
HOUSING ELEMENT

The purpose of this section is to address affordable and workforce housing issues and the County's role in provision of housing and housing related programs. This element will meet the State's required inclusion of a Workforce Housing Element in a jurisdictions comprehensive plan.

HOUSING GOALS

- HO-G-01 Achieve a balance of housing choices that meets the needs of Frederick County individuals and families at all income levels.
- HO-G-02 Support opportunities for people to live where they work.
- HO-G-03 Strive to provide those with special needs (elderly, disabled, very low income) safe, sound and sanitary homes.
- HO-G-04 Increase investment in existing neighborhoods and rural communities through revitalization efforts.
- HO-G-05 Utilize infill and redevelopment to increase housing choices throughout the County.

HOUSING POLICIES

- HO-P-01 Support construction of affordable housing in order to address projected shortfalls in availability.
- HO-P-02 Continue to support efforts that promote and provide accessible, affordable housing options to residents.
- HO-P-03 Reasonably accommodate the housing needs of all residents in an effort to allow them the option of remaining in the County.
- HO-P-04 Support green building design for energy efficiency, health of occupants and housing long-term affordability.
- HO-P-05 Encourage higher density, mixed-use and mixed-income development in designated growth areas where a balance of housing types and styles are offered to meet the diverse housing needs of residents.
- HO-P-06 Provide the aging and elderly population with communities that offer direct access to public transportation and essential services.
- HO-P-07 Encourage the work force to secure housing in close proximity to their jobs.
- HO-P-08 Maintain the quality and unique character of its housing stock in existing neighborhoods and communities.

RELATED COUNTY PLANS AND STUDIES

2005 Frederick County Study of Workforce Housing Needs

The Frederick County Affordable Housing Council, in partnership with Lipman, Frizzell and Mitchell and Montgomery County Housing Opportunities Commission, produced a study of workforce housing needs including recommendations on inclusionary zoning implementation and a 25 item action plan for the Department of Housing and Community Development, subsequently approved by the County Commissioners.

BACKGROUND

Having decent and safe shelter is a basic necessity of life and Frederick County strives to achieve a balance of housing choices to meet the diverse needs of its residents and families at all income levels. Homeownership is recognized as the single most influential contributor to a community's quality of life and neighborhood stability. The County's owner-occupancy rate of more than 76% is reflective of the County's economic and demographic characteristics as well as its location in the Baltimore-Washington metropolitan area.

The Department of Housing and Community Development is responsible for the administration of many rental and home ownership programs for the lowest income to moderate-income residents. The Department manages the County-owned Bell Court, a senior rental- housing complex for very low-income residents, located in Woodsboro. Through the Housing Initiative Fund, the Department provides loans to developers of affordable housing for the acquisition, construction, preservation and rehabilitation of affordable housing. Rental subsidy programs require monthly rent check processing, unit inspections, and certification of program participants. Homeownership programs include down payment and settlement cost assistance for first time homebuyers and housing rehabilitation loans for existing homeowners. The Department administers the County's Moderately Priced Dwelling Unit Ordinance (MPDU), a program that requires the construction of moderately priced housing in every new development of 25 or more units in the county on public water and sewer.

Table 07-1: Frederick County Housing Availability*

Total Housing Units	86,154
Total Occupied Units	81,851
Owner Occupied Units	63,284
Renter Occupied Units	18,577
Vacant Housing Units	4,303

*U.S. Census American Community Survey, 2007

Frederick County is an attractive place to live due to its proximity to the nation's Capitol, scenic resources, cultural heritage and diverse options for housing. Those desiring to move to Frederick County can choose between vibrant downtowns, historic Main Streets, rural communities, and

new mixed-use neighborhoods. Relative to other Washington, D.C. area counties, Frederick County is still considered an affordable place to live with median home sales less than \$100,000 that of adjoining counties, like Loudoun County, VA and Montgomery County, MD.

Table 07-2: Washington D.C. Area Housing Affordability*

County	2007 Median Sales Price
Frederick County, MD	\$310,000
Prince George’s County, MD	\$320,000
Howard County, MD	\$390,000
Washington, D.C.	\$409,000
Loudoun County, VA	\$440,000
Montgomery County, MD	\$444,000
Fairfax County, VA	\$459,000

*Frederick County Office of Economic Development, 2008

Since 2000, the County’s population has increased on average 4,500 people per year and by 2030, the County’s population is projected to grow by 105,348 people. Much of this increase has come from in-migration from other parts of the Washington metropolitan region. In fact, between 2002 and 2003, 39.9% of in-migration to Frederick County was from suburban Washington and accounted for a net increase of 3,919 people¹. Regional job growth and a strong demand for housing have combined to increase land and construction costs, which contributes to the rise in the price of housing. Additionally, in-migration of more affluent individuals increases demand for more luxurious i.e. higher prices housing and discourages developers from offering a more diversified range of housing options.

The factors affecting the cost of housing in Frederick County include:

- Regional Job Growth
- High Demand for Housing
- Cost of Raw Land
- Increased Affluence
- Regulatory Barriers
- Development-related Fees
- Construction Materials, Labor, and Related Costs

The rising cost of housing in Frederick County has also produced an out-migration pattern. Residents who grew up in the County may have to move elsewhere to obtain affordable housing and those working here may not be able to afford to live here. From 2002-2003, 19.1% of out-migration from Frederick County was to surrounding states like Virginia, West Virginia and Pennsylvania and another 18.8% of people moved to western Maryland counties. For the approximately 84,731 jobs in Frederick County, 29% (24,459) are filled by in-commuters who reside outside of the County. The greatest source of in-commuters is Washington County where the median value of owner-occupied homes was \$127,800 less than Frederick County in 2006².

¹ Frederick County Affordable Housing Council - Study of Workforce Housing Needs.

² U.S. Bureau of the Census. 2008. Fact Finder site, <http://www.census.gov>.

In Frederick County, average housing prices have risen 76% while average weekly earnings have only risen 22%³. As long as home prices outpace income, affordable housing and homeownership will continue to be out of reach for many of the County's residents.

The current economic conditions, which began in 2008 and may continue for several years, have resulted in a decline in median housing prices in the County. At this time it is difficult to conclude if the decline in housing prices will be significant enough and be in place long enough to reverse or even slow down the migration of residents in search of cheaper housing in other jurisdictions. Furthermore the decline in housing prices seems to have affected primarily existing houses and may not have an effect on new housing construction.

HOUSING NEEDS

Frederick County's primary housing needs are presented in this section. Topics include affordable housing, including definitions, housing the County's special needs populations, and workforce housing initiatives.

AFFORDABLE HOUSING

Affordable housing can generally be defined as: *Decent, safe and sanitary shelter, of adequate size so as to not cause overcrowding, and does not require any more than 30% of a household's annual gross income.*

In a very competitive housing market the guideline of no more than 30% of annual income for housing may not be obtainable even for those with incomes over the median for the area. However, because of scarce resources and the availability of other programs for higher income households, the appropriate focus of City and County programs should be on very low and low-income households and in certain cases moderate-income households. The rationale for this focus is that paying over 30% of annual income for housing has more severe consequences on the low-income household than on higher income households. When a very low or low-income household overpays for housing, it means fewer dollars are left at the end of a month for other essentials such as food, medicine, clothing, and childcare. The following definitions of affordable housing are specific to conditions in Frederick County.

- Very-low Income Housing – affordable to households earning between 0%-50% of the HUD Median Income for Frederick County (includes extremely low income households). This translates to an income range of \$0 to \$49,200 for a family of four in 2008.
- Workforce Housing - affordable to households earning more than 50% 120% of the HUD Median Income for Frederick County (includes moderate-income households). This translates to an income range of more than \$49,200 to \$118,800 for a family of four in 2008.

Based on findings from the *Frederick County Study of Workforce Housing Needs*, the County's Affordable Housing Action Plan (2006) concluded that to maintain an appropriate proportion of affordable housing over the 2005-2010 time period, a projected 2,384 new affordable homes would need to be produced. This projection was based on a detailed analysis of housing

³Presentation to the Frederick County Association of Realtors, Challenges and Solutions to Affordable Housing, 2006.

production, population growth and household income and served to maintain existing ratios of affordable to market rate housing at 2005 levels. The table, below, presents the types of affordable housing units that would be needed by income level and the total number of units needed to achieve the goals of the Action Plan. Similarly, the Metropolitan Washington Council of Governments' Housing Directors Advisory Committee (MWCOG-HDAC) projected a 13,766 total affordable housing unit shortfall for Frederick County between 2005-2015.⁴ They reviewed employment and household data collected from their Cooperative Forecasting studies as well as the Consolidated Plans of member jurisdictions to arrive at their projections.

Table 07-3: Frederick County Affordable Housing Needs, 2005-2010*

Types of Affordable Housing Units Needed/ Income Levels	Units Needed over 5 Years	Units Needed per Year
Homeownership units for moderate income/workforce households	1,674	335
Rental units for low income households	60	12
Rental units for very low income households	650	130
Totals	2,384	525

*Affordable Housing Action Plan, 2006

HOUSING FOR POPULATIONS WITH SPECIAL NEEDS

Frederick County's populations with special needs include the elderly, physically disabled, homeless, and persons with very low incomes. Sub-groups of populations with special needs may include survivors of domestic violence, youth aging out of foster care, persons with severe and persistent mental illness, or those with developmental disabilities⁵. These individuals often have difficulty finding safe, affordable, accessible and permanent housing.

Many of those with special needs are in the very low-income bracket. According to the Frederick Community Action Agency (FCAA), there were an estimated 13,153 persons living under the federal poverty level (\$10,400 for a single person and \$21,200 for a family of four) in Frederick County in 2004, accounting for 5.9% of the population. The Environmental Systems Research, Institute, Inc (ESRI) estimates that there were 4,288 senior households in Frederick County in 2004 earning less than \$25,000 per year, or about one-third (33.2%) of all seniors. Of those, 2,192 senior households (17.0%) had incomes less than \$15,000.

Elderly

The elderly require different conditions and services related to housing than other special needs populations. Accessibility and affordability are essential to their quality of life. Some older persons are able to age in place in the home they have occupied for a lifetime where family and friends provide care and companionship. However, many others require housing assistance, 24-hour care, help with medications, meals, and transportation. As the proportion of elderly residents continues to increase, more emphasis will be needed on provision of housing and services.

⁴ Metropolitan Washington Council of Governments' Housing Directors Advisory Committee. Affordable Housing Targets for the Region. 2007.

⁵ Florida Housing Finance Corporation web site. 2008. <http://www.floridahousing.org/SpecialNeeds>

For the 81.5% of seniors (age 65+) in Frederick County who are homeowners the sale of their homes will most often provide them with sufficient cash equity to facilitate their transfer to a CCRC (Continuing Care Retirement Community) or a similar market rate facility. The recent *Study of Workforce Housing Needs* (2005) revealed that the greatest need for independent living senior apartments is for the lowest income seniors, many of whom have never owned a home. These households typically have fixed incomes, often only Social Security, and few assets. The greatest unmet demand for senior housing is not for market rate rental units, but rather at the subsidized rental and affordable end of the market.

People with Disabilities

The Frederick County Commission on Disabilities estimates that 38,000 County residents are living with disabilities. These disabilities range from neuro-muscular handicaps, mobility issues, and developmental disorders, visual and hearing difficulties, arthritis, and recovery from strokes or other challenging conditions. Of Frederick County's population 5 years of age and older, 11.4% are living with a disability. That percentage increases dramatically in the population 65 years and over, where 37.1% are disabled. Ensuring that the disabled population has access to a diversity of affordable, accessible housing options (including rentals, home ownership, group homes, and other arrangements) and services could mean the difference between independence and institutionalization.

Homelessness

Those individuals and families that are homeless or are at risk of becoming homeless require varying degrees of housing assistance from the community. Within the homeless demographic, there are those with even more specialized needs such as victims of domestic violence, runaway youth, veterans, individuals with mental illnesses or health conditions, and individuals with drug and/or alcohol problems.

A Point-in-Time Survey, conducted in 2008 by the Frederick Community Action Agency, identified 217 different adults and 85 different children living homeless in Frederick County. Seventy-four adults responded that they were chronically homeless during the survey. Additionally, 1,440 different men, women and children used homeless shelters and transitional housing programs in 2007. There are currently seven major agencies and facilities that address the needs for the homeless in the City and County including Heartly House, Frederick Community Action Agency, Advocates for Homeless Families, Linton Emergency Shelter/Religious Coalition for Emergency Human Needs, Beacon House/Frederick Rescue Mission, Hope Alive and the Frederick County Department of Social Services.

WORKFORCE HOUSING

Historically, affordable housing programs were targeted primarily to individuals and families with low to very low incomes through a variety of HUD subsidy programs. However, dramatic increases in housing prices between 2000 and 2005 have now priced out even moderate-income individuals and families from obtaining affordable housing. The relatively recent use of the term workforce housing is defined as follows:

- Workforce Housing - affordable to households earning more than 50%-120% of the HUD Median Income for Frederick County (includes moderate-income households). This translates to an income range of \$49,200 to \$118,800 for a family of four in 2008.

The income range noted in the definition above is based on HUD’s Washington Metropolitan Statistical Area median income for a family of four of \$99,000 as of 2008. Using federal and industry guidelines, which dictate that no more than 30% of a family’s income be spent on housing, a family making \$99,000 should spend no more than \$297,000 on housing. According to Metropolitan Regional Information Systems (MRIS), in 2001, the average sold price for homes in Frederick County was \$182,576. By 2006, the average sold price had more than doubled to \$363,854. While incomes rose over that period, increases in housing prices far exceeded wages. In fact, in 2007, 30% of owner-occupied households and 49% of renter-occupied households spent greater than 30% of their gross income on housing costs⁶.

Examples of typical workforce jobs include child-care workers, nurses, fire personnel, police, administrative assistants, customer service personnel, first level supervisors, information specialists, help desk specialists, employment consultants, retail sales personnel, claim processors, construction trade workers, teachers, inspectors and loan processors. The table on the next page presents median wages for various occupations in the County, and the affordable rent and price of housing.

The County adopted a Moderately Priced Dwelling Unit (MPDU) Ordinance in 2002 to increase the supply of workforce and moderately priced housing. A MPDU is a dwelling unit for which the sales price or rental fee is capped and the unit is targeted to a household earning a moderate income. The Ordinance applies only to County developments and requires that all residential developments on public water and sewer with 25 or more dwelling units include a minimum of 12.5% of moderately priced units of varying sizes. The County’s first MPDU’s were constructed at the Whispering Creek development in 2007. Currently, there are ten residential development projects in the building pipeline with approximately 790 MPDU’s planned for future development.

Table 07-4: Workforce Housing by Income

Frederick County Occupation ¹	Median Wage ¹ (Gross income)	% HUD Median Income, rounded up to nearest 10% ⁴	Affordable Housing Price based on Wage	
			Rent per month ²	House sales price ³
Cashier	\$18,600	30%	\$465	\$46,500
Pharmacy aide	\$21,275	30%	\$532	\$53,188
Home health aide	\$29,250	40%	\$731	\$73,125
Family social worker	\$44,200	60%	\$1,105	\$110,500
Police, front line	\$47,925	70%	\$1,198	\$119,813
Computer support specialist	\$49,175	70%	\$1,229	\$122,938
Teacher, elementary	\$57,425	80%	\$1,436	\$143,563
Registered nurse	\$78,100	100%	\$1,953	\$195,250

Note: Affordable price is based on the single income for the household. 1) Source: Department of Labor, Licensing and Regulation. 2) Rent- 30% of gross annual income, including utilities/12. 3) House price- 2.5 times annual income. 4) Based on HUD Washington Metropolitan Statistical Area 2008 median income for a family of 2 - \$78,700.

⁶ American Community Survey (2007). U.S. Census Bureau.

CURRENT PROGRAMS AND STRATEGIES

The County's Department of Housing and Community Development (DHCD) oversees a diverse mix of housing programs tailored to renters, homeowners, developers and nonprofit organizations. The DHCD receives guidance from the Affordable Housing Council and works toward implementation of an Affordable Housing Action Plan. In 2008, the Department managed the following programs:

County Operated Affordable Housing Development

- Bell Court Senior Housing

Rental Assistance Programs

- Housing Choice Vouchers Program (Section 8)
- Bell Court Senior Housing
- Rental Allowance Program (RAP)
- Bridge Subsidy Program (Section 8)

Homeowner Rehabilitation Programs

- Frederick County Emergency Rehabilitation Revolving Loan Fund
- Maryland Rehabilitation Loan Programs
- Maryland Housing Rehabilitation (MHRP)
- Indoor Plumbing Program (IPP)
- Lead Hazard Reduction Grant and Loan Program (LHRGLP)
- Federal Lead Hazard Reduction Program (FLHRP)
- Special Targeted Applicant Rehabilitation (STAR)

Homebuyer Programs

- Frederick County Homebuyer Assistance Program
- Frederick County American Dream Initiative Program
- Moderately Priced Dwelling Unit (MPDU) Program

Developer Programs (Private & Not-for-Profit)

- Building Fee Deferral Program
- Deferred Loan Program
- Payment in Lieu of Taxes (PILOT)
- Tipping Fee Waiver Program

Other Programs and Services

- Frederick County Minimum Livability Code for Renters
- Service Linked Housing Grant
- Emergency Shelter Grant
- Housing Information and Referral

HOUSING IMPLEMENTATION

While no universal strategy exists to resolve the affordable housing crisis, a combination of government assistance, relief from regulatory barriers, fostering of public private partnerships, and leveraging funds in new and innovative ways, may make a significant contribution to resolving the local problems. It must also be understood that affordable housing is a regional issue which will require regional coordination.

HOUSING ACTION ITEMS

- HO-A-01 Develop new and refine existing County affordable housing programs in response to consumer needs and demand.
- HO-A-02 Review regulations and codes in order to alleviate potential barriers to the production of affordable, accessible housing.
- HO-A-03 Explore amendments to the Zoning Ordinance to enhance the use of accessory apartments/dwelling units.
- HO-A-04 Apply for additional Housing Choice Vouchers in response to any published Notice of Funding Availability, especially for very low income, senior citizens, and persons with special needs.
- HO-A-05 Find opportunities for State and Federal funding in support of the production of affordable rental housing.
- HO-A-06 Collaborate on affordable housing projects/partnerships to increase affordable housing or address housing issues.
- HO-A-07 Facilitate a continued dialogue with municipal leaders on affordable housing issues, needs and priorities.
- HO-A-08 Implement incentives, to facilitate affordable housing construction by private non-profits, such as reducing building fees and allowing for fast track permitting.
- HO-A-09 Track and evaluate the availability of housing stock to ensure that choices and flexibility are being provided to consumers.
- HO-A-10 Develop an outreach/marketing campaign to dispel negative stereotypes and perceptions associated with affordable housing.
- HO-A-11 Determine the County's future role in the development and construction of new affordable housing, including the identification of properties owned by the County that could be utilized for affordable housing projects.
- HO-A-12 Locate and prioritize infill and redevelopment areas that would be appropriate for affordable housing development.
- HO-A-13 Coordinate with the private and nonprofit sectors to achieve affordable housing goals.
- HO-A-14 Identify neighborhoods in need of revitalization and enhancement efforts and prioritize a set of achievable projects.

