

## HOUSING

### INTRODUCTION

Perhaps the most basic need of any community is housing. The provision of safe, decent, sanitary housing for all Town residents is a paramount concern. When a community begins to lose sight of this fact, a slow process of decay can result in dilapidated and inadequate living units, and eventually lead to vacant businesses as well. Furthermore, a cumulative feeling of despair can be brought on by the poor physical appearance of the community and its housing stock.

Housing in Easton encompasses a broad spectrum of types. It includes the stately homes built in the nineteenth century near the Downtown, public housing such as the Graham's Place project, and modern subdivisions such as Cooke's Hope, and Mulberry Station.

The quality of housing in Easton has long been a concern as has been the case in most communities. What is a relatively new concern in Easton is the cost of housing. Many people are concerned that new subdivision activity exclusively targets housing for high-income individuals.

Housing was first added as an Element of the Comprehensive Plan in the 2004 version of this document. This Plan will update that effort, but leave much of the Element unchanged. Unfortunately many of the issues associated with this Element remain essentially the same today in 2010 as they were in 2004. They are only further complicated by the economic climate of 2010 in which foreclosures are rising, little new housing is being built, and there is a general sense that it will still be a while before things begin to improve.

## HOUSING ISSUES

There are a myriad of housing issues in Easton, but they can all be generally categorized as one of three problems: housing cost, housing quality, and housing availability. To some extent these problems are inter-related.

The cost of housing in Easton is a growing concern. In the 1997 Plan it was mentioned as a concern and several options for providing more affordable housing were outlined. Several of these options have been pursued since that time. The 2004 Plan devoted an entire chapter or element to the issue of Housing. It also included an analysis of sales information which helped illustrate the magnitude of the problem. A review of all residential real estate sales in the Town of Easton during the period 1/1/02 to 4/15/02 showed 97 sales. The lowest transaction was \$14,500 for a structure on Talbot Street and the highest was \$640,000 for a house on Old Pasture Drive in the Cooke's Hope Subdivision. The average sales price was \$153,958 and the median sales price was \$128,000.

According to information provided by the Maryland Department of Housing and Community Development, the median family income for FY 2002 for Talbot County was \$65,300. Utilizing the commonly accepted "28 - 36" guideline (monthly PITI payments should be no more than 28 percent of income and PITI + any other monthly credit debt should be no more than 36 percent of income), the Talbot County median income projects (using the 5/1/02, 30 year mortgage rate of 6.672 % APR) to the purchase of a house in the \$202,000 to \$279,000 range. Of the 97 homes that sold during the time frame studied, all but 10 fell within the upper limit of this range and all but 18 fell within the lower limit.

This would seem to indicate that the housing market in Easton is simply meeting what the market will bear. While it is true that housing prices in Talbot

County are generally higher than for the rest of the Eastern Shore, incomes are as well. In fact the Talbot County FY 2002 median income was some \$18,000 higher than the corresponding figures for the adjacent counties of Caroline and Dorchester (Queen Anne is also an adjacent County, but its income is lumped together with all the Baltimore Metropolitan Area counties). This is tempered, however, by the fact that Talbot County incomes are traditionally higher than those in the Town of Easton alone. Census figures for 2000 indicated that Easton's median household income in 1999 was approximately 16% less than the County as a whole.

Additionally, while it can be argued that Easton's housing prices are simply a reflection of what the market will bear, it does mean that a significant segment of the community is not being served. This is not even the low-income segment that communities traditionally struggle with in finding ways to provide housing that they can afford. This is indeed a problem in Easton, but it is being addressed to some level by the Talbot Housing Authority and programs like Habitat for Humanity of Choptank, Inc. The other market segment that is being underserved in Easton is the one that consists of first time homebuyers and moderate-income professionals (e.g. policemen, teachers, government employees, etc.). These are people who may be looking at homes in today's market in the \$140,000 to \$160,000 range. The recent sales data mentioned above revealed that only 13 of the 97 homes sold from January 1 to April 15 of 2002 fell within this range, and none were new homes. This is perhaps the most alarming aspect of this problem: that no new units are being constructed for this, let alone the low-income, market.

In order to determine whether in fact this was a valid concern or not, this same exercise was repeated in 2007. A table summarizing the comparison is shown below:

### Comparison of 2002 and 2007 Home Sales Data in Easton<sup>1</sup>

	2002	2007
Sales	97	84
High Sale	\$640,000	\$2,100,000
Low Sale	\$14,500	\$77,375
Mean	\$153,958	\$392,370
Median	\$128,000	\$302,500
Median Income <sup>2</sup>	\$65,300	\$67,000
Median Income as Percentage of Median Sales Price	51.0%	22.3%

This would seem to indicate that the problem has only gotten worse, and more alarmingly, it has done so in a somewhat down economy. This would not seem to bode well for the future when the economy recovers and we once again see a very active housing market in Easton.

Furthermore, this is only the home-ownership aspect of the housing problem in Easton. A similar, perhaps more significant problem exists in the rental housing market. Here one can find a wider range of incomes being served, if, in fact, one can find an available unit. That is to say that the rental problem is more one of the availability of units than the cost of those units. There simply are not many apartments in Easton. Those that do exist, rather subsidized apartments or market-rate, have waiting lists for units.

The quality of housing in Easton has long been a concern of Town officials. Easton has had a Building Official for decades. The Town Building Code regulates the quality of construction of housing. The Town utilizes the International Building Code to specify standards of construction. Today the

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<sup>1</sup> Based on MD Dept. of Assessment and Taxation Sales Data for the period 01/01 through 04/15 of the given year for consistency purposes.

<sup>2</sup> For Talbot County. Note that these figures are Median *Family* Income as opposed to Median Household Income figures discussed in the data presented in the Plan Background.

Building Department operates with the Town Building Official who primarily conducts plan reviews, two field inspectors, a rental-housing/property maintenance inspector, and a secretary.

The Rental Housing Inspection Program was created in 1995 to insure that rental housing units, particularly those that were older, continued to meet minimum livability standards. Landlords are required to obtain a Rental Housing license in order to rent a unit and these units are subject to subsequent inspections. This Program was extensively reviewed and revised in 2008.

### **EXISTING HOUSING PROGRAMS**

The provision of housing in the Town of Easton is overwhelmingly handled by the private sector. There are, however, a few public sector and non-profit programs that supply a limited amount of affordable housing. These include programs and projects of the Housing Commission of Talbot County, publicly subsidized but privately constructed housing (for example Chatham Village Apartments), and houses built through Habitat for Humanity of Choptank, Inc.

The Housing Commission of Talbot County (Formerly the Easton Housing Authority) maintains and manages all public housing in the Town of Easton. This includes 50 units at Doverbrook, 26 age-restricted units at Asbury Place, 15 age-restricted units at Westport, and the Graham's Park development, which provides home-ownership opportunities for 12 low-income families/individuals.

Habitat for Humanity of Choptank, Inc has been responsible for the construction of 25 units in Easton. These units were constructed using the Habitat methodology whereby Habitat volunteers build houses from the ground up in the community. Significant hours are required to be put in by the family who will live in the new house and, thereafter they help other new Habitat

families get started on their homes. Because the land is often donated or sold to Habitat at a preferred rate and there is no labor cost, the overall cost of the houses is significantly reduced.

The Easton Town Council has succeeded in adding affordable housing units to the Town since the adoption of the 2004 Plan. Moonyene Jackson-Amis spearheaded an effort to require the provision of off-site affordable units from Elm Street Development as a condition of approval of the PUD for the Easton Village Project. Scott Jensen attempted the same approach with the same developer for proposed projects in the second ward. These projects never proceeded thus those units were never successfully obtained, but the units in the fourth ward have been provided and are available today.

New since the 2004 Plan was adopted is the Easton Affordable Housing Board. This Town-appointed Board has been charged with developing criteria and policies concerning Affordable Housing in general, and the administration of Affordable Housing Units acquired by the Town Council as conditions of approval for several development projects (such as those cited above). Much of their effort has been devoted to developing the criteria and the selection process for purchasing these affordable units.

One bigger picture issue that the Board has studied is the possibility of instituting Inclusionary Zoning in Easton. Inclusionary Zoning is a tool that essentially requires that all residential developments of a minimum size include a certain percentage of units that are affordable to those of a pre-identified income. They have produced several Draft versions of an Inclusionary Zoning Article and have met jointly with both the Planning Commission and the Town Council, but have yet to resolve all of the issues raised in those work sessions. Thus, Inclusionary Zoning can only be described as a work in progress at this time, at best. The intention of this tool is to provide a more predictable and

consistent method for obtaining affordable units than the case-by-case imposition of conditions of approval by the Council for projects subject to their approval.

### **POTENTIAL NEW HOUSING PROGRAMS/POLICIES**

There are two distinctly different housing problems in Easton. One is the lack of housing for individuals/families of low or extremely low income. Oft times the problems of this economic group are closely related to other social and/or familial problems. As such, we will likely always have this housing problem to deal with. In the meantime, the Town should continue and expand its efforts to provide housing for this group. The Housing Authority will continue to be the leading provider of this service. In addition, the Town should support the efforts of Habitat for Humanity of Choptank, Inc and encourage any similar groups in their efforts to provide more safe, decent and affordable housing in Easton.

One such similar effort that was at one time discussed in Easton is the establishment of a Self-help Housing Program. This program would be modeled after a highly successful one that operates on the lower Eastern Shore under the direction of MD State Delegate Rudy Cane. Self-help housing is similar to the Habitat model. It has been described by the USDA as a program used primarily to help very low- and low-income households construct their own homes. The program is targeted to families who are unable to buy clean, safe housing through conventional methods. Families participating in a mutual self-help project perform a minimum amount (for example 65 percent) of the construction labor on each other's homes under qualified supervision. The savings from the reduction in labor costs allows otherwise ineligible families to own their homes. If families cannot meet their mortgage payments during the construction phase, the funds for these payments can be included in the loan. The Town attempted to obtain funding to establish a local version of this Program through the initial

Community Legacy Program. Unfortunately this aspect of the Town's request was not funded at that time.

The second aspect of housing that is a problem in Easton is the availability of housing for the first time homebuyer and the move-up homebuyer. Increasingly, subdivisions in Easton are targeting the upper levels of the market and opportunities for people in this market are disappearing.

Compounding the general lack of housing in the lower income markets is the fact that what housing there is available for this segment of the population is segregated. Easton is becoming a collection of income-segregated developments, where the very poor live in one area, the blue-collar workers in another area, and higher income residents live yet somewhere else, and never the twain shall meet. As was discussed in the Community Character Element, this is undesirable for our community.

One way to combat this situation is to require that all residential development contain a minimum percentage of housing at various price points. Something along this line is being done in the Easton Village on the Tred Avon project. In this case the developer is setting aside 10% of both the single family attached and detached units for "affordable" housing. Furthermore, the developer promises that these units will be indistinguishable from the market rate houses and that they will be incorporated amongst these units throughout the development (i.e. they will not be isolated and segregated). There is even a resale provision such that the units could not be resold for more than was paid for them plus an annual appreciation factor.

Another option that has been used from time to time is to require developers to either contribute to an Affordable Housing Fund or to construct affordable housing units off-site from their project. At least some of the



affordable units originally required to be built in Easton Village were subsequently provided by a variation of this alternative.

The desire to replicate this program more uniformly across the Town in virtually all development projects is what led the Affordable Housing Board to consider Inclusionary Zoning for Easton. As this is as much, if not more, of a problem today as it was in 2004, work should continue towards the development and adoption of a workable Inclusionary Zoning Ordinance.

## **HOUSING GOALS AND OBJECTIVES**

**Goal:** To insure that housing in Easton is safe, sanitary, structurally sound and safeguards or upgrades neighborhood design.

**Objectives:**

- ✓ Continue to adequately fund, staff, and train the Town Building Inspection Department and strengthen the Town's Rental Housing Inspection Program.
- ✓ Partner with state, county and non-profit agencies to direct available housing rehabilitation funds to qualifying low and moderate income households.
- ✓ Establish design standards and require physical distribution of different housing types that provide visual interest and a smooth blend of affordable housing in the community.
- ✓ Achieve a density that creates a sense of place, uses infrastructure efficiently, produces pedestrian-friendly neighborhoods and accommodates plans for transit.
- ✓ Provide open spaces; use landscaping to accentuate the natural environment and give visual connectivity; preserve natural assets, community identity and environmental and health standards.

Goal: To increase the supply of low-income housing in the Town of Easton.

Objectives:

- ✓ Support the efforts of the Talbot Housing Authority and the Easton Affordable Housing Board to provide both home-ownership and rental opportunities for individuals/families of low income.
- ✓ Consider amendments to the Easton Zoning Ordinance to make the development of apartments more attractive to private sector developers and to allow flexibility in rehabilitating existing and/or historic buildings for an alternative use.
- ✓ Work in partnership with Habitat for Humanity of Choptank, Inc (or any similar organization) to find sites for new homes.
- ✓ Establish a Town-initiated self-help housing program.
- ✓ Insure the development of Smart Neighborhoods by encouraging and facilitating new infill development, including manufactured homes, on vacant or underutilized land within areas currently served by adequate infrastructure and public facilities.
- ✓ Institute some form of Inclusionary Zoning.

Goal: To insure a more heterogeneous mix of price points in future residential projects.

Objectives:

- ✓ Provide density bonuses in projects for the inclusion of low and moderate-income housing units.
- ✓ Adopt an Inclusionary Zoning or Affordable Dwelling Unit Ordinance whereby all residential developments will be required to provide a minimum number of units at various price points.

Goal: To partner in a countywide affordable housing effort.

Objectives:

- ✓ Participate in a Joint Commission with Talbot County and the other towns and unincorporated villages to initiate and implement a coordinated countywide affordable housing program.
- ✓ Support the creation of a county wide Housing Trust Fund to help provide homes for low-income residents.
- ✓ Investigate ways in which Easton may continue to house the majority of affordable housing in Talbot County (since this is where the infrastructure exists), but at the same time the County might contribute towards this effort as a way of satisfying their obligation to address this issue.