# CHAPTER 8: HOUSING

## Introduction

### Approach

Annapolis Houses

Annapolis is a community of neighborhoods with distinct charm and character. It is in these neighborhoods that Annapolis residents are "at home"; the place where residents find a community of neighbors and a sense of belonging, where children are born and grow, and the place representing refuge and safety. For many Americans who own their home, the home is their most significant financial asset, and the home and neighborhood embodies economic aspirations and stability. Important to the treatment of housing in the Comprehensive Plan is the cost of buying a home in Annapolis and housing conditions for residents at the lowest income levels.

### Primary Challenges

Two key issues challenge the Annapolis housing market. The recent dramatic rise in housing cost places a burden on typical workforce households like police, fire, teachers, and service workers. Soaring home prices has made homeownership only attainable for the affluent. Over the years, the City has used available funds to support homeownership for low and moderate-income families. Until recently, little help was available to "workforce" or middle-income families.

In addition, the City has a high proportion of public housing and other subsidized housing. With the exception of Bloomsbury Square, the age of public housing ranges from 40 – 70 years old and is in need of repair and/or replacement. Severe reductions in federal funding has further contributed to the deterioration of the properties.

### Policies

To respond to the primary challenges, the City embraces three main Policies; further details are in the Policy Recommendation section:

- Support development of housing that is affordable to workforce and middle income households.
- Reinvent public housing.
- Support housing programs that assist low and moderate-income households with homeownership and housing rehabilitation.

# Summary of Existing Conditions

## The Context for Planning

- In the years since the adoption of the last Comprehensive Plan, the City has focused its resources on the housing issues facing low and moderate-income households, defined as households earning no more than 50 or 80 percent of the regional median income respectively. The City has accessed federal and state funds targeted to these income groups to provide homeownership opportunities and improve housing conditions. The City's Housing Rehab Program (Fig. 8.1) is one example of these efforts.

Figure 8-1 City Housing Rehab Program

- Every five years the City prepares a *Consolidated Housing and Community Development Plan* to implement federal programs that fund housing and community development activities, including the City's Community Development Block Grant (CDBG) allotment. The *Consolidated Plan* focuses on housing needs for low income households, the homeless, and other special needs populations, as well as non-housing community development activities. The most recent *Consolidated Plan* was prepared in 2005 and covers the years between 2005 and 2010. A yearly Action Plan guides the implementation of the *Consolidated Plan* and includes the City's work with partners, eg. the Anne Arundel County and Annapolis Partnership to End Homelessness.

| | % of Regional Median Income | 2008- Family of four Annual income not exceeding: |
|---|---|---|
| *Middle Income or "Workforce" Households* | 81-120% | $92,500 |
| *Moderate Income* | 51-80% | $61,500 |
| *Low Income* | Up to 50% | $39,100 |

Figure 8-2 Baltimore Regional Income Limits– Source: HUD: City of Annapolis

- The City adopted a Moderately Price Dwelling Unit (MPDU) program in 2004. Also termed "inclusionary zoning," the MPDU program requires that developments of 10 or more housing units provide 12 percent of for-sale units and 6 percent of rental units that are affordable to moderate income households. As of January 2008, the MPDU program had generated 18 rental units, and 52 for-sale units were in the pipeline. In circumstances where developers are unable to provide MPDUs, they are permitted to contribute funds to the City's Housing Assistance Trust Fund in lieu of providing MPDUs.

  According to the MPDU Ordinance, developments that comply with the MPDU ordinance can build to a density higher than the maximum density permitted in the zone. This "density bonus" is intended to serve as an incentive for developers to provide MPDUs. In practice, the density bonus has been difficult to achieve because of site constraints.

## Existing Conditions

Admiral Heights Neighborhood

Annapolis neighborhoods vary widely in age, character, and level of affluence. From the historic homes and quaint streets downtown, to the post-WW2 neighborhoods of Admiral Heights, Germantown, and Homewood, and the newer neighborhoods along Forest Drive, almost every era of home-building in America is represented in Annapolis. Most neighborhoods have their own story and history. Some neighborhoods overlook the creeks and bridges of Annapolis. For other neighborhoods, parks, schools, or commercial corridors are the primary focus.

- The number of housing units in Annapolis is growing, but at the slow pace expected in a community that is largely developed. There were 15,303 occupied housing units in Annapolis in 2000 (or 16,192 units total), roughly 6 percent more than in 1990. In comparison, in the same time period the number of housing units in the county grew by almost 19 percent. In the years between 2000 and 2007, the number of occupied housing units in Annapolis grew further to approximately 16,200.

- Annapolis housing stock includes a large number of historic homes. The median age of construction for homes in Annapolis is 1968, but the age of houses varies considerably. Many of the older homes outside of the historic core are at risk of replacement because they do not offer the size or amenities desired in today's housing market.

- Approximately 61 percent of Annapolis housing units are single-family homes (both attached and detached), and 38 percent are in multi-family structures.

Figure 8-3 Annapolis Housing Units

| Annapolis Housing by Number of Units | | | | | |
|---|---|---|---|---|---|
| | ***2000*** | | ***1990*** | | ***Raw change*** |
| ***Units in Structure*** | ***# of Units*** | ***% of Total*** | ***# of Units*** | ***% of Total*** | ***# of Units*** |
| *1-unit, detached* | 6,412 | 39.6% | 5695 | 37.3% | 717 |
| *1-unit, attached* | 3,514 | 21.7% | 2948 | 19.3% | 566 |
| *2 units* | 471 | 2.9% | 524 | 3.4% | -53 |
| *3 or 4 units* | 698 | 4.3% | 690 | 4.5% | 8 |
| *5 to 9 units* | 1,623 | 10.0% | 1815 | 11.9% | -192 |
| *10 to 19 units* | 2,299 | 14.2% | 2333 | 15.3% | -34 |
| *20 or more units* | 1,162 | 7.2% | 1087 | 7.1% | 75 |
| *Boat, RV, van, etc.* | 13 | 0.1% | 160 | 1.0% | -147 |
| ***Total*** | **16,192** | | **15252** | | **940** |

- Approximately 52 percent of Annapolis housing units are owner-occupied, and 48 percent are rental units. As recently as 1990, the majority of Annapolis housing units were rentals (52% of housing units were rentals in 1990). The home-ownership rate in the City is lower than the State (67%) or County (77%).

- Home values grew by 148% in the ten years between 1997 and 2007. The median value for a home in Annapolis grew from $172,000 in 1997 to $428,000 in 2007. In 2007, only 21 homes under $200,000 were offered for sale in Annapolis.

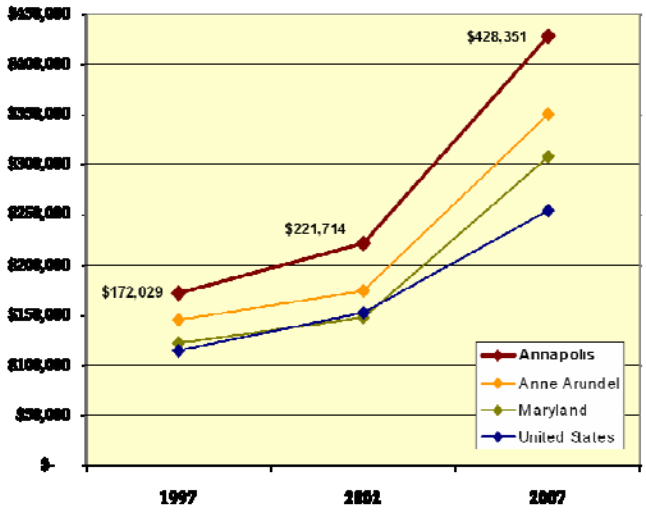


Figure 8-4 Median Home Sales Prices

- Household income has not kept pace with the sharp increase in home sales prices. In contrast with a 148% increase in home prices, median household income increased by only 40% in the same ten year period; from $54,100 in 1997 to $75,800 in 2007. The group most affected by this trend is the "workforce" or middle-income family who cannot afford to purchase a new home.

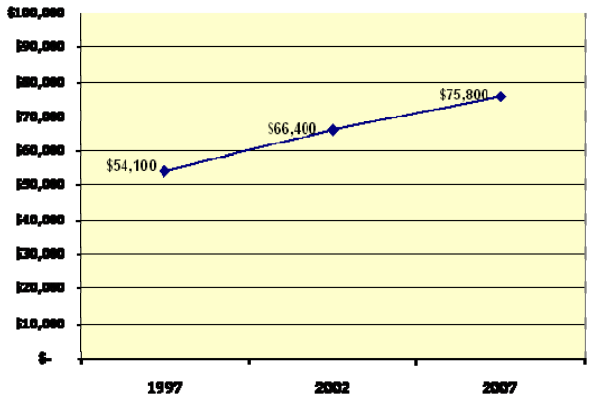


Figure 8-5 Baltimore Region Median Household Income

- In general, the housing market is dominated by the fact that little land is available for new development and the resulting rise in the price of housing. New housing construction is increasingly limited to annexation areas, demolition and redevelopment, and conversion of previously non-residential sites and structures.

- Lack of available housing or land makes it increasingly difficult to provide new housing affordable to workforce, moderate or low income households. This is forcing many households to live an extended distance from work.

- Approximately 33 percent of Annapolis rental units (or 2,376 units) are public housing or receive a public subsidy to provide housing to low and moderate-income households, as defined by HUD.

  - The Housing Authority of the City of Annapolis (HACA) manages 1,104 housing units in ten public housing communities, accounting for 15 percent of the total rental units in Annapolis (shown in Figure 8.4).

  - HACA also services 200 Section 8 Housing Vouchers, where payment is made to a private landlord on behalf of an eligible household.

  - There are approximately 1,072 other rental housing units available to low and moderate income households, that are subsidized by local, State, or federally funded programs. These account for 16 percent of the total rental units in the City.

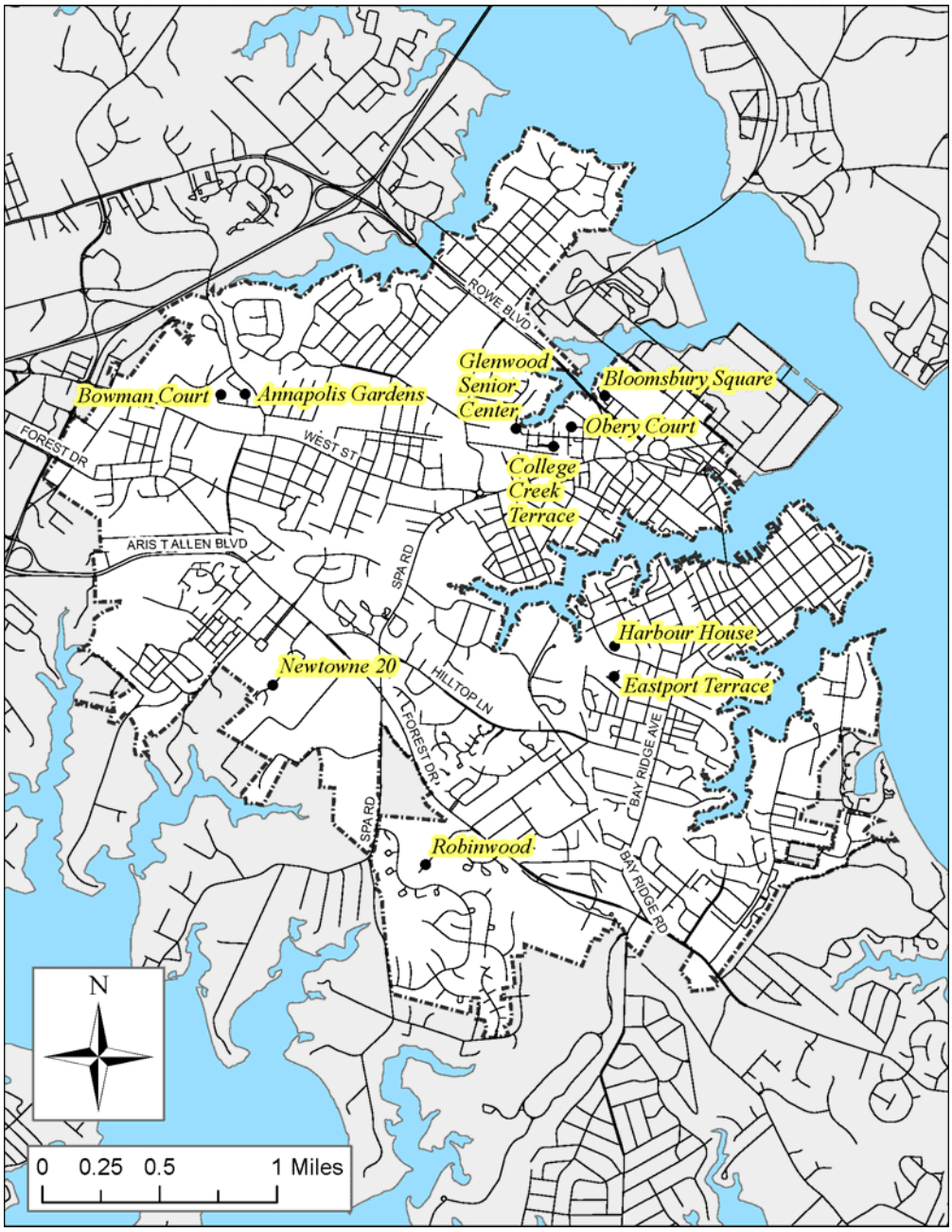


Figure 8-6 Housing Authority Properties

- The Housing Authority has begun to transform four of its communities, working with affordable housing development organizations. This will result in substantive improvements made to 314 existing units, or 28 percent of the City's public housing stock. The four communities are Obery Court (Fig. 8.7) and College Creek Terrace in the Clay Street area, and Annapolis Gardens and Bowman Court along Admiral Drive. These four communities are targeted for rebuilding or rehabilitation, with a mix of homeownership and rental homes. In addition, these communities will be converted to private professional property management.

Figure 8-7 Concept of Proposed Obery Court Improvements

# Policy Recommendations

## Policy 1. Support Development of Housing Affordable to Workforce or Middle Income Households

1.1 Access funds to address housing needs of Workforce and Middle Income households, loosely defined as households earning between 80 percent and 120 percent of the Regional Median Family Income.

*Income range for a "Workforce" family of four in 2008 is $61,500 - $92,500. A family in this income range can typically afford a $300,000 home. With a median sale price of $428,000 for a house in the City, "Workforce" families are priced out of the Annapolis housing market.*

1.2 To meet the objective of ensuring that housing options continue to be available to moderate income households, revise the density bonus provision of the Moderately Priced Dwelling Unit (MPDU) program. The density bonus has not served as the intended incentive to private developers to construct MPDUs, as site constraints have effectively limited density, and the density bonus has been difficult to achieve.

1.3 The City should work witb neighborhoods to consider allowing "mother-in-law apartments" or "granny flats" in owner-occupied houses in residential districts where the community finds them acceptable. These above-garage apartments, in-home apartments, or small cottages that serve as a second residence on a property can provide added income to the homeowner and provide a small affordable housing unit. Regulation of such "accessory dwelling units" would be necessary, and would need to address size of the accessory unit, provision of parking, and a permitting process and enforcement.

1.4 Acknowledging that Annapolis on its own cannot solve the affordable housing crisis, advocate for Anne Arundel County and the State of Maryland to play a role in increasing the supply of affordable housing.

## Policy 2. Reinvent Public Housing

2.1 Support the Housing Authority's efforts to "reinvent" public housing, with the goal of ensuring quality housing for low income residents. "Reinventing" includes rebuilding and rehabilitating public housing complexes with a mix of ownership and rental units, new arrangements for property ownership (shared public-private ownership), and transitioning to private professional property management.

Bloomsbury Square

2.2 As part of the Housing Authority's current and future redevelopment planning, the City should work with HACA to evaluate income diversity of public housing residents.

2.3 In the redevelopment of public housing sites, encourage Context Sensitive Design and apply the principles of Crime Prevention through Environmental Design (CPTED). Context Sensitive Design ensures that the architectural elements, site layout, and scale of development complements the surrounding neighborhood. CPTED principles enhance natural surveillance, natural access control, and natural territorial reinforcement to reduce crime and improve quality of life of residents.

2.4 While "bricks and mortar" are an important aspect of public housing, just as important is the social context of poverty and disparities in income and educational attainment experienced by public housing residents compared to the larger Annapolis community. The Housing Authority offers a range of supportive programs to public housing residents and the City recognizes that programs that address social disparities must be included in public housing's "reinvention". This should include:

- For children: early childhood education programs, professional tutoring, counseling, and mentoring.

- While the public housing communities have recreation centers, recreation services are not always available. Offering recreation services on-site would enable young and stressed families to access these programs.

- For adults: computer training, employment skills, parenting, self-sufficiency, homeownership, and financial counseling.

2.5 Strive for efficient communication between the Housing Authority (HACA) and City government and identify common goals for the improvement of quality of life in public housing communities. Regular meetings between City staff and HACA are recommended to help facilitate coordination and work toward achieving common goals.

2.6 An Advisory Committee should be established to review and comment on all plans for reconstruction or rehabilitation of public housing communities. No reconstruction or rehabilitation plans should be approved by the City unless ten percent of units are reserved for mixed income.

## Policy 3. Support housing programs that assist low and moderate-income households with homeownership and housing rehabilitation

3.1 Utilize City Community Development Block Grant (CDBG) funds and other State and federal programs to offer housing rehabilitation programs that allow people to rehabilitate and stay in their homes, to help rehabilitate subsidized rental housing, and to provide homeownership opportunities.

3.2 Foster partnerships with public, private, and nonprofit entities, particularly in efforts to acquire sites at a reasonable cost for purposes of affordable housing, including rehabilitation, redevelopment, and new development. In coordination with partner organizations, continue to pursue state and federal funds.

Senior Apartments at Bates Heritage Park