Charles County

Affordable Housing Report

Volume 1 – September 2025

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INTRODUCTION TO VOLUME 1

Affordable housing is essential to a community's growth and economic development as it helps create a stable, reliable workforce and a more cohesive community. When people can afford to live near where they work, it reduces employee turnover, increases productivity, and strengthens local businesses - especially those that rely on essential workers like teachers, healthcare staff, and service employees.

It also boosts the local economy by freeing up residents' income for spending on goods and services, rather than just rent or mortgage payments. That additional spending supports small businesses and helps keep money circulating within the community. On a larger scale, developing affordable housing generates jobs in construction and related industries, further stimulating economic growth.

Beyond the financial impact, affordable housing leads to more inclusive, resilient communities. It allows people from various income levels and backgrounds to live in the same area, which fosters diversity and strengthens social ties. Stable housing is also linked to better health and education outcomes, especially for children, and reduces the demand for costly emergency services. In the long run, affordable housing encourages residents to invest in their neighborhoods, creating a more engaged, vibrant, and sustainable community.

In 2023, the Charles County Board of Commissioners formed the Affordable Housing Workgroup from members of the Planning Commission and staff from the Planning and Growth Management Department (PGM) with three goals: To review the County's existing affordable housing policies and research, to develop targets for affordable housing production, and to recommend necessary affordable housing policies and a timeline for their implementation.

Volume 1 of this report focuses on a review of the County's existing policies and research, while Volume 2 will address targets, recommended policies, and implementation. Future volumes of this report will be developed to assess the effectiveness of the recommended policies and strategies as well as to report on progress towards the targets identified.

This report is a culmination of the work of many county staff, volunteers, and consultant partners past and present. It provides a variety of recommendations based on the latest in planning, economics, and local government knowledge on the issue of housing affordability and offers options for the Charles County Board of Commissioners to consider in delivering results on one of their top priorities.

WHAT IS AFFORDABLE HOUSING?

Definitions

Affordable housing refers to housing that is reasonably priced and accessible to people with low to moderate incomes. It includes a range of options, from government-subsidized housing to income-based apartments and affordable homeownership opportunities. Specifically, housing is considered “affordable” when a household spends no more than 30% of its income on a rent or mortgage and utilities.

Affordable housing is essential because housing costs have risen faster than wages in Charles County as well as across the country for the last several years. This increase has made it difficult for working families, people under 30, seniors, and others on fixed incomes to find safe, stable places to live. Without affordable options, people are often forced to live far from work, in overcrowded conditions, or in unsafe housing—or they risk becoming homeless.

Area Median Income and Affordability Tiers

Determining housing affordability starts with a number called the Area Median Income. Area Median Income (AMI) is the midpoint of a region's income distribution—half of households earn more than the AMI, and half earn less. It is calculated annually by the U.S. Department of Housing and Urban Development (HUD) and varies by location and household size. AMI is a key benchmark used to determine eligibility for affordable housing programs. Households are classified based on their income as a percentage of the AMI: those earning 80% or less are considered low-income, those earning 50% or less are very low-income, and those earning 30% or less are extremely low-income.

FIGURE 1 BELOW SHOWS THE DIFFERENCE BETWEEN THE INCOME TIERS AND THE TYPE OF HOUSING THAT IS AFFORDABLE TO EACH. THESE CLASSIFICATIONS HELP HOUSING AUTHORITIES AND DEVELOPERS PRIORITIZE WHO NEEDS THE MOST ASSISTANCE AND DESIGN PROGRAMS THAT TARGET THE APPROPRIATE INCOME GROUPS.

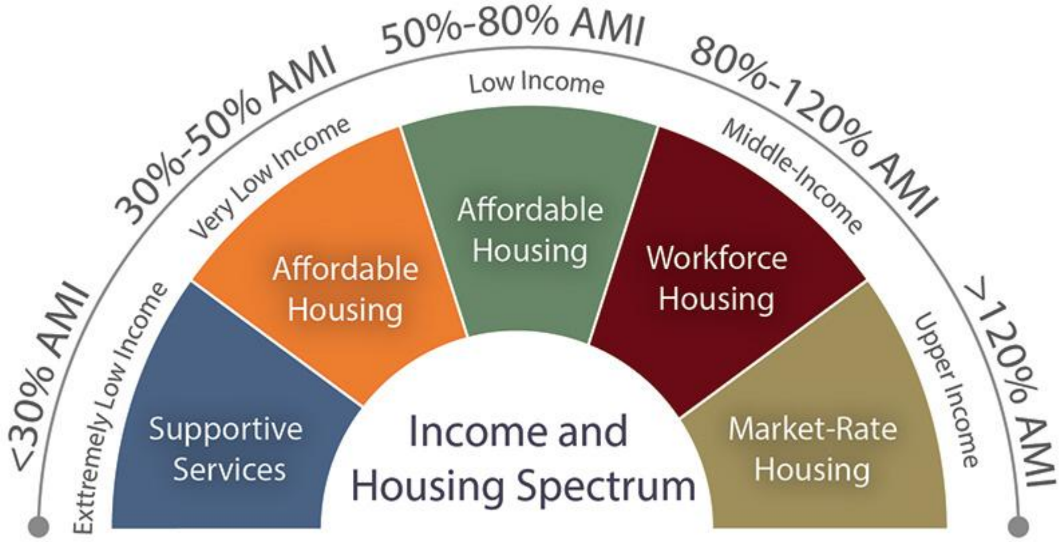

FIGURE 1 - INCOME AND HOUSING SPECTRUM[1]

Maryland's Department of Housing & Community Development (DHCD) calculates AMI annually for each county and produces a table outlining income and rent limits for each county according to household size. For 2024 Charles County's AMI is $154,700, and further calculations and references to AMI in this report will be based on this figure.

[1] Marzo, Andy and Stevens, Dan. "Humanizing Data: Area Median Income (AMI) and Affordable Housing Policy." Last modified March 13, 2023. https://camoinassociates.com/resources/humanizing-data-area-median-income-ami-and-affordable-housing-policy/

TABLE 1 BELOW OUTLINES CHARLES COUNTY'S INCOME TIERS FOR GENERAL PURPOSES, BUT FURTHER DISCUSSION OF INCOME LEVELS WILL ALSO BE BASED ON HOUSEHOLD SIZE.

Household Income Spectrum for Charles County (2024 DHCD income figures)		
Income Description	**Income Percentage of AMI**	**Household Income in Dollars**
Extremely Low-income	Less than 30% AMI	Less than $46,410
Very Low-income	Less than 50% AMI	Less than $77,350
Low-income	Less than 80% AMI	Less than $123,760
Middle Income	Less than 120% AMI	Less than $185,640
Upper Income	More than 120% AMI	More than $185,640

TABLE 1 - HOUSEHOLD INCOME SPECTRUM FOR CHARLES COUNTY

The Affordable Housing Workgroup decided early after its formation to use DHCD's calculations of AMI and income levels as the basis for Charles County's ongoing affordable housing policies rather than adopt a different methodology for AMI based on, for instance, US Census Bureau data. This was done to take advantage of DHCD's annual income updates as well as the detailed breakdown of income by household size and calculation of maximum gross rents.

In a nutshell, affordable housing is less about the type of building and more about the circumstances of each household. What is affordable to a household making $50,000 per year is different for a household making $250,000 per year.

Everyone in Charles County benefits from affordable housing—both individually and the community on a whole. In the next section the range of households who need affordable housing will be explored.

WHO IS AFFORDABLE HOUSING FOR?

In 2018, a housing study was conducted for Charles County that determined around two-thirds of low- income and very low-income households were cost-burdened, which means they spent more than 30% of their income on housing costs[2]. More information from this report, which is included as Appendix A, will be discussed in a future section. Based on the rate of increase in housing costs versus income growth since 2018 it's likely the number of cost-burdened families is now much higher.

TABLE 2 AND FIGURE 2 BELOW PROVIDE A GENERAL BREAKDOWN OF THE AMI INCOME TIERS PRESENTED IN THE PREVIOUS SECTION, AND THE NUMBER OF HOUSEHOLDS IN CHARLES COUNTY FALLING INTO THESE TIERS.

Charles County AMI		Census Estimates for Charles County		
Income Level (%)	**Income Level ($)**	**Income Level**	**Number of Households**	**Percentage of Total Households**
+100% AMI	$154,700+	$150,000+	21,900	36.4%
80% to 100% AMI	$123,760 - $154,700	$125k to $150k	6,600	11%
50% to 80% AMI	$77,350 – $123,760	$75k to $125k	15,100	25.1%
30% to 50% AMI	$46,410 - $77,350	$50k to $75k	6,780	11.3%
0-30% AMI	$0 - $46,410	$0 to $50k	9,820	16.2%

TABLE 2 - INCOME LEVELS IN CHARLES COUNTY AND CORRESPONDING CENSUS FIGURES

[2] Community Planning Assistance Teams, Charles County Housing Initiative Project: Inclusion, Affordability, and Diversity – Charles County, Maryland: Final Report (Chicago: American Planning Association, 2018), 11

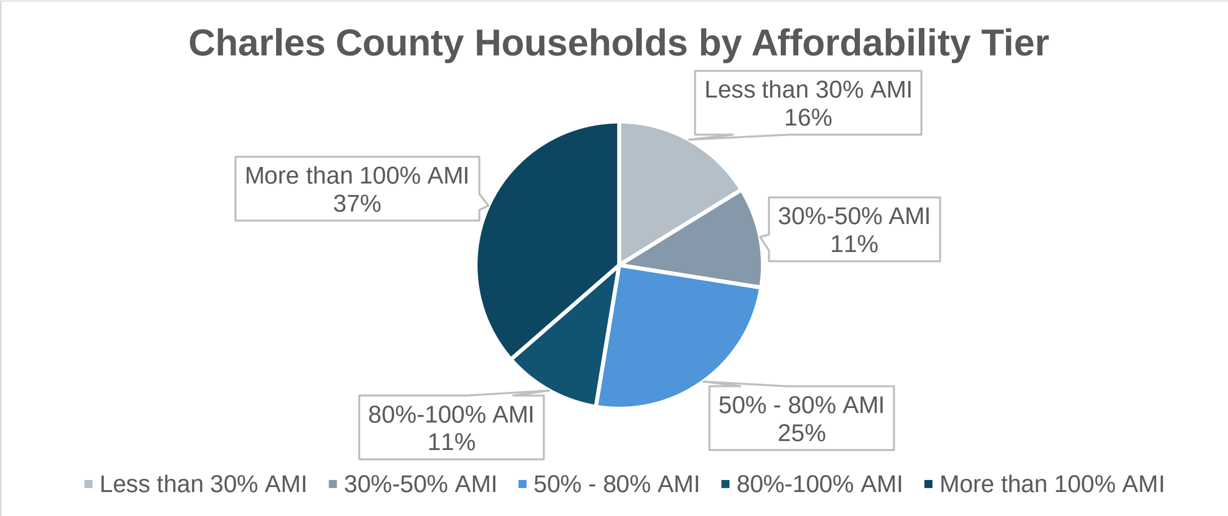

FIGURE 2 - CHARLES COUNTY HOUSEHOLDS BY AFFORDABILITY TIER

According to 2023 Census estimates, approximately 22,000 households in Charles County earn between 30% to 80% of the AMI, which is just over one third of all households. To summarize, one in three households in Charles County is Low-income or Very Low-income, and at least 66% of those households live in unaffordable housing[3].

It's important to note that households earning less than 80% of the AMI are not impoverished. A variety of entry level jobs across multiple public and private sector employers pay at a rate that falls below 100% AMI even when accounting for multiple earners in a household.

[3] "Charles County, Maryland," Data USA. Accessed May 1, 2025, https://datausa.io/profile/geo/charles-county-md

TABLE 3 BELOW HIGHLIGHTS A COLLECTION OF JOBS THAT WERE ADVERTISED ALONG WITH STARTING SALARIES IN THE SPRING OF 2025, ALL OF WHICH WOULD CLASSIFY A HOUSEHOLD WITH ONE EARNER (AND IN SOME CASES TWO EARNERS) AS LOW OR VERY LOW-INCOME FOR THE PURPOSES OF HOUSING AFFORDABILITY.

Job Ad	Employer	Starting Salary	Single-Person Household AMI
Service Technician	Waldorf Chevrolet Cadillac	$39,520	30-40%
Warehouse Handler	FedEx	$41,600	40-50%
Elementary School Teacher	Charles County Board of Education	$60,096	50-60%
Entry Level Police Officer	Charles County Sheriff's Office	$68,673	70-80%
Youth Director	US Navy, Indian Head	$69,680	80-90%
Development Review Engineer III	CC Planning & Growth Management	$76,072	90-100%

TABLE 3 - SAMPLE STARTING SALARIES APRIL 2025

In summary, households considered Low or Very Low-income (30% to 80% AMI) make up more than one third of Charles County households and are cost-burdened to a greater degree than households earning 100% AMI or more. These households are largely above the poverty line and can include two or more working adults in a variety of blue collar and white-collar industries, but due to the increasing cost of housing find themselves with few options that cost less than 30% of their monthly budget.

Transit Access and Affordability

While housing is often the largest expense of a typical household, transportation costs nearly always come in second. In the Washington DC metro area housing and transportation costs make up nearly 50% of the average household's budget according to the Bureau of Labor Statistics[4]. Neglecting transportation needs of households when developing housing policy solutions may reduce the effectiveness of those policies, as households may exchange housing affordability for increased transportation costs.

Charles County, like many jurisdictions in America, has long been structured around automobile use dependency. Approximately 95% of Charles County households have access to at least one vehicle[5], despite the nationwide estimate that 30% of low-income households do not own or lease a vehicle[6]. This suggests that many low-income households in Charles County own vehicles but struggle with the costs of ownership, making access to transit even more important. Charles County's 2025 Transit Development plan classifies a variety of population sub-groups as "transit-dependent" including "auto-less households", senior adults, youth aged 10-17, and individuals with disabilities[7].

[4] "Consumer Expenditures in the Washington Metropolitan Area — 2022-23," US Bureau of Labor Statistics, October 22, 2024, https://www.bls.gov/regions/midatlantic/newsrelease/consumerexpenditures_washington.htm
[5] UM Charles Regional Medical Center, "Charles County Community Health Needs Assessment," 2021, https://www.charlescountyhealth.org/wp-content/uploads/2022/01/CHNA-2021-Charles.pdf
[6] "The Household Cost of Transportation: Is it Affordable?" US Bureau of Transportation Statistics, September 19, 2023, https://www.bts.gov/data-spotlight/household-cost-transportation-it-affordable
[7] KFH Group, Inc., "Charles County Transit Development Plan,", May 2024, Page 4-11

FIGURE 3 BELOW HIGHLIGHTS THE GEOGRAPHIC AREAS OF THE COUNTY THAT ARE MOST TRANSIT DEPENDENT

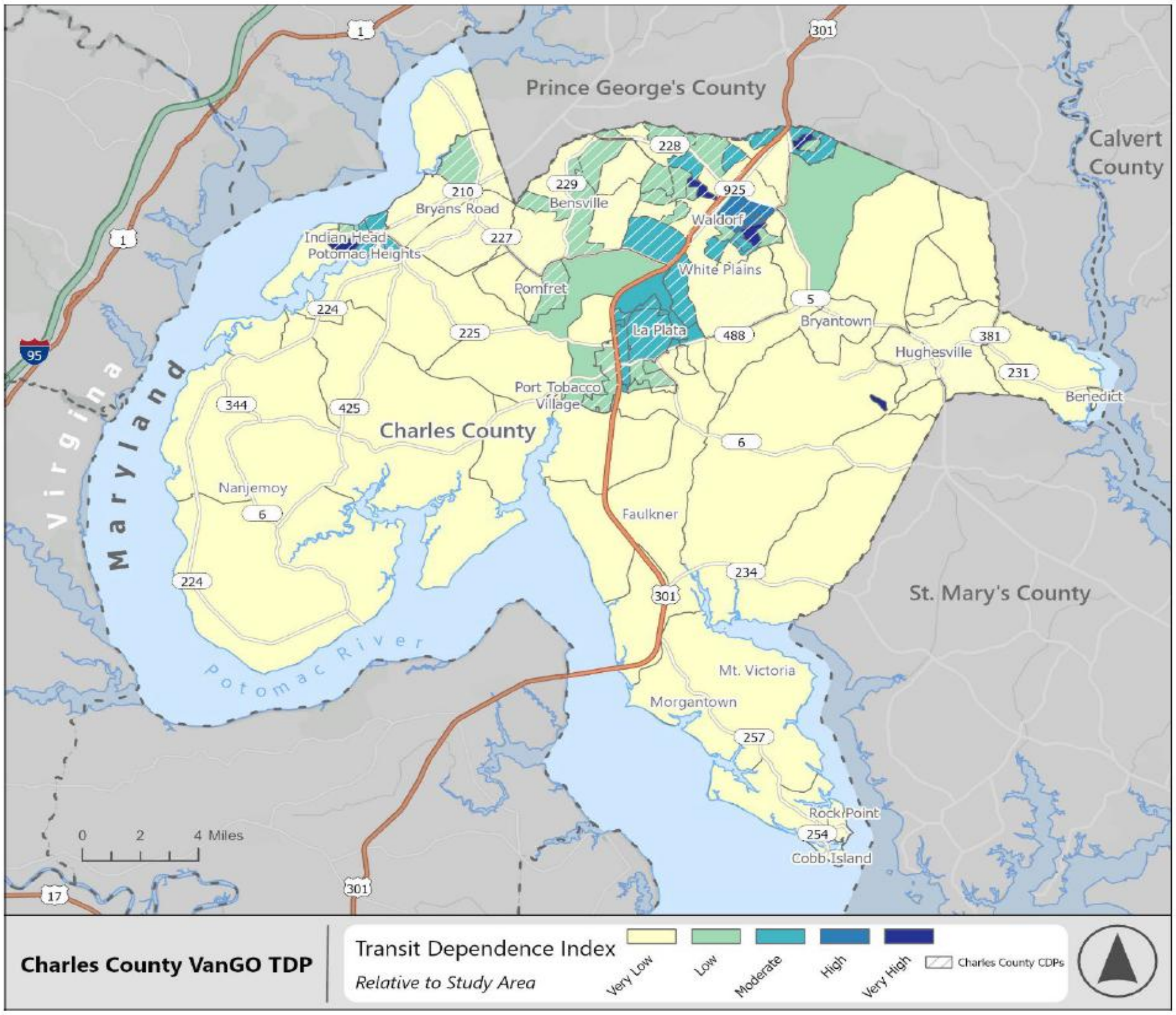

FIGURE 3 - CHARLES COUNTY TRANSIT DEVELOPMENT PLAN - TRANSIT DEPENDENCE INDEX

A 2015 Harvard study, designed to determine the impact of economic mobility, determined that access to affordable, convenient transportation choices is the top determinant of a household's ability to escape poverty[8]. Public transportation options in Charles County range from the free-to-use VanGo bus system to the Maryland Transit Administration (MTA) regional commuter bus network to the future Southern Maryland Rapid Transit project, the latter of which would provide high frequency light rail or bus rapid transit service between Charles County, Prince George's County, and the Washington Metropolitan Area Transit Authority (WMATA) Metro System.

[8] Chetty, Raj and Hendren, Nathaniel. "The Impacts of Neighborhoods on Intergenerational Mobility: Childhood Exposure Effects and County-Level Estimates," (Harvard University and NBER, May 2015), http://www.equality-of-opportunity.org/images/nbhds_paper.pdf

While affordable housing is needed in many places across Charles County, the most effective and sustainable locations to target affordable housing policies will be places with proximity to existing and future transit investments.

These include the existing VanGo network, the multiple park & ride commuter bus stations, as well as the Transit Corridor as identified in Charles County's 2016 Comprehensive Plan.

Affordable housing and public transit are mutually reinforcing. When affordable homes are located near quality transit, families save money, gain access to opportunity, and enjoy a better quality of life. Likewise, transit systems are more successful and sustainable when they serve areas with a stable population that includes low- and moderate-income residents.

The Unhoused Population

Affordable Housing policies targeted at households earning between 30% and 80% of the AMI do not directly address the needs of the homeless, who would most likely fall below the 30% AMI threshold as "extremely low-income" and in need of supportive services. However, affordable housing policies in general can indirectly benefit the most vulnerable and unhoused populations in the county in two main ways. Affordable housing policies can be designed to protect existing tenants and homeowners from becoming homeless, thereby reducing the strain on local support services and keeping families sheltered. Additionally, policies that expand the supply and lower the cost of housing provide affordable options for people transitioning out of supportive services and into independent housing.

ECONOMIC DEVELOPMENT IMPLICATIONS OF AFFORDABLE HOUSING

Affordable housing in Charles County delivers significant economic benefits by driving job creation, supporting workforce stability, and promoting long-term growth. In the short term, construction of affordable housing directly creates jobs in the trades and indirectly supports local suppliers, service providers, and related industries. According to the National Association of Homebuilders every $1 million spent on affordable housing construction generates approximately 8-12 jobs across a variety of industries, reflecting a strong multiplier effect. Affordable housing also contributes to broader economic revitalization by stabilizing property values and attracting commercial investments to underdeveloped areas. Studies have shown that projects financed through the Low-Income Housing Tax Credit (LIHTC) have been associated with an increase of between 3.8 and 6.5 percent in nearby property values.[9] Over time, this leads to increased tax revenues from sales, income, and business activity.

Maryland's Department of Housing and Community Development estimated in their FY 2024 Annual Report that its affordable rental housing program created or preserved 2,949 housing units spread across $1.2 billion worth of development. The development resulting from this housing program generated nearly $60 million in tax revenue and created an overall economic impact of $3.2 billion.[10] This data supports the idea that the construction of affordable housing units, even with direct governmental subsidies, can generate wider economic development that enables affordable housing to pay for itself over time.

Long-term, affordable housing helps retain essential workers—such as teachers, healthcare professionals, and service employees—by enabling them to live within the communities they serve. This proximity reduces employee turnover and increases productivity, benefiting both workers and employers. Additionally, when residents spend less on housing, they have more disposable income to inject into the local economy, supporting small businesses and driving consumer demand.

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[9] Stacy, Christina and Davis, Christopher. "Assessing the Impact of Affordable Housing on Nearby Property Values in Alexandria, Virginia," (Urban Institute: Metropolitan Housing and Communities Policy Center, April 2022). https://www.urban.org/sites/default/files/202204/Alexandria%20Affordable%20Housing%20Brief.pdf
[10] Department of Housing and Community Development, "FY 24 Annual Report – A Year of Housing," 2024, https://indd.adobe.com/view/f3ce175f-ec54-4ef2-b716-cd68fff7121d

What Happens in the Absence of Affordable Housing?

According to a 2022 study from the University of Iowa, "quality-of-life factors play an increasingly significant role in the location decisions of large employers."[11] Companies realize that potential employees will be less likely to join them if local housing costs are high, housing options few, and areas of high housing costs are often passed over for new investment. This research demonstrates that housing affordability has a strong and significant effect on an area's economic wellbeing, with lower housing affordability correlated with lesser economic growth.

This study found that increasing the supply of affordable housing, while not historically considered part of economic development policy, makes a significant contribution to local GDP.

In one example a 2009 study by the Minnesota Housing Finance Agency showed that $261 million of public funding invested in housing for low-income populations between 2006 and 2008 generated an investment match of $471 million from public and private sources. This $732 million in direct investment spurred indirect and induced spending of over $665 million, creating and sustaining nearly 10,700 jobs in Minnesota for two years.[12] Other examples in the research highlight the fact that lowering the percentage of cost-burdened households creates a significant positive impact on per-capita GDP. This economic multiplier effect holds true whether the new affordable housing is for rent or for sale.

While there is no formula to predict how much economic benefit will result from increasing affordable housing supply, the research demonstrates that the two are inextricably linked. In cities and counties across the country economic data trends lower when the number of cost-burdened households increase. Companies are more confident in investing, and citizens are more comfortable spending in communities where housing is affordable. Overall, investing in affordable housing through a variety of policy tools and programs is not only socially responsible—it's a catalyst for sustainable economic development in Charles County.

[11] Anthony, Jerry. "Housing Affordability and Economic Growth," (Housing Policy Debate, April 7, 2022) https://nlihc.org/sites/default/files/Housing_Affordability_Economic_Growth.pdf, page 3
[12] Anthony, "Housing Affordability and Economic Growth," page 8

EXISTING CONDITIONS AND TRENDS

Over the past several years in the U.S., the cost of housing has consistently outpaced household income growth and widened the affordability gap. Home prices and rents have risen sharply due to factors like limited housing supply, increased demand, and rising construction costs. Meanwhile, wages—especially for low- and moderate-income workers—have not kept up at the same rate. As a result, a growing number of households are spending more than the recommended 30% of their income on housing, leading to increased housing insecurity and financial strain, particularly among renters and lower-income families. This imbalance has intensified the need for affordable housing solutions nationwide.

FIGURE 4 BELOW HIGHLIGHTS THE FASTER PACE OF RENT INCREASES VERSUS HOUSEHOLD INCOMES IN THE PAST 25 YEARS.

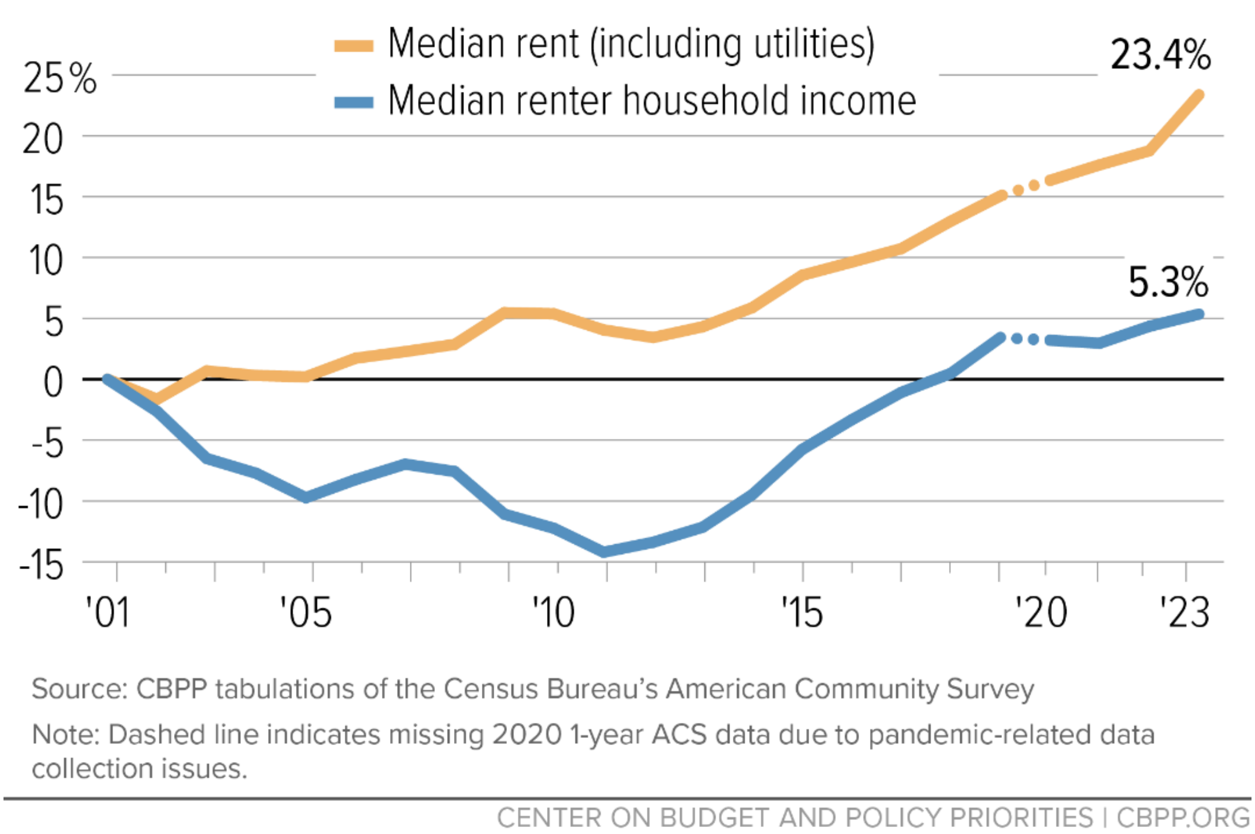


FIGURE 4 - RENT GROWTH VS. INCOME GROWTH SINCE 2001

FIGURE 5 SHOWS THAT THE DISCREPANCY BETWEEN HOME VALUES AND INCOME HAS BEEN EXPANDING FOR EVEN LONGER.

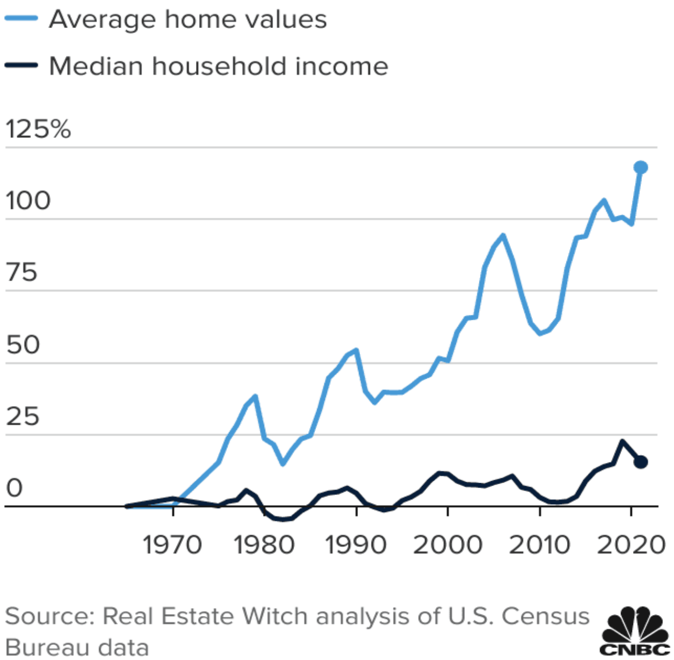


FIGURE 5 - GROWTH IN HOME PRICES VS INCOME GROWTH

Accounting for inflation, home prices nationally have increased significantly since the 1960s while median household income has lagged. It has also been well-documented that since 2020 home prices have risen an additional 47% while household income has lagged post-pandemic[13].

In Maryland, and in the Washington DC metro region in particular, housing costs are high due to a combination of limited housing supply, strong demand, and economic and regulatory challenges. Both areas have seen rapid population growth fueled by robust job markets—especially in government, tech, defense, and healthcare—which has intensified demand for housing. However, new housing construction has not kept pace, particularly in Maryland, which ranks among the slowest states for homebuilding. Various zoning laws and regulatory barriers further limit the development of affordable or high-density housing. At the same time, rising construction costs, high mortgage rates, and increased property taxes have contributed to the overall cost of homeownership and renting. The result is a competitive market where housing prices continue to rise, making affordability a significant challenge for many residents.

[13] Ludden, Jennifer and Wood, Daniel. “U.S. Home Prices Have Far Outpaced Paychecks,” (National Public Radio: June 20, 2024), https://www.npr.org/2024/06/20/nx-s1-5005972/home-prices-wages-paychecks-rent-housing-harvard-report

Statewide Housing Initiatives

Since taking office Maryland Governor, Wes Moore has implemented a comprehensive housing agenda to address the state's housing affordability crisis. In addition to several programs targeting the City of Baltimore, Governor Moore has also introduced the UPLIFT program to increase homeownership opportunities in historically underinvested communities affected by redlining, addressing appraisal gaps and promoting equitable development. To further support affordable housing, Governor Moore signed the Housing Expansion and Affordability Act into law, incentivizing new housing construction by removing development barriers and modernizing land-use laws. He also enacted the Housing and Community Development Financing Act, establishing the Maryland Community Investment Corporation to unlock federal funding for investments in low-income communities. Additionally, the Renters' Rights and Stabilization Act was signed to protect renters by establishing an Office of Tenant Rights, creating a tenants' bill of rights, and providing pathways to homeownership.

Other more recent initiatives include the Housing Development Act of 2025 which establishes a state panel to set housing targets for local governments, and a bill to expand the use of Accessory Dwelling Units.

While many of the Governor's actions have encouraged housing production at the state level, some also have direct implications for local zoning rules and land use policies. The Affordable Housing Workgroup has worked to ensure that its recommendations are consistent with emerging state legislation as well as aligned with the Governor's pro-housing agenda.

Charles County Growth and Trends

Charles County has experienced strong population growth over the last 70 years due to its proximity to regional job centers and relatively low cost of living compared to the rest of the Washington DC metro region. While seeing double digit growth in each census dating back to 1950, Charles County has also seen incomes rise thanks to an abundance of well-paying federal jobs. As of 2020 Charles County has been ranked the highest-income county in the United States with an African American majority population.

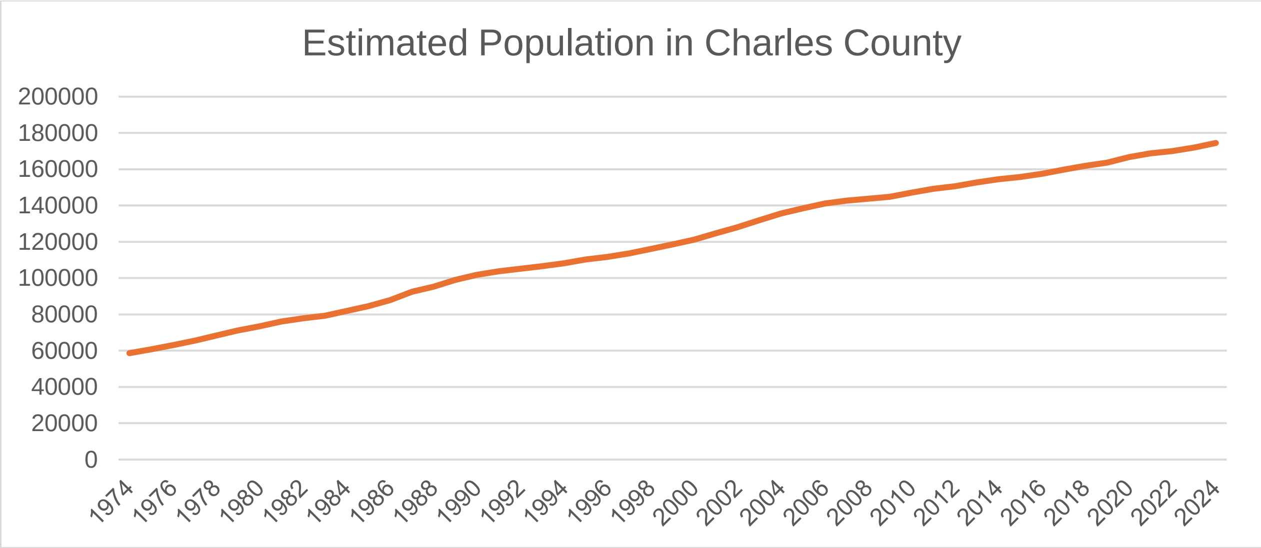


FIGURE 6 - POPULATION GROWTH IN CHARLES COUNTY SINCE 1974

Charles County leaders have taken steps to manage its growth, with the County's most recent comprehensive plan (2016) setting a target of 1% annual population growth, prioritizing single family housing over multi-family housing, and rezoning approximately 36,000 acres of land to a Watershed Conservation District that would protect the Mattawoman Creek watershed from overdevelopment. Growth and development in the County continue, however, with a post-pandemic uptick in both building permits, multi-family, and affordable housing developments. If current growth trends continue Charles County will likely reach a population of 200,000 in the mid-2030s. It is too soon to know whether the recent job cuts at federal agencies will have a lasting impact on the rate of growth in Charles County or its local economy, but even at a 1% annual growth rate the population of Charles County will continue to drive the need for affordable housing.

Local Costs of Housing

While one-third of Charles County's households are considered low or very low-income, most of the housing that is developed is market rate and only affordable to households making 100% AMI or higher. The median sale price of a new single-family home in February 2025 in Charles County was $466,000 according to Redfin.com[14], far above the approximate price of $240,000 to $320,000 that would be affordable to a household making 80% AMI. The website Zillow's Home Value Index for single family homes in Charles County was $460,000 in April 2025[15]. While much of the discussion around affordable housing revolves around rental units, multi-family housing, and rent prices, it is important to note that affordable housing for purchase must also be part of the solution. Homeownership provides a significant number of economic and social benefits to individuals and to the communities they live in, and without affordable options to get on the property ladder Charles County residents will fall behind in building generational wealth.

Rental prices continue to rise in Charles County as well for all housing types. The US Department of Housing and Urban Development calculates and published Fair Market Rent figures each year, which represent the cost to rent a moderately priced housing unit in a particular market. The FMR for a 2-bedroom apartment in Charles County for 2025 is $2,314, which is higher than any other county in Maryland[16], and significantly higher than what a 2-, 3-, or 4-person household making less than 80% AMI could afford[17].

[14] "Charles County, MD Housing Market," Redfin, Accessed May 1st, 2025. https://www.redfin.com/county/1317/MD/Charles-County/housing-market#trends
[15] "Charles County, MD Housing Market," Zillow, Accessed May 1st, 2025. https://www.zillow.com/home-values/1607/charles-county-md/
[16] "Charles County, MD – 2025 Fair Market Rents", US Housing Data, Accessed May 1st, 2025. https://www.ushousingdata.com/fair-market-rents/charles-county-md
[17] DHCD, "2024 Income Limits," Accessed May 1st, 2025, https://dhcd.maryland.gov/HousingDevelopment/Documents/prhp/2024-MD-Income-Limits.pdf

TABLE 4 BELOW HIGHLIGHTS THE GAP BETWEEN WHAT IS AFFORDABLE TO A HOUSEHOLD MAKING LESS THAN 80% AMI AND WHAT THE TYPICAL RENTAL HOME OR APARTMENT COSTS IN CHARLES COUNTY.

Fair Market Rent (40th Percentile) in Charles County – 2025 (According to HUD)		Affordable Rents for 60% and 80% AMI (According to Maryland DHCD)	
Rental Size	**Price**	**Household Size**	**Price Range (60%-80% AMI)**
Studio	$2,012	1	$1,490 - $1,713
1 Bedroom	$2,056	2	$1,703 - $1,956
2 Bedroom	$2,314	3	$1,916 - $2,201
3 Bedroom	$2,893	4	$2,128 - $2,445
4 Bedroom	$3,413	5	$2,298 - $2,641
		6	$2,469 - $2,836

TABLE 4 - CHARLES COUNTY RENTS AND AFFORDABILITY 2025 ACCORDING TO HUD AND DHCD

Charles County by virtue of its high per-capita income and proximity to high-paying jobs has been a prime location for residential development over the last half-century.

Due to a variety of national and regional factors—most notably the dramatic rise in housing costs compared to household income growth—the County faces a shortage of units affordable to low- and very low-income households.

Within this context the Affordable Housing Workgroup was formed and tasked with developing practical strategies and policies to enable more housing affordable to low- and middle-income earners, both for purchase and for rent.

THE AFFORDABLE HOUSING WORKGROUP

Workgroup Background

The Affordable Housing Workgroup was formed with the straightforward goal “to develop a Comprehensive Affordable Housing Strategy to increase the availability of affordable housing.” The core work of the group would be to evaluate key topic areas and present recommendations for discussion with the full Planning Commission, who, after deliberation and public input, would present recommendations to the Board of County Commissioners.

It was understood that the following would be key features of the comprehensive strategy:

1. Incentives and mandatory measures
2. An implementation plan
3. County funding and staff constraints
4. Flexibility in the approach to adjust to changing markets and inflation, as well as the influence of regulatory legislation
5. Realistic targets/goals
6. The incorporation of short, medium, and long-range recommendations to ensure actions are realistic; and
7. Engagement with the County’s media team to devise and execute a media strategy to encourage public engagement and understanding.

The first goal set by the Affordable Housing Workgroup was that “25% of new residential housing units, both rental and mortgage-based, will fall into the three affordable tiers by the year 2033.” Additionally, the workgroup set a goal of “developing a 5-year workplan which would be updated annually by the Planning Commission. The workplan will include specifics of implementation of the Affordable Housing Strategy to include both regulatory changes, developer incentives, and housing programs.”

Existing Solutions

With Affordable Housing becoming a nationwide concern in the years following the COVID pandemic, the Affordable Housing Workgroup began its work by looking within CCG at housing programs already in operation, as well as casting a wide net for successful affordable housing solutions across the country.

Other Charles County Government Departments

Most of the work to support and regulate housing in Charles County is handled by the Department of Community Services (DCS), or the Planning and Growth Management (PGM) Department. PGM handles land use planning, zoning review, and building permits while DCS's Housing Authority administers a variety of housing programs directed at assisting low- and moderate-income families, and those seeking housing assistance. A full list of County Departments and the housing programs they administer is provided in Appendix B.

DCS and Housing Authority

The Charles County Housing Authority administers a variety of programs that are funded by a combination of local, state, and federal sources.

The Housing Choice Voucher program provides ongoing assistance to families to ensure that rental housing is affordable, decent, safe, and sanitary in accordance with housing quality standards. Vouchers are provided to low-income persons to secure private rental housing, and payments are made directly to participating landlords on behalf of the tenant.

The Housing Choice Voucher Home Ownership program is available to eligible participants who have completed at least one year of successful participation in the Housing Choice Voucher Program. A monthly assistance subsidy is paid towards the mortgage on the participant's home. Eligibility requirements must be met, and households must obtain independent financing through a participating lender.

The USDA Housing Preservation Grant program is administered by the Housing Authority and offers grants to low-income and very low-income households in rural areas of Charles County, Maryland. Funds will be used to repair or rehabilitate owner-occupied units that have health or safety issues to improve living conditions for homeowners.

Other programs administered by the Housing Authority include Community Development Block Grants, the First Time Home Buyers Settlement Expense Loan Program (SELP), and the Rural Housing Initiative and Indoor Plumbing Assistance program.

Planning and Growth Management

Charles County PGM manages long range planning and the County’s zoning ordinance and oversees several initiatives that aim to increase the supply of affordable housing.

Charles County’s Moderately Priced Dwelling Unit (MPDU) program asks developers in the County to reserve a set of moderately priced units in new developments in exchange for a density bonus up to 22% depending on the number of MPDUs. The program was started in 2008 and has only been used in one development as of 2025. Multiple studies, as well as the 2016 Comprehensive Plan, have recommended this policy be made mandatory. Multiple jurisdictions around the Baltimore-Washington DC metro area employ a mandatory inclusionary zoning (IZ) policy that delivers long term, or in some cases permanent, affordable housing, but Charles County has yet to make its own program compulsory for developers.

Charles County is currently undergoing a comprehensive re-write of its Zoning Code with a goal of simplifying the language, removing contradictions and redundancies, and streamlining the code so that it is more understandable to the public and to the development community. While encouraging affordable housing is not necessarily a stated goal of the re-write, it does provide an opportunity to revisit what uses are allowed in each zoning district, and to determine if there are unnecessary barriers to housing supply. This process is ongoing, and multiple teams within PGM's Planning Division, as well as our consultant partners, are reviewing the zoning code for instances where restrictions on housing may be outdated or burdensome, or where definitions can be clarified to encourage development.

The Adequate Public Facilities (APF) element of the Charles County Zoning Ordinance is often viewed by the development community as a barrier to housing. By design, however, it ensures that proposed projects do not adversely affect public health, safety, or welfare, and requires developers to provide new facilities or upgrade existing ones as needed to address the impacts of their developments.[18] This can result in developments being delayed until developers can ensure schools and public utilities like sewer, water, and transportation can adequately support the expected new residents. However, because of the need for affordable housing, there is a provision in the APF manual that exempts certain "priority development projects" from some of the APF requirements, and one way in which a project can qualify as a "priority development" is to provide a minimum of 25% of the total units as affordable/workforce housing.

Charles County's most recent Comprehensive Plan (2016) identified several housing needs and various solutions to implement. During the public engagement for the 2016 Comprehensive plan "the dominant issue was affordability, with many comments regarding the high cost of housing and the inability of many working individuals and families to obtain decent housing at an affordable cost."[19]

[18] Charles County PGM, "Adequate Public Facilities Manual", (Charles County Board of Commissioners, October 4, 2022), https://www.charlescountymd.gov/home/showpublisheddocument/670/ 638042933750270000, Page 4
[19] Charles County PGM, "The Charles County Comprehensive Plan," (Chares County Board of Commissioners, July 12, 2016), https://www.charlescountymd.gov/home/showpublisheddocument/ 3674/637958177846030000, Page 10-25

The greatest needs identified were as follows:

- For-sale housing at lower price ranges
- Workforce housing
- Emergency and transitional housing to meet the needs of the rising homeless population
- Affordable housing for the physically and developmentally disabled.
- Housing designed with an aging population in mind
- Greater overall housing diversity.[20]

TO COMBAT THE ISSUE OF HOUSING AFFORDABILITY, THE COMPREHENSIVE PLAN RECOMMENDED THE POLICIES AND ACTIONS SHOWN IN TABLE 5 BELOW.

	Housing Policies[21]
10.3	To provide a balanced housing stock with housing opportunities for all residents Charles County will achieve a future county housing mix of approximately 80% single family, 15% townhomes and condominiums and 5% apartments.
10.4	Serve the homeless, with special attention on service-supported transitional housing and permanent housing for family households
10.5	Develop a variety of elderly care facilities such as, but not limited to, independent living facilities, assisted living accommodations, and retirement communities
10.6	Create an effective Moderately Priced Dwelling Unit (MPDU) Program
10.7	Seek greater housing diversity in the development district and villages.
7	Periodically revisit and update the Housing Supply, Demand and Zoning Options Analysis and respond accordingly based on the findings at that time.
8	Update the County's 2005 Community Development Housing Plan
9	Continue programs and policies to upgrade existing substandard housing, both rental and owner-occupied, through private and public actions.
10	Examine options for increasing housing diversity within the development district and villages to include accessory apartments and live-work units.

[20] PGM, "Comprehensive Plan," Page 10-28
[21] PGM, "Comprehensive Plan," Page 10-35

11	Conduct an Affordable Housing Technical Assistance Program report working with community and county leaders, developers and stakeholders such as the Housing Association of Non-Profit Developers and the Southern Maryland Association of Realtors, and a team of professionals from an organization such as the Urban Land Institute or the American Planning Association, in order to develop specific action items that result in a greater supply of low to moderate income housing for the residents of Charles County.
12	Continue County settlement expense financial assistance loan programs and policies to assist existing Charles County income eligible residents as first-time home buyers and to consider home ownership in existing residential communities, and future mixed-use communities in Charles County
13	Amend the Zoning Ordinance to require moderately priced dwelling units for any subdivision of 20 units or greater. Include the formation of an Affordable Housing Board to implement the monitoring and enforcement of such.
14	Ensure that the Planning & Growth Management permitting process is aligned with the balanced housing stock policy 10.3 listed above.

TABLE 5 - HOUSING POLICIES AND ACTIONS IN THE 2016 COMPREHENSIVE PLAN

Not all the policies and actions above have been implemented in the years since the adoption of the last comprehensive plan. Notably the 2005 Community Development Housing Plan has not been updated in the last 20 years, nor has the zoning code been updated to require MPDUs in subdivisions larger than 20 units. Additionally, the goal of 80% single family detached dwelling units permitted in Charles County contradicts Policy 10.7 which seeks greater housing diversity, and annual building permit information continues to show a more balanced supply of single-family housing, townhouses, and apartments despite this target.

The County has made progress on the goals related to upgrading substandard housing, and in facilitating assistance to first-time homebuyers. The goal of conducting an Affordable Housing Technical Assistance Program report was also successfully completed in 2018 and is described below under “CPAT Report”.

PILOT Workgroup

In 2024 a group of department heads and staff from the County Administrator’s Office, County Attorney’s Office, PGM, Fiscal and Administrative Services, Economic Development, and Community Services began meeting to discuss the increase in developments requesting tax abatements for affordable housing projects. This group of County staff has for several months been discussing how to implement a fair and transparent Payment In Lieu of Taxes program or PILOT that would set up clear criteria for which projects could be eligible for such incentives, and how much to offer developers on an annual basis. This group has worked in parallel with the Affordable Housing Workgroup, with some staff participating in both efforts. Its goal is to determine how much Charles County can invest in incentivizing affordable housing development, for how long, and under what criteria, to establish a transparent process for public investment.

Other Jurisdictions

The Workgroup researched a variety of diverse strategies from cities and counties across the United States to address affordable housing shortages. San Francisco, for instance, is proposing a significant rezoning plan to add multi-family dwellings and allow taller buildings, aiming to meet the state's mandate of adding 82,000 new homes by 2031. Similarly, cities like Atlanta and Denver are developing micro-communities by repurposing shipping containers and constructing small cabin-like structures to provide rapid, cost-effective housing solutions for the homeless. In the realm of zoning reforms, Boise has rewritten its zoning code to permit duplexes and cottage court homes on most residential land, promoting higher-density housing options. Additionally, counties such as Guilford in North Carolina and Harris in Texas are leveraging underutilized county-owned land to develop affordable housing, with projects ranging from multifamily units to mixed-use developments. These initiatives reflect a growing realization that innovative solutions are needed to address affordable housing, and that a solution must be appropriate for each jurisdiction. What works in Washington, D.C. or rural Indiana may not be relevant or suitable for Charles County.

The Mid-Atlantic Region has several jurisdictions already attempting to implement policies targeting housing affordability that can influence the direction taken by Charles County.

TABLE 6 HIGHLIGHTS SOME REGIONAL JURISDICTIONS THAT HAVE TAKEN STEPS IN RECENT YEARS TO COMBAT HOUSING AFFORDABILITY.

Jurisdiction	Policy
Anne Arundel County, MD	In 2023 Anne Arundel County passed a law making it easier for homeowners to build accessory dwelling units of up to 800 square feet on almost all residential lots. The County also established a Housing Trust Fund with dedicated funding for FY 2024 to provide funds for downpayment assistance programs, affordable rental housing preservation, eviction prevention, and tenant-based rental assistance.[22]
Montgomery County, MD and Arlington VA	Both counties recently proposed zoning changes that would allow Missing Middle Housing types to be developed in single family neighborhoods, and in both counties, there was public opposition to such changes. Arlington adopted a Missing Middle zoning policy that was legally challenged in 2024, while Montgomery County began a series of public listening sessions in 2024 on what they branded as "attainable housing"
Queen Anne's County, MD	Queen Anne's County has had an MPDU program in place for a number of years, along with a low-income homeownership program. Their 2022 Comprehensive Plan recommends providing density bonuses to developers in addition to mandatory MPDU provisions to encourage more housing development.[23]
Howard County, MD	Howard County has a Housing Commission as a separate county agency with an appointed governing board. The Commission oversees its housing voucher program, and it owns and maintains several affordable housing developments. It also helps market and facilitate the rental of affordable units that are developed under the County's inclusionary zoning program.

TABLE 6 - REGIONAL AFFORDABLE HOUSING POLICIES

[22] Office of County Executive Steuart Pittman, "Anne Arundel County Affordable Housing Accomplishments," (Anne Arundel County: October 31, 2023) https://www.aacounty.org/sites/default/files/2023-10/Affordable-Housing-Accomplishments-20231031.pdf, Page 2

[23] Queen Anne's County Planning Commission, "Comprehensive Plan 2022," (Queen Anne's County Commissioners: May 24, 2022). https://www.qac.org/DocumentCenter/View/17397/2022-Queen-Annes-County-Comprehensive-Plan_FINAL_links, Page 9-24

Summary of Past Consultant Research

CPAT REPORT

Charles County's most recent comprehensive housing study was undertaken in 2018 by the American Planning Association's Community Planning Assistance Team or CPAT. The effort combined volunteer planning professionals from the APA with Charles County PGM staff and local stakeholders to review existing county housing initiatives and studies, and to recommend strategies "for the effective implementation of the identified affordable housing initiatives."[24] Please see Appendix A for the full Charles County Housing Initiative Project report, referred to hereafter as "the CPAT report".

The CPAT report examined existing conditions in Charles County and recommended various action steps to address housing affordability for households earning 30% to 80% of the AMI. Additionally, the report investigated the 2018 supply of affordable housing in Charles County and forecasted the need for additional housing, based on Charles County's population growth, through the year 2025. This provided a target of 1,823 affordable units for policymakers to achieve and a statistical model for staff to estimate housing needs beyond 2025. Further discussion of this model and its practical uses to Charles County staff is in a future section entitled Targets.

Policy Recommendations

To deliver the needed 1,823 additional units of affordable housing by 2025 the CPAT report provided an action plan recommending a variety of policy changes. For additional details of each recommendation see Appendix A.

[24] CPAT, "Charles County Housing Initiative Project," Page 6

Summary of Recommendations in the 2018 CPAT Report[25]	
Amend the balanced housing stock policy Reduce the target in the comprehensive plan of 80% single family detached dwellings, modify the targets to include targets for affordable housing	Modify the MPDU program Make it mandatory, increase the percentage of affordable units, apply requirements to rental and housing for sale, encourage on-site vs. off-site housing through incentives, assess the fiscal impact.
Identify and prioritize county-owned parcels for affordable housing County staff should vet public land for housing suitability, work with non-profit developers to build housing	Incorporate affordability into subarea and village plans Following Comprehensive Plan recommendation for housing diversity in development district and villages, include MPDU mandates
Remove barriers to affordable housing production Streamline permitting, expedite, when necessary, based on affordable housing criteria, make design standards more flexible, remove unit size requirements	Devote funding and resources to production and preservation of affordable housing Utilize local partners, non-profits, state agencies, and federal and state funding where available.
Ensure housing remains affordable Affordable units the county mandates should remain affordable in perpetuity	Establish the Charles County Affordable Housing Board
Engage the public in continued dialogue about housing	Explore feasibility of creating Housing Advisory Board

TABLE 7 - SUMMARY OF CPAT REPORT RECOMMENDATIONS

In the seven years since the CPAT report was produced none of the recommendations of the report have been carried out. The Affordable Housing Workgroup has therefore incorporated many of the Action Plan recommendations from the CPAT report into its own policy proposals.

Affordable housing continues to be developed by the private sector but at a rate closer to 60 units per year, far below the 228 units per year the report recommended to allow Charles County to "catch up" with affordable housing demand.

[25] CPAT, "Charles County Housing Initiative Project," Page 24-26

PGM staff have expanded the model used by the APA to forecast affordable housing needs into the 2040s based on Charles County's current rate of population growth, building permits, and household size, as well as incorporating the affordable housing units that have been developed since 2018.

With this model staff can predict future affordable housing needs as well as track when the county's supply of affordable housing has caught up with demand. More information about future affordable housing supply will be provided in the next chapter.

2024 Charles County Affordable Housing Strategy Guide

In 2022 Charles County worked with HR&A Advisors, Inc. and the non-profit group HAND Housing on a Regional Housing Practicum Series "to facilitate a series of one-on-one sessions with county and local governments in the Washington, DC region to help participants make thoughtful decisions about affordable housing programs and policies, guided by local housing needs, community priorities, and feasible approaches to increase housing affordability."[26] Please see Appendix C for the full Affordable Housing Strategy Guide, referred to hereafter as "the HR&A Report".

The HR&A report generated from this effort highlighted three groups of policy tools that would advance affordable housing: Land Use and Regulatory tools, Subsidy tools, and tenants' rights tools. "Each type of tool," according to the report, "involves tradeoffs; land use and regulatory tools accommodate new growth and increase the housing supply but typically do not serve the lowest-income residents. Subsidy tools can be deployed directly to meet the needs of target populations, but because of the cost most governments cannot provide enough subsidy to solve affordable housing challenges. Tenants' rights tools help to avoid displacement but do not change the fundamental economics of the housing market."[27] This three-part policy framework is reinforced by other affordable housing research, including the work of UCLA researcher Shane Phillips. In his book *The Affordable City*, Phillips identifies "Supply, Stability, and Subsidies" as the core policy tools needed to address housing challenges.

[26] HR&A, "Affordable Housing Strategy Guide – Charles County Maryland," January 2024, Page 2
[27] HR&A, "Affordable Housing Strategy Guide," Page 1

Housing Tools

Affordable housing tools fall into three main categories:

- **Land use and regulatory tools** use municipal regulations and zoning authority to indirectly improve affordability by increasing the supply of housing, or to directly incentivize or require the production of affordable units.
- **Subsidy tools** provide below market rate loans, grants, or other public resources to close the gap between what a household can afford to pay and the costs to develop and operate housing.
- **Tenants' rights tools** preserve existing affordable housing and housing stability by using laws and regulations that protect current occupants.

FIGURE 7 - THREE HOUSING TOOLS FROM HR&A REPORT

Policy Recommendations

The Strategy Guide recommended four policy tools with additional guidance on what to consider and how to implement each.

Summary of Recommendations in the 2024 HR&A Report[28]	
Accessory Dwelling Units: Revise zoning to remove barriers to constructing Accessory Dwelling Units. Provide information and resources to help property owners build ADUs.	**Missing Middle Zoning:** Revise County zoning to allow missing middle development by-right in specific areas.
Inclusionary Zoning: Redesign the County's inclusionary zoning program to increase its impacts by aligning the affordability of homes developed, incentives to offset developer costs, and administrative needs and processes with market conditions and County Priorities.	Low-Income Housing Tax Credit (LIHTC) Gap Financing Develop a gap financing program to increase affordable housing development in Charles County.

TABLE 8 - SUMMARY OF RECOMMENDATIONS IN THE HR&A REPORT

The Affordable Housing Strategy was presented to the Affordable Housing Workgroup in its finished form at the beginning of 2024, and the Workgroup has incorporated elements of each of the policy tools into its own policy proposals. Further details will be provided in the Recommendations section of this report.

[28] HR&A, "Affordable Housing Strategy Guide," Page 1-2

Public Engagement

Effective communications and public engagement strategies build knowledge, listen to varied voices, and lead to better, more widely accepted decisions. It requires a continuous dialogue with members of the community. It should motivate participation from a broad audience whose members are equitably represented; foster a cooperative process that collects and utilizes meaningful feedback prior to decision-making and empowers an informed community partner network that can use their voices to further these goals. Public engagement is especially important to the issue of affordable housing because there are several misconceptions, and its importance is often underestimated by the public.

Homeowners may fear that affordable housing will decrease nearby property values, though evidence on this is mixed and often depends on the scale and design of the project. Some associate affordable housing with an increase in crime or a decline in neighborhood quality, often rooted in stereotypes rather than data. Opponents may worry about increased demand on schools, roads, or emergency services without corresponding investment in infrastructure. There's often resistance to change in the physical or social makeup of a neighborhood—what's known as “Not in My BackYard” or “NIMBYism”, where residents may prefer to keep areas low-density or demographically homogenous. Some oppose government involvement in housing markets on principle, preferring market-based solutions over subsidized or publicly supported housing. Misunderstandings about what affordable housing is—and who it serves—can lead to unfounded fears. Many people don't realize it provides a housing solution for teachers, healthcare workers, young people, retirees, or others with steady jobs but modest incomes.

To attempt to counter some of these misconceptions Charles County staff in PGM as well as the Media Division produced a variety of tools to facilitate public education on affordable housing beginning in 2024. These tools included an explanatory video highlighting “myths vs facts” on affordable housing, infographics that were publicized on the county’s social media pages, a video interview with county staff on the Charles County Now TV program, and multiple presentations to groups like the Charles County Citizens Academy. A housing specific “Engage Page” was created by the County’s Media Division to house these educational resources.

The Engage Page was also utilized as a hub for public input. Two public feedback surveys were developed and distributed via the Engage Page, one in the fall of 2024 that sought public sentiments on affordable housing, and a second in the spring of 2025 that sought public input on several specific policy suggestions.

Public Sentiment Survey

The first public survey, entitled “What Does Affordable Housing Mean to You?” garnered nearly 150 responses from a wide variety of demographics in Charles County and provided valuable insights into the public’s feelings towards affordable housing. A full summary of the public sentiment survey is provided in Appendix D.

The results of the public sentiment survey showed a clear divide in Charles County in terms of attitudes towards affordable housing. People under 44 years of age, renters, and persons living in Charles County less than 10 years were much more supportive of affordable housing than older citizens, homeowners, and long-term residents of Charles County.

FIGURE 8 BELOW SHOWS A COMPARISON OF POSITIVE AND NEGATIVE ATTITUDES BASED ON AGE IN RESPONSE TO THE PROMPT “THE CREATION OF AFFORDABLE HOUSING IS IMPORTANT AND WILL HAVE A POSITIVE IMPACT ON OUR COMMUNITY”. FIGURE 9 SHOWS RESPONSES TO THE SAME QUESTION BUT WITH DIFFERENCES BASED ON TENURE.

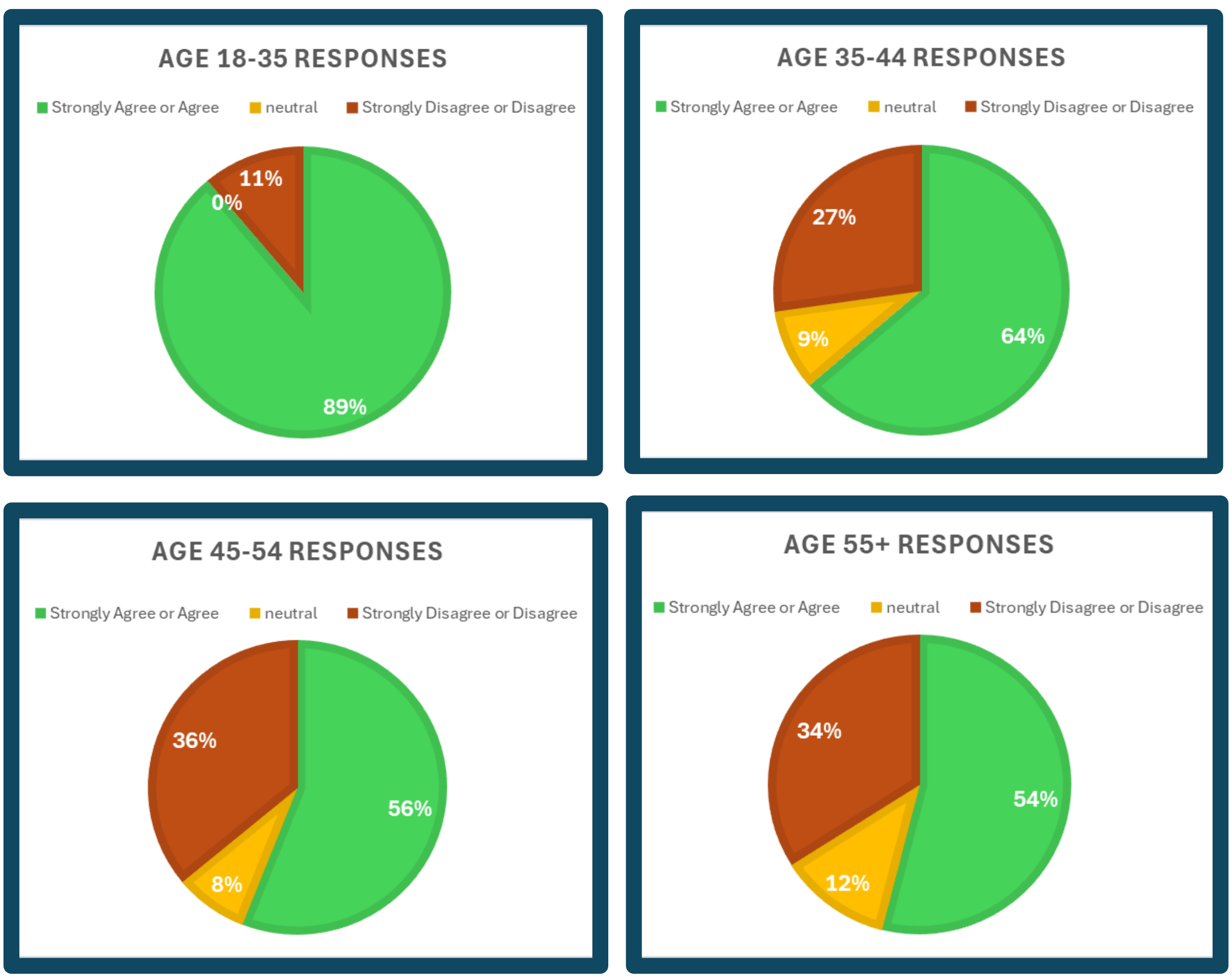
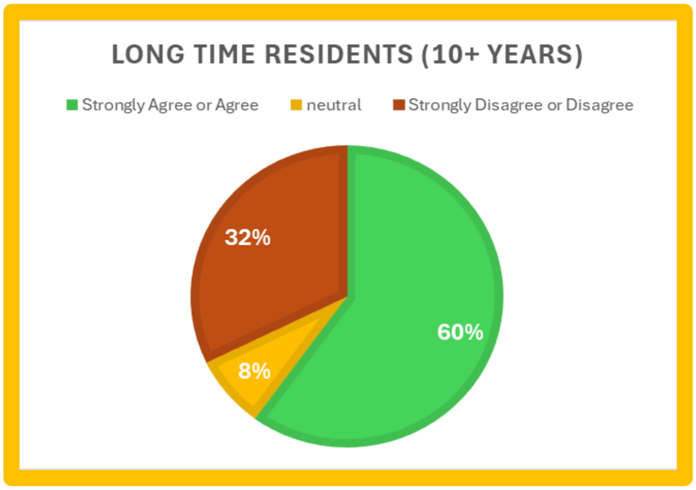


FIGURE 8 - RESPONSES TO "THE CREATION OF AFFORDABLE HOUSING IS IMPORTANT AND WILL HAVE A POSITIVE IMPACT ON OUR COMMUNITY"



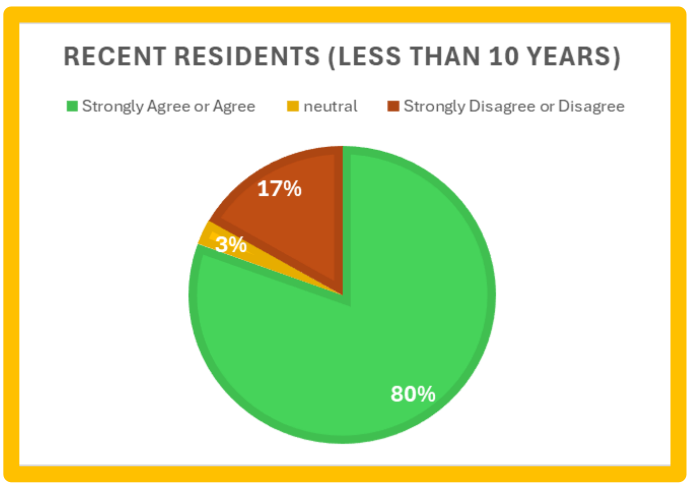


Figure 9 - Responses to "The Creation of Affordable Housing Is Important and Will Have a Positive Impact on Our Community"

Very few groups had a majority negative opinion of affordable housing. Overall, there was a strong correlation between younger and newer residents of Charles County and support for affordable housing development. Renters and younger demographics also expressed a greater interest in learning more about affrodable housing, and in large part believed there are not enough affordable housing units in the county.

Survey respondents were also given an opportunity to weigh in on the best geographic locations for affordable housing, as well as to provide open ended suggestions as to what to do about housing afforability. While most respondents recommended affordable housing be kept in the county's development district and major population centers like Waldorf, La Plata, and Bryan's Road, there were several suggestions for affordable housing in rural areas such as Newburg, Marbury, and around Hughesville indicating that housing affordability is not just an urban/suburban concern.

Open-ended suggestions from the public were categorized into positive and negative sentiments, and most of the positive sentiments included the types of affordable housing that the public wanted to see. Positive comments mentioned the need for mixed use development, middle income affordability, starter homes and entry level housing for young people, and the desire to mix affordable housing within neighborhoods rather than segregating all affordable housing into one section of the community. Negative comments highlighted concerns about whether the county's infrastructure could accommodate additional residents, concerns about increase crime, lower property values, and tax increases, as well as general negative sentiments against development of any kind.

FIGURE 10 BELOW HIGHLIGHTS A NUMBER OF THE SUGGESTIONS RECEIVED FOR POTENTIAL AFFORDABLE HOUSING POLICIES.

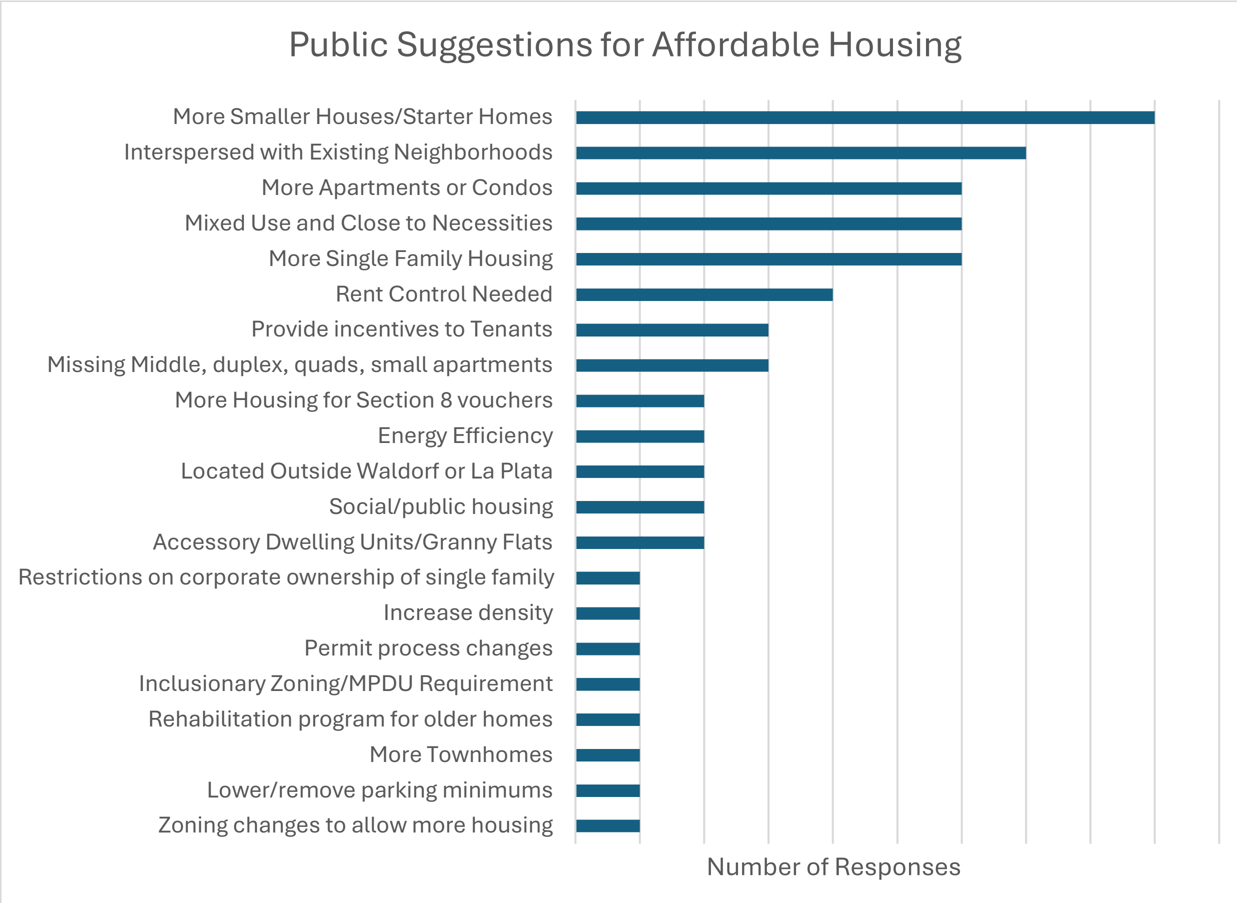


FIGURE 10 - PUBLIC SUGGESTIONS FOR AFFORDABLE HOUSING POLICY

Results of the public sentiment survey indicated a broad level of support for affordable housing across a wide spectrum of demographic groups – support increased strongly in correlation with younger age groups and newer county residents. These groups are some of the demographics that are hardest hit by housing unaffordability, and who often fall into the 30% to 80% AMI income tiers that currently have fewer options for housing. The survey results provide helpful information on who is most interested in affordable housing, as well as some insights into the types of policies that are likely to receive public support moving forward. Additional surveying was conducted in May and June 2025, and will be covered later in this report.

Other Engagement

PGM staff met with stakeholders in the development community through the bi-monthly meeting with the Maryland Building Industry Association (MBIA). Across multiple meetings dating back to the fall of 2024, feedback from the MBIA indicated tentative support for most of the "studied policies" that are listed in the next section. Final feedback will be provided once specific recommendations have been made by the workgroup and Planning Commission.
Feedback from the development community is critical to ensure that policy suggestions do not inhibit building, which would exacerbate supply problems in the housing market.
The MBIA was asked to provide some policy suggestions that would enable builders to construct cheaper homes, and their responses included additional density bonuses, reduced permit fees and processing times, as well as changes to zoning rules that would enable the construction of smaller homes or "starter" homes for first time homebuyers.

Studied Policies

Utilizing the framework established in the 2024 HR&A Report the workgroup has discussed and considered a variety of policy tools that fall under the categories of Land Use and Regulatory tools, Subsidy tools, and Tenants' Rights tools. The workgroup has expanded the category of Tenants' Rights tools to include multiple county-wide policies that protect or prioritize affordable housing that don't necessarily fall under the category of land use tools or subsidy tools. The next several pages outline the policies that were considered, examples of their use in other jurisdictions, the steps required to implement the policies in Charles County, and a general timeline for their implementation. More detail will be provided in later sections on implementation and timeframes.

The policies listed below represent a collection of land use regulations, public investment options, and protective policies that other jurisdictions around the United States have tried and found successful. Many were specific suggestions of either the public or the Charles County development community. Not all will be applicable to Charles County, and after additional discussion by the public and Charles County leaders it may be necessary to significantly alter or remove these policies from consideration. In a later section the workgroup will provide its own recommendations on the policies that should be advanced at the pleasure of the Charles County Board of Commissioners.

Land Use/Zoning Policies

i. Accessory Dwelling Units
ii. Inclusionary Zoning (IZ)/MPDU
iii. Starter Homes
iv. Tiny Home Communities
v. Missing Middle Zoning
vi. Reduce Parking Minimums
vii. Regulate Short Term Rentals
viii. Pre-approved plans

Accessory Dwelling Units

Accessory dwelling units (ADUs), also known as “granny flats”, are secondary housing units on single-family properties, independent from the primary home. They can be attached to the primary structure, within the primary structure, or detached. ADUs support affordability in two different ways: they create new, lower cost rental opportunities on under-utilized land, and they can help existing homeowners stay in their homes through additional rental income. Allowing ADUs in more places will both increase the housing supply and the diversity of housing available in Charles County. [29]

Expanding the permissibility of ADUs is a recommendation in the 2024 HR&A Report, the 2018 CPAT Report, the Maryland Department of Planning’s ADU Policy Task Force, and a frequently requested policy change from the Charles County public.

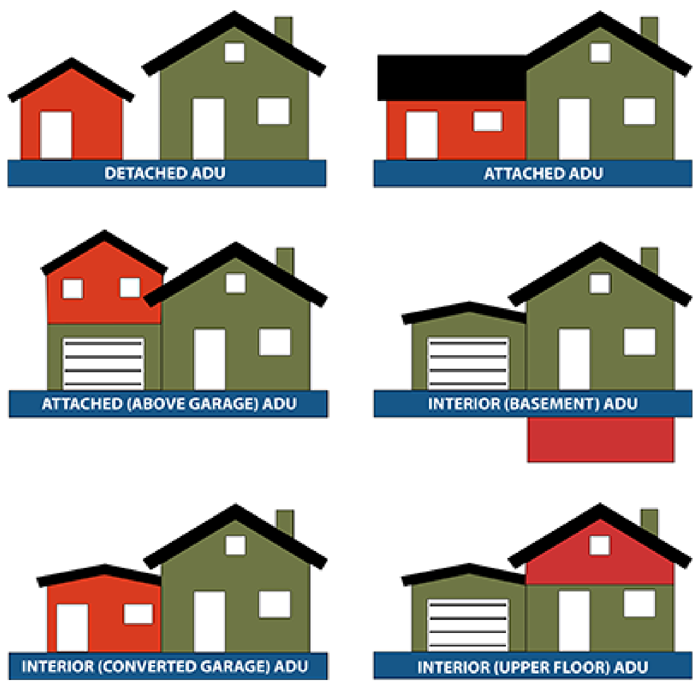


FIGURE 11 - ADU TYPES (COURTESY OF THE AMERICAN PLANNING ASSOCIATION)

Regional Example

In 2023, Anne Arundel County passed legislation to permit ADUs in nearly all residential districts, subject to certain conditions limiting the number and size of said dwellings. Changes to previous zoning rules enabled ADUs in detached structures, removed minimum lot sizes, and eliminated parking requirements to allow greater flexibility.

[29] HR&A, “Affordable Housing Strategy Guide,” Page 5

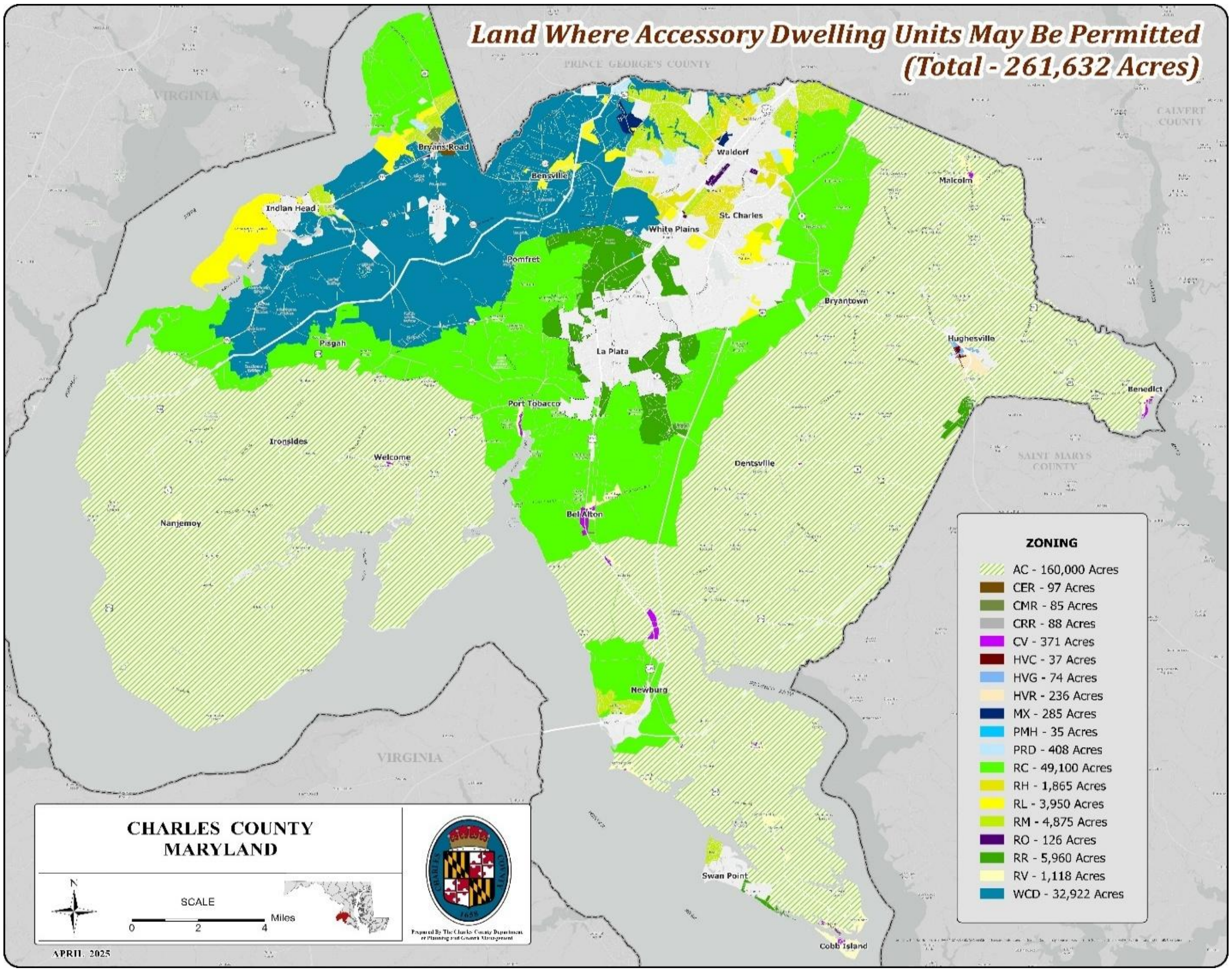


FIGURE 12 - ZONING DISTRICTS IN CHARLES COUNTY WHERE SINGLE-FAMILY DWELLINGS ARE PERMITTED

Accessory Dwelling Units could be permitted in all residential zoning districts in Charles County where single-family residential units are allowed. While detached accessory dwelling units may only be permitted on properties with single family detached structures, single family townhomes with internal ADUs are a popular design option that has been suggested by the development community and could provide additional options.

Estimated Number of Annual Units Generated	
Market Rate Units	Committed Affordable Units
8-16	N/A
Implementation Timeframe: Short	
Charles County Planning staff could introduce a Zoning Text Amendment to expand the permissibility of Accessory Dwelling Unit uses in the second half of 2025.	

Summary

Amending zoning regulations to allow greater flexibility in ADU construction is expected to have a modest impact on the County's overall housing supply. However, it will provide property owners with the opportunity to generate additional income and offer smaller rental units in existing neighborhoods. Expanding ADUs has been suggested for several years by outside experts, the public, and most recently through state legislation. The Maryland General Assembly passed ADU legislation in 2025, which requires all counties to adopt a policy encouraging ADUs by October 1, 2026. This policy may include zoning changes, permitting flexibility, or other measures to facilitate ADU construction.

Inclusionary Zoning

Inclusionary zoning policies require or incentivize developers to include affordable homes as part of market-rate developments. Incentives often include density bonuses or tax abatements. A well-designed policy can increase both affordable rental units and homes for sale without limiting overall housing supply.

Charles County currently has a Moderately Priced Dwelling Unit (MPDU) program, which asks developers to set aside at least 12% of units in developments larger than 50 units. In exchange, developers may receive a density bonus of up to 22%, allowing for more units than would otherwise be permitted. Since the program is voluntary, it has only been used once since 2008.

Implementing a mandatory Inclusionary Zoning or MPDU program has been recommended in multiple reports, including the 2024 HR&A Report, the 2018 CPAT Report, and the 2016 Charles County Comprehensive Plan. These reports highlight the potential of such programs to expand affordable housing while maintaining market-rate development.

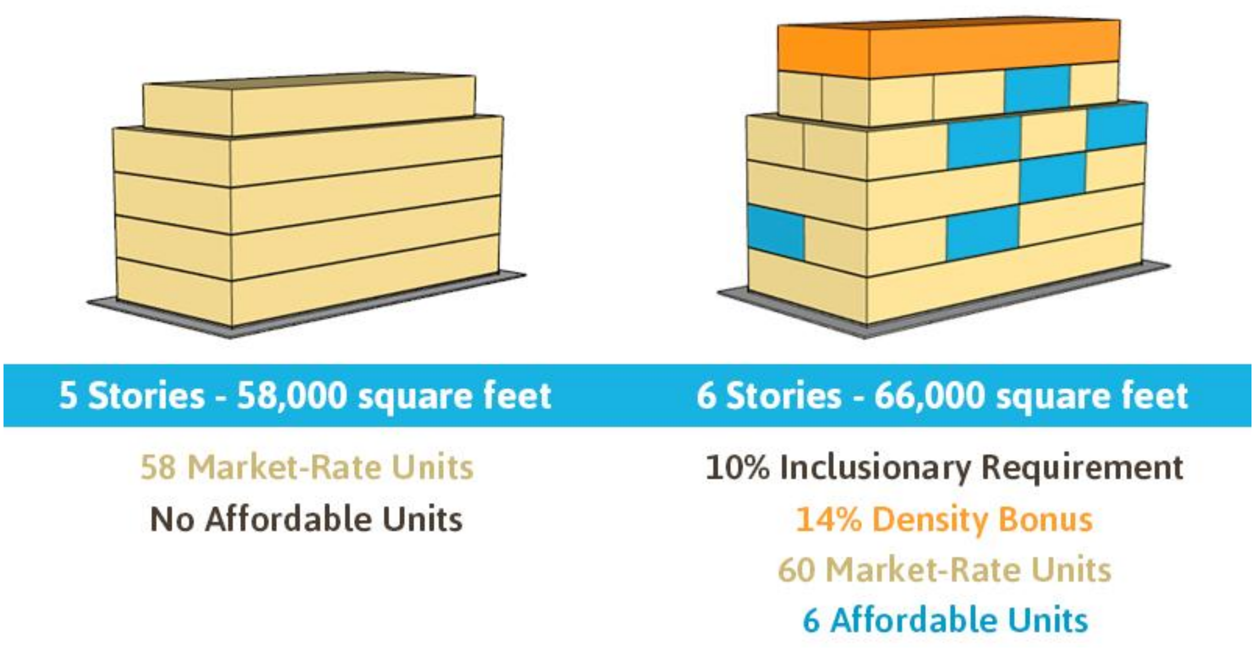


FIGURE 13 - COMPARISON BETWEEN DEVELOPMENT WITH AND WITHOUT INCLUSIONARY ZONING (COURTESY OF GROUNDEDSOLUTIONS.ORG)

Regional Example

Inclusionary Zoning programs have been recently adopted by Anne Arundel County and have been in place for several years in Queen Anne's County, Howard County, Frederick County, Montgomery County and Washington DC, in addition to multiple cities and counties in Northern Virginia. Each program has its own thresholds and affordability requirements.

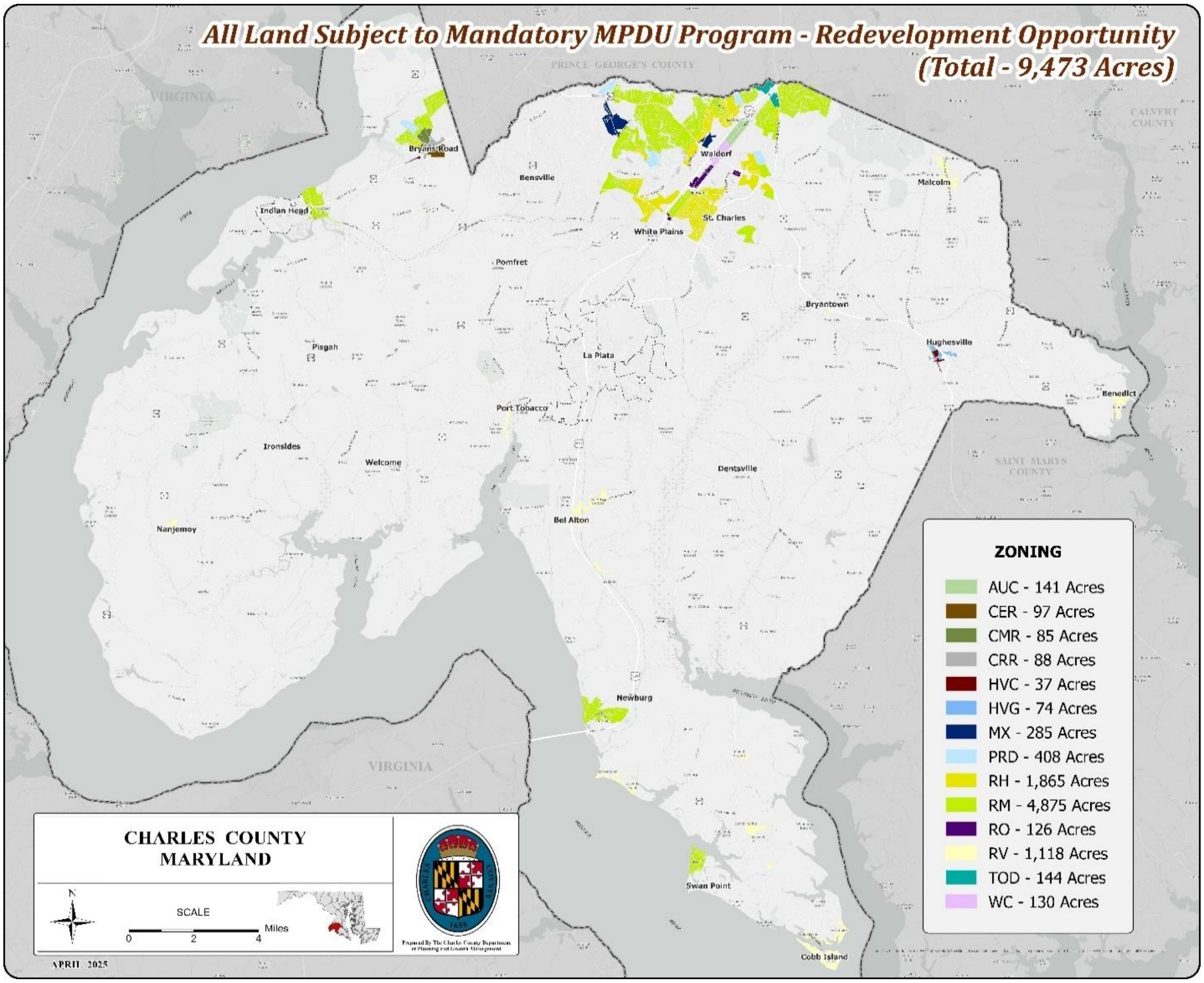


FIGURE 14 - ZONING DISTRICTS FOR POTENTIAL IZ OR MPDU EXPANSION

Inclusionary Zoning requirements could be permitted in nearly all residential zones where major subdivisions are permitted. Changes to implement MPDU requirements in the PUD zone may require approval from the developers of St. Charles as well as the Charles County Commissioners and is not guaranteed. While these zones total more than 9,000 acres in Charles County, only around 2,000 acres are undeveloped.

Estimated Number of Annual Units Generated	
Market Rate Units	Committed Affordable Units
N/A	100-120
Implementation Timeframe: Long	
Charles County Planning staff would work to develop a mandatory IZ/MPDU program that increases the percentage of units in each development that must be affordable, reduces the threshold for affordable units to be provided from 50 to 20, increases the density bonuses to the developer, and applies the same standards to rental units as well as dwellings for sale. Additionally, it is likely that a successful IZ policy would require additional staffing both in PGM and the Department of Community Services that would administer the program and monitor ongoing compliance with affordability requirements. As a short term measure the county may explore intermediate adjustments to the MPDU program by increasing the density bonuses offered under the current rules and keeping the program voluntary. Over the long term, however, a successful MPDU program in Charles County would need to be designed to take advantage of redevelopment opportunities as the supply of land for single family detached subdivisions decreases.	

Summary

Inclusionary zoning policies help create needed affordable housing units to meet local priorities, such as units for voucher holders or housing in rural areas. Whether mandatory or voluntary, successful inclusionary zoning policies ensure that affordability requirements are realistic and do not discourage new development.

An inclusionary zoning policy can provide the largest share of permanently affordable units for households earning 50%, 60%, or 80% of the Area Median Income (AMI), depending on the affordability level set by the policy. It also offers the best opportunity to deliver affordable single-family homes for sale, making homeownership more accessible to residents.

Starter Homes

Current design standards in Charles County limit the construction of smaller, more affordable homes and can restrict density where appropriate. For example, many residential zoning districts require a minimum dwelling size of 1,250 square feet, which prevents smaller, lower-cost homes from being built. In addition, homes of this size are only allowed on a small fraction of lots within a subdivision.

Reducing minimum dwelling sizes, decreasing minimum lot sizes in select zoning districts, and allowing smaller homes more broadly throughout subdivisions would give developers flexibility to build starter homes that are currently prohibited. Flexible site design and building envelope standards, recommended in the 2018 CPAT Report, are popular with both the public and the development community.

FIGURE 15 - STARTER HOMES IN COLUMBIA, SC (COURTESY OF LENNAR)

Regional Example

Pittsburgh is in the process of updating its zoning code to reduce the minimum size of residential lots between 25%-40%, recognizing that much of its historic housing stock would be illegal to build today under strict minimums for lot size per-unit. Alexandria, Virginia recently removed dwelling units per-acre limitations in certain zones to allow smaller unit sizes within the same development envelope.

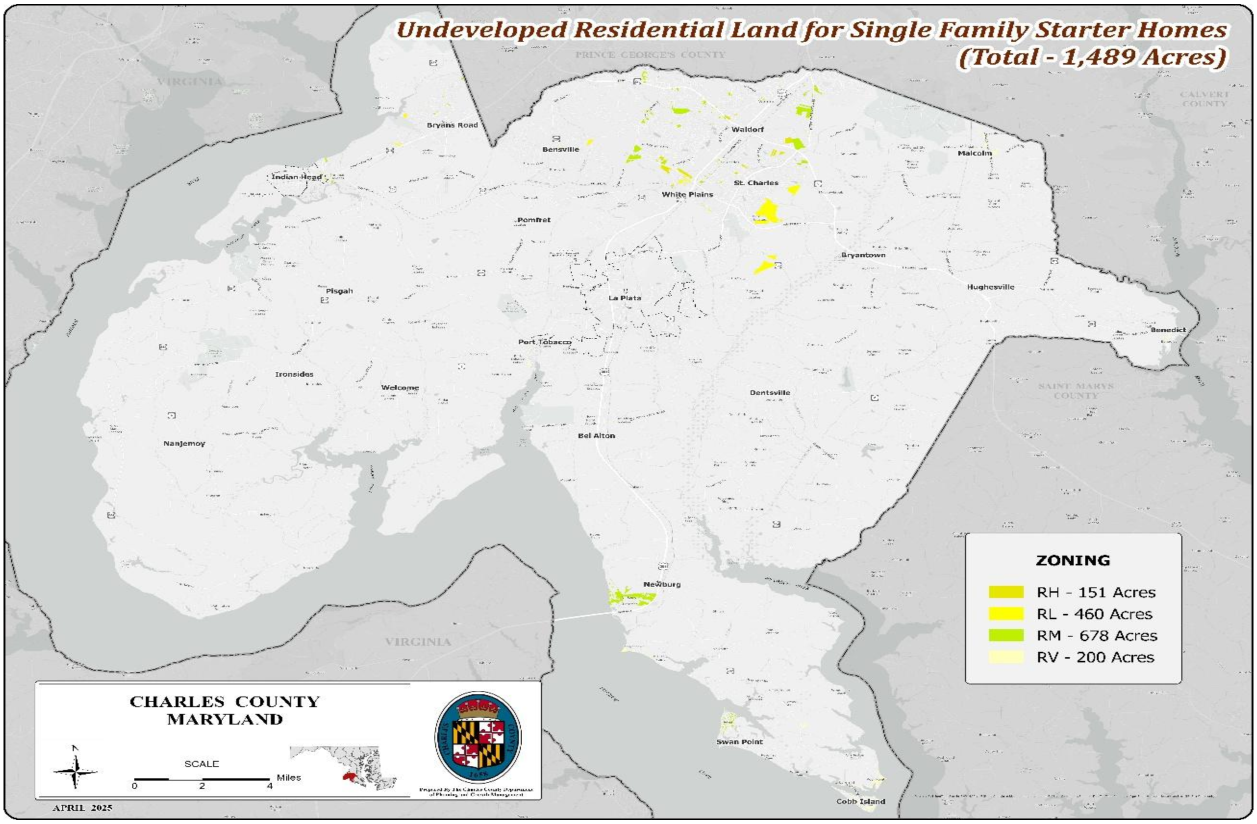


FIGURE 16 - UNDEVELOPED LAND ZONED FOR SINGLE FAMILY USES PERMITTING MAJOR SUBDIVISIONS

Flexibility in building and site design to facilitate more starter homes could be permitted in certain zoning areas within the development district where single family development and major subdivisions are permitted. Changes to implement starter homes within the PUD zone may require approval from the developers of St. Charles as well as the Charles County Commissioners and is not guaranteed.

Estimated Number of Annual Units Generated	
Market Rate Units	Committed Affordable Units
45-50	5-10
Implementation Timeframe: Short	
Charles County Planning staff could quickly identify the areas in the zoning code that specify square footage minimums for single family residential construction, both attached and detached. A zoning text amendment could be prepared within 12 months that would decrease these minimums as well as adjust minimum lot sizes in key zoning districts. If combined with an inclusionary zoning policy a subdivision of smaller footprint homes could be required to include a certain percentage that is affordable to 60%-80% AMI incomes.	

Summary

Minimum lot size requirements and residential square footage minimums have historically been a tool of exclusionary zoning intended to prevent lower-income households from being able to live in certain neighborhoods. These requirements drive up the cost of housing by requiring more land to build the same number of homes. Removing this artificial density cap would allow more starter homes to be built, increasing the supply and helping to lower the overall cost of housing.

Missing Middle Housing Types

"Missing Middle" housing refers to a range of housing types that are the "middle" ground between single family detached and multi-story apartment buildings. Because of their smaller size, however, missing middle housing fits contextually within single-family neighborhoods while accommodating multiple households. Typically, this includes townhomes, duplexes, triplexes and "quads" but could also include cottage court or cluster neighborhoods, basement apartments, ADUs, and small apartment buildings of up to 8-10 units. Allowing missing middle development by-right in most residential zones within the development district can help increase both the supply of housing and the diversity of housing options, while helping neighborhoods become more inclusive. Currently, only 1.3% of housing in Charles County qualifies as "missing middle"[30], and approximately 84% of land is zoned solely for single family detached housing. Expanding the options for Missing Middle housing is a recommendation in the 2024 HR&A Report and the 2018 CPAT Report.

FIGURE 17 - MISSING MIDDLE HOUSING TYPES (COURTESY OF OPTICOS)

Regional Example

Arlington, Virginia and Montgomery County, Maryland are in the process of changing their regulations to permit more missing middle housing types. Both jurisdictions are also experiencing opposition from established single-family neighborhoods who are concerned about the effects additional housing will bring. Charles County Planning staff are monitoring these discussions regionally and nationally to understand how Missing Middle housing could be tailored for Charles County in a way that provides additional housing options but does not harm existing neighborhoods.

[30] HR&A, "Affordable Housing Strategy Guide," Page 11

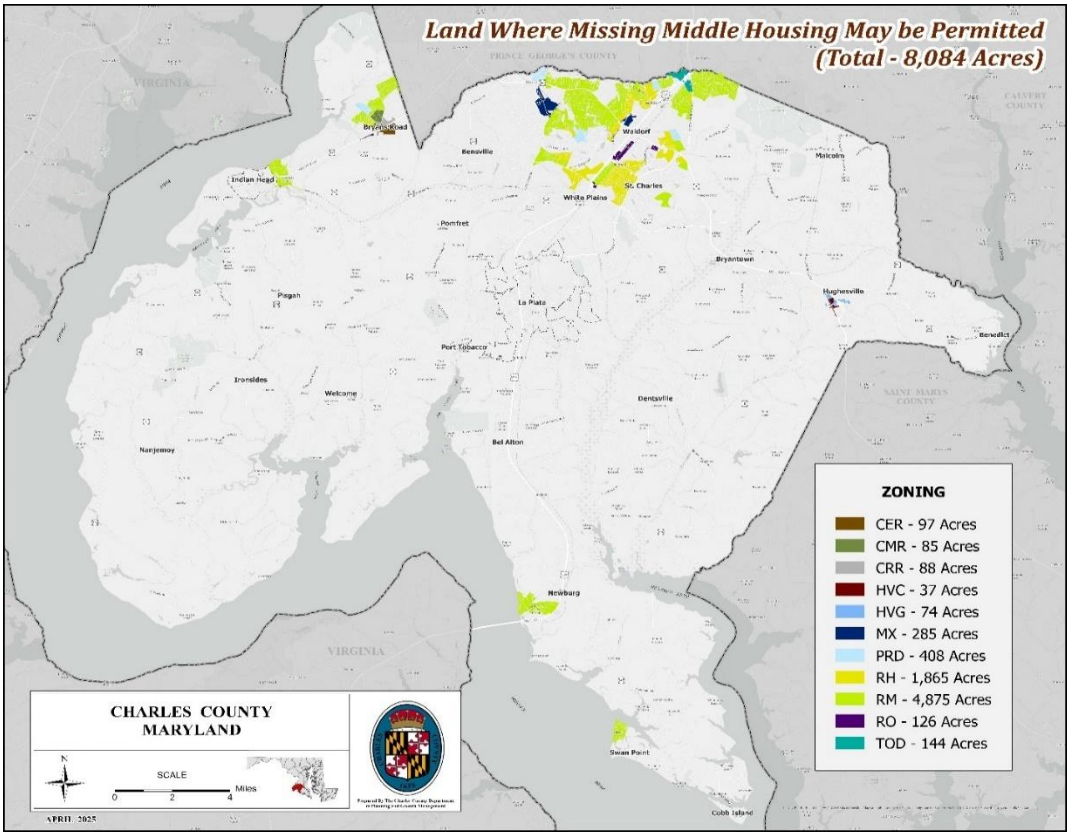


FIGURE 18 - MULTI-FAMILY RESIDENTIAL ZONING DISTRICTS WHERE MISSING MIDDLE TYPES CAN BE EXPANDED

Missing Middle housing types could be permitted in certain residential zoning districts ranging from Medium Density (RM) and High Density Residential (RH) to PRD, MX, and TOD zones. While these zones total more than 8,000 acres in Charles County, only around 1,000 acres are undeveloped.

Estimated Number of Annual Units Generated	
Market Rate Units	Committed Affordable Units
60-65	N/A
Implementation Timeframe: Medium	
Charles County Planning staff would work with the consultant currently rewriting the county's zoning ordinance to update the code to allow more options for missing middle housing types. The draft zoning language would be presented to the public in 2025 and approved in 2026. In the short term only a limited number of zoning districts would be changed to permit these uses, but over time Missing Middle housing could be expanded to other zones as appropriate.	

Summary

Increasing the allowable residential density in a select number of residential districts will likely not create a significant increase in residential density or housing supply for the County overall, but will increase the available housing options and access to economic opportunity for households living in those areas.[31] The number of committed affordable units would not necessarily be impacted since many Missing Middle housing types would consist of single building redevelopment, and many such buildings would fall below the inclusionary zoning threshold of 20 units.

[31] HR&A, "Affordable Housing Strategy Guide," Page 15

Reduction of Parking Minimums

In recent years some planners have argued parking requirements drive up construction costs, reduce the availability of land for more productive uses, and negatively impact the environment with additional impervious surfaces. Developers working on multi-family housing projects in dense areas often must take on the additional expense of building multiple levels of parking to serve the building, either above or below ground. These parking costs are passed on to consumers via increased rents and/or property values. While many local governments have eliminated parking requirements, leaving it up to property owners to build the parking they see fit, such changes can lead to an undesirable increase in the amount of street parking. Charles County does not charge for public parking and the creation of a system of parking passes, charging for on-street parking, and establishing a parking enforcement mechanism would potentially also be undesirable.

Lowering parking requirements in areas served by public transportation, rather than eliminating minimums altogether, can reduce the overall cost of housing units without creating undesirable side effects that would require additional public investment. Reducing parking minimums is a recommendation of the 2018 CPAT Report.

FIGURE 19 - EXCESS CAR PARKING (COURTESY OF THE AMERICAN PLANNING ASSOCIATION)

Regional Example

In 2024, Montgomery County eliminated parking mandates for residential uses within a half mile of Metro stations and future Purple Line (light rail) stations, and within one-quarter mile of existing BRT stations. In the City of Baltimore parking requirements for a development may be reduced by providing bike parking, affordable housing, small dwellings, or housing for the elderly.

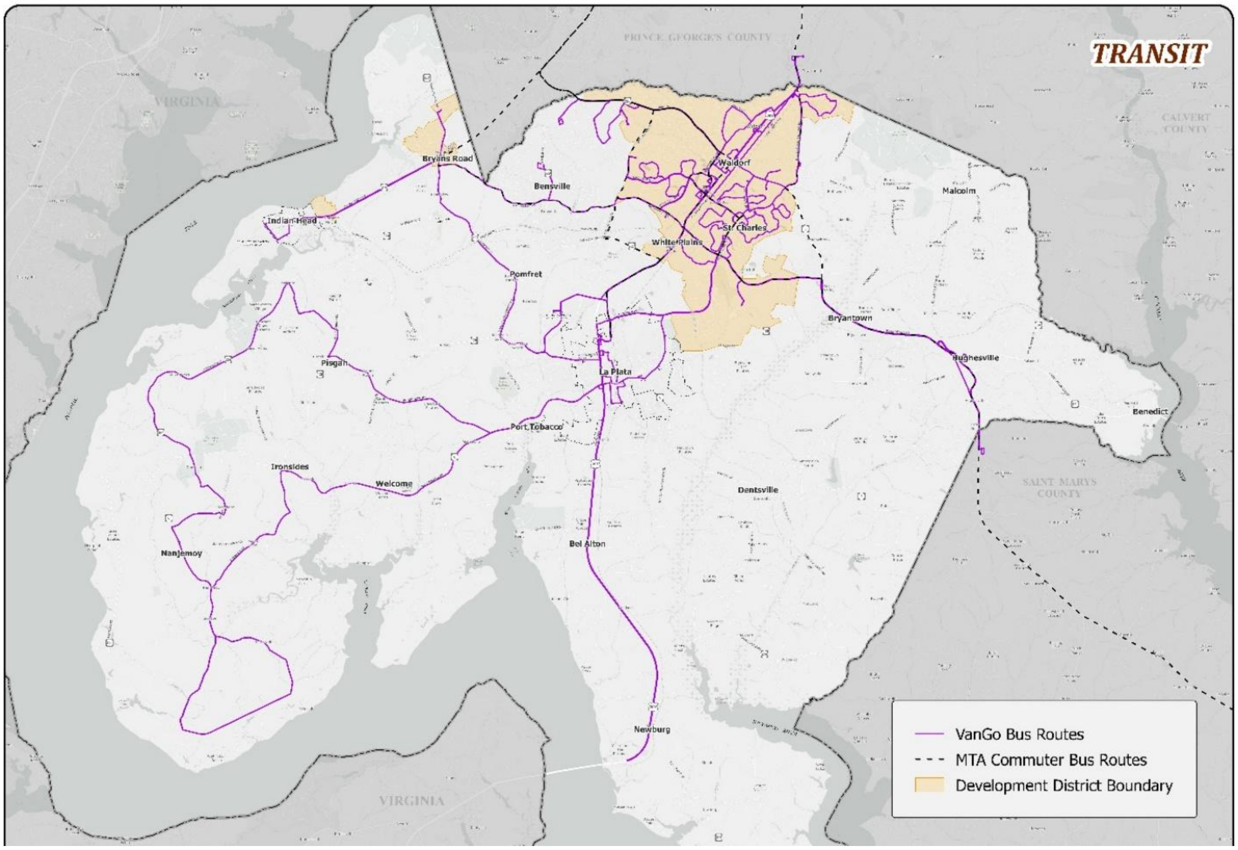


FIGURE 20 – CHARLES COUNTY'S VANGO ROUTES AND COMMUTER BUS ROUTES

Parking minimums would not be eliminated county-wide but would instead be targeted towards districts and properties that are near or adjacent to public transportation, including Charles County's VanGo network, MTA commuter routes, or the future SMRT transit corridor.

Estimated Number of Annual Units Generated	
Market Rate Units	Committed Affordable Units
Unknown	Unknown
Implementation Timeframe: Medium	
Charles County Planning staff could introduce a Zoning Text Amendment to reduce parking minimums in certain locations within 12 months. In addition to determining which zones and geographic locations make the most sense for reducing parking minimums, staff would also work to establish criteria for which types of housing would be entitled to reduced minimums, or to determine whether reduced parking requirements should be offered as a bonus for providing units affordable to very low incomes. Staff would also work with the Charles County Sheriff's Office to monitor future developments to ensure safety and lawful parking.	

Summary

Reducing parking minimums in key locations could enable affordable housing developers to build more housing instead of parking spaces. This policy could see the most success where development is located close to public transportation, and where residents are less likely to own cars (very low incomes, elderly residents, disabled populations, etc.). Because much of Charles County is auto dependent, this type of policy change would need to be carefully constructed to avoid causing unintended consequences relating to parking.

Tiny Home Communities

Tiny home communities are neighborhoods made up of small, often minimalist houses—usually under 400 square feet—designed to reduce living costs and environmental impact. Similar in many ways to accessory dwelling units, they are more affordable thanks to lower construction costs and reduced utility bills. Tiny home communities can feature a single small dwelling on a single lot or can consist of multiple homes on a single lot where shared amenities like communal kitchens, gardens, parking areas or laundry facilities are spread financially between all residents. Tiny homes have become a trendy solution to reduce homelessness in major cities but are also being developed across the country for first time buyers and retirees who want to downsize and enjoy a unique type of community. Tiny Home Communities could be implemented as a housing solution in rural areas where smaller single-family dwellings may be preferable to small-unit apartment buildings. Facilitating Tiny Home Communities has been a frequent suggestion of the public during affordable housing discussions and engagement.

FIGURE 21 - TINY HOME COMMUNITY (COURTESY OF HOPE VILLAGE)

Regional Example

In East Baltimore's Oliver community, a neighborhood has been recently developed providing homeownership opportunities to an area with an average annual income of less than $20,000. It is a privately funded community of thirteen fully furnished, 400-square-foot, single-family homes with wraparound porches and side yards created for homeownership for working, extremely low-income people or families who have experienced homelessness. [32]

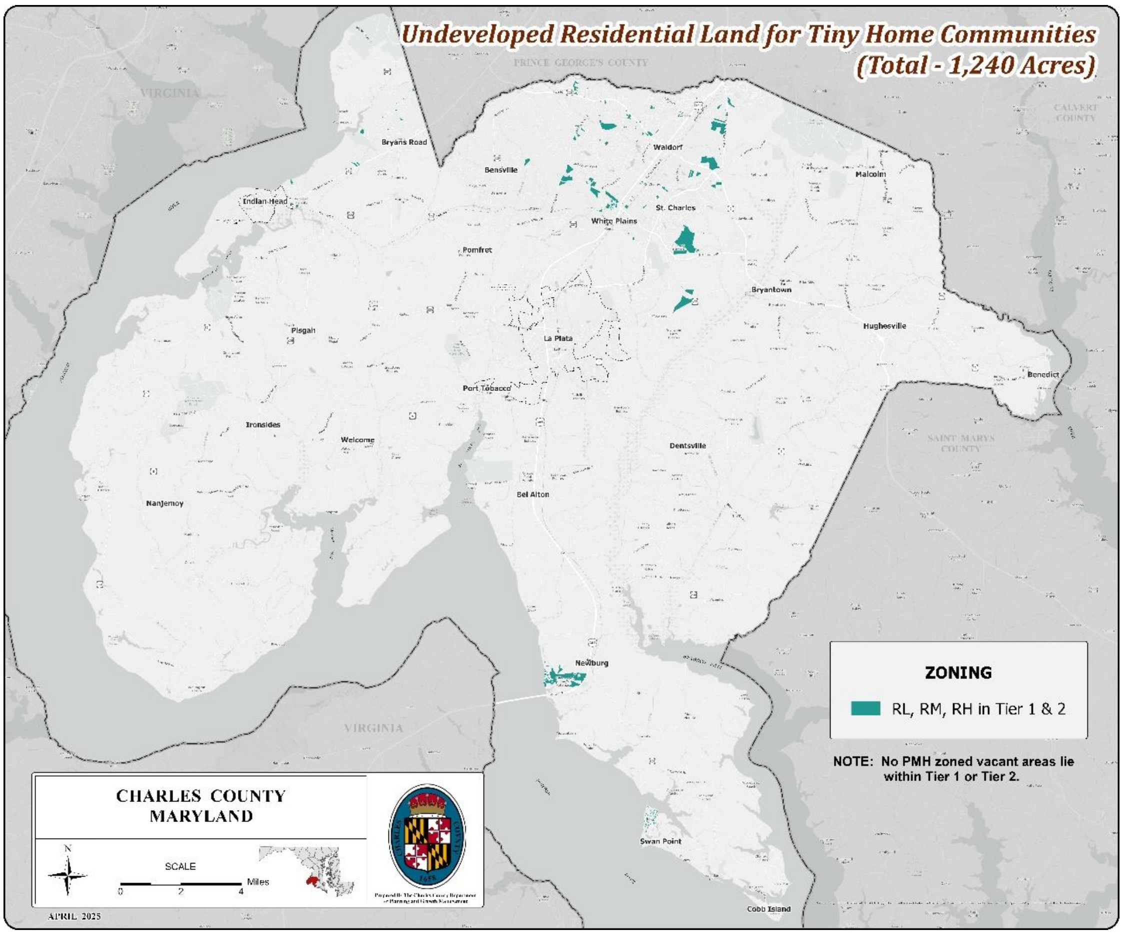


FIGURE 22 - UNDEVELOPED LAND ZONED FOR SINGLE FAMILY HOUSING IN SEPTIC TIERS 1 & 2

Unless allowed to share a private wastewater system, Tiny Home Communities could be permitted in all PMH, RL, RM, and RH zoning districts in Charles County where public sewer is available.

[32] "Hope Village." The Neighborhood Design Center. Accessed May 1st, 2025. https://ndc-md.org/projects/hope-village

Estimated Number of Annual Units Generated	
Market Rate Units	Committed Affordable Units
8-16	8-16
Implementation Timeframe: Medium	
Charles County Planning staff could introduce a Zoning Text Amendment to enable Tiny Home Communities within 12 months following additional public consultation and research into other jurisdictions' efforts. Additional research is needed to determine if tiny home communities could be permissible under existing multi-family zoning or mobile home park zoning, or if a separate zoning district is needed. Further research is needed to determine whether such communities can share an on-site wastewater system, or whether they could only be developed where public sewer is available.	

Summary

With some changes to zoning regulations and ensuring that tiny homes are built according to all codes and safety regulations, tiny home communities could provide a uniquely affordable option to buyers and renters. Additional changes to enable such developments to share wastewater systems in rural areas could open additional opportunities for affordable housing in rural areas.

Regulation of SHORT-TERM Rental Units

In many communities with housing shortages, short-term rentals (STRs) can reduce long-term rental supply and drive-up prices. To protect housing markets, localities often regulate apps like Airbnb and VRBO through zoning or limits on rental days. Further study is needed on how many STRs exist in the County and whether they reduce housing for permanent residents. At the same time, STRs support tourism and provide income for property owners, so restrictions should be balanced.

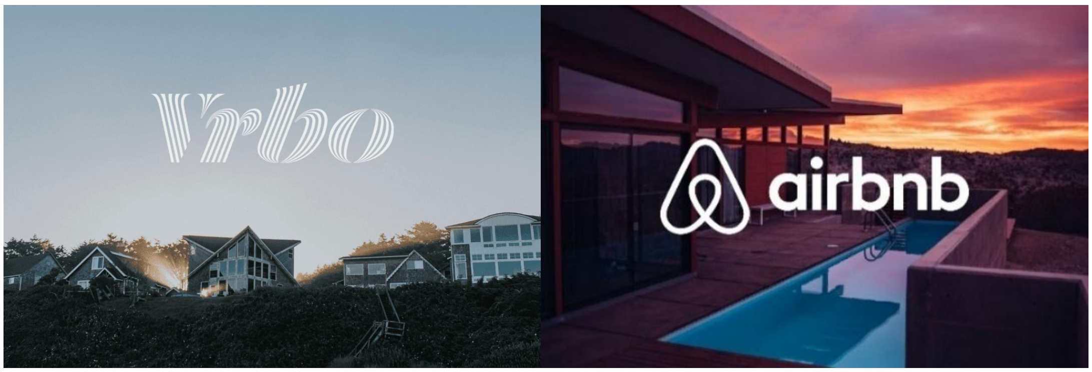


FIGURE 23 - AIRBNB & VRBO LOGOS (COURTESY OF AIRBNB & VRBO)

Regional Example

Various Maryland cities and counties such as Prince George's, Montgomery, and Talbot require property owners to apply for a license to operate a short-term rental property. High-demand vacation destinations like Ocean City place further restrictions or even moratoria on new applications for STRs in certain zoning districts.

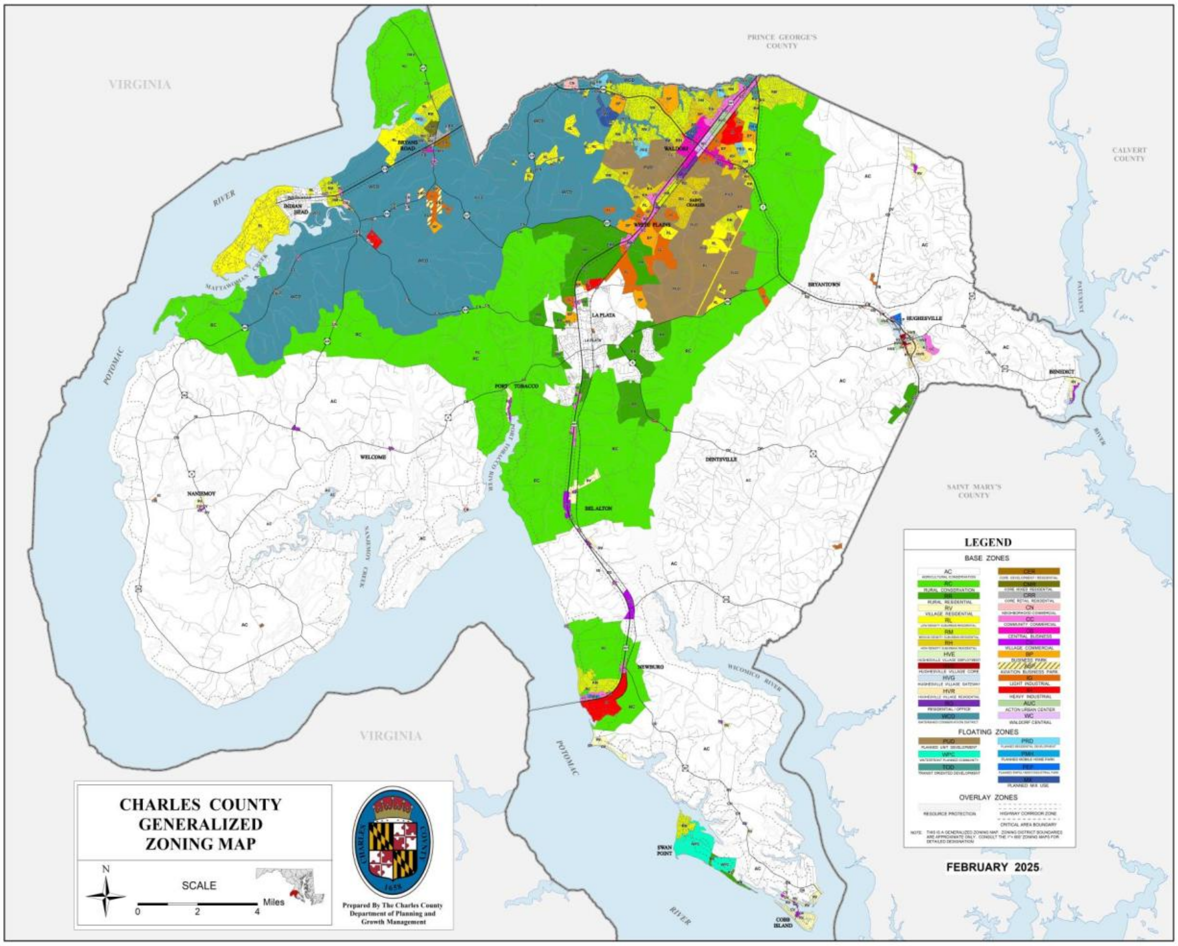


Figure 24 - All Zoning Districts in Charles County

Charles County currently does not restrict Short Term Rental units, and such rentals are permissible in all zoning districts where there are existing residences. At this time, it is unclear whether Charles County's proposed rental property registry would apply to short term rental properties.

Estimated Number of Annual Units Generated	
Market Rate Units	Committed Affordable Units
Unknown	Unknown
Implementation Timeframe: Medium	
Charles County Planning staff could introduce a Zoning Text Amendment to potentially restrict Short Term Rentals to certain zoning districts within 12 months. Further research would be needed to determine the necessity of such changes, and licensing of such properties would need to be initiated by the Board of County Commissioners. Additional engagement would be needed to receive input from current STR operators and Charles County tourism officials before making a decision to restrict such properties.	

Summary

Changes to county codes could happen quickly to restrict short term rentals, although it isn't clear at this point how many housing units would be created or preserved due to this action. As Charles County is not densely populated nor a high-demand tourism destination it may be unnecessary to introduce such a policy at this time.

Pre-Approved House Plans

Some of the commonly cited barriers to housing affordability are local government design and permitting requirements. One popular solution is so-called “pre-approved” house plans, whereby cities and counties offer a catalog of plans that builders or homeowners can choose with minimal requirements to get a permit. Pre-approved housing plans are architectural designs and construction blueprints that have already received approval from municipal authorities or regulatory bodies. These plans adhere to local building codes, zoning regulations and other standards, ensuring compliance with local requirements. By providing a pre-approved framework for residential construction, these plans expedite the development process, and promote efficiency, consistency and regulatory adherence.[33] While most of these programs in the United States are in older cities with an aging house stock, fast-growing suburban counties have also taken advantage of pre-approved house plans to expedite redevelopment of their older neighborhoods.

In Charles County such a program could be tailored to providing single family housing units or accessory dwelling units. The development of pre-approved plans is a recommendation of the 2024 HR&A Report.

[33] “New NAHB Resource on Streamlining Housing Development with Pre-Approved Plans”, National Association of Homebuilders, Accessed May 1, 2025. https://www.nahb.org/blog/2024/05/new-resource-preapproved-plans

FIGURE 25 - PRE-APPROVED HOUSING PLANS (COURTESY OF CITY OF SOUTH BEND, IN)

Regional Example

Portsmouth, Virginia has a set of pre-approved house plans for two of its historic districts, which allow streamlined permitting and bypass the need for approval by the Historic Preservation Commission. Pre-approved plans for accessory dwelling units are popular on the west coast in cities and counties where housing costs are extremely high as is demand for granny flats on residential properties.

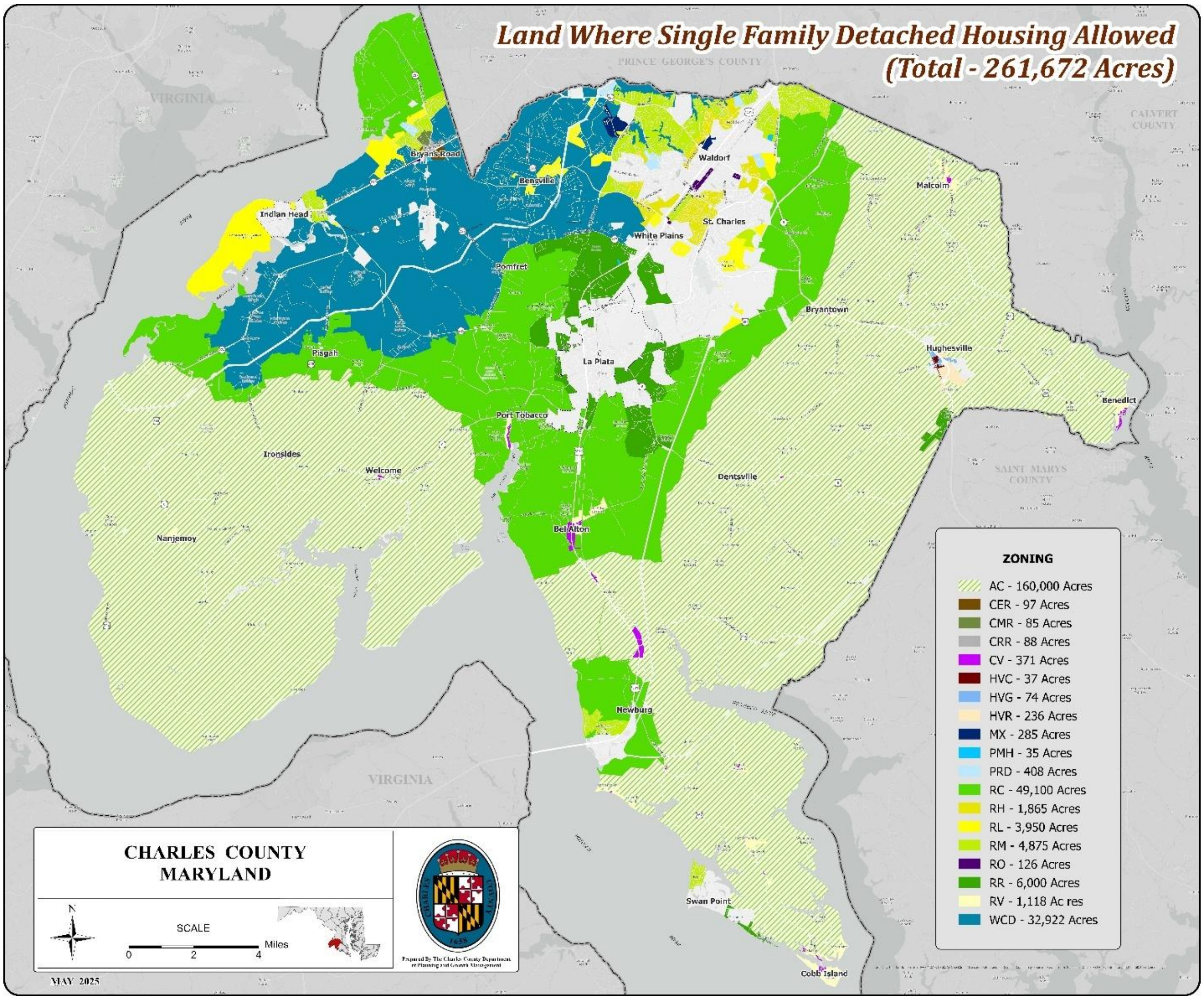


FIGURE 26 - ALL ZONING DISTRICTS IN CHARLES COUNTY THAT ALLOW SINGLE FAMILY RESIDENCES

Pre-approved house plans would not increase the number of affordable housing units but would streamline and hasten the approval process. Many Charles County neighborhoods have been constructed within the last 50 years and their housing is in relatively solid condition. Such a policy would apply in all residential districts that allow single family dwellings but could be targeted at the County's oldest subdivisions that have redevelopment potential, particularly those that were platted so long ago that modern building standards render them hard to construct housing on.

Estimated Number of Annual Units Generated	
Market Rate Units	Committed Affordable Units
Unknown	Unknown
Implementation Timeframe: Medium	
Charles County staff would need to research the types of neighborhoods that would benefit most from a pre-approved housing plan program, and how much demand there is for building in older subdivisions where housing is difficult to build by modern standards. Public engagement should be undertaken to determine the style and form of single-family housing that would be acceptable to the public and cost effective to builders. Designs would need to be vetted by Planning & Growth Management staff for compliance, and an outside design firm would need to be hired to develop the various acceptable plans and a pattern book for the development community's use. It may be more cost effective to develop pre-approved plans first for accessory dwelling units and later for full-size single-family homes.	

Summary

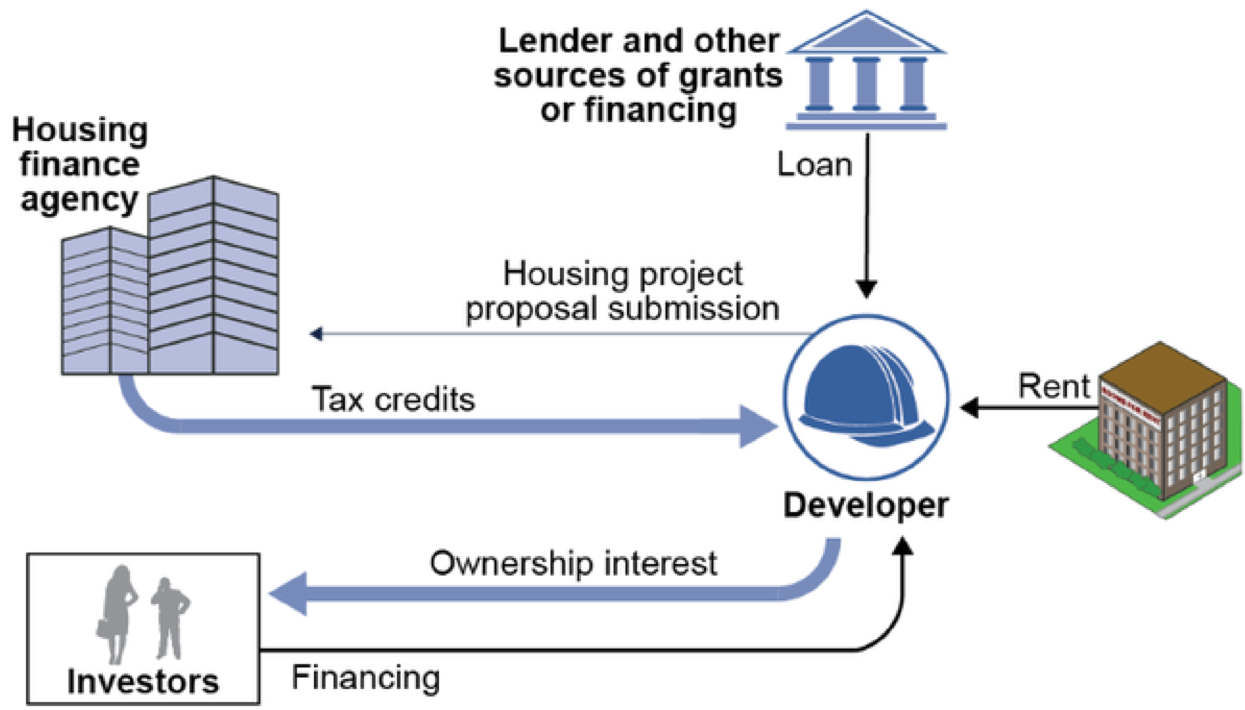
Developing a suite of pre-approved housing plans can streamline and expedite the development approval process and give home builders a less expensive head starts on developing new housing. These programs are increasing in popularity around the country but require a significant amount of research and engagement by local government beforehand to ensure that such plans are what citizens want to live in and what homebuilders can affordably build.

Subsidy Policies

- **i.** Tax Abatement Program
- **ii.** Reduce Permit Fees
- **iii.** Housing Trust Fund
- **iv.** Low-income Homebuyer Assistance
- **v.** Emergency Rental Assistance
- **vi.** Low Interest Renovation Loans

Tax Abatement Program for Affordable Housing

Tax abatement or tax credit programs can incentivize developers to build affordable housing by providing them with predictable, potentially reduced tax obligations, which makes projects financially viable. Further, by reducing the financial burden on developers, programs like PILOT (Payment In Lieu of Taxes) can help increase the supply of affordable housing units in areas where they are needed. Charles County has seen increased requests from affordable housing developers for tax abatements in recent years and is working to develop a clear and consistent set of criteria to determine which projects should qualify. Gap financing for affordable housing projects, including both tax abatements and direct subsidies, is a recommendation of the 2024 HR&A Report.



Source: GAO (icons). | GAO-24-107064

Regional Example

Montgomery County, Maryland, administers a Payment in Lieu of Taxes (PILOT) program to incentivize the development and preservation of affordable multifamily rental housing. This program offers real property tax abatements to property owners who commit to providing affordable housing to low-income residents.

Options include a Standard PILOT, a "By Right" PILOT that is automatically conferred if at least half the units are affordable to 60% AMI, and a "WMATA" PILOT where 100% of property taxes are exempted for 15 years for qualifying developments near public transit.

Implementation Timeframe

In 2024 an internal workgroup made up of multiple County staff and department leaders was formed to study a PILOT program and to solidify the criteria that must be met and the process that must be followed for developers to qualify for tax abatements from Charles County Government. The work of this group is progressing, and a recommended Standard Operating Procedure can be submitted to the Board of County Commissioners for approval by the end of 2025.

Summary

Charles County has fielded requests for tax abatement from affordable housing developers for years, and each project was considered on a case-by-case basis. Tax abatement programs like PILOTs are popular with developers and can provide critical gap financing for affordable housing projects. Public investment in private development should be limited, however, and based on the best return and the greatest need being met. Therefore, it is very important that clear guidelines be developed to ensure public investment is spent accordingly.

Fee Waivers for Affordable Housing Developments

Developers are liable for a variety of fees throughout the construction process—from permitting fees and inspection fees to fees associated with approval of the site plan or architectural review. Many jurisdictions also assess impact fees on new residential developments, which are designed to cover the cost of infrastructure improvements needed to serve the new residents. By waiving or reducing some or all these fees for qualifying affordable housing projects the developer saves money which can be passed on to the end user in the form of lower rents or a lower purchase price. Reducing fees is a popular solution among stakeholders in the building and development industry.

Regional Example

While not in the mid-Atlantic region, several communities in Washington State use fees as an incentive for housing. Municipalities that offer reduced or waived fees for low-income housing projects include Concrete, Ephrata, and Langley. Some local governments, such as Kirkland, Pierce County and Snohomish, have included utility connection fee waivers and other infrastructure fee reductions as part of a comprehensive program of affordable housing incentives.[34]

Implementation Timeframe

[34] Bauer, Leonard. “Want More Affordable Housing? Reducing Infrastructure Costs Could Help,” Last modified December 31, 2024. https://mrsc.org/stay-informed/mrsc-insight/december-2024/reducing-infrastructure-costs

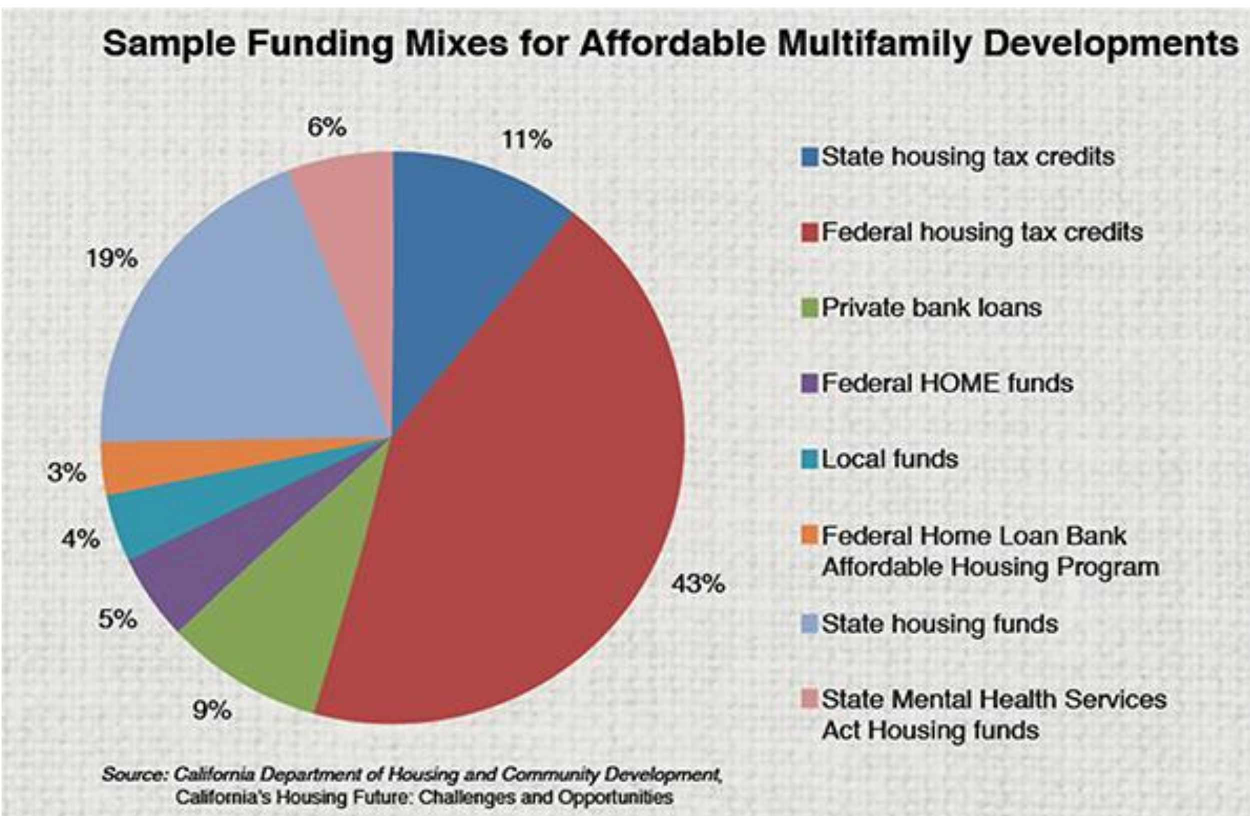
In a relatively short period of time, perhaps within the next fiscal year, PGM staff could review the fees charged for development review and utility connections and determine if accommodations could be made for affordable housing developments that meet specific criteria, potentially related to tax abatement or other financial incentives. Fee waivers could also be tied to the requirements of an Inclusionary Zoning or MPDU program as an incentive for providing a high percentage of affordable units.

Summary

The cost of permitting, impact fees, utility connections, and other related fees are one of the most significant costs to developers of any housing project. Reduction or elimination of some of these fees can make the difference in a project's financial viability, especially for below-market rate affordable housing. Pairing fee reductions with other financial incentives and/or density bonuses for housing projects meeting specific criteria could be a helpful tool enabling development costs to pencil out.

Create a Housing Trust Fund

A Housing Trust Fund is a local-government-managed fund designed to provide financing for the development, preservation, and maintenance of affordable housing. These funds are typically used to support low- and moderate-income housing projects, such as building new units, repairing or upgrading existing housing, or aiding homeowners and renters in need. Even developments that receive state LIHTC funding often require additional subsidy in the form of local gap financing from a Housing Trust Fund. Funds may come from a variety of sources, including taxes on real estate transactions, fees from developers, or specific appropriations from government budgets. Each jurisdiction may set its own criteria on how funds will be spent. Prince George's, Anne Arundel, and Montgomery Counties all have a similar type of fund to financing affordable housing programs. Gap financing for affordable housing projects, including both tax abatements and direct subsidies through a mechanism like a Housing Trust Fund, is a recommendation of the 2024 HR&A Report.



Regional Example

In 2023 Anne Arundel County established a Housing Trust Fund resulting in the allocation of over $20 million in general funds and special revenue funds being made available for affordable housing developments and programs. In addition to encouraging new potential

developments to apply for these funds, these Trust Fund dollars helped move already funded projects forward where there were financing gaps due to interest rates, construction inflation, and/or Maryland DHCD budget deficits.

Implementation Timeframe

While the establishment of a Trust Fund for housing could be done within the next fiscal year through action by the Board of County Commissioners, establishing a dedicated funding stream for such a fund could take longer and require additional deliberation. Increasing taxes or diverting tax money from other needs to fund an HTF can be politically and economically difficult and therefore establishing a Housing Trust Fund using local funding would not be a short-term solution.

Summary

Loans and grants from a Housing Trust Fund, in combination with other local incentives like tax abatements, can bridge the gap between the cost of development and other funding sources such as developer contributions, traditional loans, and rental income. Gap financing can be used to meet other local housing priorities, such as providing longer affordability terms, more units at deeper levels of affordability, or targeting development in high-opportunity areas. Establishing a local funding stream is key, as is establishing a clear set of guidelines and criteria for which types of development may receive such funds.

Low-income Homebuyer Assistance

Many cities, towns, and counties have developed grant or loan programs to help reduce the up-front costs homebuyers face in the form of closing costs and required down payments. Structured as grants, forgivable loans, no- or low-interest loans, or deferred loans, community down payment and closing cost assistance programs can help families who lack savings become successful homeowners. Charles County currently manages such a program with American Rescue Plan Act (ARPA) funding, but with the expiration of those funds a local source of funding would need to be found. Expanding financing for low-income and first-time homebuyers is a recommendation of 2016 Comprehensive Plan and supported by local advocacy groups such as HAND.

Regional Example

Prince George's County operates the Pathway to Purchase program and awards up to $25,000 for down payment and closing costs to first time homebuyers in the form of a 0% interest, deferred payment loan. Funds come from the County's Housing Investment Trust Fund.

Implementation Timeframe

Charles County currently operates the Settlement Expense Loan Program (SELP+) providing downpayment assistance for homebuyers utilizing federal funding. Preserving this program or even scaling it up depends on the establishment of a Housing Trust Fund in Charles County from which loans could be issued, as well as a dedicated permanent funding stream for the HTF. The program could also be tailored to award funding to lower affordability tiers such as 50%-60% AMI.

Summary

Charles County Housing Authority staff have experience operating a homebuyer assistance program in the County using funding from HUD, which is awarded according to the whims of the federal government and is not guaranteed in perpetuity. In partnership with a locally funded Housing Trust Fund an expanded low-income first-time homebuyer assistance program would allow more low-income citizens to access the property ladder and associated benefits.

Expand Emergency Rental Assistance

Emergency Rental Assistance provides financial support to renters who are struggling to pay rent due to unexpected circumstances like job loss, health issues, or disasters. It became particularly prominent during the COVID-19 pandemic but has been a useful tool for many communities in addressing housing instability. It not only assists tenants but helps keep landlords out of insolvency and able to provide quality homes for rent. Charles County provided emergency rental assistance to certain qualified tenants with temporary federal funding, which has since run out. A dedicated source of local funding could expand emergency assistance and keep residents out of homelessness, which is costlier over the long term. Expanding emergency rental assistance county-wide is supported by regional housing advocates like HAND.

Regional Example

Fairfax County, Virginia administers the Emergency Rental Assistance Bridge Program ERA-BP. To be eligible for the ERA-BP a tenant must be a Fairfax County community member, household income must be at or below 80 percent of the AMI, and the rental rate can be no greater than 150 percent of the Fair Market Rent FMR. The program provides up to four months of assistance to maintain or secure housing. Fairfax County expanded its criteria for aid during the COVID-19 pandemic but has since reduced the program to serve only certain income brackets for a more limited period.

Implementation Timeframe

Charles County operated a Housing Assistance Rental Program (HARP) through the Department of Community Services with funds from the 2021 American Rescue Plan Act (ARPA) – federal funding which has since concluded.

Reinstituting this program or even scaling it up depends on the establishment of a Housing Trust Fund in Charles County from which funds could be issued, as well as a dedicated permanent funding stream for the HTF. Details of the program could be amended to aid a wide or narrow set of affordability tiers, and the Department of Community Services and Housing Authority would need additional resources to administer the program on a permanent basis.

Summary

Charles County Housing Authority staff have experience operating an emergency rental assistance program in the County using ARPA funding, and a more permanent assistance program could be scaled up in partnership with a locally funded Housing Trust Fund or similar dedicated financing. Such a program would be tailored to the needs of the most vulnerable renters in the County and would prevent an increase in evictions and homelessness.

Homeowner Rehabilitation Assistance Program

Homeowner rehabilitation assistance programs provide funds to income-eligible owner-occupants to assist with the repair, rehabilitation, or reconstruction of their homes. Charles County already facilitates a USDA program which offers grants to low-income and very low-income households in rural areas to repair or rehabilitate owner-occupied units that have health or safety issues to improve living conditions for homeowners. With additional funding such a program could be expanded and include more households, larger projects, or new geographic areas. Expanding homeowner rehabilitation assistance county-wide is supported by regional housing advocates like HAND.

Regional Example

The City of Annapolis operates a Housing Rehabilitation Program, whereby eligible Annapolis homeowners may apply for forgivable loans to make improvements to their homes. Eligibility is based upon annual household income (which is limited to 60% AMI) and family size. The City contracts with Arundel Community Development Services (ACDS) to provide these services, and funding is provided through HUD's Community Development Block Grant program.[35]

[35] "City of Annapolis – Owner Occupied Housing Rehabilitation." City of Annapolis, MD. Accessed May 1, 2025. https://www.annapolis.gov/921/Housing-Rehabilitation

Implementation Timeframe

Charles County already offers programs for homeowners to rehabilitate their residences, but scaling up the program would require a dedicated local funding stream, and/or additional state and federal resources, and likely a period of a few years to fully implement. Department of Community Development staff may need to be expanded to provide additional services and apply for additional grant funding. Future establishment of a Housing Trust Fund or similar local fund could provide money to this program.

Summary

As Charles County's population grows and housing stock ages, the need for programs to maintain housing for homeowners will also increase. Expanded homeowner rehab assistance programs would help low-income homeowners from losing their properties and maintaining the potential for generational wealth. A combination of federal, state, and local funds could be used to expand this program, but consideration must be given to the amount of Charles County staff needed to administer it, which would likely also grow over time.

County-wide Support Policies

i. Prioritize Publicly Owned Land
ii. Right of First Refusal
iii. Just Cause Eviction
iv. Regulate Corporate Ownership
v. Rental Licensing Program

Prioritize Publicly Owned Land for Affordable Housing

Prioritizing public land for affordable housing is one tool in cities and counties' toolboxes that can lower the costs of new housing development—or improve housing access in key locations. Jurisdictions can prioritize publicly owned land located in amenity-rich neighborhoods, such as those with access to transit, high-performing schools, jobs, and parks. Municipal governments can also work with other public entities, such as transportation authorities, hospitals, and school districts, that may have surplus land suitable for affordable housing development. Implementing a prioritization policy for affordable housing is a recommendation in the 2018 Charles County Housing Initiative Project and supported by local housing advocates like HAND.

Regional Example

Montgomery County, MD has actively supported the development of mixed-income housing on county-owned land since the 1980s. Legislation passed in 2013 requires the County to evaluate the feasibility of including a "significant amount" of affordable housing in proposed capital improvement projects, including an assessment of the site's proximity to public transit and other community services. Projects covered by the legislation as targets for co-location of affordable housing include public facilities such as libraries, recreation centers, and transit stations.[36]

[36] "Use of publicly owned property for affordable housing." Local Housing Solutions. May 17, 2021. https://localhousingsolutions.org/housing-policy-library/use-of-publicly-owned-property-for-affordable-housing/

Implementation Timeframe

Charles County could, within a few years, pass local legislation to require any publicly owned surplus parcels determined to be appropriate for residential development be sold or leased for the development of affordable housing. Such a policy would require regular reviews of county-owned surplus property and developing relationships with affordable housing non-profits or developers who could work with the County to develop the properties accordingly. Clear criteria would need to be set outlining how a surplus property that is appropriate for many uses should be given preference for housing development. Priority properties could also be given expedited development approvals and fee reductions.

Summary

Prioritizing county-owned surplus land for affordable housing would provide a process to generate committed affordable units that Charles County could control. The success of such a program would depend in large part on the types of surplus land the county owns and whether it would be at all suitable for housing, but it would require little public investment to analyze what is available.

Right of First Refusal Policy

Right of first refusal policies can help preserve the ongoing affordability of dedicated affordable rental housing by giving priority consideration to mission-oriented buyers (such as local governments) when the owner of a subsidized rental property decides to stop participating in a subsidy program. Especially in strong and/or growing housing markets, right of first refusal policies help to preserve rental housing and prevent the conversion of subsidized rental properties to another use by enabling their sale to stakeholders who are committed to long-term affordability. Implementing a Right of First Refusal policy for existing affordable housing is a recommendation in the 2018 CPAT Report and supported by local housing advocates like HAND.

Regional Example

In 2013 Prince George's County created a Right of First Refusal (ROFR) Program to expand the availability of affordable rental housing in the county. Among other requirements, the Program provides that a property owner that seeks to sell a multifamily rental facility that consists of 20 or more dwelling rental units must provide written notice of the sale to the County's Department of Housing and Community Development (DHCD) after the owner enters into a bona fide contract of sale to sell the multifamily rental facility. DHCD is authorized under the Code to exercise its

ROFR rights and purchase the property (or assign its rights to purchase the property to a third-party) in accordance with the timeframes and terms of the Code.[37]

Implementation Timeframe

It may take at least two years to develop a policy and staffing infrastructure to administer such a program. The Board of County Commissioners would need to draft legislation to implement the policy, and resources would need to be provided to the Charles County Housing Authority to staff the program. The success of a ROFR program would also depend on the establishment of a Housing Trust Fund or other dedicated local funding source that could be used by the County to purchase housing if no third-party developer or non-profit agreed to purchase a property and maintain its affordable units.

Summary

A Right of First Refusal Policy in Charles County would give the local government more control over maintaining affordable housing units, whether the County chooses to do so through purchasing units itself or through facilitating a sale to a third party who will continue to maintain the affordable units. To provide teeth to the program, however, a dedicated fund like a Housing Trust Fund or a dedicated ROFR acquisition fund must be established and consistently funded.

[37] "County Right of First Refusal Program: Multi-family Rental Properties." Prince George's County, MD. Accessed May 1, 2025. https://www.princegeorgescountymd.gov/departments-offices/housing-community-development/new-development-and-preservation/county-right-first-refusal-program-multifamily-rental-properties

Good Cause Eviction Law

Subject to enabling legislation passing at the state level, a local good-cause eviction law could protect vulnerable renters by requiring landlords to state a specific reason when evicting a tenant. Such legislation would not increase the stock of affordable housing but could give additional protections to renters, keeping them in affordable units longer. Implementing a Good Cause Eviction law county-wide is supported by regional housing advocates like HAND.

Regional Example

Landlords in Washington, DC can only evict tenants for “just cause” or “good cause” which includes non-payment of rent as well as nine other statutorily approved reasons. A tenant may not be evicted simply because the initial lease term expires or because the rental property has been foreclosed upon. To evict a tenant, a landlord must go through the judicial process and the tenant must be given a written Notice to Vacate, an opportunity to cure the lease violation (if that is the basis for the action), and an opportunity to challenge the landlord’s claims in court.[38]

[38] “Office of the Tenant Advocate.” DC.gov. Accessed May 1, 2025. https://ota.dc.gov/page/guide-eviction

Implementation Timeframe

Because the State of Maryland has no legislation enabling local governments to enact Good Cause Eviction laws, such an effort cannot be undertaken at the local level until action is taken by the Maryland General Assembly. A local law could be adopted within one year of state action.

Summary

A Good Cause Eviction law is an example of a tenant protection tool that wouldn't increase the stock of affordable housing but would preserve existing affordable housing and housing stability by protecting current occupants. However, until the Maryland General Assembly allows local governments to enact such legislation other protective tools will need to be investigated.

Regulating Corporate Ownership of Single-Family Housing

Since the Great Recession, private equity firms have purchased tens of thousands of homes in metropolitan areas throughout the United States including the Washington DC region. Not all corporate investment has been negative - such firms have helped to finance, build, or repair much of the stock of affordable housing that communities were struggling to create for years. However, increasing corporate involvement in housing markets limits the stock of homes that individuals and families can own. To mitigate the negative impacts of widespread corporate home buying, policymakers have suggested legal changes to ensure that the average person or family can still enter the world of homeownership. Responsibility for such changes would primarily lie with state and federal lawmakers, but options may exist in the future for local governments to set limits on corporate ownership of single-family housing. Such limits are a frequently requested policy change from the Charles County public.

Regional Example

This issue has achieved a higher national profile in the years following the COVID-19 pandemic, and there are so far few examples of states or local governments enacting such legislation. A state representative in North Carolina introduced a law in 2023 which sought to cap the number of single-family homes a landlord may own at 100 properties within North Carolina's most populous counties. The bill's text included a civil penalty measure that could add up to $100 per day for every home that exceeds the 100-property cap, as well as court fees and damages.

The 100-property cap would have applied to both parent companies and their subsidiaries, but the legislation did not make it out of committee.[39]

Implementation Timeframe

Since few other jurisdictions have implemented such a law limiting corporate landlords, extreme care should be taken in how Charles County approaches such a limit to avoid lawsuits from development groups. Other jurisdictions have tried to limit corporate landlords through additional taxation on rental portfolios of a certain size instead of legislating an outright ban or limit on ownership. Rental licensing requirements could be used as well to limit the number of rental licenses a single landlord is allowed to maintain. Such a policy may take many years to enact to ensure legality, and in the meantime further research should be done to determine the extent to which corporate landlords in Charles County are affecting the housing market.

Summary

While a popular solution from the public, limiting corporate landlords is an untested solution to a relatively new problem, and care should be taken in how the County addresses it. A heavy-handed approach could have negative consequences in driving developers and large property owners from the county, as well as inviting lawsuits for which there is not much precedent to lean on.

[39] Bankson, Madeline and Noble, Chris. "Part 3: Combatting Consolidation Through Pro-Competitive Policy Reforms: Portfolio Caps, Transfer Taxes, and Right of First Refusal Legislation." (Private Equity Stakeholder Project – November 2023) https://pestakeholder.org/wp-content/uploads/2023/12/PESP-Report-Tools-for-Tackling-Corporate-Landlords-3-Pro-Competitive-Reforms-December-2023.pdf

Create a Rental Licensing Program

Some counties and cities in Maryland require landlords to have a current rental property license. Often the purpose of the licensing requirement is to make sure that rental properties meet building code requirements for habitability. Licensing landlords ensures that tenants have safe and sanitary conditions to live in.

The owner benefits from having maintenance issues addressed through regular inspections. The public, as well as county staff who study housing, benefit from the data that such a program would provide. Currently it is difficult to estimate how many rental units are offered to each income tier, but with a licensing program that recorded what every landlord charges for rent county staff could identify the gaps in the market and where public resources should be targeted. Such a policy has long been a local priority, and the Charles County Board of Commissioners voted on March 4, 2025, to advance a proposed rental licensing program.

Regional Example

The Town of La Plata has a rental licensing program for single-family and multifamily rental dwellings. The owner of every rental property is required to obtain and maintain a rental license. Bi-annual rental inspections are conducted to ensure compliance with the Town of La Plata Code, Maryland Minimum Livability Code - COMAR 05.02.03 and the International Property Maintenance Code - 2009 edition.[40]

Implementation Timeframe

Implementation of a rental licensing program for Charles County is already underway. The FY 2026 budget requested and was approved for two new PGM positions to oversee the program, as well as funding for staff in the County Attorney's office to assist.

[40] "Rental License." Town of La Plata. Accessed May 1, 2025. https://www.townoflaplata.org/180/Rental-License

Summary

With the implementation of a Rental Licensing program already underway, Charles County staff will be able to use the data from landlords to better understand the housing provided in the county and the gaps in the market.

Staff working on housing policy both in PGM and DCS will coordinate with the new Rental Licensing staff to ensure future affordable housing policies are complementary and well-informed.

APPENDICES

A. CPAT Report
B. List of Existing County Housing Programs
C. HR&A Report
D. Full Summary of Responses to Sentiment Survey (October 2024)
E. CPAT Affordable Unit Estimate Model
F. Affordable Housing PILOT Draft SOP
G. Full Summary of Responses to Policy Options Survey (June 2025)
H. Policy Output Estimates