

FAQs

Don't we have enough affordable housing in Frederick County?

We do not. Frederick County commissioned a study in 2016, the “Frederick County Affordable Housing Needs Assessment,” that identified a need for an additional 11,000 affordable housing units, and if the naturally occurring units are accounted for, 5,700 additional units.

Why don't we have enough affordable housing?

The problem can be thought of as a supply-and-demand challenge. Specifically, the supply of homes at all price points, but especially at the moderate price points, is not matching the demand.

On the supply side, the financial crisis of 2007 caused an economic slowdown that affected all sectors, but none as much as housing. From 2010 to 2019 there were fewer homes built in the U.S. than in any decade since the 1960s. Just as the housing industry was beginning to catch up, the Covid crisis of 2020 slowed the economy again, this time causing severe labor and raw materials shortages in the construction industry. All the while, land costs continued to increase for builders.

On the demand side, there is a generational shift in who is buying homes. Millennials are now the largest generation in American history, and they are aging into their prime home-buying years. On top of that, until very recently, mortgages have been at an all-time low, which means it is very cheap to borrow the money to buy a house. That has enticed people to buy if they can, making demand for houses even greater.

This shortage of housing is driving a big part of the problem, both for renters and prospective homeowners. It is worst in places where demand is highest, such as near good jobs, transit and schools, like in Frederick County.

Why is having lots of affordable housing a good thing?

Housing is the key to reducing intergenerational poverty and increasing economic mobility. Research shows that increasing access to affordable housing is the most cost-effective strategy for reducing the cycle of childhood poverty and enabling the likelihood of children thriving in school and becoming productive, higher-earning adults.

Other research shows that the shortage of affordable housing costs the U.S. economy about \$2 trillion per year in lower wages and productivity. Each dollar invested in affordable housing boosts local economies by creating more jobs and increasing tax revenues.

Finally, there is a cascading effect of not having enough affordable housing. If fewer people can successfully buy a home, they will remain in the rental market, driving up rents. Higher rents means others will be pushed out and into shelters or onto the street.

What can be done to correct the problem?

One straightforward solution is to simply build more affordable homes like duplexes and fourplexes in those desirable places. But for years there has been a big obstacle—many times builders can't. Zoning or local regulations that decide where things can be built overwhelmingly favor single-family homes over multi-family homes.

On the regulatory side, builders of new homes in Frederick County are required to build 12.5 percent of new homes (1 in 8) as “moderately priced dwelling units” (MDPUs), or they must pay a fee to the county in lieu of that, which the county uses to fund other housing programs. But most builders pay this fee instead of building the homes.

The Affordable Housing Council is also currently advocating for the following affordable housing priorities with county and city government:

- Update the 2016 “Frederick County Affordable Housing Needs Assessment” and develop a strategic plan to address the findings.
- Develop a new Moderately Priced Dwelling Unit (MDPU) ordinance for Frederick City and other municipalities based on the one in effect for Frederick County.
- Explore increasing the portion of the county recordation tax going towards the Housing Initiative Fund.
- Support implementation of the Frederick City Rental Registration and Inspection Program.
- Work with Frederick City on implementation of form-based code to include affordable housing-friendly initiatives.
- Streamline and speed up Frederick County’s and City’s permitting process.

- Work with Frederick County and municipalities on implementation of area plans as part of the Livable Frederick Master Plan to include affordable housing-friendly initiatives.
- Waive or defer impact fee charges to buyers that meet income requirements for affordable housing purchases from a nonprofit organization.

What is the effect of zoning on affordable housing?

In many towns, zoning boards have excluded all types of multi-family housing from their neighborhoods. And not just large apartment buildings. Things like duplexes and fourplexes are illegal in a majority of the country.

Single-family-only zoning is just one way local zoning boards limit how much housing can be built. Many places also employ height restrictions that limit multi-family homes. Many laws also require the set-aside of two parking spaces for each unit of multi-family housing, gobbling up land that could be used for housing even in areas near mass transit. Further, many zoning laws require minimum lot sizes. It means builders are legally required to allot a minimum amount of land for each home, often a large amount of land.

How can we trust developers' projections on schools, roads and other infrastructure?

Developers and others who make projections about the impact of development are held to account by the governments who approve the developments. That is why governments demand land and funding for parks, schools and other infrastructure. From roads and transportation systems, to water and waste transport, to broadband, to the power grid, infrastructure enables the economy to function. Time and again, analyses quantifying the effects of this kind of public investment show that they support economic growth.

Isn't all this affordable housing mostly for immigrants?

No, Affordable housing is needed for all people regardless of race, gender, nationality, creed, religion or citizenship status who find themselves priced out of the housing market through no fault of their own. In the affordable housing world, we are typically focused on the ALICE households, those

who are Asset Limited, Income Constrained, and Employed. Basically, they are working citizens living paycheck to paycheck.

Why can't we simply have no growth?

Jurisdictions across America that have embraced very slow- or, at times, no-growth housing policies have struggled. With very little excess housing stock, communities cannot grow. Young people who may want to stay, cannot find entry-level housing. Older folks who wish to sell their large family homes in hopes of downsizing to a smaller, more manageable home, cannot find buyers or more modest homes to move to. Businesses who come to town cannot find appropriate housing for their employees. It is a self-fulfilling cycle that communities often find themselves in if they don't plan housing for the future.