 CHAS from the U.S. Department of Housing and Urban Development.

[73] Data via 2012-2016 CHAS from the U.S. Department of Housing and Urban Development.

[74] Data via 2012-2016 CHAS from the U.S. Department of Housing and Urban Development.

[75] Data via 2012-2016 CHAS from the U.S. Department of Housing and Urban Development.

[76] Data via 2012-2016 CHAS from the U.S. Department of Housing and Urban Development.

[77] Data via 2012-2016 CHAS from the U.S. Department of Housing and Urban Development.

[78] It should be noted that DHCD offers programs that support the production of for-sale homes, such as the Maryland Affordable Housing Trust, Community Legacy Program, and National Capital Strategic Economic Development Program, but as of 2020, does not have a program solely focused on producing for-sale homes. Lack of for-sale inventory, especially one that offers more diverse housing types and homes at lower price points, was consistently cited as a barrier to accessing homeownership among Maryland stakeholders. Other states have created programs to support the creation of homeownership units, using varied approaches. For instance, the Ohio Finance Housing Agency supports single-family development, including homes for lease-purchase, in its Qualified Allocation Plan (see https://ohiohome.org/ppd/documents/2020-21-QAP-BoardApproved.pdf). The District of Columbia Housing Finance Agency's Single Family Investment Fund, which grew out a pilot program, provides equity to local developers with lower rates of return than private capital to build workforce homes to serve households earning up to 120 percent AMI. See National Council of State Housing Agencies. (2019). "Single Family Investment Fund." Available at www.ncsha.org/wp-content/uploads/District-of-Columbia-Homeownership-Encouraging-New-Production-2019.pdf. The Washington State Housing Finance Commission developed a financing solution with reduced administrative requirements to support the state's network of Habitat for Humanity affiliates to increase housing production. See National Council of State Housing Agencies. (2019). "100 Homes and Counting: Habitat for Humanity Partnership." Available at www.ncsha.org/wp-content/uploads/District-of-Columbia-Homeownership-Encouraging-New-Production-2019.pdf.

[79] *The Neighborhood Homes Investment Act*, a proposed tool at the federal level as of 2020, would provide a tax credit for homeownership units, like the Low-Income Housing Tax Credit.

[80] Data from 2013-2017 American Community Survey Five-Year Estimates.

[81] Lavetsky G, Ashinghurst E. "Disability and Health among Maryland Adults." Maryland BRFSS Surveillance Brief. Vol. 3, No. 1. Baltimore, MD: Maryland Department of Health, Center for Chronic Disease Prevention and Control, August 2018. Available at https://health.maryland.gov/bhm/DHIP/Documents/BRFSS_BRIEF_2018-08_Disability.pdf.

[82] Focus groups conducted for the Maryland Housing Needs Assessment.

[83] Data via Maryland Department of Planning.

[84] Data via 2012-2016 CHAS from the U.S. Department of Housing and Urban Development.

[85] According to the U.S. Interagency Council on Homelessness, in 2019, 6,561 persons experienced homelessness in any given night in Maryland. U.S. Interagency Council on Homelessness. (n.d.). Maryland Homelessness Statistics. Retrieved from www.usich.gov/homelessness-statistics/md.

[86] Data used in the indices come from the same sources highlighted in the introduction of this report. For technical documentation on the Maryland Homeowner and Renter Stability Indices, see Appendix F.

[87] For a full discussion of homeowner and renter stability by region, see Appendix G. Priority needs among renters and homeowners and actions were identified by Maryland Housing Needs Assessment Advisory Group members and additional stakeholders in some cases during Regional Strategy Sessions held in July 2020.

[88] Lowest and low need categories were combined for explanatory purposes, as housing needs in these areas tend to overlap. Typically, low need areas exhibit a higher level of need than areas with the lowest needs but low need overall.

[89] Highest and high need categories were combined for explanatory purposes, as housing needs in these areas tend to overlap. Typically, high need areas exhibit a lower level of need than areas with the highest needs but high need overall.

[90] These areas were identified based on HUD's definition of R/ECAPs, using the newest data available (ACS 2018). More information about this classification and how it is calculated is available here: https://hudgis-hud.opendata.arcgis.com/datasets/56de4edea8264fe5a344da9811ef5d6e_0.

[91] Data via 2012-2016 CHAS from the U.S. Department of Housing and Urban Development.

[92] As of 2016,16 percent of the region's homeowners (or 105,605 total households) earn 50 percent AMI or less. Very low-income households represent 25 percent of all households in the region (or 252,975 total households). Data via 2012-2016 CHAS from the U.S. Department of Housing and Urban Development.

[93] In 2017, the Maryland General Assembly (via HB1168/SB957) authorized local jurisdictions in Maryland to enact local ordinances to establish land banks, which was authority already available to the City of Baltimore.

[94] Based on results from focus group conversations conducted for the Maryland Housing Needs Assessment from March–July 2020.
[95] One widely accepted definition of mixed income housing is "deliberate effort to construct and/or own a multifamily development that has the mixing of income groups as a

fundamental part of its financial and operational plans." For more information on the term, see Urban Institute. (2010). "Effects from Living in Mixed-Income Housing Communities for Low-Income Families." Available at www.urban.org/sites/default/files/publication/27116/412292-Effects-from-Living-in-Mixed-Income-Communities-for-Low-Income-Families.PDF.

[96] For more information, see https://archives.hud.gov/news/2017/17BRHCvsMD.pdf and http://resources.baltimorecountymd.gov/Documents/Planning/hudconciliationagreement.pdf.

[97] Data via 2012-2016 CHAS from the U.S. Department of Housing and Urban Development.

[98] According to AARP, universal design is "an approach to designing products and environments to be appropriate for all people, including those with physical, cognitive, or sensory impairments." Visitability refers to building in accessibility features for people using wheelchairs or other mobility devices into new homes, with an emphasis on three main features: 1) zero-step entrance; 2) doors with 32-inches of passage space; and 3) one bathroom on the main floor that can accommodate a wheelchair. For more information, see AARP. (2017). "Expanding Implementation of Universal Design and Visitability Features in the Housing Stock." Available at www.aarp.org/content/dam/aarp/ppi/2017/06/expanding-implementation-of-universal-design-and-visitability-features-in-the-housing-stock.pdf and visitability.org.

[99] Data from 2012-2016 U.S. Department of Housing and Urban Development Comprehensive Housing Affordability Strategy (CHAS). The affordability gap calculations mentioned here and in other places are calculated using HUD's regional AMI numbers. In this case, those numbers apply to the Washington-Arlington-Alexandria DC-VA-MD HUD Metro FMR Area.

[100] Based on median household income figures from the 2013-2017 American Community Survey, these three counties have median household incomes below the HUD-defined area median income of $126,000 for the Washington-Arlington-Alexandria DC-VA-MD HUD Metro FMR Area for Fiscal Year 2020: Prince George's County ($78,607); Frederick County ($88,502); and Montgomery County ($103,178).

[101] While stakeholders primarily discussed the gap between federally defined area median income and county-level household income in relation to renters, they affirmed overreliance on this standard affects both renters and homeowners in the Washington, DC suburbs.

[102] For more information about joint ventures and other actions, please see the Maryland Housing Toolbox in Appendix A or download a copy of it here: https://dhcd.maryland.gov/Documents/Research/HousingToolbox.xlsx.

[103] Data via 2013-2017 American Community Survey 5-Year Estimates.

[104] Data via 2013-2017 American Community Survey 5-Year Estimates.

[105] *Cumberland News Times.* 2019, July. Available at www.times-news.com/community/state-announces-decline-in-homeless-population/article_4b042aaf-0c99-59b4-8125-28ce10e8a05e.html.

[106] The Maryland Department of Housing and Community Development, when administering Housing Choice Vouchers, can take several steps used by public housing authorities to remove barriers and increase access for justice-involved persons and persons experiencing homelessness. These steps include using a case-by-case review or requesting information about mitigating circumstances during the screening, admissions, and appeals processes; removing additional restrictions on eligibility (such as credit history or landlord references); or making changes to eligibility criteria such as years passed since a criminal conviction or eviction occurred. For more information see U.S. Department of Housing and Urban Development, Office of Public and Indian Housing. (2015). PIH Notice 2015-19. Available at www.hud.gov/sites/documents/PIH2015-19.PDF.

APPENDIX A.
MARYLAND HOUSING TOOLBOX: SUMMARY TABLES

Maryland Housing Toolbox: Actions, Descriptions, and Keys to Success		
Action	**Description**	**Keys to success**
Create housing trust funds.	Housing trust funds channel dedicated local or state resources to address housing needs, including the production and preservation of housing that is affordable to lower-income households. Funds can be allocated in a variety of ways, depending on the needs of the community (e.g., housing development, direct financial assistance or services to low-income homeowners and renters, land assembly and acquisition, technical assistance) and loan repayments generally account for a share of the trust fund's revenue. Housing trust funds can be capitalized by resources from the private sector, philanthropic organizations, and/or local jurisdictions. Housing trust funds can operate at the state, cross-jurisdictional, and local levels. For instance, through the Maryland Affordable Housing Trust, the state of Maryland offers funding for capital costs for rental and ownership units; capacity-building for nonprofits; supportive services; and operating costs, and aims to serve households at or below 50 percent of area or state median income. Many local jurisdictions in Maryland also have local housing trust funds, including Montgomery County's Housing Initiative Fund; Baltimore City's Affordable Housing Trust Fund; and Howard County's Community Renewal Fund.	*Set clear priorities and criteria for the types of activities the fund will support. *Identify revenue sources that can be dedicated to the housing trust fund. *Identify target populations and income levels and prioritize these groups when allocating funding. *Designate a specific percentage of funds for target groups.
Establish a dedicated revenue source for affordable housing.	Dedicated revenue sources are often used to fund local housing funds that support affordable housing (new construction, preservation, homeownership activities, supportive services). A dedicated source for affordable housing provides a dependable resource for developers and community partners, reducing the risk associated with annual budget appropriations and increasing the total funding available for affordable housing. Common dedicated revenue sources include a percentage of real estate transfer tax or document recording fee revenues; real-estate interest; developer fees, such as linkage fees; inclusionary housing fees; or general fund revenue. Maryland's Affordable Housing Trust uses this model at the state-level, where a portion of interest generated by title company escrow helps fund the trust. Examples of revenue sources in use by local jurisdictions in Maryland include condominium conversion tax (Montgomery County); developer fees (Montgomery County); general funds (Montgomery County); property transfer taxes (Howard County and Baltimore City); and recordation taxes (Baltimore City).	*Establish affordable housing as a stated priority to protect the dedicated resource from being diverted to competing priorities. *Build capacity to administer the housing trust fund. *Time funding application with other timelines for private, state, and federal resources (e.g., HOME, Low-Income Housing Tax Credit).

Action	Description	Keys to success
Leverage state resources for transit-oriented development.	Maryland offers state resources to promote transit-oriented development (TOD), including a designation through the Maryland Department of Transportation which applies to 16 sites as of 2020. Maryland's Tax Increment Financing (TIF) and special taxing district bonds can be leveraged by local governments in designated TODs as funding mechanisms. Metro Centre in Owning Mills (a successful public-private partnership between the Maryland Transit Administration (MTA), Baltimore County and private developer) leveraged the state's TOD designation and used a 99-year lease to promote private development on MTA-owned land. Investment in public transit infrastructure can prompt land speculation, new development, gentrification, and displacement of low-income households from station areas and local governments or partners may need to pursue complementary tools to preserve housing affordability.	*Explore eligibility for Maryland Transit-Oriented Development (TOD) designation. *Align land use and local funding sources to support TOD. *Consider creation of complementary tools to preserve affordability (e.g., transit-oriented development fund; community land trust; public land).
Create a housing preservation fund.	A housing preservation fund provides a resource for the acquisition of property or rehabilitation of housing (often targeting existing income-restricted and/or unsubsidized affordable rental housing) by providing low-cost financing to acquire and rehabilitate these properties. Preservation funds are typically structured as a revolving loan pool to respond quickly to acquire land or properties and often have higher risk tolerance as permanent financing is secured. These funds may be capitalized with multiple funding streams, including public funds, foundation support, and financing provided by Community Development Financial Institutions (CDFIs) and private financial institutions. Montgomery County allocated funding in its capital improvement plan for an Affordable Housing Opportunity Fund, which aims to seed public-private funding for short-term financing for the preservation and development of affordable housing in areas experiencing rent escalation.	*Identify a flexible source/s to support the fund (public resources often come with requirements limiting their ability to support acquisition efforts). *Establish clear priorities for the fund to guide deployment of this resource. *Scale the fund so that it is sufficient enough to act on multiple opportunities (i.e., not just support a single transaction). *Identify and vet a list of nonprofit partners to leverage the fund to support acquisition and preservation efforts. *Align with complementary policies (such as right-of-first refusal policies).

Action	Description	Keys to success
Offer below-market financing for housing and community investments.	This is a financing mechanism that offers favorable financing (rate and term) compared to typical financing available on the private market. Obtaining financing at a below-market rate can help to lower debt service on a project, helping to lower the rent or sale price. Due to competition for tax credits and federal resources, below-market financing may help developers obtain additional financing to support a project or help a project to be more financially feasible due to lower debt service. While this type of financing does not typically support broader or deeper affordability, when structured as a revolving loan, repaid funds can be recycled to support additional projects. Maryland's Community Development Administration offers this type of financing to homebuyers, nonprofits and for-profit developers to build or rehabilitate affordable housing, and local governments to make infrastructure improvements.	*Identify priorities for use (e.g., population, location, housing type).
Offer capital subsidies for affordable housing development.	Capital subsidies can be offered by cities, counties, port authorities and housing authorities in addition to assistance from Maryland's Community Development Administration. Capital subsidies do not need to be paid back, thus reducing the amount of funds or debt borrowed by the developer. While most projects include some type of equity investment, the project may require additional subsidy to serve as gap financing. Capital subsidy sources may include Low-Income Housing Tax Credit equity, HOME funds, Community Development Block Grant funds, general obligation bonds, special purpose tax credits, housing trust funds, or tax increment financing. Capital subsidies typically support new construction projects and could be used to support units for priority populations.	*Create alignment across state and local programs to avoid procedural barriers. *Develop specific underwriting standards that work in different cultural and geographic contexts. *Establish clear procedures regarding subsidy recapture or other requirements, plus resources or penalties if the project fails. *Develop geographic targets to avoid concentration of affordable housing and to promote great access to opportunity.

Action	Description	Keys to success
Offer operating subsidies for affordable housing developments.	Operating subsidies are payments made annually (or more frequently) to owners of affordable housing developments that cover a portion of the ongoing costs of operating the development. Similar to public housing subsidies and project-based voucher programs, operating subsidies support ongoing affordability for low-income households. Possible sources can include federal HOME or Community Development Block Grant funds, local appropriations, housing trust fund proceeds, a temporary increase in taxes (with incremental revenue set aside for this purpose), and other revenue collected at the city, county, or state levels and, in some cases, philanthropic contributions. Operating subsidies can be combined with other types of assistance, including Low Income Housing Tax Credits, to ensure that projects meet their affordability obligations and remain economically feasible. These subsidies can be especially impactful for developments that offer deep affordability (e.g. units priced for households at 30% AMI or less) and/or supportive services for residents. The Maryland Affordable Housing Trust (MAHT) and the National Housing Trust Fund (HTF) offers funds for operating assistance or expenses for affordable housing developments, where one-third of the HTF can be used for operating costs annually. In FY 2019, about 11 percent (or about $5.1 million) of the MAHT was used for operating assistance at affordable housing developments.	*Assess potential fluctuations in existing source to MAHT & identify supplemental sources as needed. *Determine appropriate income levels or special populations to serve. *Determine the appropriate contract period and inflation adjustments while maintaining flexibility to accommodate variations in available program funds from year to year.
Expand use of project-based vouchers.	Funding for project-based vouchers (PBVs) comes from funds already obligated by the U.S. Housing and Urban Development to a public housing authority (PHA) under its annual contributions contract (ACC). PHAs can use up to 20 percent of their housing choice vouchers for PBVs. PHAs refer families or individuals, who have already applied to the PHA for tenant-based housing choice vouchers and are on the waiting list, to properties that have PBV assistance when units become vacant. Under the project-based voucher program, a PHA enters into an assistance contract with the owner for specified units and for a specified term. PBVs are attractive to developers because it lowers their risk while serving lower-income tenants (via guaranteed rent stream). Public housing authorities in the Greater Baltimore region have created a regional partnership, the Baltimore Regional Project-Based Voucher Program, to allocate PBVs from multiple housing authorities to properties across counties (Anne Arundel, Baltimore, Harford, and Howard) and cities (Baltimore and Annapolis) in their region as a way to address the mismatch between the location of affordable housing and job growth.	*Determine the availability of PBVs in a jurisdiction. *Establish criteria and priorities for allocating PBVs to support certain projects or populations (.e.g. TOD projects, senior housing, families with children, etc.). *Create a formal process for allocating PBVs to new construction or preservation projects (e.g. request-for-proposals or other solicitation). *Increase capacity to complete required inspections in a timely manner.

Action	Description	Keys to success
Leverage publicly and partner-owned property for affordable housing development.	Land cost is often a large portion of development costs. By leveraging publicly or partner-owned land (e.g. land owned by faith-based institutions, transit agencies), local and state governments or partners can make contributions to affordable housing without providing capital resources to subsidize development. Even in areas with limited land for residential development, local and state governments and their partners may own surplus properties that could be made available at no (or a reduced) cost to developers that commit to specific affordability requirements or redeveloped in a way that combines a governmental use. The Maryland Department of Housing and Community Development facilitates the sale of department-owned REO properties for housing, and the Maryland Department of Transportation periodically assesses its real-estate holdings for pre-development activities and potential TOD projects. Some local jurisdictions have co-located housing with public facilities (The Bonifant and Silver Spring Library in Montgomery County) or programs that use city-owned property for housing (Baltimore City's Vacant to Values Program).	*Develop and maintain a centralized inventory of publicly-owned and partner-owned land and making it available to developers. *Prioritize land disposition for affordable housing (may include a policy requiring public agencies to make surplus or underutilized land/buildings available to developers who commit to creating affordable or mixed-income housing). *Identify target groups and income levels and prioritize projects that meet these groups' needs. *Assess existing sites that will continue to be used for their current purpose but could be developed more intensively. *Use an RFP process to pursue affordable housing or other public benefits. *Streamline approval process for projects developed on public- or partner-owned land.
Reduce or eliminate parking requirements.	Communities typically specify a minimum amount of off-street parking in new residential development. Minimum parking requirements may drive up the cost of development, especially in areas with high land costs. Large amounts of parking may not be necessary for certain developments (e.g., those serving seniors, those near transit service). Communities have been reducing or in some places, eliminating, parking requirements to encourage more housing development. Reductions can be offered in exchange for affordable units in a development, specific developments, or all residential development. Other communities have created parking maximums, which specify a cap on parking at a residential property. For instance, as part of updating its zoning ordinance, Prince George's County reduced its parking requirements and has previously used transit-oriented development plans to reduce parking requirements (such as in the West Hyattsville Transit District Development Plan, which established maximum surface parking requirements within one-half mile of that Metro station).	*Agree on eligibility criteria for properties that qualify for reduced parking requirements (if not all residential development). *Conduct outreach to transportation staff, developers and affected populations to understand impact of reductions. *Align with local, regional, or state transportation goals.

Action	Description	Keys to success
Reduce or waive impact or other development fees.	Impact fees and other exactions are fees assessed on development as a condition of their approval. Impact fees are designed to cover infrastructure costs associated with new development. They help ensure a community has adequate public infrastructure to support new development and residents. The cumulative cost of impact fees can affect the financial feasibility of affordable housing projects. Communities can reduce impact fees or waive them entirely for specific types of development, including affordable housing, or in specific locations. Local jurisdictions in Maryland (Frederick County; Montgomery County) waive impact fees for income-restricted rental and for-sale homes. As of 2008, the State of Maryland has legislation that authorizes or clarifies local governments' authority to waive impact fees (among others, including permitting fees) for affordable housing development.	*Create alignment with infrastructure costs (able to demonstrate they are proportional). *Tailor impact fees to housing type and location, particularly when infrastructure capacity varies within a community. *Ensure ability to fund services through alternative means when impact fees are reduced or waived. *Identify target populations and income groups and prioritize projects that serve these groups' needs in exchange for reduced or waived fees.
Offer tax abatements or exemptions for qualified development.	Property tax relief, such as abatements or exemptions, can be given to developers as a way to meet housing goals, such as denser, multifamily development; preservation of affordability; or creation of new affordable units. Property tax relief reduces the amount of taxes owed for a specific period. Exemptions reduce the property's assessed value that is subject to taxation, lowering an owner's tax bill. A state-level policy, such as creating a tax abatement or exemption for affordable multifamily properties in designated areas throughout Maryland, could spur denser development and overcome local NIMBY attitudes. Local jurisdictions in Maryland abated taxes before affordable housing development was placed into service (Garrett County) and others have offered payments in lieu of taxes to support affordable housing development or redevelopment (St. Mary's County and Prince George's County).	*Analyze fiscal impact of abated/exempted tax revenue compared to increased options of affordable housing units in the region. *Create long term strategy on economic impacts to municipal finances due to forgone tax revenue. *Establish clear guidance for terms under which properties would be eligible. Including income levels served through this policy. *Identify populations being served by the affordable housing units and prioritize target populations and income groups.
Increase the predictability of the regulatory process.	Many local governments reserve some flexibility in their zoning and land use policies and use discretionary approvals, such as zoning variances or special use permits for all new development, to make decisions about specific projects. While communities gain flexibility, an overreliance on discretionary approvals or additional review processes can create a slower, and often unpredictable, development process. Lack of predictability can delay or even deter development, slowing housing production. Examples of approaches to increase predictability include: avoiding additional review when a project meets baseline criteria; publishing materials that outline the regulatory process (e.g., timeline, checklist of required documents); creating an online portal to submit and track applications; or hiring or designating a development liaison as a single point-of-contact for applications. Due to Covid, permitting services have had to transitioned into virtual permit portal or online submissions. Frederick County has developed an Electronic Plan Submission Guide to ensure electronic applications are submitted correctly.	*Build capacity (staff for program administration). *Conduct outreach and education on local regulatory processes. *Develop strong partnerships with developers and community members. *Build public support for housing affordability (as discretionary approvals may result in public hearings where community members may try to block approvals). *Identify target income groups and populations that will be prioritized in the approval process and communicating this to developers.

Action	Description	Keys to success
Remove barriers in rezoning processes.	A comparative analysis of projected growth relative to development capacity for the Maryland Housing Needs Assessment suggests that many Maryland communities will face development pressure between 2020 and 2030, as the state adds more than 178,000 new households. As growth increases pressure for higher-density development, many communities may need to rezone existing land to accommodate growth. However, the rezoning process often involves uncertainty due to the timelines and public-facing nature associated with rezoning decisions. Communities that have a large portion of land zoned for single-family development (which is most counties in Maryland as of 2020) may experience a large number of requests for rezonings, especially for multifamily development. To spur development and increase housing choice, communities have chosen to streamline their rezoning processes by changing community engagement requirements, using administrative review for qualifying properties, and expanding uses to other districts.	*Conduct proactive outreach to developers and residents. *Create alignment with general or master plans. *Consider impact on other land-use regulations (i.e. ripple effects or inconsistencies) and adjust accordingly. *Prioritize rezoning requests that benefit target income groups and populations. *Limit changes by elected officials to rezoning changes and general plans.
Offer expedited permitting for qualified development.	All development projects go through a local review process to ensure they meet land use laws and other regulations. The permitting and approvals process can be lengthy, resulting in higher costs and longer timelines. An expedited permitting process keeps development costs low and can be used as an incentive for affordable housing development. Examples of approaches include: a separate, "fast-track" process; priority review process; cross-departmental review panel; and increased or early access to staff assistance. For instance, Frederick County offers expedited permitted for developments using the county's Moderately Priced Dwelling Unit Program and streamlined review is a central component of Montgomery County's "green tape" development review (see "Remove barriers to development with green tape development review.").	*Consider inclusion in a broader package of development incentives. *Agree on eligibility criteria for properties that qualify for expedited permitting (e.g. project scale/size, affordability offered, other priority features like accessibility or energy efficiency). *Provide clear and consistent administration of expedited permitting process. *Build capacity (staff for administration through cross-training or contract labor). *Create alignment with timelines of other necessary approvals.
Remove barriers to development with green tape development review.	Green tape development review is an umbrella term for the package of incentives or programs to streamline the development process in use in some Maryland communities (Montgomery County). Elements of green tape development review include: expedited permitting or other accelerated timelines, dedicated staff support, and interdepartmental or interagency coordination.	*Agree on eligibility criteria for properties that qualify for green tape development review. *Provide clear and consistent administration. *Build capacity (staff for administration). *Partner with local and state departments or agencies involved in development review (if applicable).

Action	Description	Keys to success
Target infrastructure investments to support affordable housing development and neighborhood revitalization.	Maryland's Adequate Public Facilities Ordinance (APFO) helps counties align schools and road capacity with growth. However, access to necessary infrastructure (roads, sewer, water, etc.) is a common barrier to developing housing, specifically in rural areas where there is more undeveloped land or older areas of urban areas where existing infrastructure is not designed to support increased capacity. Investments in infrastructure can help spur housing development by eliminating a key barrier and lowering the overall cost of development. Jurisdictions can use Community Development Block Grant funds; seek Local Government Infrastructure Financing ; or align with their capital improvement program to fund infrastructure improvements. Some Maryland communities have assessed their APFO requirements to better align the provision of infrastructure with anticipated or ongoing growth. Other Maryland communities have placed moratoriums on development based on limited school capacity, with an option to pay fees in exchange for lifting the building moratorium.	*Align housing investments with planned capital improvements and related planning efforts. *Offer infrastructure improvements in exchange for affordable housing (i.e., remediating a brownfield site to support housing development).
Use resale restrictions for homes receiving public assistance or incentives.	Resale restrictions are commonly used mechanisms for preserving the long-term affordability of homeownership units that were subsidized through public or philanthropic subsidy, inclusionary zoning or another affordability tool. Resale restrictions limit the sales price for the next homebuyer so the property remains affordable at a specified price point and period of time. These restrictions are generally attached to the deed or land covenant. Purchasers of deed-restricted property typically receive some but not all the benefits of homeownership. Some communities in Maryland noted a need to forge closer partnerships with financial institutions to underwrite projects with resale restrictions attached to them.	*Best applied to homeownership opportunities in areas with higher home prices. *Balance programmatic goals of preserving long-term affordability and individual goals of building wealth through homeownership. *Establish administrative processes and systems to monitor and enforce resale restrictions.

Action	Description	Keys to success
Extend affordability periods associated with development subsidies.	In addition to meeting current needs, communities need to maintain a supply of housing that will meet their residents long-term needs. Recognizing the ongoing and growing need for affordable housing, many housing subsidies adopt longer affordability periods, with many using affordability restrictions in perpetuity. This helps prevent displacement of residents caused by expiring affordability restrictions. Public resources like HOME set minimum affordability periods, while many locally controlled resources, like Housing Trust Funds, can adopt longer affordability periods and tailor financing terms to support longer-term affordability in funded projects. Maryland developers have expressed a growing need for increased gap financing for affordable housing development, and the state of Maryland and communities could incentivize longer affordability periods by requiring it for larger subsidies (i.e., larger subsidies require longer affordability periods) or give preference to developments with longer affordability periods in funding solicitations. Maryland's Qualified Allocation Plan for Low-Income Housing Tax Credits could be a mechanism for implementing this by creating additional scoring incentives for developments that offer longer affordability periods and/or that waive their right to a Qualified Contract exit from affordability restrictions.	*Extend the term of the loan consistent with the required affordability period to ensure compliance. *Design affordability period restrictions in response to cultural and regional context. *Apply extended periods of affordability to non-monetary subsidies like publicly-owned land.
Expand access to capital for owners of unsubsidized affordable rental properties.	Expanded access to capital for owners of unsubsidized affordable rental properties can support broader preservation efforts to maintain affordability and quality of existing stock of rental housing. Offering diverse financing options combined with local policy tools can provide owners tools and resources they need to rehabilitate their properties while maintaining affordable rents. In weaker markets, programs to expand access to capital can help these owners finance necessary capital improvements and avoid abandonment or disinvestment. In stronger markets, such programs may be able to slow the rate of growth in rents of properties by reducing the likelihood that the properties are substantially rehabilitated and repositioned to rent at much higher levels (or demolished to make way for upscale market-rate multifamily units or condos). This action may include creating additional capital sources (or expanding eligibility for existing sources), providing technical assistance to these owners, and/or conducting outreach to educate owners about their options. In Maryland, the City of Hagerstown operates two programs intended to support the rehabilitation of affordable rental properties: 1) Residential Rental Rehabilitation Program through its Invest Hagerstown Initiative, which provides grant funding for owners of market-rate rental properties to make property improvements; and 2) Residential Rental Rehabilitation Program, which provides low-interest loans using federal Community Development Block Grant funds to make comprehensive improvements to properties where at least 51 percent of households qualify as low-income.	*Analyze the magnitude of this segment of the affordable housing stock and key characteristics of the properties, their ownership, and their finances to help target efforts. *Combine financing (grants, loans, tax credits, general obligation bonds) with key policy tools (e.g. affordability restrictions, right-of-first-refusal, geographic designations) to drive impact. *Combine financing with or other tools that allow for interventions if owner decides to sell the property. *Partner with nonprofits or mission-driven developers to acquire properties.

Action	Description	Keys to success
Expand emergency rental assistance programs.	State and local rental assistance programs can be designed to serve a wide range of needs and situations. Most emergency rental assistance programs provide short-term emergency assistance to individuals and families who are experiencing or at-risk of homelessness. This approach reflects both limitations on the availability of state and local funds (which may lead jurisdictions to be more comfortable providing time-limited subsidies than long-term assistance) and an interest in serving urgent needs that are currently unaddressed. Programs generally aim to fill gaps left by federal housing and homelessness programs or to provide a bridge to federal assistance when it becomes available. As of 2020, Covid-19 has created a need for more immediate assistance for renters and property owners.	*Determine the funding source and size of the program. *Have conversation with service providers and staff who administer existing programs to gain insight on coverage gaps and how to prioritize available resources. *Determine the duration of assistance based on programmatic goals (e.g., resolve short-term housing crises or fill gap in longer-term assistance) *Determine eligibility for the program, including cultural and geographic context.
Adopt rent regulations.	Rent regulations limit annual rent increases for a subset of homes (typically units in older apartment buildings) while a tenant lives in the unit. In regulated units, annual increases are guided by set criteria or formula (e.g., rent increases cannot exceed the Consumer Price Index). When a unit turns over, rents are allowed to rise, including to market levels. Usually, rent-regulated units do not have income-based requirements or receive public subsidies to offset lower revenue as a result of regulated rents. Two common critiques of rent regulations are: 1) they discourage investments in aging properties; and 2) they do not target benefits based on need. Few Maryland jurisdictions have active rent regulation policies (with the City of Takoma Park in the Washington, DC suburbs as a notable exception). There's an opportunity to explore local rent regulations, coupled with complementary resources for rehabilitation and increased staff capacity for implementation, given the large increase in rent across Maryland since 2011.	*Agree on what properties will be eligible for rent regulations (e.g., size, age, existing properties when rent regulations took effect). *Provide clear and consistent administration of rent regulations (e.g., what is allowed when a unit turn overs or improvements are made to the property; succession rights). *Build capacity (staff for administration). *Align with complementary financing for property rehabilitation. *Adopt tenant protections in tandem with rent regulation policies (if not already in place).
Modernize construction standards and building codes	Construction and building standards help safeguard the well-being of residents. However, excessive or obsolete standards and codes can drive up the cost of new development, resulting in less construction activity. Maryland stakeholders cited the state's requirement to include sprinklers in all single-family and two-family homes as a driver of higher costs of for-sale homes, and revisiting this requirement, among others, may help lower housing development costs. Additionally, local governments in Maryland can update their building codes to take advantage of new building materials and technologies that lower construction costs and increase resilience to natural disasters.	*Conduct building code audits (or provide state-level technical assistance) to identify potential changes. *Build capacity (staff for administration, periodic updates). *Identify needs of target income groups and populations and adapting codes to fit their needs.

Action	Description	Keys to success
Establish housing rehabilitation codes to streamline property rehabilitation.	Housing rehabilitation codes are building codes designed to reduce the costs associated with renovating or rehabilitating buildings and encourage improvements to older single-family and multifamily properties. Improvements to existing buildings, especially older ones, often result in the need to bring a building into full compliance with current building standards. Rehabilitation codes align code requirements with a project's scale and emphasize safety improvements. The Maryland Building Rehabilitation Code was enacted in 2001 to encourage private investment in existing buildings by streamlining code requirements for rehabilitation projects. Regular review of potential barriers and disincentives for rehabilitation can help keep rehabilitation codes sensitive to current market dynamics and technologies.	*Create clear understanding of the local or regional needs to preserve older properties. *Build capacity (training for building and code enforcement staff on how to administer rehabilitation code requirements).
Enact zoning changes to allow or expand for higher density residential development.	Low-intensity zoning is prevalent in communities throughout Maryland; even more moderate-intensity zoning only allows about four dwelling units per acre (based on generalized zoning from the Maryland Department of Planning), even though projected growth in Maryland suggests a need for higher-intensity development in some parts of the state. In some residential areas, residential density is below what infrastructure capacity and market demand could support. Communities such as Baltimore City have updated their zoning codes to increase the density allowed in residential areas (i.e. "upzoning") or expanded the areas where residential development is permitted.	*Agree on areas where to allow higher density (e.g., areas near transit). *Tailor higher density to local context. *Align with general or master plans. *Consider impact on other land-use regulations (i.e. ripple effects or inconsistencies) and adjust accordingly. *Build support for land use changes among elected officials and community residents.
Establish an inclusionary zoning policy.	According to the Lincoln Institute for Land Policy, “inclusionary housing refers to a range of local policies that tap the economic gains from rising real estate values to create affordable housing—tying the creation of homes for low- or moderate-income households to the construction of market-rate residential or commercial development.” Inclusionary housing policies can be mandatory or voluntary, and Maryland law expressly authorizes both mandatory and voluntary inclusionary housing programs at the local level. One of the country's most well-known and well-used inclusionary zoning program is in Montgomery County (Moderately Priced Dwelling Unit Program), which requires for income-restricted units affordable for households earning 50-70 percent of area median income in exchange for increased density (or payment in lieu); the program has produced 5,400 income-restricted units since 1974, according to a 2018 news article. Other communities in Maryland with an inclusionary housing policies include Frederick, Howard, and Charles counties and cities of Annapolis, Frederick, Gaithersburg, Laurel, and Rockville.	*Align with local market activity, development realities, and local needs. *Provide clear and consistent program administration. *Conduct ongoing monitoring and evaluation of program. *Consider compliance alternatives, such as accessible units, in inclusionary housing policies.

Action	Description	Keys to success
Amend zoning to allow by-right development of diverse housing types.	Land use policy influences both the availability of specific housing types, as well as the cost and risk to develop them. When zoning prohibits by-right development of lower-cost housing types (such as smaller single-family homes, accessory dwelling units, and multifamily development), these homes can only be built through a special approval process, such as conditional use permits or variances. A 2019 Urban Land Institute study of the Washington, DC region found that most of the land in surrounding Maryland communities limit by-right development of attached homes and multifamily properties (with at least half of all land in these communities prohibiting this type of development). However, because this process adds time and uncertainty to the development process, developers surveyed for the same study said they chose to build by-right to avoid challenges related to the entitlement process, such as delays in approvals or increased costs. Allowing development of these homes without a special approval process (or by-right) would help diversify the state's housing supply. As more counties in Maryland prepare housing elements as part of their General Plans, there's an opportunity to identify areas where more diverse homes could be built by-right.	*Agree on the housing types to allow by-right. *Agree on areas where to allow different housing types (e.g., areas where these types will be compatible with existing or planned development patterns). *Identify impact on other land-use regulations. *Build support for land use changes among elected officials and community residents.
Offer a density bonus as an incentive for qualified development.	Density bonuses allow developers to build more units than would be allowed in the zoning code in exchange for housing affordability or other community benefits. Additional density is intended to help offset the cost of including affordable units or other community benefits in a development. Density bonuses can be designed to build up (more floors to a multifamily development) or out (more structures to a development). Density bonuses are often offered as part of inclusionary housing programs, such as those in Montgomery and Charles counties. They can also be offered as stand-alone incentives.	*Align with local market conditions (e.g., construction activity, ability to offset affordability requirements). *Agree on areas where to allow density bonus (if not communitywide). *Ensure compatibility with other land use standards (e.g., minimum lot size requirements, setback requirements). *Build support for land use changes among elected officials and community residents.

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Establish or expand mixed-use zoning.	Only a small share of land in Maryland is zoned for mixed-use development (1 percent of land in Maryland, based on generalized zoning from the Maryland Department of Planning), including in the Washington, DC suburbs where a large share of the state's growth is projected to occur between 2020 and 2030. Mixed-used development is the product of flexible, mixed-use zoning that allows a combination of land uses (e.g., residential, commercial, office) in a single zoning district. Establishing or expanding mixed-use zoning helps create homes in close proximity to common destinations or services, like job centers or retail. It can also help reduce development and operating costs through shared parking arrangements and property management functions. Even though the Greater Baltimore region has the largest share of land zoned for mixed-use development statewide, the City of Baltimore's 2016 update to its zoning code sought to increase mixed-use development throughout the city by allowing commercial uses in primarily residential areas as a conditional use, avoiding city council approval.	*Establish clear goals for the residential and non-residential components of a mixed-use project. *Align with market conditions. *Alignment of programmatic, financing and legal requirements that may differ between residential and non-residential development.
Revise land use standards to encourage small-lot development.	As of 2017, about one-half of Maryland's housing stock was single-family, detached homes and much of its zoning supports low-intensity residential development (based on generalized zoning from the Maryland Department of Planning). Maryland stakeholders shared the increasing need to lower development costs and diversify the state's housing supply, which could be accomplished through small-lot development. These standards enable homes to be built on lots that are smaller than typically allowed and used to allow additional single-family homes or small multifamily properties to be built in zoning districts characterized by large lots. Development is permitted by ordinances that reduce or relax minimum lot size, setback, or lot coverage regulations to allow greater density. These standards could be integrated into existing zoning designations or implemented through a zoning overlay (see "Establish affordable housing overlays or floating zones.")	*Align with local housing needs/demand. *Agree on where to allow small-lot development. *Create transition areas or buffer zones between areas that allow/don't allow small-lot development. *Build support for land use changes among elected officials and community residents.
Establish affordable housing overlays or floating districts.	An affordable housing overlay enables affordability to be created or preserved when new development occurs in specific areas or redevelopment results in loss of affordable housing. Some local jurisdictions in Maryland offer housing overlays or floating districts to promote affordable and workforce housing. For instance, Talbot County uses an Affordable Workforce Housing Floating District that offers developers increased flexibility in housing types, density, and design in exchange for making one-half of a development's units affordable to households earning no more than the county's median household income. As more counties in Maryland prepare housing elements as part of their General Plans, there's an opportunity to identify areas where affordable housing overlays or floating districts may be appropriate.	*Establish clear policy priorities for housing goals. *Align with cultural and geographic context.

Action	Description	Keys to success
Create a transfer of development rights program to support housing affordability.	Transfer of development rights (TDR) can be used to simultaneously increase capacity for development and preserve rural or environmentally sensitive areas. A TDR program is a "voluntary, incentive-based program that allows landowners to sell development rights from their land [often in more rural areas] to a developer who can use these rights to increase the density of development at another designated location." Some communities integrate affordability requirements, among others, into their programs. This kind of program is especially relevant in Maryland, where many counties include a mix of urban, suburban, and rural communities. The State of Maryland has enabled TDR as part of the State's smart-growth strategy. Local jurisdictions can implement TDR programs through amendments to comprehensive plans and zoning ordinances. It is also up to localities to approve bonus density and site plans for use of TDRs. These programs are most effective when there is sufficient demand and infrastructure for additional density in receiving areas, paired with a sufficient supply of farmland zones willing to sell.	*Align with market conditions. *Build capacity (staff or other entity for administration). *Create alignment with general or master plans.
Offer programs that fund energy-efficiency retrofits.	Energy-efficiency retrofit programs like Property Assessed Clean Energy (PACE) can help finance the rehabilitation of major systems that not only improve energy efficiency, but also can reduce operating costs (particularly in older buildings), can improve the building's resilience to natural disasters, and can help attract tenants (especially in competitive markets). Maryland has already passed enabling legislation at the state-level and in most counties across the state. The operating cost-savings from energy-efficiency retrofits can be a key component to preserving affordability in income-restricted properties as well as unsubsidized affordable properties. Energy-efficiency retrofits, like those offered through Maryland's Weatherization Assistance and EmPOWER Maryland programs, can also lower the cost of maintaining a home, specifically for seniors or other households on fixed incomes.	*Offer long-term, low-cost financing. *Align with neighborhood revitalization efforts. *Target to high/higher need areas with older homes and cost-burdened households.

Action	Description	Keys to success
Offer financial incentives or financing for smaller-scale or infill housing products.	In some communities, it can be difficult to finance a wide range of housing types, including lower-cost types like accessory dwelling units (ADUs) and small-and medium-multifamily development. ADUs are allowed in several Maryland jurisdictions (including Anne Arundel County, Howard County, and Montgomery County), but the regulations governing them vary widely. Higher development costs and/or limited financing tailored to specific housing developments pose barriers to realizing these homes, even if other barriers (like land use standards) are addressed. Financial products may assist with the development of new smaller-scale options, or the preservation of existing smaller-scale options. Several local planning efforts have recognized both the value and the challenge of supporting smaller-scale development in Maryland, including the Prince George's County Comprehensive Housing Strategy and the Montgomery County Missing Middle Housing Study, which recommended zoning changes and incentives like leveraging publicly-owned land for this purpose. Examples of incentives and financing include new financial products; adjustments to existing financing to align with smaller transactions; lower administrative or transaction costs; tax abatements or rebates; reduced development fees or waivers; and density bonuses.	*Streamline regulations to expand the supply of smaller buildings can improve longer-term affordability without subsidy. *Reserve a portion of housing trust funds or other resources specifically for smaller-scale and infill housing projects. *Identify existing types of affordable rental housing and prioritize projects that diversify the market when offering financing. *Identify target populations and income groups and prioritize projects that cater to these groups' needs when offering financing. *Agree on eligibility criteria for incentives. *Provide clear and consistent administration of incentives.
Adopt policies or create incentives for home safety and accessibility features in new developments or redevelopments.	Home safety and accessibility features, including universal design and visitability, ensure homes are functional for people of all ages and abilities. Some jurisdictions have adopted policies to encourage or require the inclusion of these features in new development. Other jurisdictions have incorporated accessibility as a compliance alternative into its inclusionary zoning policy. Key policy parameters include: 1) what developments qualify for this incentive/requirement and 2) what safety/accessibility features satisfy the policy criteria. The Maryland Department of Housing and Community Development administers the Independent Living Tax credit for residents who have renovated a home to be more accessible, up to 50 percent of the cost of the renovation up to $5,000. This credit is also available for renovations to rental properties. Some Maryland localities also offer incentives for accessibility modifications. For instance, Montgomery County offers the Design for Life program, which provides property tax and school impact tax credits for accessibility modifications made to single-family residences. There are opportunities to expand the availability and scope of existing tax incentives to support more accessible housing options throughout Maryland.	*Inventory units accessible to seniors or persons with disabilities, including specific details about their accessibility features. *Prioritize assisting smaller landlords who have fewer financial resources to make accessibility repairs. *Align federal resources, such as the Community Development Block Grant, to fund retrofits. *Align with high/higher need areas with persons living with a disability and seniors.

Action	Description	Keys to success
Offer tax incentives for the maintenance and rehabilitation of unsubsidized affordable rental properties.	Owners of privately-owned, unsubsidized rental properties may lack sufficient capital (due to limited rental income) to cover the costs of day-to-day maintenance and operations, bring the property up to code, or replace/upgrade building systems such as electrical and plumbing systems or structural elements, like roofs. A property tax abatement that holds the taxable assessed value of the property at pre-improvement levels for a set period of time or reduce or limit the amount of taxes owed can help offset property owner's costs, freeing up resources to reinvest in the property. PILOT (or Payment-In-Lieu-of-Taxes) agreements are often used by local governments in Maryland to provide property tax relief to qualifying projects, which can include rehabilitation, but they are usually reserved for larger-scale projects.	*Create specific guidelines outlining the tax benefit structure and how the units should maintain their affordability during the abatement period. *Establish clear guidance for the terms under which properties can become eligible for tax abatements or exemptions. *Identify targeted income levels being served and any minimum thresholds for the share of units in the development that must meet affordability requirements. *Identify target populations to prioritize when selecting projects. *Analyze financial impacts on lost tax revenue. *Outline enforcement costs and guidance.
Provide capacity-building assistance to developers.	Building the capacity of nonprofit or smaller developers, by providing tools and resources, helps them play a larger role in the housing delivery system and fill gaps that may be underserved by larger, for-profit developers. Capacity-building efforts may also target supporting emerging nonprofit developers or building the capacity of land-holding entities that could become developers, such as faith-based institutions. Tactics to build capacity include financial and/or in-kind assistance for pilot projects, coaching from experienced developers, access to a peer network of developers, organizational development, and training on specific development topics. Several membership organizations offer capacity building services in Maryland, including the Housing Association of Nonprofit Developers (HAND), which focuses on the Capital Region, and the Community Development Network of Maryland. The Maryland Affordable Housing Trust (MAHT) can be used as financial assistance for nonprofit developer capacity building, in addition to funding capital costs, supportive services, and operating expenses for affordable housing. However, as of 2020, no MAHT awards since 2015 have been used for this purpose.	*Provide flexibility to tailor the support to meet developers' specific goals and needs. *Align with cultural and geographic context. *Work with state departments, U.S. Department of Housing and Urban Development, and nonprofit intermediaries to leverage technical assistance and grant opportunities for capacity-building.

Action	Description	Keys to success
Increase cultural competence in state and local programming.	The U.S. Department of Health and Human Services defines cultural competence in programs that maintain a set of perspectives and policies that promote positive communication and collaboration with diverse cultures. Cultural competence should be implemented in all levels of government, which can result in programs being more effective for targeted populations. A commitment to cultural competence is an understanding of the core needs of targeted populations and meeting those needs strategically. Examples of common practices include training staff, hiring staff with proficiency in multiple languages (or having translators readily available), updating language on programmatic documents (including marketing materials and applications), or otherwise adapting program design and/or implementation to best meet the needs of diverse populations. The Maryland Department of Health's Office of Minority Health and Health Disparities is charged with educating health professionals on how to integrate culturally competent practices into their work, which could offer an example and resources that are relevant to expand to housing providers as well. The Maryland Department of Housing and Community Development works directly with housing service providers that provide resources in Spanish, who could be important partners in building additional culturally competency practices into the State's housing programs. Several localities throughout the state have also prioritized cultural competency among staff working on housing issues (Prince George's County M-NCPPC and DHCD).	*Conduct a needs and a capacity assessment to identify cultural commonalities and differences to be addressed, and the ability of programs to address them. *Facilitate both formal and informal opportunities for cross-cultural interactions among both program recipients and program staff.
Adopt policies and practices that lower development costs.	Construction costs (land, building materials, labor site preparation/infrastructure improvements, development approvals and fees, infrastructure and landscaping) have been rising nationally. Some local and state governments have adopted policies or practices to enable lower-cost materials or construction methods, such as prefabrication or modular building; offer in-kind services (such as infrastructure scoping and development or environmental remediation); and waive or reduce fees associated with the development process for qualifying projects. For instance, the City of Cumberland, Maryland waived permit fees for the rehabilitation of the 80-unit Fort Cumberland Homes public housing development, which saved an estimated $58,000 in upfront costs.	*Explore new building process initiatives with developers within the state. *Understanding of proposed cost-savings and overall market acceptance. *Create more flexible requirements for statewide regulations (e.g., sprinklers, stormwater, environmental) for specific properties or geographies.

Action	Description	Keys to success
Increase awareness of available housing programs and assistance to navigate eligibility and other program requirements.	Awareness of available housing programs - lack of general communications and marketing, reliance on online marketing, and complicated application processes - often poses a barrier to successful use of these programs by their intended beneficiaries. Tactics to increase awareness about existing programs include partnerships with key organizations (e.g., nonprofits; community action agencies; lending industry; real-estate industry); development of complementary marketing campaigns; cross-departmental integration of program information; and use of affirmative fair housing marketing plans. Some Maryland communities use a common intake process to assess eligibility for a range of assistance; online eligibility assessment tools or processes; or staff to help people navigate the eligibility and application processes (like in rural areas of Maryland, where staff at nonprofits provide hands-on support to help residents apply for state resources).	*Incorporate cultural and geographic context into program delivery (digital access; digital literacy; language access). *Build capacity (staff to scale activities). *Partner with local organizations and employers to reach underserved populations (e.g., host homebuyer education classes at large-scale employers; partner with organizations with strong relationships with Black and Hispanic households to increase homeownership) .
Use value capture mechanisms to invest in housing around large-scale public and private investments.	As land values continue to rise and communities continue to grow economically, investments in infrastructure, provision of public services, and planning and land use regulations, can affect the value of land and property. Value capture is a means to collect a portion of increased public revenue to reinvest in the neighborhood where it was generated; and these investments can often be directed towards housing construction or preservation. Common forms of value capture tools—tax increment financing (TIF), impact fees, or business improvement districts—demonstrate how a portion of such increases in value can be harnessed for public benefit. Maryland law allows TIF proceeds to be used to purchase, lease, and acquire property (among other uses). In Sustainable Communities and RISE zones, proceeds may be used specifically for affordable or mixed-income housing.	*Assess market activity and planned development to determine applicability of value capture (i.e. areas where there is anticipated market growth that indicates values will increase). *Allocate certain percentages of revenue to support target income groups and populations. *Align with state designations.
Issue general obligation bonds for affordable housing.	General Obligation or "GO Bonds" may be issued by local governments to raise funding to support affordable housing projects. Because the interest on the bonds is exempt from federal and sometimes state income tax, and sale of the bonds is subject to a competitive bidding process, the funds can be raised at relatively low interest rates. Typically, GO Bonds are used by jurisdictions seeking to make significant investment in a housing trust fund or a specific project/group of projects. Issuing GO Bonds is typically approved by a ballot measure, special election or referendum (which is the case in Maryland). The revenue can be used to support target populations. The State of Maryland currently uses general obligation bonds to fund the Rental Housing Works program, which provides subordinate gap financing for 4 percent Low-Income Housing Tax Credit projects.	*Identify a revenue source(s) to repay the bonds. *Evaluate bond rating to ensure lowest-cost possible. *Identify target populations and allocate certain percentages of revenue for those groups.

Action	Description	Keys to success
Increase use of multifamily private activity bonds to draw down 4 percent Low-Income Housing Tax Credits.	The federal government authorizes each state to issue a specified volume of tax-exempt private activity bonds (PABs) annually. When states allocate a portion of their bond cap to finance qualifying affordable rental housing, the bond cap becomes even more valuable, as the developments also automatically receive federal 4 percent Low Income Housing Tax Credits (LIHTCs, or tax credits). This combination of lower-cost financing (through the private activity bond) and equity (through the 4 percent LIHTC) helps expand the resources available for dedicated affordable rental housing. Rental housing is the only PAB activity that yields substantial additional federal resources - each dollar of PAB cap allocated to rental housing provides the most federal tax subsidy of all PAB-eligible activities. The Maryland Department of Housing and Community development offers subordinate gap financing through the Rental Housing Works program that is designed to be paired with 4 percent LIHTCs. This type of resource would need to be replicated or expanded in order to be able to increase use of multifamily bonds.	*Consult local developers on demand/need for PABs and 4 percent LIHTCs. *Identify existing types of affordable rental housing and select projects that diversify the market. *Prioritize projects supporting target populations.
Increase participation of individual investors in development financed with the Low-Income Housing Tax Credit.	Most investors for the Low-Income Housing Tax Credit (LIHTC) are large-scale banks, corporations, and government-backed enterprises. More individual investors in the LIHTC market could create a more robust and consistent market for tax credits and appetite for smaller deals. This could also support more local ownership and involvement in LIHTC properties, which Maryland stakeholders noted as a priority, especially in non-major metros throughout the state. Individual investors face high transaction costs, program and compliance complexity, and limited liquidity. Tactics to attract individual investors to the LIHTC market include creating an online sale platform for tax credits and connecting individual investors with developers who have received tax credit allocations or syndicators.	*Partner with philanthropic organizations or social impact investors. *Pursue complementary tax reform that discourages individual investors.

Action	Description	Keys to success
Apply for Section 108 Loan Guarantee Funds.	Section 108 financing provides Community Development Block Grant (CDBG) entitlement and state grantees access to a lower-cost, longer-term financing mechanism to support larger-scale development or preservation efforts. Communities are eligible to borrow up to five times their annually CDBG allocation at one time from the federal government, without losing any of their annual allocation. This is low-cost, flexible financing for economic development, housing rehabilitation, public facilities, and other physical infrastructure projects, including those to increase resilience to natural disasters. This funding is best used for large-scale, catalytic investments that will spur economic growth/revitalization and is designed to be leveraged with other funding. Several Maryland jurisdictions have already used the Section 108 program, including Annapolis, Anne Arundel County, Baltimore, Cumberland, Harford County, Montgomery County, and Prince George's County. Several additional jurisdictions are also eligible: Baltimore County, Bowie, Frederick, Gaithersburg, Hagerstown, Howard County, and Salisbury. Across these jurisdictions there is nearly $180 million in available Section 108 borrowing capacity throughout the State of Maryland.	*Ensure eligible communities can pay back the loan through strong underwriting and project selection. *Include the application in the Consolidated Plan or Annual Action Plan submission to HUD to streamline the authorization process. *Establish strong program administration practices: marketing, screening, closing, servicing, and compliance oversight. *Align with cultural and geographic context.
Create more employer-assisted housing programs.	Employer-assisted housing programs are a way for employers to help their employees with the cost of owning or renting a home, typically in neighborhoods close to their workplace. In some programs, residents living in the neighborhood are eligible for employer-assisted housing programs, in addition to employees. Programs provide assistance through down payment grants or loans that are sometimes forgivable over a period of employment, homeownership counseling and education, rental subsidies and, less commonly, direct investment in the construction of rental housing. These programs can take many forms and can serve a variety of income levels, depending on the goals of the program, the wages of employees, and surrounding market dynamics. The State of Maryland, along with other employers across the state, participates in the House Keys 4 Employees Program as a participating employer. Through the program, the state provides financial assistance to state government employees who purchase a home through the Maryland Mortgage Program. This provides a model for layering employer contributions with existing housing programs to drive impact, which could be further expanded at the state level with other employers and can be replicated at the local level.	*Align with market conditions (e.g., costs, tenure preferences) and state homeownership programs. *Provide clear eligibility guidelines, including effect on employment (e.g., conditions of assistance if an employee leaves or terminated). *Increase awareness of program among eligible employees or neighborhood residents (e.g., incorporate into employee onboarding, offer housing education courses onsite).

Action	Description	Keys to success
Strengthen partnerships between Maryland Department of Disabilities and public housing authorities and other housing providers to support persons with disabilities.	Maryland's Section 811 Program provides project-based vouchers for supportive housing at DHCD-financed properties throughout the state. The state's Money Follows the Person Bridge Program provides persons living with disabilities with a tenant-based housing voucher for three years, after which time the person receives a mainstream housing voucher from a local public housing authority. Partnerships with individual public housing authorities are critical to supporting persons living with a disability long-term. Public housing authorities can support this program through tactics like incorporating state program voucher holders into public housing authority's preference policies; creating an annual set-aside for Housing Choice Vouchers for persons with disabilities; or working with entitlement communities or the state of Maryland to use federal funds to make accessibility improvements to units.	*Partner across state and local governments and public housing authorities. *Provide resources to support accessibility features in units, especially for smaller property owners. *Establish common and flexible processes and criteria across public housing authorities to avoid conflicting eligibility requirements if persons are moving to a new housing authority.
Create a good landlord program.	A good landlord program provides resources and/or incentives to acknowledge and reward strong property management practices. The criteria for eligibility may include objectives like investing in property upgrades, accepting Housing Choice Vouchers, or implementing energy efficient measures. Landlords that meet those objectives are then eligible for benefits, which could include things like tax reductions/abatements, reimbursement for fees (e.g., business licensing fees), or access to funding to repair property damages that exceed security deposit amounts (e.g., damage mitigation fund). Launching a good landlord program starts with increased landlord engagement, which several Maryland jurisdictions currently pursue, often in relation to the Housing Choice Voucher (HCV) program. For instance, Harford County offers user-friendly guidance for property owners that participate in the HCV program. The Baltimore Housing Authority has also provided incentive payments to landlords who participate in the Baltimore Housing Mobility Program to increase program participation in high opportunity neighborhoods. The Maryland Multi-Housing Association provides educational resources for landlords in their membership, which could present another venue for landlord engagement as part of a good landlord program.	*Identify compelling incentives for landlords (can be assessed via direct landlord outreach) *Partner with organizations that represent property managers and owners to conduct outreach. *Engage landlords in higher opportunity neighborhoods *Develop property management tools to support participating landlords (e.g., flexible process for tenant screening)

Action	Description	Keys to success
Increase use of master leases.	A master lease program with a built-in savings account can promote rental housing stability while helping tenants to build wealth and weather financial shocks. Under this approach a nonprofit enters into a long-term master lease agreement with the landlord for control over all or a portion of units. The nonprofit can negotiate discounted pricing since they will be providing protection against vacancy and turnover costs. The nonprofit can then pass the savings along to tenants through more affordable rents and also guarantee against rent shocks. A critical part of the program is that a small portion of the tenant's monthly rent is allocated to a savings account in the tenant's name, which they can only access after an initial waiting period. To further encourage savings, the nonprofit, or another funder like a philanthropic organization, can match the amount deposited by the tenant. There is some precedent for this model in Maryland, though few have used this model to create tenant savings account (as of 2020); for instance, Loyola University Maryland has entered into master lease agreements to secure affordable student housing near campus. This model has also been used in Montgomery County to create permanent supportive housing options for formerly homeless individuals and families through Montgomery County Coalition for the Homeless' Partnership for Permanent Housing.	*Link renters involved in the savings program to financial counseling. *Consider property management capacity at small multifamily properties. *Identify target populations and income groups and prioritize these groups when filling vacant units or selecting properties to lease.
Promote joint ventures between for-profit and nonprofit developers.	Joint ventures, sharing resources for specific real estate projects, can provide greater access to development sites, financing, staff, and community support. Developers, nonprofits, and community-based organizations each bring individual strengths, which can be leveraged through a joint venture partnerships to develop affordable or mixed-income housing. For example, nonprofits may be eligible for special government programs or have access to social service funding, while for-profit developers may not. A house of worship or university may own land that it can contribute to affordable housing projects, as well as community and political support. For an example of a specialized joint venture, see "Increase use of master leases." Joint ventures currently take place across Maryland, often driven by private-sector entities. For instance the University of Maryland (UMD) has formed a joint venture real estate and economic development entity, Terrapin Development Company (TDC), in partnership with the City of College Park and the University of Maryland College Park Foundation. TDC recently partnered with regional developer Bozzuto on a mixed-use development that aims to provide more housing options to UMD faculty, staff, students, and alumni. State and local governments can support joint ventures for housing through tax incentives, grant funding, and in-kind support (e.g. land donation, expedited development review processes).	*Target public incentives for joint-ventures that provide affordable housing. *Promote networking opportunities for housing stakeholders including for-profit, nonprofit, and community organizations. *Identify existing types of affordable rental housing and prioritize projects that diversify the market. *Clearly define roles across each participating partner in the joint venture.

Action	Description	Keys to success
Increase availability of homebuyer education programs and related services.	Homebuyer education and counseling programs are designed to help households achieve and maintain homeownership. They may take the form of one-on-one coaching, group classes, or educational campaigns and may be offered in-person or online. These programs may focus on pre-purchase education (i.e. things to know before becoming a homeowner), post-purchase education (i.e. helping current homeowners maintain their home - refinancing options, physical maintenance and upkeep, etc.), or a combination of the two. Organizations across Maryland offer homebuyer education classes, including HUD-certified homeownership courses; online or remote courses; and courses in Spanish. Some homebuyer assistance programs, including those offered as part of the Maryland Mortgage Program, require applicants to complete this type of training/course to be eligible. The state and local governments can help residents find the right programs for their needs through targeted outreach and marketing and can increase the availability of these programs through additional funding or incentives.	*Build awareness of existing opportunities among lenders, real-estate professionals, and others who may interact with potential homebuyers. *Target outreach to underserved homebuyers, including Black and Hispanic households, including partnerships with community-based organizations. *Incorporate cultural and geographic context into program delivery (digital access; digital literacy; language access).
Increase use of financial tools for streamlined home purchase and rehabilitation.	In some parts of Maryland, homeownership opportunities are in need of rehabilitation due to their age or overall upkeep. As a result, some first-time homebuyers need to make significant improvements to their property soon after purchase. Streamlined home purchase and rehabilitation programs, like FHA's Section 203(k) Streamline and Standard loans, enable homebuyers or homeowners to finance the purchase and rehabilitation of a home through a single mortgage. Using a 203(k) Streamline Loan, borrowers can get up to $35,000 for non-structural repairs. Borrowers using 203(k) standard loans can use financing for structural repairs, additions, or other property improvements. Increasing the availability and awareness of streamlined financial tools like 203(k) loans can expand their impact.	*Integrate rehabilitation mortgage into existing homebuyer education and local and state homebuyer assistance programs. *Build strong understanding of rehabilitation needs and contingencies. *Partner with experienced lenders and real-estate professionals to assist with closing which can be more complicated than a standard mortgage.
Increase availability of foreclosure prevention programs and related services.	Foreclosure prevention programs, like the Maryland HOPE Program, are designed to prevent housing displacement. These programs typically offer grants or loans to cover several months of mortgage payments to households that have received a foreclosure notice. The assistance may be targeted to households that have experienced a recent, unexpected loss of income (e.g. job loss, medical emergency) and may be paired with counseling, training, or job search assistance. Some programs may offer also assistance with mortgage refinancing.	*Build partnerships across public agencies, service providers, legal assistance organizations, and other community organizations to ensure a range of services when an eligible household applies/is identified. *Include efforts to proactively educate homeowners on practices that can help them avoid foreclosure. *Include information about foreclosure prevention assistance in notices of foreclosure. *Align outreach with high/higher need areas.

Action	Description	Keys to success
Expand use of tools for acquisition and rehabilitation of homes.	Older homes and properties across Maryland are in need of rehabilitation. Acquisition and rehabilitation by nonprofits, for-profit developers, or governments can be used to support improvements to homeownership and rental properties, creating more homes for Marylanders. Tools to support acquisition and rehabilitation include local revitalization tax credits (like those used in Prince George's County); homeownership acquisition and rehabilitation programs funded through the federal Community Development Block Grant and HOME Investment Partnership Program; and use of preservation housing funds.	*Align program structure (e.g., loan, grant) with goals (e.g., recoup costs, stabilize residents). *Align property types and tenure with available resources, property condition, and local housing market. *Build strong understanding of rehabilitation needs and contingencies.
Create or expand Dollar Home programs.	"Dollar Home" programs are used to revitalize blighted neighborhoods that are characterized by high vacancy rates. While program specifics vary from jurisdiction to jurisdiction, the program enables residents to purchase qualified single-family homes for $1 when they commit to rehabilitating the property within an agreed upon timeframe. The homes are usually unoccupied, abandoned homes that require significant renovation. Homeowners often have to meet key requirements including income limit eligibility and using the home as their primary residence. Some cities offer low-cost financing to assist with renovation costs. Baltimore City used to have a Dollar Home program, which was disbanded after an increasing amount of homes purchased through the program were abandoned. Accounting for the lessons learned from that program, the City now administers a Vacants to Value program that offers properties for low-cost purchase (not a $1 purchase price, but still at a deep discount) in areas where market conditions are primed for housing renewal, and only to buyers who have already assembled full financing for rehabilitation.	*Assess the potential inventory of vacant/tax delinquent homes. *Partner with financial institutions to provide financing. *Link program with overall neighborhood revitalization efforts and state geographic designations when applicable. *Incorporate cultural and geographic context into program delivery (staff capacity; digital access; digital literacy; language access).
Develop marketing campaigns to attract potential residents.	Some communities have used marketing campaigns, along with relocation incentives, to attract new residents to live in them. These campaigns highlight community assets, such as proximity to nature, recreational opportunities, and low cost of living. They can be used to attract young professionals, young families, and workers who work in occupations that can be done remotely and offer work from home options or create a workforce base for existing employers. This approach can also be used to encourage reinvestment at the neighborhood-level within communities, like Live Baltimore's "What We Love" neighborhood marketing campaign (Baltimore City).	*Identify lead entity to coordinate marketing activities. *Target messaging based on audience. *Align with relocation incentives or other available resources. *Build awareness of goals and messaging among lenders, real-estate professionals, and others who may interact with potential residents.

Action	Description	Keys to success
Use proactive code enforcement to identify and resolve housing quality problems.	Code enforcement is typically driven by a complaint-based model (i.e. reacting to code violations after they happen). A proactive code enforcement approach seeks to identify and address potential violations much earlier, before they become extreme. This can include conducting regular home surveys, offering a way to report anonymous complaints (e.g. online portal), providing more education and assistance around how to address common code violations, or assigning staff to specific geographic areas. States can play an important role in incentivizing, funding, and monitoring more proactive code enforcement practices. Some local jurisdictions throughout Maryland require a rental housing license (Easton, Salisbury, and Baltimore County), which can help fund code enforcement efforts and creates an opportunity for a non-complaint driven inspection as part of the licensing process. In 2020, Baltimore County has convened a Code Enforcement Improvement Work Group to identify opportunities for a more proactive and responsive code enforcement approach, which may yield recommendations that could be applicable in many localities across the state.	*Ensure adequate staffing. *Leverage technology and data to gain efficiencies. *Cross-train staff so that proactive code inspections can be paired with other inspections (e.g. fire alarm inspections). *Pair code enforcement with funding programs to prevent displacement.
Increase tenant protections and access to information, legal services, mediation, or other supports.	This action expands local rights for tenants and landlords. Stronger tenant protections could include provisions requiring longer notice periods for rent increases or lease terminations; establishing assistance or protections during a housing crisis or in the event tenants must relocate; or setting standards for early lease termination without penalty. As of 2020, Maryland law prohibits housing discrimination, provides conditions for security deposits (including setting maximum amounts, requiring appropriate storage an interest-bearing account, and setting a maximum time for returning the deposit), and protects tenants from landlord retaliation in the event of certain conflicts. Other actions that can complement strong tenant protections policies include creating a common set of educational materials for tenants and landlords (e.g., tenants' rights handbooks or tenants' bill of rights) and proactively inspecting licensed rental properties.	*Identify gaps and issues with existing policies (state and local) that weaken protections for tenants. *Engage tenants and landlords to understand the issues and where the gaps are in the existing policies. *Incorporate culturally competent practices and partnerships with cultural organizations into program delivery.

Action	Description	Keys to success
Expand fair housing laws.	Federal fair housing laws prohibit discrimination by housing providers on the basis of race, color, religion, sex, familial status, national origin, or disability. States and localities are able to implement their own enforcement mechanisms and can create additional fair housing protections. These additional laws are designed to prevent more types of discrimination than are covered by the U.S. Fair Housing Act. They may include expanding the universe of protected classes to include more groups, which would make it illegal for providers to refuse to rent to households who rely on housing vouchers or other assistance to pay for rent. Maryland recently passed the *Housing Opportunities Made Equal (HOME) Act*, which prohibits landlords from discriminating against individuals who use Housing Choice Vouchers and other sources of income to pay for rent. In addition, Maryland's Civil Rights Law extends protections for marital status, sexual orientation, and gender identity. Many local jurisdictions in Maryland have local fair housing laws that include age (Howard County); immigration and citizenship status (Prince George's County); and ancestry (Baltimore City). Additional considerations are protections for residents with background check issues (returning citizens, credit history, rental history).	*Ensure clear and consistent enforcement. *Engage tenants and landlords to understand the issues and where the gaps are in the existing policies. *Incorporate culturally competent practices and partnerships with cultural organizations to delivery fair housing and tenants' rights education and assist with enforcement. *Pursue complementary policies that create economic and racial integration.
Expand right-of-first refusal policies.	Broadly, right-of-first refusal provisions are used to preserve rental housing. They can be used by state or local governments to preserve ongoing affordability of income-restricted rental properties or to preserve unsubsidized rental properties, helping preserve the overall rental supply and in some cases, convert them to income-restricted properties. These policies give designated buyers an exclusive period to make an offer on the property (sometimes called "right-of-first offer") or the option to match any offer made by a private buyer. The State of Maryland has a "right of first purchase" law that allows qualifying entities, including public housing authorities and affordable housing developers, to purchase subsidized units before they are sold on the market after certain triggering events (e.g.,. notice of intent to transfer the property to another owner). There may be opportunities to adjust this policy or associated processes to further support qualifying entities in exercising this right (e.g. earlier notice requirements, capacity building). Several local jurisdictions in Maryland also have right-of-first refusal policies. Some, like Baltimore's policy, focus on giving tenants in single-family properties the right to purchase their home before it is sold to another buyer. Others, like Prince George's County's policy, focus on preserving rental properties by pre-qualifying a group of nonprofit and mission-oriented developers to exercise the county's right-of-first refusal.	*Establish clear policy priorities for right-of-first refusal (e.g., preserve rental housing, income-restricted housing, or both). *Agree on eligible properties (e.g., size, location, income levels served). *Provide clear and consistent administration. *Build capacity (staff for administration and among designated buyers). *Allocate state or local funds to assist with property purchase.

Action	Description	Keys to success
Expand state funding to support broadband connectivity in affordable housing.	Maryland has two programs to support broadband access in rural parts of the state (southern, western, and eastern Maryland): Maryland Broadband Pilot Funding Program and Maryland Broadband Infrastructure Grant Program. The pilot funding program supports partnerships between local governments and Internet Service Providers to develop and manage projects to extend existing networks to incorporate underserved or unserved households. The infrastructure grant program supports the construction of necessary broadband infrastructure to expand services. Expanding this program could include making the pilot program a permanent one and expanding program activities to include property-level activities, such as funding for broadband operations in public or assisted housing; large-scale broadband pilots; and tax incentives to offset the cost of including broadband connectivity in affordable housing.	*Structure funding or incentives in ways that do not divert resources from affordable housing, such as pay-for-success models. *Couple with complementary digital literacy and low-cost hardware initiatives. *Couple with economic development training for low-income people on broadband-related jobs. *Update applicable state/city code sections to address restrictions to broadband build-out (e.g. rights-of-way codes, small cell design guidelines, permitting processes, etc.).
Use federal programs to increase Internet access.	Federal programs are available to support Internet access; digital literacy; and low-cost computers or other devices. The USDA offers grant and loan funding for high-speed broadband infrastructure in rural areas through its pilot, Broadband ReConnect Program. ConnectHome is another federal program that was launched as a pilot by the U.S. Department of Housing and Urban Development in 2015 to address the "homework gap" for students in grades K-12 living in public and Indian housing. Twenty-eight (28) communities built partnerships between public housing authorities and tribes and local governments to provide low- or no-cost Internet service; provide digital literacy training; and supply no- or low-cost devices during the pilot phase, which was expanded into ConnectHomeUSA in 2017. The Baltimore Housing Authority was one of the first pilot participants in 2015 and the Housing Authority of the City of Annapolis is one of the public housing authorities participating in the ConnectHomeUSA expansion, as a member of the 2019 ConnectHome Cohort. There may be opportunities for additional Maryland housing authorities to join the ConnectHome program and opportunities to facilitate peer learning across localities that participate in federal programs to increase Internet access.	*Couple with complementary digital literacy and low-cost hardware initiatives. *Update applicable state/city code sections to address restrictions to broadband build-out (e.g. rights-of-way codes, small cell design guidelines, permitting processes, etc.).

Action	Description	Keys to success
Align broadband access with housing activities.	Where you live often determines the quality and price of broadband Internet options available to you. Recognizing this, Maryland's Qualified Allocation Plan for Low-Income Housing Tax Credits requires that all projects have the capacity for high-speed internet in each unit or in a community space, but it may be the responsibility of tenants to acquire and pay for internet service. There are a variety of ways housing actions can increase broadband accessibility. These include: utilizing wireless networks and leasing space on nearby buildings to connect existing units; ensuring that all new buildings and units are wired with fiber/cable for high-speed broadband access; providing devices (e.g. routers, modems) with new units; offering points for in-unit broadband when awarding Low-Income Housing Tax Credits; and building partnerships between the public (state government, local government, public housing authorities) and private sectors (Internet Service Providers) to increase Internet access.	*Couple with complementary digital literacy and low-cost hardware initiatives. *Update applicable state/city code sections to address restrictions to broadband build-out (e.g. rights-of-way codes, small cell design guidelines, permitting processes, etc.). *Pursue alternatives to broadband, such as wireless service in low-density areas through cell tower sharing.
Develop cross-sector partnerships to provide integrated services.	Supportive services are an important part of providing stable housing, often for vulnerable populations. These services can range from onsite or offsite case management, counseling services, health services, educational or workforce assistance, or programming to serve children or seniors. Service delivery models built around partnerships between the education and housing sectors or health and housing sectors are becoming more common. These partnerships are advantageous because they can leverage other sources of funding, such as a Medicaid to cover the cost of housing supportive services, and produce better outcomes for residents. Some communities have created partnerships across their public housing authorities and healthcare providers to provide housing with supportive services. The Maryland Department of Health and Mental Hygiene, Maryland Department of Housing and Community Development, and Maryland Department of Disabilities administer several affordable housing programs for people with disabilities and low incomes, including the Affordable Rental Housing Opportunities Initiative for Persons with Disabilities, the Money Follows the Person Bridge Subsidy Program, and the Section 811 Project Rental Assistance Program. The Maryland Department of Health also offers grants to increase access to integrated behavioral health services, which has provided grants to a variety of programs in Maryland communities that integrate housing or housing-related services with behavioral health services. These programs could be expanded at the state-level or matched locally to further incentivize cross-sector partnerships that provide integrated services.	*Share leadership and vision across partners. *Build strong understanding of resources and alignment across them, including removal of or guidance related to any barriers to use. *Build capacity for implementation staff on the complementary sector.

Action	Description	Keys to success
Create a lending consortium to support housing and community development activities.	Attracting and maintaining private investment, including accessing financing, outside of established housing markets can be difficult. Under this model, bankers pool their risks and resources to address areas of need. This model enables community banks to operate like larger banks, including the ability to finance tax credit projects or offer more flexible lending criteria. Banks have formed lending consortiums focused on serving specific types of housing; specific places (neighborhoods, regions, etc.) to help finance private-market investment; meet Community Reinvestment Act goals (affordable housing for low- and moderate-income households and community services; economic activity; or neighborhood revitalization benefitting low- and moderate-income households); or promote homeownership.	*Align lending with market realities and community needs.
Establish a preservation early warning system.	A preservation early warning system tracks existing affordable housing properties (e.g., type, location, owner, subsidies, and expiration date) through a central database and helps identify what properties are at-risk of loss to begin the appropriate outreach to preserve the affordability at the expiring property. This tool aids in targeting preservation efforts, including outreach to owners and limited resources for preservation, as part of a broader preservation strategy. The state of Maryland and other public agencies throughout Maryland collect property-level data for every development they subsidize. With additional data sharing and evaluation practices, this data could be the basis of an early warning system.	*Provide data that is timely, quality, and centralized in one place (such as a statewide database) *Create a defined process to identify "at-risk" properties, paired with proactive steps to prevent properties from becoming "at-risk" *Establish clear priorities for targeting preservation activities (recognizing it may not be feasible to preserve everything). *Provide financial resources to support preservation and anti-displacement efforts.

Maryland Housing Toolbox: Actions to Serve Renters, Owners, or Both	
Action	**Tenure served**
Create a housing preservation fund.	Renters
Offer operating subsidies for affordable housing developments.	Renters
Expand use of project-based vouchers.	Renters
Extend affordability periods associated with development subsidies.	Renters
Expand access to capital for owners of unsubsidized affordable rental properties.	Renters
Expand emergency rental assistance programs.	Renters
Adopt rent regulations.	Renters
Establish housing rehabilitation codes to streamline property rehabilitation.	Renters
Adopt policies or create incentives for home safety and accessibility features in new developments or redevelopments.	Renters
Offer tax incentives for the maintenance and rehabilitation of unsubsidized affordable rental properties.	Renters
Strengthen partnerships between Maryland Department of Disabilities and public housing authorities and other housing providers to support persons with disabilities.	Renters
Create a good landlord program.	Renters
Increase use of master leases.	Renters
Increase tenant protections and access to information, legal services, mediation, or other supports.	Renters
Expand right-of-first refusal policies.	Renters
Establish a preservation early warning system.	Renters

Use resale restrictions for homes receiving public assistance or incentives.	Owners
Increase availability of homebuyer education programs and related services.	Owners
Increase use of financial tools for streamlined home purchase and rehabilitation.	Owners
Increase availability of foreclosure prevention programs and related services.	Owners
Expand use of tools for acquisition and rehabilitation of homes.	Owners
Create or expand Dollar Home programs.	Owners

Create housing trust funds.	Both
Establish a dedicated revenue source for affordable housing.	Both
Leverage state resources for transit-oriented development.	Both
Offer below-market financing for housing and community investments.	Both
Offer capital subsidies for affordable housing development.	Both
Leverage publicly and partner-owned property for affordable housing development.	Both
Reduce or eliminate parking requirements.	Both
Reduce or waive impact or other development fees.	Both
Offer tax abatements or exemptions for qualified development.	Both

Action	Tenure served
Increase the predictability of the regulatory process.	Both
Remove barriers in rezoning processes.	Both
Offer expedited permitting for qualified development.	Both
Remove barriers to development with green tape development review.	Both
Target infrastructure investments to support affordable housing development and neighborhood revitalization.	Both
Modernize construction standards and building codes	Both
Enact zoning changes to allow or expand for higher density residential development.	Both
Establish an inclusionary zoning policy.	Both
Amend zoning to allow by-right development of diverse housing types.	Both
Offer a density bonus as an incentive for qualified development.	Both
Establish or expand mixed-use zoning.	Both
Revise land use standards to encourage small-lot development.	Both
Establish affordable housing overlays or floating districts.	Both
Create a transfer of development rights program to support housing affordability.	Both
Offer programs that fund energy-efficiency retrofits.	Both
Offer financial incentives or financing for smaller-scale or infill housing products.	Both
Provide capacity-building assistance to developers.	Both
Increase cultural competence in state and local programming.	Both
Adopt policies and practices that lower development costs.	Both
Increase awareness of available housing programs and assistance to navigate eligibility and other program requirements.	Both
Use value capture mechanisms to invest in housing around large-scale public and private investments.	Both
Issue general obligation bonds for affordable housing.	Both
Increase use of multifamily private activity bonds to draw down 4 percent Low-Income Housing Tax Credits.	Both
Increase participation of individual investors in development financed with the Low-Income Housing Tax Credit.	Both
Apply for Section 108 Loan Guarantee Funds.	Both
Create more employer-assisted housing programs.	Both

Action	Tenure served
Promote joint ventures between for-profit and nonprofit developers.	Both
Develop marketing campaigns to attract potential residents.	Both
Use proactive code enforcement to identify and resolve housing quality problems.	Both
Expand fair housing laws.	Both
Expand state funding to support broadband connectivity in affordable housing.	Both
Use federal programs to increase Internet access.	Both
Align broadband access with housing activities.	Both
Develop cross-sector partnerships to provide integrated services.	Both
Create a lending consortium to support housing and community development activities.	Both

Maryland Housing Toolbox: Actions by Primary Outcome	
Action	**Primary Outcome**
Leverage state resources for transit-oriented development.	Access to Opportunity
Increase cultural competence in state and local programming.	Access to Opportunity
Increase awareness of available housing programs and assistance to navigate eligibility and other program requirements.	Access to Opportunity
Create a good landlord program.	Access to Opportunity
Increase availability of homebuyer education programs and related services.	Access to Opportunity
Create a first-time homebuyer credit for eligible households to offset costs related to maintaining a home.	Access to Opportunity
Increase use of financial tools for streamlined home purchase and rehabilitation.	Access to Opportunity
Increase tenant protections and access to information, legal services, mediation, or other supports.	Access to Opportunity
Expand fair housing laws.	Access to Opportunity
Expand state funding to support broadband connectivity in affordable housing.	Access to Opportunity
Use federal programs to increase Internet access.	Access to Opportunity
Align broadband access with housing activities.	Access to Opportunity
Develop cross-sector partnerships to provide integrated services.	Access to Opportunity
Reduce or eliminate parking requirements.	Balanced Supply & Demand
Reduce or waive impact or other development fees.	Balanced Supply & Demand
Offer tax abatements or exemptions for qualified development.	Balanced Supply & Demand
Increase the predictability of the regulatory process.	Balanced Supply & Demand
Remove barriers in rezoning processes.	Balanced Supply & Demand
Offer expedited permitting for qualified development.	Balanced Supply & Demand
Remove barriers to development with green tape development review.	Balanced Supply & Demand
Target infrastructure investments to support affordable housing development and neighborhood revitalization.	Balanced Supply & Demand
Modernize construction standards and building codes	Balanced Supply & Demand
Establish housing rehabilitation codes to streamline property rehabilitation.	Balanced Supply & Demand
Enact zoning changes to allow or expand for higher density residential development.	Balanced Supply & Demand
Amend zoning to allow by-right development of diverse housing types.	Balanced Supply & Demand
Offer a density bonus as an incentive for qualified development.	Balanced Supply & Demand
Establish or expand mixed-use zoning.	Balanced Supply & Demand
Revise land use standards to encourage small-lot development.	Balanced Supply & Demand

Action	Primary Outcome
Establish affordable housing overlays or floating districts.	Balanced Supply & Demand
Create a transfer of development rights program to support housing affordability.	Balanced Supply & Demand
Offer financial incentives or financing for smaller-scale or infill housing products.	Balanced Supply & Demand
Adopt policies or create incentives for home safety and accessibility features in new developments or redevelopments.	Balanced Supply & Demand
Offer tax incentives for the maintenance and rehabilitation of unsubsidized affordable rental properties.	Balanced Supply & Demand
Adopt policies and practices that lower development costs.	Balanced Supply & Demand
Expand right-of-first refusal policies.	Balanced Supply & Demand
Use value capture mechanisms to invest in housing around large-scale public and private investments.	Economic Growth
Apply for Section 108 Loan Guarantee Funds.	Economic Growth
Increase availability of foreclosure prevention programs and related services.	Economic Growth
Expand use of tools for acquisition and rehabilitation of homes.	Economic Growth
Create or expand Dollar Home programs.	Economic Growth
Develop marketing campaigns to attract potential residents.	Economic Growth
Use proactive code enforcement to identify and resolve housing quality problems.	Economic Growth
Create housing trust funds.	Housing Affordability
Establish a dedicated revenue source for affordable housing.	Housing Affordability
Create a housing preservation fund.	Housing Affordability
Offer below-market financing for housing and community investments.	Housing Affordability
Offer capital subsidies for affordable housing development.	Housing Affordability
Offer operating subsidies for affordable housing developments.	Housing Affordability
Expand use of project-based vouchers.	Housing Affordability
Leverage publicly and partner-owned property for affordable housing development.	Housing Affordability
Use resale restrictions for homes receiving public assistance or incentives.	Housing Affordability
Extend affordability periods associated with development subsidies.	Housing Affordability
Expand access to capital for owners of unsubsidized affordable rental properties.	Housing Affordability
Expand emergency rental assistance programs.	Housing Affordability
Adopt rent regulations.	Housing Affordability
Establish an inclusionary zoning policy.	Housing Affordability
Offer programs that fund energy-efficiency retrofits.	Housing Affordability
Provide capacity-building assistance to developers.	Housing Affordability
Issue general obligation bonds for affordable housing.	Housing Affordability
Increase use of multifamily private activity bonds to draw down 4 percent Low-Income Housing Tax Credits.	Housing Affordability
Increase participation of individual investors in development financed with the Low-Income Housing Tax Credit.	Housing Affordability
Create more employer-assisted housing programs.	Housing Affordability
Strengthen partnerships between Maryland Department of Disabilities and public housing authorities and other housing providers to support persons with disabilities.	Housing Affordability
Increase use of master leases.	Housing Affordability

Action	Primary Outcome
Promote joint ventures between for-profit and nonprofit developers.	Housing Affordability
Create a lending consortium to support housing and community development activities.	Housing Affordability
Establish a preservation early warning system.	Housing Affordability

Maryland Housing Toolbox: Actions by Population Served	
Action	**Population(s) served**
Create housing trust funds.	All Persons
Establish a dedicated revenue source for affordable housing.	All Persons
Leverage state resources for transit-oriented development.	All Persons
Create a housing preservation fund.	All Persons
Offer below-market financing for housing and community investments.	All Persons
Offer capital subsidies for affordable housing development.	All Persons
Expand use of project-based vouchers.	All Persons
Leverage publicly and partner-owned property for affordable housing development.	All Persons
Reduce or eliminate parking requirements.	All Persons
Reduce or waive impact or other development fees.	All Persons
Offer tax abatements or exemptions for qualified development.	All Persons
Increase the predictability of the regulatory process.	All Persons
Remove barriers in rezoning processes.	All Persons
Offer expedited permitting for qualified development.	All Persons
Remove barriers to development with green tape development review.	All Persons
Target infrastructure investments to support affordable housing development and neighborhood revitalization.	All Persons
Use resale restrictions for homes receiving public assistance or incentives.	All Persons
Expand access to capital for owners of unsubsidized affordable rental properties.	All Persons
Expand emergency rental assistance programs.	All Persons
Adopt rent regulations.	All Persons
Establish housing rehabilitation codes to streamline property rehabilitation.	All Persons
Enact zoning changes to allow or expand for higher density residential development.	All Persons
Provide capacity-building assistance to developers.	All Persons
Increase cultural competence in state and local programming.	All Persons
Adopt policies and practices that lower development costs.	All Persons
Increase awareness of available housing programs and assistance to navigate eligibility and other program requirements.	All Persons
Increase participation of individual investors in development financed with the Low-Income Housing Tax Credit.	All Persons
Apply for Section 108 Loan Guarantee Funds.	All Persons
Create more employer-assisted housing programs.	All Persons
Create a good landlord program.	All Persons
Promote joint ventures between for-profit and nonprofit developers.	All Persons
Increase availability of homebuyer education programs and related services.	All Persons
	All Persons
Increase use of financial tools for streamlined home purchase and rehabilitation.	All Persons
Increase availability of foreclosure prevention programs and related services.	All Persons
Expand use of tools for acquisition and rehabilitation of homes.	All Persons
Create or expand Dollar Home programs.	All Persons
Develop marketing campaigns to attract potential residents.	All Persons
Use proactive code enforcement to identify and resolve housing quality problems.	All Persons
Increase tenant protections and access to information, legal services, mediation, or other supports.	All Persons
Expand fair housing laws.	All Persons

Action	Population(s) served
Expand right-of-first refusal policies.	All Persons
Expand state funding to support broadband connectivity in affordable housing.	All Persons
Use federal programs to increase Internet access.	All Persons
Align broadband access with housing activities.	All Persons
Develop cross-sector partnerships to provide integrated services.	All Persons
Create a lending consortium to support housing and community development activities.	All Persons
Establish a preservation early warning system.	All Persons
Strengthen partnerships between Maryland Department of Disabilities and public housing authorities and other housing providers to support persons with disabilities.	Persons Living With Disabilities
Offer operating subsidies for affordable housing developments.	Seniors and Persons Living With Disabilities
Extend affordability periods associated with development subsidies.	Seniors and Persons Living With Disabilities
Modernize construction standards and building codes	Seniors and Persons Living With Disabilities
Establish an inclusionary zoning policy.	Seniors and Persons Living With Disabilities
Amend zoning to allow by-right development of diverse housing types.	Seniors and Persons Living With Disabilities
Offer a density bonus as an incentive for qualified development.	Seniors and Persons Living With Disabilities
Establish or expand mixed-use zoning.	Seniors and Persons Living With Disabilities
Revise land use standards to encourage small-lot development.	Seniors and Persons Living With Disabilities
Establish affordable housing overlays or floating districts.	Seniors and Persons Living With Disabilities
Create a transfer of development rights program to support housing affordability.	Seniors and Persons Living With Disabilities
Offer programs that fund energy-efficiency retrofits.	Seniors and Persons Living With Disabilities
Offer financial incentives or financing for smaller-scale or infill housing products.	Seniors and Persons Living With Disabilities
Adopt policies or create incentives for home safety and accessibility features in new developments or redevelopments.	Seniors and Persons Living With Disabilities

Action	Population(s) served
Offer tax incentives for the maintenance and rehabilitation of unsubsidized affordable rental properties.	Seniors and Persons Living With Disabilities
Use value capture mechanisms to invest in housing around large-scale public and private investments.	Seniors and Persons Living With Disabilities
Issue general obligation bonds for affordable housing.	Seniors and Persons Living With Disabilities
Increase use of multifamily private activity bonds to draw down 4 percent Low-Income Housing Tax Credits.	Seniors and Persons Living With Disabilities
Increase use of master leases.	Seniors and Persons Living With Disabilities

Maryland Housing Toolbox: Actions by Household Income Served (30% AMI; 60% AMI; both)	
Action	**Household income served**
Use resale restrictions for homes receiving public assistance or incentives.	60% AMI
Expand access to capital for owners of unsubsidized affordable rental properties.	60% AMI
Establish an inclusionary zoning policy.	60% AMI
Offer a density bonus as an incentive for qualified development.	60% AMI
Offer tax incentives for the maintenance and rehabilitation of unsubsidized affordable rental properties.	60% AMI
Increase use of multifamily private activity bonds to draw down 4 percent Low-Income Housing Tax Credits.	60% AMI
Create a good landlord program.	60% AMI
Increase availability of homebuyer education programs and related services.	60% AMI
Increase use of financial tools for streamlined home purchase and rehabilitation.	60% AMI
Increase availability of foreclosure prevention programs and related services.	60% AMI
Expand use of tools for acquisition and rehabilitation of homes.	60% AMI
Expand use of project-based vouchers.	30% AMI & lower
Strengthen partnerships between Maryland Department of Disabilities and public housing authorities and other housing providers to support persons with disabilities.	30% AMI & lower
Develop cross-sector partnerships to provide integrated services.	30% AMI & lower
Create housing trust funds.	Both
Establish a dedicated revenue source for affordable housing.	Both
Leverage state resources for transit-oriented development.	Both
Create a housing preservation fund.	Both
Offer below-market financing for housing and community investments.	Both

Action	Household income served
Offer capital subsidies for affordable housing development.	Both
Offer operating subsidies for affordable housing developments.	Both
Leverage publicly and partner-owned property for affordable housing development.	Both
Reduce or waive impact or other development fees.	Both
Offer tax abatements or exemptions for qualified development.	Both
Offer expedited permitting for qualified development.	Both
Target infrastructure investments to support affordable housing development and neighborhood revitalization.	Both
Extend affordability periods associated with development subsidies.	Both
Expand emergency rental assistance programs.	Both
Adopt rent regulations.	Both
Enact zoning changes to allow or expand for higher density residential development.	Both
Establish affordable housing overlays or floating districts.	Both
Create a transfer of development rights program to support housing affordability.	Both
Offer programs that fund energy-efficiency retrofits.	Both
Adopt policies or create incentives for home safety and accessibility features in new developments or redevelopments.	Both
Provide capacity-building assistance to developers.	Both
Increase cultural competence in state and local programming.	Both
Adopt policies and practices that lower development costs.	Both
Increase awareness of available housing programs and assistance to navigate eligibility and other program requirements.	Both
Use value capture mechanisms to invest in housing around large-scale public and private investments.	Both
Issue general obligation bonds for affordable housing.	Both
Increase participation of individual investors in development financed with the Low-Income Housing Tax Credit.	Both
Apply for Section 108 Loan Guarantee Funds.	Both
Increase use of master leases.	Both
Promote joint ventures between for-profit and nonprofit developers.	Both
Increase tenant protections and access to information, legal services, mediation, or other supports.	Both
Expand fair housing laws.	Both
Expand right-of-first refusal policies.	Both
Expand state funding to support broadband connectivity in affordable housing.	Both
Use federal programs to increase Internet access.	Both
Align broadband access with housing activities.	Both
Create a lending consortium to support housing and community development activities.	Both

Action	Household income served
Establish a preservation early warning system.	Both
Reduce or eliminate parking requirements.	-
Increase the predictability of the regulatory process.	-
Remove barriers in rezoning processes.	-
Remove barriers to development with green tape development review.	-
Modernize construction standards and building codes	-
Establish housing rehabilitation codes to streamline property rehabilitation.	-
Amend zoning to allow by-right development of diverse housing types.	-
Establish or expand mixed-use zoning.	-
Revise land use standards to encourage small-lot development.	-
Offer financial incentives or financing for smaller-scale or infill housing products.	-
Create more employer-assisted housing programs.	-
Create or expand Dollar Home programs.	-
Develop marketing campaigns to attract potential residents.	-
Use proactive code enforcement to identify and resolve housing quality problems.	-

Maryland Housing Toolbox: Actions to respond to COVID-19
Create a housing preservation fund.
Offer operating subsidies for affordable housing developments.
Expand use of project-based vouchers.
Offer tax abatements or exemptions for qualified development.
Increase the predictability of the regulatory process.
Remove barriers in rezoning processes.
Offer expedited permitting for qualified development.
Remove barriers to development with green tape development review.
Expand access to capital for owners of unsubsidized affordable rental properties.
Expand emergency rental assistance programs.
Adopt rent regulations.
Offer programs that fund energy-efficiency retrofits.
Adopt policies or create incentives for home safety and accessibility features in new developments or redevelopments.
Offer tax incentives for the maintenance and rehabilitation of unsubsidized affordable rental properties.
Provide capacity-building assistance to developers.
Increase cultural competence in state and local programming.
Increase awareness of available housing programs and assistance to navigate eligibility and other program requirements.
Strengthen partnerships between Maryland Department of Disabilities and public housing authorities and other housing providers to support persons with disabilities.
Create a good landlord program.
Increase use of master leases.
Increase availability of foreclosure prevention programs and related services.
Expand use of tools for acquisition and rehabilitation of homes.
Increase tenant protections and access to information, legal services, mediation, or other supports.
Expand fair housing laws.
Expand state funding to support broadband connectivity in affordable housing.
Use federal programs to increase Internet access.
Align broadband access with housing activities.
Develop cross-sector partnerships to provide integrated services.

APPENDIX B.
STAKEHOLDER ENGAGEMENT SUMMARY

Stakeholder Engagement Summary **August 2020**

Prepared by Enterprise Community Partners, Inc.
as part of the Maryland Housing Needs Assessment & 10-Year Strategic Plan

Overview

The Maryland Housing Needs Assessment and 10-Year Strategic Plan charts a course for Maryland to become a more affordable and equitable to place to live by 2030. Development of this plans was guided by stakeholder input gathered through an advisory group, focus groups, and interviews with stakeholders across the state of Maryland.

The overarching goal of this engagement was to incorporate diverse perspectives, including the expertise of housing and community development professionals, for-profit and nonprofit developers, and local and state policymakers and the experiences of Marylanders, into the Maryland Housing Needs Assessment. It focused on geographic relevance—representation from counties and municipalities across Maryland and Baltimore City—and direct issue experience.

There were three main engagement activities for this project: 1) Maryland Housing Needs Assessment Advisory Group; 2) five topical focus groups; and 3) supplemental interviews. Input gathered through these activities was used to better-define housing needs affecting Marylanders, including vulnerable groups; identify potential actions to address existing and future housing needs; and highlight unique cultural or geographic context that affects housing needs or implementation of strategies and actions proposed in the Maryland Housing Needs Assessment.

Key engagement activities

Housing Needs Assessment Advisory Group

The Maryland Housing Needs Assessment Advisory Group was comprised of stakeholders from across the state of Maryland to provide ongoing feedback to the Maryland Department of Housing and Community Development and project team at each phase of this project. The group draws on expertise and experiences from every region in Maryland. The primary roles of this group were to:

- Represent local and regional housing interests, including connecting state-level housing needs to local and regional housing efforts.
- Provide ongoing feedback about the factors shaping housing needs across the state and affecting Maryland residents.
- Assist the state of Maryland in prioritizing critical housing needs and proposed solutions.
- Assess the impact and feasibility of proposed changes to state-level policies, programs, or resources related to housing and community development.
- Assess the impact and feasibility of proposed recommendations affecting local governments.
- Assist with outreach and engagement (e.g., provide connections to affected populations or end users [nonprofits, developers, special populations])

The Maryland Housing Needs Assessment Advisory Group met six times between January 2020 and July 2020 as part of guiding the Maryland Housing Needs Assessment and 10-Year Strategic Plan.

Topical focus groups

The project team conducted focus groups and interviews related to five topics: 1) accessing homeownership; 2) maintaining homeownership; 3) rental housing for vulnerable groups; 4) homelessness; and 5) land use and zoning.

- **Accessing homeownership**: This focus group and supplemental interviews sought to understand the state's for-sale markets; barriers to homeownership; and familiarity and experience with state and local homebuyer assistance programs.
- **Maintaining homeownership:** This focus group and supplemental interviews sought to understand the risks to long-term housing stability among homeowners and familiarity and experience with state and local homeowner stabilization programs.
- **Rental housing for vulnerable groups:** This focus group and supplemental interviews sought to understand common and unique needs among vulnerable groups looking for or staying in a rental unit; the state's rental housing market; and familiarity and experience with existing state and local programs designed to create or preserve rental units or serve vulnerable populations.
- **Homelessness:** This focus group and supplemental interviews sought to understand common and unique needs among persons experiencing homelessness (or previously experienced it) and familiarity and experience with existing state and local programs designed serve this population.
- **Land use and zoning:** This focus group and supplemental interviews sought understand how land use and zoning affects the creation and rehabilitation of housing across Maryland.

Focus group participants included developers, housing service providers, real-estate professionals, financial institutions, staff from municipal, regional, and state agencies, policymakers and nonprofits.

Supplemental interviews

Several supplemental interviews were conducted as part of stakeholder engagement to enhance information around specific topics, specifically, state programs for persons with disabilities and a deeper dive into specific local housing programs across the state.

Staff at the Maryland Department of Disabilities were interviewed to understand current programs designed to provide housing for persons living with a disability. Being able to fully understand current programs serving persons with disabilities helped create stronger recommendations for ways that state and local programs and policies can better serve this population.

Several stakeholders who work at the local level were interviewed to understand local programs and specific geographic context, including those in Garrett, Montgomery, and St. Mary's counties.

Impact of COVID-19 on stakeholder engagement

Stakeholder engagement for the Maryland Housing Needs Assessment and 10-Year Strategic Plan started prior to the COVID-19 global pandemic, and stakeholder engagement was conducted both in-person and remotely. Some stakeholder engagement activities were designed to be conducted originally, such as focus groups, to ensure geographic representation from across the state of Maryland. Other activities, namely the Maryland Housing Needs Assessment Advisory Group, was designed to be conducted in-person.

One of the main adjustments to account for public health guidelines for COVID-19 was migration to remote-only engagement for all activities in March 2020. Advisory Group meetings, focus groups, and interviews conducted between March and September 2020 were held using video and teleconference platforms. Adjustments to meeting format, duration, and materials were made to accommodate these changes.

Stakeholder Engagement Summary **August 2020**
Prepared by Enterprise Community Partners, Inc.
as part of the Maryland Housing Needs Assessment & 10-Year Strategic Plan

Key themes: Topical focus groups

Summary of themes from all focus groups

- In terms of becoming a homeowner, participants shared that a lack of affordable inventory and lending standards are barriers. COVID-19 is also affecting the landscape of real estate by making investors more risk averse and changing consumer preference from denser urban living to single-family housing in suburban or rural areas. Lower-income residents are the most underserved by the market. Among participants, perceptions of and experience with state and local homeownership programs were mixed.
- In terms of maintaining homeownership, many Maryland residents struggle to make a living wage and access jobs that would support long-term housing stability. In addition, participants shared that the state's aging housing stock creates a large need for programs that support home maintenance and rehabilitation. Perceptions of and experience with state and local rehabilitation and foreclosure prevention programs were mixed, in part due to barriers accessing and using those programs.
- Universally, participants underscored the importance of offering broader education and awareness about accessing and maintaining homeownership and available state and local programs. Realtors and lenders emphasized a lack of knowledge among homebuyers about financing products, interest rates, property taxes, and financial management, particularly among first-time homebuyers. Participants also emphasized homeowners' lack of knowledge on maintaining homeownership from both physical and financial perspectives. Homeowners are not aware of resources available to support with home maintenance and housing costs. Participants noted that the digital divide, particularly in rural areas, serves as a barrier for education, and homebuyers and homeowners that lack English-language and digital proficiency are particularly underserved in terms of homebuyer education services.
- Members of vulnerable and underrepresented populations have diverse and often, unmet needs. For example, seniors and persons with physical and mental disabilities are often unable to find affordable units that meet their accessibility needs. Returning citizens often cannot access available rentals due to background check standards.
- People facing homelessness experience significant barriers in finding and keeping affordable housing. A lack of coordination between behavioral health institutions and affordable housing programs results in people being discharged directly onto the street, rather than placement in temporary or permanent housing. Lack of credit or poor credit and rental history also exclude individuals from many affordable rentals and support services.
- Zoning and land use problems persist across the state. Localities such as cities and towns have expressed the desire to make decisions related to land use and zoning, rather than having those decisions reside with counties. Other participants spoke to expensive state requirements for sewer, stormwater, and sprinklers, citing them as a factor driving up the cost of homes across the state.

Accessing Homeownership

- **Lack of inventory is a major barrier for homebuyers across Maryland.**
  Participants emphasized a shortage in housing inventory as a major barrier for homebuyers across the state. This challenge has been exacerbated by COVID-19 (at least in the short-term), with sellers taking their homes off the market and slower construction of new homes. Maryland's rising sales prices and home values—in part supported by historically low interest

rates—make it difficult for low-income buyers to enter the housing market. Lower-cost homes and starter homes are few and far between, and, in some cases, the poor-quality of these homes requires extensive repairs.

Anecdotally, one realtor with over 20 years of experience in St. Mary's County said when he first started selling homes, there were more than 1,000 properties for sale at any given time. Today, there are less than 200 active listings with 3 new construction sites. Another realtor from Montgomery County cited that in her experience there are 40 percent fewer listings currently in spring 2020 than at the same time last year.

This shortage for specific price points varies across the state but is most pronounced for homes below $500,000. However, in parts of Maryland, this shortage among homes at lower price points, including in Washington County where participants highlighted a shortage among homes in the $150,000-$250,000 range.

Lack of both affordable homes to buy and rent is having wide reaching consequences. In Western Maryland, employers point to the lack of affordable housing as a major barrier to finding employees. New development is affected by regulatory and administrative obstacles that increase development costs, such as restrictive planning and zoning regulations, conservation and/or historic protections, high property taxes on new construction, or energy-efficiency standards and safety requirements. Participants also highlighted residents' "NIMBY" attitudes as another barrier to new development.

- **Lending requirements are an obstacle for many potential homebuyers.**
  Participants highlighted lending requirements as a barrier to entry for many potential homebuyers. Many potential homebuyers can afford mortgage payments but lack cash for down payments and closing costs. In other instances, loan applicants lack the credit score to qualify for conventional or low down payment mortgages. Credit scores and debt-to-income requirements are particularly challenging for young adults with student debt, as well as lower-income individuals who lack significant financial assets. These obstacles are exacerbated by the COVID-19 pandemic, which has made lending institutions more risk averse and resulted in tighter requirements (higher qualifying credit scores, higher down payment requirements, lower of debt-to-income ratio requirements, heightened scrutiny about employment).

- **Early effects of the COVID-19 pandemic suggest increased demand for homeownership and changing demand among homebuyers from denser, urban areas to suburban or rural areas.**
  Stakeholders see some emerging changes related to COVID-19 that could alter housing demand across Maryland if they hold true over time. Real-estate professionals have seen an uptick in demand for homeownership as renters look to socially distance in single-family homes, and workplaces allow for long-term remote work options. According to a realtor serving Montgomery County, single-family home searches increased 40 percent since the start of the pandemic in early 2020, with increased demand for higher square footage and swimming pools as a sought-after amenity. Buyers are also looking for move-in ready properties to avoid extra expenses, work, and time involved with renovations.

  In addition, participants mentioned that demand for homes in terms of geography may be shifting from urban places to more suburban or rural ones. Overall, real-estate professionals have observed increased interest for homes outside of dense urban centers. Realtors in serving the Washington, DC region mentioned that a scarce inventory and higher home prices in some parts of suburban Maryland (like Chevy Chase and Bethesda) have shifted interest among buyers to farther-out locations in the same region, like Potomac. A realtor in Southern Maryland cited a trend of rural areas performing at a higher rate since the onset of the pandemic.

- **Perceptions of and success using state and local homeownership programs vary across Maryland.**

  Familiarity and experience with local and state homeownership programs differed across the region and among participants. High-volume lenders serving Prince George's County expressed very positive views of the Maryland Mortgage Program (MMP) and have a high-performing process for underwriting, processing, and closing MMP loans quickly and efficiently. According to a lender, "MMP rates are fantastic….and the program fits the needs of all types of buyer profiles." The lenders also mentioned that eligibility requirements are well-aligned with products that they offer.

  Participants in Southern Maryland also had positive views about the program's flexibility but highlighted concerns that the real-estate community was unaware about state programs. In other areas of the state, including Garrett County, the MMP program was not viewed as positively. A participant from Garrett County highlighted the counties' inability to align MMP with their local down payment program, as well as lack of enthusiasm among lenders due to administrative burden and limited profits associated with the program.

  Other barriers that were mentioned include state-level parameters that affect where new homes can be built and origination issues. In addition, the MMP could create a problem in a multiple offer situation where time is of the essence. A participant from Allegany County emphasized the importance of the MMP for residents in the area; however, mentioned that access to a computer is a barrier for residents looking to apply. Participants had very positive views of USDA programs for potential homeowners in rural areas. Overall, participants from across the state cited the need to educate stakeholders in the real-estate community, lenders and realtors, as well community organizations (housing service providers, faith-based organizations, etc.) on state homeownership programs so that they can share this information with potential homebuyers.

- **Lower-income residents are underserved by Maryland's housing market.**
  Participants from across Maryland underscored that lower-income residents are the most underserved population by the state's housing market. Homebuyers with limited English proficiency are not adequately served by predominantly English-speaking professionals. Young people with student debt were repeatedly mentioned as a group that cannot break into the homeownership market, because student debt makes it difficult to meet debt-to-income ratio requirements.

  In addition, participants highlighted seniors as another underserved group, both from the buyer and seller perspective. Seniors often cannot sell their homes at a price that will cover extended care and medical expenses, while those looking to buy struggle with affordability because they are often constrained by a fixed income. Another group that was cited as underserved was Black homebuyers in Maryland.

Participants also mentioned that homeownership is virtually inaccessible to populations earning below 30 percent of area median income (AMI), who lack income and assets to cover mortgage payments and/or down payment and meet credit scores requirements. Finding affordable housing is not only challenging for those very low-income groups, but even for those with moderate incomes. Participants said that in Southern Maryland, homebuyers with incomes between 60-100 percent AMI struggled to become homeowners, because they make too much to qualify for some public assistance programs but not enough to qualify for others. There is also concern that proximity to metropolitan Washington, DC and Baltimore puts pressure on home values in other parts of the state (like Southern Maryland), pricing out potential homebuyers.

Maintaining Homeownership

- **Lack of livable wages and stable jobs contribute to homeownership instability, particularly for low-income homeowners outside of Central Maryland.**
  Low, stagnant wages and lack of employment opportunities were highlighted as a major barrier to maintaining homeownership, particularly outside of Central Maryland. Lack of livable wages was cited as the major barrier for sustaining homeownership for residents in Western Maryland. Low wages prevent homeowners from accumulating assets, making them vulnerable to financial shocks such job loss or medical issues, which can often lead to missed housing payments and foreclosure. Seniors are especially vulnerable to financial shocks and subsequent foreclosure given their fixed incomes.

  Participants who serve Southern Maryland, including St. Mary's, Calvert and Charles counties, cited the high cost of living relative to wages and limited job opportunities, resulting in long commutes for existing homeowners. Anecdotally, one stakeholder said that approximately 75 percent of residents in Charles County commute out of the county for work. A stakeholder from Eastern Maryland said that many of her clients work two or three jobs to make ends meet. In addition, participants from Southern and Western Maryland mentioned rural areas lack infrastructure, such as publicly maintained sewer systems, to support commercial development and growth that create good jobs. Participants representing rural areas cited difficulties in retaining college graduates.

- **An aging housing stock is a major risk for existing homeowners.**
  Stakeholders described a large demand for rehabilitation assistance driven by the old age of Maryland's housing stock. For instance, most homes in Western Maryland were built before 1970 and lack modern HVAC systems. In Southern Maryland, seniors often avoid using public assistance programs due to their structure (e.g., they do not want to take out a loan and leave their children responsible for repayment). A participant representing Eastern Maryland explained that building system updates are costly, and residents often put off major repairs. The same participant described a frequent cycle of home acquisition and renovation, subsequent foreclosure, and use as a rental property. Participants cited restrictive development and design standards in historic districts as one barrier to rehabilitation due to their costly, purely aesthetic requirements. Across the state, participants highlighted homeowners' (especially first-time homeowners) lack of knowledge on how to maintain a home from a physical standpoint and

need for education on this topic (among others, like financial literacy).

- **Foreclosure affected low-income homeowners before the 2020 COVID-19 global pandemic and many stakeholders anticipate an increase in foreclosures due to the pandemic.**
  Housing service providers across the state warned that many of their clients are currently struggling to pay their mortgage, and they anticipate a surge of foreclosures as a result of increased unemployment due to COVID-19. In general, populations with the greatest risk of foreclosure are those that lose their source of income or seniors with fixed incomes. Foreclosure trends vary across the state. Participants representing Southern Maryland mentioned that Black residents experiencing foreclosures at a higher rate than other groups. For example, Allegany County was cited as having steady foreclosures since The Great Recession, whereas Baltimore experienced a decline. Foreclosed properties tend to have major renovations needs.

  Participants agreed that foreclosure prevention was possible if intervention happened early in the foreclosure process, but that communicating with lenders has been difficult and at times, counterproductive. Homeowners may not reach out for help due to foreclosure notices – which can be very intimidating.

- **Perceptions of and success using state rehabilitation and displacement prevention programs vary across Maryland.**
  In terms of state-level rehabilitation programs, participants referenced Maryland's Housing Rehabilitation and Special Targeted Applicant Rehabilitation (or STAR) programs as important resources, but expressed some problems using these programs, such as slow turnaround times for approval and prohibitive credit score requirements. The Lead Hazard Reduction Program, another state-level rehabilitation program, was praised for being a grant. However, due to COVID-19, Maryland stopped processing any special loan rehabilitation programs due to capacity constraints. Participants also mentioned the Maryland Energy Assistance Program as helping to free up disposable income for homeowners to pay their taxes or mortgage.

  Participants gave mostly positive feedback on the state's programs that prevent displacement. One participant spoke very highly of Maryland's MD HOPE foreclosure prevention program, saying "If you're going to be in foreclosure, be glad you're in the state of Maryland." Legal partnerships were named as critical to success in using these programs. However, barriers to using this program exist. For example, many people simply do not know about the programs, and if they do, they find the application forms complicated to fill out. Some people lack computer skills or internet access (especially in rural areas) to research and fill out applications online. In addition, many homeowners are not aware of programs aimed to help homeowners offset their housing costs, such as property tax credit programs (Maryland Homestead Tax Credit, Homeowners' Property Tax Credit, and Senior Tax Credit).

Rental affordability for vulnerable Populations

- **Maryland lacks enough affordable homes to serve seniors now and in the future.**
  Several participants expressed a shortage of affordable housing for seniors—and shared that this need with continue to grow as Marylanders age over time. Senior have higher accessibility needs compared to the general population, and the state's current rental housing stock is not meeting those needs. Assisted housing is expensive and not an option for many seniors. One participant referenced seniors selling their homes to pay for units in assisted living facilities, but

due to high costs, those seniors can still only afford 3-4 years in those units. Another one said that seniors who rely on social security benefits face severe cost-burdens, but don't always qualify for housing assistance. One participant representing the Greater Baltimore region said that, housing in that region is getting close to being able to serve seniors' needs compared to other vulnerable populations.

- **Vulnerable populations face problems obtaining and maintaining affordable rental homes.**
  Participants described several factors that influence the ability of vulnerable populations to find and keep affordable rentals in Maryland: qualification processes that exclude groups; lack of documentation among foreign-born persons; and criminal history. When vulnerable groups are excluded from affordable, publicly subsidized rentals, they are often pushed into higher-cost, risker housing situations. These populations also experience tense relationships with property owners, with stakeholders reporting tenants being pushed out of homes or threatened by landlords. Many tenants are afraid to report maintenance problems out of fear of retaliation.

- **Persons living with a disability cannot find homes that meet their needs.**
  Participants raised several housing barriers that persons with disabilities face when looking for affordable rental units. These barriers include lack of affordable and accessible units and need for assistance to rent a unit (such as a co-signer on a lease) due to limits on some people's decisionmaking power. Many affordable units lack accessibility features for a range of disabilities, but persons living with a disability live in them anyway due to cost. Several participants spoke to the need for more options for this population, as well as assistance that addressed some of the specific needs among persons living with a disability.

Homelessness

- **People experiencing homelessness face barriers to renting, such as background check requirements.**
  Many people experiencing homelessness or who have experienced homelessness in Maryland do not qualify for affordable housing due to background check requirements; these requirements mean that people who need homes the most are denied access to public assistance for housing and social services. Requirements that pose barriers are related to credit and credit history; criminal background; rental history; and documentation. People seek alternatives in the private housing market, often paying high prices, or become homeless again.

- **Gaps exist between behavioral health services and housing services.**
  Participants said that persons experiencing homelessness often need behavioral health services, in addition to housing. However, these services are not well-connected at the state-level today and practices at state-level mental health institutions exacerbate homelessness. State mental health institutions focus on discharging patients, with limited support for after they exit. Stakeholders shared a need for closer integration of both systems to ensure people in need of both behavioral and housing services receive them. They also noted that COVID-19 has increased the number of people leaving institutions, including justice-involved persons, to free up medical facilities or slow community spread of COVID-19.

- **Persons experiencing homelessness face a wide range of needs.**
  The needs among persons experiencing homelessness in Maryland are broad, spanning people

experiencing a minor disruption in their ability to pay for housing, people leaving institutions and foster care, people without legal status, and seniors and persons living with a disability. Stakeholders recommended creative housing solutions designed to serve each group.

Zoning and land use

- **Zoning poses a barrier to building affordable housing in Maryland.**

  Stakeholders emphasized a need for more flexibility in terms of zoning, both the development that it supports and who informs decisions about it. For instance, one participant would like more power granted to cities and towns related to land use and zoning decisions (compared with county-level decisionmaking). Some municipalities would like to have increased density or multifamily housing, but these types of changes are not supported at the county-level. Stakeholders also noted a need for flexibility related to group homes (including restrictions that limit how many people can live in a home) and zoning that supports missing middle housing types (duplexes, small apartment buildings, cottage homes, accessory dwelling units, etc.).

- **State requirements increase construction costs.**
  Stakeholders have observed a relationship between higher construction cost and the affordability of homes, where higher costs are passed along to homebuyers or renters. This issue is especially prevalent in more rural areas in Maryland, where infrastructure costs (like sewer and stormwater extensions) increase costs for builders. In addition, state law requires that single-family homes have a sprinkler system, which also adds to construction costs. Stakeholders agreed that more needs to be done to alleviate the costs of these requirements.

Participating organizations

- Allegany County Human Resources Development Commission
- Arundel Community Development Services
- The Baltimore Metropolitan Council,
- Century 21 Chris Hill Team
- Charles County Department of Community Services/Housing Authority
- Greater Capital Area Association of Realtors (GCAAR)
- Habitat for Humanity
- Homeless Persons Representation Project
- Interfaith Housing Alliance
- Montgomery County Department of Health and Human Services
- Oculus Consulting
- Pen-Mar Regional Association of Realtors
- Salisbury Neighborhood Housing Services
- SMTCCAC, Inc.

APPENDIX C.
SUPPLEMENTAL
TABLES & FIGURES

Supplemental tables & Figures **August 2020**

Prepared as part of the
Maryland Housing Needs Assessment & 10-Year Strategic Plan

Total Employment, Maryland (2000–2017)
Sources: ACS 2013–2017 5-Year Estimates, IPUMS 2000–2010

	2000	2010	2017	Change (2000–2017)	Percent change (2000–2017)
Allegany	30,031	31,077	28,767	-1,264	-4.2%
Anne Arundel	250,254	269,854	290,803	40,549	16.2%
Baltimore	379,705	411,651	420,781	41,076	10.8%
Baltimore City	256,036	274,032	277,934	21,898	8.6%
Calvert	37,604	45,232	45,764	8,160	21.7%
Caroline	14,297	16,170	15,680	1,383	9.7%
Carroll	78,444	87,084	88,345	9,901	12.6%
Cecil	42,953	49,366	50,633	7,680	17.9%
Charles	60,836	74,441	78,580	17,744	29.2%
Dorchester	14,225	15,164	15,235	1,010	7.1%
Frederick	102,856	121,254	130,334	27,478	26.7%
Garrett	13,069	14,436	13,944	875	6.7%
Harford	111,792	125,246	129,038	17,246	15.4%
Howard	135,504	150,129	167,563	32,059	23.7%
Kent	9,294	10,042	9,136	-158	-1.7%
Montgomery	458,824	511,790	554,172	95,348	20.8%
Prince George’s	399,355	452,459	476,722	77,367	19.4%
Queen Anne's	21,186	24,203	25,551	4,365	20.6%
St Mary's	41,453	49,967	54,086	12,633	30.5%
Somerset	9,368	9,463	8,594	-774	-8.3%
Talbot	16,208	18,299	17,859	1,651	10.2%
Washington	61,442	71,021	67,383	5,941	9.7%
Wicomico	42,211	47,637	49,806	7,595	18.0%
Worcester	21,510	24,221	23,897	2,387	11.1%
Maryland	**2,608,457**	**2,904,238**	**3,040,605**	**432,148**	**16.6%**

Note: All dollar values are in 2017 dollars, adjusted using BLS CPI-U.

Supplemental tables & Figures **August 2020**
Prepared as part of the
Maryland Housing Needs Assessment & 10-Year Strategic Plan

Median Household Income, Maryland (2000–2017)
Sources: ACS 2013–2017 5-Year Estimates, IPUMS 2000–2010

	2000	2010	2017	Change (2000–2017)	Percent change (2000–2017)
Allegany	$43,769	$42,458	$42,771	-$998	-2.3%
Anne Arundel	$87,294	$93,871	$94,502	$7,208	8.3%
Baltimore	$71,504	$71,941	$71,810	$306	0.4%
Baltimore City	$42,116	$44,301	$46,641	$4,525	10.7%
Calvert	$93,065	$102,175	$100,350	$7,285	7.8%
Caroline	$54,670	$66,137	$52,469	-$2,201	-4.0%
Carroll	$85,106	$91,807	$90,510	$5,404	6.3%
Cecil	$71,202	$72,984	$70,516	-$686	-1.0%
Charles	$88,230	$99,910	$93,973	$5,743	6.5%
Dorchester	$47,752	$50,786	$50,532	$2,780	5.8%
Frederick	$85,392	$91,880	$88,502	$3,110	3.6%
Garrett	$45,672	$51,471	$48,174	$2,502	5.5%
Harford	$80,777	$86,621	$83,445	$2,668	3.3%
Howard	$104,792	$116,161	$115,576	$10,784	10.3%
Kent	$55,932	$56,399	$56,638	$706	1.3%
Montgomery	$101,377	$105,026	$103,178	$1,801	1.8%
Prince George’s	$77,709	$80,153	$78,607	$898	1.2%
Queen Anne's	$79,541	$91,217	$89,241	$9,700	12.2%
St Mary's	$77,485	$90,044	$86,508	$9,023	11.6%
Somerset	$42,368	$47,740	$39,239	-$3,129	-7.4%
Talbot	$61,878	$70,882	$65,595	$3,717	6.0%
Washington	$57,086	$59,608	$58,260	$1,174	2.1%
Wicomico	$54,832	$57,086	$54,493	-$339	-0.6%
Worcester	$57,233	$62,412	$59,458	$2,225	3.9%
Maryland	**$78,861**	**$79,464**	**$78,916**	**$791**	**5.4%**

Note: All dollar values are in 2017 dollars, adjusted using BLS CPI-U.

Supplemental tables & Figures
Prepared as part of the
Maryland Housing Needs Assessment & 10-Year Strategic Plan

Projected Total Households by Income (2020–2030)
Source: National Center for Smart Growth projection based on Maryland Department of Planning and CHAS data

	2020				2030				Change (2020–2030)			
	30% AMI and below	31-50% AMI	51-80% AMI	Greater than 80% AMI	30% AMI and below	31-50% AMI	51-80% AMI	Greater than 80% AMI	30% AMI and below	31-50% AMI	51-80% AMI	Greater than 80% AMI
Allegany	4,393	4,186	5,534	14,708	4,371	4,104	5,599	15,772	-22	-83	66	1,063
Anne Arundel	17,338	19,374	26,133	156,149	20,273	22,581	24,198	165,852	2,935	3,207	-1,935	9,703
Baltimore	41,807	44,186	48,817	200,388	49,271	50,988	42,880	203,249	7,465	6,802	-5,938	2,861
Baltimore City	67,178	41,638	37,888	107,554	69,291	43,580	32,279	118,585	2,113	1,942	-5,609	11,031
Calvert	3,622	3,160	2,313	24,807	4,531	3,319	1,802	27,292	910	158	-511	2,485
Caroline	1,290	1,738	2,113	7,509	1,359	2,120	2,181	8,611	69	382	68	1,102
Carroll	5,573	6,271	7,470	43,353	6,718	7,236	6,843	45,725	1,145	965	-628	2,373
Cecil	4,439	5,221	6,893	22,955	5,387	6,209	7,161	25,986	949	988	268	3,032
Charles	7,897	6,749	3,236	41,904	11,094	8,499	1,405	49,788	3,196	1,750	-1,831	7,884
Dorchester	1,628	1,908	2,516	8,321	1,458	2,078	2,661	9,605	-170	170	145	1,284
Frederick	12,000	13,154	7,722	64,134	16,211	16,983	6,566	75,923	4,211	3,829	-1,156	11,788
Garrett	1,359	1,748	2,399	6,878	1,126	1,748	2,409	7,690	-233	0	10	812
Harford	10,704	10,636	10,987	64,223	13,496	12,836	9,101	67,750	2,792	2,199	-1,886	3,526
Howard	7,927	8,377	8,568	99,771	10,043	10,752	6,799	112,183	2,116	2,375	-1,768	12,412

Supplemental tables & Figures
Prepared as part of the
Maryland Housing Needs Assessment & 10-Year Strategic Plan

	2020				2030				Change (2020–2030)			
	30% AMI and below	31-50% AMI	51-80% AMI	Greater than 80% AMI	30% AMI and below	31-50% AMI	51-80% AMI	Greater than 80% AMI	30% AMI and below	31-50% AMI	51-80% AMI	Greater than 80% AMI
Kent	934	1,098	1,655	4,745	968	1,259	1,871	4,944	34	161	216	199
Montgomery	44,497	44,424	26,267	276,213	55,649	55,315	22,410	290,729	11,152	10,891	-3,857	14,516
Prince George's	44,722	48,996	28,427	199,547	52,264	56,583	21,810	206,268	7,542	7,587	-6,616	6,721
Queen Anne's	1,318	2,059	2,656	13,566	1,216	2,388	2,794	15,490	-102	329	138	1,924
St. Mary's	4,765	4,153	4,094	30,622	6,178	4,860	2,756	37,982	1,414	707	-1,338	7,360
Somerset	1,842	1,550	1,733	4,025	1,992	1,771	1,867	4,156	150	221	134	132
Talbot	1,997	2,069	2,496	10,406	2,197	2,261	2,333	11,299	200	192	-163	893
Washington	6,820	7,756	10,433	35,176	7,542	9,593	11,508	38,981	723	1,836	1,075	3,805
Wicomico	3,977	5,209	7,208	24,294	3,971	6,073	8,056	27,789	-7	864	848	3,494
Worcester	2,698	2,180	4,204	13,943	3,182	2,270	4,554	15,161	484	90	350	1,218
Total	**300,723**	**287,842**	**261,761**	**1,475,190**	**349,789**	**335,402**	**231,842**	**1,586,810**	**49,065**	**47,561**	**-29,919**	**111,620**

Supplemental tables & Figures
Prepared as part of the
Maryland Housing Needs Assessment & 10-Year Strategic Plan

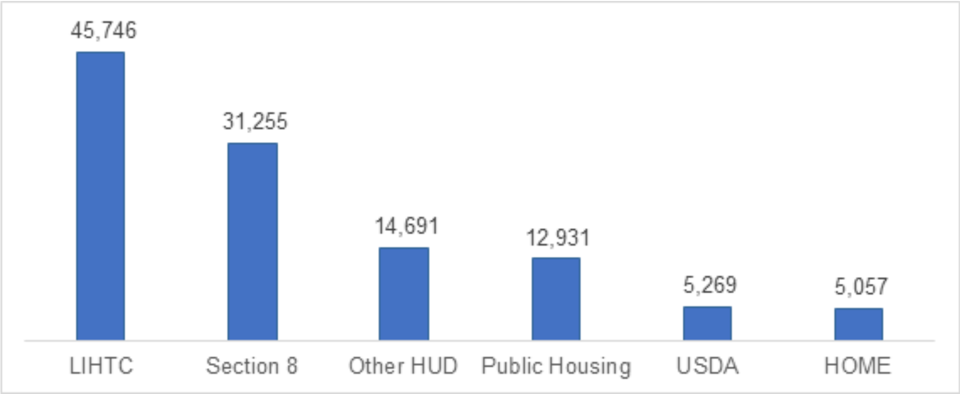
Median Gross Rent, Maryland (2000–2017)
Source: ACS 2017 5-Year Estimates, IPUMS 2000–2010

	2000	2010	2017	Change (2000–2017)
Allegany	$539	$604	$672	25%
Anne Arundel	$1,130	$1,469	$1,579	40%
Baltimore	$949	$1,162	$1,224	29%
Baltimore City	$705	$966	$1,009	43%
Calvert	$1,185	$1,354	$1,612	36%
Caroline	$683	$970	$924	35%
Carroll	$903	$1,049	$1,131	25%
Cecil	$874	$1,060	$1,071	23%
Charles	$1,215	$1,470	$1,618	33%
Dorchester	$646	$792	$869	35%
Frederick	$1,018	$1,274	$1,338	31%
Garrett	$541	$604	$646	19%
Harford	$918	$1,092	$1,197	30%
Howard	$1,245	$1,514	$1,661	33%
Kent	$745	$890	$938	26%
Montgomery	$1,294	$1,594	$1,693	31%
Prince George’s	$1,044	$1,282	$1,385	33%
Queen Anne's	$881	$1,181	$1,325	50%
St Mary's	$1,018	$1,263	$1,288	27%
Somerset	$607	$764	$673	11%
Talbot	$782	$1,026	$1,084	39%
Washington	$683	$858	$889	30%
Wicomico	$803	$1,053	$1,042	30%
Worcester	$813	$909	$994	22%
Maryland	**$976**	**$1,227**	**$1,311**	**34%**

Note: 2000 and 2010 dollars were adjusted for inflation.

Supplemental tables & Figures
Prepared as part of the
Maryland Housing Needs Assessment & 10-Year Strategic Plan

Publicly Supported Units by Program, Maryland (2020)
Source: National Housing Preservation Database 2020



Note: Units can have multiple funding streams and may be double counted. Data is up to date through March 2020.

APPENDIX D.
STATE PROGRAMS AND POLICIES ANALYSIS

State programs and policies analysis August 2020
Prepared as part of the
Maryland Housing Needs Assessment & 10-Year Strategic Plan

Introduction

An evaluation of existing state-level programs, housing related policies, and financing mechanisms was completed as part of preparing the Maryland Housing Needs Assessment & 10-Year Strategic Plan. The evaluation was completed through three different tasks:

1. Quantitative Analysis of State-Level Programs: This analysis provides an overview of a cross-section of state programs used to support housing and community development. It includes a portfolio-level view of all funding and program-specific analysis by geography (county-level and regional) and demographic characteristics, such as race.

2. Assessment of Maryland's Existing Housing Tools: This qualitative analysis outlines the main programs, policies, and financing administered by the Maryland Housing and Community Development Department (DHCD) and assesses their relationship to housing needs and other issues identified through the Maryland Housing Needs Assessment.

3. Assessment of Maryland's Low Income Housing Tax Credit: This qualitative analysis examines the State's policies and procedures for allocating LIHTC and other multifamily finance resources (as of 2020) and its alignment to housing conditions and needs identified through the Maryland Housing Needs Assessment.

State programs and policies analysis August 2020
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Quantitative analysis of state-level programs

This analysis aims to understand where dollars from select state-administered rental and homeownership programs by the Maryland Department of Housing and Community Development (DHCD) are being invested across Maryland and their relationship to priority needs (as measured by the Maryland Homeowner and Renter Stability Indices). It also summarizes basic characteristics for each program type to provide a portfolio-level view of existing state programs.

The analysis has two complementary parts: 1) a portfolio-level view of each program, and 2) an analysis of key indicators at the county level with county-level summary statistics for state-administered programs. A census-tract level analysis was not possible due to data privacy restrictions in DHCD-provided datasets.

Portfolio-level analysis of Maryland housing and community development programs

The following programs are included in this analysis:

- Multifamily housing construction
- Multifamily federally funded, tenant-based vouchers (rental services)
- Single-family special loans
- Single family homeownership
- Neighborhood revitalization
- Homelessness Solutions Programs

Multifamily housing construction

Maryland DHCD offers financing programs to multifamily housing developers for the creation and/or preservation of affordable rental housing units for low- and moderate-income residents. DHCD supports new construction or the acquisition and rehabilitation of existing units.

Multifamily rental financing programs include:

- Multifamily Bond Program
- Low Income Housing Tax Credits
- Rental Housing Program
- Rental Housing Works
- HOME Investment Partnerships Program
- National Housing Trust

Targeted financing programs include:

- Partnership Rental Housing Program
- Section 811 Project Rental Assistance Program
- Group Home Program
- Shelter and Transitional Housing Facilities Grant Program
- MD-BRAC Preservation Loan Fund

Descriptions for each of these programs are available on DHCD's website at: https://dhcd.maryland.gov/HousingDevelopment/Pages/FinancingPrograms.aspx.

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Table 1. Multifamily Construction Programs Overview, FY19

Multifamily construction (FY19)	
Number of projects	37 (new = 22, rehab = 14, new/acq/rehab = 1)
Number of units produced/preserved	3,927 (new= 2,204, Rehab =1,631, new/acq/rehab =92)
Total disability units	309
Primacy occupancy type	Families (1,065), Elderly (2,322), Special Needs (0)
Special populations served	Families, elderly, special needs
Total project development/production costs	$1,180,139,106
State Funds (MF State funds and other funds)	$60,353,375

Source: Enterprise analysis of data from the Maryland Department of Housing and Community Development

The total project costs for all multifamily housing projects was $1,180,139 (see Table 1). The amount of State funds (multifamily housing programs and other funds) was $60,353,375 (5% of total project costs). The largest percentages of total project costs came from Low-Income Housing Tax Credits (LIHTC) and leveraged funds. LIHTC project costs accounted for 32.7% of total project costs (inclusive of the 4% and 9% LIHTC or the 4% and 9% LIHTC rise-up).[1]

The total amount from each funding source listed in the dataset are provided in Table 2. Note that projects do not have all funding sources, projects may have one or many different funding sources, and these sources are non-overlapping.

Table 2. Multifamily Construction Programs by Fund Source, FY19

Funding Sources	Total dollar amount	Share of total project costs
Fed Home	$1,150,000	0.1%
FED NHTF	$5,581,429	0.5%
Bond Funds	$284,873,500	24.1%
Rental Housing loan Program	$19,910,700	1.7%
Rental Housing Works	$28,070,000	2.4%
Partnership Rental Housing Program	$10,872,675	0.9%
Weinberg	$1,500,000	0.1%
THG	$0	0%
FAF	$0	0%
LIHTC Tax Credit Rise Up	$386,445,874	32.7%
Leveraged Capital	$441,734,928	37.4%

Source: Enterprise analysis of data from the Maryland Department of Housing and Community Development

Table 3 shows the location of new multifamily construction properties, by county. The greatest number of new multifamily construction occurred in Montgomery County in FY2019, followed by Baltimore City.

[1] Leveraged capital are considered non-DHCD loans and are calculated by taking the total project costs minus the Short-Term Bond amount, Long-Term Bond Funds, Tax Credits, State funds and Federal Funds (according to DHCD dataset notes).

State programs and policies analysis August 2020
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Table 3. New Multifamily Construction by County, FY19

County	Count of Properties	Total Units
Anne Arundel County	1	6
Baltimore City	4	496
Baltimore County	1	72
Frederick County	2	296
Harford County	2	101
Montgomery County	8	952
Queen Anne's County	2	136
St. Mary's County	1	60
Wicomico County	1	75

Source: Enterprise analysis of data from the Maryland Department of Housing and Community Development

Table 4 shows the distribution of these properties relative to the Maryland Renter Stability Index, where Census Tracts were ranked using equal quintiles on a scale of 1 (lowest need based on negative z-score) to 5 (highest need based on positive z-score).

In the Washington, DC suburbs, 10 new multifamily construction properties were identified. Of the 10, two (2) were in Frederick County and eight (8) in Montgomery County. Nine (9) of the 10 properties were in tracts with Maryland Renter Stability Index score of three (3) or lower (meaning there were in moderate, low, or lowest need categories), and one property in Frederick County was located in a high need tract (or fifth quintile).

There were seven (7) new multifamily construction properties in the Greater Baltimore region. Four (4) were in in Baltimore City, all in tracts with highest needs among renters. One (1) property in Anne Arundel County and one (1) property in Baltimore County were both located tracts in moderate need areas. One property in Harford County was in a tract in the first quintile (or lowest need category).

Eastern Maryland had two new multifamily construction properties: one (1) in Queen Anne's County (in an area categorized as lowest need) and one (1) in Wicomico County (in an area categorized as high need). In Southern Maryland, one (1) property was built in St Mary's County in an area categorized as highest need. No properties were funded in Western Maryland in FY2019.

It is important to note that multifamily construction projects often are multi-year endeavors, as it takes time to assemble the funding and financing for these projects. No multifamily construction in specific counties or regions does not mean that these places are not using the state's Multifamily Construction Programs in other years.

Table 4. New Multifamily Construction Properties by Need Category, FY19

	Lowest need	Low need	Moderate need	Low need	Lowest need	Total Properties
Region: Washington Suburbs						
Frederick County	1				1	**2**
Montgomery County	1	4	3			**8**
Region: Greater Baltimore						
Anne Arundel County			1			**1**

Baltimore City					4	**4**
Baltimore County			1			**1**
Harford County	1					**2**
Region: Eastern Maryland						
Queen Anne's County	1					**1**
Wicomico County				1		**1**
Region: Southern Maryland						
St. Mary's County					1	**1**

Source: Enterprise analysis of data from the Maryland Department of Housing and Community Development

Multifamily federally funded, tenant-based vouchers

According to the DHCD website, "the 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 through the use of federal funds. The Maryland Department of Housing and Community Development administers the program in parts of the Eastern Shore and Western Maryland including: Allegany County (including the City of Cumberland), Caroline County, Dorchester County, Frederick County, Garrett County, Kent County, Somerset County, Talbot County, Wicomico County and Worcester County."

Table 5 summarizes Multifamily Rental Services programs administered by the State of Maryland. The general HCVP had the highest total dollar amount of funding and provided the highest number of vouchers across the state (see Figure 1).

Additional information on this program can be found on DHCD's website:
https://dhcd.maryland.gov/Residents/Pages/HousingChoice/default.aspx

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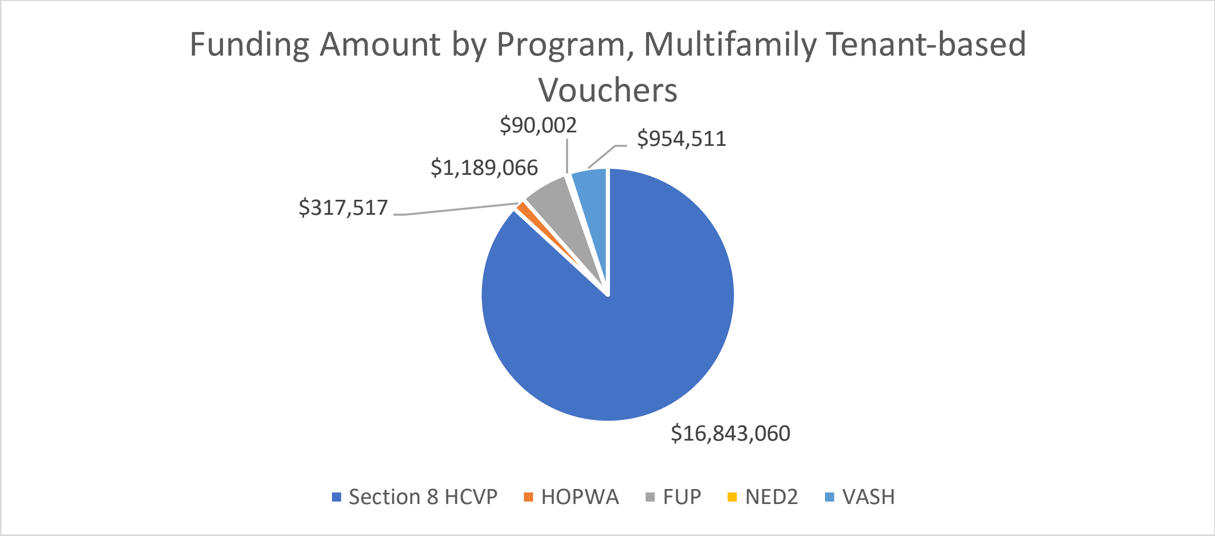
Table 5. Multifamily Rental Services Overview, FY19

Programs	○ Housing Choice Voucher Program General ○ Family Unification Program (FUP) ○ Non-Elderly Disabled Category 2 Program (NED2) ○ Project-Based Veteran Affairs Supportive Housing (VASH) ○ Housing Opportunities for Persons with AIDS (HOPWA)
Number of units or households assisted	2,378 households assisted ○ HCVP General (2,033) ○ FUP (104) ○ NED2 (10) ○ VASH (166) ○ HOWPA (65)
Total dollars for funding stream	$19,394,156 ○ HCVP General ($16,843,060) ○ FUP ($1,189,066) ○ NED2 ($90,002) ○ VASH ($954,511) ○ HOWPA ($317,517)

Source: Enterprise analysis of data from the Maryland Department of Housing and Community Development

Figure 1. Multifamily Rental Services Funding by Program, FY19



Source: Enterprise analysis of data from the Maryland Department of Housing and Community Development

Single-family special loans

Single-family special loans provide funding for the preservation and rehabilitation of primarily single-family properties (detached and townhomes). The various programs under this category provide funds for different purposes, such as general rehabilitation, plumbing, energy efficiency, and bringing buildings up to code (among others).

The Maryland Housing Rehabilitation Program (MHRP) and Special Targeted Applicant Rehabilitation (STAR) Program account for the highest percent of funds within this funding stream (see Table 6 and Figure 2).

Table 6. Single-Family Special Loans Overview, FY19

Programs	○ Maryland Housing Rehabilitation Program (MHRP) ○ Group Home Program (GHFP) ○ Indoor Plumbing Program (IPP) ○ Special Targeted Applicant Rehabilitation Program (STAR) ○ Accessible Homes for Seniors (AHSP) ○ Lead Hazard Reduction Grant and Loan Program (LEAD) ○ House Keys for Employees (HH4k)
Number of units or households assisted	103 (including the 6 units for GHFP) ○ MHRP (39) ○ GHFP (6) ○ IPP (9) ○ STAR (6) ○ AHSP (25) ○ LEAD (21) ○ HH4K (3)
Total loan amount	$4,364,433 ○ MHRP ($1,385,927) ○ GHFP (n/a) ○ IPP ($239,128) ○ STAR ($948,179) ○ AHSP ($454,844) ○ LEAD ($379,531) ○ HH4K ($421,840)

Source: Enterprise analysis of data from the Maryland Department of Housing and Community Development

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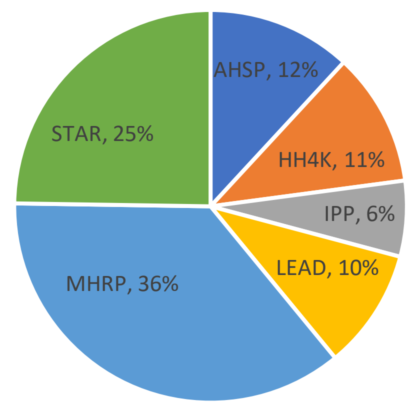
Figure 2. Share of Loan Amount, Single-Family Special Loans by Program, FY19



Source: Enterprise analysis of data from the Maryland Department of Housing and Community Development

Table 7 shows characteristics of homeowners assisted by the state's Single-Family Special Loans. The average age of an assisted homeowner was 66 years old. More than half of assisted homeowners were women and 62 percent were Black, non-Hispanic homeowners. The average income across all assisted homeowners was $23,403. In terms of property characteristics, 48 percent of loans were used in single-family, detached properties (see Table 8). Across all assisted properties, the average loan amount in FY2019 was more than $37,000.

Table 7. Characteristics of Assisted Homeowners, Single-Family Special Loans, FY19

Total borrowers	103 borrowers (not including GHRP)
Age	
Average age	66 years old
Sex	
Male	24% of borrowers
Female	60% of borrowers
Sex = n/a	16% of borrowers
Race	
Black/not Hispanic	62% of borrowers
White/not Hispanic	17% of borrowers
Race/ethnicity = n/a	21% of borrowers
Average borrower total income	$ 23,403 (23 missing values)

Source: Enterprise analysis of data from the Maryland Department of Housing and Community Development

Table 8. Characteristics of Assisted Properties, Single-Family Special Loans, FY19

Housing Type	
Detached	48% of housing units
Townhouse	44% of housing units
Housing type = n/a	9% of housing units
Average Loan Amount	$ 37,179

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Source: Enterprise analysis of data from the Maryland Department of Housing and Community Development

Maryland Mortgage Program

The Maryland Mortgage Program (MMP) is open to first-time home buyers of residential property in the state who meet income eligibility requirements (among other standards). The program provides loans through a network of lenders offering different loan products (see Table 9). Lenders offer loans like those available through conventional lenders, but an advantage of the MMP program is the availability of down payment assistance (DPA) and partner match programs (up to $8,500). These DPA and match programs are generally deferred, no-interest loans. Partners include employers, home builders/real estate developers, community organizations, and local governments. DHCD will match the DPA for certain loan products.

Table 9. Description of Products Available through the Maryland Mortgage Program

Product	***Description***
Home Loans	All home loan products available through MMP are 30-year, fixed-interest rate mortgages. There are a few different types of home loan products, and they generally vary by the kinds of down payment and closing cost assistance that are available with them. The main loan product types available through MMP are 1st Time Advantage, Flex, and a variable number of specialty products that usually run for a limited time.
Maryland SmartBuy	A program that makes selected state-owned homes available for sale and allows eligible homebuyers to use special MMP financing to pay off their outstanding student debt as part of the home purchase.
Maryland HomeAbility	A program for fist-time homebuyers with disabilities.
Partner Match Program	Many organizations and employers in Maryland have programs to help homebuyers including grants, loans and other helpful assistance. If using the 1st Time Advantage 5000 or Flex 5000, borrowers receiving assistance from one of the employers, builders, or community partners listed may be able to receive matching funds (from DHCD) up to $2,500. The match funds are a zero percent loan and repayable when the first mortgage is paid off.

Source: Maryland DHCD

The average purchase price of all homes was $228,567, and the average down payment assistance was slightly more than $7,000 (see Table 10). It should be noted that not all borrowers used this down payment assistance. The data shared by the Maryland Department of Housing and Community Development used for this analysis did not disaggregate down payment assistance and down payment match amounts.

Table 10. Maryland Mortgage Program Overview, FY19

Number of units or households assisted	2,453 households assisted
Total units Serving Special populations	○ HomeAbility (11) ○ SmartBuy (164)
Products	○ MMP 1st Time Advantage ▪ 1st Time Advantage Direct ▪ 1st Time Advantage 5000 ▪ 1st Time Advantage 3% Loan ○ MMP Flex ▪ Flex Direct ▪ Flex 5000 ▪ Flex 3% Loan ▪ Flex 3% Grant ▪ Flex 4% Grant ○ Maryland SmartBuy 1.0 and 2.0 (specialty product) ○ Maryland HomeAbility (specialty product) ○ Other product sub-groups listed in dataset not described here
Average purchase price of home	$228,567
Average amount borrowed through CDA loan	$222,222
Average down payment assistance amount	$7,042
Average mortgage credit amount	$52,374

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Source: Enterprise analysis of data from the Maryland Department of Housing and Community Development

In terms of products, the First Time Advantage Program accounts for the largest number of loans: – 49.4% (see Table 11). Other loan products and grants make up the second largest set of programs, which include Freddie Mac and Fannie Mae grants, FHA refinancing, conventional loans, and other products. SmartBuy accounts for 6.7 percent of loans, and HomeAbility accounts for a small share of loans statewide (0.4%).

Table 11. Maryland Mortgage Program, Summary of Products, FY19

Product	***Total Loans***	***Percent of Loans***
1st Time Advantage	1211	49.4%
Flex	24	1.0%
HomeAbility	11	0.4%
SmartBuy	164	6.7%
Other	1,043	42.5%

Source: Enterprise analysis of data from the Maryland Department of Housing and Community Development

Tables 12-13 summarize characteristics about the housing purchased through MMP and characteristics of MMP borrowers in FY2019. Most homes financed through MMP were single-family, detached homes (45%) and townhomes (25%). On average, homes purchased through MMP were constructed more than 40 years ago (based on average year built of 1978).

Table 12. Characteristics of Homes participating in the Maryland Mortgage Program, FY19

Housing Type	
Detached	45%
Duplex	1%
Townhouse	25%
Garden-style condo	5%
High-rise condo	1%
Condo	4%
Planned Unit Development (PUD)	19%
Other	Less than 1% (0.1%)
No Data	Less than 1% (0.04%)
Year Built	
Average build year of house	1978

Source: Enterprise analysis of data from the Maryland Department of Housing and Community Development

The average age of borrowers was 34. Forty-two (42) percent of borrowers were white, non-Hispanic and 39 percent were Black, non-Hispanic. Only 8 percent of borrowers were Hispanic, and 9 percent of borrowers did not report their race or ethnicity. The average income of all homebuyer using MMP was $79,660.

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Table 13. Characteristics of Borrowers, Maryland Mortgage Program, FY19

Sex	
Males	49%
Females	51%
Race/Ethnicity	
American Indian/Alaskan Native	0%
Asian/Pacific Islander	2%
Black/not Hispanic	39%
Hispanic	8%
White/not Hispanic	42%
Other	1%
No Data	9%
Other	
Average household income of borrower	$79,660
Average age of borrower	34

Source: Enterprise analysis of data from the Maryland Department of Housing and Community Development

Neighborhood revitalization programs

State neighborhood revitalization programs offer funding to assist communities with neighborhood revitalization activities (capital projects, property demolition, and business retention). Table 14 provides an overview of Maryland's Neighborhood Revitalization Programs and their use in FY2019.

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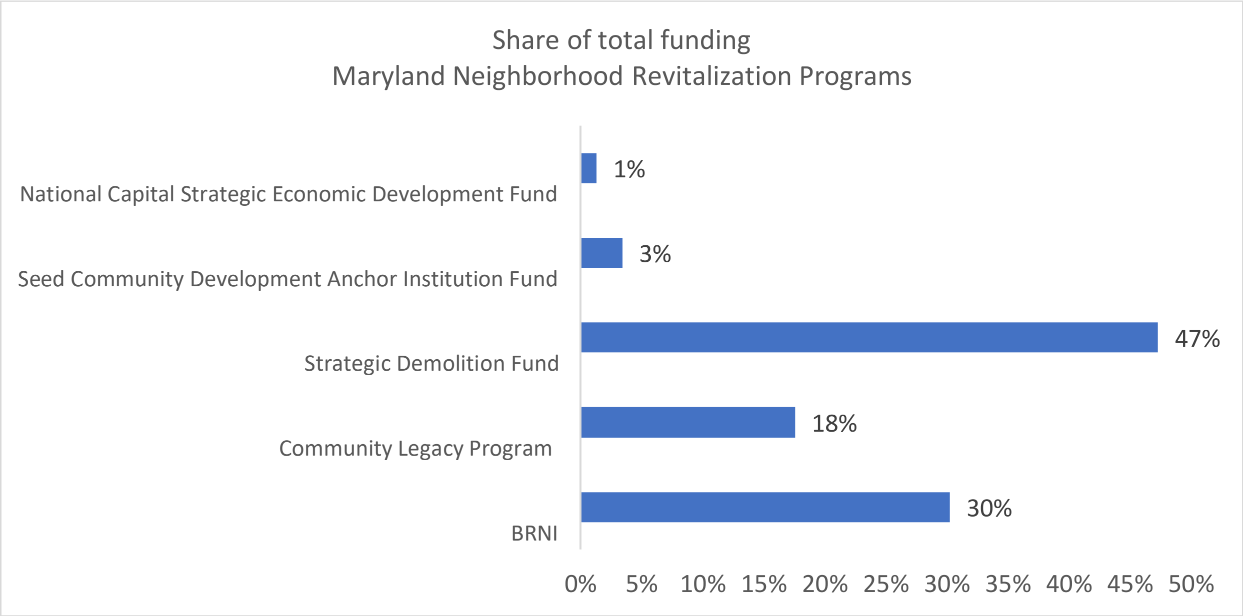
Table 14. Neighborhood Revitalization Programs Overview, FY19

Programs	○ Baltimore Regional Neighborhood Initiative program (BRNI) ○ Community Legacy Program ○ Strategic Demolition Fund ○ Seed Community Development Anchor Institution Fund ○ National Capital Strategic Economic Development Fund
Number of Projects	**168 Total Projects** ○ BRNI (59) ○ Community Legacy Program (79) ○ Strategic Demolition Fund (24) ○ Seed Community Development Anchor Institution Fund (1) ○ National Capital Strategic Economic Development Fund (5)
Total project costs	Total Project Costs = **$231,018,520** ○ BRNI ($69,941,017) ○ Community Legacy Program ($40,623,435) ○ Strategic Demolition Fund ($109,358,249) ○ Seed Community Development Anchor Institution Fund ($8,000,000) ○ National Capital Strategic Economic Development Fund ($3,095,819)
Total amount leveraged	Total Leveraged amount = **$179,501,120** ○ BRNI ($61,191,017) ○ Community Legacy Program ($32,623,435) ○ Strategic Demolition Fund ($78,790,849) ○ Seed Community Development Anchor Institution Fund ($4,000,000) ○ National Capital Strategic Economic Development Fund ($2,895,819)
Total amount awarded	Total amount awarded = **$51,517,400** ○ BRNI ($8,750,000) ○ Community Legacy Program ($8,000,000) ○ Strategic Demolition Fund ($30,567,400) ○ Seed Community Development Anchor Institution Fund ($4,000,000) ○ National Capital Strategic Economic Development Fund ($200,000)

Source: Enterprise analysis of data from the Maryland Department of Housing and Community Development

The Strategic Demolition Fund received the highest share of funding in FY2019, followed by the Baltimore Regional Neighborhood Initiative program (see Figure 3).

Figure 3. Neighborhood Revitalization Funding by Program, FY19



Source: Enterprise analysis of data from the Maryland Department of Housing and Community Development

Homelessness Solutions Program

The Maryland Homelessness Solutions Program provides federal and state funding to the 16 Continuums of Care (CoC) across the state to address homelessness. Funds are used for multiple purposes including outreach, emergency shelter, housing stabilization, and homeless management information systems. In FY2019, most funding supported general homelessness services programs (see Table 15).

Additional information on this program can be found on DHCD's website:
https://dhcd.maryland.gov/HomelessServices/Documents/HSP-Policy-Guide.pdf

Table 15. Homelessness Services Program Overview, FY19

Programs	○ Homelessness Services Programs ○ Youth Homelessness Symposium ○ YouthReach
Total $ in Funding	$9,791,697 ○ Homelessness Services Programs ($9,559,638) ○ Youth Homelessness Symposium ($32,059) ○ YouthReach (S20,000)

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Source: Enterprise analysis of data from the Maryland Department of Housing and Community Development

County and regional analysis of Maryland housing and community development programs

DHCD offers funding to wide variety of projects, and based on available programmatic data for FY2019, summarizing these projects varies at the county level, as does their overall comparability. For instance, a project supported by the state's multifamily construction program produces multiple units of housing, whereas single-family special loans and the single-family homeownership program support one home. Multifamily rental services provide funds for renters to rent a home, and neighborhood revitalization programs focus on place-based investments, some of which do not produce or preserve homes. Because of differences across programs, adding together total projects and units across counties may result in the double counting of multifamily construction.

Tables 16-17 shows the total number of projects and homes or units by state housing and community development program by county and Maryland region.[2]

Table 16. Total Projects and Units Supported by State Programs by County, FY19

County	***Multifamily Construction***		***MMP***	***Single-family Special Loans***	***Multifamily Vouchers***	***Neighborhood Revitalization***
	Total Projects	*Total Units Produced/Preserved*	*Total Loans*	*Total Loans*	*Total Vouchers*	*Total projects*
Allegany County	0	0	21	0	536	3
Anne Arundel County	1	6	262	12	2	1
Baltimore County	4	192	356	2	9	3
Calvert County	0	0	58	0	1	1
Caroline County	0	0	15	0	80	1
Carroll County	0	0	35	2	0	3
Cecil County	1	69	27	0	75	3
Charles County	3	448	164	0	0	0
Dorchester County	1	144	13	3	221	2
Frederick County	2	296	101	2	472	8
Garrett County	0	0	9	0	179	5
Harford County	2	111	146	0	1	5
Howard County	0	0	45	0	14	0
Kent County	0	0	10	0	43	3
Montgomery County	8	952	153	1	8	2
Prince George's County	0	0	419	14	5	14
Queen Anne's County	2	136	15	1	7	1
Somerset County	0	0	9	12	84	2
St. Mary's County	1	60	79	0	15	2

[2] Homelessness Services Programs were not included in these summaries because much of the funding is used across multiple jurisdictions.

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Talbot County	0	0	16	1	45	1
Washington County	0	0	92	0	15	2
Wicomico County	2	171	64	2	426	4
Worcester County	0	0	7	2	127	6
Baltimore city	9	1284	337	14	13	7
Maryland	**37**	**3927**	**2453**	**68**	**2378**	**79**

Source: Enterprise analysis of data from the Maryland Department of Housing and Community Development | Multifamily Construction has one project with units in Baltimore City, Baltimore County and Howard County but there is no unit breakdown of that project by county in DHCD programmatic datasets.

Table 17. Total Projects and Units Supported by State Programs by Maryland Region, FY19

Region	***Multifamily Construction***		***MMP***	***Single-family Special Loans***	***Multifamily Vouchers***	***Neighborhood Revitalization***
	Total Projects	*Total Units Produced/Preserved*	*Total Loans*	*Total Loans*	*Total Vouchers*	*Total projects*
Greater Baltimore	16	1593	1181	30	39	19
Eastern Maryland	6	520	176	21	1108	23
Southern Maryland	4	508	301	0	16	3
Washington, DC Suburbs	10	1248	673	17	485	24
Western Maryland	0	0	122	0	730	10
Maryland	**37**	**3869**	**2453**	**68**	**2378**	**79**

Source: Enterprise analysis of data from the Maryland Department of Housing and Community Development | Multifamily Construction has one project with units in Baltimore City, Baltimore County and Howard County but there is no unit breakdown of that project by county in DHCD programmatic datasets.

Total State-Supported Projects or Homes by County and Region

A total of projects or homes (projects/loans/vouchers) supported by Maryland housing and community development programs were calculated by adding together the counts by county of the following:

- Total multifamily construction projects (total number of construction or rehabilitation projects; a project is a single construction or rehabilitation project of one or more buildings and multiple units.)
- Total MMP loans (total number of borrowers for one of the MMP programs)
- Total single-family special loans (total number of loans used in a county)
- Vouchers (total number of vouchers provided to individuals or household to rent a property)
- Total neighborhood revitalization projects (total number of grants awarded)

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Table 18. Total State-Supported Projects or Homes by County, FY19

County	***Total Projects/Homes***	***% of Total Projects/Homes***
Allegany County	560	11%
Anne Arundel County	278	6%
Baltimore County	374	7%
Calvert County	60	1%
Caroline County	96	2%
Carroll County	40	1%
Cecil County	106	2%
Charles County	167	3%
Dorchester County	240	5%
Frederick County	585	12%
Garrett County	193	4%
Harford County	154	3%
Howard County	59	1%
Kent County	56	1%
Montgomery County	172	3%
Prince George's County	452	9%
Queen Anne's County	26	1%
Somerset County	107	2%
St. Mary's County	97	2%
Talbot County	63	1%
Washington County	109	2%
Wicomico County	498	10%
Worcester County	142	3%
Baltimore City	380	8%

Source: Enterprise analysis of data from the Maryland Department of Housing and Community Development

Table 19. Total State-Supported Projects or Homes by Maryland Region, FY19

Region	***Total Projects/Homes***	***% Total Projects/Homes***
Greater Baltimore	1,285	26%
Eastern Maryland	1,334	27%
Southern Maryland	324	7%
Washington, DC Suburbs	1,209	24%
Western Maryland	862	17%

Source: Enterprise analysis of data from the Maryland Department of Housing and Community Development

In FY2019, the five (5) places with the highest percentage of state-supported projects are Frederick (12%), Allegany (11%), Wicomico (10%), and Prince George's (9%) counties and Baltimore City (8%) (see Table 18).

Regionally, Eastern Maryland has the highest percentage of state-supported projects or homes (27%), followed closely by Greater Baltimore (26%). The lowest share of state-supported projects was in Southern Maryland (7%) in FY2019 (see Table 19). It is important to note that different programs maintain or require affordability restrictions for different lengths of time, so the overall impact of state-supported projects and units on their ability to create long-term affordability varies.

Total Units by County and Region

Total units were calculated by adding together the counts by county of the following:

- Total multifamily construction units produced or preserved
- Total MMP loans
- Total single-family special loans
- Vouchers

Table 20 shows that the top five places in terms of state-supported subsidized units were Baltimore City (19%) and Montgomery (13%), Frederick (10%), Wicomico (8%), and Allegany (6%) counties. The Greater Baltimore region and Washington, DC suburbs account for the highest percentage of state-supported subsidized units, based on this analysis of DHCD's programmatic data for FY2019 (see Table 21). It's worth noting that these regions also have a large share of the state's total population.

Table 20. Total Subsidized Units, FY19

County	***Total Units***	***% of Total Units***
Allegany County	557	6%
Anne Arundel County	282	3%
Baltimore County	559	6%
Calvert County	59	1%
Caroline County	95	1%
Carroll County	37	0%
Cecil County	171	2%
Charles County	612	7%
Dorchester County	381	4%
Frederick County	871	10%
Garrett County	188	2%
Harford County	258	3%
Howard County	59	1%
Kent County	53	1%
Montgomery County	1,114	13%
Prince George's County	438	5%
Queen Anne's County	159	2%
Somerset County	105	1%
St. Mary's County	154	2%
Talbot County	62	1%
Washington County	107	1%
Wicomico County	663	8%
Worcester County	136	2%
Baltimore City	1,648	19%

Source: Enterprise analysis of data from the Maryland Department of Housing and Community Development

Table 21. Total Subsidized Units by Region, FY19

Region	***Share of Subsidized Units***
Greater Baltimore	32%
Washington, DC Suburbs	28%
Eastern Maryland	21%
Western Maryland	10%
Southern Maryland	9%

Source: Enterprise analysis of data from the Maryland Department of Housing and Community Development

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Total Amount of State Funding by County and Region

The following metrics were used to calculate the total amount of funding by county and region:

- Maryland Mortgage Program total loan amounts
- Multifamily Construction Programs total project costs
- Rental Services total funding
- Neighborhood Revitalization total project costs
- Single Family special loans total loan amount (includes Group Home data)

Tables 22-23 summarize total funding (dollar amount and share) by funding sources at the county-level.

Table 22. Total State Funding by Funding Source and County, FY19

County	MMP	Multifamily Construction	Rental Services	Neighborhood Revitalization	Single-family Special Loans
	Total Loan Amount	*Total Project Costs*	*Total Funds*	*Total Project Costs*	*Total Loan Amount*
Allegany County	$2,086,444	0	$3,067,344	$1,049,670	0
Anne Arundel County	$67,818,640	$2,072,675	$9,311	$200,000	$3,51,570
Baltimore County	$68,831,666	$45,278,983	$97,867	$360,000	$31,220
Calvert County	$13,624,807	0	$13,740	$50,000	0
Caroline County	$2,838,346	0	$533,208	$380,280	0
Carroll County	$8,676,124	0	0	$410,000	$192,239
Cecil County	$4,890,296	$13,063,436	$480,832	$208,109	0
Charles County	$43,906,905	$116,906,685	0	0	0
Dorchester County	$2,155,561	$28,900,000	$1,611,074	$3,400,000	$348,336
Frederick County	$25,214,086	$87,381,562	$6,920,170	$935,000	$59,014
Garrett County	$1,094,193	0	$827,619	$206,000	0
Harford County	$29,073,463	$38,395,602	$9,647	$1,509,583	0
Howard County	$10,491,925	0	$163,598	0	0
Kent County	$1,698,268	0	$281,942	$272,125	0
Montgomery County	$42,916,948	$371,291,057	$96,513	$1,422,797	$15,984
Prince George's County	$112,755,682	0	$32,009	$4,167,380	$364,051
Queen Anne's County	$3,663,644	$38,486,560	$86,554	$32,786	$10,595
Somerset County	$1,224,230	0	$496,201	$235,284	$791,661
St. Mary's County	$18,608,173	$21,296,160	$155,155	$191,775	0
Talbot County	$3,003,874	0	$397,946	$912,758	$180,217
Washington County	$14,504,606	0	$50,640	$1,663,000	0
Wicomico County	$ 8,908,633	$34,221,173	$3,083,782	$2,488,000	$74,030
Worcester County	$1,074,602	0	$915,933	$909,000	$200,574
Baltimore City	$56,050,381	$369,878,954	$103,111	$19,619,888	$1,744,942
Maryland	**$545,111,497**	**$1,167,172,847**	**$19,434,196**	**$40,623,435**	**$4,364,433**

Source: Enterprise analysis of data from the Maryland Department of Housing and Community Development

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Table 23. Share of State Funding by Funding Source and County, FY19

County	***Percent of funding***				
	MMP	***Multifamily Construction***	***Rental Services***	***Neighborhood Revitalization***	***Single-family Special Loans***
Allegany County	0.38%	0.00%	15.78%	2.58%	0.00%
Anne Arundel County	12.44%	0.18%	0.05%	0.49%	8.06%
Baltimore County	12.63%	3.88%	0.50%	0.89%	0.72%
Calvert County	2.50%	0.00%	0.07%	0.12%	0.00%
Caroline County	0.52%	0.00%	2.74%	0.94%	0.00%
Carroll County	1.59%	0.00%	0.00%	1.01%	4.40%
Cecil County	0.90%	1.12%	2.47%	0.51%	0.00%
Charles County	8.05%	10.02%	0.00%	0.00%	0.00%
Dorchester County	0.40%	2.48%	8.29%	8.37%	7.98%
Frederick County	4.63%	7.49%	35.61%	2.30%	1.35%
Garrett County	0.20%	0.00%	4.26%	0.51%	0.00%
Harford County	5.33%	3.29%	0.05%	3.72%	0.00%
Howard County	1.92%	0.00%	0.84%	0.00%	0.00%
Kent County	0.31%	0.00%	1.45%	0.67%	0.00%
Montgomery County	7.87%	31.81%	0.50%	3.50%	0.37%
Prince George's County	20.68%	0.00%	0.16%	10.26%	8.34%
Queen Anne's County	0.67%	3.30%	0.45%	0.08%	0.24%
Somerset County	0.22%	0.00%	2.55%	0.58%	18.14%
St. Mary's County	3.41%	1.82%	0.80%	0.47%	0.00%
Talbot County	0.55%	0.00%	2.05%	2.25%	4.13%
Washington County	2.66%	0.00%	0.26%	4.09%	0.00%
Wicomico County	1.63%	2.93%	15.87%	6.12%	1.70%
Worcester County	0.20%	0.00%	4.71%	2.24%	4.60%
Baltimore City	10.28%	31.69%	0.53%	48.30%	39.98%
Maryland	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Enterprise analysis of data from the Maryland Department of Housing and Community Development

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Table 24. Total State Funding by County and Per Capita, FY19

County	*Total Funding*	*Percent of Total Funding*	*Total Population (2017)*	*Per Capita Funding*
Allegany County	$6,203,458	0%	73,596	$84.29
Anne Arundel County	$70,100,626	4%	567,625	$124.12
Baltimore County	$114,599,736	6%	837,352	$136.86
Calvert County	$13,688,547	1%	91,541	$149.53
Caroline County	$3,751,834	0%	33,224	$112.93
Carroll County	$9,278,363	1%	168,989	$54.91
Cecil County	$18,642,673	1%	103,224	$180.60
Charles County	$160,813,590	9%	155,037	$1,037.26
Dorchester County	$36,414,971	2%	33,038	$1,102.21
Frederick County	$120,509,832	7%	246,435	$489.01
Garrett County	$2,127,812	0%	29,989	$70.95
Harford County	$68,988,295	4%	252,332	$273.40
Howard County	$10,655,523	1%	313,112	$34.03
Kent County	$2,252,335	0%	20,262	$111.16
Montgomery County	$415,743,299	23%	1,041,724	$399.09
Prince George's County	$117,319,122	7%	903,022	$129.92
Queen Anne's County	$42,280,139	2%	49,516	$853.87
Somerset County	$2,747,376	0%	26,375	$104.17
St. Mary's County	$40,251,263	2%	110,992	$362.65
Talbot County	$4,494,795	0%	38,153	$117.81
Washington County	$16,218,246	1%	150,311	$107.90
Wicomico County	$48,775,618	3%	103,306	$472.15
Worcester County	$3,100,109	0%	52,268	$59.31
Baltimore city	$447,397,276	25%	628,634	$711.70
Maryland	**$1,776,706,408**	**100%**	**6,030,057**	**$294.64**

Source: Enterprise analysis of data from the Maryland Department of Housing and Community Development

Table 24 shows the total amount and share of funding by county and Baltimore City and per capita funding based on 2017 population. In FY2019, the counties that received the most state funding were Baltimore City ($447,397,276) and Montgomery County ($415,743,299). The following counties had the highest per capita funding in FY2019: Dorchester ($1,102.21 per person), Charles ($1,037.26 per person), and Queen Anne’s ($853.87 per person) counties. The following counties had the lowest per capita funding in FY2019: Howard ($34.03 per person), Carroll ($54.91 per person) and Worchester ($59.31 per person) counties.

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Table 25. Total State Funding by Funding Source and Region, FY19

Region	MMP	Multifamily Construction	Rental Services	Neighborhood Revitalization	Single-family Special Loans
	Total Loan Amount	*Total Project Cost*	*Total Funds*	*Total Project Cost*	*Total Loan Amount*
Greater Baltimore	$240,942,199	$455,626,214	$383,534	$22,099,471	$2,319,971
Eastern Maryland	$29,457,454	$114,671,169	$7,887,472	$8,838,342	$1,605,413
Southern Maryland	$76,139,885	$138,202,845	$168,895	$241,775	$0
Washington, DC Suburbs	$180,886,716	$458,672,619	$7,048,692	$6,525,177	$439,049
Western Maryland	$17,685,243	$0	$3,945,603	$2,918,670	$0
Maryland	**$545,111,497**	**$1,167,172,847**	**$19,434,196**	**$40,623,435**	**$4,364,433**

Source: Enterprise analysis of data from the Maryland Department of Housing and Community Development

Table 26. Share of State Funding by Funding Source and Region, FY19

Region	*Percent of funding*				
	MMP	***Multifamily Construction***	***Rental Services***	***Neighborhood Revitalization***	***Single-family Special Loans***
Greater Baltimore	44.20%	39.04%	1.97%	54.40%	49.05%
Eastern Maryland	5.40%	9.82%	40.59%	21.76%	40.01%
Southern Maryland	13.97%	11.84%	0.87%	0.60%	0.00%
Washington, DC Suburbs	33.18%	39.30%	36.27%	16.06%	10.94%
Western Maryland	3.24%	0.00%	20.30%	7.18%	0.00%
Maryland	**100%**	**100%**	**100%**	**100%**	**100%**

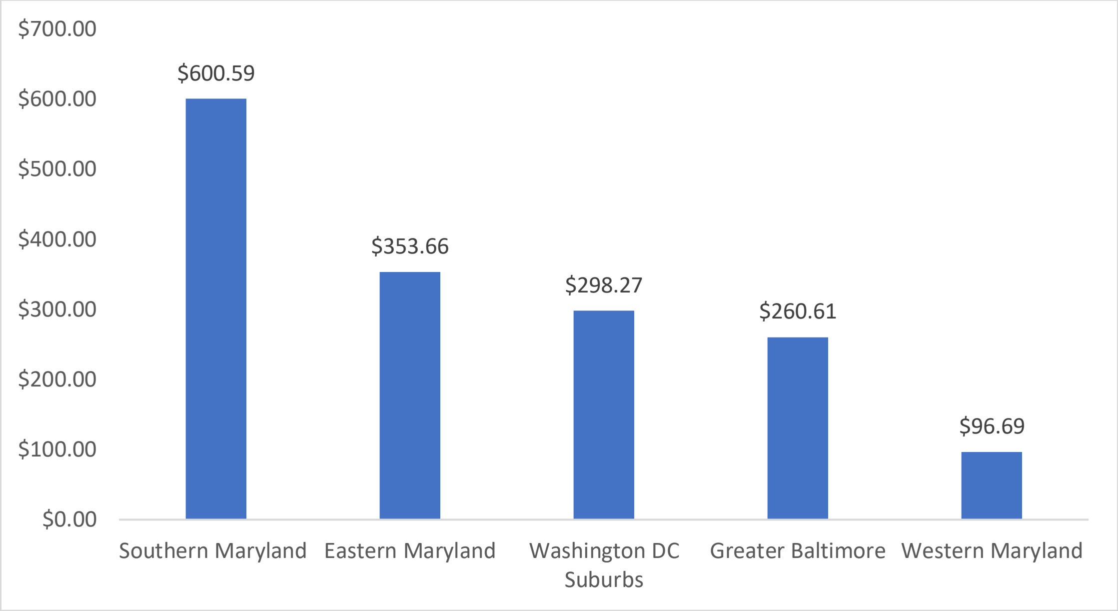
Source: Enterprise analysis of data from the Maryland Department of Housing and Community Development

Table 27. Total State Funding by Region and Per Capita, FY19

Region	***Total Funding***	***Percent of Total Funding***	***Total Population (2017)***	***Per Capita Funding***
Greater Baltimore	$721,019,819	41%	2,768,044	$260.61
Eastern Maryland	$162,459,850	9%	543,983	$353.66
Southern Maryland	$214,753,400	12%	272,953	$600.59
Washington, DC Suburbs	$653,572,253	37%	2,191,181	$298.27
Western Maryland	$24,549,516	1%	253,896	$96.69
Maryland	**$1,776,354,838**	**100%**	**6,030,057**	**$294.58**

Source: Enterprise analysis of data from the Maryland Department of Housing and Community Development

Figure 4. Per Capita State Funding by Region, FY19



Source: Enterprise analysis of data from the Maryland Department of Housing and Community Development

Tables 25-26 summarize total funding (dollar amount and share) by funding sources by Maryland region. Greater Baltimore had the highest total funding in FY2019, totaling more than $721 million. Conversely, the region has one of the lowest per capital funding levels ($260.61 per person), which is largely attributable to being the largest region in the state in terms of population (see Table 27 and Figure 4). On a per capita basis, Southern Maryland had the highest amount of funding in FY2019 ($600.59 per person).

Table 28. State Funding per Cost-Burdened Household by County, FY19

County	***Cost-burdened households***		***Funding per cost-burdened households***				
	Share	*Number*	*MMP*	*Multifamily Construction*	*Rental Services*	*Neighborhood Revitalization*	*Single-family Special Loans*
Allegany County	27%	7,390	$282	$0	$415	$142	$0
Anne Arundel County	29%	58,595	$1,157	$35	$0	$3	$6
Baltimore County	31%	94,860	$726	$477	$1	$4	$0
Calvert County	29%	8,955	$1,521	$0	$2	$6	$0
Caroline County	38%	4,485	$633	$0	$119	$85	$0
Carroll County	27%	16,135	$538	$0	$0	$25	$12
Cecil County	31%	11,285	$433	$1,158	$43	$18	$0
Charles County	33%	17,555	$2,501	$6,659	$0	$0	$0
Dorchester County	33%	4,365	$494	$6,621	$369	$779	$80
Frederick County	29%	25,415	$992	$3,438	$272	$37	$2
Garrett County	27%	3,080	$355	$0	$269	$67	$0
Harford County	28%	25,220	$1,153	$1,522	$0	$60	$0
Howard County	26%	28,675	$366	$0	$6	$0	$0
Kent County	33%	2,519	$674	$0	$112	$108	$0
Montgomery County	32%	116,575	$368	$3,185	$1	$12	$0
Prince George's County	38%	114,305	$986	$0	$0	$36	$3
St. Mary's County	27%	10,255	$1,815	$2,077	$15	$19	$0
Queen Anne's County	29%	5,104	$718	$7,540	$17	$6	$2
Somerset County	40%	3,295	$372	$0	$151	$71	$240
Talbot County	34%	5,534	$543	$0	$72	$165	$33
Washington County	29%	16,125	$900	$0	$3	$103	$0
Wicomico County	34%	12,425	$717	$2,754	$248	$200	$6
Worcester County	34%	7,125	$151	$0	$129	$128	$28
Baltimore city	41%	96,120	$583	$3,848	$1	$204	$18
Maryland	**32%**	**695,397**	**$784**	**$1,678**	**$28**	**$58**	**$6**

Source: Enterprise analysis of data from the Maryland Department of Housing and Community Development

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Table 29. State Funding per Cost-Burdened Household by Region, FY19

Region	***Cost-burdened households***		***Funding per cost-burdened households***				
	Share	*Number*	*MMP*	*Multifamily Construction*	*Rental Services*	*Neighborhood Revitalization*	*Single-family Special Loans*
Eastern Maryland	33.21%	56,137	$525	$2,043	$141	$157	$29
Greater Baltimore	31.62%	319,605	$754	$1,426	$1	$69	$7
Southern Maryland	29.79%	36,765	$2,071	$3,759	$5	$7	$0
Washington, DC suburbs	33.83%	256,295	$706	$1,790	$28	$25	$2
Western Maryland	28.03%	26,595	$665	$0	$148	$110	$0
Maryland	**32.26%**	**695,397**	**$784**	**$1,678**	**$28**	**$58**	**$6**

Source: Enterprise analysis of data from the Maryland Department of Housing and Community Development

Tables 28-29 illustrate the percent and number of households by county and Baltimore City and by Maryland region that pay more than 30% of their income on housing each month, and the ratio of funding dollars per cost-burdened household. Southern Maryland has the largest proportion of MMP and Multifamily Construction funding per cost-burdened household ($2,071 and $3,759, respectively), although it has a relatively low share of cost-burdened households overall (29.8%). The Washington, DC suburbs have the highest proportion of cost-burdened households (33.8%), but in no category does it receive the highest amount of dollar to cost-burdened household funding.

Race & ethnicity: Maryland Housing and Community Development Programs

Programmatic level data

The Maryland Mortgage Program and the Single-family Special Loans program track race and ethnicity data about the residents who use them. The Maryland Mortgage Program reports six race and ethnicity categories and has no data on 9 percent of people who used this program. The Single-Family Special Loan program reports two race categories and has no data on 21 percent of people who used this program.

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Table 30. Maryland Mortgage Program Use by Race and Ethnicity by County, FY19

County	***Percent of borrowers by race and ethnicity***						
	American Indian/ Alaskan Native	*Asian/ Pacific Islander*	*Black/not Hispanic*	*White/not Hispanic*	*Hispanic*	*Other*	*No Data*
Allegany County	0%	0%	5%	90%	0%	0%	5%
Anne Arundel County	0%	1%	27%	54%	4%	1%	13%
Baltimore County	1%	2%	38%	47%	5%	0%	8%
Calvert County	2%	0%	12%	76%	3%	2%	5%
Caroline County	0%	0%	0%	93%	7%	0%	0%
Carroll County	0%	0%	11%	77%	0%	3%	9%
Cecil County	4%	4%	15%	70%	0%	0%	7%
Charles County	1%	1%	64%	21%	3%	0%	10%
Dorchester County	0%	8%	0%	77%	0%	0%	15%
Frederick County	1%	3%	16%	53%	12%	2%	13%
Garrett County	0%	0%	0%	100%	0%	0%	0%
Harford County	0%	1%	22%	65%	4%	1%	8%
Howard County	2%	7%	24%	29%	20%	0%	18%
Kent County	0%	0%	30%	60%	0%	0%	10%
Montgomery County	0%	5%	28%	24%	29%	1%	13%
Prince George's County	0%	2%	66%	8%	14%	1%	8%
Queen Anne's County	0%	0%	0%	87%	0%	0%	13%
Somerset County	0%	0%	33%	56%	0%	0%	11%
St. Mary's County	0%	1%	18%	75%	1%	1%	4%
Talbot County	0%	0%	0%	81%	0%	6%	13%
Washington County	0%	0%	8%	77%	9%	0%	7%
Wicomico County	0%	2%	25%	61%	5%	0%	8%
Worcester County	0%	0%	14%	86%	0%	0%	0%
Baltimore city	0%	0%	60%	29%	3%	1%	6%
Maryland	**0%**	**2%**	**39%**	**42%**	**8%**	**1%**	**9%**

Source: Enterprise analysis of data from the Maryland Department of Housing and Community Development

According to FY2019 program data, most MMP borrowers were White, not Hispanic, representing 42% of all borrowers (see Table 30). The exceptions are Charles and Prince George's counties, and Baltimore City, which all had higher shares of borrowers that were Black, not Hispanic. This trend aligns with the overall racial distribution of these counties' populations.

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Table 31. Single-Family Special Loans Use by Race and Ethnicity by County, FY19

County	***Percent of borrowers by race and ethnicity***		
	Black/not Hispanic	*White/not Hispanic*	*No Data*
Anne Arundel County	33%	67%	0%
Baltimore County	50%	0%	50%
Carroll County	0%	50%	50%
Dorchester County	0%	100%	0%
Frederick County	0%	100%	0%
Montgomery County	100%	0%	0%
Prince George's County	100%	0%	0%
Queen Anne's County	0%	100%	0%
Somerset County	83%	17%	0%
Talbot County	100%	0%	0%
Wicomico County	100%	0%	0%
Worcester County	100%	0%	0%
Baltimore city	59%	0%	41%
Maryland	**62%**	**17%**	**21%**

Source: Enterprise analysis of data from the Maryland Department of Housing and Community Development

Single-family special loans varied in terms of the racial composition of borrowers across each county (see Table 31). In many counties, loans were used exclusively by one race (with 100% of loan to either White, not Hispanic or Black, not Hispanic people). It should be noted that limitations in the data (that many counties had low numbers of total borrowers and missing data on race) may artificially inflate the distribution across racial groups.

Per capita funding and race by geography

An analysis of funding by county and Baltimore City suggests that the racial composition of counties is not conclusively related to total per capita funding. For example, the counties with the highest total per total per capita funding were Dorchester, Charles, and Queen Anne's counties and Baltimore City. All of these areas, with the exception of Baltimore City and Charles County have a higher percentage of white residents compared residents that identify as Black, non-Hispanic or another racial category. This does not reflect who receives the benefits of those funding dollars within those counties, which cannot be tracked with the available data.

The highest per capita funding is distributed to more rural counties, with the exception of Baltimore City.

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Table 32. State Funding by Race by County, FY19

	Share of population			
County	***Black, not Hispanic residents***	***White, not Hispanic residents***	***Residents of all other races***	***Per Capita funding***
Allegany County	8%	88%	3%	$84.29
Anne Arundel County	16%	74%	10%	$124.12
Baltimore County	28%	62%	10%	$136.86
Calvert County	12%	81%	7%	$149.53
Caroline County	13%	80%	6%	$112.93
Carroll County	3%	92%	4%	$54.91
Cecil County	7%	88%	5%	$180.60
Charles County	43%	47%	10%	$1,037.26
Dorchester County	27%	66%	7%	$1,102.21
Frederick County	9%	81%	10%	$489.01
Garrett County	1%	97%	2%	$70.95
Harford County	13%	79%	7%	$273.40
Howard County	18%	59%	23%	$34.03
Kent County	15%	82%	3%	$111.16
Montgomery County	18%	54%	28%	$399.09
Prince George's County	63%	19%	18%	$129.92
Queen Anne's County	7%	89%	4%	$853.87
Somerset County	42%	53%	5%	$104.17
St. Mary's County	14%	79%	7%	$362.65
Talbot County	12%	83%	5%	$117.81
Washington County	10%	83%	7%	$107.90
Wicomico County	25%	68%	7%	$472.15
Worcester County	14%	83%	4%	$59.31
Baltimore city	63%	30%	7%	$711.70
Maryland	**30%**	**57%**	**14%**	**$294.58**

Source: Enterprise analysis of data from the Maryland Department of Housing and Community Development

Table 33. Funding by Race by Region, FY19

Region	*Share of population*			***Per Capita Funding***
	Black, not Hispanic residents	***White, not Hispanic residents***	***Residents of all other races***	
Greater Baltimore	30%	60%	10%	$260.61
Eastern Maryland	16%	78%	5%	$353.66
Southern Maryland	26%	65%	8%	$600.59
Washington, DC suburbs	36%	43%	22%	$298.27
Western Maryland	9%	86%	5%	$96.69
Maryland	**30%**	**57%**	**14%**	**$294.58**

Source: Enterprise analysis of data from the Maryland Department of Housing and Community Development

Regionally, per capita funding is highest in Southern Maryland. The population in this region is 65 percent white, non-Hispanic; 26 percent Black, non-Hispanic; and 8 percent of the population is another race, including two or more races (see Table 32). The second highest amount of per capita funding goes to Eastern Maryland, where 78 percent of the region's population is white. The Washington, DC suburbs and Greater Baltimore, with per capita funding in the middle of all five regions, have higher shares of Black residents (see Table 33).

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Prepared as part of the
Maryland Housing Needs Assessment & 10-Year Strategic Plan

Overview & Assessment of Maryland's Existing Housing Tools

This section provides an overview of the key housing and community development programs, policies, and financing resources available at the state-level. Most of these tools are administered by the Maryland Department of Housing and Community Development (DHCD), with some additional tools administered through other state agencies or departments.

Figure 5 shows the state's housing tools included in the evaluation completed as part of the Maryland Housing Needs Assessment & 10-Year Strategic Plan. A more detailed summary of the state's Low-Income Housing Tax Credit is in the next section of this appendix.

The evaluation sought to answer three questions:

1. How well do these housing programs, related policies and financing tools address Maryland's current and future housing conditions and serve priority populations?
2. What key outcomes or goals are these programs, policies, and financing tools designed to achieve today and how well are they currently advancing them?
3. What opportunities exist to align or modify existing programs, policies and financing tools to address housing needs today and in the future? What opportunities exist to introduce new tools to address housing needs today and in the future?

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Figure 5. Maryland's Housing-Related Programs, Policies, and Financing

Programs	Policies/Incentives	Financing
• Rental Housing Program • Partnership Rental Housing Program • Section 811 Project Rental Assistance Program • Group Home Program • Shelter and Transitional Housing Facilities Grant Program • MD-BRAC Preservation Loan Fund • Maryland Housing Rehabilitation Program • Indoor Plumbing Program • Special Targeted Applicant Rehabilitation (STAR) Program • Accessible Homes for Seniors • Lead Hazard Reduction Grant and Loan Program • Ground Rent Redemption Loan Program • MD HOPE (Foreclosure Prevention) • Maryland Mortgage Program (homebuyer) • Maryland WholeHome • BeSMART Home Loan Program • NetZero Loan Program • EmPower Low Income Energy Efficiency Loan Program • Weatherization Assistance Program • Department-owned Properties • Rental services/Housing Choice Vouchers	• Independent Living Tax Credit • Density Bonus • Transfer of Development Rights • Tax Increment Financing • Sustainable Communities • Opportunity Zones	• Multifamily Bond Program • Low Income Housing Tax Credits • Rental Housing Works (Gap Financing) • HOME Investment Partnerships Program • National Housing Trust • Community Development Block Grant • Maryland Affordable Housing Trust • NCSED Fund (NED)

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Key Findings: Maryland Housing Programs

Table 34 summarizes the alignment of Maryland's housing programs and how they **currently** relate to housing needs and goals articulated in the Maryland Housing Needs Assessment (where an "x" suggests alignment).

Key findings from evaluation

- The State of Maryland's current programs prioritize the production of affordable rental housing over preservation of existing affordable housing. The Rental Housing Program and the Partnership Rental Housing Program provide development loans that are offered statewide. The Rental Housing Program does include preservation as an eligible use; however, this program strives to meet annual production goals while targeting high-priority projects that are being funded by the Low-Income Housing Tax Credit (LIHTC) and National Housing Trust Fund (NHTF). There are existing policy and financing tools that support the acquisition and preservation of existing affordable housing but updating programmatic tools can ensure this asset is protected moving forward.

- The State of Maryland Rental Housing and Partnership Rental Housing programs are designed to be a tool to cover a project's equity gap. However, limited capacity, specifically for smaller entities (developers, municipalities, nonprofits) make larger transactions infeasible, and this limitation likely impacts their ability to access these programs and their funds. There is a strategic opportunity to update existing policy and programmatic tools that support capacity-building of smaller developers, which in turn could support smaller projects.

- Several rental and homeownership programs have updated their requirements or program scope to be responsive to emerging needs and creating more access to opportunity. The Rental Housing Program gives priority to projects that provide tenant service packages through the CORES certification. The MD HOPE Initiative has expanded their services from foreclosure prevention into homebuyer initiatives.

- Several programs are designed to serve vulnerable populations: Partnership Rental Housing Program, Section 811 Project Rental Assistance Program, Section 8 Housing Choice Voucher, and the Special Targeted Application Rehabilitation (STAR) Program. The current targeted populations from the program, policy, and financing tools vary and may not be aligned with the current demand or need for assistance. Updating income requirements or geographic targets may be needed to ensure vulnerable populations are being addressed statewide.

- Programs have made attempts to address the need for more diverse housing options but have encountered setbacks. The Partnership Rental Housing Program has begun multiple small buildings initiatives, but it lacks a strong production platform, in addition to the challenge of developing scattered sites. Tailoring additional financing to support scattered site projects from existing resources such as tax-exempt bond financing, LIHTC, HOME, and the NHTF would improve results.

- Most programs are offered statewide, meaning they are not targeted geographically. This flexibility can dull the impact of the state's programs. For instance, the Rental Housing Program is production-driven (meaning it focuses on producing units), and more specific geographic targeting may affect the number of units built. A key consideration for the Maryland

Department of Housing and Community Development is how to balance its desire to production of affordable housing with other impact objectives.

- State programs have worked well in local jurisdictions where additional funds or local programs have been leveraged for a larger impact. For example, the Montgomery Homeownership Program IV, a partnership between the Maryland Mortgage Program and Montgomery County, combines County funds and State assistance to support homebuyers. In jurisdictions that may not have the same local funding to replicate this partnership, the State could scale up its existing funding, such as Community Legacy, as a starting point.

- The State lacks housing programs that directly support economic growth and strength. This could be improved by establishing criteria within existing programs to prioritize production opportunities that leverage financing mechanisms and policies that promote economic growth and strength.

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Table 34. Program, Conditions and Goals Alignment

Programs	***Conditions***					***Goals/Outcomes***		
	Housing affordability	*Supporting vulnerable populations*	*Creating more housing options*	*Supporting economic growth and strength*	*Housing or neighborhood quality or safety*	*Balanced supply & demand*	*Access to opportunity*	*Supportive economic growth*
Rental Housing Program	x	x				x	x	
Partnership Rental Housing Program	x	x	x			x		
Section 811 Project Rental Assistance Program	x	x	x			x	x	
Section 8/Housing Choice Voucher	x	x	x				x	
Maryland Housing Rehabilitation Program – Single Family					x	x		
Special Targeted Applicant Rehabilitation Program	x	x			x	x		
MD HOPE		x						
Maryland Mortgage Program	x			x			x	x

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State of Maryland's Housing Program Matrix 1

Program type	***Rental Housing Program***	***Partnership Rental Housing Program***	***Section 811 Project Rental Assistance Program***	***Housing Choice Voucher Program***
Category	Rental Production or Rehabilitation	Rental Production	Rental	Rental
Activity type	Development loan	Development loan	Direct financial assistance	Direct rental assistance
Geographic target	Statewide	Statewide	Statewide	Eastern Shore & Western MD
Population served	80% AMI or below	Households at 50% State Median Income or individuals with disabilities or special needs at 30% of AMI.	Non-elderly adults with disabilities, age 18 and over and below 62 years of age with income at or below 30% of AMI.	50% AMI or below
Housing types	Rental	Rental (including SFH)	Department-finance Rental Projects	All
Affordability restrictions	40-year period	Up to 40 years	Project-based rental assistance	N/A
Lead administrator	DHCD	DHCD	DHCD	DHCD
Partners	For Profit and Non-Profit Developers, Public Housing Authorities, Investment Banks	Local governments, non-government entities, or for-profit developers.	For Profit and Non-Profit Developers, State government (MDH, MDOD).	Private landlords
Annual funding	15.5 million FY-21	6 million FY-21	21 million from 2012/2013	18.5 million FY-21
Funding terms	Up to $2 million, 40-year loan, 2% interest rate per annum	$75,000 per unit or/and $2 million for small projects. Deferred interest up to 40 years	Difference between 30% of income and rent standard	Difference between 30% of income and rent standard
Level of Impact (people, property, community, system)	People, Property	People, Property	People, Property	People, Property
Number of units or households assisted annually	1,800 units	80 households in projects with 300 units.	150 units per award	2,500 units

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Prepared as part of the
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State of Maryland's Housing Program Matrix 1 continued

Program type	***Rental Housing Program***	***Partnership Rental Housing Program***	***Section 811 Project Rental Assistance Program***	***Housing Choice Voucher Program***
Conditions addressed*	1, 2	1, 2, 3	1, 2	1, 2, 3
Existing supportive tools	Tax-exempt bond financing, LIHTC, HOME, NHTF	Tax-exempt bond financing, LIHTC, HOME, NHTF	LIHTC, Rental Housing Program, Rental Housing Works, HOME	CDBG, HOME Investment Partnerships
Challenges	Meeting annual production goals in highly desirable areas, NIMBY, broad geographic target areas.	Small buildings initiatives, lack of production platform for smaller scale homes.	The need for housing exceeds resources allocated.	Voucher holders have difficultly identifying places to use voucher. Quality and age of housing stock.
Assessment summary	Align priorities with desired project goals and geographic targets in urban and rural areas.	Program could be used to align with neighborhood revitalization programs, align application process and timelines with other financing and local programs for vulnerable population.	To maximize the program's potential, align future awards with other financing and local programs and continue to review geographic target allocation.	Build the capacity of local housing authorities by providing technical assistance such as staff or program administrator training, standardize the waitlist process and streamline the property identification process for voucher holders.

**Conditions addressed: 1) Housing affordability, 2) Supporting vulnerable populations, 3) Creating more housing options, 4) Supporting economic growth and strength 5) Housing or neighborhood quality and safety.*

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State of Maryland's Housing Program Matrix 2

Program type	***Maryland Housing Rehabilitation Program***	***Special Targeted Applicant Rehabilitation Program***	***MD HOPE***	***Maryland Mortgage Program***
Category	Rental and Homeownership	Homeownership	Foreclosure Prevention	Homeownership - Homebuyers
Activity type	Preservation	Preservation	Legal Assistance	Direct financial assistance
Geographic target	Statewide (lead target areas)	Statewide	Statewide	Statewide
Population served	80% AMI or below	50% AMI or below	All	Not having a home anywhere in the last three years or in a Targeted area or a Veteran.
Housing types	SFH and rental housing up to four units	SFH, townhomes and condos	All	Homeownership
Affordability restrictions	Up to 30 years	Loans have an interest rate at zero percent and are fully deferred.	N/a	Loan 0% interest or grant forgiven.
Lead administrator	DHCD	DHCD	DHCD	DHCD
Partners	County HCD,	Local Governments,	Non-Profit Agencies	Counseling agencies,
Annual funding	7.5 million FY-21	1 million FY-21	4.5 million FY-21	16 million FY-21
Funding terms	Loan amount of 110% of value of property, 30-year loan, 0%-6% interest rate	Loan amount of 100% of value of property, 30-year loan, 0% interest rate	N/a	Lowest 30-year fixed interest rate, $5,000 DPA loan
Level of Impact (people, property, community, system)	Property	Property	System	System
Number of units or households assisted annually	350 units	8 units	N/A	Past fiscal year 450,000 homebuyers

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State of Maryland's Housing Program Matrix 2 continued

Program type	***Maryland Housing Rehabilitation Program***	***Special Targeted Applicant Rehabilitation Program***	***MD HOPE***	***Maryland Mortgage Program***
Conditions addressed**	5	1, 2, 5	2	1, 4
Existing supportive tools	CDBG	CDBG, HOME		Additional Products, Local programs
Challenges	Technology gap for applicants and lack of applicants.	Difficulty to obtain quality contractor due to timeline of application review.	Limited coordination with housing counseling agencies and increasing needs.	Volatility of market, strict regulations, increasing student debit.
Assessment summary	Work alongside with local jurisdiction to identify emerging geographic targets that align with the program's goal.	Establish education and outreach programs for homeowners and landlords, develop a database on qualified contractors.	Have continuous meetings with Housing Counseling Agencies and expand outreach to other agencies serving vulnerable population.	Outreach efforts for all Maryland homebuyer products, continue collaborating with local jurisdictions.

**Conditions addressed: 1) Housing affordability, 2) Supporting vulnerable populations, 3) Creating more housing options, 4) Supporting economic growth and strength 5) Housing or neighborhood quality and safety.*

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Key Findings: Maryland Housing Policies

Table 35 summarizes the alignment of Maryland's housing policies and how they **currently** relate to housing needs and goals articulated in the Maryland Housing Needs Assessment (where an "x" suggests alignment).

Key findings from evaluation

- Existing policy tools do not directly address housing affordability, create more housing options, or support vulnerable populations. Sustainable Communities and Opportunity Zones provide an opportunity to address these conditions but require additional programming and targeting of resources, as well as additional supportive policy tools.

- Opportunity Zone designations have been leveraged in some cases to create additional housing affordability by aligning additional financing tools such as LIHTC or CDBG. However, additional geographic targeting could be implemented to create stronger impact in high-need areas. Geographic targeting could be framed by scaling the incentive based on the social impact or level of need addressed.

- Several policy tools support economic growth and strength and improving housing or neighborhood quality or safety. The Independent Living Tax Credit promotes aging-in-place and accessibility needs for individuals living with a disability that lack participation. Sustainable Communities has provided local governments with a framework for revitalization programs, promoting environmentally, economically and socially responsible growth and development in existing older communities.

Table 35. Policy, Conditions and Goals Alignment

Policies	***Conditions***					***Goals/Outcomes***		
	Housing affordability	*Supporting vulnerable populations*	*Creating more housing options*	*Supporting economic growth and strength*	*Housing or neighborhood quality or safety*	*Balanced supply & demand*	*Access to opportunity*	*Supportive economic growth*
Independent Living Tax Credit		x			x			
Sustainable Communities				x	x		x	x
Opportunity Zone	x			x				x

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State of Maryland Policy Matrix

Policy name	***Independent Living Tax Credit***	***Sustainable Communities (2010 Act)***	***Opportunity Zone Incentives***
Rental, Homeownership, or Homeless services	Rental properties and Homeownership (Only available for property owners)	All	All
Geographic target (five regions)	Statewide	Priority Funding Area	Statewide, PFAs, Sustainable Communities, Opportunities zones
Population target	All (credit may only be applied to home renovation that included accessibility features)	All (A broad focus on local sustainability and revitalization strategies)	All (economic development and job creation in distressed communities)
Production vs. preservation	Preservation	Production and Preservation	Production
Housing types	Four units or less	All	All
Lead administrator	CDA	Division of Neighborhood Revitalization	DHCD
Parameters	Tax credit may be up to 50% of the cost of the renovation up to $5,000	Submit a sustainable communities action plan, then review, designated – becomes official, advertise achieve designation, next 5 years can apply to additional programs, (state revitalization program funds)	Real estate-based projects over independent operated businesses
Conditions addressed*	2, 5	4, 5	4
Challenges	Collaboration with department of disability, no additionally funds for outreach or operations/campaigns.	Overall housing sections are lackluster without housing developers input and capacity. The focus has been on older commercial districts.	Recycling existing funds – replace those funds into existing programs (mortgage back securities).
Assessment	Promote tax credit through collaboration with Social Service departments on a state and county level, after reaching 5-year mark evaluate the limit amount.	Enables local government to think crucially on its weaknesses or challenges are in certain number of elements. Now that housing element is required for local comprehensive plans (Maryland HB1045) this could strength the housing section parts of future action plans. Providing clear guidance or best approach	More opportunities to education small businesses and local partnerships on the opportunity's zones. Simplify the process that enables aligning additional funding mechanisms (LIHTC, CDBG) to address housing affordability in opportunity zones.

**Conditions addressed 1) Housing affordability, 2) Supporting vulnerable populations, 3) Creating more housing options, 4) Supporting economic growth and strength 5) Housing or neighborhood quality and safety*

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Key Findings: Maryland Housing Financing

Table 36 summarizes the alignment of Maryland's financing tools and how they **currently** relate to housing needs and goals articulated in the Maryland Housing Needs Assessment (where an "x" suggests alignment).

Key findings from evaluation

- The State of Maryland's current financing tools are serving the production and preservation of rental housing affordability and supporting vulnerable populations. The Multifamily Bond Program, LIHTC and Rental Housing Works target 60% AMI or less households, statewide. Funds can be used for both production and preservation.

- Each financing tool has its own parameters or restrictions on how or when the funding can be used. The Strategic Demolition Fund is strictly for pre-development for housing, greenspace or commercial sites. There are existing financing tools that are for production and development. There is currently no programmatic, policy or financing tool that directly connects or aligns the development timeline. Creating a tool that bridges this gap will allow for a more cohesive platform.

- The Multifamily Bond Program is a competitive, complex funding tool that requires a high threshold for financial strength in applicants. Consider scaling back program requirements for partnerships such as non-profits and public housing authorities that align with program's goals to access funding. This program could be most effective when targeted to areas with stronger market conditions.

- Current financing tools do not address the need for more housing types. Although the Multifamily Bond Program has a minimum of five units per project, typically 35 units is the minimum size of successful projects. Rental Housing Works aligns directly with the Multifamily Bond Program and LIHTC to provide subordinate gap financing, which create an opportunity in many parts of the state. However, having to apply to the Multifamily Bond Program first, this tool is not easily accessible for smaller entities. Like the rental programs, there is a strategic opportunity to build the capacity of smaller developers, which in turn will support smaller projects.

- Financing to support more diverse housing products is limited. One opportunity DHCD may consider is applying to HUD for Section 108 Loan Guarantee Funds. The State currently has approximately $40 million in Section 108 borrowing authority. Section 108 financing can help support mixed-use and mixed-income development opportunities while leveraging additional private financing, specifically in non-entitlement areas.

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Table 36. Financing Tool, Conditions and Goals Alignment

Financing Tools	***Conditions***					***Goals/Outcomes***		
	Housing affordability	*Supporting vulnerable populations*	*Creating more housing options*	*Supporting economic growth and strength*	*Housing or neighborhood quality or safety*	*Balanced supply & demand*	*Access to opportunity*	*Supportive economic growth*
Multifamily Bond Program	x	x			x	x		
Low Income Housing Tax Credit (9%/4%)	x	x			x	x		
Rental Housing Works	x	x		x	x	x		
HOME Investment Partnerships Program	x	x	x			x	x	
National Housing Trust Fund	x	x				x		
Community Development Block Grant	x	x		x	x		x	x
Maryland Affordable Housing Trust	x	x			x			
Community Legacy				x			x	x
Strategic Demolition Fund				x	x			x

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State of Maryland Financing Tools Matrix 1

Financing Tool	*Multifamily Bond Program*	*Low Income Housing Tax Credit (9%/4%)*	*Rental Housing Works*	*HOME Investment Partnerships*	*National Housing Trust Fund*
Category	Rental	Rental	Rental	Rental, Homeownership	Rental
Activity type	Tax-exempt bonds	Tax credit	Loans	Loans	Loans, grants, equity investment
Geographic target	Statewide (strong market areas)	QCT & DDA	Statewide	Statewide, (non-entitlement areas)	QCT, DDA
Population target	20% of the units to households with incomes of 50% or less of the AMI or 40% of the units to households with incomes of 60% or less of the AMI	20% of the units to households with incomes of 50% or less of the AMI or 40% of the units to households with incomes of 60% or less of the AMI	Must meet the requirements for both Multifamily Bond Program and LIHTC	Renters – 80% AMI Owners – 80% AMI	30% AMI or at or below the poverty line, extremely low-income (ELI) and very low-income (VLI) households
Production vs. Preservation	Production and Preservation	Production and Preservation	Production and Preservation	Production and Preservation	Production and Preservation
Housing types	Multi-family (35 units+)	Multi-family	Multi-family	All	Multi-family
Lead administrator	CDA	DHCD	DHCD	CDA	DHCD
Partners	For Profit and Non-Profit Developers, Public Housing Authorities, Investment Banks	For Profit and Non-Profit Developers, Public Housing Authorities, Investment Banks	For Profit and Non-Profit Developers, Public Housing Authorities, Investment Banks	Community Housing Development Organizations, Housing Agencies, Nonprofit, Local Government	For Profit and Non-Profit Developers, Public Housing Authorities, Investment Banks
Annual funding	Est. 250 million FY-21 (Bonds)	Est. 330 million FY-21 (LIHTC Equity)	$25 million FY-21	$6.2 million FY- 20	$4.4 million FY-20
Funding terms	Interest rates are based upon the Community Development Administration's bond rate. Loan terms are generally 30 to 40 years	The Tax Credit equals the applicable percentage of the qualified basis of each qualified low-income rental housing building.	The maximum amount of the State loans per project is $2.5 million.	HOME funds are provided as zero interest deferred loans but may be provided as grants.	HTF-assisted units must meet the affordability requirements for a period of 40 years.

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State of Maryland Financing Tools Matrix 1 continued

Financing Tool	***Multifamily Bond Program***	***Low Income Housing Tax Credit (9%/4%)***	***Rental Housing Works***	***HOME Investment Partnerships***	***National Housing Trust Fund***
Number of units or projects annually	N/A	4,000 units+	4,000 units+	24 units+	4,000 units+
Conditions addressed*	1,5	1,5	1,5	1,3	1,2
Challenges	Unknowns in market activity, especially during COVID-19. Difficult environment for non-profit developers, production in rural parts of the state, and under-developed platform.	Funding amount has not kept on pace with inflation. 9% program is challenging for applicants without a track record to compete.	Developers applying need to have a high operating capacity in order to be effective.	Funds geared more toward rental production and lack homeownership initiatives.	A federal program that brings on additional requirements, which can threat the confirmation of funding. Additional requirements can extend the timeline.
Assessment summary	A competitive complex funding tool that requires a high threshold for financial strength. Scaling back program requirements for joint ventures such as non-profits and PHAs that align with program's goals capacity to access funding.	The 4% tax credits require additionally financing mechanisms. Aligning 4% tax credits with existing housing production programs.	Promote initiatives that improves the development capacity of non-profit developers/PHA's and joint ventures, outreach and education efforts on application process.	Scaling up the HOME special reserve funds, DHCD can provide additional finance to initiatives that can fill needs of lower income households or vulnerable populations.	Harmonize design with existing programs and funding mechanisms with similar population targets (ELI & VLI) households.

*Conditions addressed 1) Housing affordability, 2) Supporting vulnerable populations, 3) Creating more housing options, 4) Supporting economic growth and strength 5) Housing or neighborhood quality and safety.

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State of Maryland Financing Tools Matrix 2

Financing Tool	***CDBG***	***Maryland Affordable Housing Trust***	***Community Legacy***	***Strategic Demolition Fund***
Category	Rental, Homeownership, Homeless	Rental, Homeownership	Homeownership	All
Activity type	Grants	Loans, grants	Grants, loans	Grants, loans
Geographic target	Statewide	Statewide	Sustainable Communities - PFA	Sustainable Communities - PFA
Population target	50% AMI and Below, elderly persons, homeless persons, abused children, battered spouses, persons living with AIDS, migrant farm workers, persons with a disability	50% AMI or lower (preference is given to projects that serve households with incomes of less than 30% of median)	Focused on community revitalization, no specific population target	N/a
Production vs. Preservation	Both	Both	Both	Production
Housing types	All	All	All	All
Lead administrator	Neighborhood Revitalization	DHCD	DHCD	DHCD
Partners	Housing Authorities, Non-Profit Organizations, Housing Developers, CBDO	Public Housing Authorities, Non-Profit Organizations, Government agencies, Profit-motivated entities	Local governments, community development partners, neighborhood organizations	Local governments
Annual funding	$7.7 million FY-19	$1.2 million FY-19	$6 million FY-20	$3.5 million FY-20
Funding terms	N/A	Deferred-payment loans or recoverable grants payable if the project is sold and/or ceases to be used for low-income occupancy.	N/A	Project awards are anticipated to average $250,000.

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State of Maryland Financing Tools Matrix 2 continued

Financing Tool	***CDBG***	***Maryland Affordable Housing Trust***	***Community Legacy***	***Strategic Demolition Fund***
Number of units or projects annually	N/A	4,000 units +	4,000 units+	24 units +
Conditions addressed*	1,5	1,5	1,5	1,3
Challenges	Unknowns in market activity, especially during COVID-19. Difficult environment for non-profit developers, production in rural parts of the state, and under-developed platform.	Funding amount has not kept on pace with inflation. 9% program is challenging for applicants without a track record to compete.	Developers applying need to have a high operating capacity in order to be effective.	Funds geared more toward rental production and lack homeownership initiatives.
Assessment summary	A competitive complex funding tool that requires a high threshold for financial strength. Scaling back program requirements for joint ventures such as non-profits and PHAs that align with program's goals capacity to access funding.	The 4% tax credits require additionally financing mechanisms. Aligning 4% tax credits with existing housing production programs.	Promote initiatives that improves the development capacity of non-profit developers/PHA's and joint ventures, outreach and education efforts on application process.	Scaling up the HOME special reserve funds, DHCD can provide additional finance to initiatives that can fill needs of lower income households or vulnerable populations.

*Conditions addressed 1) Housing affordability, 2) Supporting vulnerable populations, 3) Creating more housing options, 4) Supporting economic growth and strength 5) Housing or neighborhood quality and safety.

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Assessment of Maryland's Low Income Housing Tax Credit: 2020 Allocation Policies & Procedures

Overview of Analysis of Allocation Policy and Procedures

This analysis examines the extent to which the State of Maryland's policies and procedures for allocating Low-Income Housing Tax Credits (LIHTC) and other multifamily finance resources align with needs and priorities identified as part of the Maryland Housing Needs Assessment & 10-Year Strategic Plan. The following policy documents published by the Maryland Department of Housing and Community Development (DHCD) informed this analysis:

- Maryland Qualified Allocation Plan for the Allocation of Low Income Housing Tax Credits; Effective June 3, 2020 ("QAP" for the remainder of this section).
- Multifamily Rental Financing Program Guide - Attachment to the QAP; Effective June 3, 2020 ("Guide" for the remainder of this section).

In addition to the state's LIHTC allocation, the Guide also includes policies and procedures related to the Rental Housing Finance Program, Rental Housing Works program, and Multifamily Bond Program.

The specific objectives and provisions within these documents were benchmarked against the following factors identified in the Maryland Housing Needs Assessment & 10-Year Strategic Plan:

Outcomes to Achieve	Improve housing affordability: Achieved through: • Balanced supply & demand • Access to opportunity • Supportive of economic growth Accounting for structural inequity
Priority Populations & Income Levels	Populations: • Seniors • Persons with disabilities • Persons experiencing homelessness Income levels: • 30% of area median income (AMI) • 60% of AMI
Priority Needs	1. Affordability, changing demographics, and housing quality among lower-income people a. Lowest income levels 2. Constructing affordable housing and housing generally in Maryland's current development context a. Costs associated with development b. Linking housing and access to opportunity c. Community resistance

This analysis provides a qualitative overview of whether existing policies are aligned with these factors, informed by past national research and analysis on LIHTC allocation policies and interviews with statewide practitioners.[3] It was outside the scope of this research to conduct a quantitative analysis of the extent to which the policy objectives and incentives included in the QAP and Guide correlate with production outcomes in practice.

2020 Allocation Policies: Summary of Priorities

The 2020 Guide establishes six priorities for allocation multifamily finance resources:

1. Family Housing in Communities of Opportunity
2. Housing in Community Revitalization and Investment Areas
3. Integrated Permanent Supportive Housing Opportunities
4. Preservation of Existing Affordable Housing
5. Elderly Housing in Rural Areas of the State Outside Communities of Opportunity
6. Permanent Supportive Housing for Veterans and Persons Experiencing Homelessness

The Guide stipulates that the Family Housing in Communities of Opportunity is the "greatest priority," but does not explicitly state that the remaining priorities are listed in order of priority. However, the ranking structure for competitive applications does suggest that the ordering represents at least an approximate hierarchy of priorities.

Applications for state multifamily capital programs are scored and ranked based on evaluation factors in six categories (see the table below). For non-competitive programs, the QAP and Guide outline threshold standards and establish a minimum point threshold of 92 points (out of 200 possible points). Nine-percent LIHTC applicants must meet the same threshold criteria and are ranked based on the same point system, with the highest-ranked applicants receiving funding. There is a State Bonus Point category outside of the 200 point scale, which the state uses to maintain a level of discretion to consider additional factors, such as: reacting to changing needs, balancing priorities, providing for regional/geographic distribution, and responding to natural disasters.

[3] Literature considered as part of this analysis includes, but is not limited to: National Council of State Housing Agencies. "NCSHA Recommended Practices in Housing Credit Administration." Washington, DC: National Council of State Housing Agencies, December 2017. https://www.housingonline.com/wp-content/uploads/2018/01/2017-NCSHA-Recomended-Practices-Housing-Credit-Administration-FINAL.pdf; Gould Ellen, Ingrid, Keren Horn, Yiwen Kuai, Roman Pazuniak, and Michael David Williams. "Effect of QAP Incentives on the Location of LIHTC Properties." Washington, DC: HUD Office of Policy Development and Research, April 30, 2015. http://www.huduser.org/portal/publications/mdrt/QAP_Incentives.html; and Spotts, Michael A. "Giving Due Credit: Balancing Priorities in State Low-Income Housing Tax Credit Allocation Policies." Washington, DC: Enterprise Community Partners, June 2016. http://www.enterprisecommunity.org/resources/giving-due-credit-balancing-priorities-state-low-income-housing-tax-credit-allocation?ID=0101093.

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Table 1: Evaluation Scoring Summary Table
Source Data: Multifamily Rental Finance Program Guide, Page 49

Evaluation Category/Factors	Total Category Points	Overall Category Weight	Rating Factor Points	Weight within Category	Overall Weight
Capacity of Development Team	74	0.37			
Development Team Experience			42	0.57	0.21
Deductions from Team Experience Score			-10	-0.14	-0.05
Developer Financial Capacity			18	0.24	0.09
Nonprofits, Public Housing Authorities, and Minority/Disadvantaged Business Enterprises			14	0.19	0.07
Community Context	16	0.08			
Community Impact Projects* (Development in QCT or DDA contributing to community revitalization plan)			16	1	0.08
Communities of Opportunity*			16	1	0.08
Defined Planning Areas and Opportunity Zones*			16	1	0.08
**Projects may only receive points under one of the above categories*					
Transit Oriented Development	8	0.04			
			8	1	0.04
Public Purpose	46	0.23			
Income Targeting			15	0.33	0.075
Targeted Populations: Persons with Disabilities or Special Needs			10	0.22	0.05
Family Housing			8	0.17	0.04
Tenant Services			8	0.17	0.04
Policy Incentives			5	0.11	0.025
Leveraging and Cost Effectiveness	25	0.125			
Direct leveraging			15	0.60	0.075
Operating Subsidies			10	0.40	0.05
Construction or Rehabilitation Cost Incentives			-8	-0.32	-0.04
Development Quality Standards	31	0.155			
Green Features			10	0.32	0.05
Energy Efficiency			8	0.26	0.04
Project Durability and Enhancements			13	0.42	0.065
TOTAL POINTS	200				
State Bonus Points (awarded outside of 200 point scale)	10				

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The table below shows the relative weights of each individual evaluation factor, which in effect translates to the level of priority of that factor within the overall evaluation.

Table 2: Evaluation Scoring Factor - Relative Weights and Ranking
Source Data: Multifamily Rental Finance Program Guide, Page 49

Rank	Rating Factor	Category	Rating Factor Points	Overall Weight	Note
1	Development Team Experience	Capacity of Development Team	42	0.21	
2	Developer Financial Capacity	Capacity of Development Team	18	0.09	
3 (tie)	Community Impact Projects*	Community Context	16	0.08	Community Context factors are mutually exclusive
	Communities of Opportunity*	Community Context	16	0.08	Community Context factors are mutually exclusive
	Defined Planning Areas and Opportunity Zones*	Community Context	16	0.08	Community Context factors are mutually exclusive
6	Income Targeting	Public Purpose	15	0.075	
7	Direct leveraging	Leveraging and Cost Effectiveness	15	0.075	
8	Nonprofits, Public Housing Authorities, and Minority/Disadvantaged Business Enterprises	Capacity of Development Team	14	0.07	
9	Project Durability and Enhancements	Development Quality Standards	13	0.065	
10 (tie)	Deductions from Team Experience Score	Capacity of Development Team	-10	0.05	Point Deduction
	Targeted Populations: Persons with Disabilities or Special Needs	Public Purpose	10	0.05	
	Operating Subsidies	Leveraging and Cost Effectiveness	10	0.05	
	Green Features	Development Quality Standards	10	0.05	
	State Bonus Points		10	0.05	Discretionary points outside of 200 point scale
15	Transit Oriented Development	Transit Oriented Development	8	0.04	
16	Family Housing	Public Purpose	8	0.04	
17	Tenant Services	Public Purpose	8	0.04	
18	Construction or Rehabilitation Cost Incentives	Leveraging and Cost Effectiveness	-8	0.04	Point Deduction
19	Energy Efficiency	Development Quality Standards	8	0.04	
20	Policy Incentives	Public Purpose	5	0.025	

The Guide's evaluation factor weights are relatively balanced. All but two-point allocations (or deductions) fall within a 5-percentage point range (between 4% and 9% of available points). The outliers are "Development Team Experience" (the most heavily weighted factor at 21%) and policy incentives (the least heavily weighted factor at 2.5%).[4]

Based on the relative evaluation factor weights, it can be extrapolated that the ability to effectively complete the project is the most important factor considered by CDA. The "Capacity of Development Team" category accounts for 37% of all points, and the two heaviest weighted factors fall within this category (as well as a potential point deduction worth 5% of the overall points).

Benchmarking 2020 Allocation Policies to the Maryland Housing Needs Assessment & 10-Year Strategic Plan

DHCD advances policy objectives and priorities primarily through establishing threshold criteria and the competitive evaluation framework detailed in the QAP and Guide. This section considers the extent to which the provisions of the QAP and Guide align with the overarching outcomes and priorities outlined in the Maryland Housing Needs Assessment & 10-Year Strategic Plan. Given overlap between many of the outcomes and priorities, to simplify the analysis this section is organized as follows:

- *Expanding Access to Opportunity*, encompassing the following:
  - Housing affordability achieved through access to opportunity
  - Housing affordability accounting for structural inequity

[4] Under this factor, up to 5 points may be awarded based on a combination of characteristics, including as the project's location, projects incorporating both 9% and 4% LIHTC ("twinning"), and those that are part of HUD Choice Neighborhoods developments.

   - Constructing affordable housing in Maryland's current development context: linking housing and access to opportunity
- *Deep Income Targeting*, encompassing the following:
   - Households at or below 30% AMI
   - Affordability, changing demographics, and housing quality among lower-income people: lowest income levels
- *Targeted Production for Potentially Vulnerable/Underserved Households*, encompassing the following:
   - Seniors
   - Persons with disabilities
   - Persons experiencing homelessness
- *Supporting Economic Growth*
- *Overcoming Development Barriers*, encompassing the following:
   - Housing affordability achieved through balanced supply and Demand
   - Constructing affordable housing in Maryland's current development context: Costs associated with development
   - Constructing affordable housing in Maryland's current development context: Community resistance

These combined categories address all the elements of the strategic framework in the Housing Needs Assessment, with the exception of the 60% AMI households as a priority population, which is addressed by default under the LIHTC program's baseline income restrictions.

Expanding Access to Opportunity

Maryland's policy framework has indicated that access to opportunity – particularly in the context of *family* housing production – is the highest priority for the allocation of LIHTCs and associated state resources. While the issue of expanding access to opportunity is a subject of considerable discussion in the affordable housing industry, there are three general approaches associated with this goal (though there is considerable debate regarding the appropriate level of focus on each):

1. Providing increased housing access to communities considered to be "high-opportunity," often associated with strong employment opportunities, high-quality schools, and a high degree of public safety.
2. Improving the quality of life in communities where housing costs may be relatively low, but there are other challenges such as poor housing quality, disinvestment, lower job availability, or lower-performing schools, among other factors.
3. Ensuring that communities in a state of transition/property value appreciation remain open to lower-income and longer-term residents.

The Maryland QAP and Guide include several provisions that address the issue of access to opportunity. As previously discussed, the Guide stipulates that "Family Housing in Communities of Opportunity" (associated with approach 1 listed above) is the "greatest priority." "Housing in Community Revitalization and Investment Areas" (associated with approach 2) is the second listed priority.

In terms of threshold criteria that are applicable across all project types, the required market study must include data on school quality, recreation, accessibility, public facilities, proximity to stores and services, crime statistics, and other factors that contribute to assessments of opportunity when considering a given community/neighborhood. In addition, Maryland applies additional requirements through Affirmative Fair Housing Market Plan requirements, including the elimination of local residency requirements, requiring funding recipients to accept tenant-based assistance (such as Section 8 Housing Choice Vouchers), and banning use of minimum income requirements for voucher holders.

Within the point-based evaluation structure, the Guide's "Community Context" category gives high weight to explicitly addressing opportunity but weights the various approaches relatively equally. Up to sixteen points (8% of the total amount, the third highest point allocation and largest policy-oriented scoring category) are awarded to projects that meet one of three mutually exclusive criteria:

- "Communities of Opportunity" as defined by DHCD or in some cases, by applicable law/court order. The former is based on considerations related to three major factors: community health, economic opportunity, and educational opportunity. To qualify, the project must be in a community with a Composite Opportunity Index score above the statewide average.
- "Community Impact" projects in a Qualified Census Tract of Difficult Development Area that contributes to a "concerted community revitalization plan." The state applies a relatively robust definition for revitalization plan in terms of applicability and enforceability but is less specific/prescriptive regarding issues to be addressed within plans (such as employment opportunities, health, public safety, educational opportunities, etc.).
- "Defined Planning Areas and Opportunity Zones," which consists of designated areas throughout the state that are targeted for economic development (generally through incentives) or designated for growth through programs that include (state) Sustainable Communities and federal Enterprise Zones and Opportunity Zones.

There is no direct, point-based incentive in the Guide to approaches to expanding access to opportunity via preserving affordability in rapidly appreciating communities. Given that market shifts can happen on a block-by-block basis, it would be difficult for a state agency to designate areas that correspond with this approach in advance. Many states directly incentivize preservation through the QAP. The Guide considers "Preservation of Existing Affordable Housing" one of its top priorities, but all point-based incentives are ostensibly neutral in terms of new construction versus preservation.

Other rating factors address access to opportunity in less direct but important ways. In particular, the Guide reserves an additional 8 points (4% of the total) for transit-oriented development (TOD). The opportunity-enhancing qualities of transit access vary, based on neighborhood factors and transit system coverage and connectivity. The TOD evaluation factor focuses on proximity to transit stops (with some variation by mode) but places less focus on the quality of the transit service (for example, is the service effective in connecting households with employment centers?). Still, while transit access alone is not indicative of a community of opportunity (and the Guide does not rely on it as a proxy), it is thought to be opportunity-enhancing for people within a community, holding other neighborhood characteristics equal.

The QAP and Guide also contain non-point provisions that can impact the ability to deliver projects that expand access to opportunity:

- *Basis Boost:* certain projects are eligible to receive additional LIHTC equity proceeds through the 30% basis boost. The QAP stipulates that projects within Qualified Census Tracts/Difficult Development Areas that are associated with a Community Revitalization plan as well as family projects located within Communities of Opportunity are eligible for the basis boost.
- *Acquisition Flexibility:* The QAP includes provisions to ensure that acquisition costs associated with a project are not excessive/beyond market value. However, acquisition costs may be elevated in high-cost markets, which may overlap with Communities of Opportunity

designations. As such the QAP provides greater flexibility by allowing acquisition costs of up to 120% of as-is value), with associated impacts on the amount of developer fee that can be claimed.

- *Scattered Site Projects*: The Guide stipulates that all projects must have site control at time of application but makes an exception allowing for greater flexibility for scattered site projects in Communities of Opportunity. Such project sponsors must demonstrate a plan for site identification and acquisition. For scattered site rehabilitation projects outside this context, a Community Revitalization plan must be in place and there may be no adjacent vacant parcels that are not included in the plan.
- *Local Notification and Approval:* Notification of local public officials is federally mandated. Some states have chosen to exceed this mandate by requiring or incentivizing approval from local public officials. However, this practice is generally discouraged as it can empower "not in my backyard" opposition and limit access to higher-opportunity neighborhoods. Consistent with best practices, Maryland complies with the federal requirements but does not require or incentivize local public official approval. The Guide does award points for Direct Leveraging. Given that local governments are often a source of this capital (in the form of gap financing or other local contributions), this factor may create a de facto barrier for projects facing community opposition.

In sum, DHCD places a significant emphasis on access to opportunity in the QAP and Guide, both in terms of policy and point-based incentives. A simple review of the point allocation and weighting indicates a relative balance between the various approaches to expanding opportunity. However, practitioners observed that the Family Housing in Communities of Opportunity are most competitive in practice, with other project types having a tighter "margin for error." Insufficient information was available to empirically verify these observations.

Deep Income Targeting

The QAP and Guide have several provisions designed to encourage deep income targeting generally and units for households at or below 30% AMI specifically. The Income Targeting evaluation factor awards points based on the combination of the number of deeper targeted units and the specific income targeting of those units. This factor is worth approximately 15 points, or 7.5% of the total available. In addition, project sponsors are allowed an increased developer fee if a portion is used to create a rent escrow to enable a portion of units restricted to households at or below 20% AMI (or other targeted populations).

Targeted Production for Potentially Vulnerable/Underserved Households

The Housing Needs Assessment has identified a series of special populations with unique housing needs, including seniors, persons with disabilities, and persons experiencing homelessness. These targeted populations correspond with three priorities established by the Guide:

1. Integrated Permanent Supportive Housing Opportunities
2. Elderly Housing in Rural Areas of the State Outside Communities of Opportunity
3. Permanent Supportive Housing for Veterans and Persons Experiencing Homelessness

Within the Public Purpose evaluation category, 15 points (5% of overall total) are available for projects that serve Targeted Populations: Persons with Disabilities or Special Needs. To receive these points, the development must set aside up to 20% of affordable units for a targeted population, which include persons with disabilities and persons experiencing homelessness. This evaluation factor is not mutually exclusive with two potentially overlapping Public Purpose evaluation factors: Income Targeting (15 points) and Tenant Services (8 points). To the extent that project sponsors are meeting the housing needs of targeted population with deeper income targeting and providing critical services to meet special needs, the project can earn up to 33 points (16.6% of the total available).

The Guide does not include any specific points or evaluation factors for housing for seniors. Senior housing is an eligible property type to receive points under the Community Impact and Defined Planning Areas and Opportunity Zones evaluation factors, but there is no specific incentive to undertake such projects. Similarly, both family and intergenerational housing are eligible to receive points in certain circumstances under the Policy Incentives evaluation factor. The only point-based incentive that creates a specific incentive for housing for seniors is the State Bonus Point category. While most projects are limited to 10 bonus points, projects providing intergenerational housing, housing for the elderly, or permanent supportive housing may receive up to 15 points in this category.

Outside of the point structure, there are two policies that could help facilitate projects that serve targeted populations. The aforementioned policy enabling higher developer fees to fund rent escrows can help facilitate the deeper income targeting that is often necessary to provide housing to targeted populations. In addition, the Affirmative Fair Housing Marketing Plan is required to include provisions that provide leasing office accessibility and "encourage credit references and testing that take into account the needs of persons with disabilities or special needs."

In sum, while there are targeted incentives for special populations, there are more challenges in designing a senior housing project that will be competitive for 9% LIHTCs, particularly in Communities of Opportunity in which family housing is prioritized.

Supporting Economic Growth

The state uses several mechanisms to identify where it is prioritizing or encouraging growth – including designating Priority Funding Areas, Enterprise Zones, and Sustainable Communities, among others. The QAP and Guide are closely coordinated with several of these designations.

First, all new construction developments are required to be in Priority Funding Areas. In addition, meeting the criteria associated with the Community Context options (16 points each) also corresponds with supporting economic growth. The definition of Communities of Opportunity takes into account the unemployment rate. Points for locating in Defined Planning Areas and Opportunity Zones cover projects in rural areas or a range of context specific growth and economic development designations through federal and state programs.

As such, the QAP and Guide are relatively well aligned with the goal of supporting economic development where the state *wants* to grow. One caveat is that these designations are focused largely on incentive programs and directing public investment, which may not have a perfect correlation with where private investment and growth is occurring in practice. It was outside the scope of this analysis to evaluate the targeting of the economic development and growth designations. Given the wide geographic scope of these various designations (see Figure 6), it is reasonable to infer that a significant portion of economic growth is captured. However, that same geographic breadth means that the presence of local economic growth is unlikely to be necessary for state funded affordable housing development to proceed.

Figure 6. Sample of Economic Development/Growth Designations Covered in QAP and Guide

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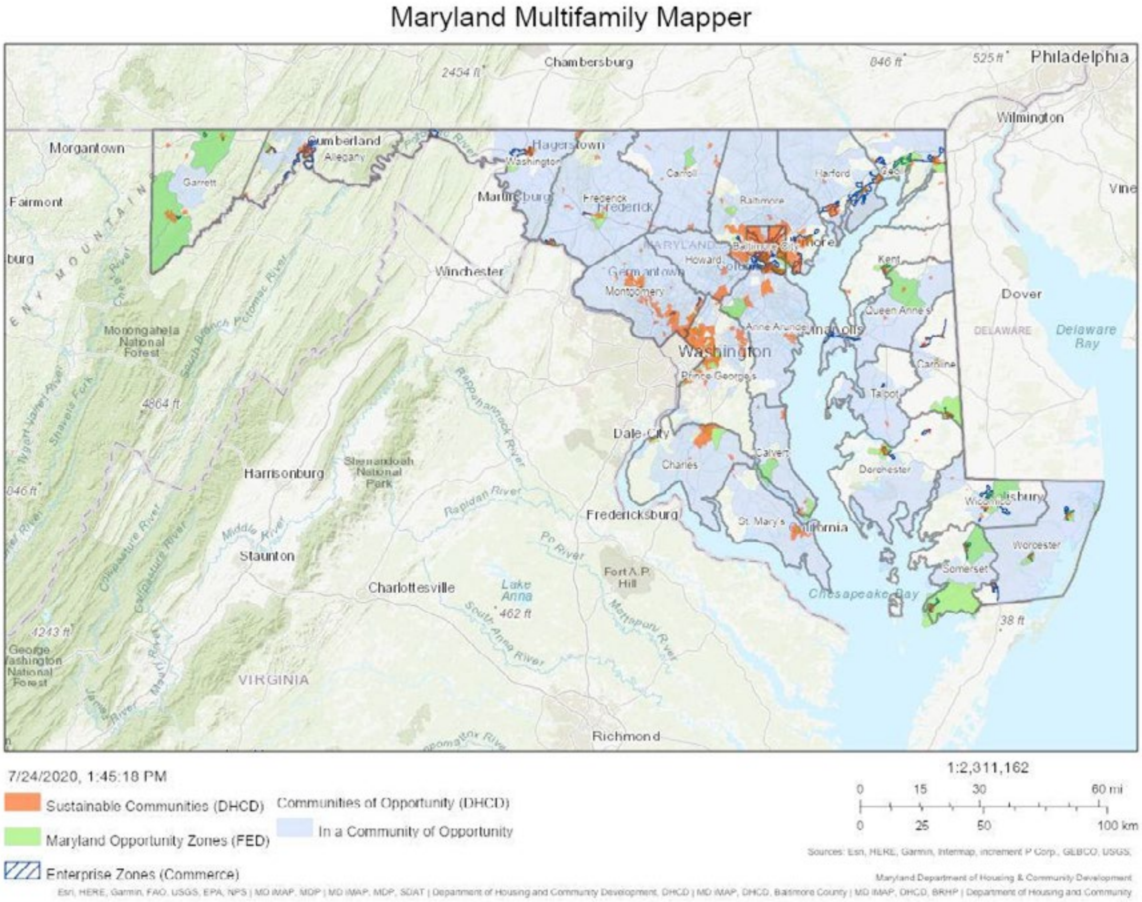

Overcoming Development Barriers

The Maryland Housing Needs Assessment emphasizes needs related development in general: balancing supply and demand, addressing development costs, and overcoming community resistance. In terms of community resistance, the impact of policies and incentives related to local notice and leveraging requirements were discussed in detail in the Access to Opportunity Section.

Balancing supply and demand is generally a broader market issue, though the production of affordable rental housing can play a significant role in addressing unit shortfalls. Though state resources are limited, the Guide does include provisions that help increase the number of units produced. First, the Direct Leveraging evaluation factor does help stretch state subsidies further, despite some of the potential tradeoffs related to community opposition that were previously discussed. In addition, the Guide does include a (relatively lightly weighted) incentive for producing larger developments and achieving economies of scale. The Policy Incentives factor includes three points for projects combining 9% and 4% LIHTCs (“twinning”), increasing the amount of equity available to a single project.

Economies of scale can also translate to lower development costs on a per unit (or per square foot) basis. The Guide also directly evaluates the cost of development. The Construction or Rehabilitation Cost Incentives evaluation factor can lead to a deduction of eight points if the project fails to meet per square foot construction costs limits. These limits are adjusted for project (new construction or rehabilitation) and building type, though not by geography. Excluding land/acquisition costs can control for some of the variation in costs between different markets. However, there can be significant variation in labor and materials costs (among other line items), and statewide standards may fail to incentivize costs control in areas where market costs are lower and/or be disproportionately difficult to achieve in high-cost markets.

Additional Considerations

The provisions of the QAP and Guide are generally consistent with best practices as identified in prior research, particularly with regard to taking a balanced approach to access to opportunity. The state's consolidated/coordinated review and alignment of administrative processes for the major state multifamily financing program is also particularly important in the context of complicated affordable housing transactions.

This analysis did identify several issues that may warrant further consideration by DHCD and other stakeholders moving forward:

- *Qualified contracts:* Due to recent real estate investment trends and higher profitability in the market-rate rental market, there has been an increase in sponsors exercising qualified contract rights in an attempt to convert the properties to market-rate rentals. To prevent further erosion of the affordable housing stock, states can adopt requirements and/or incentives for LIHTC project sponsors to waive their right to pursue a qualified contract disposition. The QAP and Guide do not presently include such provisions but doing so would be consistent with the Guide's stated priority of "Preservation of Existing Affordable Housing."
- *Statewide competitiveness:* Maryland is a diverse state across multiple dimensions, including geography and market strength. The QAP and Guide do not have explicit set asides based on geography, though there are certain adjustments within specific evaluation factors to account for different market conditions. In addition, the State Bonus Points may be used to support a balanced distribution of investment across the state. Beyond directly addressing geographic distribution, there are policy provisions that can have an indirect effect on the ability to compete for resources across the state, both positively and negatively. It was outside the scope of the project to robustly evaluate the extent to which each of these provisions have an impact in practice in the state of Maryland, but this section does address the potential implications based on past research, theory, and best practices.
    - *Scale:* Certain fixed costs – some of which may include professional services – have a disproportionate impact on the cost effectiveness of smaller projects. Smaller projects may be more likely to be found in smaller and/or rural communities. To support cost-effectiveness, the QAP establishes certain fee limits. The QAP does provide some flexibility in fee limits for smaller projects, which should have a positive impact on ability to proceed.
    - *Leverage:* Smaller cities, rural communities, and economically distressed jurisdictions of any type may not have the capacity to financially support a project to a significant extent. Though the Guide does allow for fee waivers, land donations, and a range of other forms of support, these may not always be available (or available in an amount that is competitive under this evaluation factor). This factor does weight rural leverage more heavily, which could help adjust for the increased challenges faced in such communities. It was outside of scope to determine the extent to which this adjustment helped improve geographic parity.
    - *Development team capacity:* The Guide awards points based on development team performance over the last five years. Whereas larger urban and suburban communities

receive state investment relatively frequently, a review of recent multifamily investments conducted as part of this research indicates that many small and rural jurisdictions receive investment relatively infrequently, in theory harming competitiveness under the most substantial point category in the entire evaluation. This may not serve as a barrier to development in these communities per se – some developers operate statewide or regionally and can thus demonstrate capacity from prior developments in other communities. However, this structure may create challenges for local entities which might have deeper roots with a given community. Though 14 points are awarded to nonprofits and Public Housing Authorities, that amount is substantially lower than the 42 awarded for Development Team Experience. Local entities can supplement capacity by partnering or contracting with third parties, but such arrangements typically add cost to the project. These impacts likely make development in small and rural communities more difficult, though it is unclear the extent to which it serves as a binding constraint, meaningfully reduces the amount of state investment in such communities, or limits participation by local entities.

- *Impacts of COVID-19*. It is unclear how COVID-19 will impact affordable multifamily rental housing moving forward. Increasing economic vulnerability of low-income households may translate to challenges for project sponsors and property managers. Underwriting standards, reserve levels, subsidy amounts, and other project characteristics should be monitored to ensure that projects remain viable moving forward. That being said, it is already clear that connectivity is critical for individuals and families that are adhering to social distancing. A high-speed internet connection and access to computing technology are necessities for children whose schools have switched to distance learning, workers whose occupations allow (or require) telecommuting, and individuals whose interpersonal connections must now occur in the virtual realm. The Guide specifies that all projects must have the capacity for high-speed internet *either* in unit *or* in a community space. Moving forward, DHCD could consider whether it is appropriate to require high-speed internet capacity in-unit, require or incentivize providing access to high-speed internet and/or computing technology to all residents as part of the tenant services package, and/or adjusting community room standards to ensure that they can remain available during periods of social distancing.

APPENDIX E.
LOCAL POLICY BRIEFS

Local policy briefs: Local policies to leverage state resources **August 2020**

Prepared by Michael A. Spotts, President, Neighborhood Fundamentals, LLC
with research support by Margaret Curran
as part of the Maryland Housing Needs Assessment & 10-Year Strategic Plan

Introduction

As a component of the Maryland Housing Needs Assessment and 10-Year Strategic Plan, these policy briefs examine the nexus between local and state policy. Specifically, this research evaluated four large-scale state programs/financing sources to better understand how jurisdictions in Maryland adopt policies and initiatives that maximize state-level affordable housing programs and resources. The four state programs evaluated were the Rental Housing Program and Partnership Rental Housing Program, Maryland Mortgage Program, and the Housing Rehabilitation Program. The following sections will:

- Detail best practices in local program design;
- Identify broader best practices for meeting housing needs and leveraging state resources; and
- Provide useful information for different geographical regions and market contexts.

Methodology

In conducting this research, the research team reviewed state resource allocation data for each program, conducted a desktop review of available state and local housing program information, and conducted interviews with practitioners at the state and local level.

Practitioner interview acknowledgments

- Eric Brown, Maryland Association of Housing and Redevelopment Agencies, formerly Prince George's County Department of Housing and Community Development
- Maddy Ciulu, Maryland Department of Housing and Community Development
- Miranda Darden-Willems, Maryland Affordable Housing Coalition
- Chickie Grayson, Maryland Affordable Housing Coalition
- Gerard Joab, Community Development Network of Maryland, St. Ambrose Housing Aide Center
- Steven Kesner, Cumberland Housing Group
- H.S. Lancaster, Three Oaks Center (Lexington Park, MD)
- Angie Liddiard, Housing Authority of the City of Frederick
- Dennis Nicholson, Housing Authority of St. Mary's County
- Brien O'Toole, Maryland Department of Housing and Community Development
- Stephanie Prange Proestel, Community Development Network of Maryland, Housing Initiative Partnership
- Duane Yoder, Garrett County Community Action

Local policy briefs: Local policies to leverage state resources **August 2020**

Prepared by Michael A. Spotts, President, Neighborhood Fundamentals, LLC
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Local Actions to Leverage DHCD Rental Housing Loan Programs

Background

The State of Maryland Department of Housing and Community Development (DHCD) provides a range of capital products to support the construction, preservation, and rehabilitation of affordable rental housing. These resources include both state revenues and the state's allocation of federal resources. This section focuses on two programs:

- Rental Housing Program (RHP)
- Partnership Rental Housing Program (PRHP)

In Fiscal Year 2019, $19,910,700 in state resources were allocated to Rental Housing Loan Programs (inclusive of RHP, PRHP).[1]

State Program Profile: Rental Housing Program[2]

RHP is a state loan program often (but not exclusively) used in conjunction with other state-allocated resources, such as Low-Income Housing Tax Credits (LIHTC), HOME funds, or tax-exempt or taxable bonds. In addition, RHP resources are combined with local, private, and/or philanthropic funds. Loan terms may be up to 40 years at 2 percent interest. Repayment is based on a percentage split of cash flow generated by the property. The maximum loan amount is $2 million.

In addition to traditional affordable rental housing financed through LIHTC, RHP can also support congregate housing, SROs, emergency shelters, and shared living facilities. Priorities for allocation are broadly consistent with LIHTC allocation priorities:

- Provide tenant targeting below 60% AMI
- Require longer-term affordability (greater than 40 years)
- Offer tenant service packages
- Leverage non-state resources
- Provide quality housing in good locations
- Demonstrate development and management ability

State Program Profile: Partnership Rental Housing Program[3]

PRHP is a state deferred loan program which funds rental housing (including single-family homes) that:

- Provide deeper levels of affordability (50% of statewide median);
- Serve individuals or households with disabilities or special needs (at 30% AMI or less), integrated into a traditional rental development; and/or
- Include a partnership with a public entity.

If not including units for individuals with disabilities or special needs, eligible applicants are local governments, housing authorities, and entities which are owned in part by a local government or

[1] Enterprise Community Partners analysis of FY 2019 program data.
[2] Department of Housing and Community Development. "Rental Housing Program." State of Maryland. https://dhcd.maryland.gov/HousingDevelopment/Pages/rhf/factsheet.aspx.
[3] Department of Housing and Community Development. "Partnership Rental Housing Program." State of Maryland. https://dhcd.maryland.gov/HousingDevelopment/Pages/prhp/default.aspx

housing authority. The local government must provide land or a contribution of equal value from non-state resources.

Loans are limited to $75,000 per unit for large projects and up to $2 million (with no per unit cap) for projects of 40 units or fewer. The loan period is 40 years, with repayments deferred as long as the local government entity continues to own the property and maintain compliance. The funding recipients frequently also receive LIHTC equity. In some instances, PRHP can be the primary source of state capital for small rehabilitation projects.

Best Practices for Local Governments

Both RHP and PRHP frequently serve as "gap" resources – a relatively small but critical part of a financial package that includes LIHTC equity and other state resources. As such, local policies or programs that create an environment generally conducive to affordable rental housing production are likely to be most effective for attracting RHP and PRHP investment. PHRP's focus on local government agencies has created program-specific examples of local support, which will be discussed in more detail in the following section.

Local Best Practice: Provide Financial Support for Development (Including Cost Reduction)

Based on interviews with practitioners and reviews of best practices from Maryland and throughout the country, one of the most impactful actions that local governments can take to support affordable rental housing development is to provide financial support. This often takes the form of a direct outlay (loan or grant). However, jurisdictions without sufficient budgetary resources can financially support affordable rental production in other ways, namely through proactive measures that reduce development costs.

In addition to boosting financial feasibility in general, such actions improve the likelihood of receiving state resources. DHCD's Qualified Allocation Plan (QAP) and Multifamily Rental Finance Program Guide (Guide) establish scoring criteria for applications for funding (including LIHTC, RHP, and PRHP). The "Direct Leveraging" rating criteria established by the Guide awards points worth 16.3% of the threshold amount necessary to receive funding, and 7.5% of points available for the competitive 9% LIHTC allocation. Only five rating criteria (of 20 total) are worth more. Importantly, both monetary contributions and some forms of cost reduction count as part of the Direct Leveraging calculation.

Reduce Development and/or Operating Costs

Reducing the cost of developing and/or operating an affordable rental property is an action that is both applicable and within reach to most – if not all – local and county governments in Maryland. While cost reduction may be one of the few tools available to smaller jurisdictions or those with less financial capacity, such measures are still important in the state's major metropolitan regions because of high land and development costs.

Local governments can reduce costs through measures that include but are not limited to:

- Fee waivers (permit fees, impact fees, utility connection fees)
- Process streamlining (expedited permitting/approval)
- In-kind services (infrastructure scoping and development, environmental remediation)
- Property tax flexibility (abatements, payments-in-lieu-of-taxes)

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LOCAL EXAMPLE: Fort Cumberland Homes Preservation, City of Cumberland (2020) The Cumberland Housing Group serves as the public housing authority for the City of Cumberland and Allegany County. To help facilitate the rehabilitation of the 80-unit Fort Cumberland Homes public housing development, the City of Cumberland waived permit fees, which saved an estimated $58,000 in upfront costs. In addition, the City provided in-kind services such as scoping underground sewer lines, which saved a minimum of $7,000. Once completed in December 2021, the property will be known as River Bend Court. State financing sources for River Bend Court include LIHTC equity and an RHP loan (among other sources).
LOCAL EXAMPLE: Garrett County Community Action tax abatements, Garrett County To reduce costs before a real estate development is placed-into-service and generating revenue, local governments can abate property taxes during the pre-development and/or construction phases. In Garrett County, both the County and local town governments have provided Garrett County Community Action with three-year, 100% property tax abatements during the development process. After the property is placed into service, taxes are levied at 100% of the assessed value, which takes into account the affordability restrictions on the property.

Local and county governments in Maryland have the authority to offer Payments-in-Lieu-of-Taxes (PILOTs) for properties that include affordable rental housing. In reducing ongoing property tax payments, PILOTs can be an important contributor to the financial feasibility of these projects (see Local Example below). However, the utility of PILOTs can often depend on local context. PILOTs reduce on-going property tax revenues, which can create challenges for local governments with stagnant or declining tax bases. Some developers have found that paying property taxes (assessed to account for affordability restrictions) is beneficial in building community and political support for new development.

LOCAL EXAMPLE: PILOTs in St. Mary's County (2017-2018)

In 2017, the Housing Authority of St. Mary's County (HASMC) and St. Mary's Community Development Corporation (SMCDC) and development partners applied for and received PILOTs for three separate rental developments in Lexington Park:

- Lex-Woods Apartments, a partnership between HASMC and Green Street Housing to renovate 78 existing units, funded with LIHTC equity.
- Patuxent Cove, a partnership between St. Mary's Community Development Corporation and Conifer Realty on the new construction of 60 units, funded with LIHTC equity.
- Queen Anne Park Apartments (renamed Patuxent Crossing), a partnership between HASMC and Osprey to renovate 102 existing units using LIHTC equity and PRHP funds.

PILOTs must be individually negotiated and approved by St. Mary's County Commissioners, and in general this process can be time-consuming and carry political risk. The development partners successfully presented the three developments as a coordinated package, emphasizing the aggregate $64 million investment to improve the County's rental housing stock.

As with PILOTs, fee waivers, in-kind services, and many other local government cost reduction efforts may still have an impact on jurisdictional finances. As such, it may be beneficial to focus on reducing costs without a budgetary impact. Expedited permitting may meet this standard, as does minimizing certain mandated project features, such as parking requirements or specific design characteristics.

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Provide Financing

Another approach to financial support is to provide direct loans and/or grants to affordable rental housing development and preservation efforts. Local jurisdictions can use local revenues and/or federal formula grant resources (such as HOME funds if the jurisdiction is a direct recipient) for this purpose. Using such funds to provide ad hoc support is helpful. However, if resources are available, establishing an ongoing housing trust fund provides several benefits, including:

- Providing predictability to the development community regarding the type and amount of resources that could be available, which supports pipeline development;
- Allowing funds to "revolve" and be reinvested in affordable housing as loans are repaid;
- Providing an opportunity for the local agency to proactively communicate priorities for development, including type, location, affordability levels, and populations served.

To better facilitate leveraging the larger pool of state resources, best practices for administering local resources (standing or ad hoc) include aligning the application and award timeline with the state's application cycle and mirroring state threshold and reporting requirements to the greatest extent feasible. Jurisdictions that intend local resources to serve as gap financing should be aware of and account for the competitive framework for allocating LIHTC and accompanying resources. If local funding priorities are not compatible with this framework, it will be difficult for developers to assemble the financing necessary to bring development or preservation efforts to fruition.

Examples of Maryland jurisdictions with affordable housing trust funds include the City of Baltimore, Montgomery County (see below), and Prince George's County.

LOCAL EXAMPLE: Montgomery County Housing Initiative Fund
Since 1988, Montgomery County's Housing Initiative Fund (HIF) has served as its local trust fund and provided loans to produce and preserve affordable and special needs rental housing (among other funded activities). The fund is capitalized using a variety of sources, including local general revenues, a portion of recordation taxes, a portion of proceeds from the sale of county land, condominium conversion taxes, revenues generated from its inclusionary housing program, and proceeds from County taxable limited obligation bonds for affordable housing. As with many housing trust funds, HIF loans are typically provided as gap resources and are leveraged with other capital sources at a ratio of $4.60 for every local dollar over the last 10 years, according to the County's Department of Housing and Community Affairs.

Local Best Practice for Leveraging PRHP Capital: Recapitalize and/or Redevelop Existing Public Housing Agency Assets

As previously discussed, PRHP resources are generally provided to development or rehabilitation efforts that include a local government contribution, in the form of property or financial capital. Local and county housing authorities are therefore well-positioned to access PHRP funds to support the preservation or redevelopment of their current portfolio. These can include "legacy" HUD-funded public housing properties, which generally must proceed through federal programs/procedures such as the Rental Assistance Demonstration or Demolition/Disposition in order to access LIHTC equity and other sources of capital. In addition, housing authorities may have land assets or properties outside of the HUD public housing portfolio that can be used to access PRHP resources. A non-exhaustive list of examples of housing authority efforts to develop or recapitalize properties includes a diverse range of jurisdictions, such as the cities of Annapolis, Baltimore, Cumberland and Frederick; and Garrett (see

Local Example below), Howard, Montgomery, Prince George's, St. Mary's (see Local Examples above) and Washington counties. [4]

LOCAL EXAMPLE: Catoctin View Rehabilitation; Frederick, MD (2020)
In 2020, the Housing Authority of the City of Frederick closed on financing to rehabilitate Catoctin View, a 7-story age-restricted property. In addition to the housing authority's use of an existing asset to attract affordable housing investment, both the City and County of Frederick supported the effort by providing fee waivers, PILOTs,[5] and a grant for asbestos remediation. In addition, the County adopted a zoning overlay to formally allow non-conforming project elements.

Jurisdictions can also help local agencies expand their portfolio by transferring ownership or leasing county or other locally owned land assets. Such efforts can take different forms depending on context. In more expensive real-estate markets where land is scarce, "joint development" partnerships can co-locate affordable housing and public facilities on government-owned land. In areas where vacant homes are a problem, the government (or land bank) could transfer properties obtained through tax foreclosure. If there is no local housing authority, the jurisdiction can maintain ownership of the parcel and provide site control to a nonprofit developer via lease.

LOCAL EXAMPLE: City of Cumberland Property Clearance and Transfer
The City of Cumberland takes a strategic approach to addressing vacant and blighted properties. The city obtains properties through tax sales, demolishes existing structures if necessary, and in some cases deeds the vacant property to potential developers. To date, the City has transferred nine total properties to the Cumberland Housing Group. While some of these parcels have been developed for affordable homeownership opportunities, the general practice of transferring strategic properties is applicable to various property types.

Additional Considerations to Promote Affordable Rental Production

Practitioners interviewed for this research also highlighted several other principles, concepts, and considerations that can provide a supportive environment for attracting affordable housing investment and state capital resources:

- Adopting standardized eligibility for incentives (whether financing or cost reductions) supports predictability and pipeline development. For example, Frederick County has established formalized standards for granting fee waivers for affordable rental housing.[6]
- Predevelopment and carrying costs during construction/rehabilitation can be difficult to cover for small housing authorities and local mission-driven developers. Providing relatively smaller

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[4] Not all examples necessarily accessed PRHP resources, though the examples would have been eligible due to local agency involvement.
[5] Bohnel, Steve. "Senior Affordable Housing Project Receives Support from County Council." The Frederick News-Post, February 18, 2020. https://www.fredericknewspost.com/news/politics_and_government/levels_of_government/county/council/senior-affordable-housing-project-receives-support-from-county-council/article_6fac7e51-d70c-5456-a5ea-d44dd1fe2196.html.
[6] Frederick County. "Development Impact Fee Exemption for Affordable Housing."

amounts of funding for operations and internal capacity can improve such entities' ability to fundraise and attract external capital.

- Local capacity can also be supported by local development incentives or requirements that promote participation of local developers/entities.
- Proactive communication and coordination with state officials and other potential funders can be helpful in identifying the right funding sources for individual projects and addressing unforeseen challenges throughout the development process.
- Jurisdictions should ensure that zoning is in place for the types of housing it wishes to promote. Providing zoning for areas where multifamily housing and/or affordable housing can proceed "by-right" can streamline the development process and ensure that strong projects are not derailed by contentious approval processes. In contexts where by-right multifamily zoning is infeasible, county governments can support affordable development by providing land use flexibility in the form of waivers, rezonings, zoning overlays, and planned residential developments.

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Local Actions to Leverage Maryland Mortgage Program Resources[7]

Background

The Maryland Mortgage Program is a 30-year, fixed-interest rate mortgage product for income-eligible purchasers. In addition to the primary mortgage product, there are complementary state programs and initiatives designed to facilitate increased access to homeownership, including down payment and closing cost assistance, partner match programs in which additional assistance is provided by an employer, builder or community partner, and a program to help purchasers with student loan debts.

According to DHCD's 2019 annual report, 2,453 mortgages totaling approximately $545 million were securitized in the most recent fiscal year.

Best Practices for Local Governments

Local Best Practice: Provide Down payment and Settlement Assistance

Potential homeowners seeking to utilize the Maryland Mortgage Program (MMP) must have the income to support monthly mortgage payments and the assets to afford a down payment. The specific down payment requirement varies according to the specific MMP product being utilized, but is often approximately 3-5% of the home purchase price.[8] The MMP maximum purchase price also varies by geography, but a home purchased at the highest statewide amount of $565,000 with 3% down would require nearly $17,000 at closing, plus closing/settlement costs. The state does provide some down payment assistance (up to $5,000), but resources are limited and offerings may be insufficient for some otherwise qualified borrowers. Local governments can provide additional resources to support borrowers whose main barrier to homeownership is the down payment. Enabling higher down payments can also increase the sustainability of the mortgage by lowering monthly mortgage payments.

Local down payment programs can take multiple forms and be administered by different entities. The following local examples illustrate different program structures.

LOCAL EXAMPLE: Montgomery Homeownership Program V
Montgomery County has worked with the Community Development Administration at DHCD to establish a down payment assistance program specifically for borrowers in one of the highest-cost jurisdictions in the state. The County government provides resources directly to the state, which then allocates those resources to borrowers in their network that underwrites the MMP mortgage. This reduces redundancy in the borrower qualification process and removes loan-by-loan administrative burden from the County. The state and County coordinate on marketing MMP and the Montgomery Homeownership Program. A borrower can receive up to $25,000 in down payment assistance in the form of a second loan, repayable upon sale of the home.[9]
Though the structure of each particular state-local down payment assistance partnership has varied, similar engagements have been implemented in the past with the City of Baltimore and Garrett, Prince George's, St. Mary's, and Wicomico counties.

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[7] Department of Housing and Community Development. "Maryland Mortgage Program." State of Maryland. https://mmp.maryland.gov/Pages/About-CDA.aspx
[8] Some MMP loans using Veterans Administration or Rural Housing Service products are 100% loan-to-value offerings.
[9] Community Development Administration – Department of Housing and Community Development. "Fact Sheet: Montgomery Homeownership Program V." State of Maryland. https://mmp.maryland.gov/montgomery/Pages/default.aspx

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LOCAL EXAMPLE: Mortgage Assistance Program, Anne Arundel County[10] Arundel Community Development Services, Inc. (ACDS) is a County-chartered nonprofit that administers a range of affordable housing programs. First-time homebuyers that participate in the ACDS-administered Homeownership Counseling program can receive up to $20,000 for down payment and settlement costs structured as a deferred second loan. These resources can be used with FHA or MMP mortgages.
LOCAL EXAMPLE: Charles County Settlement Expense Loan Program[11] Charles County partners with participating lenders to allocate direct financial assistance to first-time homebuyers to offset the cost of settlement expenses. Borrowers that participate in HUD-certified homeownership counseling sessions can receive up to $6,000. Lenders qualify borrowers at time of underwriting.

A common thread among programs and interviewees is that it is important to have the requirements for local assistance be compatible with MMP (or other affordable mortgage product) eligibility and underwriting criteria, particularly if delegating the allocation process to third-party administrators (such as a participating lender or mortgage servicer). Such entities may be able to accommodate special "overlays," such as deeper income targeting or focusing resources on a specific sub-geography. However, changes to loan terms or underwriting standards are less likely to be accepted.

Additional Considerations to Promote Affordable Homeownership

Practitioners interviewed for this policy brief indicated additional challenges related to increasing affordable homeownership opportunities that local policy can help address:

- In lower-cost markets, qualifying low-income households can be challenging. Given low prevailing home purchase prices, many households may be able to purchase a home without assistance. Those that cannot and are income-qualified (often 80% AMI or below for local programs) may have other challenges such as poor credit or no credit history. Homeownership counseling and proactive services to repair credit ratings can assist homeownership efforts in these contexts.
- The Housing Choice Voucher program can be used as a tool to expand homeownership for lower-income households.

[10] Arundel Community Development Services, Inc. "Mortgage Assistance Program." https://acdsinc.org/housing-resources/homebuyers/mortgage-assistance/
[11] Charles County. "First Time Home Buyers Settlement Expense Loan Program: Program Guidelines and Procedures." https://www.charlescountymd.gov/services/health-and-human-services/housing-services/housing-authority

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Local Actions to Leverage Housing Rehabilitation Program Resources[12]

Background

The Housing Rehabilitation Program (HRP) offers no or low-interest loans for single-family owner-occupied homes and rental properties with four units or fewer to bring properties up to building codes and regulatory standards. Eligible households cannot exceed 80% of statewide AMI (except for borrowers in the Washington, DC region, for which the metropolitan statistical area median income applies). HRP loans can cover up to 110% of the value of the property. Loan durations can be up to 30 years, with payments deferred in some contexts. Local governments process loan requests within their jurisdiction.

According to DHCD's 2019 Annual Report, approximately $5.4 million in state resources were allocated to Single Family Housing Rehabilitation Programs, assisting 111 units at an average cost of approximately $49,045 per unit.

Best Practices for Local Governments

Local Best Practice: Focus on Critical Properties and Neighborhoods

Interviewees for this brief had limited observations specific to the HRP program. However, insights related to housing rehabilitation efforts more generally may apply. Practitioners in small towns and rural, urban and suburban areas alike emphasized the importance of strategically focusing on critical properties and neighborhoods. If left unaddressed, poor housing quality (and especially blighted and abandoned properties) can create a self-reinforcing cycle of disinvestment and declining property values in the surrounding area. This cycle of decline limits private lending opportunities, as homeowners have less equity to borrow against. In severe cases, the cost of rehabilitation can exceed the value of a post-rehabilitated home, which makes both private and government-supported revitalization efforts more difficult to finance.

If rehabilitation capital is deployed on an ad hoc basis, there is the risk that the positive impact of these improvements may be overwhelmed by broader market forces. In contexts where significant resources are available, concentrating resources in a specific block or neighborhood may increase the likelihood that a negative trajectory is reversed. When resources are more limited, focusing on "borderline" or "tipping point" neighborhoods (or properties within blocks or neighborhoods) can be catalytic and have positive impacts on surrounding properties.

Local governments are responsible for processing HRP loan requests on behalf of the state. As such, a local government can affirmatively market this resource in strategic areas, potentially engaging with community groups to advertise the availability of this product.

Though HRP loans have flexible terms and low interest rates, the loan must be repaid. This can make using this product more difficult when the post-rehabilitation property value is lower than the cost of critical repairs. The challenge of negative equity also applies where property values are higher, but the combined rehabilitation and first mortgage debt exceed property values. One local approach to address this issue is to package local resources (or flexible pass through funds such as federal HOME and Community Development Block Grant funds) as grants or forgivable loans to fill the appraisal gap for critical properties.

[12] Department of Housing and Community Development. "Maryland Housing Rehabilitation Program – Single Family." State of Maryland. https://dhcd.maryland.gov/Residents/Pages/mhrp-sf/default.aspx

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LOCAL EXAMPLE: Cumberland Housing Rehabilitation Program
In response to abandonment and deterioration of the City's housing stock as population declined, the City of Cumberland and Cumberland Housing Group (CHG) have adopted a collaborative approach to neighborhood revitalization through strategic rehabilitation. CHG's Cumberland Housing Rehabilitation Program aligns with the City's Sustainable Communities Plan (2017), which calls for strategic demolition to improve quality-of-life in targeted neighborhoods and for supporting infill housing development. The City has supported this program by transferring parcels it has assumed ownership of to CHG. Revitalizing these properties can include the rehabilitation of existing homes. If properties have sufficiently deteriorated, activities can include demolition, site cleanup, and construction. The revitalized units are then sold at affordable price points to homeowners at or below 120% AMI, putting new properties on the tax rolls. Properties that are strategically important to improving a neighborhood's trajectory are prioritized. To date, CHG has rehabilitated one property, with two additional properties scheduled to proceed as new construction. More broadly, the City has transferred nine properties to CHG, including a parcel that eventually became the Cornerstone Hill development, with 38 affordable for-sale townhomes. Neighborhood Stabilization Program funds were used as part of the financing package for this development.

Additional Considerations to Promote Housing Rehabilitation

Practitioners interviewed for this policy brief indicated additional opportunities for addressing housing rehabilitation challenges:

- Local governments can provide local housing authorities or nonprofits with access to strategically important parcels by adopting right-of-first refusal policies for tax sales, properties in receivership, and underutilized publicly owned land.
- Local governments can conduct environmental reviews before properties are released, reducing redevelopment or rehabilitation costs.
- Local practitioners can gain access to additional properties through sales of FHA-foreclosed properties or properties owned through mission-driven entities such as local land banks or the National Community Stabilization Trust.
- Applications for Community Development Block Grant funds in non-entitlement jurisdictions must be applied for by the county/municipality. Local governments can work proactively with nonprofits or local housing authorities supporting rehabilitation work to package applications to the state of Maryland.

Finally, the process associated with underwriting/packaging HRP loans carries overhead and administrative costs. Local programs and coordination could be used to defray some of those costs. Potential examples could include:

- Local jurisdictions can provide administrative/operating resources for local nonprofits working to revitalize properties or neighborhoods to offset the cost of property assessment and underwriting.
- Local jurisdictions can promote stronger connections to code enforcement. As part of their work, code inspectors have familiarity with the specific capital upgrades necessary to bring a property into compliance. Pairing code enforcement actions with services that provide access to rehabilitation capital products could lead to greater efficiency. Such coordination could also reduce concerns about tenant displacement in poorly maintained rental units. As an example,

Garrett County Community Action currently manages code enforcement for incorporated towns and administers a local Home Repair and Rehabilitation Program.

APPENDIX F.
TECHNICAL DOCUMENTATION: MARYLAND HOMEOWNER AND RENTER STABILITY INDICES

Technical Documentation: Maryland Homeowner and Renter Stability Indices **August 2020**
Prepared by Nick Finio, National Center for Smart Growth, UMD
as part of the Maryland Housing Needs Assessment & 10-Year Strategic Plan

Introduction

The project team, composed of the National Center for Smart Growth (NCSG) and Enterprise Community Partners, developed two indices to measure priority needs by geography in the housing market across the state. The first, Maryland Homeowner Stability Index, is focused on evaluation of the need to stabilize neighborhoods and home prices. The second, Maryland Renter Stability Index, is focused on increasing the supply and affordability of rental housing.

The goal of the homeownership stability index is to show where homeowners are most stressed and where the housing market needs the most support. The highest need tracts in the categorical ranking in the index tend to have high poverty rates, older housing, high cost burden, high rates of crowding, and high shares of delinquent or foreclosed loans, and low home prices.

The goal of the renter stability index is to show areas where renters are stressed by cost and where the housing market serves the most vulnerable. The highest need tracts in the categorical ranking in the index tend to have high poverty rates, high rents, high cost burdens, high rates of crowding, and large shares of residents receiving rental assistance.

The project team developed these two quantitative indices for each census tract in the state (1,394 total census tracts with available demographic and economic information). Census tracts are small, relatively permanent statistical subdivisions of a county, which on average have roughly 4,000 inhabitants.[1] Each census tract receives a numerical value for each index. For analysis purposes, we rank census tracts categorically into five slots based on those index scores, for each index. Those five categories take values from 1 to 5 and represent lowest need (1) to highest need (5). That ranking is done uniquely within the five regions of the state used throughout this project for analysis purposes: Western, Eastern, Southern, Baltimore, and DC Suburbs (see Phase 1 Report for more details on the regions).

This technical documentation explains the process utilized to select the index components and how the indices were calculated. It also explains how the indices were translated into ranked categories for each of the five regions. Finally, it details the ArcGIS online mapping application that the project team chose to display the data.

Index components and selection process

The project team was able to rely on experience, expertise, and knowledge gained during Phase 1 of the project to inform selection of components in the two indices. NCSG's experience with developing indices comes from the Baltimore Opportunity Collaborative's *Regional Plan for Sustainable Development*, a HUD funded sustainability plan that included development of a similar concept: index-based opportunity maps. Enterprise's KIS team created and operates Enterprise's Opp360 platform, which includes an index-based opportunity score for every census tract in the United States.

The full list of variables utilized in the two indices is available in Table 1. One set of variables, the first nine on the list, are included in both indices. These include demographic and economic characteristics of census tracts that are appropriate to include in each index, which together track the socioeconomic status and general housing market conditions in the census tract. The residential mobility rate is

[1] https://www2.census.gov/geo/pdfs/education/CensusTracts.pdf

measured as the share of residents who did not live in the same census tract one year ago. The poverty rate measures the share of residents in poverty, and we also measure shares of the elderly (65+) population and share with a disability. For age of housing, we measure the share of housing units built prior to 1980. For new housing construction, we measure the share of units built since the year 2000. Median household income is measured in 2017 dollars. The mobility rate shows which tracts see more turnover in the housing market, which can be a marker of instability. The poverty rate, age, and disability variables show tracts which have higher shares of these needy populations. The age of housing variable highlights tracts with older housing, which generally are more expensive to maintain and also are more likely to have lead paint and environmental issues. Opposite that, the new construction variable shows census tracts with recent construction activity, which can be a marker of housing market health. Median household income serves as a general proxy for neighborhood socioeconomic status. The share of units that are crowded shows were populations are stressed by housing cost and must share smaller units to afford housing.

The next four on the list are in the homeownership index only. These variables measure factors that uniquely influence the homeownership market and are critical for policymakers seeking to stabilize or increase homeownership rates and build home-based wealth. The first is the median home price, which serves as a general proxy for tract housing market health. The second is the cost burden rate for owners, which shows tracts where homeowners pay higher shares of their incomes to maintain homeownership. The foreclosure rate variable shows tracts which have higher rates of foreclosures, and the delinquency rate shows tracts with higher rates of 90+ day delinquent loans.

The final five variables on the list are in the renter index only. The median rent price is measured in 2017 dollars and serves as a proxy for the quality or desirability of the rental housing stock in the tract. The cost burden rate for renters highlights tracts in which renters pay a higher share of their income toward housing. The existing subsidized housing variable shows which tracts have a higher share of subsidized units, as a share of all units in the tract. The percent of renters receiving project based assistance variable shows the share of renters in the tract who receive project based assistance to pay their rent. The final variable shows the share of renters who receive housing choice vouchers in the tract. All of these variables show where subsidies are currently concentrated in tracts.

Note that for certain variables we include information on the most recent year level, and the change in that level since 2000. That adds a second dimension to the analysis: both current conditions and the trend over time influence the index score. The variables that include a trend in addition to the most recent level include: poverty rate, the share of the population age 65+, the foreclosure rate, the delinquency rate, median home price, cost burden for both owners and renters, median household income, and median rent price. The other variables do not include a trend component due to data availability issues (mobility, disability, shares receiving rental assistance, crowding rate), or due to the fact that a trend component would not make sense or have much explanatory power (age of housing).

Technical Documentation: Maryland Homeowner and Renter Stability Indices **August 2020**
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Table 1: Variables used in the indices

Variable Name	Source	Years	H Index	R Index
Residential Mobility	ACS	2017	X	X
Poverty rate	ACS, SF3	2000, 2017	X	X
Share of population 65+	ACS, SF3	2000, 2017	X	X
Share with disability	ACS, SF3	2017	X	X
Age of housing	ACS	2017	X	X
New housing construction	ACS, SF3	2000, 2017	X	X
Median household income	ACS, SF3	2000, 2017	X	X
% of occupied units crowded	ACS	2017	X	X
Median home price	ACS, SF3	2000, 2017	X	
Cost burden - owners	CHAS	2000, 2016	X	
Foreclosure rate	CoreLogic	2015, 2019	X	
90+ day delinquency rate	CoreLogic	2015, 2019	X	
Median Rent Price	ACS, SF3	2000, 2017		X
Cost burden - renters	CHAS	2000, 2016		X
Existing subsidized housing	NHPD	current		X
% of renters receiving project based assistance	HUD	2017		X
% of renters receiving HCVs	HUD	2017		X

Index calculation

Following methodology established with Enterprise's Opp360 opportunity score system and NCSG's opportunity maps produced from the Baltimore Regional Plan for Sustainable Development, we developed index scores using a simple statistical method: z scores.

A z score describes the position of an observed value of a variable in terms of its distance from that variable's mean (in a population of observations). Z scores are calculated from the following formula, where x is the observed value, u is the mean, and o is the standard deviation:

$$z = \frac{x - \mu}{\sigma}$$

If a z-score is positive, that value lies above the mean, and if it is negative, it lies below the mean. Z scores illustrate where an observation falls on the normal distribution via the "bell curve" as shown in Figure 1 below. 99.9% of observations fall within a z-score of -3 and +3 in the normal distribution. Most observations (about 68%) fall near zero: -1 to 1.

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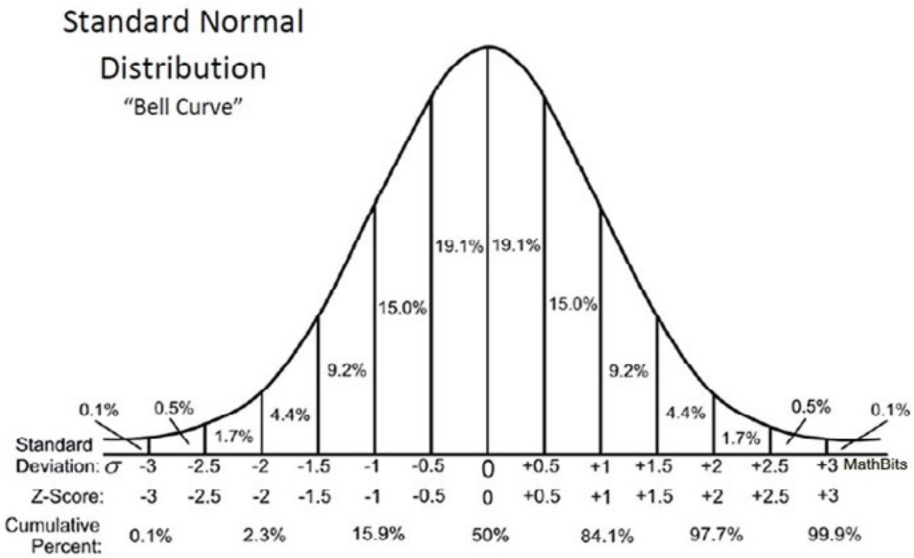
Figure 1: The "Bell Curve"



For each variable (and if applicable, its trend since 2000) we calculate the mean and standard deviation. Following that, for each census tract for every variable (and if applicable its trend since 2000), we compute the z-score. We are then left with a matrix composed of census tracts as rows, index variables as columns, and z-scores in the matrix cells.

We then simply add the z-scores across rows (selecting appropriate components for each index) to calculate the final index score for each census tract. The means and standard deviations of each index component are in Table 2 below. For example, the mean residential mobility rate in a census tract in 2017 was 13.7%; meaning on average, 13.7% of people in the state's census tracts did not live in the same census tract last year. The standard deviation (value o in the formula above) was 0.07, which indicates that there is some variation in that score – e.g. many tracts have much higher or lower scores.

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Table 2. Index component means and standard deviations

Index Component	Mean	Standard Deviation
Residential Mobility 2017	13.7%	0.07
Poverty rate 2017	10.8%	0.10
Poverty rate change 2000-2017	1.5%	0.06
Share of population 65+	14.7%	0.07
Share of population 65+ change 2000-2017	2.9%	0.06
Share with disability 2017	11.5%	0.05
Age of housing (share built before 1980)	59.2%	0.27
New housing construction (% increase in units built since 2000*)	114.4%	0.33
Median household income 2017**	$83,577	$38,525
Median household income change 2000-2017**	1.05	0.24
% of occupied units crowded (more than 1.01 occupants per room)	2.2%	0.03
Median home price 2017	$304,308	$174,978
median home price change 2000-2017	1.47	0.45
Cost burden - owners 2016	25.9%	0.09
Cost burden - owners - change 2000-2016	4.2%	0.10
Foreclosure rate 2019	0.2%	0.00
Foreclosure rate change 2015-2019	-0.5%	0.02
90+ day delinquency rate 2019	0.8%	0.02
90+ day delinquency rate change 2015-2019	-1.2%	0.05
Median Rent Price 2017**	$1,424	$509
Median Rent Price change 2000-2017	1.08	0.34
Cost burden - renters	43.5%	0.16
Cost burden - renters - change 2000-2016	15.4%	0.17
Existing subsidized housing	178.9	218.73
% of renters receiving project-based assistance	10.2%	0.15
% of renters receiving HCVs	6.6%	0.08

*measured as change in total units (2017 total / 2000 total)
**2017 value / 2000 value

For ease of reference the project team determined that a positive overall z-score would indicate a tract in high need, and a low or negative overall z-score would indicate a tract in low need[2]. For example, if a tract has a higher than average mobility rate, this would garner a positive z-score. This makes sense, as higher mobility typically indicates a more stressed housing market, with less residential stability; i.e., a higher need. This same relationship holds true for the following variables (and their trend components): poverty rate, share of population 65+, the share of the population with a disability; age of housing

[2] This decision was arbitrary – the indices could have been organized such that a negative score represented high need and a positive score low need. The same applies to the categories – the 1-5 ranking we chose was arbitrary in that ranking as well (discussed on page 6).

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(higher share of older housing), the crowding rate, cost burden for renters and owners, foreclosure rates, delinquency rates, rent price, and all the housing assistance variables.

However, some manipulation of the raw z scores was required, so that the computed values would correspond to high or low need. For example, for new housing construction, a positive z-score would occur when a tract has had more construction since the year 2000. This is a sign of growth and stability in housing markets, not a sign of higher need; so, for this variable and others we inverted the sign by multiplying z-scores by negative one. Thus, tracts with more than average home construction since 2000 get a negative z-score for that component. We also flipped the sign for median income and median home prices as higher dollar values relative to the state average for these two variables is not a sign of need, but a sign of stability. Note we did not flip the sign on median rent because the goal of that index is to show areas where renters may need assistance due to cost, so high-rent tracts do get positive scores.

All variables in the index receive the same “weight” in that no z-scores are altered to give them extra explanatory power. Outliers were capped through the following method. Z-score histogram plots were examined and most distributions were found to be normal or near normal, so a floor and ceiling were set at -3.5 and +3.5. The index measures the sum of dispersion from the mean of *all variables in the index*; no variable receives special treatment in comparison to another. This allows for different variables (e.g. cost burden versus foreclosures) to be drivers of the index in different places, while still treating all inputs equally. Any weighting process would have been subjective. In the past, NCSG asked for expert input to inform weighting in the Baltimore opportunity maps, but this was a laborious and time-intensive process and was done to establish consensus and not to improve the scientific validity of the index.

The final values of each index are roughly centered around zero, and range from about -25 to +18 as shown in table 3:

Table 3: Final index minimum, maximum and mean values

	min	max	mean
home index	-21.2	17.6	-0.1
rent index	-25.9	17.8	-1.2

These index values are retained for each tract in the master dataset and in the statewide map, so tracts can easily be compared to one another.

Categorical ranking of the indices

The project team investigated the indices with preliminary maps statewide and considered different methodologies for mapping and comparing the index scores. While statewide comparisons are valid due to the way the index components are created, mapping and analysis with raw statewide scores is not ideal. Due to the economic and social geography of the state, the vast majority of highest need (highest z-score) index values are concentrated in the state’s densest areas: Baltimore City, Prince George’s County, Montgomery County. Suburban areas tend to have similar index scores, as do rural areas. Regions also tend to have similar scores, aligning across index components, but this makes differences within those regions hard to compare.

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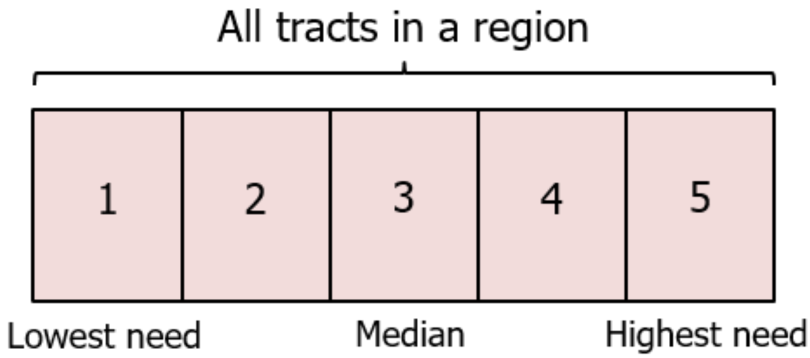
The project team settled on using the 5 regions of the state to map and rank the indices to correct these problems. The five regions of the state are made up of the Counties and Baltimore City, and the regions are: Western Maryland, the DC Suburbs, the Baltimore Region, Eastern Maryland, and Southern Maryland. Table 4 below shows the number of census tracts in each county within each region. Note that the regions have vastly different numbers of census tracts.

Table 4: Regions and census tract counts

Region/County	Total Census Tracts
Eastern Maryland	**105**
Caroline County	9
Cecil County	19
Dorchester County	9
Kent County	5
Queen Anne's County	12
Somerset County	7
Talbot County	10
Wicomico County	19
Worcester County	15
Greater Baltimore	**668**
Anne Arundel County	104
Baltimore City	200
Baltimore County	214
Carroll County	38
Harford County	57
Howard County	55
Southern Maryland	**65**
Calvert County	18
Charles County	30
St. Mary's County	17
The Washington suburbs	**494**
Frederick County	61
Montgomery County	215
Prince George's County	218
Western Maryland	**62**
Allegany County	23
Garrett County	7
Washington County	32
Total tracts	**1394**

We divide the master dataset of census tracts with their index values into 5 separate groups, by region. Within each of those regions, we rank census tracts using equal quintiles (20% of the distribution) on a scale of 1 to 5. 1 is lowest need (negative z-score) and 5 is highest need (positive z score). We then use these groups for analysis of trends within regions and also to connect to potential policy improvements by geography. The categories within regions represent a robust and flexible way to identify priority needs by geography, with an eye toward geographic flexibility in policymaking. Figure 2 shows how all tracts in the region are divided into 5 quintiles for analysis.

Figure 2: Regional quintiles



We note that some regions had a total number of tracts divisible by five, such as Eastern and Southern Maryland (105/5 = 21 and 65/5 = 13, in each category respectively). Other regions had remainders after dividing by five; these were allocated to the highest need categories beginning with category 5. So for example, Western Maryland has 62 total tracts: categories 1-3 have 12 tracts, and categories 4 and 5 have 13. Please refer to our final report for information on the composition and characteristics of the different quintiles in the different regions.

Maryland Incentive Zones / Target Area Overlays

For policy analysis, we also used Geographic Information Systems (GIS) to attach information about various policy incentive zones or target areas to census tracts. This was done so that each individual census tract can be identified as being within or part of a certain incentive zone. We did this using an intersect function in GIS, assigning a binary value 0/1 to a tract where 1 indicates an intersection with a target overlay or incentive zone, and 0 indicates no intersection. Intersection will assign a 1 if any part of the tract lies within the target overlay or incentive zone. Often there is complete overlap as these designations may be composed of census tracts wholly, but some target areas are smaller geographies nested within and across census tracts.

For example, one could ask, "is any part of tract A in a difficult development area" the answer would be "yes" if the dataset indicates a value of 1 for that variable. Note that some tracts may only have partial overlap; exact identification can be performed through the mapping service explained later in this documentation. Table 5 below shows which Maryland incentive zones and target area overlays are included in our dataset.

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Table 5: Policy overlay areas and analysis categories

Overlay name	*Analysis category*	*Homeowner index*	*Renter index*
Designated TOD areas	*Access to opportunity*	X	X
RISE Zones	*Access to opportunity*	X	X
Qualified Census Tracts	*Housing*	X	X
Target Areas	*Housing*	X	X
Difficult Development Areas	*Housing*	X	X
Communities of Opportunity	*Housing/access to opportunity*	X	X
Rural areas	*Housing*	X	X
Sustainable Communities Incentive Zone	*Revitalization*	X	X
Empowerment Areas	*Revitalization*	X	X
One MD Jurisdictions	*Revitalization*	X	X
Opportunity Zones	*Revitalization*	X	X
Priority Funding Areas	*Access to opportunity*	X	X

We divided the incentive zones into three categories for analysis: access to opportunity, housing, and revitalization. All data was obtained from MD iMAP GIS databases. In the final report, we describe the composition of these target overlays across the various quintile categories in the indices.

ARCGIS Online – Index Mapping Guide

The project team has uploaded the index and related data to ArcGIS online, a web-mapping interactive service provided by the company ESRI, through the University of Maryland. These interactive maps are accessible to the general public via the following links:

Statewide

Western Maryland

DC Suburbs

Baltimore Region

Eastern Maryland

Southern Maryland

The "statewide" map displays the raw index scores and components for the entire state. The various regions show the quintile rankings for each index, within each region. All maps have the ability to display various policy and incentive zone layers. The following webpage from ESRI, and pages accessible from that page, provide further details on how to use ArcGIS online:

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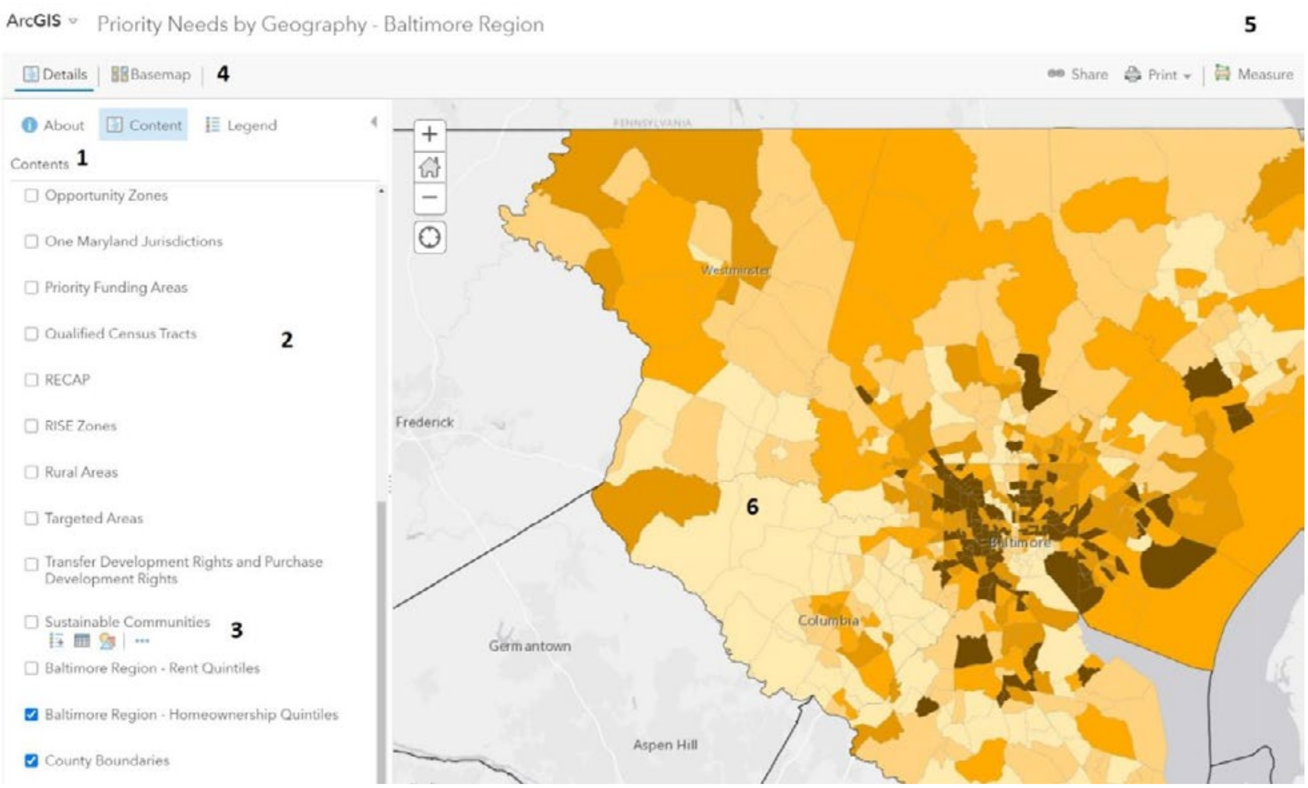
https://learn.arcgis.com/en/projects/get-started-with-arcgis-online/, from the perspective of creating a map oneself. However, much of the information on that site applies to those who would use maps that are pre-made, such as these. The project team recommends novice users should review that site before engaging with the maps, however, the maps are designed to be viewed by those without experience with digital mapping software. Below, we review some pointers for using the data as the project team has presented it in ArcGIS online.

When the page first loads, one will see this screen. The numbers on the map will not appear on the screen, but are instead labels, as explained below the image.



1) This is the "contents pane" (if this isn't showing up, click "content" button – you may be on "about" instead. The contents pane shows all of the layers available for display on the map. Note the quintile index rankings are at the bottom – scroll down to see all layers.
2) This is the area in which all the layers are displayed. Click the toggle check button to display a chosen layer. Most layers are various policy or incentive zones, which will show outlined areas on the map when toggled.
3) When you hover your cursor over a selected layer, four small icons appear. These are, in order: a show legend display for that layer; a show table button which opens a data table; a change style button which allows the user to change display colors and characteristics; and a further options button which allows several additional display features. Users can change the display colors and display type of any layer, including transparency.
4) This allows the user to select a different basemap (the underlying map under the data, such as satellite view or a traditional road map). The current map shown is "light gray canvas."
5) A measure button which allows users to measure distance and area.

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6) These are census tracts of data, displayed on the map. The image above shows the homeownership index across census tracts. Click on any tract to see further information about the tract, including z scores, layer intersections, and quintile ranks.
7) For further questions about the maps, please contact Nick Finio at nfinio@umd.edu.

APPENDIX G.
FULL SUMMARY: MARYLAND HOMEOWNER AND RENTER STABILITY INDICES

Full Summary: Maryland Homeowner and Renter Stability Indices **August 2020**
Prepared by Enterprise Community Partners, Inc.
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Introduction

Two indices were developed to measure priority needs by geography in the housing market across the State of Maryland:

1. **Renter Stability index.** The goal of this index is to show areas where renters are stressed by cost and where the housing market serves the most vulnerable.
2. **Homeowner Stability index.** The goal of this index is to show where homeowners are most stressed and where the housing market needs the most support.

Recognizing the nuance of each region within the state, both indices were tailored regionally, resulting in five categories of rental and homeownership need across each region. This document summarizes the key housing needs by region and each category within each region. More details about how these indices were computed may be found in Appendix F.

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Greater Baltimore Regional Overview

Demographics

This is the largest region in the state, in terms of total tracts (668), households (1,022,709), and population (2,742,979).

This is the second most racially diverse region in the state, with 41% of people identifying as non-White. The largest racial group are people identifying as White (57%), followed by people identifying as Black or African American (29%). This region has the second largest Asian population of any region in the state, representing 5% of residents. Another 3% of residents identify as two or more races. Five percent of residents in the Baltimore region identify as Hispanic.

The region's poverty rate is 11%, slightly higher than the statewide rate of 10%. Given the size of the Baltimore region, this represents the largest number of people living below the poverty level of any region in the state (284,105 people) – in fact, 50% of Maryland residents living below the poverty rate live in the Baltimore region. Poverty in the Baltimore region is also more likely to be concentrated among racial or ethnic groups than in other regions, with the largest number of tracts (22) meeting the criteria for racially/ethnically concentrated areas of poverty (R/ECAPs).[1]

A similar share of elderly people and people with disabilities live in the Baltimore region as live in the state as a whole (14% and 11%, respectively). But again, due to the size of the region, those percentages actually represent the largest number of residents that are elderly and living with disabilities of any region across the state.

While the median income in Baltimore is slightly below average for the state, the Baltimore region experienced the largest increase in median household income of any region: in 2000, the median household income was $72,957 and, in 2017, it had increased to $77,942 (a 6.8% increase).[2]

Housing needs

The housing stock in Baltimore tends to be older than in other areas of the state, with the smallest share of units built since 2000 of any region in the state (9%) and the second highest share of housing units built before 1980 (60%).

Rental

The Baltimore region has the second highest share of renters across the state (34%). Median rent in the Baltimore region is $1,320, slightly below the state median ($1,424).

Nearly half of renters experience cost-burden (45%). This cost-burden rate is on par with the statewide average. Back in 2000, however, renters in this region experienced the highest cost-burden rate across the state (32%). In fact, most regions (except Western Maryland) experienced a larger increase in the percentage of renters that experience cost-burden from 2000 to 2017. This suggests cost-burden is becoming more widespread across different regions in the state.

The Baltimore region has both the largest number of assisted units and the largest share of renters using vouchers, plus the second highest share of renters receiving rental assistance (12%).

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[1] These areas were identified based on HUD's definition of R/ECAPs, using the newest data available (ACS 2018). More information about this classification and how it is calculated is available here: https://hudgis-hud.opendata.arcgis.com/datasets/56de4edea8264fe5a344da9811ef5d6e_0
[2] All dollar figures are adjusted for inflation.

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Homeownership

Home prices in the Baltimore region are lower than the statewide average ($271,858 in 2017, compared to $304,308 across the state that same year). This was also true in 2000. Even so, the Baltimore region experienced the largest home price change over that time period (a 51% increase, compared to the 49% increase statewide). The share of cost-burdened owners in the region has been fairly consistent over time, experiencing the smallest change of any region from 2000 to 2016 (3.2%). In 2016, 24% of homeowners experienced cost-burden, close to the statewide rate of 25%.

The Baltimore region has the second lowest mortgage delinquency rate (0.4%) and foreclosure rate (0.1%), compared to other regions.

Programmatic alignment

The Baltimore region has the lowest share of tracts (68%) that overlap with revitalization program designations of any region in the state – however, due to its size, that still represents the largest number of tracts across the state that overlap with revitalization targets. The same is true with access to opportunity designations, which overlap with 72% of tracts in the Baltimore region. Nearly every tract in the region is covered by at least one housing program designation (98%).

While the Communities of Opportunity program is the most common designation in the Baltimore region (71% of tracts), this designation is less common in the Baltimore region compared to the smaller regions in the state (i.e., Western, Eastern, and Southern Maryland, where this designation overlaps with more than 93% of tracts). The same is true in the D.C. Suburbs region. Sustainable Communities designations are the next most common in the Baltimore region, covering 65% of tracts in the region.

Heritage Areas, Rural Area designations, and Opportunity Zones are less common in the Baltimore region, compared to other regions in the state.

Unlike other regions, there is not a single program that does not touch at least some tracts in the Baltimore region. The least common designations in this region are RISE Zones, TOD areas, and Maple Street Designations (each overlap with 2% of tracts in the region or less).

Empowerment Zones are exclusively found in the Baltimore region, covering 8% of tracts. Enhancement for Enterprise Zones are only found in the Baltimore and D.C. Suburbs regions, with the majority of those designations in the Baltimore region (covering 5% of tracts in the Baltimore region, compared to 2% of tracts in the D.C. Suburbs).

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Greater Baltimore Rental Category Summaries

Geographic breakdown

This table presents the geographic breakdown of the six counties in Greater Baltimore across the region and across each of the five categories of rental need. This will be referred to throughout the narrative, when discussing over/under-representation of counties across categories.

Baltimore City and Baltimore County collectively make up 62% of this region (30% and 32%, respectively). Anne Arundel County makes up the next largest portion of the region (16%) and Carroll, Harford, and Howard Counties each make up less than 10% of the region. Baltimore City is significantly overrepresented in the highest need category (accounting for 66% of tracts), while every other county is underrepresented in that category and overrepresented in the lesser need categories. Baltimore County is underrepresented in both the highest and lowest need categories, and instead is more concentrated in the three middle categories.

Baltimore Region - Renter Index	Lowest need **Category 1**	**Category 2**	Midpoint **Category 3**	**Category 4**	Highest need **Category 5**	**Baltimore Region Total**
Total tracts	133	133	134	134	134	668
Anne Arundel County	19%	21%	18%	14%	6%	16%
Baltimore City	16%	13%	21%	34%	66%	30%
Baltimore County	26%	38%	37%	36%	24%	32%
Carroll County	10%	8%	6%	5%	0%	6%
Harford County	15%	10%	10%	5%	3%	9%
Howard County	15%	11%	9%	6%	1%	8%

Spectrum of rental housing needs

LEAST NEED AREAS	**MODERATE NEED AREAS**	**HIGHEST NEED AREAS**
• More housing stability • Fewer housing quality concerns • Low poverty and high household incomes • Few assisted units and low rates of voucher usage • Lowest share of non-White residents	• Average renter cost-burden rate • Some residents with special housing needs • Highest increase in median rent from 2011 to 2017	• High cost-burden rates • Significant housing quality concerns • High poverty and low household incomes • High shares of elderly adults and persons with disabilities • Highest share of non-White residents
STRATEGY FOCUS Increase access to affordable homes	**STRATEGY FOCUS** Prevent displacement Support vulnerable renters	**STRATEGY FOCUS** Expand assistance to meet demand Deconcentrate poverty

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Category 1 – lowest need

Overview

This is the lowest need category in the Baltimore region for rental housing issues. The largest share of tracts in this category is in Baltimore County (26%), followed by Anne Arundel County (19% of tracts in this category). Baltimore City, Harford County, and Howard County each make up about 15% of the category. Carroll County makes up the remaining 10%. This category is where most of Carroll County falls across the categories of need. It is also the most common category in Harford and Howard counties.

Consistent with the rest of the region, most residents identify as non-Hispanic (96%). Among non-Hispanic residents, nearly three-fourths identify as White in this category (72%). The next largest racial group are residents identifying as Black or African American (13%), which represents a much smaller share than live in the region as a whole (29%). This category has the largest share of residents identifying as Asian (8%).

This category has the lowest poverty rate (4%) and is the only category in the region where poverty has decreased since 2000 (-1 percentage point). This category has the highest median household income ($114,110) and experienced the highest increase in median household income since 2000 (+23% in this category, compared to +7% regionwide).

Key drivers of rental housing needs

These areas in the Baltimore region are characterized by:

- The highest share of housing units built since 2000 (19%, compared to 9% regionwide);
- The lowest share of persons that are elderly (12%, versus 14% regionwide) and the lowest share of persons with a disability (8%, versus 11% regionwide);
- The lowest poverty rate in the region (4%);
- The lowest rate of renter cost-burden (33%), despite having the highest median rent ($1,577); and
- The lowest overcrowding rate (1%).

This category generally provides more housing stability (with low renter cost-burden rates, low residential mobility, and the lowest increase in median rents from 2011 to 2017), compared to the region as a whole. There are likely fewer housing quality concerns, given the age of housing in the region. There are very few assisted units and the lowest shares of renters using vouchers or receiving rental assistance, in this category – this suggests it may be very difficult for lower-income households to find housing options in these areas, given the high rents. Strategies that expand affordable options could not only expand access to these areas, but also would help support the 33% of renters experiencing cost-burden.

Category 2 – second lowest need

Overview

This is the second lowest need category for rental housing issues in the Baltimore region. The largest share of tracts lies in Baltimore County (38% of tracts), followed by Anne Arundel County (21%). This is the most common category of need in both counties. The remainder is split across Baltimore City, Harford County, Howard County, and Carroll County. Baltimore City is underrepresented in this category (accounting for 13% of tracts in this category, compared to 30% regionwide).

Most residents in this category identify as non-Hispanic (95%). Among them, persons identifying as White are most common (67%), followed by persons identifying as Black or African American (18%).

Compared to the region overall, White residents are overrepresented in this category and Black or African American residents are underrepresented.

This category has the second lowest poverty rate (6%) and the second highest median household income ($94,152). This category experienced a higher-than-average increase in the median household income since 2000 (+10%). There is one R/ECAP (racially or ethnically concentrated area of poverty) in this category.

Key drivers of rental housing needs

These areas in the Baltimore region are characterized by:

- A lower-than-average share of renters using vouchers (5%), plus a low number of assisted units;
- The second lowest rate of renter cost-burden (39%);
- A higher-than-average increase in the share of persons that are elderly since 2000 (+4 percentage points);
- A newer housing stock (11% of units built since 2000 and only 51% of units built before 1980); and
- A higher-than-average increase in the median household income since 2000 (+10%).

This category presents many of the same housing strategy considerations as Category 1 – newer units that may be less likely to pose quality concerns, a higher level of housing stability than other categories, and barriers that may prevent lower-income households from having housing options in this category (few assisted units, low shares of voucher use, higher rents). These areas would also be good candidates for strategies that expand access to housing and increase affordability.

Category 3 – mid-point

Overview

This category is at the mid-point of rental needs in the Baltimore region. The largest share of tracts lies in Baltimore County (37% of tracts), followed by Baltimore City (21%). Anne Arundel makes up another 18% of tracts in the category. Carroll, Harford, and Howard counties make up 10% or less of this category. Baltimore City is underrepresented in this category (accounting for 21% of the category, compared to 30% regionwide).

The racial and ethnic demographics of this category are closest to that of the region as a whole. Most residents in this category identify as non-Hispanic (94%). Among them, over half identify as White (56%) 29% identify as Black or African American, 6% identify as Asian, and 2% identify as two or more races.

The poverty rate in this category is slightly lower than the region as a whole (9%) but experienced the second highest increase in poverty since 2000 (+2 percentage points). There is one R/ECAP (racially or ethnically concentrated area of poverty) in this category. Median household income in this category ($77,150) is nearly on par with the regionwide median ($77,942).

Key drivers of rental housing needs

These areas in the Baltimore region are characterized by:

- The second highest share of elderly adults (15%);
- The highest increase in median rent from 2011 to 2017 (8.6%); and
- An average renter cost-burden rate for the region (44%, compared to 45% regionwide).

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While these areas generally fall at the mid-point of rental housing needs, some households in this category may be particularly vulnerable based on the high share of elderly adults and the rapidly increasing rents. Strategies that prevent or stem displacement and provide supports for vulnerable residents may be good candidates for this category.

Category 4 – second highest need

Overview

This category is the second highest need in the Baltimore region for rental housing issues. The largest share of tracts lies in Baltimore County (36%), closely followed by Baltimore City (34%). Anne Arundel makes up 14% of this category. Carroll, Harford, and Howard counties make up 6% of this category or less. Harford and Howard counties are slightly underrepresented in this category and Baltimore County is slightly overrepresented.

This category has the highest share of residents that identify as Hispanic (7%). Among non-Hispanic residents, most identify as white (51%). Thirty-five percent identify as Black or African American, 4% identify as Asian, and 3% identify as two or more races.

This category has the second highest poverty rate (14%). While the median household income across the region has increased since 2000 (+7%), the median household income in this category decreased from 2000 to 2017 (-2%).

Key drivers of rental housing needs

These areas in the Baltimore region are characterized by:

- A high share of elderly adults (15%), but the second lowest increase in elderly adults since 2000 (+3%);
- The second highest share of housing units built before 1980 (69%) and the second lowest share of housing units built since 2000 (4%);
- The second lowest median rent level ($1,196); and
- The second highest residential mobility rate (15%).

Trends over time in this category (namely: median household income and units built since 2000) suggest these areas may benefit from revitalization efforts that spur development and offer pathways to wealth-building and economic mobility for current residents. The high mobility rate in this category may also suggest an opportunity for strategies that increase housing stability.

Category 5 – highest need

Overview

This is the highest need category in the Baltimore Region for rental housing issues. The largest share of tracts lies in Baltimore City, which is very overrepresented in this category (66% of this category, compared to 30% in the region overall). Baltimore County makes up the next largest share of the category (24%). There are no tracts in Carroll County in this category. Anne Arundel County, Howard County, and Harford County are all underrepresented in this category – each making up 6% or less of the category.

Most residents in this category identify as non-Hispanic (95%). Unlike other categories in the region, most non-Hispanic residents identify as Black or African American (59%). Another 31% identify as White. There are less residents that identify as Asian in this category (2% of residents) than in any other category in the region.

This category has the highest poverty rate in the region (25%, which is 14 percentage points higher than the regionwide poverty rate) and experienced the largest increase in the poverty rate since 2000 (+4%). There are 22 R/ECAPs (racially or ethnically concentrated areas of poverty) in the region and nearly all of them (20) are in this category of need. Median household income in this category ($42,789) is substantially below the rest of the region (where, overall, the median household income is $77,942) and has declined significantly since 2000 (-10%).

This category has the highest share of elderly residents (16%, versus 14% regionwide), but experienced the smallest increase in elderly residents since 2000 (+1 percentage point). This category also has the highest share of persons with disabilities (18%, versus 11% regionwide).

Key drivers of rental housing needs

These areas in the Baltimore region are characterized by:

- The highest share of people with a disability (18%) and the highest share of people that are elderly (16%);
- The oldest housing stock (82% of units built before 1980);
- The highest overcrowding rate (2%), despite having the lowest occupancy rate (81%);
- The lowest median rent level ($1,091);
- The highest renter cost-burden rate (54%); and
- Significant rental assistance usage (14% of renters using vouchers, 18% receiving rental assistance, and by far the most assisted units in the region).

While this area offers lower rents than elsewhere in the region, those prices are still out of sync with many residents' incomes, leaving many paying too much for housing – with the need far exceeding available rental assistance. Targeted assistance to support cost-burdened renters and residents who may have special housing needs (e.g., older adults and persons with disabilities) are needed in these areas. That assistance should be considered in tandem with strategies that can support the de-concentration of poverty across these areas (mobility counseling, incentives for mixed-income development, etc.) and investments to improve the current housing stock to avoid further property loss (there are currently less housing units in this category than there were in 2000).

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Greater Baltimore Homeownership Category Summaries

Geographic breakdown

This table presents the geographic breakdown of the six counties in Greater Baltimore across the region and across each of the five categories of homeownership need. This will be referred to throughout the narrative, when discussing over/under-representation of counties across categories.

Baltimore City and Baltimore County collectively make up 62% of this region (30% and 32%, respectively). Anne Arundel County makes up the next largest portion of the region (16%) and Carroll, Harford, and Howard Counties each make up less than 10% of the region. Baltimore City is significantly overrepresented in the highest need category (accounting for 66% of tracts), while every other county is underrepresented in that category and overrepresented in the lesser need categories. Howard County is especially overrepresented in the lowest need category (23% of tracts in that category, compared to 8% regionwide) and has no tracts that fall into the highest need category. Carroll County also has no tracts in the highest need category. Baltimore County is overrepresented in the moderate need category (accounting for 52% of tracts).

Baltimore Region - Homeownership Index	Lowest need		Midpoint		Highest need	
	Category 1	**Category 2**	**Category 3**	**Category 4**	**Category 5**	**Baltimore Region Total**
Total tracts	133	133	134	134	134	668
Anne Arundel County	22%	26%	13%	10%	8%	16%
Baltimore City	20%	11%	12%	40%	66%	30%
Baltimore County	17%	32%	52%	37%	22%	32%
Carroll County	8%	11%	5%	4%	0%	6%
Harford County	10%	12%	11%	6%	4%	9%
Howard County	23%	8%	7%	3%	0%	8%

Spectrum of homeownership needs

LEAST NEED AREAS	**MODERATE NEED AREAS**	**HIGHEST NEED AREAS**
• More housing stability • Fewer housing quality concerns • Low poverty and high household incomes • Tight housing market (high occupancy, high home prices) • Lowest share of non-White residents	• Lower than average owner cost-burden rate • Some residents with special housing needs • Stable housing market, with average prices • Higher home loan delinquency rate	• High cost-burden rates • Significant housing quality concerns • High poverty and low household incomes • High shares of elderly adults and persons with disabilities • Highest share of non-White residents
STRATEGY FOCUS Increase access to affordable & accessible homes	**STRATEGY FOCUS** Relieve cost pressures to increase housing stability	**STRATEGY FOCUS** Revitalize existing homes Lower housing costs Deconcentrate poverty

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Category 1 – lowest need

Overview

This is the lowest need category in the Baltimore region for homeownership issues. The largest share of tracts in this category is in Howard County (23%), closely followed by Anne Arundel (22%). Baltimore City and County also make up a significant share of the category (20% and 17% of tracts each). Carroll and Harford counties round out the remaining areas of the category (8% and 10% of tracts each).

Consistent with the rest of the region, most residents in this category identify as non-Hispanic (95%). White residents make up the largest racial group among the non-Hispanic population (69%). Residents identifying as Black or African American make up the second largest racial group (14%, much less than the share of Black or African American residents regionwide [29%]). Asian residents account for 9% of the population in this category, the highest share of residents identifying as Asian across any category in the region.

This category has the lowest poverty rate in the region (4%, compared to 10% regionwide) and is the only area in the region where poverty decreased from 2000 to 2017 (-1 percentage point). This category also has the highest median household income in the region ($120,146) and experienced the greatest increase in median household income from 2000 to 2017 (+25%, compared to +7% regionwide).

This category has the lowest share of people that are 65+ years or older (12%) but experienced the second most significant increase in share of older adults from 2000 to 2017 (+5 percentage points). This category has the lowest share of people with a disability (8%).

Key drivers of homeownership needs

These areas in the Greater Baltimore region are characterized by:

- The highest median household income in the region ($120,146) and the largest increase in median household income from 2000 to 2017 (+25%, compared to +7% regionwide);
- The lowest share of people with a disability (8%);
- The lowest owner cost-burden rate (20%, compared to 24% regionwide); and
- The largest increases in home price levels from 2000 to 2017 (+69%, compared to +51% regionwide).

This category is the only one that experienced a decrease in owner cost-burden from 2000 to 2016 (-0.5 percentage points), despite the significant increase in home price levels, suggesting owners in this category have been able to keep up with the price increases. This category also had the lowest home loan delinquency rate in 2019 (0.2%).

Housing quality concerns may be less of an issue in this category than in other areas of the region, since housing units tend to be newer in this category: 22% of housing units were built since 2000 (compared to 8% regionwide) and only 38% of units were built before 1980 (compared to 60% regionwide).

This category has the highest occupancy rate in the region. This, plus the high prices, may make it difficult for residents (especially low-income households or households that require home accessibility modifications) to find housing in these areas. Actions that increase the affordability and accessibility of homes could expand access to these areas and create pathways to wealth-building, given the high rate of home price appreciation in these areas.

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Category 2 – second lowest need

Overview

This is the second lowest need category in the Baltimore region for homeownership issues. The largest share of tracts in this category is in Baltimore County (32% of tracts), followed by Anne Arundel County (26%). The other counties in the region each make up approximately 10% of tracts in this category (Harford County makes up 12%, Baltimore City makes up 11%, Carroll County makes up 11%, and Howard County makes up 7%). This is the most common category of need in Anne Arundel County and in Harford County.

Consistent with the rest of the region, most residents in this category identify as non-Hispanic (95%). This category has the highest share of non-Hispanic White residents of any category in the region (72%, compared to 57% regionwide). Residents identifying as Black or African American make up the second largest racial group (15%, much less than the share of Black or African American residents regionwide [29%]). Asian residents account for 5% of the non-Hispanic population and residents identifying as two or more races make up the remaining 2%.

This category has the second lowest poverty rate in the region (6%) and the second highest median household income ($95,114). One tract in this category is considered a racially or ethnically concentrated area of poverty (R/ECAP), out of 22 R/ECAPs in the region.

This category has the second lowest share of persons with a disability (9%). The share of persons that are elderly (i.e., 65 years or older) is fairly consistent across categories in the region (about 15% of the population) – except in the lowest need category where the share of people that are elderly is 12%.

Key drivers of homeownership needs

These areas in the Greater Baltimore region are characterized by:

- The second lowest rate of owner cost-burden in the region (22%) and second lowest increase in owner cost-burden since 2000 (+2 percentage points);
- The second lowest share of persons with a disability (9%);
- The second lowest poverty rate (6%); and
- The second lowest overcrowding rate (1%).

These areas experienced the second highest increase in home prices from 2000 to 2017 (+52%), but only saw a small increase in owner cost-burden. Home prices in this category are likely out of reach for many residents in the region (2017 median home price level was $348,861). Similar strategies to Category 1 would be relevant in these areas to expand access and affordability. Some of these strategies may be less costly to pursue in this category, since home prices are slightly lower.

Housing is slightly older in this category than in Category 1, so there may be slightly more demand for home rehabilitation assistance in these areas.

Category 3 – moderate need

Overview

This is the midpoint category in the Baltimore region for homeownership issues. More than half of this category is in Baltimore County (52%). All other counties make up only 5% to 13% of tracts in this category.

This category's racial and ethnic composition is consistent with that of the region as a whole: 6% of residents identify as Hispanic, compared to 5% regionwide; among non-Hispanic residents, most identify as White (59%, compared to 57% regionwide), followed by Black or African American residents (26%, compared to 29% regionwide), Asian residents (5% in both the category and the region), and residents identifying as two or more races (3% in both the category and the region).

The poverty rate in this category is slightly lower than the regionwide poverty rate (9% and 11%, respectively). Median household income is also slightly lower ($76,227 in this category, compared to $77,942 regionwide). This category experienced a smaller increase than the region overall in median household income from 2000 to 2017 (+4%, compared to +7% regionwide). One tract in this category is considered a racially or ethnically concentrated area of poverty (R/ECAP), out of 22 R/ECAPs in the region.

The share of persons that are elderly in this category and that have a disability are comparable with the regionwide shares: 15% of the population is 65 years or older, compared to 14% regionwide; 11% of people in this category and in the region have a disability.

Key drivers of homeownership needs

These areas in the Greater Baltimore region are characterized by:

- An average owner cost-burden rate (24%);
- A slightly below-average median home price level ($263,264, compared to $271,858 regionwide);
- A slightly below-average poverty rate (9%) and median household income ($76,227); and
- The second lowest residential mobility rate in the region (12%).

While this appears to be one of the more stable housing markets in the region (based on the low residential mobility rate and below-average change in home prices since 2000), this category also experienced the highest home loan delinquency rate in 2019, indicating that some residents need more assistance or relief to maintain the stability of their homes. The discrepancy in home price appreciation (+43% since 2000) and median household income change (+4% since 2000) may be creating cost pressures for homeowners in this category.

Category 4 – second highest need

Overview

This is the second highest need category in the Baltimore region for homeownership issues. The largest share of tracts in this category is in Baltimore City (40%), closely followed by Baltimore County (37%). All other counties are underrepresented in this category, compared to the share of tracts in the region they comprise.

Consistent with the rest of the region, most residents in this category identify as non-Hispanic (94%). Unlike the region overall, White residents make up less than half of the population in this category (47%). There is a larger share of Black or African American residents in this category than in the region overall (40%, compared to 29% regionwide). There are slightly fewer residents identifying as Asian in this category than in the region overall (3% in this category, compared to 5% regionwide).

This category has the second highest poverty rate in the region (14%) but experienced the second lowest increase in the poverty rate since 2000 (+1 percentage point). This category has the second lowest median household income ($57,938, compared to $77,942 regionwide) and is one of two categories that experienced a decrease in median household income since 2000 (-2%). Three tracts in this category are considered a racially or ethnically concentrated areas of poverty (R/ECAPs), out of 22 R/ECAPs in the region.

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This category has the second highest share of people with a disability (13%) and the highest share of people that are elderly (16%).

Key drivers of homeownership needs

These areas in the Greater Baltimore region are characterized by:

- The second lowest median household income ($57,938, compared to $77,942 regionwide);
- The second lowest median home price ($197,236);
- An older housing stock (70% of units built before 1980 and only 4% of units built since 2000);
- The second highest share of people with a disability (13%); and
- The second highest poverty rate in the region (14%).

The age of the housing stock in these areas, paired with the lower than average home price change (+41% since 2000), suggests opportunities to support new development and provide home rehabilitation assistance for existing housing. Programs that not only improve quality, but also increase affordability and accessibility (like weatherization assistance or home modification assistance) could both help address physical quality concerns and address the higher than average cost-burden rate in these areas (27%) and the needs of older adults and persons with disabilities living in this category.

Some households may also benefit from mortgage assistance or other cost relief, based on the 2019 home loan delinquency rate (0.5%, the second highest in the region) and foreclosure rate (0.2%, the highest in the region).

Strategies to de-concentrate poverty and address segregation may also be important in these areas, given the higher poverty rate and presence of R/ECAPs. This could include actions related to mobility counseling or expanding access to secure lending products.

Category 5 – highest need

Overview

This is the highest need category in the Baltimore region for homeownership issues. The majority of this category is in Baltimore City (66% of tracts). Baltimore County makes up the second highest share of tracts (22%). There are no tracts in Carroll County or Howard County in this category of homeownership need.

Consistent with the rest of the region, most residents in this category identify as non-Hispanic (94%). Unlike the rest of the region, non-Hispanic Black or African American residents make up the largest racial group (59% of the population). This category has the fewest White residents of any category in the region (31%, compared to 57% regionwide) and the fewest Asian residents (2%, compared to 5% regionwide).

This category has the highest poverty rate in the region (23%, more than double the regionwide rate of 11%) and contains most of the region's racially or ethnically concentrated areas of poverty (17 out of 22). Median household income in this category is the lowest in the region ($40,142) and experienced a significant decrease from 2000 to 2017 (-14%).

This category has the highest share of people with a disability (18%, compared to 11% regionwide). While the share of people that are elderly in this category is consistent with the region as a whole (15%, compared to 14% regionwide), this category experienced the smallest increase in the elderly population since 2000 (less than a 1 percentage point increase).

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Key drivers of homeownership needs

These areas in the Greater Baltimore region are characterized by:

- The highest poverty rate (23%);
- The highest share of residents with a disability (18%);
- The lowest median household income ($40,142), which decreased by 15% since 2000; and
- The oldest housing in the region (83% of units built before 1980) and a decline in housing units since 2000 (-1.3%).

Despite having the lowest home price level, this category also has the highest cost-burdened owner rate (32%). This may be driven by the significant decrease in median household income since 2000 (-15%), while home prices increased by 30%. This demonstrates need for strategies that lower the cost of existing housing or that expand lower cost housing options in these areas.

The age of housing, decreasing supply, and low occupancy rate (82%) suggest needs for investments in the revitalization of the existing housing stock. Recognizing the vulnerability of many residents in these areas to home price increases (based on the high poverty rate, high share of people with a disability, and the share of people that are elderly), it will be important to pair these investments with supports for existing residents.

Strategies to de-concentrate poverty and address segregation are also critically important in these areas, given the high poverty rate and significant number of R/ECAPs. This could include actions related to fair housing and homeownership counseling or expanding access to secure lending products.

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D.C. Suburbs Regional Overview

Demographics

The D.C. Suburbs represent the second largest region in the state, with 2,190,464 residents and 765,958 households. The racial and ethnic composition of the D.C. Suburbs is more diverse than the rest of the state. This region has the largest share of residents that identify as Hispanic of any region in the state (17%, compared to 10% statewide). The most common racial groups among non-Hispanic residents in this category are persons identifying as White and persons identifying as Black or African American (both representing 35% of the non-Hispanic population in the region), followed by persons identifying as Asian (9%), and persons identifying as two or more races (3%).

While this region has the second lowest poverty rate in the state (8%), the D.C. Suburbs have the second largest total population living beneath the federal poverty line, since it is such a populous region. This region also has the highest median household income ($98,046). Together, the region's high median income and number of people living in poverty suggests significant disparities across residents in the D.C. Suburbs.

This region has the second lowest share of elderly persons (13%) and the lowest share of persons with disabilities (9%).

Housing needs

This is the most transient region in the state, reporting a 14% mobility rate. The D.C. Suburbs also have the highest overcrowding rate, with 3% of households living in overcrowded units.

Rental

The D.C. Suburbs have the highest share of renters of any region in the state (35%). This region also has the highest median rent ($1,704, compared to the statewide median of $1,424). Unsurprisingly, renters in the D.C. Suburbs experience cost-burden at the second-highest rate in the state (47%) and the number of households experiencing cost-burden has increased significantly since 2000 (a 19-percentage point increase). This region also had the highest median rent in 2011, but other regions experienced more significant rent increases between 2011 and 2017, suggesting other areas in the state may also be approaching similar cost challenges.

The D.C. Suburbs have the second largest number of assisted units across the state (second to the Baltimore region), but the second lowest share of renters receiving rental assistance.

Homeownership

Most residents (64%) of the D.C. Suburbs are homeowners. Mirroring the rental market, the D.C. Suburbs have the highest home prices and have the highest rate of owner cost-burden in the state (26%). The region also had the highest rate of owner cost-burden and highest home prices in 2000, experiencing the second highest home price changes of any region in the state since then.

Homeowners in this region experience mortgage delinquency and foreclosure at the lowest rates in the state (0.3% and 0.1%, respectively).

Programmatic alignment

Nearly all tracts (96%) in this region overlap with at least one housing program designation, although these designations do not cover 100% of the tracts (as they do in the smaller regions – i.e. Western, Eastern, and Southern Maryland). Nearly three-quarters (74%) of tracts are covered by at least one revitalization program designation and a similar share (77%) are covered by access to opportunity program designations, on par with the statewide coverage rates.

While the Communities of Opportunity program is the most common designation in the D.C. Suburbs (76% of tracts), this designation is less common in the D.C. region compared to the smaller regions in the state (i.e., Western, Eastern, and Southern Maryland, where this designation overlaps with more than 93% of tracts).

Other prevalent programs in this region are Sustainable Communities (70% of tracts) and Heritage Areas (60% of tracts). Sustainable Communities designations are more common in the D.C. Suburbs than any other region in the state. And, though there are fewer TOD designations in this region compared to the other programs listed, TOD areas are most common in this region when comparing to other regions – 4% of tracts in the D.C. Suburbs are TOD areas, compared to 2% in the Baltimore region and 0% everywhere else.

There are no Empowerment Zones, Maple Street designations, or One MD designations in this region. The D.C. Suburbs also are tied with the Baltimore region for the fewest Rural Area designations as a percentage of tracts in each region (12% of tracts in the D.C. Suburbs overlap with Rural Area designations).

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D.C. Suburbs Rental Category Summaries

Geographic breakdown

This table presents the geographic breakdown of the three counties in the D.C. Suburbs across the region and across each of the five categories of rental need. This will be referred to throughout the narrative, when discussing over/under-representation of counties across categories.

Most of this region is split between Montgomery County and Prince George's County (each accounting for 44% of tracts in the region). Frederick County makes up the remaining 12% of tracts in the D.C. Suburbs region. Montgomery county is significantly overrepresented in the lowest need category and underrepresented in highest need categories. On the flip side, Prince George's County is overrepresented in the highest need categories and significantly underrepresented in the lowest need category. Tracts in Frederick County are underrepresented in the highest need category, but overrepresented in the lowest need categories.

D.C. Suburbs Region – Rental Index	Lowest need		Midpoint		Highest need	
	Category 1	**Category 2**	**Category 3**	**Category 4**	**Category 5**	**D.C. Suburbs Total**
Total tracts	98	99	99	99	99	494
Frederick County	23%	16%	7%	9%	6%	12%
Montgomery County	54%	38%	47%	39%	38%	44%
Prince George's County	22%	45%	45%	52%	56%	44%

Spectrum of rental housing needs

LEAST NEED AREAS	MODERATE NEED AREAS	HIGHEST NEED AREAS
• More housing stability • Fewer housing quality concerns • Low poverty and high household incomes • Few assisted units and low rates of voucher usage • Lowest share of non-White residents	• Average renter cost-burden rate • Some residents with special housing needs • High increase in median rent from 2011 to 2017	• High cost-burden rates • Significant housing quality concerns • High poverty and low household incomes • High shares of elderly adults and persons with disabilities • Highest share of non-White residents
STRATEGY FOCUS Increase access to affordable homes	**STRATEGY FOCUS** Prevent displacement Support vulnerable renters	**STRATEGY FOCUS** Expand assistance to meet demand Improve quality housing options Deconcentrate poverty

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Category 1 – lowest need

Overview

This is the lowest need category in the D.C. Suburbs for rental housing issues. It is mostly made up of tracts in Montgomery County (54%). The remaining tracts are split between Frederick County (23%) and Prince George's County (22%).

This category has the highest share of non-Hispanic White residents in the region (52%). The second most common racial groups are residents identifying as Asian and residents identifying as Black or African American (each representing 12% and 24% of residents respectively in this category). This constitutes the highest share of Asian residents of any category. This category has the lowest share of Hispanic residents of any category in the region (9%).

This category has the lowest poverty rate of any category in the region (4%, compared to 8% region-wide).

Key drivers of rental housing needs

These lowest need areas in the D.C. Suburbs region are characterized by:

- The lowest renter cost-burden rate (35%) and the smallest increase in renter cost-burden since 2000 (+6 percentage points, compared to a 19-percentage point increase regionwide);
- The highest median income in the region ($133,882) and the highest increase in median household income since 2000 (+15%); and
- A low share of residents with disabilities (7%) compared to 9% regionally.

The category's high median household income and relatively low cost-burden rate, despite high rents, suggest that many renters living in this category can afford the higher prices; although more than one-third of renters are still paying too much for housing. The high prices in this area are likely a barrier for many renters in the region who may want to live there, although the slight decrease in rents may suggest weakening demand in these areas, which may open up additional housing options. This category may benefit from strategies that expand access to homes in these areas and preserve any affordability that exists already.

Category 2 – second lowest need

Overview

This is the second lowest need category in the D.C. Suburbs for rental housing issues. Nearly half of this category (45 tracts) is in Prince George's County, 38 tracts are in Montgomery County, and 16 are in Frederick County. Prince George's County is overrepresented in this category, while Frederick is slightly overrepresented, and Montgomery is underrepresented.

Most residents in this category identify as non-Hispanic (91%). Among Hispanic residents, nearly half (5%) identify as White and a little over half (7%) identify as non-White. Among those that do not identify as Hispanic, residents identifying as White is the most common racial group (43% of people), followed by residents identifying as Black or African American (33%) and residents identifying as Asian (8%). Three percent of residents in this category identify as two or more races.

This category has the second lowest poverty rate (5%) and the second highest median household income ($110,765). Household incomes have increased slightly since 2000 (+3.8%, compared to +2.1% regionwide).

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The share of people that are elderly (14%) and the share of people that have a disability (9%) living in this category are on par with the regionwide shares (13% and 9%, respectively).

Key drivers of rental housing needs

These second lowest need areas in the D.C. Suburbs region are characterized by:

- The second lowest increase in the share of renters experiencing cost-burden (+11 percentage points from 2000 to 2016) and the second lowest renter cost-burden rate (39%);
- The second highest median rent in the region ($1,798); and
- High median household incomes ($110,765).

There are many similarities between this category and the lowest need category in the region: a high median household income and relatively low cost-burden rate, despite high rents, suggest that many renters living in this category can afford the higher prices; although nearly forty percent of renters are still paying too much for housing. The high prices in this area are likely a barrier for many renters in the region who may want to live there, especially since there are few renters using vouchers or receiving rental assistance and few assisted units in areas within this category. This category may benefit from strategies that expand access to homes in these areas.

Category 3 – mid-point

Overview

The midpoint category for rental issues in the D.C. Suburbs region is more evenly spread across the three counties (Frederick, Montgomery, and Prince George's) than other categories: 7, 47, and 45 tracts respectively. Frederick County is underrepresented in this category, while Montgomery County and Prince George's County are slightly overrepresented.

The racial and ethnic composition of this category most closely resembles the regionwide racial and ethnic composition, compared to the other categories. The total Hispanic population represents 18% of the category, compared to 17% of the region. The total on-Hispanic Black or African American population is the largest racial group, representing 36% of this category and 35% of the region, followed by the non-Hispanic white population, which represents 32% of residents both in this category and 35% in the region. Asian residents constitute 11% of the category and 9% of the region, while persons identifying as two or more races account for the remaining 3% of residents in the category and the region.

The poverty rate in this category is also on par with the regional poverty rate (7 versus 8%), as is the share of households that are elderly (13%) or living with a disability (9%).

Median household income is slightly below the regionwide average ($96,886, compared to $98,046 across the region) and has barely changed since 2000 (less than a 1% increase after adjusting for inflation).

Key drivers of rental housing needs

Needs in this midpoint category generally reflect the same patterns as the region as a whole. These areas are characterized by:

- A lower-than-average increase in the share of renters experiencing cost-burden (a 16-percentage point increase in this category, compared to 19 percentage points regionwide);
- An average median rent level ($1,705); and

- Average poverty and median household income.

The median rent levels and share of renters receiving rental assistance suggest these areas may be accessible to a wider range of households than the two lowest need categories. Even so, nearly half of residents are cost-burdened (45%), suggesting continued need to support rental affordability in these areas. This category experienced the second highest increase in median rent from 2011 to 2017 (10%), which combined with the high rate of cost-burden in this category may create risks of housing displacement. The high share of older housing units may also indicate housing rehabilitation needs.

Category 4 – second lowest need

Overview

Prince George's County makes up more than half of this category (52%). Montgomery County and Frederick County are underrepresented in this category, accounting for 39% and 9% of tracts in this category each (compared to 44% and 12% regionwide).

There are more people identifying as Hispanic and Black or African American living in this category than in the region as a whole, and especially more than in the two lowest need categories – 22% of residents in this category identify as Hispanic, compared to 17% regionwide; 40% of non-Hispanic residents identify as Black or African American, compared to 35% regionwide. There are fewer non-Hispanic White residents in this category (26%) than the region overall (35%).

This category has the second lowest median household income ($82,143) second highest poverty rate in the region (10%) and experienced the second highest increase in the poverty rate from 2000 to 2017 (+3 percentage points). This category as the lowest share of residents that are elderly (12%) and experienced the smallest increase in elderly persons since 2000 (+4 percentage points). The share of persons in this region with a disability is on par with the regionwide share (9%).

Key drivers of rental housing needs

This category is characterized by:

- The second highest overcrowding rate (4%);
- The second highest renter cost-burden rate (50%) and the second highest increase in renter cost-burden since 2000 (+21 percentage points); and
- The second lowest median rent in the region ($1,615).

Median household incomes in this category have decreased slightly since 2000 (-2.3%) and, in recent years, rents have been increasing (+9% from 2011 to 2017), which may contribute to the high renter cost-burden rate and overcrowding rate. Additional assistance is needed to help renters afford their homes and more affordable options in these areas are needed. Investments to improve housing quality in these areas may also be needed, based on the high share of units built before 1980 (61%) and the low share of units built since 2000 (6%).

Category 5 – lowest need

Overview

Prince George's County also makes up more than half of this category (56%). Frederick County and Montgomery County are both underrepresented in this category (even more underrepresented than in the second lowest need categories), representing 6% and 38% of this category.

This category has the most non-White residents of any category in the region. One-quarter of residents identify as Hispanic and most Hispanic residents living in this category identify as non-White (64% of Hispanic residents). Most non-Hispanic residents identify as Black or African American (43%). Non-Hispanic residents identifying as White make up 23% of residents in this category, which is the smallest share of any category in the region. This category also has the smallest share of residents identifying as Asian (7%) and of residents identifying as two or more races (2%).

This is the only category in the region that contains a R/ECAP (racially or ethnically concentrated area of poverty). This category has the highest poverty rate (14%) and the lowest median household income ($66,915, compared to $98,046 regionwide). This category also experienced a severe decrease in median household income since 2000 (a -13% decrease), while the region experienced a slight increase (2%).

This category has the highest share of residents with a disability (10%) and the second highest share of elderly adults (14%).

Key drivers of rental housing needs

This category is characterized by:

- The highest rate of overcrowding in the region (6%);
- The highest renter cost-burden rate (55%)
- The lowest median rent ($1,544), but the highest increase in rents since 2011 (+11%);
- The most severe decrease in median household income since 2000 (-13%);
- The highest residential mobility rate (18%); and
- The most significant increase in the poverty rate across the region (+5 percentage points).

This category has the largest number of assisted units and the highest share of renters using vouchers, but housing needs in this category far outweigh available assistance. Moreover, as rents have rapidly increased, incomes have been decreasing, further exacerbating housing needs. Housing quality may also be a concern given the age of housing – 66% of housing units were built before 1980 and only 6% of housing units were built since 2000. These areas require place-based investment to stabilize residents and neighborhoods and improve the quality of housing. The high increase in rents and high residential mobility rate suggest some residents may be at-risk for housing displacement; targeted assistance to prevent displacement (e.g., rental assistance) and expand affordable options are critical in these areas. Actions that can support economic mobility among residents are also a good fit in this category.

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D.C. Suburbs Homeownership Category Summaries

Geographic breakdown

This table presents the geographic breakdown of the three counties in the D.C. Suburbs across the region and across each of the five categories of homeownership need. This will be referred to throughout the narrative, when discussing over/under-representation of counties across categories.

Most of the region is split between Montgomery County and Prince George's County, which each make up 44% of tracts in the region. Frederick County makes up the remaining 12%. Montgomery County is over-represented in the lowest need categories and under-represented in the highest need categories, while the opposite is true in Prince George's County (which is under-represented in the lowest need categories, but over-represented in the highest need categories). Frederick County is slightly over-represented in the moderate need category and under-represented in the highest need category.

D.C. Suburbs Region – Homeownership Index	Lowest need		Midpoint		Highest need	
	Category 1	**Category 2**	**Category 3**	**Category 4**	**Category 5**	**D.C. Suburbs Total**
Total tracts	99	99	99	99	98	494
Frederick County	14%	14%	16%	12%	5%	12%
Montgomery County	75%	56%	34%	28%	24%	44%
Prince George's County	11%	30%	49%	60%	70%	44%

Spectrum of homeownership needs

LEAST NEED AREAS	**MODERATE NEED AREAS**	**HIGHEST NEED AREAS**
• More housing stability • Fewer housing quality concerns • Low poverty and high household incomes • Tight housing market (high occupancy, high home prices) • Lowest share of non-White residents	• Increasing cost-burden • Stagnant household incomes • Some residents with special housing needs • Stable housing market, with average prices • Older housing stock	• Increasing cost-burden • Stagnant household incomes • Some residents with special housing needs • Stable housing market, with average prices • Older housing stock
STRATEGY FOCUS Increase access to affordable & accessible homes	**STRATEGY FOCUS** Relieve cost pressures to increase housing stability & economic mobility	**STRATEGY FOCUS** Stabilize homeowners Revitalize existing homes Deconcentrate poverty

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Category 1 – lowest need

Overview

This is the lowest need category in the D.C. Suburbs region for homeownership issues. Most of this category is in Montgomery County (75% of tracts) and the rest is split between Frederick County and Prince George's County (14% and 11% of tracts each).

This category has the smallest share of residents identifying as Hispanic of any category in the region (9%, compared to 17% regionwide). Among non-Hispanic residents, most identify as White (56%) – far more than in any other category in the region. This category has the lowest share of non-Hispanic Black or African American residents in the region (17%) and the highest share of non-Hispanic Asian residents (14%).

This category has the lowest poverty rate in the region (3.4%) and is the only category in the region to experience a decrease in poverty from 2000 to 2017 (-0.3 percentage points). This category has the highest median household income ($154,147) and experienced the largest increase in median household income from 2000 to 2017 (+15%, compared to +2% regionwide).

This category has an average share of elderly residents (14%) and a slightly below average share of residents with a disability (7%).

Key drivers of homeownership needs

These areas in the D.C. Suburbs region are characterized by:

- The highest median household income ($154,147) and the largest increase in median household income from 2000 to 2017 (+15%, compared to +2% regionwide);
- The lowest share of residents with a disability (7%);
- The lowest poverty rate (3.4%);
- The lowest owner cost-burden rate (22%); and
- The newest housing in the region (the lowest share of housing units built before 1980 [41%] and the highest share of housing units built since 2000 [24%]).

This category experienced the lowest increase in owner cost-burden from 2000 to 2016 (+1.1 percentage points), despite experiencing a significant increase in home price levels (+63% from 2000 to 2017), suggesting owners in this category have been able to keep up with the price increases. The very high median home price in this category ($631,558) means it is likely very difficult for households with lower incomes to find housing options in these areas. Actions that increase the affordability and accessibility of homes could expand access to these areas and create pathways to wealth-building, given the high rate of home price appreciation in these areas.

Category 2 – second lowest need

Overview

This is the second lowest need category in the D.C. Suburbs region for homeownership issues. Most of this category is in Montgomery County (56%). Prince George's County accounts for the next largest share of tracts (30%), followed by Frederick County (14%).

This category has the second lowest share of residents that identify as Hispanic. Among non-Hispanic residents, most identify as White (43%, which is above average for the region). This category has a below average share of non-Hispanic Black or African American residents (31%, compared to 35%

regionwide) and a slightly above average share of non-Hispanic Asian residents (10%, compared to 9% regionwide).

This category has the second lowest poverty rate (5.4%) and the second highest median household income ($110,777). This is one of only two categories in the region (along with the lowest need category) to experience an increase in the median household income from 2000 to 2017 (+4%).

This category has an average share of elderly residents (14%) and a slightly below average share of residents with a disability (8%).

Key drivers of homeownership needs

These areas in the D.C. Suburbs region are characterized by:

- The second highest median household income ($110,777);
- The second highest median home price ($415,747);
- The second lowest share of residents with a disability (8%);
- The second lowest poverty rate (5.4%); and
- The second newest housing stock (the second lowest share of units built before 1980 [44%] and the second highest share of units built since 2000 [16%]).

These areas experienced the second highest increase in home prices from 2000 to 2017 (+54%), but only saw a small increase in owner cost-burden (+3 percentage points from 2000 to 2016). Home prices in this category are likely out of reach for many residents in the region. Similar strategies to Category 1 would be relevant in these areas to expand access and affordability. Some of these strategies may be less costly to pursue in this category, since home prices are slightly lower.

Housing is slightly older in this category than in Category 1, so there may be slightly more demand for home rehabilitation assistance in these areas.

Category 3 – moderate need

Overview

This is the midpoint category in the D.C. Suburbs region for homeownership issues. Nearly half of this category is in Prince George's County (49% of tracts). Montgomery County makes up the next largest share of tracts (34%), followed by Frederick County (16%).

Compared to other categories in the region, the racial and ethnic composition of this category is most similar to that of the region as a whole: 17% of residents identify as Hispanic (same share as the region overall); non-Hispanic White residents make up 33% of the population (compared to 35% regionwide); non-Hispanic Black or African American residents make up 38% of the population (compared to 35% regionwide); non-Hispanic Asian residents make up 8% of the population (compared to 9% regionwide); and non-Hispanic residents identifying as two or more races make up 3% of the population (same as the regionwide share).

This category has a slightly below-average poverty rate for the region (7.4%, compared to 8.0% regionwide). The median household income in this category is also below the regionwide average ($91,251) and has experienced no increase since 2000, in inflation-adjusted terms.

This category has an average share of residents that are elderly (13%) and an average share of residents that have a disability (9%).

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Key drivers of homeownership needs

These areas in the D.C. Suburbs region are characterized by:

- The average share of residents that have a disability (9%);
- The below-average poverty rate (7.4);
- An above-average increase in the share of residents that are elderly from 2000 to 2017 (+5 percentage points); and
- The below-average median household income ($91,251).

Since 2000, home prices in this category have increased 46%, while median household incomes have remained effectively the same. This may be causing increasing cost pressures for homeowners (as seen in the 5-percentage point increase in owner cost-burden), even if cost-burden rates in this category are lower than elsewhere in the region. Actions to relieve or reduce homeowner costs may be helpful in this category.

Housing is older in this category than in the lower need categories (53% of housing units were built before 1980 and only 11% were built since 2000), which may suggest more need for home rehabilitation assistance and other strategies to improve the housing stock.

Category 4 – second highest need

Overview

This is the second highest need category in the D.C. Suburbs region for homeownership issues. Most of this category is in Prince George's County (60% of tracts). Montgomery County makes up the next largest share of tracts (28%), followed by Frederick County (12%).

This category is tied with the highest need category for the highest share of Hispanic residents (25% of the total population). Unlike the lowest need categories, non-Hispanic Black or African American households make up the largest share of residents in this category (43%). Non-Hispanic White residents make up the next largest share of the population (22%). This category has the second lowest share of residents identifying as non-Hispanic Asian (7%).

This category has the second highest poverty rate in the region (11%). This is also where the region's only R/ECAP (racially or ethnically concentrated area of poverty) is located. Median household income in this category is the second lowest in the region ($73,354) and experienced a significant decrease from 2000 to 2017 (-8%).

This category has the lowest share of residents that are elderly (12%) and the second highest share of residents with a disability (10%).

Key drivers of homeownership needs

These areas in the D.C. Suburbs region are characterized by:

- The second highest overcrowding rate in the region (5%);
- The second largest decrease in median household income from 2000 to 2017 (-8%);
- The second highest owner cost-burden rate (30%);
- The lowest share of residents that are elderly (12%); and
- The second highest share of residents with a disability (10%).

Despite having the second lowest median home price level ($280,758) and experiencing the second lowest increase in median home price from 2000 to 2017 (+40%), owners in these areas are more likely to experience cost-burden than in lower need areas of the region. In fact, this category saw the second largest increase in the owner cost-burden rate across the region (+6 percentage points). This points to the need for assistance to homeowners that can both relieve cost pressures and support increased economic mobility.

The age of the housing stock (63% of units was built before 1980) and the overcrowding rate suggest the current housing stock in this category may not be suitable for residents' needs – investments to improve and diversify the housing stock could be good strategies in these areas.

Category 5 – highest need

Overview

This is the highest need category in the D.C. Suburbs region for homeownership issues. Most of this category is in Prince George's County (70% of tracts). Montgomery County makes up the next largest share of tracts (24%), followed by Frederick County (5%).

This category is tied with the second highest need category for the highest share of Hispanic residents (25% of the total population). This category has the highest share of non-Hispanic Black or African American residents (49%) and the lowest share of non-Hispanic White residents (17%). This category also has the lowest share of non-Hispanic Asian residents (6%).

This category has the highest poverty rate in the region (14.5%) and experienced the largest increase in the poverty rate from 2000 to 2017 (+5.1 percentage points). This category has the lowest median household income ($60,319), which represents a 12% decrease from the median household income in 2000 in this category.

This category has the second lowest share of elderly residents (12%) and experienced the lowest increase in the elderly population from 2000 to 2017 (+3 percentage points). This category has the highest share of residents with a disability (10%).

Key drivers of homeownership needs

These areas in the D.C. Suburbs region are characterized by:

- The highest owner cost-burden rate in the region (36%) and the largest increase in the owner cost-burden rate from 2000 to 2016 (+11 percentage points);
- The highest overcrowding rate (7%);
- The highest residential mobility rate (19%); and
- The lowest median household income ($60,319).

Several indicators suggest that interventions to stabilize homeowners in these areas are needed, including the high residential mobility rate, the high and increasing owner cost-burden rate, and the above average home loan delinquency rate (0.5%). Investments to improve the housing stock and spur quality housing development at a range of price points may also be needed given the high rate of overcrowding (despite the region's lowest occupancy rate [92%]), the high share of housing units built before 1980 (70%), and the low share of housing units built since 2000 (2%).

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Eastern Maryland Regional Overview

Demographics

Eastern Maryland is the largest region in Maryland outside of the D.C. and Baltimore regions, with 453,159 people (or 171,077 households) living across 105 tracts.

Residents of this region mostly identify as White (75%) and non-Hispanic (95%) – more so than residents across the rest of the state, where 52% of people identify as White and 90% identify as non-Hispanic. People identifying as Black or African American make up the second largest racial group in Southern Maryland (16% of residents) – this is the second lowest share of residents identifying as Black or African American across any region in the state. Two percent of people identify as Asian in this region and another 2% identify as two or more races.

Eastern Maryland has the second highest poverty rate of any region in the state (12%) and the second lowest median household income ($63,026).

Eastern Maryland has the highest share of elderly residents (18%) and the second highest share of persons with a disability (13%).

Housing needs

Eastern Maryland has the lowest occupancy rate of any region (73%). While some of these may be true vacant units, this may also reflect the number of homes in this region that are second homes that are not occupied full-time year-round.

The housing stock in Eastern Maryland tends to be newer than in other areas of the state: 46% of units were built before 1980 and 16% were built since 2000, compared to 55% and 11% statewide.

Eastern Maryland has the second lowest mobility rate in the state (13%).

Rental

Thirty percent of households in Eastern Maryland are renters. They experience the highest rate of cost-burden (48%), compared to renters in other areas of the state, even though median rent in Eastern Maryland is the second lowest among regions in the state ($1,067).

Few renters in Eastern Maryland use vouchers (3% compared to 7% statewide). The share of renters receiving rental assistance is comparable with the statewide share (9% and 10%, respectively) and the share of the state's assisted units in Eastern Maryland is consistent with the share of the state's total housing units that are in Eastern Maryland (11% and 10%, respectively).

Homeownership

Cost trends in the Eastern Maryland homeownership market mirror those in the rental market – owners experience the second highest rate of cost-burden (26%), compared to owners in other areas of the state, even though the home price level is the second lowest among regions in the state ($236,108). Eastern Maryland also saw the sharpest increase in cost-burden among owners from 2000 to 2016 (a 5-percentage point increase).

Eastern Maryland experienced the largest decreases in its delinquency and foreclosure rate from 2015 to 2019 (-3.5 percentage points and -1.4 percentage points, respectively), but still has the highest rates of any region in 2019 (a 2.4% delinquency rate and a 0.7% foreclosure rate).

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Programmatic alignment

All tracts in Eastern Maryland overlap with at least one housing program designation and nearly all (93%) also overlap with an access to opportunity program designation. Tracts in Eastern Maryland are also more likely than tracts in other regions to overlap with a revitalization program designation (85% of tracts in Eastern Maryland overlap with these designations, compared to 72% statewide).

The most common program in Eastern Maryland is also the most common across the state: the Communities of Opportunity designation (which covers 93% of tracts in the region and 77% of tracts across the state). Heritage Areas and Rural Areas are the next most common programs, covering 86% and 77% of tracts in Eastern Maryland, respectively.

Eastern Maryland has the most overlap with Opportunity Zones of any region (68% coverage, compared to 38% statewide). Eastern Maryland also has by far the most Difficult Development Areas (63% coverage, compared to 26% statewide). RISE Zones, Enterprise Zones, Main Street designations, Arts Districts, and One MD designations, are also more common in Eastern Maryland than across the rest of the state.

Although Eastern Maryland has the second highest poverty rate in the state, Qualified Census Tracts are less common in Eastern Maryland than they are statewide (35% coverage in the region, compared to 45% statewide). There are also no TOD areas, Empowerment Zones, or Enhancement for Enterprise Zones in Eastern Maryland.

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Eastern Maryland Rental Category Summaries

Geographic breakdown

This table presents the geographic breakdown of the nine counties in Eastern Maryland across the region and across each of the five categories of rental need. This will be referred to throughout the narrative, when discussing over/under-representation of counties across categories.

Cecil and Queen Anne's counties tend to be overrepresented in the lowest need categories and underrepresented in the highest need categories. Meanwhile Caroline, Dorchester, Somerset, Talbot, and Wicomico counties are underrepresented in those lowest need areas (especially Somerset, which has no tracts in the lowest need category). Kent and Talbot counties tend to be more heavily represented in the moderate need areas. Caroline, Somerset, and Wicomico are all overrepresented in the highest need category and less represented in the lowest need categories.

Eastern Maryland Region – Rental Index	Lowest need		Midpoint		Highest need	
	Category 1	**Category 2**	**Category 3**	**Category 4**	**Category 5**	**Eastern MD Total**
Total tracts	21	21	21	21	21	105
Caroline County	5%	5%	0%	14%	19%	9%
Cecil County	29%	33%	10%	10%	10%	18%
Dorchester County	5%	14%	10%	5%	10%	9%
Kent County	5%	0%	10%	5%	5%	5%
Queen Anne's County	24%	10%	14%	10%	0%	11%
Somerset County	0%	10%	5%	5%	14%	7%
Talbot County	5%	5%	19%	14%	5%	10%
Wicomico County	10%	24%	19%	14%	24%	18%
Worcester County	19%	0%	14%	24%	14%	14%

Spectrum of rental housing needs

LEAST NEED AREAS	**MODERATE NEED AREAS**	**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 & increasing renter cost-burden rate • Moderate household incomes • Moderate rent • Older than average housing • Highest increase in median rent from 2011 to 2017 • 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
STRATEGY FOCUS Increase access to affordable	**STRATEGY FOCUS** Prevent displacement	**STRATEGY FOCUS**

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& accessible homes, while supporting economic growth	Support vulnerable renters	Expand assistance to meet demand Improve and diversify housing Stabilize and revitalize neighborhoods

Category 1 – lowest need

Overview

This is the lowest need category in Eastern Maryland. It is mostly made up of tracts in Cecil County (29%) and Queen Anne's County (24%). Worcester and Wicomico also make up at least 10% of this category each (Worcester accounting for 19% of tracts and Wicomico accounting for 10%).

This category has the highest share of non-Hispanic residents (97% of the population) and the highest share of non-Hispanic White residents (87%) of any category in the region. This category has the lowest shares of residents identifying as non-Hispanic Black or African American (6%) and as non-Hispanic Asian (1%).

This category has the lowest poverty rate in the region (6%, less than have the regionwide poverty rate of 12%) and is the only category in the region that experienced a decrease in poverty from 2000 to 2017 (-2 percentage points). This category also has the highest median household income ($79,787) and experienced the largest increase in the median household income from 2000 to 2017 (+14%).

This category has a below average share of residents that are elderly (17%, compared to 18% regionwide), but experienced the second highest increase in the elderly population (+7 percentage points from 2000 to 2017). This category has the lowest share of residents with a disability (11%).

Key drivers of rental housing needs

These areas in Eastern Maryland are characterized by:

- The lowest increase in the cost-burdened renter rate from 2000 to 2016 (+1 percentage point, compared to +18 percentage points regionwide);
- The lowest rate of renter cost-burden in the region (27%);
- An average median rent ($1,066), which represents an 8% decrease from the median rent in 2011;
- A below average share of housing units built before 1980 (44%) and the highest share of housing units built since 2000 (26%).

These areas have the lowest occupancy rate in the region (65%), which may be an indicator that this area has many second homes that are not occupied year-round, full-time. That paired with the decrease in rents in recent years may suggest the housing market is loosening up in these areas. However, there are very few assisted units and very low shares of renters using vouchers (1%) or receiving rental assistance (7%), which may mean these areas are difficult for some of the lowest income households in the region to access. Strategies to increase affordability while supporting economic growth can expand access to these areas. The low shares of residents with disabilities and of residents that are elderly may suggest the housing stock in these areas is not accessible for people of all abilities and ages, so interventions to support modifications and aging-in-place may be needed too.

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Category 2 – second lowest need

Overview

This is the second lowest need category in Eastern Maryland. It is made up mostly of tracts in Cecil County (33%), followed by Wicomico County (24%). Dorchester makes up the next largest share (14% of tracts). Queen Anne's and Somerset counties each make p another 10% of tracts in this category.

This category's racial and ethnic composition is fairly similar to that of the region as a whole. The share of residents identifying as Hispanic is the same as the regionwide average (5%), as are the shares of residents identifying as non-Hispanic Asian (2%) and as non-Hispanic and two or more races (2%). There is a slightly larger share of non-Hispanic White residents in this category (78%, compared to 75% regionwide) and a slightly lower share of non-Hispanic Black or African American residents in this category (13%, compared to 16% regionwide).

This category has the second lowest poverty rate in the region (9%) and the second highest median household income ($69,229).

This category has the lowest share of elderly adults (16%) and the second lowest share of residents with a disability (12%).

Key drivers of rental housing needs

These areas in Eastern Maryland are characterized by:

- The second lowest increase in the renter cost-burden rate (+13%);
- The second highest median rent ($1,105);
- The second lowest share of housing units built before 1980 (41%);
- The second lowest share of renters using vouchers (2%); and
- The lowest residential mobility rate in the region (11%).

These indicators suggest the housing market in this category is generally stable but may be difficult to access for some residents. Similar to Category 1, these areas may be good candidates for strategies that expand accessibility and affordability of the housing market. There are likely fewer housing quality concerns in these areas than other areas of the region.

Category 3 – moderate need

Overview

This category is at the midpoint of rental housing needs in Eastern Maryland. Talbot and Wicomico make up the largest shares of tracts in this category (19% each), followed by Queen Anne's and Worcester (14% each). This is where the largest share of tracts in Kent County are found across the need categories (10%). There are no tracts in Caroline County in this category.

Four percent of residents in this category identify as Hispanic, slightly below the regionwide average of 5%. There is an above average share of non-Hispanic White residents in this category (79%, compared to 75% regionwide) and a below average share of non-Hispanic Black or African American residents in this category (13%, compared to 16% regionwide). This category has the lowest share of residents identifying as non-Hispanic and two or more races (2%) and the second lowest share of residents identifying as non-Hispanic Asian (1%).

This category has a below average poverty rate (10%, compared to 12% regionwide) and experienced the smallest increase in the poverty rate from 2000 to 2017 (+1 percentage point), excepting the lowest need category in the region where poverty decreased over that time period. This category has a slightly above average median household income ($64,477) and experienced an above average increase in the median household income from 2000 to 2017 (+4%).

This category has the second highest share of elderly adults in the region (20%) and experienced an above average increase in the share of the population that is elderly from 2000 to 2017 (+6 percentage points). This category has an average share of residents with a disability (13%).

Key drivers of rental housing needs

These areas in Eastern Maryland are characterized by:

- An average increase in the renter cost-burden rate from 2000 to 2017 (+17 percentage points, compared to +18 percentage points regionwide);
- The second highest share of elderly adults in the region (20%);
- An above average median rent ($1,092); and
- A slightly above average median household income ($64,477).

This category also experienced the largest increase in median rent from 2011 to 2017 (+9%), which may indicate growing cost pressures for residents in these areas. These cost pressure may be particularly difficult for households that are more vulnerable to price increases, which can include low-income households, households of color, elderly adults, and persons with disabilities. Strategies to prevent displacement could support residents in this category. The large and growing elderly population, plus older-than-average housing stock (only 12% of units were built since 2000) may suggest need for strategies that support aging-in-place and adaptive housing solutions. This category has the second lowest occupancy rate (only 66%), which may be the result of many second homes that are not occupied full-time, year-round or may be an indicator that the current housing stock is not meeting current regional housing demand (or both).

Category 4 – second highest need

Overview

This category is the second highest need category in Eastern Maryland for rental housing issues. Worcester County makes up the largest share of tracts in this category (24%). Caroline, Talbot, and Wicomico make up the next largest share (14% each).

Four percent of residents in this category identify as Hispanic, slightly below the regionwide average of 5%. This category has the second lowest share of non-Hispanic White residents of any category in the region (71%) and the second highest share of non-Hispanic Black or African American residents (20%). This category also has the highest share of non-Hispanic Asian residents (2%) and the highest share of residents that are non-Hispanic and two or more races (3%).

This category has the second highest poverty rate in the region (14%) and experienced an above average increase in the poverty rate (+3 percentage points) from 2000 to 2017. This category has a below average median household income ($60,299), which has been relatively stagnant since 2000 (experiencing a less than 1 percent increase).

This category has the highest share of residents that are elderly (22%) and experienced the largest increase in the share of the population that is elderly from 2000 to 2017 (+8 percentage points). This category also has the highest share of residents with a disability in the region (14%).

Key drivers of rental housing needs

These areas in Eastern Maryland are characterized by:

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- The highest share of residents that are elderly (22%);
- The highest share of residents with a disability in the region (14%);
- A below average median household income ($60,299);
- The lowest share of housing units built before 1980 (40%);
- The highest median rent ($1,131).

This category also has the second highest cost-burdened renter rate and the second highest increase in that rate since 2000 (+22 percentage points), revealing needs for strategies that help renters in this category with housing costs. The high share of elderly adults and residents with a disability may suggest additional housing needs related to accessibility.

Category 5 – highest need

Overview

This is the highest need category in Eastern Maryland for rental housing issues. Wicomico County makes up the largest share of tracts in this category (24%), followed by Caroline County (19%), and then Somerset County (14%) – these are all the highest shares of tracts each county accounts for in any of the need categories. There are no tracts in this category in Queen Anne's County.

This category has the most non-White residents. Seven percent of residents in this category identify as Hispanic, compared to 5% regionwide. This category has the highest share of residents that identify as non-Hispanic Black or African American (29%, compared to 16% regionwide). Only 59% of residents identify as non-Hispanic White, compared to 75% regionwide.

This category has by far the highest poverty rate in the region (25%, more than double the regionwide poverty rate of 12%). This represents an 8-percentage point increase from 2000 to 2017; the largest increase in the region (where, overall, the poverty rate increased by only 2 percentage points over that time period). This category also has by far the lowest median household income ($41,089) and is the only category in the region where median household income decreased between 2000 and 2017 (-12%).

This category has the second lowest share of residents that are elderly (17%) and experienced the lowest increase in the share of the population that is elderly from 2000 to 2017 (+1 percentage point). This category has the second highest share of residents with a disability in the region (14%).

Key drivers of rental housing needs

These areas in Eastern Maryland are characterized by:

- The highest poverty rate in the region (25%, more than double the regionwide poverty rate of 12%);
- The lowest median household income ($41,089) and is the only category in the region where median household income decreased between 2000 and 2017 (-12%);
- The lowest median rent ($936);
- The highest renter cost-burden rate (59%);
- The second highest share of residents with a disability in the region (14%); and
- The highest residential mobility rate (20%).

Strategies in these areas should be designed to stabilize and revitalize neighborhoods – there has been little development since 2000 (only 1% of units built since then), decreasing household incomes, and increasing poverty. This category has the largest overcrowding rate and by far the largest share of housing units built before 1980, which may indicate quality and suitability concerns in residents' physical living environments. Strategies to improve housing quality and diversify housing options may be needed.

Despite having the lowest rents in the region and the most subsidized housing, this category also has the highest rates of cost-burden among renters, which has increased substantially since 2000 (+25 percentage points). Additional support for renters in these areas is needed to help lower costs and increase resident economic mobility.

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as part of the Maryland Housing Needs Assessment & 10-Year Strategic Plan

Eastern Maryland Homeownership Category Summaries

Geographic breakdown

This table presents the geographic breakdown of the nine counties in Eastern Maryland across the region and across each of the five categories of homeownership need. This will be referred to throughout the narrative, when discussing over/under-representation of counties across categories.

Eastern Maryland Region - Homeownership Index	Lowest need		Midpoint		Highest need	
	Category 1	**Category 2**	**Category 3**	**Category 4**	**Category 5**	**Eastern MD Total**
Total tracts	21	21	21	21	21	105
Caroline County	0%	14%	5%	10%	14%	9%
Cecil County	29%	33%	10%	10%	10%	18%
Dorchester County	0%	5%	19%	10%	10%	9%
Kent County	0%	0%	14%	5%	5%	5%
Queen Anne's County	38%	10%	10%	0%	0%	11%
Somerset County	0%	0%	0%	10%	24%	7%
Talbot County	5%	24%	19%	0%	0%	10%
Wicomico County	19%	0%	14%	38%	19%	18%
Worcester County	10%	14%	10%	19%	19%	14%

Spectrum of homeownership needs

LEAST NEED AREAS	**MODERATE NEED AREAS**	**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
STRATEGY FOCUS Increase access to affordable & accessible homes	**STRATEGY FOCUS** Relieve cost pressures to increase housing stability Support aging-in-place	**STRATEGY FOCUS** Stabilize homeowners Revitalize existing homes Deconcentrate poverty

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Category 1 – lowest need

Overview

This is the lowest need category in Eastern Maryland for homeownership issues. It is mostly made up of tracts in Queen Anne's County (38%), Cecil County (29%), and Wicomico County (19%). There are no tracts in Caroline, Dorchester, Kent, or Somerset counties in this category.

This category has the lowest share of residents that identify as Hispanic (3%) and the second highest share of residents that identify as non-Hispanic White (84%, compared to 75% regionwide). This category has the second lowest share of residents identifying as non-Hispanic Black or African American (9%).

This category has the lowest poverty rate in the region (5%, compared to 12% regionwide) and is the only category in the region that experienced a decrease in the poverty rate from 2000 to 2017 (-1 percentage point). This category has the highest median household income in the region ($85,390), which represents an 11% increase from 2000 to 2017 (compared to the regionwide increase of 3%).

This category has the lowest share of elderly adults (16%) but experienced the largest increase in the elderly share of the population from 2000 to 2017 (+7 percentage points). This category also has the lowest share of residents with a disability (10%).

Key drivers of homeownership needs

These areas in Eastern Maryland are characterized by:

- The lowest share of housing units built before 1980 (37%);
- The lowest residential mobility rate (10%);
- The lowest poverty rate (5%); and
- The lowest rate of overcrowding (1%).

This category offers significant housing stability at higher price points: it has the second highest median home price in the region ($288,690) and experienced the largest home price appreciation since 2000 (+53%), but has a lower owner cost-burden rate than most other categories in the region (24%) and experienced the smallest increase in the owner cost-burden rate across the region (+3 percentage points). This category also has the lowest home loan delinquency rate (1.2%) and foreclosure rate (0.3%) in the region. The high price point in these areas may make it difficult for lower income households to find and maintain homeownership in these areas.

There are likely fewer physical quality concerns, based on the age of housing in this category, but some adaptations may be needed to expand the accessibility of the current housing stock to individuals with different physical housing needs. The low shares of elderly adults and persons with a disability may indicate there are not adequate housing options for these groups.

Category 2 – second lowest need

Overview

This is the second lowest need category in Eastern Maryland for homeownership issues. It is mostly made up of tracts in Cecil County (33%) and Talbot County (24%). There are no tracts in this category in Kent, Somerset, or Wicomico counties.

This category has a slightly below average share of residents that identify as Hispanic (4%, compared to 5% regionwide). This category has the highest share of residents that identify as non-Hispanic White

(85%, compared to 75% regionwide) and the lowest share of residents that identify as non-Hispanic Black or African American (7%, compared to 16% regionwide).

This category has the second lowest poverty rate in the region (9%) and the second highest median household income ($72,389). This category experienced the second highest increase in median household income from 2000 to 2017 (+5%).

This category has an above average share of elderly adults (19%) and experienced the second highest increase in the share of the population that is elderly from 2000 to 2017 (+7%). This category has an average share of persons with a disability (13%).

Key drivers of homeownership needs

These areas in Eastern Maryland are characterized by:

- The largest decreases in the delinquency rate (-5.5%) and foreclosure rate (-2.1%) from 2015 to 2019;
- An above average share of elderly adults (19%); and
- The second lowest share of housing units built before 1980 (40%).

This category has the highest median home price ($290,990) and experienced an above average increase in the median home price from 2000 to 2017 (+47%). There is a below average share of cost-burdened owners in this category (26%). Similar strategies that are relevant in Category 1 to increase the accessibility and affordability of homeownership options would be relevant in this category.

Category 3 – moderate need

Overview

This category is at the midpoint of homeownership needs in Eastern Maryland. It is mostly made up of tracts in Dorchester and Talbot counties (19% of tracts each). This is where the largest share of tracts in Kent County fall (14% of tracts in this category are in Kent County, compared to 5% regionwide). There are no tracts in Somerset County in this category.

This category has the largest share of residents that identify as Hispanic of any category in the region (7%). This category has a similar racial composition to the region as a whole, with 74% of residents identifying as non-Hispanic White, 16% of residents identifying as non-Hispanic Black or African American, and 2% of residents identifying as non-Hispanic and two or more races. This category has the lowest share of non-Hispanic Asian residents of any category in the region (1%).

This category has a slightly below average poverty rate (12%) and median household income ($60,693). Median household income has increased by 1% in this category from 2000 to 2017.

This category has the highest share of elderly adults (20%) and an average share of residents with a disability (13%).

Key drivers of homeownership needs

These areas in Eastern Maryland are characterized by:

- The second highest home loan delinquency rate (3.0%) and the highest foreclosure rate (1.1%);
- The highest share of elderly adults (20%); and
- A below average median household income.

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Median home price in this category is above average ($240,552) and this category experienced the second highest increase in the median home price since 2000 (47%), while median household income increased by only 1% over the same time period. Some residents in this category may be facing housing instability as a result of these trends. This is seen also in the high home loan delinquency rate and foreclosure rate. Strategies to stabilize homeowners, particularly those that may be more vulnerable to cost pressures. This category has the second highest share of housing units built before 1980, which may indicate need for home rehabilitation assistance, particularly assistance that can offer aging-in-place support for the many elderly adults in this category.

Category 4 – second highest need

Overview

This is the second highest need category in Eastern Maryland for homeownership issues. It is mostly made up of tracts in Wicomico County (38%), followed by Worcester County (19%). There are no tracts in this category in Queen Anne's County or in Talbot County and there is a below average share of tracts in this category in Cecil County (10% in this category, compared to 18% regionwide).

This category has the second lowest share of residents identifying as Hispanic (4%, compared to 5% regionwide). Most non-Hispanic residents identify as White (74% of the population). There is an above average share of non-Hispanic Black or African American residents in this category (18%).

This category has an average poverty rate (12%) and experienced a lower than average increase in the poverty rate since 2000 (+1 percentage point). This category has the second lowest median household income ($54,046), which represents a decrease since 2000 (-1%).

This category has the second highest share of elderly adults (19%) and the second highest share of people with a disability (14%).

Key drivers of homeownership needs

These areas in Eastern Maryland are characterized by:

- Average rates of home loan delinquency (2.5%) and foreclosure (0.8%);
- The second lowest median household income ($54,046);
- The second highest share of elderly adults (19%); and
- The second lowest median home price ($192,543).

These areas are home to a larger share of potentially vulnerable households: 12% of people live in poverty, 19% of adults are elderly, and 14% of persons have a disability. Strategies may be needed to support housing stability among these groups, especially based on the high rate of owner cost-burden in these areas (29%). There has been limited development in these areas in recent years, with only 11% of housing units built since 2000. Strategies to support economic growth and mobility through housing development and revitalization may be important in these areas, especially given the low and decreasing median household income.

Category 5 – highest need

Overview

This is the highest need category in Eastern Maryland for homeownership issues. It is mostly made up of tracts in Somerset County (24%), followed by Worcester and Wicomico counties (19% each) and Caroline County (14%). There are no tracts in this category that are in Queen Anne's County or in Talbot

County and there is a below average share of tracts in this category in Cecil County (10% in this category, compared to 18% regionwide).

This category has the highest shares of non-White residents in the region and the lowest share of non-Hispanic White residents (58%, compared to 75% regionwide). This category has the second highest share of Hispanic residents (6%), the highest share of non-Hispanic Black or African American residents (31%, compared to 16% regionwide), the highest share of non-Hispanic Asian residents (2%), and the highest share of residents that are non-Hispanic and two or more races (2%).

This category has by far the highest poverty rate (25%, more than double the regionwide average). The poverty rate increased in this category by 7 percentage points from 2000 to 2017. This category also has the lowest median household income ($42,058), which represents a 9% decrease from 2000.

This category has the second lowest share of elderly adults (17%) and experienced the smallest increase in the share of the population that is elderly from 2000 to 2017 (+2 percentage points). This category has the highest share of residents with a disability (15%).

Key drivers of homeownership needs

These areas in Eastern Maryland are characterized by:

- The highest poverty rate (25%, more than double the regionwide average);
- The lowest median household income ($42,058);
- The highest share of residents with a disability (15%);
- The highest home loan delinquency rate in the region (3.1%); and
- The lowest median home price ($167,090).

Despite having the lowest median home price in the region, this category has the highest share of owners experiencing cost burden (31%). That paired with the high home loan delinquency rate, suggest residents may need assistance with housing costs, especially as home prices rise (+33% from 2000 to 2017) and incomes decrease (-9% over that same period).

This category has the highest share of housing units built before 1980 (57%), which may indicate needs for housing rehabilitation assistance. The low share of units built since 2000 (only 3%) reflects a broader need for investment and revitalization in these areas to support resident economic mobility.

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Western Maryland Regional Overview

Demographics

The Western Maryland region is the smallest of the regions, with 95,623 households and 251,653 residents (4% of the total Maryland population). Most residents of this region identify as White (86%) and all but 3% of residents identify as non-Hispanic.

While Western Maryland has the second smallest number of people living below the federal poverty level, this region has the highest average poverty rate of any region in the state (13.7%). Western Maryland also has the lowest median household income of any region in the state ($51,270 – which is more than $30,000 below the statewide median) and has seen little change in the median income since 2000.

Western Maryland has the second highest share of elderly residents across the state (17.5%), but has fewer elderly households compared to other regions since it is a less populous region.[3] Western Maryland also experienced the smallest increase in elderly households from 2000 to 2017 of any region in the state (1%). Western Maryland has the highest share of persons with a disability of any region in the state (16%).[4]

Housing needs

The housing stock in Western Maryland tends to be older than the housing stock across the state – 63% of housing units were built before 1980, compared to 55% of housing units across the state.

Western Maryland has the second lowest occupancy rate in the state, with 84% of housing units occupied in 2017. The region also has the second lowest overcrowding rate.

Rental

Renters make up 33% of households in this region, on par with the statewide tenure breakdown (34% of households across the state are renters). Renter cost-burden is less common in Western Maryland than in other parts of the state. The region has a 39% renter cost-burden rate, compared to 46% across the state, and it experienced the smallest increase in renter cost-burden since 2000 (11%, compared to 16% across the state). This makes sense when considering the median rent levels across the state – Western Maryland had the lowest median rent level in both 2017 and 2011 ($781 and $773, respectively), and experienced the smallest increase in median rent (1%). Interestingly, Western Maryland has the highest share of renters receiving rental assistance across all regions in the state (12%).

Homeownership

In addition to having the lowest rent levels in the state, the Western Maryland region had the lowest home prices in both 2017 and 2011 ($163,452 and $124,512, respectively), and experienced the lowest increase in home prices over that time period (31%). Western Maryland also has the lowest cost-burden rate among homeowners of any region in the state (22%), which was also true in 2000.

Western Maryland is right in the middle of the five regions on issues of mortgage delinquency and foreclosure with a delinquency rate of 1.3% in 2019 and a foreclosure rate of 0.4% (statewide figures were 0.7% and 0.2%, respectively). Consistent with the rest of the state, incidences of delinquency and

[3] Elderly was defined as persons aged 65 and up.
[4] Disability may include vision, hearing, cognitive, ambulatory, self-care, independent living, or any combination of these.

foreclosure decreased in Western Maryland from 2015 to 2019 (by 1.7 percentage points and 0.8 percentage points, respectively).

Programmatic alignment

Nearly every tract in the state is touched by at least one housing program designation and Western Maryland is no exception – 100% of tracts in the region overlap with at least one housing program designation. Western Maryland has a higher share of tracts that overlap with revitalization designations and access to opportunity designations, compared to the rest of the state: 84% of tracts overlap with revitalization designations (compared to 72% of tracts across the state) and 94% of tracts overlap with access to opportunity designations (compared to 77% of tracts across the state).

The most prevalent programmatic designation in Western Maryland are Communities of Opportunity designations, covering 94% of tracts in the region. Heritage Areas are the next most common (82% coverage), closely followed by Maryland Mortgage Program target areas (which overlap with 81% of tracts and are much more common in Western Maryland than the rest of the state, where target areas overlap with only 36% of all tracts). Sustainable Communities, designated Rural Areas, Opportunity Zones, Qualified Census Tracts, and Enterprise Zones are also common in Western Maryland (each overlap with more than half of tracts in the region).

Western Maryland has the highest share of tracts covered by many of the existing housing and revitalization programs available in the state (compared to other regions) – this is true for Maryland Mortgage Program Target Areas, Qualified Census Tracts, One MD Designations, Art Districts, and Maple Street designations.

There are no RISE Zones, Enhancement to Enterprise zones, Empowerment Zones, or TOD areas in Western Maryland. This region also has the fewest Difficult Development Areas (2% of tracts), compared to other regions.

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Western Maryland Rental Category Summaries

Geographic breakdown

This table presents the geographic breakdown of the three counties in Western Maryland across the region and each of the five categories of rental need. This will be referred to throughout the narrative, when discussing over/under-representation of counties across categories.

Most of the region (52%) is in Washington County, followed by Allegany County (37%). An additional 11% of tracts are in Garrett County. Tracts in Washington County are most overrepresented in the lowest need category and slightly overrepresented in the highest need category but underrepresented in the midpoint category. Tracts in Garrett County tend to be overrepresented in both of the lowest need categories in the region, and then are underrepresented in the highest need categories. Meanwhile, Allegany is underrepresented in the two lower need categories (especially this lowest need category) and overrepresented in the midpoint category (i.e. Category 3).

Western Maryland Region - Rental Index	Lowest need **Category 1**	**Category 2**	Midpoint **Category 3**	**Category 4**	Highest need **Category 5**	**Western MD total**
Total tracts	12	13	12	13	12	62
Allegany County	0%	33%	50%	54%	46%	37%
Garrett County	25%	17%	8%	8%	0%	11%
Washington County	75%	50%	42%	38%	54%	52%

Spectrum of rental housing needs

LEAST NEED AREAS	**MODERATE NEED AREAS**	**HIGHEST NEED AREAS**
• More housing stability • Fewer housing quality concerns • Low poverty and high household incomes • Few assisted units and low rates of rental assistance • Few elderly adults and people with a disability	• Average & increasing renter cost-burden rate • Moderate household incomes • Moderate rent • Higher increase in median rent from 2011 to 2017 • Highest share of elderly residents	• High cost-burden rates • Significant housing quality concerns • Decreasing incomes and rents • High poverty and low household incomes • High share of persons with disabilities • High share of non-White residents
STRATEGY FOCUS Increase access to affordable & accessible homes	**STRATEGY FOCUS** Prevent displacement Support vulnerable renters	**STRATEGY FOCUS** Expand assistance to meet demand Improve housing quality Deconcentrate poverty

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Category 1 – lowest need

Overview

This is the lowest need category in Western Maryland for rental housing issues. It is mostly made up of tracts in Washington County (9), plus some tracts in Garrett County (3). Washington County and Garrett county are overrepresented in this category.

Much like the region as a whole, Category 1 is mostly White and non-Hispanic (83% of residents identify as white and 97% identify as non-Hispanic). Persons identifying as Black or African American are the second most common racial group, constituting 10% of the population living in this category.

This category has the lowest poverty rate of any category in the region (7%, compared to 14% region-wide).

Key drivers of rental housing needs

These lowest need areas in Western Maryland are characterized by:

- A low level of cost-burden among renters (25%, the lowest in the region);
- A small increase in the renter cost-burden rate from 2000 to 2016 (3 percentage points);
- A high median rent level ($898, the highest in the region); and
- A high median household income ($68,656 – the highest in the region).

The category's high median household income and relatively low cost-burden rate, despite high rents, suggest that many renters living in this category can afford the higher prices; although one-quarter of renters are still paying too much for housing. The high prices in this area are likely a barrier for many renters in the region who may want to live there, especially since there are few renters receiving rental assistance and few assisted units in areas within this category. This category also has the lowest rate of households with disabilities and of elderly households. These areas may be good candidates for efforts to expand affordable and accessible options for renters, of all abilities and ages.

Category 2 – second lowest need

Overview

The second lowest need category in Western Maryland includes 6 tracts in Washington County, 4 tracts in Allegany County, and 3 tracts in Garrett County. Allegany and Washington counties are slightly underrepresented in this category and Garrett County is slightly overrepresented.

The racial and ethnic composition of this category is very similar to Category 1 – most households (90%) identify as White and nearly all households (98%) identify as non-Hispanic. There are fewer households identifying as Black or African American living in this category (6% of all residents in Category 2 versus 9% of all residents in Category 1).

This category has the second lowest poverty rate in the region (10%), which steadily climbs from one category to the next, as the level of need grows.

Key drivers of rental housing needs

These second lowest need areas in Western Maryland are characterized by:

- The second smallest increase in renter cost-burden of any category in the region (7 percentage points from 2000 to 2016);
- The below regional median rent ($776, compared to $781 across the region);
- The second lowest share of residents with a disability (15%);

- The lowest mobility rate of any category in the region (8%); and
- The highest share of elderly persons in the region (19%).

These areas are relatively stable along key dimensions of rental housing need, compared to the rest of the region – as evidenced by limited increases in renter cost-burden, low household mobility, plus a slight increase in household income. With lower rents and a high share of elderly persons, these areas are good candidates for actions that support aging-in-place. The stability of the market suggest these areas can offer strong homeownership opportunities and current renters may benefit from supports that offer pathways to homeownership. Any efforts to increase access to these areas should also consider how to maintain stability for existing residents.

Category 3 – midpoint

Overview

This Western Maryland category sits at the midpoint of need for rental housing issues. It is made up of tracts in Washington County (5) and Allegany County (6) and one tract in Garrett County. This constitutes a slight underrepresentation of Washington County and an overrepresentation of Allegany County in this category, compared to the number of tracts in the region they comprise.

Much like the region as a whole, Category 3 is mostly White and non-Hispanic (89% of residents identify as white and 98% identify as non-Hispanic). Persons identifying as Black or African American are the second most common racial group, constituting 6% of the population living in this category. Persons identifying Asian and persons identifying as two or more races make up the rest of the population (representing 2% and 1% of residents in this category, respectively).

The poverty rate in this category is slightly lower than the region as a whole (12%, compared to 14% across the region).

Key drivers of rental housing needs

These midpoint areas in Western Maryland are characterized by:

- A relatively low increase in the share of renters that were cost-burdened (a 11-percentage point increase from 2000 to 2016);
- A moderate median rent and household income ($777 and $56,642)
- The highest share of elderly residents (19%)

Many indicators of need in this category are on par with the regionwide average, but some indicate risks that are not present in the lowest need categories (e.g., more steeply increasing renter cost burdens). Efforts in these areas should support economic growth that is inclusive of all residents, while preventing displacement.

Category 4 – second highest need

Overview

This Western Maryland category is the second highest need category, when considering rental housing issues. It is mostly made up of tracts in Washington County (5) and Allegany County (7), plus one tract Garrett County. The geographic spread of this category is closest (out of all the categories) to that of the region.

This category has more Hispanic residents than the region as a whole (4%, compared to 3% regionwide). The share of residents identifying as White is consistent with the regionwide share (both are 86%). As with all categories in the region, persons identifying as Black or African American are the second most common racial group, constituting 8% of the population living in this category. Persons identifying Asian and persons identifying as two or more races make up the rest of the population (1% and 5% respectively).

The poverty rate in this category is on par with the regionwide rate (both are 14%).

Key drivers of rental housing needs

These areas in Western Maryland are characterized by:

- The second lowest median household income ($46,512), which represents a 4% decrease from 2000;
- Low median rents ($769), below the regional median of $781
- A high increase in the number of renters experiencing cost-burden (15-percentage point increase from 2000 to 2016).

These represent high-cost areas where household incomes are not keeping up, and as a result, cost-burden rates have been rising. In these areas, it is important to expand the supply of affordable housing and target assistance to support those experiencing cost-burden.

It is important to note that the low occupancy rate in this region may be skewed by the presence of second homes that are not occupied full-time, year-round. For instance, one area in the region reports a 29% full-time occupancy rate. That neighborhood is centered around Deep Creek Lake, a vacation community, that likely contains short-term rental or second homes for many (versus truly vacant units).

Category 5 – highest need

Overview

This is the highest need category in Western Maryland category, when considering rental housing issues. It is only made up of tracts in Washington County (7) and Allegany County (6). No tracts in Garrett County fall into this category.

A disproportionate number of non-White residents live in the highest need category – 20% of residents in this category identify as non-White, compared to 14% regionwide. This is primarily driven by a higher share of people that identify as Black or African American (12%) and a higher share of people identifying as two or more races (5%). This category also has the highest percentage of Hispanic residents, who make up 5% of residents in this category.

The poverty rate in this category is not only the highest in the region but also the highest in the state – 28% of residents in this category are living below the poverty line, compared with 14% regionwide and 10% statewide. This category also saw the highest increase in the poverty rate from 2000 to 2017 (a 9-percentage point increase).

Key drivers of rental housing needs

These areas in Western Maryland are characterized by:

- The highest share of persons living with disabilities in the region (21%);
- A very high poverty rate (28%);
- The lowest median rent in the region ($705) and the lowest median household income ($32,692);
- The highest share of renters receiving rental assistance (18%) and the largest number of assisted units (1,894) in the region; and
- The highest mobility rate in the region (21%).

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This category represents areas that have experienced significant economic decline (as evidenced by decreasing household incomes and rents, increasing poverty, and how much of the housing stock was built over 40 years ago [82%]). The high mobility rate in this category suggests additional instability in these areas. Despite having the lowest rents in the region and a larger share of renters receiving rental assistance, many residents can still not afford rental housing (the renter cost-burden rate is 48%; the highest in the region). Moreover, there are a large number of residents with disabilities (21%) that may require home accessibility modifications. Efforts in this category should be oriented around economic stabilization and revitalization, paired with targeted support for residents that increase the affordability and accessibility of housing and, more broadly, that support economic mobility.

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Western Maryland Homeownership Category Summaries

Geographic breakdown

This table presents the geographic breakdown of the three counties in Western Maryland across the region and each of the five categories of homeownership need. This will be referred to throughout the narrative, when discussing over/under-representation of counties across categories.

Most of this region is in Washington County (52% of tracts), followed by Allegany County (37%). Garrett County makes up the remainder of the region (11%). Allegany County tends to be overrepresented in the highest need categories and underrepresented elsewhere, particularly in the lowest need category. Garrett County has no tracts in the two lowest need categories and is most overrepresented in the moderate need category. Washington County is overrepresented in the lowest need category and slightly underrepresented in other categories.

Western Maryland Region - Homeownership Index	Lowest need		Midpoint		Highest need	
	Category 1	**Category 2**	**Category 3**	**Category 4**	**Category 5**	**Western MD total**
Total tracts	12	12	12	13	13	62
Allegany County	17%	33%	25%	54%	54%	37%
Garrett County	17%	17%	25%	0%	0%	11%
Washington County	67%	50%	50%	46%	46%	52%

Spectrum of homeownership needs

LEAST NEED AREAS	MODERATE NEED AREAS	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	• Average home prices • Highest price appreciation • Stagnant household incomes • High delinquency rate • 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
STRATEGY FOCUS Increase access to affordable & accessible homes Support aging-in-place	**STRATEGY FOCUS** Relieve cost pressures to increase housing stability & economic mobility	**STRATEGY FOCUS** Stabilize homeowners Revitalize existing homes Deconcentrate poverty

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Category 1 – lowest need

Overview

This is the lowest need category in Western Maryland for homeownership issues. It is mostly made up of tracts in Washington County (67%), with the remainder split between Allegany County and Garrett County (17% each).

Consistent with the rest of the region, most residents identify as non-Hispanic (97%) and the majority of residents identifying as non-Hispanic White (86%). Residents identifying as non-Hispanic Black or African American are the next most common (6%). This category has the highest share of residents that identify as non-Hispanic Asian (2%).

This category has the lowest poverty rate (8%) and is the only category in this region that experienced a decrease in poverty from 2000 to 2017 (-2 percentage points). This category has the highest median household income in the region ($65,184), which represents an 9% increase from 2000.

This category has a below average percentage of residents with a disability (14%) and an average percentage of elderly adults (16%), compared to other categories in the region. This category experienced the largest increase in the elderly population from 2000 to 2017 (5 percentage points).

Key drivers of homeownership need

These areas in Western Maryland are characterized by:

- The lowest owner cost-burden rate in the region (19%);
- A below average percentage of residents with a disability (14%); and
- The highest 2017 median home price in the region ($206,608).

Residents in this category may be more likely to experience greater economic security than in other areas of the region (based on the high median household income, low poverty, lowest rates of owner cost-burden, low delinquency and foreclosure rates [1% and 0.2%, respectively]). Home prices in these areas are likely out of reach for many, so strategies to create more affordable pathways to homeownership may be needed to expand access to the stability offered by these areas. The housing stock in these areas is the newest across categories in the region (only 53% of housing units were built before 1980, compared to 63% regionwide, and 17% of housing units were built since 2000, compared to 10% regionwide). This indicates both that these areas have been attractive for new development in recent decades and that there may be fewer concerns about physical housing quality and maintenance. However, with the increasing elderly population in this category, there may also be a growing need for aging-in-place supports or home modifications.

Category 2 – second lowest need

Overview

This is the second lowest need category in Western Maryland for homeownership issues. Half of the tracts in this category are in Washington County and the remaining half is split between Allegany (33%) and Garrett County (17%).

Consistent with the rest of the region, most residents identify as non-Hispanic (98%) and the majority of residents identify as non-Hispanic White (90%). This category has the second lowest share of residents that identify as non-Hispanic Black or African American (4%) and the lowest share of residents identifying as two or more races (1%).

This category has the second lowest share of people in poverty (11%) and the second highest median household income ($58,396, compared to $51,270 regionwide). This category experienced the second largest increase in median household income from 2000 to 2017 (+2%).

This category has the lowest share of persons with a disability (14%) and an average share of elderly adults (18%).

Key drivers of homeownership needs

These areas in Western Maryland are characterized by:

- The second highest median home price level ($186,175);
- The second highest median household income level ($58,396);
- The highest foreclosure rate (0.5%) and home loan delinquency rate (1.8%) in the region;
- The lowest share of persons with a disability (14%); and
- A slightly above average rate of owner cost-burden (23%).

Similar to the lowest category of need, these areas could benefit from strategies that expand access to affordable options (due to the high home prices and above average cost-burden) that are accessible to residents with varied housing needs, including persons with a disability who may not have as many housing options in this category currently (based on the low share of people with a disability living this category). Additional interventions may be needed to stabilize homeowners experiencing or at-risk for home loan delinquency and/or foreclosure – this could include a combination of strategies to prevent displacement (e.g. emergency mortgage assistance) and strategies to proactively reduce risks (e.g. homeowner counseling, offering different types of lending products).

Category 3 – moderate need

Overview

This category is at the midpoint for homeownership needs in Western Maryland. Half of the tracts in this category are in Washington County and the remaining tracts are split evenly between Allegany County and Garrett County (25% of tracts each).

Consistent with the rest of the region, most residents identify as non-Hispanic (98%) and the majority of residents identify as non-Hispanic White (93%) – this is the highest share of non-Hispanic White residents of any category in the region. This category has the lowest share of residents that identify as non-Hispanic Black or African American (2%) and the lowest share of residents identifying as non-Hispanic Asian (less than 1%).

This category has a below-average poverty rate for the region (12%, compared to 14% regionwide) and experienced an average increase in the poverty rate from 2000 to 2017 (+2 percentage points). This category has a slightly above average median household income ($52,414) and experienced an above average increase in the median household income from 2000 to 2017 (+1%).

This category has the highest share of elderly adults (19%) and experienced an above average increase in the share of the population that is elderly from 2000 to 2017 (+3 percentage points). This category has the second highest share of persons with a disability (17%), compared to other categories in the region.

Key drivers of homeownership needs

These areas in Western Maryland are characterized by:

- The highest share of elderly adults (19%) and the second highest share of persons with a disability (17%);
- An above average median household income ($52,414);
- An above average median home price ($177,217); and
- The lowest rate of residential mobility (10%).

This category experienced the largest home price increase from 2000 to 2017 (+42%), which may mean more residents in these areas are facing cost pressures, since median household income only increased by 1% over that time period. This, along with the highest home loan delinquency rate in the region (1.8%) point to a need for strategies that can relive homeowner cost pressures, particularly with an eye towards protecting populations that may be especially vulnerable to those pressures. The high rates of elderly adults and people with a disability residing in this category may also indicate need for home accessibility modification assistance, especially since more than half of the housing stock (56%) was built before 1980.

This category also has the lowest occupancy rate in the region (71%, compared to 84% regionwide), which could reflect some concerns around the suitability of the existing housing stock for residents. This may be skewed by the presence of second homes, particularly in Garrett County, that are not occupied full-time, year-round.

Category 4 – second highest need

Overview

This is the second highest need category for homeownership needs in Western Maryland. More than half of the tracts in this category are in Allegany County (54%) and all remaining tracts are in Washington County.

This category has the highest share of residents that identify as Hispanic (5%). The majority of residents in this category identify as non-Hispanic White (72%) – this is the smallest percentage of residents identifying as non-Hispanic White of any category in the region. Non-Hispanic Black or African American residents make up the next largest group (19% of the population) – this is the largest percentage of residents identifying as non-Hispanic Black or African American of any category in the region. This category has the second highest share of residents identifying as two or more races (4%) and the second lowest share of residents identifying as non-Hispanic Asian (1%).

This category has the second highest poverty rate (16%, compared to 14% regionwide) and experienced an above average increase in the poverty rate (+3 percentage points). This category has the second lowest median household income ($45,717) and is one of only two categories in the region, along with the highest need category, that experienced a decrease in the median household income from 2000 to 2017 (-4%).

This category has the lowest share of elderly adults (16%) and experienced the second lowest increase in the share of the population that is elderly from 2000 to 2017 (+2 percentage points). This category has the second lowest share of persons with a disability (14%).

Key drivers of homeownership needs

These areas in Western Maryland are characterized by:

- The lowest home price level ($121,225) and lowest increase in median home price from 2000 to 2017 (+19%);

- The second lowest median household income ($45,717), which represents a 4% decrease since 2000;
- The second lowest owner cost-burden rate in the region (21%); and
- The second lowest share of housing units built since 2000 (5%).

These areas may be at risk for or already experiencing economic decline, as indicated by the decrease in the median household income, lowest home price appreciation, and the low share of housing units built since 2000. This category also has the second highest residential mobility rate in the region (17%), reflecting high household turnover, which research has linked to increased neighborhood disinvestment.[5] Lower cost-burden rates, delinquency rates, and foreclosure rates in this category suggest less need for strategies focused on relieving cost pressures than in other areas of the region (although one-fifth of homeowners still pay too much for housing each month). Strategies focused on neighborhood revitalization and supporting the economic mobility of residents may be more relevant in these areas.

Category 5 – highest need

Overview

This is the highest need category for homeownership needs in Western Maryland. More than half of the tracts in this category are in Allegany County (54%) and all remaining tracts are in Washington County – the same breakdown of counties in the second highest need category.

The majority of residents in this category identify as non-Hispanic White (79%). Compared to other categories, this category has the second highest share of residents that identify as Hispanic (4%), the second highest share of residents that identify as non-Hispanic Black or African American (11%), and the highest share of residents that identify as non-Hispanic and two or more races (5%).

This category has by far the highest poverty rate in the region (27%, nearly double the regionwide poverty rate of 14%) and experienced the largest increase in the poverty rate from 2000 to 2017 (+10 percentage points). The median household income in this category ($35,918) is the lowest in the region and decreased by 11% since 2000.

This category has the second lowest share of elderly adults (17%) and is the only category where the share of the elderly population decreased from 2000 to 2017 (-1 percentage point). The disability rate in this category is the highest in the region (20%, compared to 16% regionwide).

Key drivers of homeownership needs

These areas in Western Maryland are characterized by:

- The highest share of people with a disability in the region (20%, compared to 16% regionwide);
- The highest poverty rate in the region (27%, nearly double that of the regionwide poverty rate of 14%);
- The lowest median household income in the region ($35,918);
- The second lowest home price level ($128,915);
- The oldest housing in the region (80% of units built before 1980); and
- The highest residential mobility rate (19%).

[5] Morenoff, Jefferey D., Robert J. Sampson, and Stephen W. Raudenbush. Neighborhood inequality, collective efficacy, and the spatial dynamics of urban violence. Criminology Volume 39, Issue 3 (August 2001). Available at: https://onlinelibrary.wiley.com/doi/abs/10.1111/j.1745-9125.2001.tb00932.x

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Several indicators suggest that neighborhood revitalization should be a top priority in these areas: the age of housing, the high residential mobility rate, and the low home prices and incomes. This is also the only category in the region where the home loan delinquency rate and the foreclosure rate increased from 2015 to 2019, emphasizing the need for strategies that can stabilize existing homeowners (in addition to strategies to stabilize and revitalize the broader housing market) in these categories. Revitalization strategies should include targeted support for persons with disabilities, given the high rate of people with a disability living in this category.

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Southern Maryland Regional Overview

Demographics

Southern Maryland is the second smallest region in Maryland, representing 357,824 people living across 65 tracts.

Residents of this region mostly identify as White (62%) and non-Hispanic (95%) – slightly more so than residents across the rest of the state, where 52% of people identify as White and 90% identify as non-Hispanic. People identifying as Black or African American make up the second largest racial group in Southern Maryland (26% of residents). This region has the highest share of people that identify as two or more races (4%), compared to other regions in the state. An additional 3% of people identify as Asian in this region.

The Southern Maryland region has the lowest average poverty rate (7%) of all regions in the state and the second highest median household income ($93,710). This region also experienced the second highest increase in median household income from 2000 to 2017 (a 6% increase).

There are lower shares of both elderly individuals and people living with disabilities in Southern Maryland, compared to the rest of the state (12% and 10% of residents in the region, respectively). However, the elderly population is growing in Southern Maryland at a slightly faster rate than in other regions (this group grew by 3.5% from 2000 to 2017 in Southern Maryland).

Housing needs

There are several indicators that suggest there may be fewer quality concerns with housing in Southern Maryland, compared to other regions: it has the lowest mobility rate of any region (12%); Southern Maryland's housing stock is newer than housing in most other regions, with the largest share of units built since 2000 (23%) and the smallest share of units built before 1980 (34%); and Southern Maryland has the lowest overcrowding rate of any region (1.1%).

Rental

Southern Maryland has the lowest share of households that are renters of any region (23%). Consistent with the rest of the state, nearly half (45%) of renters are cost burdened. This region saw the highest increase in median rent across the state from 2011 to 2017 (a 7.3% increase).

This region has the lowest share of renters receiving rental assistance (6.4%) and the smallest number of assisted units (4,473) of any region in the state.

Homeownership

Home price levels in Southern Maryland are the second highest in the state ($307,944 in 2017). Owners experience cost-burden at a similar rate to owners across the state (25%). The share of owners that are cost-burdened increased by 4 percentage points from 2000 to 2016, which was also on part with the statewide increase.

Southern Maryland is tied with Eastern Maryland for the highest home loan delinquency rate in 2019 (2.4%, compared to 0.7% statewide). This region also has the second highest foreclosure rate (0.6%). Both delinquencies and foreclosures have been decreasing in Southern Maryland, faster than in the state as a whole (a 2.5 percentage point decrease in delinquency and a 1.3 percentage point decrease in foreclosure, compared to 1.2 percentage point and 0.5 percentage point decreases statewide).

Programmatic alignment

All tracts in Southern Maryland overlap with at least one housing program designation, and nearly all (63 out of 65) overlap with at least one access to opportunity program designation. In fact, this region has the highest share of tracts in access to opportunity areas of any region in the state (97% compared to 77% statewide). Unsurprisingly, Communities of Opportunity program designations are the most commonly found programmatic designation in this region.

Southern Maryland has slightly fewer tracts that overlap with revitalization program designations than other regions (69% of tracts compared to 72% statewide). This region has no overlap with a variety of programs that fall in this bucket: Enterprise Zones, One MD, Main Streets, Maple Streets, Empowerment Zones, or Enhancement to Enterprise Zones.

After Communities of Opportunity, Rural Areas are the second most commonly found program in Southern Maryland (overlapping with 63% of tracts in the region), followed by Sustainable Communities (62% of tracts).

Southern Maryland has the lowest share of tracts that are Qualified Census Tracts of any region in the state (22%, compared to 45% statewide). There are no tracts in Southern Maryland that overlap with TOD areas.

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Southern Maryland Rental Category Summaries

Geographic breakdown

This table presents the geographic breakdown of the three counties in Southern Maryland across the region and across each of the five categories of rental housing need. This will be referred to throughout the narrative, when discussing over/under-representation of counties across categories.

Charles County accounts for nearly half of the region (46%). The rest of the region is split between Calvert County (28% of tracts in the region) and St. Mary's County (26% of tracts in the region). Charles County is under-represented in both the second highest need category and the second lowest need category, and then significantly over-represented in the highest need category and somewhat over-represented in the lowest need category. Calvert County is over-represented in the moderate need category and second highest need category, but significantly under-represented in the lowest need category. St. Mary's County is under-represented in the moderate need category and over-represented in the second lowest need category.

Southern Maryland Region - Homeownership Index	Lowest need		Midpoint		Highest need	
	Category 1	**Category 2**	**Category 3**	**Category 4**	**Category 5**	**Southern MD Total**
Total tracts	13	13	13	13	13	65
Calvert County	23%	23%	38%	46%	8%	28%
Charles County	54%	38%	46%	31%	62%	46%
St. Mary's County	23%	38%	15%	23%	31%	26%

Spectrum of rental housing needs

LEAST NEED AREAS	MODERATE NEED AREAS	HIGHEST NEED AREAS
• Tight housing market (low vacancy, high rent, low mobility) • Decrease in rent (2011 to 2017) • Fewer housing quality concerns • Low poverty and high incomes • Fewer assisted units and low rates of voucher usage • Few elderly or disabled persons	• Average renter cost-burden rate • Some residents with special housing needs, especially older adults • Highest increase in median rent from 2011 to 2017	• High cost-burden rates • Housing quality concerns • High poverty, low incomes • High increase in median rent, but low occupancy & limited new market activity • Highest share of non-White residents
STRATEGY FOCUS Increase access to affordable & accessible homes, while supporting economic growth	**STRATEGY FOCUS** Prevent displacement Support vulnerable renters (including aging-in-place)	**STRATEGY FOCUS** Improve housing quality and affordability Support economic mobility

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Category 1 – lowest need

Overview

This is the lowest need category in the Southern Maryland region for rental housing issues. More than half of tracts in this category are in Charles County (54%); the rest are split between Calvert and St. Mary's counties (23% of tracts each). This is a similar distribution of these counties as exist in the region overall, with Charles lightly over-represented.

Consistent with the rest of the region, 5% of residents in this category identify as Hispanic. Among non-Hispanic residents, most people identify as White (56%). This category has the second lowest share of non-Hispanic White residents and the second highest share of Black or African American residents of any category in the region (second to the highest need category, on both fronts). Thirty-one percent of non-Hispanic residents identify as Black or African American. Three percent of non-Hispanic residents identify as Asian and 4% identify as two or more races, consistent with the region as a whole.

This category has the second lowest poverty rate in the region (4.7%) and the highest median household income ($111,509). This category experienced the largest increase in median household income of any category from 2000 to 2017 (+18%, compared to +6% regionwide).

Compared to other categories, this category has the lowest share people that are elderly (9%) and the lowest share of people with a disability (8%).

Key drivers of rental housing needs

These areas in the Southern Maryland region are characterized by:

- The lowest renter cost-burden rate (33%) and the lowest increase in renter cost-burden from 2000 to 2016 (+5 percentage points, compared to +18 percentage points regionwide);
- The newest housing stock (only 21% of housing units built before 1980 and 40% of units built since 2000);
- The highest median household income ($111,509); and
- The lowest share people that are elderly (9%) and the lowest share of people with a disability (8%).

This category generally has a tight housing market – the lowest vacancy rate in the region (6%), the highest median rent ($1,659), the lowest residential mobility rate (10%) – and has seen more new development since 2000 than many other areas of the region. However, this is the only category in the region that experienced a decrease in median rent from 2011 to 2017 (-6%). There are likely fewer housing quality concerns due to the age of the housing stock. Housing affordability is a challenge for some existing residents (one-third of renters are cost-burdened) and the high rents likely make it difficult for lower-income residents to find suitable housing options in these areas. Actions that expand the accessibility and affordability of housing while spurring market activity (e.g., developing mixed-income, mixed-use housing) may be a good fit for these areas.

Category 2 – second lowest need

Overview

This is the second lowest need category in the Southern Maryland region for rental housing issues. Charles County and St. Mary's County make up the largest shares of tracts in this category (each make up 38% of tracts in the category). This is an over-representation of St. Mary's County, compared to the share of the region St. Mary's comprises.

The racial and ethnic composition of residents in this category is closest to that in the region overall: 4% of residents in this category identify as Hispanic; among non-Hispanic households, most residents identify as White (64%), followed by residents identifying as Black or African American (25%); 2% of people identify as Asian; 4% of people identify as two or more races.

This category has the lowest poverty rate (4.6%). This is the only category in the region to experience a decrease in the average poverty rate from 2000 to 2017 (-0.4 percentage points, compared to a 1.3 percentage point increase regionwide). This category has the second highest median household income ($101,786).

The share of people that are elderly (12%) and the share of people that have a disability (10%) in this category are similar to the regionwide shares (12% and 10%, respectively).

Key drivers of rental housing needs

These areas in the Southern Maryland region are characterized by:

- The second lowest renter cost-burden rate (40%);
- The second lowest increase in the renter cost-burden rate from 2000 to 2016 (+12 percentage points);
- Newer housing than most other areas of the region (32% of housing built before 1980);
- The lowest poverty rate in the region (4.6%); and
- The second highest median household income ($101,786).

There are very few assisted rental units in these areas currently (133 units, the lowest amount of any category in the region) and very few renters receiving rental assistance or vouchers (2% and 4% of residents, respectively). This underscores the need for actions that can expand affordable options in these areas. This category has an average median rent level ($1,540, compared to $1,530 regionwide), so creating more affordable options in these areas may be less expensive than in the lowest need areas of the region where rents are highest.

Category 3 – moderate need

Overview

This is the midpoint category in the Southern Maryland region for rental housing issues. Nearly half of tracts in this category are in Charles County (46%). Calvert County is over-represented in this category, accounting for 38% of tracts, while St. Mary's County is under-represented, accounting for 15% of tracts.

Four percent of residents in this category identify as Hispanic; among non-Hispanic residents, most identify as White (68%). This is the second highest share of non-Hispanic White households in the region. Twenty percent of residents identify as Black or African American, 3% of residents identify as Asian, and 4% identify as two or more races.

The poverty rate in this category is on par with the regional poverty rate (7%). Median household income in this category is slightly above the regionwide median ($96,535 in this category, compared to $93,710 in the region).

This category has the second highest share of people that are elderly (14%) and experienced the second highest increase in the share of the population that is elderly from 2000 to 2017 (+6%). The share of people in this category that have a disability is the same as the regionwide share (10%).

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Key drivers of rental housing needs

These areas in the Southern Maryland region are characterized by:

- The largest increase in median rent from 2011 to 2017 (+29%);
- An average increase in the renter cost-burden rate (+16 percentage points from 2000 to 2016); and
- The second largest share of housing units built before 1980 (37% of units).

The high increase in the median rent suggests these areas may be good candidates for actions that can prevent housing displacement, including strategies that build pathways to homeownership for current renters. The high share of people that are elderly reinforces the need to prevent housing displacement and suggests an opportunity for aging-in-place strategies.

Category 4 – second highest need

Overview

This is the second highest need category in the Southern Maryland region for rental housing issues. Nearly half of this category is in Calvert County (46%), which is significantly more than the share of tracts across the region that Calvert comprises (28%). Charles County is under-represented in this category, accounting for 31% of tracts. St. Mary's County accounts for the remaining 23% of tracts.

Five percent of residents in this category identify as Hispanic. This category has the highest share of non-Hispanic White residents of any category in the region (72%) and the lowest share of Black or African American residents (18%). This category also has fewer residents identifying as Asian (2%) and fewer residents identifying as two or more races (3%) than in other areas of the region.

This category has the second highest poverty rate (9%) and experienced the second largest increase in poverty across the region from 2000 to 2017 (+3.4 percentage points). Median household income in this category is slightly below the regionwide median ($90,071, compared to $93,710 regionwide).

This category has the highest share of people that are elderly (14%) and experienced the largest increase in the share of people that are elderly from 2000 to 2017 (+7 percentage points, compared to +4 percentage points regionwide). This category has the second highest share of people with a disability (11%).

Key drivers of rental housing needs

These areas in the Southern Maryland region are characterized by:

- An older housing stock (36% of units built before 1980, and the second lowest share of housing built since 2000 [19%]);
- The highest renter cost-burden rate in the region (54%); and
- The largest increase in the share of people that are elderly from 2000 to 2017 (+7 percentage points).

These areas have the second highest shares of renters using vouchers and receiving rental assistance, but the high cost-burden rate shows that more assistance and more affordable housing options are needed. This category has the second lowest occupancy rate (89%), which may suggest the current housing stock is not suitable for the needs of current residents, especially since the housing stock is older for the region. With the growing aging population, these are areas where aging-in-place strategies may be relevant, particularly strategies that can improve the quality and accessibility of housing.

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Category 5 – highest need

Overview

This is the highest need category in the Southern Maryland region for rental housing issues. Most of this category is in Calvert County (62% of tracts), followed by St. Mary's County (31% of tracts). Charles County is under-represented in this category, accounting for only 8% of tracts.

This category has the highest share of residents identifying as Hispanic (6%). This is the only category in the region where White people make up less than half of the non-Hispanic population (49%). This category has the highest share of Black or African American residents (37%) and the highest share of American Indian and Alaskan Native residents (1%).

The poverty rate in this category is nearly double that of the region as a whole (12.5% in this category, compared to 7.0% regionwide). This category experienced the largest increase in the poverty rate from 2000 to 2017 (+3.8 percentage points). This category is also the only one in the region to experience a decrease in the median household income over that time frame (-6%). Median household income is much lower in this category than anywhere else in the region ($68,648).

This category has a slightly above-average share of people that are elderly (13%, compared to 12% regionwide) and experienced the smallest increase in the elderly share of the population of anywhere in the region (+4 percentage points). This category has the largest share of people with a disability of any category in the region (12%).

Key drivers of rental housing needs

These areas in the Southern Maryland region are characterized by:

- The second highest renter cost-burden rate (53%);
- The highest share of renters using vouchers (10%), the highest share of renters receiving rental assistance (12%), and the highest number of assisted units (2,464);
- The largest increase in the poverty rate (+4 percentage points from 2000 to 2017);
- The lowest median household income ($68,648), which represents a 6% decrease from 2000; and
- The second highest increase in median rent from 2011 to 2017 (+13%).

Despite relatively high levels of rental assistance in this category, renters in these areas need more quality, affordable options, as evidenced by the high cost-burden rate and the increase in median rent. These areas have some of the oldest housing (47% of units built before 1980) and as a result, may benefit from investments to improve the existing housing stock. The combination of increasing rent, but low occupancy (89%) and few new units since 2000 (13% of the housing stock) suggests potential issues with the quality or suitability of the current housing stock for residents' needs. Strategies to both revitalize the housing stock and support the economic mobility of residents may be good fits for these areas.

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Southern Maryland Homeownership Category Summaries

Geographic breakdown

This table presents the geographic breakdown of the three counties in Southern Maryland across the region and across each of the five categories of homeownership need. This will be referred to throughout the narrative, when discussing over/under-representation of counties across categories.

Charles County accounts for nearly half of the region (46%). The rest of the region is split between Calvert County (28% of tracts in the region) and St. Mary's County (26% of tracts in the region). Calvert County is under-represented in the second lowest need category and particularly in the highest need category. Charles County is over-represented in the highest need category and the moderate need category. St. Mary's County is under-represented in the lowest need category and the moderate need category but over-represented in the second lowest need category.

Southern Maryland Region - Homeownership Index	Lowest need		Midpoint		Highest need	
	Category 1	**Category 2**	**Category 3**	**Category 4**	**Category 5**	**Southern MD Total**
Total tracts	13	13	13	13	13	65
Calvert County	38%	23%	38%	31%	8%	28%
Charles County	46%	31%	54%	38%	62%	46%
St. Mary's County	15%	46%	8%	31%	31%	26%

Spectrum of homeownership needs

LEAST NEED AREAS	MODERATE NEED AREAS	HIGHEST NEED AREAS
• More housing stability • Fewer housing quality concerns • Low poverty and high household incomes • Tight housing market (high occupancy, high home prices) • Low shares of elderly adults and persons with disabilities	• The largest increase in home prices from 2000 to 2017 • Lower than average owner cost-burden rate • Older housing stock • Some residents with special housing needs	• High poverty and low household incomes • High cost-burden rate • High foreclosure and delinquency rates • High shares of elderly adults and persons with disabilities
STRATEGY FOCUS Increase access to affordable & accessible homes	**STRATEGY FOCUS** Relieve cost pressures to increase housing stability	**STRATEGY FOCUS** Revitalize existing homes Lower housing costs Offer tools to empower financial well-being

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Category 1 – lowest need

Overview

This is the lowest need category in Southern Maryland for homeownership issues. Nearly half of tracts in this category are in Charles County (46%). Calvert County makes up the second largest share of tracts in this category (38%). St. Mary's County is under-represented in this category, accounting for only 15% of tracts (compared to 26% regionwide).

These areas and the second lowest need areas in the region have the lowest share of residents that identify as Hispanic (4%). Among non-Hispanic residents in this category, most identify as White (60%) or Black or African American (27%). This category has the highest share of non-Hispanic Asian residents in the region (4%) and the highest share of non-Hispanic American Indian and Alaskan Native residents (1%).

This category has the lowest poverty rate (4.2%) and is the only category in the region that has seen poverty decrease from 2000 2017 (-0.7 percentage points). This category has the highest median household income ($112,638), which represents a 15% increase from the median household income for this category in 2000 (the highest increase in the region).

This category has the lowest share of residents that are 65 years or older (10%) and experienced the smallest increase in the share of residents that are elderly from 2000 to 2017 (+5 percentage points). This category also has the lowest share of residents with a disability (8%).

Key drivers of homeownership needs

These areas in the Southern Maryland region are characterized by:

- The newest housing stock in the region (only 20% of units were built before 1980 and 31% of units were built since 2000);
- the highest median household income ($112,638);
- the lowest share of residents that are 65 years or older (10%); and
- the lowest poverty rate (4.2%).

Residents in this category show signs of greater economic security than in other areas of the region (high median household income, low poverty, lowest rates of owner cost-burden [22%], low delinquency and foreclosure rates [1.2% and 0.2%, respectively]). Home prices in these areas are likely out of reach for many (median home price in 2017 was $342,954), so strategies to create more affordable pathways to homeownership may be needed to expand access to the stability offered by these areas.

Category 2 – second lowest need

Overview

This is the second lowest need category in Southern Maryland for homeownership issues. Nearly half of tracts in this category are in St. Mary's County (46%). Charles County makes up the second largest share of tracts in this category (31%) but is under-represented in these areas compared to its share of the region overall. Calvert County is also slightly under-represented, accounting for 23% of tracts in this category.

These areas and the lowest need areas in the region have the lowest share of residents that identify as Hispanic (4%). This category has the largest non-Hispanic White population of any category in the region (69%); in fact, this category has some of the lowest shares in the region of people identifying as non-

White across multiple racial groups: non-Hispanic Black or African American (21%), non-Hispanic Asian (2%), and non-White Hispanic (3%).

This category experienced the second lowest increase in poverty from 2000 to 2017 (+1 percentage point to 5.8%). The median household income in this category is the second highest in the region ($103,163) and experienced the second largest increase from 2000 to 2017 (14%).

The share of residents that are elderly (13%) and the share of residents that have a disability (10%) in this category are on par with the regionwide shares (12% and 10%, respectively).

Key drivers of homeownership needs

These areas in the Southern Maryland region are characterized by:

- The second lowest share of housing units built before 1980 (31%) and the second highest share of housing units built since 2000 (28%);
- Average foreclosure and delinquency rates (0.5% and 2.4%, respectively); and
- The second highest median household income ($103,163).

The same strategy considerations from Category 1 are relevant to Category 2: these areas exhibit signs of economic security (high incomes, high home prices, low owner cost-burden, low residential mobility), have a newer housing stock (and therefore likely fewer housing quality concerns), and cost more to live in than most other areas. Strategies in these areas could focus on expanding affordable options. Given the slightly higher rates of elderly residents and residents with a disability (compared to Category 1), those strategies should also consider accessibility to residents of different household sizes and physical needs.

Category 3 – moderate need

Overview

This is the midpoint category in the Southern Maryland region for homeownership issues. More than half of this category is in Charles County (54%). Calvert County is over-represented in this category, accounting for 38% of tracts, while St. Mary's County is under-represented (8% of tracts).

This category has the most similar racial and ethnic composition to that in the region overall: 5% of residents identify as Hispanic (the same is true regionwide), 61% of residents identify as non-Hispanic White (compared to 62% regionwide), 25% of residents identify as non-Hispanic Black or African American (compared to 26% regionwide), 3% of residents identify as non-Hispanic Asian (the same is true regionwide), and 5% of residents identify as two or more races (compared to 4% regionwide).

This category has the second lowest poverty rate in the region (5.6%, which represents a 1.4 percentage point increase from 2000 to 2017) and an above-average median household income ($99,158, compared to $93,710 regionwide).

These areas have the second highest share of residents that are elderly (14%) and experienced the largest increase in the share of residents that are elderly from 2000 to 2017 (+7 percentage points). This category has an average share of residents with a disability (10%).

Key drivers of homeownership needs

These areas in the Southern Maryland region are characterized by:

- The second highest share of housing units built before 1980 (37%) and an average share of housing units built since 2000 (24%);

- The second lowest poverty rate in the region (5.6%);
- The largest increase in the share of residents that are elderly (+7 percentage points);
- The second lowest mortgage delinquency rate (1.5%); and
- An above-average median household income ($99,158, compared to $93,710 regionwide).

Home prices in these areas are above average (median home price in 2017 was $323,523, compared to $307,944 regionwide) and have increased by 46% since 2000 (the largest increase in median home price across the region), which may mean some residents in this category are feeling additional cost pressures. Strategies to relieve these pressures should consider targeted support for residents that may be more vulnerable to changing costs, especially given the high and growing share of seniors in this category. Strategies that improve the quality of housing, reduce the cost of housing maintenance, and increase accessibility (e.g., weatherization and home safety modification programs) are likely good fits in these areas.

Category 4 – second highest need

Overview

This is the second highest need category in the Southern Maryland region for homeownership issues. This category is the most evenly split across the three counties in the region: Charles County accounts for 38% of the category and Calvert County and St. Mary's County each account for 31% of the category.

This category has the largest share of residents identifying as Hispanic of any category across the region (7% of residents). Among non-Hispanic residents, the racial breakdown is similar to other areas of the region: most residents identify as White (58%), followed by Black or African American (29%).

These areas have the second highest poverty rate in the region (9.5%) and experienced the second highest increase in the poverty rate from 2000 to 2017 (+2.5 percentage points). These areas have the second lowest median household income ($79,756) and saw little increase since 2000 (+2%).

This category has the second lowest share of residents that are elderly (11%) and an average share of residents with a disability (10%).

Key drivers of homeownership needs

These areas in the Southern Maryland region are characterized by:

- The second highest mortgage delinquency rate (3.2%) and foreclosure rate (0.6%), despite some of the sharpest decreases in those rates from 2015 to 2019 (-3.1% and -2.6%, respectively);
- The second lowest share of housing units build since 2000 (19%); and
- An average increase in the median home price from 2000 to 2017 (+42%).

These areas show signs of housing instability: high delinquency and foreclosure rates, high owner cost-burden (28%), and the highest rate of residential mobility in the region (14%). Strategies in these areas should focus on maintaining and improving the physical housing stock and the financial well-being of residents.

Category 5 – highest need

Overview

This is the highest need category in the Southern Maryland region for homeownership issues. Most of the tracts in this category are in Charles County (62%), followed by St. Mary's County (31%). Calvert

County is under-represented in these areas, accounting for only 8% of Category 5 (compared to 28% of the region).

This category has a nearly identical racial breakdown as Category 4, except fewer residents identify as Hispanic in these highest need areas (5% of residents). Most non-Hispanic residents identify as White (59%) or Black or African American (29%). This category has the largest share of residents identifying as two or more races (5%).

This category has the highest poverty rate (10%) and experienced the largest increase in the poverty rate from 2000 to 2017 (+2.6 percentage points). These areas have the lowest median household income across the region ($73,833). This category is the only one that experienced a decrease in the median household income from 2000 to 2017 (-7.3%).

This category has the largest share of residents that are elderly (14%) and that have a disability (12%) of any category in the region.

Key drivers of homeownership needs

These areas in the Southern Maryland region are characterized by:

- The highest foreclosure rate (1.2%, double the regionwide rate of 0.6%) and the highest delinquency rate (3.9%, compared to 2.4% regionwide);
- The largest increase in poverty from 2000 to 2017 (+2.6 percentage points);
- The highest rate of owner cost-burden (30%) and the largest increase in owner cost-burden from 2000 to 2016 (+9 percentage points);
- A decrease in the median household income from 2000 to 2017 (-7.3%).

These areas show various signs of economic decline, which may make it difficult for homeowners to sell their properties (let alone build wealth). These trends include decreasing incomes, increasing poverty, an aging housing stock (52% of housing units were built before 1980, with only 11% built since 2000). Meanwhile, homeowners are experiencing increasing cost-burden and are at greater risk for delinquency and foreclosure than homeowners in other areas of the region. This leaves homeowners with few options. Strategies must support the wide-scale revitalization of these housing markets while also expanding options for current homeowners – this could include investments to improve the current housing stock and expanded resources to help homeowners improve their financial well-being (homeowner counseling, financial advising, alternative home loan products, etc.).

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December 2020
Prepared by the National Center for Smart Growth and Enterprise Community Partners, Inc.