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URSP 6880: US Housing Policy and Planning

Prince George's County Housing Needs Assessment

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Recommendations

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- » Develop an Inventory of Public Lands for Low-Income Housing
- » Reach out to PRAC Property Owners with Expiring Contracts
- » Collaborate with Developers to Pursue LIHTC Opportunities
- » Identify Aging Market-Rate Housing for Purchase for Low-Income Housing

Goal: Ensure Affordable Homeownership Opportunities

- » Allow for the Development of Pocket Villages
- » Work with Local Funding Institutions to Help Residents Build Credit

Goal: Provide Adequate Housing for Elderly and Disabled Residents in the County

- » Allow for the Development of Pocket Villages
- » Work with Local Funding Institutions to Help Residents Build Credit

Goal: Ensure the new zoning ordinance provides for new housing typologies

- » Clarify Development Fees and Adiminstrateive Processes
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Goal: Address Homelessness in the County

- » Implement an In-Person Intake System or Outreach Strategy.
- » Develop a 'Housing First' Strategy

1 Existing Conditions

Summary

This section examines the current housing market and likely needs in the coming decade. The initial section looks at factors of housing demand, including population growth, employment, and demographic characterisitics such as racial makeup, household income, age, and household size. The second section looks at factors of housing supply, examining current zoning within the county along with market trends in housing types. The initial conclusions are as follows:

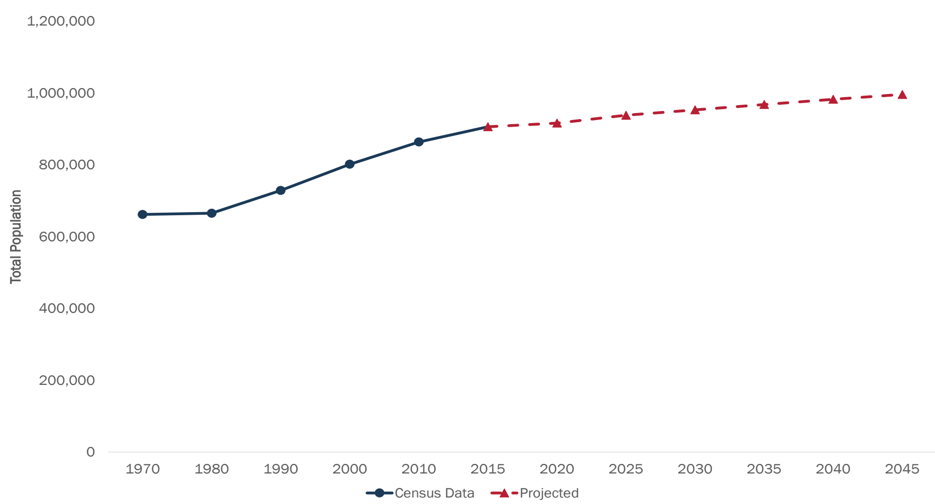
- Growth in Prince George's County is expected continue at a reduced rate between 2020 and 2045, with annual growth rate of between 0.3% and 0.5%.
- Baby Boomers and Retirees will make up a significant portion of the housing market (21.2% by 2045), increasing the need for aging in place programs and senior living facilities.
- While Prince George's is adding jobs, it is part of a shift in the employment structure of the county that will add jobs in lower paying sectors such as entertainment, retail, and warehousing.This will increase the demand for affordable housing units.
- Major employment centers such as Greenbelt and National Harbor face housing shortages as employees seek housing close to jobs.
- There is a need for accessible housing for those with disabilities, who are a growing population within the county.
- Households at or below 30% of the area median income level have a critical housing shortage. A portion of this is due to higher income households who are living in units that are affordable for them.
- Current housing supply favors single family units over multifamily units by a wide margin (83% of permitted units compared to 17% in the past five years). Twice in the past six years, no multifamily units were permitted. Policies should be examined to encourage growth in multifamily unit production.
- New single family construction appears to be concentrating itself outside of the the set Priority Funding Area (PFA). Policies to encourage infill development inside the PFA and discourage new construction outside of the PFA may help change this.
- An analysis of current zoning shows that under the current zoning, there is potential for 89,294 to 161,060 new housing units. However, if, rural zoning is excluded, the projection falls to between 52,378 and 83,985 new units.

Housing Demand

Population Trend

Prince George's County has had significant growth between 1980 and 2015 which saw the county's population grow from 665,000 in 1980 to 905,000 in 2015. While the county is still expected to grow, the Maryland Department of Planning has forecasted the rate of growth to be slower than in previous years. at an annualized rate of between 0.27% and 0.47% over the

Figure 1.1: Prince George's County Population



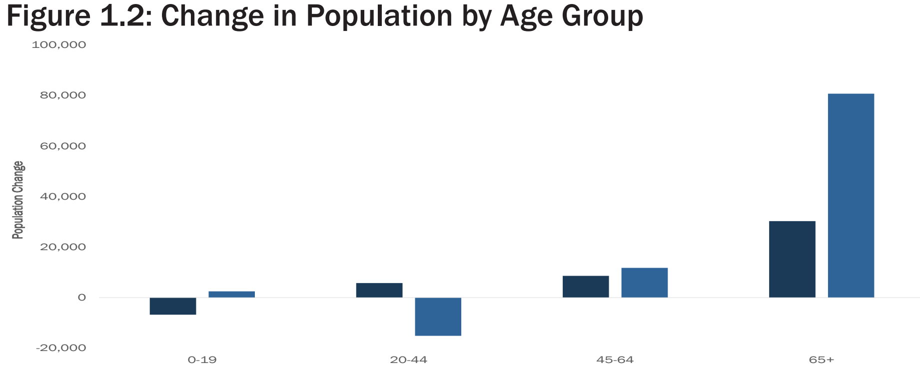
Source: Maryland State Data Center Popualtion Projections, August 2017

This is a lower growth rate than the other two counties in the Washington Suburban Region, with Fredrick County growing at a rate of between 0.7% and 2.1% per year and Montgomery County growing at a rate of 0.3% to 0.7% annually. This will slightly lower Prince George's population share of the Washington Suburban Region from 41% to 39%. However, this lower growth rate is complicated by the drop in average household size. From 2020 to 2045, the Average Household Size is expected to fall from 2.78 to 2.71. This will will drive demand for smaller units in the couty, such as efficiencies and 1 bedroom units.

Age

A little under a third of residents in Prince George's County are under the age of 20 (27.4%) in 2010, with the largest share of the population being adults between the age of 20 and 49 (36.6%). Together, all working age adults (20-64) accounted for 55% of the population in 2010, with seniors (65+), making up 9.4% of the county.

Figure 1.2: Change in Population by Age Group



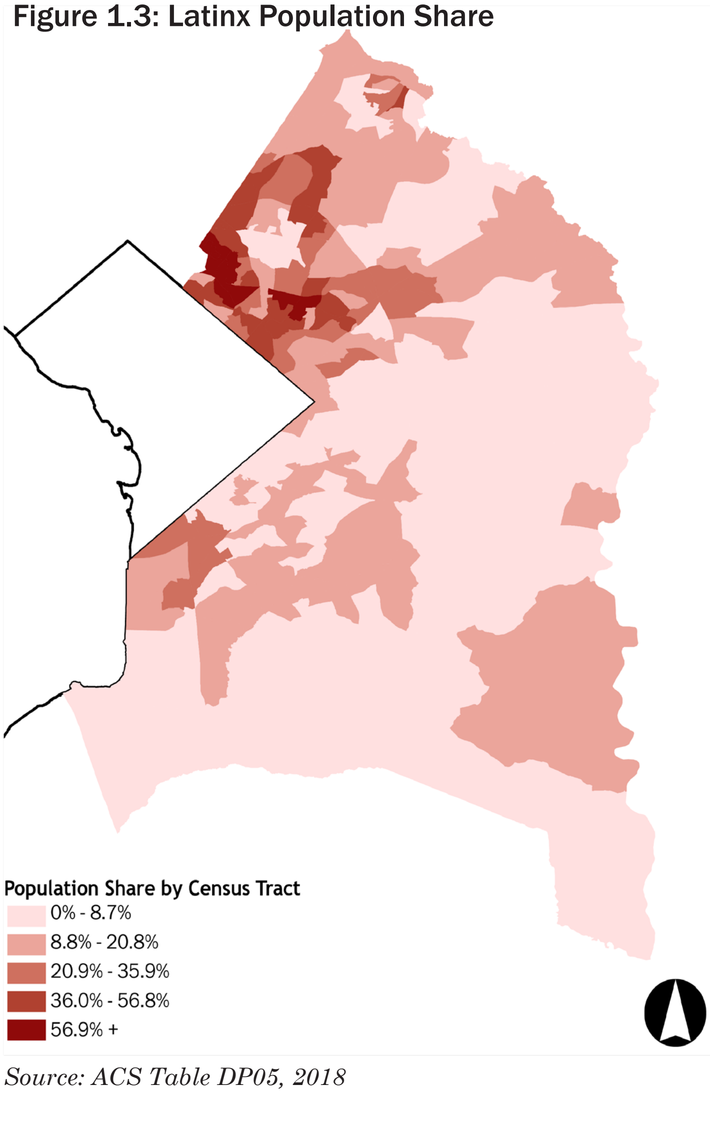
Source: Maryland State Data Center Popualtion Projections, August 2017

In the next 25, years, the median age in Prince George's County are expected to get significantly older as workers (in particular, the "Baby Boomers") retire and live longer than previous generations. The group that will experience the most growth is the 85+ age range, which will grow 570% between 2010 and 2045. The senior population (65+ years) will grow from 9.4% of the county's population in 2010 to over a fifth (21.2%) in 2045. This age mostly comprises households without children who are looking for smaller housing units or senior living facilities that are not necessarily tied to employment centers. Children and working age adults (20-49 years of age) will fall slightly, with declines of 1.8% and 5.1% respectively. Similarly, the median age has been rising, from 35.3 in 2013 to 36.8 in 2018.

Racial Group

Prince George's County has historically been predominantly Black. This still holds true today. 62.0% of the county was Black in 2018, down slightly from 63.3% in 2013. The Black population is still growing, though at a slower rate than the county (1.6% compared to 3.7% between 2013 and 2018). This fall in the share in population is driven by population increases in other demographics. The county has seen a rise in Latinx individuals residing within the county. The Latinx community has grown 21% between 2013 and 2018 from 134,000 (15.4% of the county's population) to 162,000 (17.9% of the county's population). It is likely this trend will continue.

Figure 1.3: Latinx Population Share



Source: ACS Table DP05, 2018

Since there is a high degree of segregation within the county, this can point to where housing units are most needed. Latinx residents are most clustered around Langley Park (Figure 1.3), which means housing units will be in demand in that area.

In other areas, there may be reduced demand for housing as a result of demographic shifts. It is estimated that the number of white individuals in the county will fall between 2020 and 2045 by 23.0%. This could mean reduced demand in College Park, Laurel, Joint Base Andrews, and the Southeast corner of the county.

Income and Employment

Income and Employment are primary drivers of housing demand. Changes in the pay and location of jobs affect where people can live and the types of housing they will consume. As households grow in affluence, they will consume more housing. Knowing the changes in income and employment structure can help understand what types of housing will be required in the coming years.

Prince George's County has diverse economic profile. 27.6% of households make less than $50,000 a year, while 39.7% make more than $100,000. The median household income is 36% higher than the national median income ($81,969

Figure 1.4: Prince George's County Income

Household Income	# of Households	Share
Less than $10,000	11,466	3.7%
$10,000 to $14,999	6,552	2.1%
$15,000 to $24,999	15,649	5.1%
$25,000 to $34,999	20,028	6.5%
$35,000 to $49,999	31,478	10.2%
$50,000 to $74,999	55,856	18.1%
$75,000 to $99,999	15,419	14.7%
$100,000 to $149,999	61,690	20.0%
$150,000 to $199,999	32,133	10.4%
$200,000 or more	28,578	9.3%

Source: ACS Table DP03, 2018

Figure 1.5: DC-MD-VA Area Median Income

County	Median household income (dollars)
Fairfax	$121,133
Howard	$117,730
Arlington	$117,374
Montgomery	$106,287
Anne Arundal	$97,810
Alexandria City	$96,733
Charles	$95,924
Fredrick	$91,999
District of Columbia	$82,604
Prince George's	$81,969

Source: ACS Table DP03, 2018

Figure 1.6: Income by Industry for the County

Industry	Median Annual Income
Public administration	$84,011
Information	$61,764
Required Income to Afford Median Rent at 30%	$57,360
Finance/Insurance/Real Estate	$53,231
Professional Services	$53,167
Manufacturing	$45,853
Education/Health Care/Social Services	$41,458
Wholesale trade	$40,572
Construction	$36,639
Retail trade	$23,670
Arts/Entertainment/Recreation/ Hospitality and Food Services:	$21,276

Source: ACS Table B24031, 2018

compared to $60,293). While the county is affluent, compared to its surrounding counties, Prince George's is an affordable place to live in the Washington Metro Area. Only the District of Columbia has a more economic diversity.

However, Prince George's county has continued to grow in affluence. Between 2013 and 2018, Prince George's has grown increasingly affluent. The number of households making more than $100,000 grew 18.7%, with households making more than $200,000 accounting for the majority of the growth (52.7%). However, these gains have come at the expense of low to moderate income households. The number of households making less than $50,000 fell by 10.4% between 2013 and 2018. The growth in wealthy households will lead to an increased demand for more housing, specifically larger units and single family dwelling units.

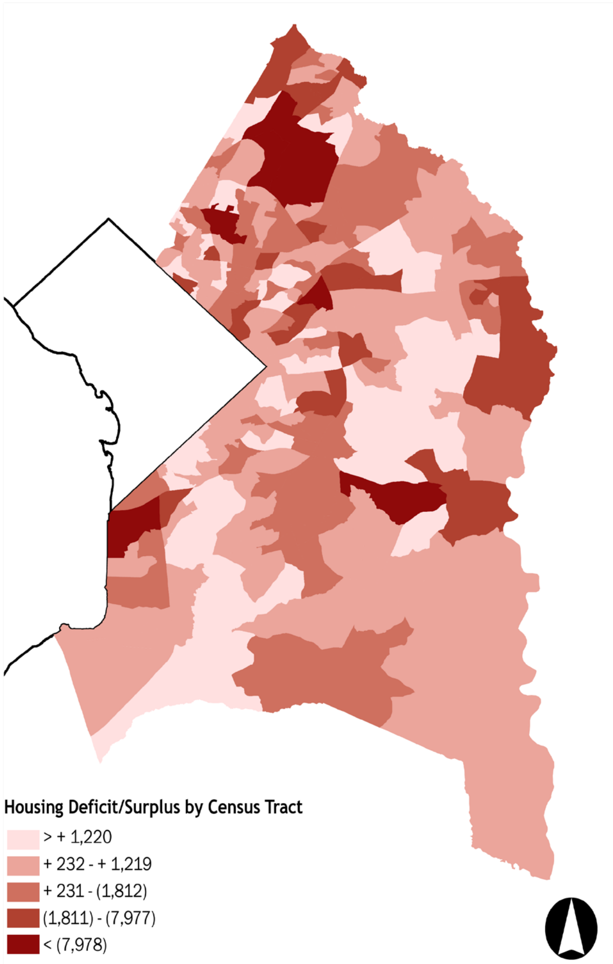
This demand for higher end housing has changed the demand for goods and services as well. Prince George's County has continued to grow in total employment, overtaking Montgomery County for the number of jobs created in the metropolitan region this year[1]. This has been the result of vigorous business attraction policies by the county and lower start-up costs compared to the rest of the DC-MD-VA area. Continued growth might bring more in-migration, increasing the need of housing.

Shifts taking place in the employment structure in response to these changes will also shape the demand for housing. Warehousing and transportation, recreational services, along with construction have grown significantly between 2013 and 2018. These industries have low salaries, which make finding housing difficult. The average gross rent in Prince George's County is $1,434[2]. The median salary in these industries would leave one income households severely rent burdened at the median rent (35.6% for warehousing and 80.8% for arts and entertainment). The industries that have the largest median salaries (Public administration and Information), declined in the same period. In summation, although employment is growing, low to moderate income housing will be critical to meet the needs of the employees located in the county. Furthermore, these units will need to be located close to employment centers.

1 Robert McCartney, "Prince George's Overtakes Montgomery as Top Job Creator in Maryland Suburbs - The Washington Post," The Washington Post, January 20, 2020, https://www.washingtonpost.com/local/md-politics/prince-georges-has-overtaken-montgomery-as-top-job-creator-in-maryland-suburbs/2020/01/19/218c3646-38b6-11ea-bf30-ad313e4ec754_story.html.

2 U.S. Census Bureau; American Community Survey, 2018 American Community Survey 5-Year Estimates, Table DP05; generated by author

Figure 1.7: House - Job Imbalance



Source: ACS Table DP05, 2018; OnTheMap Data, 2017[3]

While the County has a housing surplus of a little over 20,000 units, there are reasons why this surplus hasn't affected home prices. In Figure 1.7, you can see the current mismatch between housing and employment. Major employment centers such as College Park, National Harbor, and Greenbelt require additional housing units. Since these areas are also where growing industries are located, it is likely that demand will only increase over the next 20 years.

Special Populations

In addition to the general housing market, it is important to consider groups that require special attention. In this report, we will look at single parent households, student housing, disabled individuals, and low to moderate income households.

Single parent households make up 11.3% of the total households in Prince George's county. The number of single parent households has fallen in the past five years 15.7%, from 41,520 households to 35,013 households. This change is a positive development. However, there still remains a need for housing that addresses the needs required by these households; such as access to daycare facilities, and programs to help single parent households afford housing and avoid discrimination.

With major educational institutions located in Prince George's County (University of Maryland College Park, Bowie State University, University of Maryland Global Campus, Prince George's Community College, and Lancaster Bible College), student housing is key factor of demand in the county. However, it appears that there is a slowing in the demand for Student Housing in the County. The number of individuals enrolled in college or graduate school enrollment has dropped 6.3% between 2013 and 2018. This could indicate a future drop in smaller housing units (efficiencies, 1 bedroom, and shared housing units) around universities and higher education institutions.

A growing concern is housing for individuals with disabilities. Prince George's county has 84,688 individuals with some disability, up 19% from 2013. Of particular concern is individuals over 65 years of age with a disability. This group has grown 30% over the past five years, and is likely to grow as the number of individuals over 65 grows. Since only 89% of public transit facilities are accessible[4], it is important to locate senior living facilities close to accessible transit with adequate pedestrian infrastructure and ensure that these units incorporate accessible design.

Low to moderate income households (LMIs) have different needs than other populations. First, they are largely renters. While Households making over 100% of the median income are largely homeowners (78%); LIMs have low rates of homeownership, with only 44% of

3 This map was created using data from ACS Table DP04 and LODES Date from the statsamerica.org

4 AARP Public Policy Institute. "AARP Livability Index," August 2018. https://livabilityindex.aarp.org/search#Prince+George's+County+MD+USA.

households between 30% and 50% of the median income being homeowners. Among households with less than 30% the median income, 65% are renters.

Another factor is LMI households are more likely to experience housing cost burdens or other housing quality issues. In figure 1.8, you can see that households under the Area Median Income are far more likely to facing cost burdens. These housing burdens make these households 'shelter poor'. They will have to make tradeoffs on what bills to defer since housing represents such a large part of their budget.

Figure 1.8: Household Data for Prince George's County

Household Income	Total Households	Ownership Rate	% of HHs with a Cost Burden >30%	% of HHs with a Cost Burden >50%
< 30% AMFI	43,055	34.9%	84.0%	70.5%
30%=50% AMFI	44,400	43.8%	76.3%	28.5%
50%-80% AMFI	29,730	49.2%	52.8%	9.4%
80%=100% AMFI	34,910	55.3%	35.1%	3.8%
>100% HAMFI	15,4615	78.0%	10.5%	0.8%
County Total	306,710	61.6%	37.3%	15.8%

Source: CHAS Data, 2012-2016

Finally, as noted above, many of these households perform jobs important for business in the rest of the county. Local neighborhood services, recreation, entertainment, construction, and warehousing are all major employment sectors in the county which pay low salaries relative to housing costs. Therefore, it is important to understand the 'housing gap' LMIs face.
In the rental market, there is a large deficit in severely low-income housing, defined as housing for individuals making less than 30% of the area median income. There is a deficit of 21,438 units at this range. Part of this deficit is due to households with incomes above 30% AMI who rent units that are affordable. 36.3% of the current units affordable at the 30% AMI level are occupied by households with larger incomes.

The picture is less concerning at higher income levels, with either a modest deficit (30% - 50% AMI) or a surplus (50% - 80% AMI). Therefore, policy should focus on adding creating affordable rental units for households below the 30% AMI level.

Figure 1.9: Rental Housing Deficit/Surplus

Household Income Level	Number of Households	Occupied Units at Income Level	Vacant Units at Income Level	Total Units at Income Level	Surplus / Deficit	Units Occupied by HH Above Income Limits	% Units Occupied by HH Above Income Limits	Gross Surplus / Deficit
< 30% AMI	28,024	9,835	510	10,345	-17,679	3,759	36.3%	-21,438
30%=50% AMI	24,929	36,840	3,730	40,570	15,641	16,380	40.4%	-739
50%=80% AMI	15,095	42,790	3,010	45,800	30,705	19,225	42.0%	11,480

Source: CHAS Data, 2012-2016

Figure 1.10: Homeownership Housing Deficit/Surplus

Household Income Level	Number of Households	Occupied Units at Income Level	Vacant Units at Income Level	Total Units at Income Level	Surplus / Deficit	Units Occupied by HH Above Income Limits	% Units Occupied by HH Above Income Limits	Gross Surplus / Deficit
< 50% AMI	34,491	58,975	970	59,945	25,454	42,948	71.6%	-17,494
50%-80% AMI	14,639	41,145	530	41,675	27,036	4,170	10.0%	22,866
80%-100% AMI	19,303	43,355	610	43,965	24,662	30,395	69.1%	-5,733

Source: CHAS Data, 2012-2016

Similar to the rental market, the home market has a significant deficit in the lowest income level (<= 50% AMI). However, the reason for this is different. While there are a large number of units that are at the level, most of them have been bought by households with higher incomes. Similarly, homes priced for moderate income households (80% - 100% AMI) are being bought by households with higher incomes. This indicates that new housing construction may increase affordability if the housing is of a quality that can entice households to trade up. There is a surplus of housing at the 50% - 80% AMI level, indicating that the quality or location of housing is not sufficient to allow for filtering.

Housing Supply

Current Housing Stock

Prince George's County has 331,272 housing units as of 2018, a 0.9% increase over the past five years. Most of these units are single family detached units (51.8%), followed by row/townhouses (15.9%), and medium-sized (10-19 units) multifamily apartments (13.8%).

Many of the residential units in the county are aging. Units built after 2000 account for 14.1% of the county's housing stock. Figure X shows that most units were built between 1960 and 1979 (34.2%). However, these units have still been attractive to homebuyers. The homeowner vacancy rate dropped from 11.1% from 1.8% to 1.6% and the rental vacancy rate dropped from 7.2% and 5.9%. The median home price in Price George's county rose $18,000 (6.7%) over the past five years, from $269,000 to $287,800.

Prince George's Current Housing Snapshot[1]

331,272 Residential Units[1]

171,459 (52%) - Singlefamily, detached
52,821 (16%) - Singlefamily, attached
6,581 (2%) - Duplux, Triplex, or Fourplex
23,769 (7%) - Low Density Multifamily (<10 Units)
45,562 (14%) - Medium Density Multifamily (10-19 Units)
29,526 (9%) - High Density Multifamily (20 + Units)

5,383 (2%) - Efficiency Units
39,467 (12%) - 1 Bedroom Units
71,398 (22%) - 2 Bedroom Units
104,527 (32%) - 3 Bedroom Units
79,804 (24%) - 4 Bedroom Units
30,693 (9%) - 5+ Bedroom Units

$287,000 Median Home Value

$1,434 Median Rent

12,238 New Units Since 2010

62% Homeownership Rate

0.8% Units are Substandard[2]

1.6% Homeowner Vacancy Rate

5.9% Rental Vacany Rate

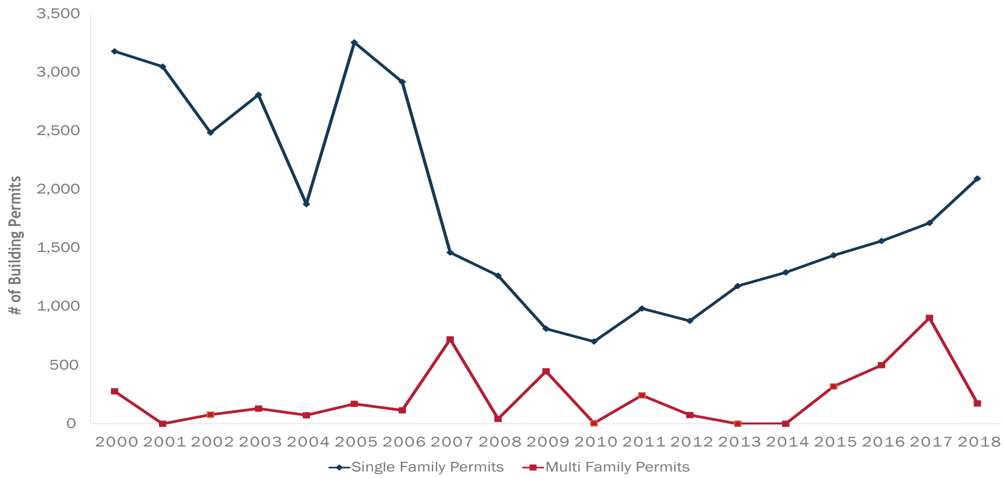
1 Data is from ACS Table DP05 2018 5-year Estimates

2 Substandard is defined as a either a lack of kitchen facilities or a lack of plumbing

Building Trends

Current housing supply trends overwhelming favor single family units over multifamily units. In Figure 1.11, you can see building permits issue by the county over the past 18 years. Single family units permitted were well above those of multifamily units. In the average year, 1,839 single family units were permitted compared to 225 multifamily units. This was significantly lower than Montgomery County or even Howard County (averages of 1,499 multifamily units and 516 multifamily units a year). This indicates that there are either regulatory or market forces which are holding down multifamily housing supply.

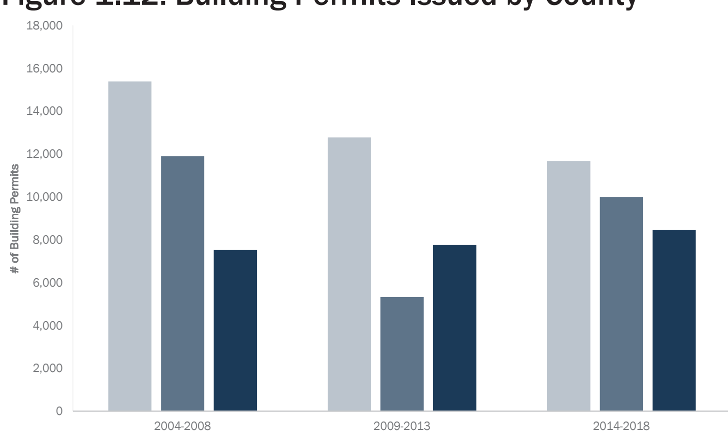
Figure 1.11: Building Permits Issued by Year



Source: MDP State Data Center, New Housing Units Authorized for Construction

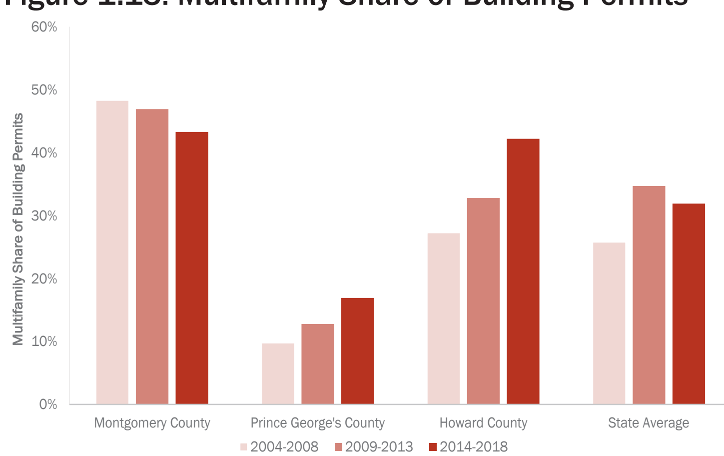
Given the current rate of home building, it would take between 12 and 15 years to build enough units to meet the projection of 355,805 households that will inhabit the county by 2045. However, most of the units built based on current building patterns would be single family units. Many of these units would be located away from employment centers and public transit options. A concern is that this is where most new construction is taking place. The reason for this is in looking at residential sales data, single family units sold outside of the Priority Funding Area (the State of Maryland's urban growth boundary) had a median selling price 70% higher ($510,433 compared to $300,000). Given that these units are further away from central business areas, improved value of the land will likely be a larger proportion of their value. This means that the units are likely larger, and also newer, than units sold inside the Priority Funding Area.

Figure 1.12: Building Permits Issued by County



Source: MDP State Data Center, New Housing Units Authorized

Figure 1.13: Multifamily Share of Building Permits

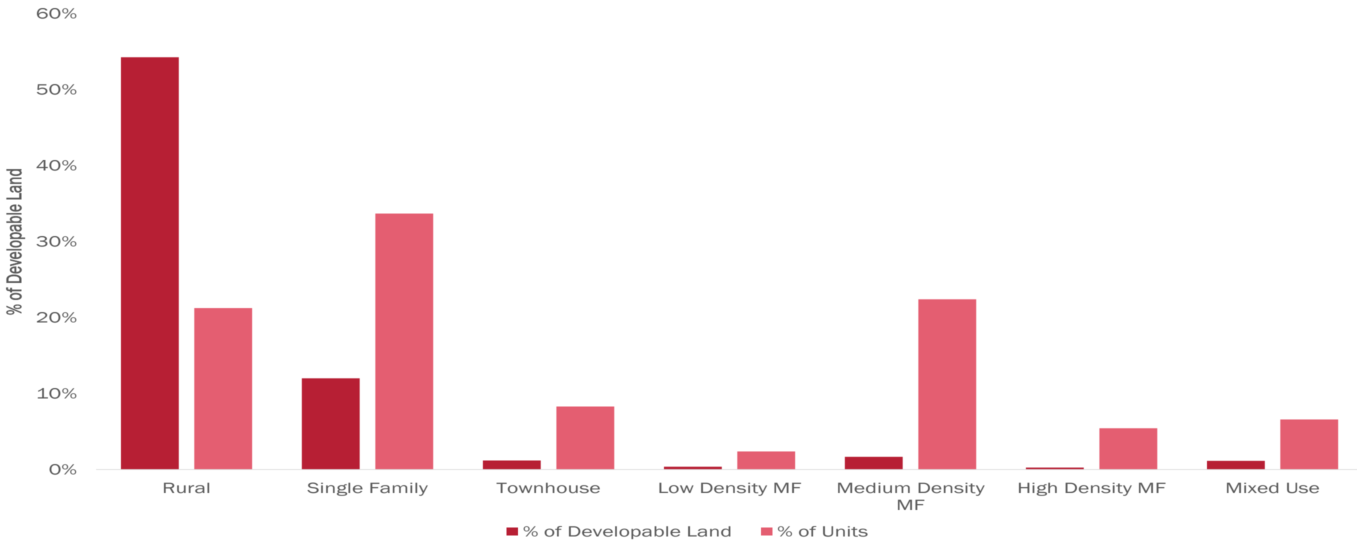


Source: MDP State Data Center, New Housing Units Authorized

Zoning Analysis

The current zoning for developable land is primarily single family residential. Together, single family zoning and rural residential zones account for 66% of the developable land. Multifamily zoning accounts for 3% of the developable land. The largest portion of this is mixed use zoning, which is 2,478 acres. 8% of the parcels zoned for residential units have no units on them.

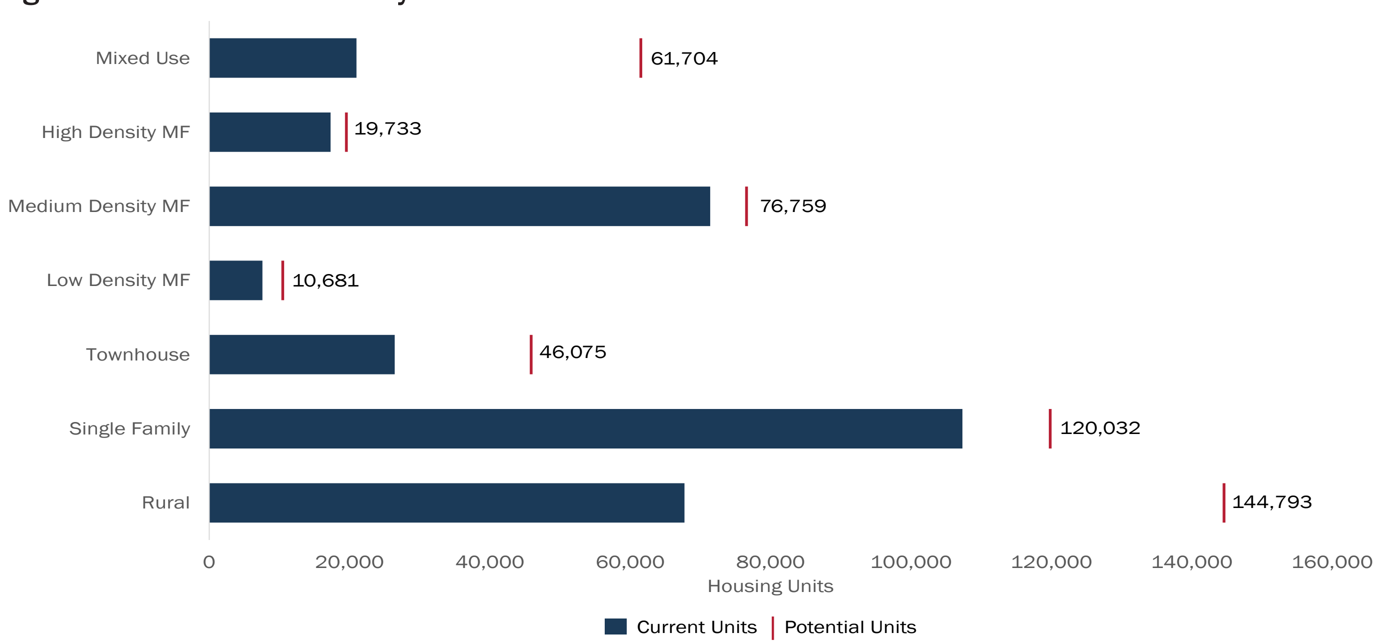
Figure 1.14: Share of Land and Housing Units by Land Use Zone



Source: MDP PropertyView Data, Assembled by the Author

Figure 1.15 shows the potential supply based on the current zoning. Potential supply is based on the number of parcels zoned for a use which currently do not have units built on them. Based on the set densities and current building patterns, there is potential for between 89,294 and 161,060 units. The largest contributors are mixed use zones (Mixed-Use Town Center, Mixed Use Community, Mixed Use Transportation Oriented, and Mixed Use Infill), and rural zones (Open Space, Residential-Agricultural, Residential-Estate, and Rural Residential). These zones account for between 64% and 73% of the potential growth.

Figure 1.15: Potential Units by Land Use Zone



Source: MDP PropertyView Data, Assembled by the Author

There are some reasons why it makes sense to be cautious about including rural zones and mixed use zones in estimates. Rural zones have very limited development, and growth should not be encouraged, especially since demand is not expected to rise significantly and will be concentrated in employment centers. If we exclude parcels zoned for rural development, potential growth falls to between 52,378 and 83,985 units. Mixed use zones have the opposite problem. While mixed use zones allow for high density and are concentrated along transit routes and employment centers; estimating the number of units is difficult. Mixed use zones can have purely commercial uses, such as hotels or retail and service centers which do not add housing. 29% of the parcels zoned for mixed use have non-residential uses. Additionally, the number of units built can vary significantly from 1 unit to over 200 units. While these estimates reflect general building patterns, the variability of mixed use zones makes these projections more difficult.

Zoning Analysis Methodology:

Developable Land: To get the developable land, the acreage of parcels that were not labled as owned by state local or municipal government, or labeled for park and nature was totaled.

Identifying Parcels: Parcels were identified by their zone ID as contained in the MDProperty View dataset. This is because that zone is what the county classifies the parcel, not the state. The number of units field was used to identifiy if the parcel was developed and the various flags for residential or apartment use was used to see if the parcel was a residential unit.

Low Growth Scenario: The number of current units was added to the following calculation: Parcels with no units and a residential purpose had their acreage multiplied by the average du/acre of developeled parcels in that specific zone.

High Growth Scenario: The number of current units was added to the following calculation: Parcels with no units and a residential purpose had their acreage multiplied by the average parcel du/acre of developeled parcels in that specific zoneo get a higher average. This was compared to the allowable du/acre and the higher of the two was taken. This was to account for the way the county calculates net acreage

Classification	Zone Name (ID)
Rural	Open Space (OS), Residential-Agricultural (RA), Residential-Estate (RE), Rural Residential (RR)
Single Family	1 Family Detached Residential (R80 & R55), 1 Family Semidetached, & 2 Family Detached, Residential (R35),
Townhouse	Family Triple-Attached Residential (R20), Townhouse (RT)
Low Density MF	Multifamily Low Density Residential (R30), Multifamily Low Density Residential-Condominium (R30C)
Medium Density MF	Multifamily Medium Density Residential (R18), Multifamily Medium Density Residential-Condominium (R18C)
High Density MF	Mutifamily High Density Residential - Efficiency (R10A), Multifamily High Density Residential (R10), Multifamily High - Rise Residential (RH)
Mixed Use	Mixed-Use Town Center (MUTC), Mixed Use Community (MXC), Mixed Use Transportation Oriented (MXT), Mixed Use Infill (MUI)

Zone	Low Avg Du/Acre	High Avg Du/acre
OS	0.12	0.77
RA	0.29	1.34
RE	0.8	2.08
RR	2.38	3.55
R80	3.36	4.5
R55	5.29	6.7
R35	9.93	12.4
R20	10.1	16.3
RT	16.4	22.7
R30	14.5	20
R30C	9.26	16.2
R18	21.7	26.3
R18C	6.87	28.7
R10A	12.5	48
R10	35.3	48.5
RH	23.7	70.5
MUTC	20	27.6
MXC	4.61	8.74
MXT	19.2	39.1
MUI	25.6	45.2

Figure 1.14: Potential Units by Land Use Zone Table

Zone	Residential Parcels	Parcels without Units	Current Units	Potential New Units	Potential Total Units
Rural	75,130	12,991	67,718	36,916 – 77,075	104,634 – 144,793
Single Family	106,916	4,700	107,326	11,291 – 12,706	118,617 – 120,032
Townhouse	24,960	1,253	26,431	14,539 – 19,644	40,970 – 46,075
Low Density MF	5,378	111	7,586	1,998 – 3,095	9,584 – 10,681
Medium Density MF	11,885	335	71,388	2,656 – 5,371	74,044 – 76,759
High Density MF	3,624	54	17,292	1,413 – 2,441	18,705 – 19,733
Mixed Use	5,304	750	20,976	20,487 – 40,728	41,457 – 61,704
Total	**233,197**	**20,194**	**318,717**	**89,294 – 161,060**	**408,011 – 479,777**

Source: MDP PropertyView Data, Assembled by the Author

Conclusions

Prince George's County will continue to grow over the next two decades, though at a slower rate. While this offers the opportunity for the county to catch up with the demand for housing; the county also faces challenges. There is a growing elderly population that will need supportive housing, new employment will require even more affordable housing and additional multifamily growth in activity centers. The county will need to find ways to not only attract growth, but also expand affordable housing while meeting the needs of both the elderly and people with disabilities. In the next section, I will lay out the current framework that county has to address housing issues, and provide an analysis of the strengths and gaps of that network.

2

Current Framework

Summary

Prince George's County has been aware of housing as a critical issue for its future and has implemented a plethora of programs designed to address housing throughout the county. One example is its 2019 review of housing which laid out three major goals for the County:

- Support existing residents, including long-time residents, seniors, residents with disabilities, and residents at-risk of displacement.
- Attract new residents, including millennials, families, employers, and developers.
- Build on strategic investments & submarket conditions, including transit-oriented development (TOD) areas like the Purple Line Corridor, areas around strategic assets and major public investments, and areas designated under the County's Transforming Neighborhoods Initiative (TNI) and federal Opportunity Zones.

In this section I will briefly cover many of the programs and projects implemented by the county and provide an analysis of them. I will cover what these policies do well and where some gaps exist.

Homeownership Promotion Programs

The county has two methods of promoting homeownership. The first is the Pathway to Purchase Program. The program provides a loan of up to $10,000 to first time homebuyers who are residents in the county to cover the down payment and closing costs[5].The loan is forgiven after 10 years if the owner is still living in the home.

A similar program is the Prince George's County Purchase Assistance Program (PGCPAP). The Program offers similar terms – 0% interest for down payment and closing costs without a chance for the loan to be forgiven – with a higher limit on the loan ($15,000 with the option of $20,000 for public safety and education professionals)[6].

These programs, while useful, do have limitations. First, the PGCPAP currently is out of funding and has been for about a year. It is unclear when the fund will be able to start processing loans again[7]. The Pathway to Purchase program does have funding, but it is limited[8]. Additionally, the program is limited to sales below certain amounts ($323,000 and $401,000 for Pathway and $462,000 for PGCPAP). However, between 2012 and 2016, the median sale price in Prince George's county rose 40% from $210,000 to $295,000[9]. While down payment assistance is helpful, if prices continue to climb, homeownership will become increasingly unaffordable even with these programs.

5 Prince George's County. "Pathway to Purchase." Prince George's County Government, 2020. https://www.princegeorgescountymd.gov/2598/Pathway-to-Purchase.

6 Prince George's County. "Prince George's County Purchase Assistance Program (PGCPAP)." Prince George's County Government, 2020. https://www.princegeorgescountymd.gov/2965/Purchase-Assistance-Program-PGCPAP.

7 Ibid

8 Prince George's County. "Pathway to Purchase."

9 Maryland State Data Center. "Residential Sales Data: 2012." Maryland Department of Planning, 2020. https://planning.maryland.gov/MSDC/Pages/sale_data/saledata.aspx.
Maryland State Data Center. "Residential Sales Data: 2016." Maryland Department of Planning, 2020. https://planning.maryland.gov/MSDC/Pages/sale_data/saledata.aspx.

Housing Preservation Policies

There are a number of programs used to preserve existing housing in the county, the first is through the Housing Rehabilitation Assistance Program. The program provides 0% interest loans to households with low incomes which must be repaid upon sale or transference of the property[10]. The county has partnered with a local nonprofit, the Housing Initiative Partnership to help administer the program and provide assistance to homeowners. Community Development Block Grant (CDBG) financing is also used to help conduct upkeep on public housing and other low income facilities[11]. Additionally, the county operates a façade improvement grant program to specific locations in the county[12]. The Neighborhood Stabilization Program (NSP) is a funding program which allows for the rehabilitation and stabilization of abandoned or vacant properties in order for them to be used.

HUD Funded Programs

The Department of Housing and Urban Development funds several key housing initiatives through the Prince George's County Department of Housing and Community Development and the Prince George's County Housing Authority. The programs serve roughly 3% of the households in the county, and are primarily targeted at individuals with incomes below 30% of the Median Family Income which is $37,800 for a family of four[13]. The County is in the final year of its five-year consolidated plan with HUD and is in the process of drafting an updated five year plan for FY 2021 – FY 2025[14]. The primary HUD programs implemented in the county are the Housing Choice Voucher Program, 202 and 811 Project Rental Assistance Contrats (PRAC), HOME Investment Partnerships Program (HOME), the Community Development Block Grant Program (CDBG), the Low Income Housing Tax Credit (LIHTC), Section 202 Supportive Housing for the Elderly Program, and Section 8 project contracts.

Figure 2.1

Who's Served by HUD Progams?	
Avg Household Income	$19,429
Percent Making Less than 30% MFI	79%
Percent of Households with 1 Parent	35%
Percent of Households over 62	34%
Percent Non-White	95%
Percent Black	91%
Percent with a Disability	19%

Source: HUD User: Picture of Subsidized Households (2019 Survey), Assembled by the Author

10 Prince George's County Department of Housing and Community Development. "Housing Rehabilitation Assistance Program." Prince George's County Government, 2018. https://www.princegeorgescountymd.gov/DocumentCenter/View/22051/Flyer_HRAP-2018.

11 Prince George's County Department of Housing and Community Development. "FY 2021 Budget." Prince George's County Government, 2020.

12 Ibid

13 Department of Housing and Urban Development. "FY 2020 Income Limits Documentation System -- Summary for Washington, DC Metropolitan Area." HUD.gov, 2020. https://www.huduser.gov/portal/datasets/il/il2020/2020summary.odn.

14 Prince George's County Department of Housing and Community Development. "Prince George's County Consolidated Plan CFY 2021-2025 (FFY 2020-2024) - DRAFT." Prince George's County Government, 2020.

Housing Vouchers

The Prince George's County Housing Authority administers 8,798 individual housing vouchers and project based vouchers, housing an estimated 14,450 individuals[15]. This represents roughly 1.8% of the households in Prince George's County. Prince George's has implemented a Small Area Fair Market Rents (SAFMRs) program to allow voucher holders to live at any point in the county[16]. This has been recommended by scholars as a way to help voucher holders to afford higher rent areas and also prevent overcharging in neighborhoods that are below the calculated fair market rent[17]. As you can see in Figure 2.1, voucher holders are predominantly represented by those with the most need.

Currently, the waiting list for housing vouchers is closed, with the last application round having been closed in 2015 for Housing Choice Vouchers and 2016 for Project Based Vouchers CITE. With the lack of funding for additional vouchers and the lack of political support for increasing the program, it is unlikely that many on the waitlist will gain vouchers quickly. To address this, the county has instituted two programs, the first being the Family Self Sufficiency Program. The program has the head of household enter a 5-year contract with the Housing Authority. The family receives supportive services including education and job training. The goal is that they can become afford rent on their own and the voucher could be passed on[18]. Over the five years, any rent increases that are the result of higher income are credited to the voucher holders escrow account, allowing them to save money[19].

The other program is the Housing Choice Voucher Homeownership Program. This program aims to use the voucher to help holders purchase a home, promoting homeownership in the county[20]. The voucher is used to help cover the monthly mortgage payment. This could free up an affordable unit for non-voucher holding family in what is a tight rental market. Given that there seem to be some affordable single family homes (See Chapter 1), this does make sense. While the program is useful, it has strict requirements. This includes a history of prompt payment, a minimum wage income, and a minimum credit score[21]. This means many voucher holders cannot qualify, since the average voucher holder has an income of $21,000 and only 44% of households have wages as their main source of income.

Housing Subsidy Programs

There are a variety of HUD backed subsidy programs. HOME, LIHTC, Section 202, and Section 8 project contracts. LIHTC represents the largest number of units (67% of assisted units)[22], while HOME, despite accounting for 28% of the total subsidies, only accounts for 5% of subsidized units CITE NHPD. This is because HOME subsidized rental properties are smaller than those constructed or rehabilitated under LIHTC. The average LIHTC property contains 62 more units than the average HOME property[23].

15 Department of Housing and Urban Development. "Picture of Subsidized Households." HUD.gov, 2020. https://www.huduser.gov/portal/datasets/assthsg.html.

16 Prince George's County. "Housing Choice Voucher Payment Standards." Prince George's County Government, 2020. https://www.princegeorgescountymd.gov/1372/Housing-Voucher-Standards.

17 Collinson, Robert A, and Peter Ganong. "How Do Changes In Housing Voucher Design Affect Rent and Neighborhood Quality?" Kreisman Working Paper Series in Housing Law and Policy 52 (2017): 59.
Desmond, Matthew, and Kristin L. Perkins. "Are Landlords Overcharging Housing Voucher Holders?" City & Community 15, no. 2 (June 2016): 137–62. https://doi.org/10.1111/cico.12180.

18 Prince George's County. "Family Self Sufficiency." Prince George's County Government, 2020. https://www.princegeorgescountymd.gov/1113/Family-Self-Sufficiency.

19 Ibid

20 Prince George's County. "Housing Choice Voucher Homeownership Program." Prince George's County Government, 2020. https://www.princegeorgescountymd.gov/1114/Housing-Choice-Voucher-Homeownership-Pro

21 Ibid

22 Public and Affordable Housing Research Corporation (PAHRC). "National Housing Preservation Database (NHPD)." 2019. https://nhpd.preservationdatabase.org/Data.

23 Ibid

The most common targeted group are families, nearly a quarter of units are set aside for them. Units for the elderly represent 14% of subsidized units. Of concern is disabled individuals, while there are a number of units which are for either elderly or disabled individuals; only 1% of subsidized units are actually set aside for disabled individuals. One argument for this arrangement could be that as noted in Chapter 1, a large group of disabled individuals are also elderly. However, the low number of units specifically set aside for disabled individuals is concerning. Another concern with the types of units produced using housing subsidies. Most units have less than two bedrooms, and only 10% of subsidized units have 3 or more bedrooms. This partially reflects previous thinking about homelessness and housing instability which viewed these problems as being experienced by individuals rather than families[24].

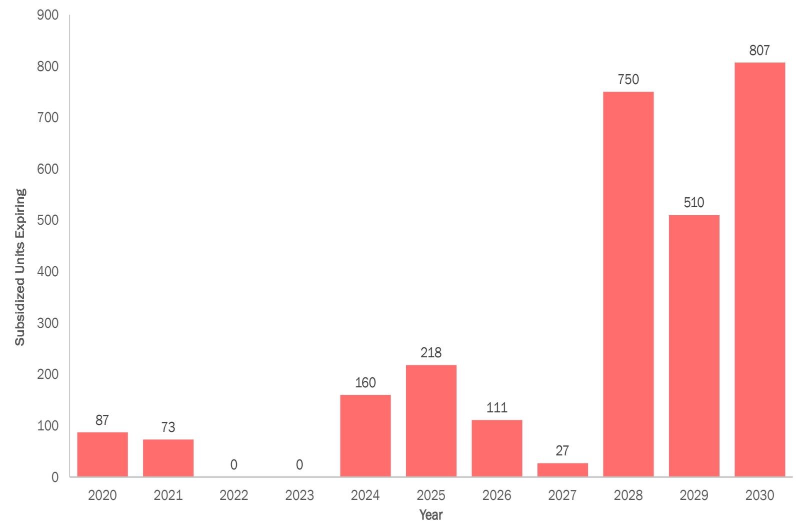
An important consideration is when these subsidies will end. Units whose contracts are up can be converted into market rate apartments, removing affordability. Over the next five years, a relatively small number of the subsidized units have their contracts expiring (5% between 2020 and 2025). However, over 20% of the units currently subsidized through HUD programs have their contracts expiring between 2026 and 2030. While some of these projects may renew their contracts, there will need to be plans in place to replace units that transition to market rate units.

Figure 2.2: Subsidized Units by Program

Program	Subsidies	Units	% of Units
HOME	38	523	5%
Section 8	48	2,766	27%
LIHTC	47	6,974	67%
Section 202	1	73	1%
Total	**134**	**10,336**	**100%**

Source: National Housing Preservation Database, Created by Author

Figure 2.3: Subsidized Units Expiring by Year



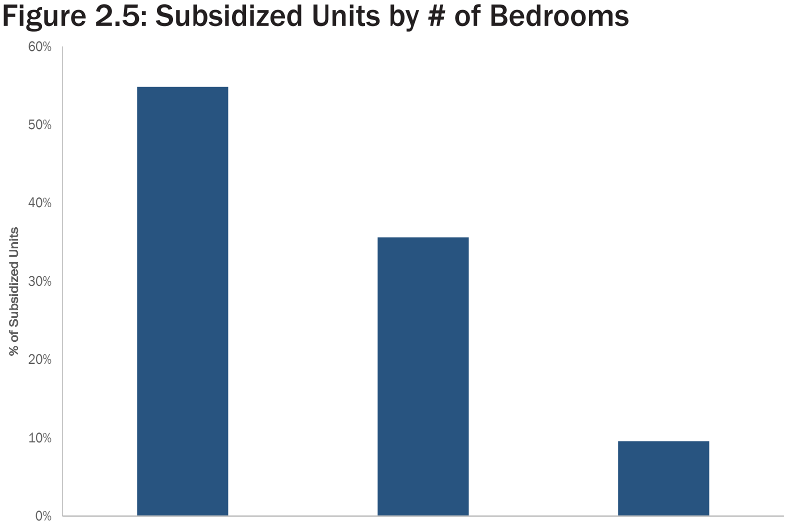
Source: National Housing Preservation Database, Created by Author

Figure 2.4: Subsidies and Units for Specific Populations

Target Group	Subsidies	Units	% of Subsidized Units
Families	15	2377	23%
Elderly	15	1446	14%
Elderly or disabled	13	1229	12%
Mixed Income	3	246	2%
Disabled	13	138	1%

Source: National Housing Preservation Database, Created by Author

Figure 2.5: Subsidized Units by # of Bedrooms



Source: National Housing Preservation Database, Created by Author

24 Schwartz, Alex F. "Housing Policy in the United States." 3rd ed. New York, NY: Routledge, 2015.

Public Housing

Public Housing is administered through the Prince George's Housing Authority. The authority manages 392 housing units comprising of 376 housing units and 16 assisted living units at six properties[25].

The authority manages two programs for public housing residents. The first is the Resident Services Program which provides computer classes, food services, and community engagement to at-risk elderly and disabled residents[26]. This is provided at four facilities, with certain resources being shared or program participants being conveyed through the use of a single shuttle.

The other program is the Family Resource Academies, which provides life skills training and tutoring for children between the age of 6 and 18 living in public housing[27]. However, the program is only available at two of the public housing facilities.

The Housing Authority has specified that is plans to shed its public housing through the Rental Assistance Demonstration (RAD) program, the Demolition and Disposition (Section 18) program, and the Streamline Voluntary Conversion program[28].

Homeless and Need Assistance

The county provides shelter and assistance for households and individuals in need through the Prince George's Department of Social Services[29]. Services are funded through the Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA). CDBG and HOME funding are also used to provide housing services. These services include 5 shelters and 1 shelter specifically for women and children who are victims of domestic violence. They also run 15 permanent supportive housing complexes, a foreclosure and eviction prevention program, and rapid rehousing assistance program[30].

Currently, the county has struggled to provide these services. In the first four years of the 2016 – 2020 HUD Consolidated Plan, the county was only able to meet 32% of their goal to rapidly rehouse or prevent the displacement of 1,455 households[31]. Similarly, housing through HOPWA only met 36% of its goal[32]. This is not due to a lack of need, but a combination of factors, including a lack of resources and barriers for residents seeking to access services. One example is the screening process. Currently potential clients have to call a number and be screened in order to receive assistance. This means that individuals or families without access to phone or internet services are unable to easily reach out for services.

25 Prince George's County. "Public Housing." Prince George's County Government, 2020. https://www.princegeorgescountymd.gov/1117/Public-Housing.
26 Prince George's County. "Resident Services." Prince George's County Government, 2020. https://www.princegeorgescountymd.gov/1291/Resident-Services.
27 Prince George's County. "Family Resource Academies." Prince George's County Government, 2020. https://www.princegeorgescountymd.gov/1289/Family-Resource-Academies.
28 Prince George's County Department of Housing and Community Development. "Prince George's County Consolidated Plan CFY 2021-2025 (FFY 2020-2024) - DRAFT." Prince George's County Government, 2020.
29 Prince George's County. "Housing & Homeless Services." Prince George's County Government, 2020. https://www.princegeorgescountymd.gov/1684/Housing-Homeless-Services.
30 Ibid
31 Prince George's County Department of Housing and Community Development. "Prince George's County Consolidated Plan CFY 2021-2025 (FFY 2020-2024) - DRAFT." Prince George's County Government, 2020.
32 Ibid

Promoting Development in Desirable Areas

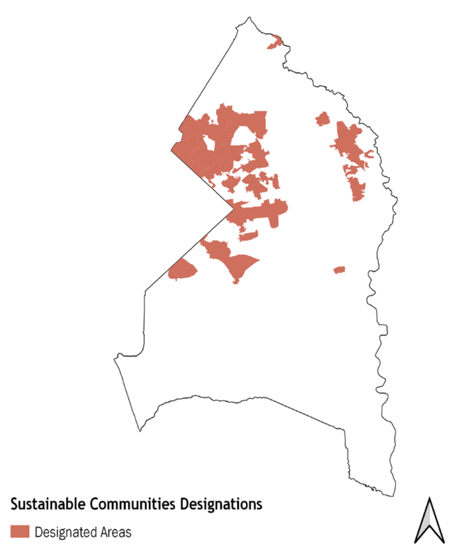
State and County Housing Production Incentives

Both the State of Maryland and Prince George's County offer incentives and funding programs to help encourage housing production. Through the Department of Housing and Community Development, the state offers several programs to assist housing developments. These include the Community Legacy Fund, the Strategic Demolition Fund (SDF), the National Capital Strategic Economic Development Fund (NED), and the Seed Community Development Anchor Institution Fund[33]. These funds can provide projects with funding for site clearance, pre-development work, and cover gaps in funding. The state also provides loans to 4% LIHTC projects to help make the projects feasible[34].

These funds however, do require the projects to be located in areas designated as 'Sustainable Communities'[35]. This includes a number of areas in Prince George's County, which are depicted in Figure X. Furthermore, the state has designated a number of census tracts in the county as 'Opportunity Zones'[36]. These zones allow investors to both defer the taxes paid on capital gains if they are invested in properties located in the zone within six months of realizing the gain. Futhermore, keeping the investment in the property for a period of years lowers the amount of tax needed to be paid by up to 15% and any capital gains made through the property are exempt from taxes if the investment is held for 10 years. This can offer a powerful incentive to developers looking for funding in these locations.

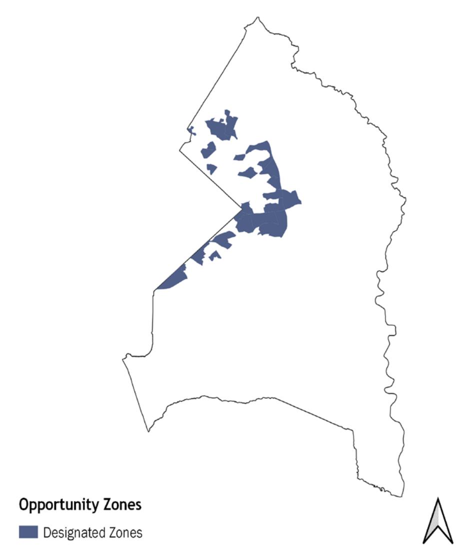
The county also has several incentives for housing developers. One is HOME and CDBG funding. While funding for CDBG is spread out through several goals, some funding can be used to help finance affordable housing projects. The Redevelopment Authority provides help in acquiring land near transit stops and partnering with private actors to redevelop the land[37], these can both be affordable housing and market rate housing. The county can also defer fees to incentivize developers as well.

Figure 2.6: Sustainable Communities



Source: MD iMAP Database

Figure 2.7: Opportunity Zones



Source: MD iMAP Database

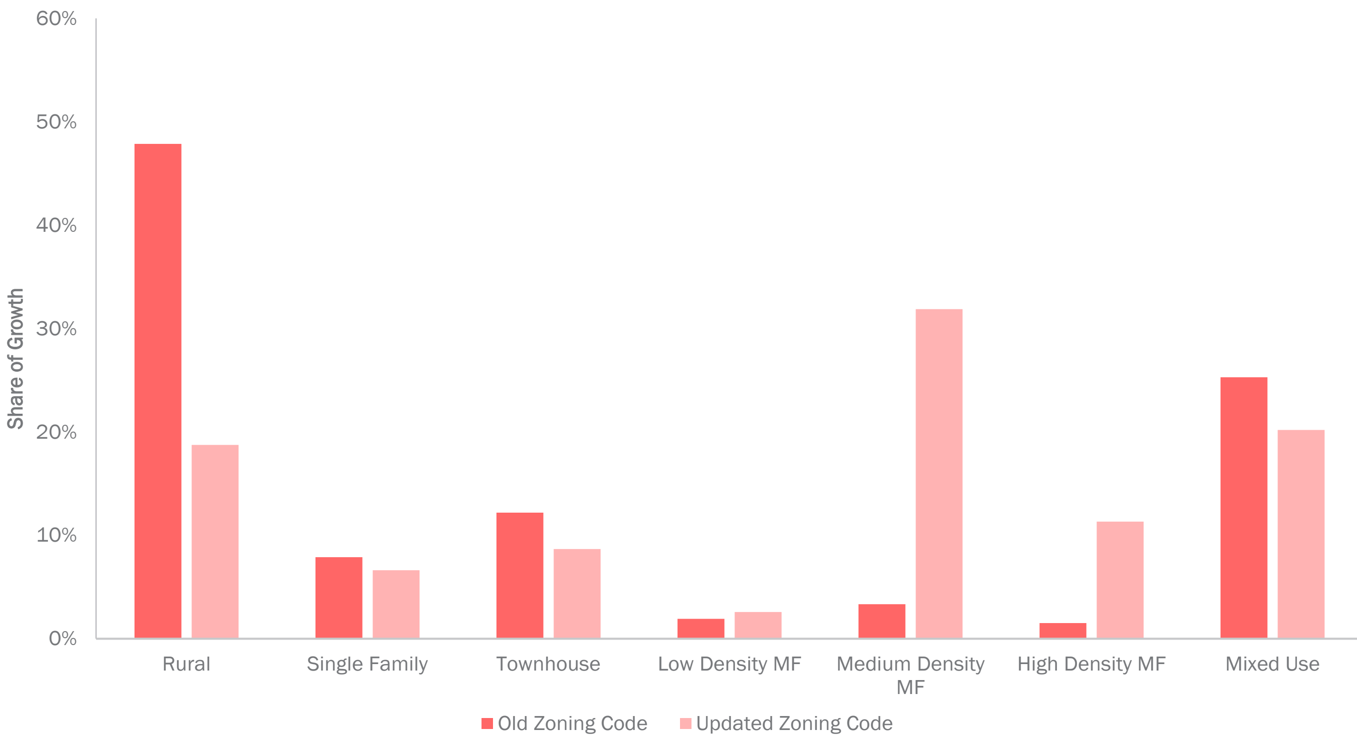
33 Maryland Department of Housing and Community Development. "Community Development - Funding and Support Programs." Maryland.gov, 2020. https://dhcd.maryland.gov/Communities/Pages/programs/default.aspx.
34 Maryland Department of Housing and Community Development. "Rental Housing Works." Maryland.gov, 2020. https://dhcd.maryland.gov/HousingDevelopment/Pages/rhw/default.aspx.
35 Maryland Department of Housing and Community Development. "Sustainable Communities: Enhancing Maryland Communities by Prioritizing Investment." Maryland.gov, 2020. https://dhcd.maryland.gov/Communities/Pages/dn/default.aspx.
36 State of California. "FAQs | CA Opportunity Zones," 2020. https://opzones.ca.gov/faqs/.
37 Prince George's County Redevelopment Authority. "About Us." Prince George's County Government, 2020. https://www.princegeorgescountymd.gov/1300/About-Us.

Prince George's County 2019 Zoning Ordinance Rewrite

Perhaps the most comprehensive project the county has taken to increase housing production has been a review and update of the county's zoning and subdivision regulations, which was scheduled to be finalized later this year. The rewrite sought to bring the code and regulations into sync with the goals laid out in the Prince George's County Comprehensive Plan (Plan 2035)[38]. These include concentrating growth in commercial and transit centers, providing for a variety of housing options, and enhancing the quality of life as well as the economic competitiveness of Prince George's County. The zoning ordinance audit made a number of changes, including:

- Simplifying the county's zoning structure from 74 zones to 43
- Allowing Multifamily zones to have neighborhood retail and services located on the ground floor of buildings
- Simplifying the Mixed Use and Commercial zones into three Commercial Neighborhood zones (CN) which have flexible standards.
- Creating Transit-Oriented (TOD) and Activity Center zones which allow for higher density to encourage development and concentrate growth near employment and transit centers
- Tweaks were added to make development less expensive to develop. This includes reducing the parking requirements, simplifying the use table, making some smaller scale developments more administrative rather than legislative, and removing redundant steps in the site plan process.

Figure 2.8: Comparison of Growth between New Code and Old Zoning Code



Source: MDP PropertyView Data, Assembled by the Author

88 Maryland-National Park and Planning Commission Prince George's County. "Zoning Rewrite Cheat Sheet," March 2019.

Figure 2.9: Growth Potential of New Zoning Code

Zone	Acres Zoned	% of Developable Land	Current Units	Potential New Units	Potential Total Units
Rural	119,331	55%	68,039	+ 34,281	102,320
Single Family	25,501	12%	101,068	+ 12,107	113,175
Townhouse	3,201	1%	32,689	+ 15,864	48,553
Low Density MF	776	0%	7,586	+ 4,716	12,302
Medium Density MF	3,618	2%	71,388	+ 58,287	129,675
High Density MF	562	0%	17,292	+ 20,709	38,001
Mixed Use	2,836	1%	20,983	+ 36,923	57,906
Total	**155,825**	**72%**	**319,045**	**+ 182,887**	**501,932**

Source: MDP PropertyView Data, Assembled by the Author
Note: Differences between the number of units is the result of commercial parcels being included in the updated analysis. This could be the result of grandfathered housing units or mistaken counting.

These updates work on several levels to encourage the development of a broad variety of housing types and locate housing near employment centers. First, the allowance of neighborhood retail and services in Multifamily zones gives new construction greater flexibility in their projects. Projects become less expensive and can provide services for the residents living above them[39]. This is also true of the new Commercial Neighborhood (CN), Transit-Oriented, and Activity Center zones. By allowing housing to be located near jobs or mass transit, low and moderate income houses can spend less on transportation and closer to vital services such as healthcare and supermarkets.

Similarly, reducing administrative requirements among others lowers the cost to development. This ideally allows developers to pass along that savings to their buyers and renters, or develop different housing types which were previously unfeasible. This is also complimented by increased flexibility in zones and increased density. By allowing for greater flexibility, notably by removing and reducing the setback requirements in Commercial Neighborhood and other high activity zones; planner have allowed for more units and given developers more latitude. This will make employment centers and multifamily development increasingly attractive, which in turn will help address the imbalance of housing to jobs in the county currently.

While these are welcome changes to incentivize new construction of varied housing typologies in areas of need, there is need for caution. First, mixed use projects are complicated and if done improperly can be more expensive than other types of projects[40]. Planners should review their permits to ensure that walk up apartments are also being built, as they are more likely to be more affordable initially as they do not require parking structures, elevators, and other capital intensive features.

88 Maryland-National Park and Planning Commission Prince George's County. "Zoning Rewrite Cheat Sheet," March 2019.
39 Heard Jr., Isaac. "Multi-Family, Mixed Use and Mixed Income Housing Development." San Antonio, TX, n.d. https://archives.huduser.gov/oup/conferences/presentations/hbcu/sanantonio/multifamily_development.pdf.
40 Ibid

Conclusions

Prince George's County has implemented a wide variety of programs to promote affordable rental housing and homeownership. While these programs are underfunded, they have tried to spread their resources to be as impactful as possible. Furthermore, they have worked to take advantage of state resources, and promote development with their new zoning code.

However, there is still some work that can be done to address housing issues in the county. First, the county needs to put more work in creating housing for people with disabilities and the elderly, this means working to promote inclusive design and reducing barriers to creating assisted living housing. More work could be done to help residents become homeowners, and current homelessness policy could be altered to incorporate proven effective strategies. In the next section, I will lay out policy recommendations that the county can implement to build on the policies and programs I have outlined above.

3

Recommendations

Summary

Prince George's County has taken admirable and real steps to address the concerns facing the county in the next 20 to 25 years. The recommendations I have laid out below are meant to help bolster current policy and address gaps within the policy framework. There are four goals that the county should pursue that can significantly impact the housing conditions of residents:

- Preserve and Expand Affordable Rental Housing throughout the County
- Ensure Affordable Homeownership Opportunities through new housing typologies
- Provide adequate housing for elderly and disabled residents in the county
- Ensure the new zoning ordinance provides for new housing typologies
- Ensure the new zoning ordinance provides for new housing typologies
- Address Homelessness in the County

In the following sections, I will lay out actions and policies the county can take to meet the goals I have laid out above:

Figure 3.1: Proposed Goals and Action Items

Goal	Action Item	Summary	Funding Source	Responsible Entity
Preserve and Expand Affordable Rental Housing throughout the County	Develop an Inventory of Public Lands	Create a list of publicly owned parcels suitable for low-income housing developments	N/A	Prince George's Planning, Redevelopment Authority
	Coordinate with PRAC Property Owners with Expiring Contracts	Work to preserve current low income housing through Mark to Market or other agreements	HUD Section 202, Section 8, and Section 511	Department of Housing and Community Development
	Collaborate with Developers to Pursue LIHTC Opportunities	Identify developers and provide technical assistance to expand LIHTC housing in the county	LIHTC	Redevelopment Authority
	Identify Aging Housing to be Purchased for Affordable Housing	Identifying aging rental housing and provide gap financing for nonprofit developers to acquire them	CDBG, HOME, LIHTC	Department of Housing and Community Development
Ensure Affordable Homeownership Opportunities	Allow for the Development of Pocket Villages	Develop an pocket village ordinance to allow pocket villages	N/A	Prince George's Planning
	Work with Local Funding Institutions to Help Residents Build Credit	Partner with CDFIs to offer credit building programs to residents	N/A	Department of Housing and Community Development
Ensure the new zoning ordinance provides for new housing typologies	Work to Clarify Fees and the Review Process	Provide materials and clarity around processes and development fees	N/A	Prince George's Planning
	Offer a fund/loan program for innovative construction techniques	Provide financial incentives for projects which use experimental building materials/techniques	Housing Trust Fund, CDBG, HOME	Redevelopment Authority
Provide adequate housing for elderly and disabled residents in the county	Ensure Assisted Living Facilities and Group Houses are By Right Uses	Review and modify zone allowances for facilities or group homes	N/A	Prince George's Planning
	Educate Developers and Home Builders on Inclusive Design	Provide materials and technical assistance for Inclusive Design	N/A	Prince George's Planning
	Enhance the Urban Design Around Existing Facilities	Build pedestrian facilities, parks, and transit around current facilities for senior/individuals with disabilities	Public Works and Park Budgets, State Revitalization Grants	Department of Housing and Community Development, Prince George's Parks and Recreation
Address Homelessness in the County	Implement an In-Person Intake System or Method of Outreach.	Develop ways to reach the most at risk who do not have access to a phone	N/A	Department of Human Services
	Develop a 'Housing First' Strategy	Build a 'Housing First' strategy modeled on other municipalities	Housing Trust Fund, Foundation Grants	Department of Humans Services, Department of Housing and Community Development

Goal: Preserve and Expand Affordable Rental Housing throughout the County

As I noted in the first section, there is a deficit of over 21,000 housing units for households making less than 30% of the median family income. While the county has taken steps to increase housing supply, there exists an immediate need for housing at an income level that filtering will not benefit. This will require the county to explore options to maximize the use of their land, partner with private developers to pursue affordable housing grants, and preserving affordable housing units.

Action Item: Develop an inventory of public lands that can be developed into low-income housing

Inventories of public land are useful tools, they first help the municipality understand what it owns and allows it to better optimize its own service; but it also provides municipalities with a way to tangibly contribute to affordable housing. Since the municipality owns the land, they are able to provide it at little or no cost and can stipulate affordable units.

The inventory should evaluate parcels owned by municipalities for their suitability for low income housing. Part of the process should include coordinating with municipal departments to identify where they can consolidate their footprint. Once a list of suitable parcels is collated, there should be a publicly available list of properties that should include details about the parcel, what the zoning is, and what type of development the municipality would be interested. The municipality may also issue RFPs for properties it has a strong interest in developing.

Example: The City of Orlando

In 2006, Florida passed the Omnibus Affordable Housing Bill. The bill requires municipalities to conduct land inventories and evaluate parcels for suitability for affordable housing. Parcels meeting the developed criteria are offered to nonprofit housing developers to build affordable housing.

The City of Orlando fulfills this by providing an online inventory of lots. Besides descriptive information, the city provides zoning information, whether the land is ready for conveyence, and if the lot requires permitting or variances.

This is accomplished using a simple Airtable, which pulls data from department records and displays it for public consumption. The Redevelopment Authority could maintain this, as well as continue to look for collaborators in development.

Action Item: Reach out to property owners with Project-based Rental Assistance Contracts (PRAC) whose properties will be expiring

There are a number of current affordable housing projects expiring in the next 10 years, particularly between 2028 and 2030. This offers the county time to plan to preserve as many properties as possible or replace properties which will transition to market rate units. By reaching out well in advance, the county can understand what property owners are planning, address and issues they are facing, and either plan to fund upgrades to the project, work to transition the property to a mark to mark up program, or get a count of how many units will have to be replaced.

Ways to Preserve PRAC Housing

Mark to Market

Mark to Market allows Section 8 NC/SR projects to restructure their mortgage into two loans. The first loan is based on the operating income and the second is held by HUD and only requires payment if the project makes excess revenue. This is best for apartments with rents above the current market rate.

Mark up to Market

This allows projects with below market rents to raise their rents to up to 150% of the median fair market rent as long as they remain in the Section 8 program for an additional 5 years. While this does not solve the problem in the long term, it does allow time for replacement housing to be constructed. A parallell program (Mark up to Budget) also is available to help finance repairs.

Action Item: Collaborate with developers to pursue LIHTC Opportunities.

LIHTC is a critical piece of providing affordable housing in the county, serving nearly 7,000 households. These projects are often complex and require multiple sources of funding. Through the Redevelopment Authority, the county can provide both technical assistance and financial help to LIHTC developments in the county. This can include being the pass through entity or providing grant writing assistance for grants and loans such as Community Legacy, Rental Housing Works, and National Capital Strategic Economic Development Fund which can provide gap financing for developments. Additionally, the authority can assist developers in understanding the process and selection criteria for LIHTC funding to ensure applicants are competitive for the program. Finally, the county can provide tax incentives of its own or low interest loans to help the project.

Action Item: Identify aging market rate housing which could be purchased by a non-profit with help using CDBG and HOME funds.

While new construction can create some affordable housing, another method is working to identify aging market rate rental units and convert them into affordable housing. Working with affordable housing nonprofits – also known as Community Housing Development Organizations (CDHOs) – who have HOME funding set aside for them, municipalities can expand affordable housing.

Currently, CDBG and HOME funds have been focused on single family homes in the county[41]. This policy would redirect the funding to help provide gap financing for CDHOs to purchase aging rental housing and retrofit it to serve as affordable housing. The county should partner with local CDHOs with development experience (Such as the Housing Initiative Partnership and Enterprise Community Partners) to identify possible projects, taking into consideration that there is additional CDBG funding that will be available as part of the CARES Act[42].

41 Prince George's County Department of Housing and Community Development. "FY 2021 Budget." Prince George's County Government, 2020.

42 National Low Income Housing Coalition. "HUD Clarifies That Four CARES Act CDBG Provisions Are Immediately Available." National Low Income Housing Coalition, April 20, 2020. https://nlihc.org/resource/hud-clarifies-four-cares-act-cdbg-provisions-are-immediately-available.

Goal: Ensure Affordable Homeownership Opportunities

The county has implemented several programs to encourage homeownership in the county. These programs – such as down payment assistance – have been successful but are limited because of funding. The action items proposed below seek to bolster the ability of residents to afford their own home or qualify for fair mortgages.

Action Item: Allow for the development of pocket villages through the zoning code

Pocket villages (sometimes called cottage housing) are clusters of detached, single family homes built together on roughly an acre of land, sharing a communal green area. The homes are smaller than most single family homes, closer to 1,000 square feet. As a result, pocket village homes are less expensive since they lower the cost of land and also add density without breaking the character of single family residential neighborhoods.

Ordinances allowing pocket villages specify where they can be built and provide special regulations on how they can be developed. This includes specify the maximum size of the unit, how much common space is required, how many units can be in a cluster, and other regulations. Developing a pocket village ordinance could help encourage infill development in aging neighborhoods while also creating affordable housing.

Example: The City of Kirkland

Kirkland first introduced the idea of Pocket Villages through a 2002 HUD grant, which helped develop a pilot project, Danielson Grove (pictured above). The project's success led Kirkland to develop one of the first Pocket Village ordinances in 2007, which lays out how pocket villages fit into the existing landscape. It provides basic guidelines, in what zones villages can be built, as well as what amenities have to be provided. While the homes have a similar cost per square foot of new construction, their smallers size makes them less expensive with better construction.

Action Item: Work with local funding institutions to help low - income residents build credit

One limiting factor to affordable homeownership is potential homebuyers' credit scores, which locks them out of 'prime' loans that are backed by the FHA and instead forces them to shoulder more expensive 'subprime' loans. Beyond simple credit counseling and financial education, the county could work with local Community Development Financial Institutions (CDFIs) to help residents raise their credit scores, enabling them to tap cheaper lines of credit. The difference good credit can make can be significant. On a $250,000 loan, the difference between a 4% annual interest rate and a 5% rate comes out to an extra $148.50 per month.

Credit building programs vary from location to location. Some deposit the loan into a secured savings account to hold the funds while the individual 'pays' for the loan. Others use a lending circle to help back the loan. The result is a 'safe', small (usually under $5,000) loan that allows individuals to raise their credit scores and have better access to cheaper loans.

Example: Mission Asset Fund Lending Circle

The Mission Asset Fund, located in San Francisco, created the program to help residents in the Mission District finance purchases and build credit. The program operates by grouping people together into 'circles'. Participants pay a monthly loan payment and each month a member of the circle receives their loan. The payments are reported to the credit bureaus, and participants on average increased their credit score by 168 points while allowing their participants to access cheap credit to cover expenses.

Goal: Provide adequate housing for elderly and people with a disability in the county

As noted in the first section, housing for the elderly and people with disabilities will be required in the next two decades, and while some public assistance housing does exist, it will not be enough for the projected number of individuals. This will require the county to not only continue to provide for housing with HUD funding, but also allow for specialized housing for these critical populations.

Action Item: Ensure assisted living facilities and group housing are by right uses in multifamily zones.

One common difficulty in expanding housing for senior citizens and people with disabilities is that assisted living facilities and group homes require conditional use permitting. Despite the fact that these uses do not generate significant traffic or school impacts, these projects must go through a lengthy process to receive these permits.

Allowing by right group housing in residential zones and assisted living facilities in commercial and multifamily zones, the county can ensure lower cost and a greater supply of housing options for the elderly and people with disabilities.

Action Item: Educate developers and home builders about inclusive design.

Another issue facing people with disabilities is when new construction is not built for access by all. Often developers will build with an incomplete understanding of inclusive design, or simply meet ADA guidelines, which can be incomplete. This unfortunately perpetuates a lack of housing suitable for people with disabilities.

A coordinated effort between the Department of Housing and Community Development and the Department of Human Services to educate developers and home builders on how to incorporate inclusive design into construction can help expand choice and also ensure that future housing stock makes inclusive design the default. This effort should include design guidelines, examples, and if possible, leverage the innovation building fund to ensure all pilot projects are inclusive.

Action Item: Enhance the urban design around existing group homes and assisted living facilities through the provision of parks and pedestrian facilities.

It also should be important to ensure current housing senior citizen and individuals with disabilities is well supported. This should include a review of the pedestrian, park, and transit infrastructure around them. Additionally, a consideration for the proximity and need for sidewalks, curb cuts, and nearby parks for these facilities should be included in capital improvement plans.

Goal: Ensure the new zoning ordinance provides for new housing typologies

The new zoning ordinance is a major step towards allowing for new construction, which should increase the housing supply. However, there are steps that can be taken by the county to allow developers to ensure that the new zones are utilized and innovative building techniques are explored to offer new, green, and affordable construction.

Action Item: Work to clarify fees and the review process

One way the county can ensure that developers take advantage of the new zoning code is by providing clarity and predictability in the fees and review process associated with development. This should include publicly available (ideally on a web page) data on how fees are calculated, the process by which variances and site plans are reviewed, and examples of required public engagement. This simple outreach will allow developers to understand and price in the cost of fees and public engagement. While this will not lower the cost of housing, it will provide greater certainty and transparency, which will lead to more housing being built.

Action Item: Consider offering a fund/loan for innovative construction techniques to help encourage building that could lower costs.

Another element is encouraging new techniques of building in order to develop green and affordable methods of new construction. This can include modular homes, wood construction, and other new methods. One difficulty with new types of construction is most developers are unfamiliar with different types of construction, making them hesitant to take on such projects.

By offering incentives to pilot projects, the county can encourage and foster new construction techniques and examine their own regulations to understand how to adjust regulations to allow for techniques that work. It also can lead to better buildings which are affordable and last longer.

Goal: Address Homelessness in the County

The final goal is aimed at addressing homelessness in the county. Given that the current homeless strategy in the county is focused on shelter, there are two action steps the county can take to improve their services.

Action Item: Implement an in-person intake system or method of outreach.

Currently, shelters do not have an in-person intake system. While there are compelling reasons to not advertise shelters (stigma, violent partners, etc.), it would behoove the county to consider alternative ways to reach out to residents with difficulties. This could be an in-person location households can go to for services or an outreach program that empowers vulnerable individuals to reach out for assistance. A possible intake location could be local libraries, which provide space and known location for screening.

Action Item: Develop a 'housing first' strategy

The second action step should be the development of a housing first strategy. This strategy prioritizes finding housing first and then using the stable housing as a platform to provide services to help households and families in crisis. There is mounting evidence that a housing first approach provides better outcomes and reduces emergency and public safety costs for municipalities CITE[43]. [1]

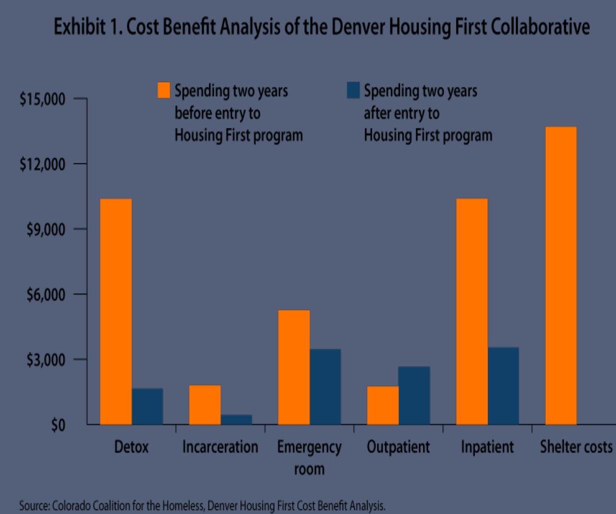
The drawbacks to a housing first strategy are that it requires significant coordination between departments to be effective, and requires housing to be available, while more traditional transition housing and conditional housing requires less coordination with fewer units. However, this should not be a reason to begin developing a program.

43 Perlman, Jennifer, and John Parvensky. "Denver Housing First Collaborative: Cost Benefit Analysis & Program Outcomes Report." Colorado Coalition for the Homeless, December 11, 2006. https://web.archive.org/web/20101217155806/http://coloradocoalition.org/!userfiles/Housing/Denver_Housing_First_study.pdf.

Example: Denver's 'Housing First' Program

The Denver program is run by the Colorado Coalition for the Homeless (CCH) in collaboration with the Denver Department of Human Services (DDHs), Denver Health (DHHA), Arapahoe House, the Mental Health Center of Denver (MHCD) and the Denver VA Medical Center. The program provides immediate housing assistance through either supportive housing developments or through rental assistance for privately owned apartments. The program is complemented by assertive community treatment (ACT) services, which integrates health, mental health, substance treatment and support services.

A study on the program estimated the total emergency cost savings averaged $31,545 per participant, which included reduced incarceration and detox days. Altogether, it was estimated that the program generated an annual net savings of $711,734.



Source: Klein, Sarah. "Colorado Coalition for the Homeless: A Model of Supportive Housing." The Commonwealth Fund, October 28, 2014. https://www.commonwealthfund.org/publications/newsletter-

Conclusions

Prince George's County has benefitted in many ways from being a part of the Washington, DC metropolitan region. The region is poised for continue growth in lucrative sectors, as evidenced by the future Amazon HQ2. Additionally, the county will benefit from the future Purple Line, which will provide many residents to employment opportunities in Montgomery County. However, these positives also bring significant challenges. Housing affordability will continue to be a major challenge, and as the county ages, the need for housing for the elderly and people with disabilities will grow.

The county has set up a policy framework to address these issues. The recommendations I offer are meant to build upon the solid foundation already existing in the county; filling in gaps and offering promising alternatives that have been pioneered in other localities. With these additions, Prince George's County can look towards a bright future for all of its residents.