

# Affordable Housing in Brunswick, MD

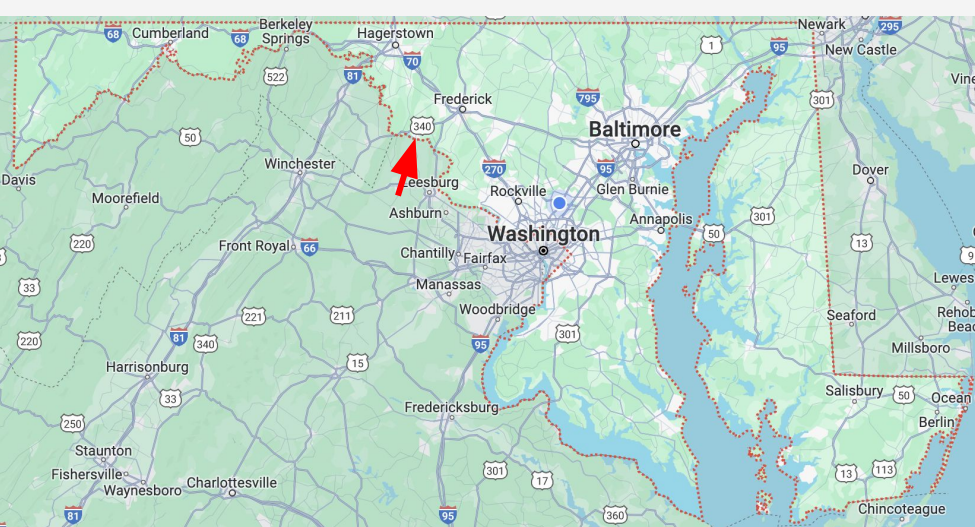


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# Agenda

- Introduction
  - Problem definition
  - Defining “affordable housing” in Brunswick
- Needs Assessment
- Recommendations
  - Inclusionary Zoning
    - MPUDs
  - Mixed Income Housing
- State and Federal Funding Opportunities
  - State and federal programs
  - Funding for affordable senior housing

# Introduction

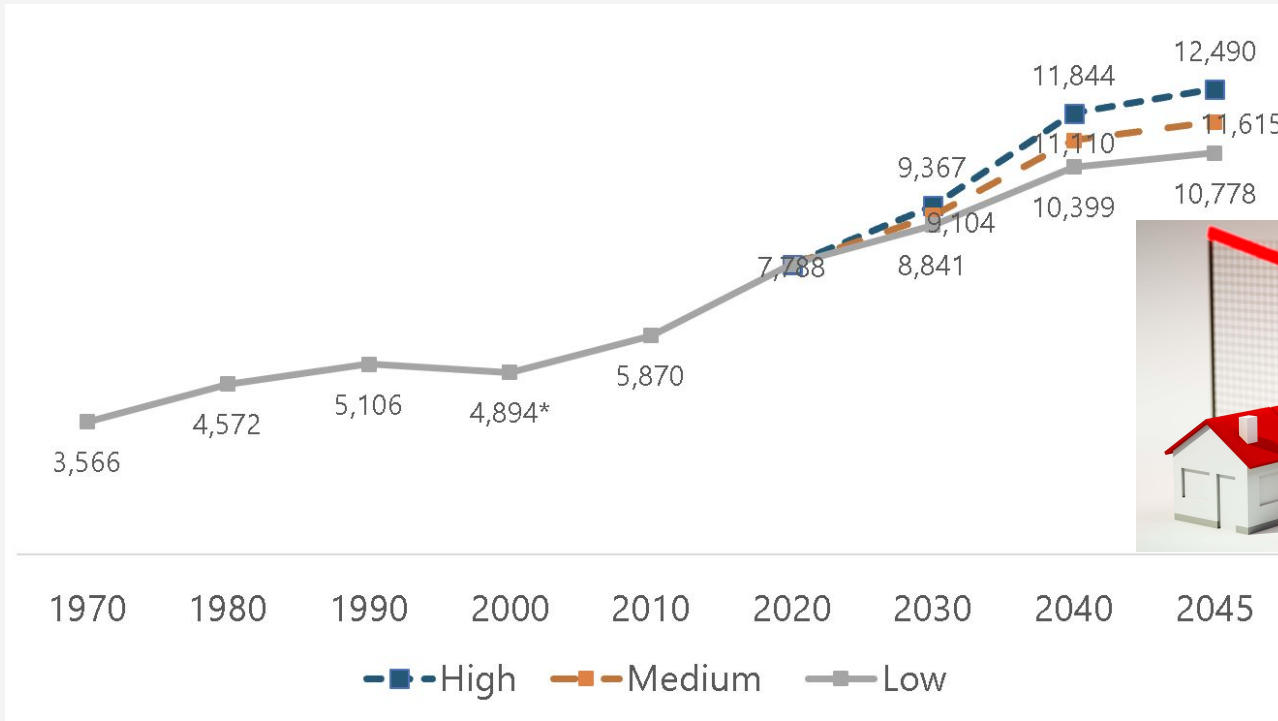


Brunswick is a small city in rural Maryland.

Population increased by 23% between 2019 and 2022.



# Problem Definition



What is “**affordable housing**” ?

**30%**

Or less of monthly income is spent on housing

# Defining “Affordable Housing” in Brunswick



## Area Median Income

\$142,300 for 4 people  
\$119,532 for 1 person



## Low-income housing

Below 60% AMI

31.9%

## Workforce housing

Renters : 50-100% AMI  
Homeowners: 60-120%

34%

# Needs Assessment



# 50%

Brunswick's population is expected to grow by 50% in the next 20 years

Brunswick projects 1,362 housing units will be needed by 2045.

	<b>Yearly Income</b>	<b>Population</b>	<b>Housing needed</b>
<b>Low Income Housing</b>	\$0-\$75,000	31.9%	434
<b>Workforce Housing</b>	\$75,001-\$150,000	34%	463

# Rentals Available: 4 (October)

<b>Type of rental</b>	<b>Studio</b>	<b>1 Bedroom</b>	<b>2 Bedroom</b>	<b>3 Bedroom</b>	<b>4 Bedroom</b>
Fair Market Rent (FMR) Value	\$860	\$880	\$1,000	\$1,250	\$1,540
# available for rent at FMR in Brunswick, Oct 2023	0	0	0	0	1

60% of renter households are 1-2 people

# Railroad Square

48 Apartments

FMR Compliant-1-3 br

Workforce Housing



# Houses for Sale

	# of Houses Available	Percent of Population that can afford mortgages
Existing Houses \$210,000-\$400,000	10 (38%)	44-68%
New Build \$500-700,000	11 (42%)	<13%
Existing Houses \$400-700,000	5 (19%)	44-13%
Total	26	

Single Family Residence

Built 1900

2,736 sqft lot

\$248,600 Zestimate®

\$165/sqft

\$-- HOA

## What's special

LARGE KITCHEN MAJOR COMMUTER ROUTES CLOSE TO RESTAURANTS ORIGINAL HARDWOOD FLOORS

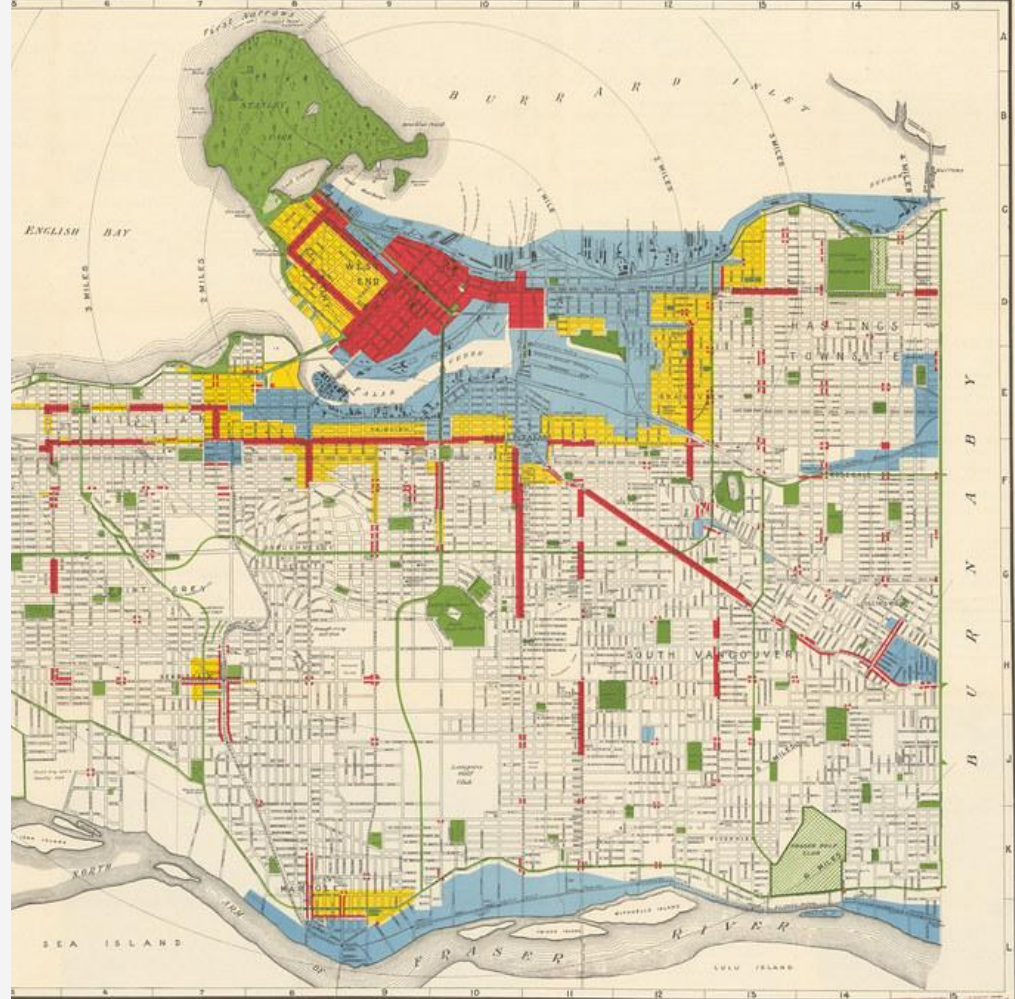
LARGE BEDROOMS

NEW PRICE! Welcome home to this charming single-family home in the heart of downtown Brunswick! This home features three large bedrooms, one updated full bathroom, original hardwood floors, and a large kitchen. Enjoy the sunrise from your own front porch as you take in the charm of historic and old town Brunswick. Relax in the spacious living room and enjoy your own retreat on the recently finished back deck that overlooks the large and private backyard. Close to restaurants, shopping, schools, the C&O Canal, the MARC Train, and major commuter routes, this home has it all! With just a little elbow grease and TLC this home can be brought back to life and enjoyed for many years to come. Schedule your private tour today!

+ Renovation Costs

Majority of Housing Stock for  
Minority of Population

# Inclusionary Zoning



# What is it?

Inclusionary Zoning requires new developments and redevelopments to allocate a certain percentage of their units to be sold/rented at below-market prices those who meet certain income criteria.

## On Average

**16%** set aside  
requirement

## Target

Predominantly  
target **50-80%**  
AMI

# Rural IZ

## California

**1/3** of Programs were in rural areas; growth is a must!

## Mandatory Program Triggers

Over **50%** of rural programs trigger at **2-5** units.

## Target Low Income

**85%** of rural programs target 30-50% AMI

## Affordable Percentages

Around **50%** of rural programs require **6-10%** affordable units.

## Developer Incentives

Over **77%** of rural programs offer density bonuses.



# In-lieu Fees

In-lieu fees are an option to allow developers to pay into a local affordable housing trust instead of building MPDUs.

In-lieu fees that are too low will encourage developers to pay the fees instead of building MPDUs. This gives Brunswick money to invest in affordable housing, but requires the city to be more involved in building housing.

What's the goal?

If the goal is to have mixed-income housing, in-lieu fees should be high and only offered on occasion.

# Keys for IZ

## Flexible Program

A flexible program is VITAL for rural areas. Brunswick needs to be able to work and negotiate with developers.  
Examples: density bonuses, in-lieu fees, reduced parking requirements, etc.

## Long-term Affordability

MPDUs need to have long-term requirements built in. 93% of programs nationwide require 30 years or more of affordability. Montgomery County requires 30 years for houses and 99 years for rentals. Annapolis requires 30 years for both.

# Inclusionary Zoning Recommendations

MPDUs have seen success throughout Maryland, including in Montgomery County, Annapolis, and Frederick City.

Is it a good option for Brunswick?

❑ Is Brunswick growing?

A mandatory MPDU program triggered by 2-5 units with a 12-15% set-aside requirement. Offer density bonuses and be flexible (in-lieu fees), but require affordability for at least 30 years (longer for rentals). 50% of the set-aside requirement should be for those making under 50% AMI and 50% should be set aside for 51-100% AMI.

# Mixed Income Housing



# Defining “Mixed income housing”

“Mixed income housing is a deliberate effort to construct or own a multifamily development that has the mixing of income groups as a fundamental part of its financial and operational plans.”



# Allocation: Distribution of Units by Subsidy Type

**Goal 1: To preserve affordability in fast growing areas:**

- Low-income skew
- Polarized low–high

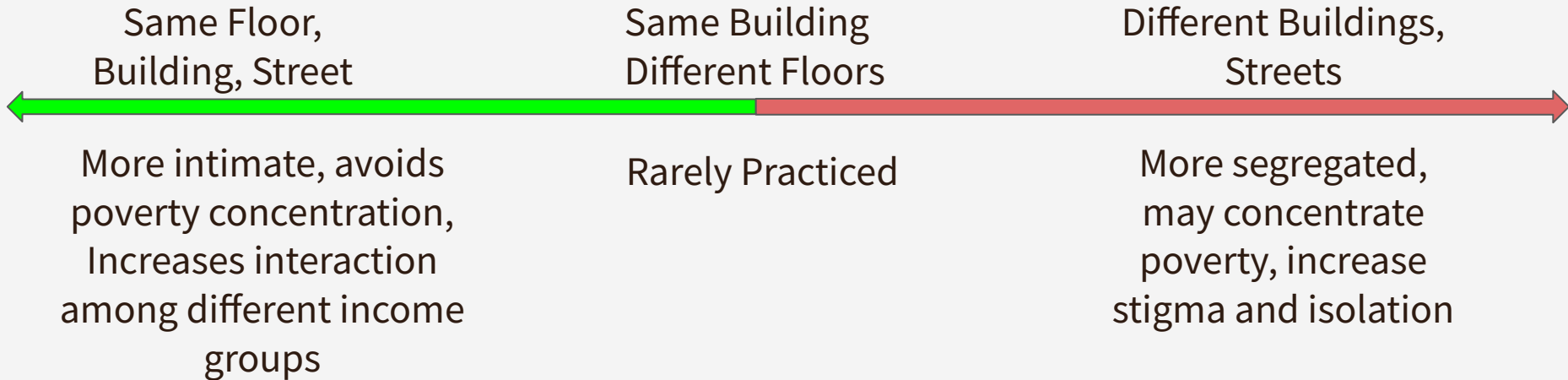
**Can exacerbate poverty concentration in depressed areas, slow growth**

**Goal 2: To promote growth in low-income areas:**

- High-income skew
- Broad continuum

**Does little to alleviate poverty in fast-growing areas, low-income residents will be displaced overtime**

# Proximity: Spatial Separation of Income Mix



# Tenure: Distribution of Homeownership Versus Rental Units

## Homeownership

- Creates investment opportunities in underdeveloped areas
- Encourage low-income residents to stay and invest their social, financial and political capital

## Rentals

- Provides flexibility for traveling professionals, single renters
- Rural markets, demand
- High turnover is rarely an issue among subsidized units
- Must be properly managed



# Duration: The Amount of Time Projects Remain Mixed Income Based on Funding Restrictions

## Cross subsidization in Brunswick

- Viable market conditions but vulnerable to economic downturns
- Reduces need for public dollars



# How to make Mixed Income Housing Attractive

- Access to essential services, transportation, quality schools
- A continuum of income levels, not separated by physical design features
- Pedestrian friendly, green infrastructure, common spaces, etc.
- Amenities and concerns of duration



# Brunswick can use mixed-income housing to...

- **Promote growth** in depressed areas
- **Preserve affordability** in growing areas
- **Deconcentrate poverty** and its devastating effects on low-income families
- **Provide homeownership opportunities** for low income residents





# State Funding Opportunities

## Community Block Grant Program

- The Entitlement Program
- The States and Small Cities Program
- Funding categories
  - community development
  - special projects

## Community Legacy Program

- Needs based
- Funds projects in sustainable communities

## Multi-family bond program

- **Two options:**
  - 1) 20 of the units available to households earning 50% or less of the AMI
  - 2) 40% of the units available to households earning 60% or less of the AMI

## Rental housing program

- Units Restricted to
  - Tenants with income below 60% AMI
  - Low-income tenants for at least 40 years
- **Must** reserve Same proportion of units to how much the program is financing

# Are there funding opportunities for affordable **senior housing** ?

Section 202 Supportive Housing for the Elderly Program

**Interest free** capital advances to private, non-profit organizations to finance the construction & rehabilitation of affordable housing for **low-income elderly persons**.

# Brunswick House

1100 Peach Orchard Ln

- Monthly rent is based on income
- Rent : 30-40% of adjusted income
  - For example: adjusted income is \$1200
  - pay \$300-400 in rent





# Support of Non-Profit Organizations

- State and federal funding programs require applications to be submitted by non-profit organizations
- Some non profit organizations :
  - United way of Frederick County
  - Housing Frederick
  - Habitat for Humanity
  - Interfaith Housing alliance



QUESTIONS

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