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Affordable Housing Preservation and Development Analysis for Rural Maryland

STUDENTS

Michael Glen-Williams

Tania Lamprea-Barragan

UNDER THE SUPERVISION OF

Professor Shanna Pearson

COURSE

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An initiative of the National Center for Smart Growth
Kathryn Howel, NCSG Executive Director
Kim Fisher, PALS Director

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Executive Summary

This paper is a product of the Foundation of Social Policy research project, partnering with UMD’s Partnership for Action Learning in Sustainability (PALS). It aims to shed light on affordability concerns surrounding rural housing in Maryland.

We’ve been tasked by the Rural Maryland Council (RMC) to assess state policies from around the nation that have developed successful affordable-housing programs and to provide details on implementation in Maryland. The report’s primary goal is to offer a comprehensive examination of the challenges and barriers associated with rural housing affordability.

Furthermore, the report endeavors to pinpoint key stakeholders and initiatives that have shaped rural housing policy in Maryland. Through these analyses, we aim to gain insights into the issue, enabling us to formulate meaningful recommendations and potential strategies to tackle these pressing challenges effectively.

Introduction

This report, a collaborative effort between the Foundation of Social Policy and UMD's Partnership for Action Learning in Sustainability (PALS), delves into the pressing issue of rural housing affordability in Maryland. Commissioned by the Rural Maryland Council (RMC), our mission is to explore state policies nationwide that have successfully addressed affordable housing challenges and assess their implementation in Maryland. The primary objective is to comprehensively examine the obstacles associated with rural housing affordability, spotlighting key stakeholders and initiatives shaping Maryland's rural housing policy landscape. Through this analysis, our aim is to gain insights into the multifaceted issue and formulate meaningful recommendations and strategies to address the challenges faced by rural communities effectively.

Our exploration begins by recognizing the fundamental economic nature of rural housing affordability challenges in the United States, particularly rooted in rural residents' insufficient or low incomes. This issue is further compounded by its association with vulnerable demographics, including the elderly, disabled individuals, and various ethnic groups. While government interventions through public housing programs have historically played a crucial role in mitigating the disproportionate impacts on these populations, recent reductions in financial support from the USDA's Rural Housing programs have given rise to a housing affordability crisis in rural areas.

To understand this issue in Maryland, our examination will focus on past government interventions, key stakeholders, and primary beneficiaries of housing programs. Identifying the principal actors, particularly those impacted by reduced federal financial support, is crucial for formulating effective strategies to address the challenges specific to Maryland.

Our research process involved an in-depth investigation using primary Public Housing Authority pages, reviewing grant information for programs spanning the last three years, and using Guidestar, a comprehensive platform encompassing data on over 2.5 million U.S. non-profit organizations.

The findings revealed an uneven distribution of public housing authorities across rural counties, presenting challenges in the final step of housing assistance delivery. Additionally, the study identified non-profit organizations, such as Maryland Rural Development Corporation (MRDC), Habitat for Humanity, Main Street Housing, and Lifestyle, Inc, as playing crucial roles in administering federal and state programs. However, their uneven distribution raises questions about the accessibility of resources in certain counties.

In summary, this research not only illuminates the intricate challenges surrounding rural housing affordability in Maryland but also underscores the imperative for a comprehensive and well-informed approach to effectively tackle these issues. The report stands as an informational resource, pinpointing the absence of intermediaries in rural counties essential for delivering tailored programs to address the unique needs of each area.

Background of Rural Housing Issues

America is facing a severe shortage of affordable rental housing, and this problem is worsening over time. The annual GAP report of The National Low Income Housing Coalition (NLIHC) revealed that households with extremely low incomes, defined as incomes at or below either the federal poverty guideline or 30% of the area median income (AMI), account for one-quarter, or 11 million, of the nation's 44.1 million renters and experience significant rates of financial and housing insecurity. Severe inflation and increased interest rates coupled with their disproportionate impact on extremely low-income renters, mainly in rural areas, among Black, Latino, and Indigenous households, has massively increased the demand for affordable housing among the most vulnerable communities.

Affordable housing challenges in rural areas have garnered significant attention due to their distinctive complexities. Rural regions grapple with limited resources, and nearly one-fourth of most rural counties have witnessed a notable rise in households facing severe cost burdens. According to the Housing Assistance Council (HAC), in areas with populations below 10,000 people, 40% of renters allocate over 30% of their income to cover housing expenses. Furthermore, the issue of poverty is particularly acute, especially in counties identified as persistent poverty counties, where poverty rates have consistently surpassed 20% since 1990; these counties are predominantly rural.[1] (Peter Lawrence, 2019).

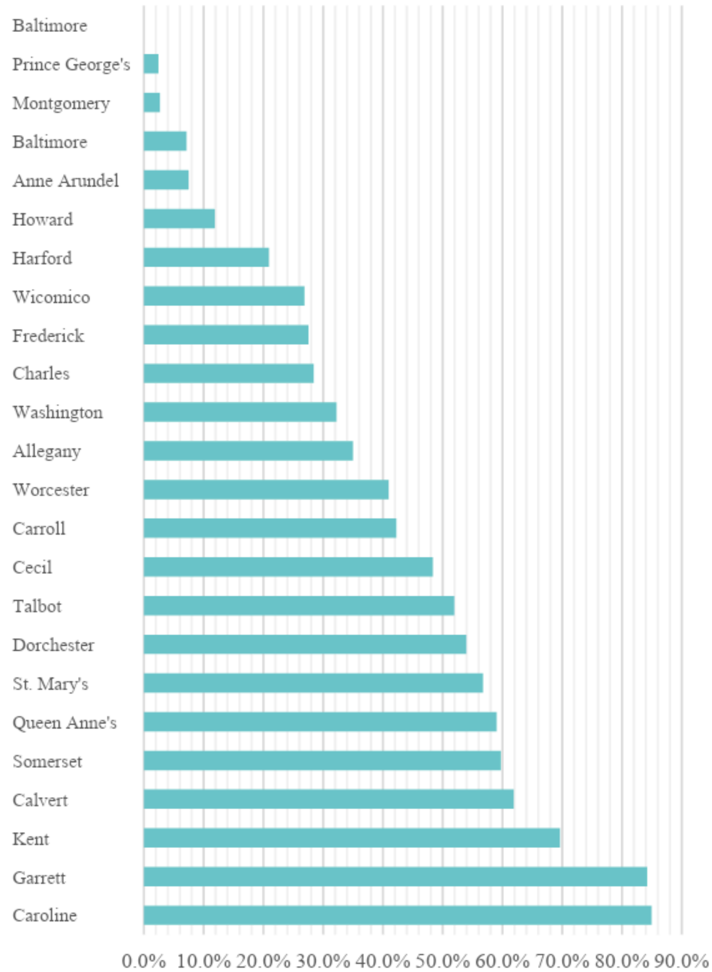
Maryland comprises 24 counties, and within this landscape, 9 of them boast a rural population that surpasses 50%. Notably, Caroline and Garrett Counties stand out with rural population shares reaching 84.95% and 84.21%, respectively. As of 2020, the total housing inventory in Maryland amounted to 2,560,844 houses, with 361,719 of them in rural areas, accounting for 14.3% of the state's overall housing stock.

Rural areas exhibit distinct characteristics that differentiate them from suburban and urban regions, including geographical isolation, limited

[1] Peter Lawrence, (2019). Worsening Rural Rental Housing Affordability Crisis Demands Continued Attention. Affordable Housing Research center. Novogradac. May 13, 2019.

transportation options, and restricted access to healthcare. In Maryland, the state's definition of rural, as outlined in the Annotated Code of Maryland, encompasses 18 out of the 24 counties. Each of these counties is represented on the Rural Maryland Council. Maryland’s rural counties are Allegany, Calvert, Caroline, Carroll, Cecil, Charles, Dorchester, Frederick, Garrett, Harford, Kent, Queen Anne’s, Somerset, St. Mary’s, Talbot, Washington, Wicomico, and Worcester. (Rural Maryland Council, 2020)

Figure 1. Rural housing population share by counties in Maryland



Source: author’s elaboration. US Census Bureau (2020)

Affordable housing is generally considered to be housing in which the combined costs of rent and utilities do not surpass 30% of a person’s income (Aurand et al 2021). Furthermore, "affordable and available" rental units are those that are not only within budget but are also either unoccupied or not currently occupied by households with higher incomes. Consequently, the challenges of housing affordability often mirror the broader socio-economic issues within a community, encompassing factors such as employment opportunities, income levels, financial stability, and educational access, among others. In short, affordable housing crises cannot be solved by simply producing additional low-cost units. Still, structural systems should be implemented to preserve equitable access to economically viable housing.

In that sense, understanding the background of rural demographic and economic changes is essential to define the problem of rural housing affordability in the United States. These shifts, including declining population share, income disparities, and education challenges, set the stage for recognizing rural communities' specific housing needs and constraints. This context is vital for crafting effective policies and solutions to address rural housing affordability issues.

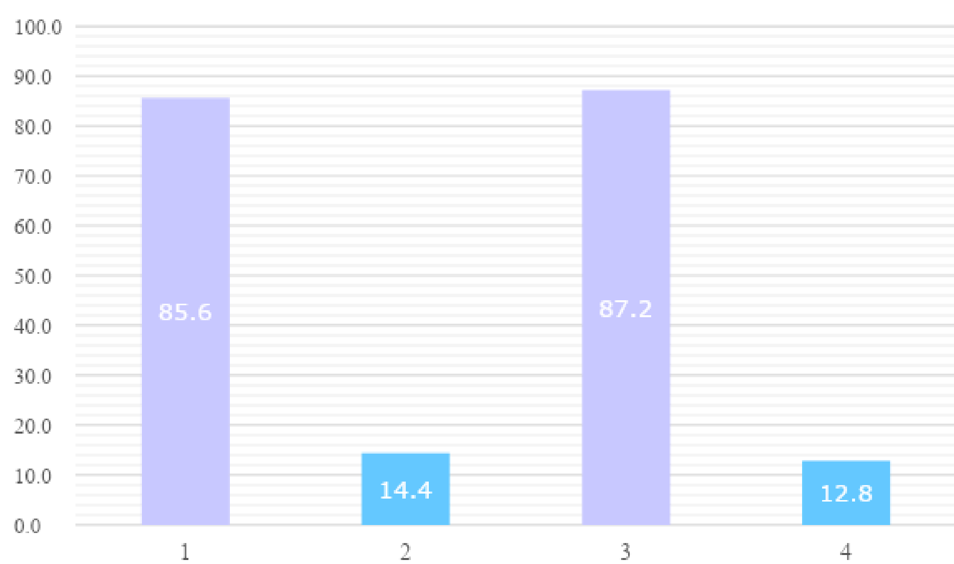
The Maryland housing market has seen significant changes over the past several decades. Currently, 32% of households in MD, or just under 700,000 households, have been identified as cost-burdened, with 48% of those being renters compared to 52% homeowners. Despite the statewide population growing by around 20% from 2000-2017, the total number of construction permits for single-family residences in the state has decreased from over 117 thousand from 2000-2004 to just under 59 thousand from 2015-2019.

The Economic Research Service of the U.S. Department of Agriculture (USDA) has been closely monitoring significant demographic and socioeconomic shifts in rural areas across the United States. Over recent decades, rural America has undergone profound changes, affecting its population distribution, economic conditions, education, and housing.

The decrease in the rural share of the population underscores the ongoing shift towards urbanization. The USDA’s Economic Research Service reports that the share of the US population residing in rural areas has decreased from 18.1% in 1980 to 13.8% in 2022. This decline is attributed mainly to the considerable growth experienced by urban populations. Over the last decade (2010-2020), urban areas revealed a substantial population surge, with a growth rate of 8.8%. In contrast, rural population growth during the same period remained stagnant, registering a decrease of 0.6%.

Maryland is suffering from a similar problem. According to the Decennial Census survey, the state recorded a total population of 6,177,224 residents, marking a noteworthy 7.0% increase compared to 2010 population data. While rural counties have an average positive growth rate of 0.03%, this is compared to urban counties with a rate of 0.095% of growth between 2010 and 2020.[2] Currently, five of the top eight fastest growing counties in Maryland are highly urbanized such as Prince George's (fourth fastest), Anne Arundel (fifth fastest), Montgomery (sixth fastest), and Baltimore (eighth fastest).[3] Baltimore is in a unique situation; the city population is decreasing while the suburban Baltimore County population has spiked. Despite Maryland's promising rural growth in the twenty-first century, it does not compare to the population and housing developments in urban Maryland.

Figure 2. Population shares in Maryland



[2] https://msa.maryland.gov/msa/mdmanual/01glance/html/pop.html

[3] https://msa.maryland.gov/msa/mdmanual/01glance/html/pop.html

Source: author's elaboration. US Census Bureau (2020)

In addition, the economic disparities between these areas highlight the financial stability challenges faced in rural areas. National per-capita income in 2021 in rural regions falls behind urban counterparts by a significant margin, reflecting a 25% income gap. This disparity is also evident in poverty rates, with rural areas reporting a poverty rate of 15.4%, exceeding the urban poverty rate by 3.1 percentage points, which stands at 12.3%.

Rates in Maryland are remarkably similar, with the rural poverty rate at 12.1% and the urban poverty rate at 10.3%, a difference of 1.8 percentage points.[4] Maryland likely has a smaller margin due to the closer proximity between urban and rural counties when compared to other states.

Education and employment indicators offer additional insights into the socioeconomic context of rural America. Between 2017 and 2021 nationally, only 21.1% of individuals in rural areas completed college, well below the national average of 33.7%. While Maryland's urban average bachelor's attainment is well above the average at 42.8%, rural populations are significantly lower with 26.8% of the population having a bachelor's degree. This educational deficit has implications for the labor market, where individuals with fewer years of education encounter more difficulties finding employment opportunities and quality, high paying jobs. Other critical factors include declining rural populations, the aging of communities, and persistent poverty rates in rural areas. These factors exacerbate the negative impact on the most vulnerable individuals and communities, underscoring the urgency of addressing the problem comprehensively.

The previously mentioned factors and the lower housing market growth for low-income individuals in rural areas lead to increased

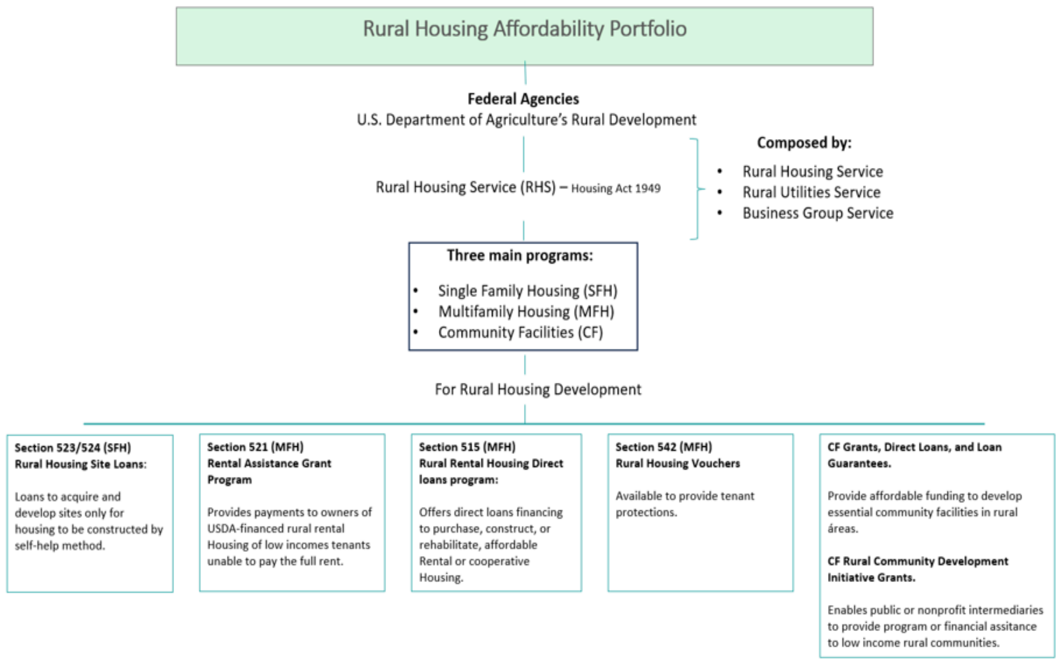
[4] https://www.ruralhealthinfo.org/states/maryland#:~:text=The%20ERS%20reports%2C%20based%20on,ACS%20data%20reported%20by%20ERS.

reliance among affordable housing developers in these regions on state and federal funding for their new projects.

Though cities, towns, and counties play a crucial role in financing affordable housing initiatives, most of the financial support for these programs originates from the federal government. The primary sources of federal funding for affordable housing encompass a range of programs, including the Low Income Housing Tax Credits, tenant-based rental assistance programs, project-based rental assistance programs, public housing operating and capital funds, Choice Neighborhoods, the HOME Investment Partnerships Program (HOME), Community Development Block Grants (CDBG), the National Housing Trust Fund, the Capital Magnet Fund, Rural Housing Service programs, and Qualified Opportunity Zone Designations.

Particularly for rural issues, the U.S. Department of Agriculture administers programs that provide funding for both single-family and multi-family housing in rural cities, towns, and counties through the Rural Housing Service (RHS) (Local Housing Solutions, 2022). RHS offers housing and community development programs that include Community Facilities (CF) programs to fund essential community facilities, Single Family Housing (SFH) programs to fund individual homeownership, and Multi-Family Housing programs (MFH) to assist low-income individuals and families in obtaining affordable, rural rental housing.

Illustration 1. Federal Rural Housing Affordability Portfolio



Source: author's elaboration. (USDA, 2023)

The development programs that are working for rural communities are Section 523/524 (SFH) Rural Housing Site Loans, Section 515 (MFH) Rural Rental Housing Direct Loans Program, Section 521 (MFH) Rental Assistance Grant Program, Section 542 (MFH) Rural Housing Vouchers, CF Grants, Direct Loans and Local guaranties, and CF Rural Community Development Initiative Grants. They all assist low-income individuals and families in obtaining affordable rural rental and property housing. [5](USDA, 2023).

Rural communities across the US rely heavily on rental housing options funded by the USDA, primarily through its Section 515 program. Since its inception in 1963, Section 515 has provided financing for nearly 28,000 rental properties, encompassing over 533,000 affordable apartment units. These rental properties frequently serve as the

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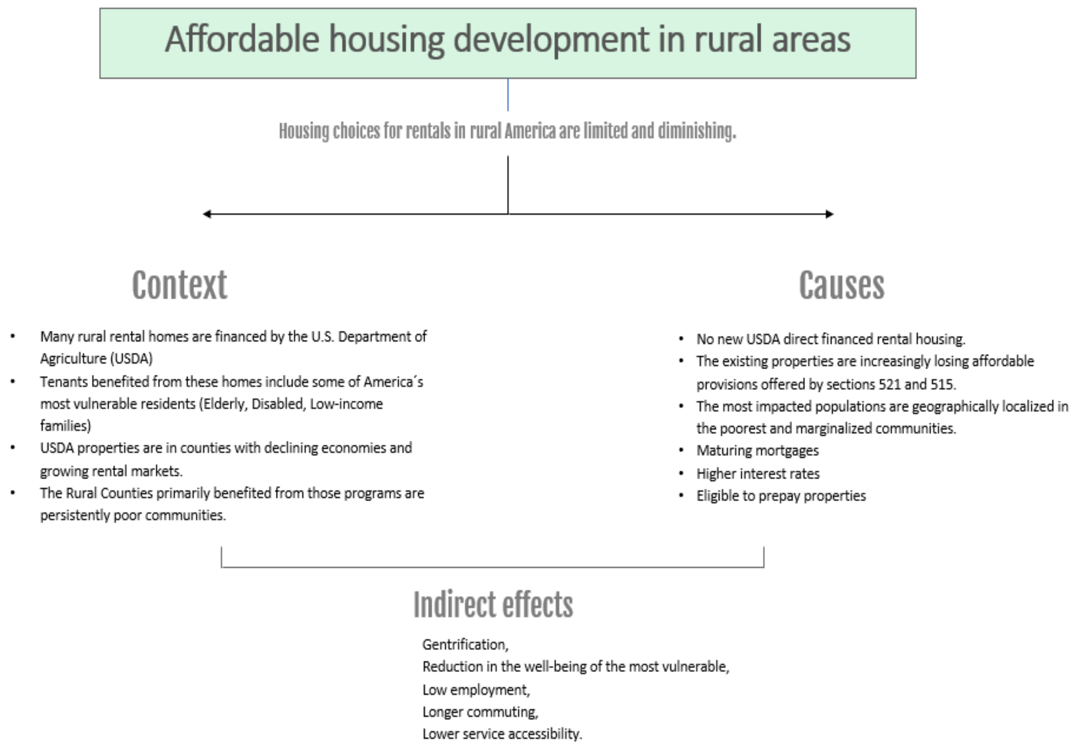
5 USDA, (2023). Explanatory Notes. Rural Housing Service. From: chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.usda.gov/sites/default/files/documents/32-2023-RHS.pdf

primary and affordable housing choice in many rural areas, as a crucial resource for some of the nation's most vulnerable individuals, such as the elderly, individuals with disabilities, and families with extremely low incomes. According to the Housing Assistance Council (HAC) report from September 2018, more than 13,000 USDA rental properties delivered over 415,000 affordable homes to families and individuals in rural America.[6] (Housing Assistance Council (HAC), (2018))

Illustration 2. Context and Main Causes of Affordable Housing Development in Rural Areas



Source: author's elaboration

Additionally, the Section 521 Rental Assistance program represents another substantial source of financial support. Roughly 80 percent of tenants in USDA properties receive some form of rental assistance through this program. However, the remaining 20 percent do not benefit from any rental subsidies, and more than one-third of these

[6] Housing Assistance Council (HAC), (2018). Rental Housing For 21st Century Rural America. USDA's Rural Rental Housing Portfolio: A platform for preservation.

tenants without assistance experience financial burdens related to housing costs, where they pay over 30 percent of their income toward rent.[7] (Housing Assistance Council (HAC), (2018))

According to HAC (2018), the core issue is the declining number and availability of USDA-supported rental homes. Notably, no new Section 515 properties have been financed in recent years, and a considerable portion of existing loans are approaching maturity or projected to exit the portfolio within the next few decades. This dwindling availability of Section 515 properties, the maturation of mortgages, and the potential for prepayment all contribute to the observed affordability challenges, revealing inefficiencies in government intervention.

Ownership plays a pivotal role in this context. After repaying a loan and in the absence of restrictive use provisions, property owners can either continue providing affordable housing or pursue an alternative use. Additionally, when a Section 515 loan nears maturity or becomes eligible for prepayment, owners can choose from five options for their property's status: 1) prepay the loan; 2) pay off the loan at maturity; 3) foreclosure; 4) recapitalize debt; or 5) transfer ownership.

Each of these options results in the property exiting the program. When a USDA Section 515 loan concludes for any reason, the property also loses its Section 521 Rental Assistance, potentially leading owners to convert their properties to market-rate rents, displacing current tenants.[8] (Housing Assistance Council (HAC), (2018))

In 2019, the Maryland legislature passed House Bill 1045, Comprehensive Planning for Housing, which gives local planning and zoning authorities the ability to address housing demands as part of a

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[7] Housing Assistance Council (HAC), (2018). Rental Housing For 21st Century Rural America. USDA's Rural Rental Housing Portfolio: A platform for preservation.

[8] Housing Assistance Council (HAC), (2018). Rental Housing For 21st Century Rural America. USDA's Rural Rental Housing Portfolio: A platform for preservation.

comprehensive effort.[9] In a discussion regarding affordable housing in rural Maryland, Duane Yoder, the President of the Garrett County Community Action Committee (GCCAC), emphasized their optimistic view of the new legislation.[10] HB 1045 will provide the opportunity for local level governments to address affordable housing demands in the context of health, education, and economic development issues. With the onset of the COVID-19 pandemic, establishing statistical trends tied specifically to HB 1045 has been difficult for researchers.

Following the passing of the house bill, guidance was needed for local community members who would have more influence on local housing needs. In December of 2020, the National Center for Smart Growth at the University of Maryland and Enterprise Community Partners, Inc. teamed up to complete a Needs Assessment regarding Maryland Housing.

Our research focuses on the three Maryland regions with populations in significantly less dense communities when compared to the DC or Baltimore suburbs: eastern Maryland, western Maryland, and southern Maryland.

Farther from the urban center of the state of Maryland, statistically significant trends begin to appear. On average, Maryland residents have seen an increase in both employment rates and real median household incomes from 2000 to 2017. When focused primarily on counties in eastern and western Maryland, the trend flips. The 2020 needs assessment identifies several counties with a decrease in total employment and real median household income.

Along with some of the more urban communities, both eastern and western Maryland show higher-than-average foreclosure rates and a decline in recent resales, leading to a stagnating housing market. For

[9] Maryland HB 1045, House of Delegates. (2019). (Online)

[10] Humphrey, K. E. (2022, August 26). Affordable Housing in Maryland: A Rural Developer's Experience. *Maryland Planning Blog*. (online)

renters who can remain without eviction, the stagnant market has led to housing age and quality concerns. Currently, about 46% of Maryland homes were built before 1980, leaving a dwindling selection of high quality and affordable rental units in both western and eastern MD.

Southern Maryland has a unique issue regarding the lack of affordable optimal housing. In counties such as Calvert or St. Mary's, there are an excessive number of large family dwellings instead of starter homes and single-bedroom units. Despite a significant number of available units, a large portion of income earners in Maryland range between $45,000 to $60,000 annually. Due to the limited income growth in the rural areas, residents can't afford the costs of ownership or rental associated with the large family dwellings.

When comparing the different rural regions in Maryland, one major recurring factor is the extreme expenses associated with the construction of new affordable homes. Many of the costs are connected to the development of infrastructure to support the new dwellings, including roadways, water/sewage, and electricity requirements. Rural areas provide less profit to contractors who face higher costs to build in new locations.

Political Analysis

These findings highlight the primary insight that underscores rural housing affordability challenges in the United States: it is fundamentally an economic issue rooted in the insufficient or low incomes of rural residents. Affordability is compounded by its close association with vulnerable demographics, including the elderly, disabled individuals, and various ethnic groups, creating a complex web of intersecting factors. While government intervention through public housing programs has played a crucial role in mitigating the disproportionate impacts on these populations, the recent reduction in financial support from the USDA's Rural Housing programs has precipitated a housing affordability crisis in rural areas.

As a result, the examination of rural housing affordability in Maryland should center on understanding the historical interventions of the government, the key stakeholders involved, and the primary beneficiaries of these programs. Identifying the principal actors, particularly those bearing the brunt of the reduced federal financial support, is essential for devising an effective strategy to address this issue in Maryland.

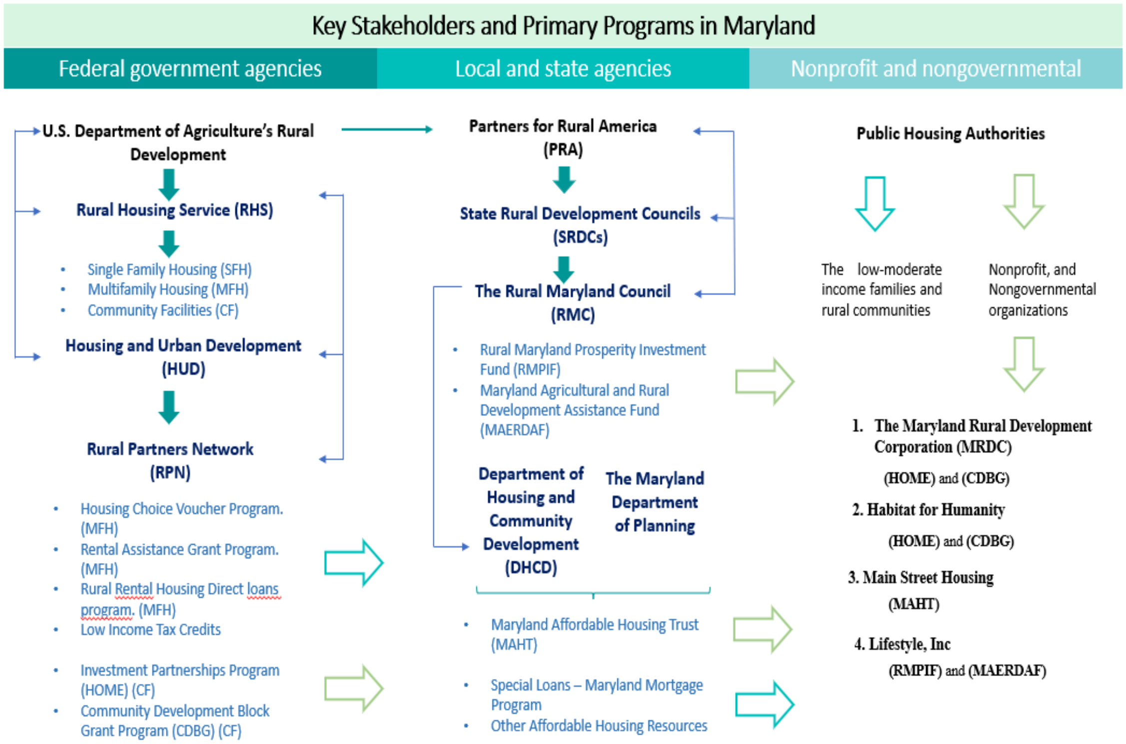
The assembly of information on key programs, primary stakeholders, and beneficiaries involved an in-depth research process. This comprehensive investigation was conducted by accessing primary public housing authority pages, reviewing grant information for programs spanning the last three years, and using a search platform called Guidestar, which holds data on over 2.5 million US non-profit organizations.

Key Stakeholders and Housing Programs

Federal Government Agencies

As mentioned above, while cities, towns, and counties play a pivotal role in financing initiatives geared toward affordable housing, the primary source of financial support for such programs is derived from the federal government. Specifically, the U.S. Department of Agriculture oversees programs addressing rural concerns, channeling funds for both single-family and multifamily housing in rural areas through the Rural Housing Service (RHS) (Local Housing Solutions, 2022). The RHS provides grants and loans for housing and community facilities in rural areas of the U.S. including Community Facilities (CF) programs designed to fund crucial community facilities, Single Family Housing (SFH) programs aimed at supporting individual homeownership, and Multifamily Housing programs (MFH) dedicated to assisting low-income individuals and families in securing affordable rental housing in rural areas.

Illustration 3. Key Stakeholders and Primary Public Housing Programs in Maryland



Source: author's elaboration

Additionally, U.S. Department of Housing and Urban Development (HUD) programs, while not exclusively geared toward rural communities, can still benefit these areas. As part of the White House Interagency Rural Prosperity Policy Council, HUD collaborates with the Rural Partners Network (RPN), led by USDA, in a comprehensive government approach to bolster rural America. HUD has also established the Rural Prosperity Coordinating Council internally, aiming to enhance its response to the distinctive housing and service needs of small towns and rural communities, fostering opportunities for housing and community development. (HUD, 2022)

HUD collaborates with the U.S. Department of Agriculture (USDA) Rural Housing Services (RHS) and other agencies to address the distinctive housing needs of rural communities. Its programs play a vital role in supporting the preservation and development of affordable housing in these areas. Notably, states have the flexibility to designate

HOME Investment Partnerships Program (HOME) and Community Development Block Grant Program (CDBG) funds for rural regions. These two Community Facilities programs work through grants, direct loans, and loan guarantees and Rural Community Development Initiative Grants, to provide affordable funding to develop essential community facilities in rural areas and enable public or nonprofit intermediaries to provide program or financial assistance to low-income rural communities.

The HOME program, the largest federal block grant exclusively dedicated to creating affordable housing for low-income households, has a significant impact, particularly in smaller incorporated places and non-metropolitan towns. Eligible entities for HOME funds include nonprofit organizations, local governments, local housing agencies, and State government agencies.

The CDBG program, the most flexible funding resource, is applicable to both housing and non-housing activities. These activities encompass neighborhood revitalization, economic development promotion, and enhancement of community facilities, infrastructure, and services in low- and moderate-income communities. Eligible applicants for the CDBG program include units of local government in non-entitlement counties with a population of less than 200,000, as well as non-entitlement cities and towns with a population of less than 50,000. Additionally, resources for disaster response and recovery, such as CDBG Disaster Recovery (CDBG-DR), aid communities in managing the impacts of climate change and enhancing resilience against future disasters.

Additionally, the Multifamily programs (MFH) through Housing Choice Voucher Program, Rental Assistance Grant Program, and Rural Rental Housing Direct loans program are important sources of rural affordability housing funds. They offer financial assistance to owners of USDA-financed rural rental housing to support low-income tenants who are unable to cover the full rent. They provide direct loan financing for the acquisition, construction, or rehabilitation of affordable rental or cooperative housing. Furthermore, they subsidize the rent for lower-income families, the elderly, and disabled individuals, enabling them to access decent and safe housing in the private market with the support of federal funds.

Although federally funded, these initiatives are locally administered by state and local agencies. Furthermore, they differ in terms of stakeholders using the funds. For example, the Community Facility programs involve intermediaries like nonprofit organizations, while Multifamily programs are directly provided to residents or beneficiaries.

The following section presents an analysis of state and local institutions and agencies responsible for managing and administering federal programs and state initiatives, primarily within the state of Maryland.

Local, Regional, and State Agencies

Founded in 1998, Partners for Rural America (PRA) operates on state and local levels to bolster the initiatives of its member State Rural Development Councils (SRDCs). These councils play a crucial role in enhancing economic and social opportunities for rural communities, advocating for fair treatment by both government agencies and the private sector, and serving as a collective voice for rural America. SRDCs engage in research, collaborate with government officials, partner with development organizations, and act as leaders representing the needs of rural communities across their states. (PRA, 2019) While issues vary from state to state, SRDCs generally focus on improving community and economic development, education, workforce training, infrastructure, broadband access, transportation, and healthcare. (PRA, 2019)

The Rural Maryland Council (RMC), an independent State agency within the Department of Agriculture, serves as the collective voice for rural Maryland. The Council brings together citizens, community-based organizations, federal, state, county, and municipal governments as well as representatives of the for-profit and nonprofit sectors to collectively address the needs of rural Maryland communities. Governed by a nonpartisan 40-member board representing various sectors, RMC convenes stakeholders to collectively address the needs of rural Maryland communities. The Council administers two grant programs, the Rural Maryland Prosperity Investment Fund (RMPIF) and the Maryland Agricultural and Rural Development Assistance Fund (MAERDAF). (Rural Maryland Council, 2020)

The RMC's grant programs foster economic well-being in rural communities that face disadvantages and are underserved. These programs also offer funding for capacity-building to nonprofit service providers in rural areas. Entities eligible to apply include local governments, institutions of higher education, regional councils, and nonprofit organizations serving a rural constituency at a regional or statewide level.[11]

One of the members of the RMC is the Department of Housing and Community Development (DHCD), which works with partners to finance housing opportunities and revitalize great places for Maryland citizens to live, work, and prosper. DHCD has programs for homeowners and renters, businesses and business owners, communities, and investors. DHCD receives Community Development Block Grant program funds from the U.S. Department of Housing and Urban Development (HUD), administers Maryland's federal HOME program, and a portion of the annual allocation is used in conjunction with existing Community Development Administration Development, Homeownership, and Special Loan Programs. Also, DHCD administers community facilities such as the Housing Choice Voucher Program in parts of the Eastern Shore and Western Maryland including Allegany

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[11] Rural Maryland Council, 2023. Grant Opportunities. From: https://rural.maryland.gov/grant-opportunities/.

County (including the City of Cumberland), Caroline County, Dorchester County, Frederick County, Garrett County, Kent County, Somerset County, Talbot County, Wicomico County, and Worcester County.

Another state agency is The Maryland Department of Planning (MDP) that oversees comprehensive plans, offering technical support and creating Models and Guidelines (M&G) to implement them. The Housing M&G, responding to House Bill 1045 (2019), aims to assist jurisdictions with planning for housing. While the new legislation mandates a housing element in comprehensive plans, MDP emphasizes local generation of format and strategies. HB 1045 (2019) mandates jurisdictions with planning authority to include a housing element in their 10-year cycle comprehensive plan updates. The Housing M&G, organized into four categories, covers requirements, definitions, and dialogue about affordable housing (Housing Planning); uses data to depict housing supply and need (Housing Data); highlights best practices and examples (Housing Practices); and directs users to housing planning resources (Affordable Housing Resources).

The MDP and DHCD collaborated to integrate DHCD's state housing funding programs and planning efforts, consulting on homeownership, affordable housing development, housing data, services for low-income households, and rehabilitation. DHCD, overseeing statewide planning and related programs, leads initiatives like the Consolidated Plan and financing programs such as the Maryland Affordable Housing Trust.

The Maryland Affordable Housing Trust promotes affordable housing for households earning less than 50% of area or Statewide median income by: funding capital costs of rental and ownership housing; providing financial assistance for nonprofit-developer capacity building; funding supportive services for affordable housing occupants; and funding operating expenses of affordable housing developments. Nonprofit organizations, public housing authorities, government agencies, and profit-motivated entities are encouraged to apply to this funding.[12]

It's worth highlighting that federal program funds administered by Maryland's Department of Housing and Community Development are directed to local affordable rental housing development initiatives in different ways. Among those are the Multifamily Bond Program, Low-income Housing Tax Credits, Rental Housing Fund, Rental Housing Works, Partnership Rental Housing Program, and Group Home Program.

The community development and neighborhood revitalization has also relevant programs like Community Development Block Grant Program and Community Services Block Grants. Finally, there are homeownership and rental programs, where Maryland Mortgage Program, Department-Owned Properties, and Section 8 Housing Choice Voucher Program are the most relevant initiatives for rural housing affordability issues.[13]

Nonprofit and Non-governmental Organizations

The main channels through which federal and state funding reach low-and moderate-income families and rural communities are nonprofit, non-governmental organizations. In Maryland, public housing authorities are the primary intermediary for giving financial assistance directly to the beneficiaries and providing funding to nonprofits and non-governmental agencies that support the creation of affordable housing.

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[12] Department of Housing and Community Development (DHCD), 2023. Maryland Affordable Housing Trust Awards Round 46 (SFY 22). From: https://dhcd.maryland.gov/HousingDevelopment/Documents/maht/Round46-Maryland-Affordable-Housing-Trust-Awards.pdf

[13] Maryland Department of Housing and Community Development, 2023. Maryland Department of Housing and Community Development. https://dhcd.maryland.gov/Pages/About/DHCD-Programs.aspx

Public housing authorities are privately run, nonprofit organizations in charge of overseeing public housing programs in a jurisdiction. Although they are privately run, housing authorities are government-sanctioned and federally funded. The Housing Authority for Rural Maryland Counties are: Wicomico County Housing Authority, Carroll County Housing & Community Development, Housing Authority of Calvert County, County Commissioners Charles County, Housing Authority of St. Mary's County, Housing Authority of Washington County, Frederick Housing Authority, Cecil County Housing Agency, Housing Commission of Talbot, Queen Anne's County Housing Authority, Harford County Housing Agency, Dorchester County Housing Authority, and Worcester Housing Authority.

Illustration 4. Public Housing Authorities in Maryland's Rural Counties

	Allegany	Calvert	Caroline	Carroll	Cecil	Charles	Dorchester	Frederick	Garrett
Public Housing Authorities		Housing Authority of Calvert County		Carroll County Housing & Community Development	Cecil County Housing Agency	County Commissioners Charles County	Dorchester County Housing Authority	Frederick Housing Authority	
Alternatives Housing Authorities	**The Cumberland Housing Group**: The Housing Authority of The City of Cumberland, The Cumberland Housing Alliance, Inc., and The Cumberland Neighborhood Housing Services, Inc		Queen Anne's County Housing Authority, Housing Commission of Talbot, or Cambridge Housing Authority.						Garrett County Community Action

	Harford	Kent	Queen Anne's	Somerset	St. Mary's	Talbot	Washington	Wicomico	Worcester
Public Housing Authorities	Harford County Housing Agency		Queen Anne's County Housing Authority		Housing Authority of St. Mary's County	Housing Commission of Talbot	Housing Authority of Washington County	Wicomico County Housing Authority	Worcester Housing Authority
Alternatives Housing Authorities				Department of Technical and Community Services					

Source: author's elaboration

Most rural Maryland counties operate with their own housing authority; however, in certain counties, the administration of federal funding for individuals and families involves different entities. For instance, in Caroline County, which lacks a dedicated housing authority, applicants must verify the funding jurisdiction with entities such as the Queen Anne's County Housing Authority, Housing Commission of Talbot, or Cambridge Housing Authority. In Allegany County, the Cumberland Housing Group fulfills the role of the public housing authority and comprises entities like The Housing Authority of The City of Cumberland, The Cumberland Housing Alliance, Inc., and The

Cumberland Neighborhood Housing Services, Inc. Meanwhile, Garrett County relies on the Garrett County Community Action to oversee public housing programs, and Somerset County entrusts these functions to the Department of Technical and Community Services. Notably, Kent County appears to lack any entity with housing authority functions.

Public housing authorities own, manage, and maintain the U.S. Department of Housing and Urban Development's Project Based Voucher program, Section 8 Housing Choice Voucher Program. They also administer the Multifamily Housing Program, Project Based Rental Assistance (PBRA), Low Income Housing Tax Credit (LIHTC), First Time Home Buyers, Special Loan Programs, and Home Ownership Initiatives.

All these programs are directly delivered to individuals or families. Eligible beneficiaries must follow a application process and meet the criteria for each program. Nonetheless, public housing authorities also administer and create the applications process for the federal funds of Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME), which are given to nonprofit and nongovernmental organizations for rural housing affordability investments in each county.

Every county has its own nonprofit organizations that applies to these programs. However, there are some transversal agencies that have presence in more than one.

Illustration 5. Transversal Nonprofit Organizations in Maryland's Rural Counties

Source	Programs	Non Profit Organizations	Allegany	Calvert	Caroline	Carroll	Cecil	Charles	Dorchester	Frederick	Garrett
Federal Funding	(HOME) and (CDBG)	The Maryland Rural Development Corporation (MRDC)									
		Habitat for Humanity									
State and local Fundng	(MAHT)	Main Street Housing									
	(RMPIF) and (MAERDAF)	Lifestyle Inc.									
	Others										

Source	Programs	Non Profit Organizations	Harford	Kent	Queen Anne's	Somerset	St. Mary's	Talbot	Washingtor	Wicomico	Worcester
Federal Funding	(HOME) and (CDBG)	The Maryland Rural Development Corporation (MRDC)									
		Habitat for Humanity									
State and local Fundng	(MAHT)	Main Street Housing									
	(RMPIF) and (MAERDAF)	Lifestyle Inc.									
	Others										

Source: author's elaboration

A pivotal player is The Maryland Rural Development Corporation (MRDC), a private organization dedicated to addressing the needs of rural, low-income households and communities since 1979. MRDC's initiatives have a positive impact on low-income communities and individuals throughout rural Maryland. MRDC has taken on the crucial role of the official community action agency for Caroline, Cecil, Washington, and Kent Counties. Their flagship program, Housing Assistance, covers weatherization and rehabilitation, benefitting over 500 families annually.

Another group is Main Street Housing, a peer-operated organization that creates life changing housing opportunities and empowers people living with mental health disabilities to have a place to call home.

Main Street Housing, Inc. is a non-profit organization, tax exempt under section 501(c)(3) of the Internal Revenue Code. This organization is the provider of the Maryland Affordable Housing Trust program in Allegany, Carroll, Dorchester, Frederick, Harford, Queen Anne's, Talbot, and Washington Counties.

Habitat for Humanity is another nonprofit organization that provides low-income housing. Through volunteer labor and tax-deductible donations of money and materials, Habitat for Humanity builds houses with the homeowners. Houses are sold at no profit to selected families with no-interest loans issued over a fixed period. This organization has county partners such as Allegany County Habitat for Humanity, Habitat for Humanity Patuxent in Calvert County, Caroline County Habitat for Humanity, Habitat for Humanity of Carroll County Gold, Garrett County Habitat for Humanity Inc, Habitat for Humanity of Wicomico County, Habitat for Humanity Choptank in Dorchester and Talbot Counties, Habitat Susquehanna in Cecil and Harford County, and Habitat for Humanity Washington County.

Another transversal organization is Lifestyle, Inc., which participates for (RMPIF) and (MAERDAF) in St. Mary's and Charles Counties. LifeStyles provides a continuum of emergency, transitional, and permanent housing services for Southern Maryland residents. Housing is provided in a structured environment, where activities such as chores, budgeting and life skills development are part of the program plan.[14] Notably, St. Mary's and Calvert Counties have five organizations securing RMPIF grants for diverse projects spanning entrepreneurship, healthcare, and infrastructure. Caroline County, through the Caroline County Historical Society, also applies to MAERDAF Community and Economic Development programs.

[14] https://lifestylesofmd.org/housing-services/

Illustration 6. Specific Nonprofit Organizations in Maryland's Rural Counties

	Nonprofit organizations					
Allegany	Maryland Agricultural Land Preservation Foundation					
Calvert	Ourcalvert.org	Christmas-in-April-Calvert County Inc	Calvert County Department of Planning & Zoning	Project ECHO	Safe Nights of Calvert County	
Caroline	Caroline County Historical Society					
Carroll						
Cecil	Home Partnership of Cecil County Inc					
Charles						
Dorchester	Moving Dorchester Forward					
Frederick	The Community Foundation of Frederick County Maryland	Project House Inc	Frederick County Housing Trust Inc	Interfaith Housing Alliance	Frederick Housing and Development Commission Inc	Maher Homes Inc
Garrett						

	Nonprofit organizations					
Harford						
Kent	Rebuilding Together Kent County					
Queen Anne's						
Somerset	Shore Housing Resource Board					
St. Mary's	Christmas in April St. Mary's County					
Talbot	Neighborhood Service Center, Inc.					
Washington						
Wicomico	Shore Up Inc	Salisbury Neighborhood Housing Services	Shore Housing Resource Board			
Worcester	Shore Housing Resource Board	Salisbury Neighborhood Housing Services				

Source: author's elaboration

Another partner that advocates for Housing affordability issues is the National Low-Income Housing Coalition, which conducts research, provides data, and offers guidance for the preservation and development of affordable housing. Their range of topics includes federal housing spending, fair housing, disaster housing recovery, housing and criminal justice, Native American housing, rural housing, and housing tax credits.

Also, Maryland Inclusive Housing, through the Maryland Inclusive Housing Corporation, aims to help people with Intellectual and Developmental Disabilities (IDD) access and maintain inclusive, affordable, and accessible housing.

Conclusions and Policy Recommendations

In many rural areas of the United States, the government helps finance homes for the most vulnerable populations, including the elderly, disabled individuals, and families with low incomes. These homes are often in places with struggling local economies, and a growing demand for rental housing.

Unfortunately, there are some problems with this financing. First, there aren't enough new homes being financed by the government. Second, the homes that already exist are slowly losing their position as affordable options. This hits hardest in places that already have poor populations. The reasons for these issues include mortgages coming due, interest rates going up, and the option to pay off homes early.

All these challenges are causing other problems for poor communities, including changes in the neighborhood, not enough jobs, longer travel times, and fewer services.

Because these problems are interrelated, solving them requires more than just finding a place to live. Fixing these issues needs more than just housing plans; it needs a broad approach to improve opportunities for everyone involved.

Given these conditions, this study aims to contribute by analyzing primary programs and stakeholders associated with public housing policies. The outcomes from this analysis will identify obstacles to connecting federal, state, and local policies with populations requiring assistance. This initial step can facilitate a more even distribution of public resources, mitigating the concentration of policies in specific locales benefiting from efficient administrative processes and a higher concentration of organizations.

Identifying the lack of an organizational presence that can mediate public housing resources in Maryland's rural counties will arm local governments with additional tools to address a foundational issue in housing affordability programs. The absence of successful policy implementation becomes apparent when there are inadequate channels to transmit resources and incentives to areas grappling with greater challenges.

The key stakeholders in implementing rural housing programs can be categorized into three groups: federal government agencies, local and state agencies, and nonprofit and non-governmental organizations. At the federal level, the US Department of Agriculture, along with the Rural Housing Service and Housing and Rural Development, spearhead housing policy. They establish connections with local and state agencies through entities like the Rural Partners Network and Partners for Rural America, which task state and rural development councils with administering the federal housing portfolio.

In Maryland, the Rural Maryland Council serves as the primary link between the federal government and state and local governments. The council establishes connections with the Department of Housing and Community Development and the Maryland Department of Planning, facilitating the transmission of resources to low- and moderate-income families, rural communities, and nonprofit and non-governmental organizations through public housing authorities.

In terms of housing assistance portfolios, the federal government offers a range of options, including the Housing Choice Voucher Program, Rental Assistance Grant Program, Rural Rental Housing Direct Loans program, Low-Income Tax Credits, all directly delivered to beneficiaries through public housing authorities. These authorities also collaborate with non-profit organizations through programs like the Investment Partnerships Program (HOME) and the Community Development Block Grant Program (CDBG). Local and state programs, such as the Rural Maryland Prosperity Investment Fund (RMPIF), Maryland Agricultural and Rural Development Assistance Fund (MAERDAF), Maryland Affordable Housing Trust (MAHT), and Special Loans through the Maryland Mortgage Program, further contribute to rural housing assistance.

However, the analysis reveals an uneven distribution of public housing authorities, the entities responsible for the final step in housing assistance delivery, across rural counties. Three out of eighteen counties have alternative authorities—Allegany, Garrett, and Somerset. Notably, Caroline lacks its own housing authority, necessitating cooperation with nearby jurisdictions. Kent county lacks information about the presence of any public housing assistance provider, potentially presenting obstacles to accessing rural housing programs.

The study also identifies four nonprofit organizations—Maryland Rural Development Corporation (MRDC), Habitat for Humanity, Main Street Housing, and Lifestyle, Inc.—present in multiple counties, administering key federal and state programs. Yet, their presence is not uniformly distributed, with Somerset and Worcester lacking any of these organizations. Meanwhile, Charles, St. Mary's, and Queen Anne's Counties lack the presence of MRDC and Habitat for Humanity, which manage federal funding in other counties. Cecil, Garrett, and Wicomico, where Main Street Housing and Lifestyle, Inc. don’t manage state and local program resources as they do in other rural communities.

These findings indicate that while every county has at least one nonprofit organization working within its borders, there is an uneven distribution of recognized nonprofit organizations, potentially creating an unfair advantage for communities with better access to intermediaries. Additionally, counties lacking clear information about the presence of public housing authorities may inadvertently discourage non-profit organizations from reaching these areas, exemplified by Somerset's lack of both a public housing authority and transversal nonprofit organizations.

Based on our research, it is imperative to address the challenges associated with obtaining accurate information about rural housing assistance and the entities implementing the programs. The research highlighted difficulties in establishing connections between beneficiaries and intermediaries, primarily stemming from a lack of information. Therefore, it’s strongly recommended to prioritize initiatives aimed at enhancing the effectiveness of program targeting. Addressing this information gap will not only improve the overall efficiency of programs but also contribute to a more targeted and impactful delivery of rural housing assistance.

Finally, the analysis of good rural housing policy practices in other states shows that centralized systems are extremely successful at coordinating eligible populations toward available housing. Massachusetts has provided its citizens with the Common Housing Application for Massachusetts Public Housing. This statewide application is available both online and in paper in nine languages.

Michigan has established areas for Rural Development, providing citizens whose income qualify with mortgages for $0 at closing, giving those trapped in renting cycles a path to ownership. Finally, New Jersey’s Rural Rental Housing Program provides competitive mortgage loans to property owners to ensure affordable rental rates for targeted populations including low income, disabled, and elderly. Statewide systems help coordinate resources from across housing authorities to streamline information to those most vulnerable.

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APPENDIX