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### Section 6.0 Economic Development & Tourism

Economic development is a means to create wealth and economic stability, bolster the tax base, and ensure the highest possible quality of life for Queen Anne’s County residents. This Plan Element identifies key issues with respect to the agricultural economy, traditional business development, and tourism. The County economic strategy is to focus on its ability to generate sufficient tax revenues from a predominantly agricultural, tourism, and retail and service based economy to support the educational and public services for its citizens.

Contained within this Element are a variety of economic indicators measuring trends of agricultural, business, maritime, and tourism across the County. The County Comprehensive Plan’s primary focus is to preserve and maintain the County as a *quintessential rural community* with agriculture as a viable industry, while also providing support for the commercial and hospitality industry base.

#### Section 6.1 Organizational Background & Relevant Plans

An economic development organizational structure is crucial to successful economic development activity. The County has a history of providing a department within County government responsible for tracking, guiding, assisting businesses and farmers and implementing a variety of economic development activities, initiatives and strategies.

##### Section 6.1.1 Organizational Structure

The following provides a description of the County’s economic development organizational structure.

- **Department of Economic Development, Agriculture & Tourism (EDAT)** – The Department focuses on supporting and enhancing the existing business base and attracting new business; supporting agricultural preservation as a means to grow and enhance agriculture as an economically successful industry; and promoting the County as a tourist destination. *Objectives of the Department include:*
  - Business development, attraction and retention
  - Resource networking
  - Assistance with project review and permitting process
  - Financing options and alternatives
  - Agriculture preservation programs
  - Agricultural diversification opportunities
  - Tourism development initiatives

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#### Article 66B Visions

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##### 1. Quality of Life

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##### 2. Public Participation

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##### 3. Growth Areas

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##### 4. Community Design

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##### 5. Infrastructure

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##### 6. Transportation

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##### 7. Housing

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##### 8. Economic Development

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##### 9. Environmental Protection

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##### 10. Resource Conservation

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##### 11. Stewardship

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##### 12. Implementation

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## 6.0 Economic Development & Tourism

- Agribusinesses
- Staffing support for three (3) distinct Boards whose members are appointed by the County Commissioners.

The Department coordinates with the following boards and commissions:

- **Economic Development Commission (EDC)** – The EDC is an eleven member board tasked with making recommendations on matters that influence the County’s commercial tax base. The Commission has the responsibility to confer with the County Commissioners and advise them on all matters concerning economic development. The Economic Development Commission, recognizing the critical need for quality employment opportunities and an increase in the non-residential tax base, formulates its goals and priorities on a yearly and decennial basis.
- **Kent Narrows Development Foundation** – The Kent Narrows Development Foundation was created in May 1990 to facilitate the revitalization of the Kent Narrows, a 955-acre waterfront area identified as a strategically important asset for the future of Queen Anne’s County. The Foundation’s mission is to provide guidance and oversight for the formulation of a strategy to balance new economic growth, community redevelopment, support for the County’s fishing and seafood industries, and public access to waterfront activities and amenities. The Foundation is also concerned that environmentally sensitive areas within the Kent Narrows that contribute to the character of the unique Eastern Shore community be preserved.
- **Agricultural Land Preservation Board (ALPB)** – The local Agricultural Land Preservation Board is comprised of five members whose primary responsibility is reviewing easement applications and making recommendations to the Maryland Agricultural Land Preservation Foundation (MALPF), as well as the Queen Anne’s County Land Preservation Foundation (QALPF) regarding the County’s Purchase of Development Rights (PDR) Program.



**Section 6.1.2 Background Information**

In order to describe and assess the County’s current economic conditions, the County prepared an Economic Report, 2010 containing a wide array of information with respect to economic indicators. The following are highlights of background information contained in that report.

**Agricultural Economy**

The production of corn for grain harvest from 2002 to 2008 increased 69.1% over the six-year span. Queen Anne’s County ranks first in the State of Maryland for the production of corn, soybeans, and wheat for grain as shown in Table 6-1.

**Table 6-1: Queen Anne’s County Harvest Field Crops 2002-2008**

| Field Crop       | 2002<br>(Bushels) | 2008<br>(Bushels) | Percent Change<br>(2002 - 2008) | 2002<br>Rank | 2008<br>Rank |
|------------------|-------------------|-------------------|---------------------------------|--------------|--------------|
| Corn for Grain   | 3,454,448         | 5,840,000         | 69.1%                           | 1            | 1            |
| Soybeans         | 1,349,177         | 1,750,000         | 29.7%                           | 1            | 1            |
| Wheat for Grain  | 1,962,351         | 2,100,000         | 7.0%                            | 1            | 1            |
| Barley for Grain | 241,499           | 230,000           | -4.8%                           | 6            | 5            |

*Source: USDA, NASS, Census of Agriculture, 2002 & 2008*

Table 6-1 represents the importance of Queen Anne’s County in context of the State’s agricultural economy and the high level of farm production realized by the County’s farms.

The County has well–drained soils that are ideal for raising corn, wheat and soybeans which are primarily used to produce feed for the region’s poultry broiler industry. To ensure continued agricultural viability and generational continuity, farmers are beginning to diversify the conventional grain operations. Diversification of operations includes traditional and innovative alternatives that include poultry operations, vegetables, vineyards, nurseries, agribusinesses, ecotourism, direct sales and other specialty agricultural or agricultural related activities.

The poultry industry is a vital component for a successful farm economy, as it is for the Delmarva Peninsula. Known as a value added industry, the poultry industry provides a market for grain produced on farms to then be utilized by this industry with substantial cost savings realized because of reduced transportation costs. Specifically, the poultry broiler sector provides jobs and sales of chicken and grain for farms in the County. It is well supported by major producers and the industry trade groups such as the Delmarva Poultry Industry (DPI).

**Traditional Economic Development Economy**

Queen Anne’s County is unique in comparison to its western neighboring counties. While primarily agricultural and rural in nature, it stands out in its membership of the Baltimore-Towson Metropolitan Statistical Area (MSA), which includes Anne Arundel, Baltimore, Carroll, Harford, and Howard Counties, and Baltimore City. It is also a part of the larger Washington-Baltimore-Northern Virginia, DC-MD-VA-WV Combined Statistical Area (CSA). Residents and local businesses enjoy the quality of life of small town living while still close to the amenities and employment opportunities afforded by the metropolitan cities of Washington, D.C., Baltimore, and Philadelphia. Of the County’s total workforce of



26,000, it is estimated more than half of the workforce commutes to jobs on the Western Shore of Maryland as well as to Central Delaware, and other surrounding counties on the shore.

The County's workforce is comprised of well-educated and technically skilled people who compete well in the metropolitan regions. Queen Anne's County has had a historically low unemployment rate in comparison to its neighboring counties and the State of Maryland. There is a concern that reported unemployment numbers do not accurately capture the impact of recent economic downturns because of the high number of self-employed contractors.

Small businesses are the backbone of Queen Anne's County's economy. The number of small business "starts" continues to increase in the County. The County's major industry segments include Trade, Transportation, and Utilities; Construction, Professional and Business Services; Hospitality; and Education and Health Services. According to the Maryland Department of Labor, Licensing and Regulation, jobs in these sectors are expected to increase over the next ten years.

The County's major employers include the following: Paul Reed Smith (PRS) Guitars, S.E.W. Friel Cannery, Chesapeake College, River Plantation, Genesis Healthcare Corsica Hills Center, and Harris Seafood Company.

### ***Business Parks and Business/Commercial Centers***

This section details existing business park development and additional opportunities that may exist for future location and expansion of new business and industry development.

Adjacent to the award winning Terrapin Park and the Cross Island Trail, the ***Chesapeake Bay Business Park*** is a 159-acre, mixed-use campus style business park located on Kent Island at the gateway to the Eastern Shore. The business park is home to such major companies as PRS Guitars, Miltec, NRL, Sisk Mailing, Inc., and Vapotherm, as well as medical entities. The business park offers flex, warehouse and Class A office space for sale or lease to meet the needs of a variety of industries.



The ***Centreville Business Park*** is an 80 acre business center located off of MD Route 213 that is easily accessible to US 50/301 and thus is ideally situated to provide access to the major cities on the Eastern Shore as well as the Baltimore/Washington Metropolitan area. The business park hosts buildings consisting of Class-A office condos, an office/warehouse building, and finished sites for development as well as containing a retail component. All sites are fully served with water, sewer, electrical service and advanced telecommunications services. Also included within the business park are finished sites divisible from +/- 1 to 47 acres. This business park is approximately 50 percent built out.

The County has several ***professional and retail centers***, including the Thompson Creek Business Park, Stevensville Professional Center, Island Professional Park and Centreville's Penn Station, which offer a mix of office and retail space for lease and sale.



### **Hospitality Industry Economy**

Queen Anne's County's rich natural resources and colonial history provide the backbone for the hospitality industry, a major contributor to the County's economy. The County boasts a well developed system of parks, trails, and waterways that make it a year round destination for outdoor enthusiasts. Historic and cultural attractions include artisan festivals and shows, tours of historic homes, and museums that showcase the rural lifestyle and the Chesapeake Bay.

The County has become a popular destination for weddings and other special events as well as a destination for group tours. The hospitality industry is concentrated mainly in the areas of Kent Island and the Kent Narrows along the US 50/301 corridor where the majority of the County's accommodations, retail centers, and dining establishments are located. The Chesapeake Exploration Center, in Chester, serves as the main visitor information center for the County. This facility is also home to the Museum of Chesapeake Life, featuring an interactive exhibit entitled "Our Chesapeake Legacy" that showcases the natural and cultural heritage of the Eastern Shore.

### **Section 6.2 Vision, Overarching Goals & Guiding Principles**

The visions of Article 66B relevant to business development and tourism are briefly described as follows:

- **Quality of Life and Sustainability** – A high quality of life is achieved through universal stewardship of the land, water and air resulting in sustainable communities and protection of the environment.
- **Planning Areas (formerly known as Growth Areas)** – Growth is concentrated in existing population and business centers, growth areas adjacent to these centers or strategically selected new centers.
- **Infrastructure** – Growth areas have the water resources and infrastructure to accommodate population and business expansion in an orderly, efficient, and environmentally sustainable manner.
- **Economic Development** – Economic development and natural resource-based businesses that promote employment opportunities for all income levels within the capacity of the State's natural resources, public services and public facilities are encouraged.
- **Environmental Protection** – Land and water resources, including the Chesapeake Bay and Coastal Bays, are carefully managed to restore and maintain healthy air and water, natural systems and living resources.
- **Implementation** – Strategies, policies, programs and funding for growth and development, resource conservation, infrastructure, and transportation are integrated across the local, regional, State and interstate levels to achieve these visions.



### Section 6.2.1 Overarching Goals - Business Development & Tourism Vision

The **Theme** for the Economic Development & Tourism Element is to create a balance between the need for job creation and expansion of the tax base to support County residents and the responsibility for protecting the natural environment. This **theme** is supported by several overarching goals.

#### **Overarching goals:**

- *Preserve and support traditional economic development.*
  - *Existing industries and businesses.*
  - *Agriculture and natural resource based industries such as maritime, forestry, hunting and fishing.*
- *Create business/technology parks.*
  - *Focus business growth and expansion efforts on targeted business sectors that complement the existing business base, such as, but not limited to, technology based industries.*
  - *Establish policies and programs for business recruitment.*
- *Develop a 10-year economic development & tourism strategy.*
  - *Serve as a regional business advocate.*
  - *Enhance awareness of economic development opportunities.*
  - *Create a quality database of economic development and tourism information.*
  - *Promote a growing hospitality industry.*
  - *Support the expansion of telecommunication infrastructure and enhance telecommuting opportunities.*
- *Commit to providing an educated workforce.*
  - *Create business opportunities that offer career tracking and sustainable employment.*

The **VISION** is that Life in Queen Anne's County will offer a variety of opportunities for family living, business development and employment with an economic balance between residential and non-residential land uses.

- *Economic prosperity will be achieved through a mix of commercial, industrial, maritime, agricultural and tourism endeavors, each undertaken with sensitivity to the natural environment.*
- *The high quality of life expected by residents will be realized through attracting and retaining businesses that encourage agriculture, seafood and maritime industries, tourism and outdoor sports, small businesses and high-tech enterprises.*
- *Our rural character will be maintained by directing housing and business growth to existing communities allowing the preservation of agriculture, trees, parks, open space and environmentally sensitive and natural areas consistent with other Plan Elements.*



### Section 6.2.2 Guiding Principles for Economic Development & Tourism

The following guiding principles provide the broad philosophy describing the context for the County to provide a sustainable economy.

#### ① **Preservation and Protection of Agricultural Economy**

- Acknowledge and support new technologies for farming.
- Minimize the reduction of farmland by reducing development pressures.
- Reduce farming expenses.
- Promote locally grown and produced products.

#### ② **Balanced Tax Base**

- Increase the property tax base by increasing the number of commercial properties.
- Encourage reuse of vacant properties in business parks and retail centers.
- Review the current inventory of commercially used and zoned properties and assess suitability.

#### ③ **Retail and Service Opportunities**

- Increase opportunities for retail and service business expansion and diversification for a changing economy.
- Enforce policies and funding for the expansion of needed technology and infrastructure.
- Market vacant properties in Towns and Planning Areas for new retail and service businesses.
- Prioritize adaptive reuse of buildings in Towns and Planning Areas.

#### ④ **Opportunities for Hospitality Industry Niche**

- Promote the County as a wedding destination through the use of promotional media.
- Promote ecotourism utilizing the existing natural resources in the County.
- Increase group tour bus activity by promoting existing historical and cultural attractions.
- Educate existing industry providers through seminars and other resources.
- Support regional and cross marketing tourism strategies.
- Promote agritourism.

#### ⑤ **Skilled Workforce (Professional and Technical Jobs)**

- Increase job opportunities by encouraging increase of business recruiting efforts.
- Support the Economic Development Commission's efforts to partner with agencies and local higher education establishments to advance the education of the existing workforce.

#### ⑥ **Workforce Readiness (Education and Training)**

- Build upon and expand education and training for tomorrow's jobs.
- Increased focus on high school and advanced vocational training programs.
- Expand opportunities for technical training.
- Expand opportunities for attracting higher education and post graduate education and research facilities.





### Section 6.3 Policies and Programs

The County is limited in resources to retain and attract businesses. To that extent, the Department encourages the use of federal and state tax credits and partners, including private agencies that support economic development, agriculture and tourism. The following describes the various agencies as applicable:

- **Maryland Department of Business and Economic Development (DBED)** – Funding programs are available to businesses located within Priority Funding Areas (PFA).
- **Maryland Office of Tourism** – Advertising grants.
- **Maryland Department of Labor, Licensing and Regulation (DLLR)** – Workforce development programs and grants.
- **Maryland Department of Housing and Community Development (DHCD)** – Community Development Block Grant (CDBG) offers funding and low interest loan programs within designated neighborhoods and Main Streets.
- **Maryland Agriculture Resource Based Industries Development Corporation (MARBDICO)** – Low-interest loan programs and grants.
- **United State Department of Agriculture (USDA)** – Grants and loan guarantees.
- **Small Business Administration (SBA)** – Loan guarantees.
- **Queen Anne's County** – Business Development Revolving Loan Fund and Community Development Revolving Loan Fund.
- **Right to Farm** - The intent of right-to farm laws are to discourage neighbors from pursuing nuisance lawsuits against farmers because of odor, dust, noise from field work, spraying of farm chemicals, slow moving farm equipment or other occasional effects of agricultural production. Right-to-farm laws not only provide a measure of security for the farmer who practices sound agricultural best management practices but it also puts the non-farming community on notice that agriculture is a vital component of the County's economy, character and culture.

State laws related to nuisance suits against agricultural operations are found the Annotated Code of Maryland, and applies to "agricultural operations," which is defined as "an operation for the processing of agricultural crops or on-farm production, harvesting, or marketing of any agricultural, horticultural, silvicultural, aquacultural, or apicultural product that has been grown, raised or cultivated by the farmer." To protect the right to farm or engage in agriculture operations within Queen Anne's County the County adopted Right-to-Farm legislation, which is codified in the Nuisance Regulations of the County Code. This includes the establishment of a County Agricultural Reconciliation Committee to resolve of disputes between agriculture land owners and their neighbors concerning alleged agricultural nuisance.

Additional resources include the Small Business Development Center (SBDC), Service Corps of Retired Entrepreneurs (Score), U. S. Chamber of Commerce Export Center, Queen Anne's County Chamber of Commerce, the Upper Shore Regional Council, Eastern Shore Heritage, Inc. (ESHI), and Delmarva Low-Impact Tourism Experiences (DLITE) and commodity resource groups.



### Section 6.4 Strategies for Economic Development & Tourism

The following is an outline of strategies for economic development and tourism based upon the assessment contained in the Economic Report, 2010, a reference document to this Plan. Strategies are organized by guiding principles outlined in Section 6.2.2.

#### Section 6.4.1 Preservation of Traditional Economic Development

The *goal of preserving and supporting traditional economic development* such as industries, businesses, agriculture and natural resource based industries including maritime, forestry, hunting and fishing can be achieved through implementation of the following strategies:

##### Strategies

1. Providing policies to support goals and objectives to guide future growth to lands within designated Planning Areas and Priority Funding Areas (PFA).
2. Preserving the County's rural economy by reducing development pressures and impacts in agricultural areas.
3. Promoting centralized infrastructure through the collaboration of local and regional infrastructure agencies and authorities.
4. Promoting opportunities for infill development in Towns and Planning Areas.
5. Prioritizing revitalization initiatives to stimulate economic growth in Towns.
6. Directing new business locations to existing and planned business parks.
7. Encouraging Towns to adopt consistent policies for annexation.
8. Ensuring the location of Town Planning Areas are consistent with current and proposed municipal growth boundaries.
9. Promoting diverse land uses governed by design standards sensitive to the community's architecture and environmentally sensitive features and that reduce unnecessary land development procedures and expenses.
10. Encouraging projects that redevelop under-utilized commercial spaces.
11. Retaining the County's rich agricultural economy by providing incentives to farmers and property owners that preserve these lands.
12. Retaining the County's rich maritime industries by providing incentives to watermen and protections to existing marinas that serve the working waterfront.



### Section 6.4.2 Balanced Tax Base

The *goal of balancing the tax base* can be achieved by implementing the following strategies intending to increase the property tax base, utilizing vacant properties and increasing lands for businesses.

#### Strategies

1. Providing sufficient land and incentives to grow economic development opportunities that balance the County's tax base including:
  - o Tourism, business and employment center expansion.
  - o Further develop concepts and business relocation opportunities to the Chesapeake Bay Business Park.
  - o Support Chesapeake College educational programs, facilities and infrastructure.
  - o New business parks focused on providing jobs for industries including technology, research and development, agriculture and maritime.
2. Collaborating with Towns to maintain and upgrade public infrastructure and facilities to serve employment and workforce housing areas.
3. Tracking and monitoring job growth rates and plan for ways to stimulate employment opportunities in the County.
4. Tracking and monitoring economic development needs and opportunities by developing a commercial, industrial, and other for profit institutional database considering historic trends, projected needs and available zoned lands.
5. Clarifying available zoned lands for commercial, industrial and other for profit institutional development by separating public and not for profit institutional uses and lands not buildable under applicable codes from this classification.

### Section 6.4.3 Retail & Service Opportunities

The *goal of increasing opportunities for retail and service* through diversification, occupying vacant spaces and adaptive reuse of obsolete buildings can be achieved by implementing the following strategies:

#### Strategies

1. Expanding commercial opportunities for the purpose of retaining the dollars spent by resident consumers and visitors within the County.
2. Providing increased retail opportunities in Planning Areas for grocery, food and beverages, building materials, home and outdoors, and health and personal care goods and services.
3. Promoting the establishment of business organizations within Planning Areas to coordinate with Towns and the County to encourage the establishment of tourism, service businesses and shops.

### Section 6.4.4 Opportunities for Hospitality Industry Niches

The *goal of pursuing opportunities for hospitality industry niches* can be accomplished through a tourism strategy which implements the following strategies:

#### Strategies

1. Preparing and implementing a work plan for the promotion of Queen Anne's County Hospitality Industry.
  - o Creating a brand to be used to promote the hospitality market.



- Working with existing businesses that are affiliated or associated in the industry to collaboratively market.
  - Identifying existing and new niche commercial retail and service opportunities that support the hospitality industry and identify key locations for this type of business development opportunities.
2. Promote and grow ecotourism through regional marketing.

### Section 6.4.5 Skilled Workforce (Professional and Technical Jobs)

The *goal of providing an educated workforce* with emphasis on providing a skilled workforce can be achieved through implementation of the following strategies:

#### Strategies

1. Focusing recruitment efforts on companies that can produce professional and technical jobs in the County.
2. Building broadband technology to support expanded employment opportunities.
3. Continuing to provide programs that support small business development and expansion.
4. Build capacity for infrastructure to support industries in the professional and technical sectors.

### Section 6.4.6 Workforce Readiness (Education and Training)

The *goal of providing an educated workforce* by creating business opportunities that offer career tracking and sustainable employment can be achieved through the implementation of the following strategies:

#### Strategies

1. Provide technical and innovative training options and solutions.
2. Support educational programs that promote post secondary education and continued education programs.
3. Expand vocational training programs.
4. Attract post secondary educational and training facilities and attract post graduate education and research facilities.

## Section 6.5 Sustainability Indicators & Measures

The following sustainability indicators should be measured and evaluated over time to determine community impact with respect to meeting economic development, agriculture and tourism needs as a factor affecting the overall sustainability of the County.

- Employment and unemployment rates.
- Acres of agricultural land preserved and in operation.
- Preservation monies directed to the County through various programs.
- Agricultural economic indicators as provided by the State.
- Increase in retail sales.
- Tracking and support for new commercial entities through the development review process.
- Number of new business starts.
- Maintain and document business retention efforts.
- Revenue tracking for hotel taxes, amusement and admissions, sales and use tax and recreational fees.
- Participation in Federal, State and local grant and lending programs.



### Section 6.6 Goals, Objectives and Recommendations

The section identifies various goals, objectives and recommendations that will contribute to creating a sustainable County economy.

The **overarching goals** are to:

- *Preserve and support traditional economic development.*
  - *Existing industries and businesses.*
  - *Agriculture and natural resource based industries such as maritime, forestry, hunting and fishing.*
- *Create business/technology parks.*
  - *Focus business growth and expansion efforts on targeted business sectors that complement the existing business base, such as, but not limited to, technology based industries.*
  - *Establish policies and programs for business recruitment.*
- *Develop a 10-year economic development & tourism strategy.*
  - *Serve as a regional business advocate.*
  - *Enhance awareness of economic development opportunities.*
  - *Create a quality database of economic development and tourism information.*
  - *Promote a growing hospitality industry.*
  - *Support the expansion of telecommunication infrastructure and enhance telecommuting.*
- *Commit to providing an educated workforce.*
  - *Create business opportunities that offer career tracking and sustainable employment.*

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### Goal 1: Preserve and Promote an Agricultural, Maritime and Natural Resource Based Economy

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**Objective 1:** Support agri-businesses, maritime, natural resource based and eco-businesses through existing markets and exploration of new and innovative agricultural markets and promote them within the County.

#### Recommendations:

1. County government should take into consideration the fact that changes may occur in agriculture practices and associated economic impacts and should consider the commercial component of principal agricultural, maritime and natural resource based industry segments.
  2. Create new ways of offering incentives to agri-businesses, eco-businesses and eco-friendly businesses.
  3. Incentive programs should be sensitive to and reflect future changes in industry practices and economy.
  4. Build and support current agricultural, maritime and recreation industry sectors.
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## Goal 2: Promote Traditional Business Development

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**Objective 1:** Support methods and programs to attract and retain business using traditional economic development tools recognizing a need for business incubators and telecommuting infrastructure support.

**Recommendations:**

1. Support through appropriate planning tools the infrastructure necessary for telecommuting, for new start-up businesses and business expansion targeting high-tech and cleaner/greener businesses.
2. Encourage occupancy and/or redevelopment of vacant commercial space.
3. Explore opportunities for higher education and workforce development.

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**Objective 2:** Continue and expand incentives for business location and development/expansion.

**Recommendations:**

1. Create incentives such as streamlined review processes and permits and other mechanisms that may be appropriate.

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**Objective 3:** Incorporate economic centers as part of the development pattern to support Planning Areas.

**Recommendations:**

1. Designation of new Planning Areas should include analysis of siting new economic centers that support sustainable smart growth.
2. Promote the development of Business Parks and Commercial Centers at key locations that support sustainable smart growth.

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**Objective 4:** Support initiatives to create employment opportunities and commercial viability.

**Recommendations:**

1. Build cooperative Town/County planning initiatives to develop business and employment centers that attract employment based industries that incorporate Environmental Site Design.
  2. Support incentives to create employment centers and include in Joint Planning Agreements.
-



**Objective 5:** Ensure that sufficient commercially zoned lands exist and those lands are appropriately located and provided with infrastructure.

### Recommendations:

1. Create a database of commercially developable land that accounts for sewer or septic limitations and availability, non-tidal and tidal wetlands, environmental buffers, and other limitations so that the County has an inventory of commercially developable land.
  - a. Maintain an inventory of existing commercial and residential space as a means to encourage infill development and revitalization where there is existing infrastructure.
  - b. The database should include a map of the undeveloped commercial land contiguous to the US 50 corridor from Kent Island to the US 50/301 split.
  - c. The database should not include tax exempt properties such as churches, governmental buildings, and schools.
2. As part of the ongoing comprehensive planning process, consider adding or deleting commercial land uses as appropriate based on analysis of the above database.
3. Expand the provision of infrastructure to support the establishment of employment centers.
4. Encourage commercial zoning around Towns and established Planning Areas.

### Goal 3: Explore Opportunities for Hospitality Industry Niches

**Objective 1:** Develop, support, and promote County cultural activities and heritage tourism opportunities.

### Recommendations:

1. Promote the County as a wedding destination.
2. Promote ecotourism.
3. Cross-market cultural activities, tourism and historic sites and historic and cultural events.
4. Coordinate with Queen Anne's County Arts Council and other organizations or committees involved in cultural or historic initiatives.

**Objective 2:** Use historic and cultural resources to support and develop tourism.

### Recommendations:

1. Create and coordinate programming with historic and cultural sites with community events and activities as well as other tourism attractions.
2. Continue communication and collaboration between Historic Sites Consortium and Queen Anne's County Department of Economic Development, Agriculture & Tourism.



## 6.0 Economic Development & Tourism

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# Workforce Housing Element

## Section 7.0



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## Section 7.0 Workforce Housing Element

This Plan Element identifies key issues with respect to workforce housing. The basic need for a place to call home is best met by communities where citizens can comfortably live, work and play. The County's 2006 Housing Study prepared by the Louis Berger Group, Inc., is a reference document to this Element and contains a full assessment of all types of the County's housing needs. While this is the latest data and analysis available to use for the basis of this Element, economic conditions have changed which may impact the statistics presented therein.

Sustainable communities include a balanced relationship between jobs and housing as well as offering housing options that meet the needs of a full range of household incomes. Housing is considered an asset for those whom reside within the dwelling, as well as an asset to the community. A key issue of sustainability for the County is that new housing construction trends and patterns across both the State and County have resulted in a shortage of affordable housing.

- Federal guidelines define **affordability** in the context of household income, such that housing is deemed affordable when households spend no more than 30 percent of its annual income on housing. Families who pay more than 30 percent of their income for housing are considered "cost burdened" and may have difficulty affording basic necessities such as food, clothing, transportation and medical care.
- Federal guidelines define **workforce housing** as housing that is affordable to households earning incomes within the range of 60 to 120 percent of the area's median household income. Workforce housing includes single-family homes, townhouses, condominiums, starter homes and apartments affordable to the community's workers.

### Article 66B Visions

1. Quality of Life
2. Public Participation
3. Growth Areas
4. Community Design
5. Infrastructure
6. Transportation

### 7. Housing

8. Economic Development
9. Environmental Protection
10. Resource Conservation
11. Stewardship
12. Implementation

## Section 7.1 Legislative & Regulatory Background

In April 2006, the Maryland General Assembly passed HB 1160 establishing a Workforce Housing Grant Program within the Maryland Department of Housing and Community Development for the development costs of workforce housing. In order for local governments to be qualified to participate in the program, a Workforce Housing Element must be developed and adopted by the jurisdiction as either part of a Consolidated Plan approved by the Department of Housing and Urban Development (HUD) or as part of a Comprehensive Plan.



In accordance with HUD requirements, a Consolidated Plan is a document prepared by the State or local government that describes the housing needs of low and moderate-income residents, outlines strategies to meet the needs and lists all resources available to implement the strategies. This Plan is required for Entitlement Communities in order to receive HUD (the United States Department of Housing and Urban Development) Community Planning and Development funds. However, since Queen Anne's County is not an Entitlement Community as defined by HUD, the County receives Federal funding through the State as determined by HUD. Based upon this method of receiving Federal funding, the County is required to submit information with respect to use of HUD program funding to the State for planning and reporting purposes. In accordance with HB 1160 requirements, workforce housing is being addressed as an Element of this Comprehensive Plan.

### Section 7.2 Vision, Overarching Goals & Guiding Principles

The housing vision of Article 66B seeks to achieve a diversity of housing options, which includes workforce housing. This key vision creates the framework for the provision of sufficient workforce housing along with a full range of housing options that meet the needs of all citizens. This vision is supplemented by requirements identified in HB 1160 with emphasis on adequately providing local affordable workforce housing. Article 66B defines the vision for housing as:

**Housing** – A range of housing densities, types and sizes providing residential options for citizens of all ages and incomes.

#### Section 7.2.1 Overarching Goal & Workforce Housing Vision

The Overarching Goal for the Workforce Housing Element is to encourage the increased supply of workforce housing to sustain the economic vitality of Queen Anne's County.

*The **VISION** is that Queen Anne's County consist of sustainable neighborhoods that are collectively economically diverse, provide living arrangement options and housing opportunities for all income levels and age, with access to a variety of goods, services, transportation options, employment, public and private facilities, amenities and services.*

#### Section 7.2.2 Workforce Housing Guiding Principles

The following guiding principles provide the broad philosophy describing the context for the County to provide workforce housing.

- ① **Affordability** – Promote an inventory of rental and for-sale housing that is obtainable to households whose income is between 60 percent and 120 percent of the County's median income.
- ② **Preservation of Existing Housing Stock** – Preserve and maintain the existing affordable workforce housing stock.



- ③ **Size and Location** – Infill sites within existing traditional neighborhoods and expansion of traditional neighborhoods should be emphasized. Locations should provide easy access to goods, services, and a variety of community facilities including pedestrian facilities.
- ④ **Design** – New development, redevelopment or adaptive reuse projects providing workforce housing should promote principles of good design such as:
  - Pedestrian friendly site planning.
  - Contextual design compatible with existing neighborhood characteristics.
  - Density that maintains compatibility with streetscape and neighborhood scale.
- ⑤ **Energy Efficiency** – Incorporate innovative and energy efficient approaches to building construction and land development.

### Section 7.3 Influence of Regional Housing Market

Regional housing markets today have priced out many low- and moderate-income families, and development in the County has produced few affordable workforce housing units. Housing production failed to keep pace with job growth within the greater region (Baltimore and Washington, D.C. Metropolitan Statistical Areas), making housing costs less affordable. The local and regional housing market coupled with aspirations to achieve a higher quality of life and access to jobs within the region make Queen Anne's County an attractive place to live.

Lack of housing diversity and affordability affects the commuting patterns as well as business growth in the County. A County survey conducted in 2004 reflected that 35 percent of people employed at jobs in Queen Anne's County commute from other jurisdictions. An imbalanced relationship between jobs and housing diversity also affects the ability for local businesses to attract new talent, as well as the ability to attract new businesses and employers to our Towns and Planning Areas that could contribute to lowering the degree of commuting into and out of the County and its associated traffic congestion.

The aforementioned 2006 Housing Study focused on housing demand trends, housing inventories, housing affordability, future housing needs and affordability, assets and resources, needs and challenges, and actions including identification of affordable housing strategies. The 2006 Housing Study analyzed local and regional demographics and influencing factors related to affordable workforce housing and supports recent research associated with meeting the County's needs for affordable workforce housing and recommendations contained in this Element.

### Section 7.4 Workforce Housing Needs

One of the most critical issues facing the County and surrounding region is the dwindling supply of housing that is affordable to moderate-income workers. Increasingly, housing costs in the region are exceeding the financial reach of many low-to-moderate wage earners, such as service-sector employees, government employees, entry-level staff and essential health personnel, as well as teachers, police and other emergency responders.

According to the Queen Anne's County Department of Housing and Community Services, there is considerable demand for dwelling units affordable to the County's workforce and the availability of such units is limited. A few trends that provide an indication of household preferences identified in the County's 2006 Housing Study, and the Trends and Indicators Report, 2010, are reflected in the following list. As previously stated, while the most recent data and analysis available to use for the basis of this Element is presented within, economic conditions have changed since the information was generated.



## 7.0 Workforce Housing

More current data, such as the results of the 2010 U.S. Census when completed, may alter the statistics presented.

- Housing trends from 1990 to 2008 indicate the preference for single-family housing overwhelmingly exceeds those for multi-family dwellings and mobile homes.
- Housing projections to 2015 suggest this strong preference for single-family dwellings will continue with projections indicating that:
  - 76 percent of the County's population will reside in owner occupied housing, with 90 percent of whom will be in single-family dwellings; and
  - 24 percent of the population will be renters, of which 53 percent will reside in single family dwellings.
- Housing projections to 2015 suggest a lack of one bedroom apartments and apartments in general with the following specific projections:
  - A 9% increase in households renting homes.
  - Approximately 9% of the County's total housing stock will be multi-family dwellings such as apartments and condominiums.
- When comparing County trends to State and national housing and income trends, Queen Anne's County has fewer options in regards to rental dwelling units (single-family dwellings, townhouses and apartments).
- In 2000, nearly 26 percent of renter households were "cost-burdened." As in many communities, "cost-burdened" homeowners and renters spending 30 percent or more of their income on the cost of housing is most prevalent in lower to moderate income households (household incomes less than \$50,000).
- In 2000, approximately 19 percent of homeowners were "cost-burdened."
- Between 2002 and 2008, median residential sales values in the County increased 64.3 percent (from \$265,426 to \$436,219).
- In 2007, the average sales price of single-family homes ranged between \$370,000 and \$386,658 and in 2008 the average sales price was \$436,219.
- Average homes sales prices exceed the range for the 2008 median household income of \$81,400.
  - Households earning \$81,400 are generally able to afford up to a \$324,411 home.
  - Households earning 80 percent of median household income (i.e. \$65,120) are generally able to afford up to a \$259,530 home.
- The 2006 Housing Study projections for homeowners and renters in comparison to household incomes suggest a shortage of dwelling units priced appropriately for low-to-moderate income households and the County's workforce. The 2006 Housing Study indicated that:
  - The housing industry cannot produce a new house at a cost that is affordable to a significant portion of the citizenry.
  - There is a widening gap between median sales prices of homes and median household incomes resulting in shortages of affordable workforce housing.



# 7.0 Workforce Housing

| Housing Projections  | Associated Facts  |
|--|---|
| <p>Countywide, 490 households at the moderate income level were projected to be “cost-burdened” by 2015.</p> <p>Countywide, projections indicated that by 2015 there may be 4,800 low-income households and 1,410 of those low-income households will be “cost-burdened.”</p> <p>Countywide, the 2015 projections indicate there may be 2,500 very low-income households with 1,770 of those very low-income households “cost-burdened.”</p> | <p>The County’s housing inventory within moderate affordability ranges is concentrated in the Towns.</p> <p>There are 4,000 dwelling units in the County’s housing inventory at or below affordability ranges for low-income households.</p> <p>There are 763 dwelling units in the County’s housing inventory projected at or below affordability ranges for very low-income households.</p> |

Source: Queen Anne’s County Housing Study, 2006

The following tables (Tables 7-1, 7-2 and 7-3) substantiate trends associated with workforce housing needs identified on the previous page.

**Table 7-1: Projected Number of Owners and Renters (2005 - 2015)**

| Projected Year | Owners | Renters | Total  | Change over 5 Years | Annual Renter Increase | Annual Owner Increase | Total Annual Increase |
|----------------|--------|---------|--------|---------------------|------------------------|-----------------------|-----------------------|
| 2005           | 13,211 | 4,187   | 17,398 | -                   | -                      | -                     | -                     |
| 2010           | 14,626 | 4,636   | 19,261 | 1,864               | 90                     | 283                   | 373                   |
| 2015           | 15,959 | 5,058   | 21,017 | 1,756               | 85                     | 267                   | 351                   |

Source: Queen Anne’s County Housing Study, 2006

(Table 5-4 page 5-5)

**Table 7-2: Projected Number of Owners and Renters by Housing Type (2005 - 2015)**

| Housing Type    | 2005          |              | 2010          |              | 2015          |              |
|-----------------|---------------|--------------|---------------|--------------|---------------|--------------|
|                 | Owner         | Non-Owner    | Owner         | Non-Owner    | Owner         | Non-Owner    |
| Single Family   | 11,863        | 2,223        | 13,134        | 2,462        | 14,331        | 2,686        |
| Townhouse       | 779           | 301          | 863           | 334          | 942           | 364          |
| Mobile Home     | 396           | 234          | 439           | 260          | 479           | 283          |
| Condominium     | 172           | 96           | 190           | 107          | 207           | 116          |
| Boat Slip       | -             | 113          | -             | 125          | -             | 137          |
| Rental Dwelling | -             | 1,218        | -             | 1,349        | -             | 1,472        |
| <b>Total</b>    | <b>13,211</b> | <b>4,187</b> | <b>14,626</b> | <b>4,636</b> | <b>15,959</b> | <b>5,058</b> |

Source: Queen Anne’s County Housing Study, 2006

(Table 5-7 page 5-9)



## 7.0 Workforce Housing

**Table 7-3: Projected Number of Owner and Rental Units with Affordable Mortgage Limits**

|                                  | Annual Household Income | 2005          |              | 2010          |              | 2015          |              | Average Mortgage Limits |
|----------------------------------|-------------------------|---------------|--------------|---------------|--------------|---------------|--------------|-------------------------|
|                                  |                         | Owners        | Renters      | Owners        | Renters      | Owners        | Renters      |                         |
| Low-Moderate Income Housing      | Less than \$11,900      | 535           | 545          | 592           | 603          | 646           | 658          | up to \$47,481          |
|                                  | \$11,900 to \$23,799    | 1,101         | 874          | 1,219         | 967          | 1,330         | 1,056        | \$47,481 - \$94,958     |
|                                  | \$23,800 to \$35,699    | 1,251         | 790          | 1,385         | 875          | 1,511         | 955          | \$94,962 - \$142,439    |
|                                  | \$35,700 to \$47,599    | 1,651         | 680          | 1,828         | 753          | 1,995         | 822          | \$142,443 - \$189,920   |
| Workforce Housing                | \$47,600 to \$59,499    | 1,527         | 314          | 1,690         | 348          | 1,844         | 380          | \$189,924 - \$237,401   |
|                                  | \$59,500 to \$71,399    | 1,277         | 392          | 1,414         | 434          | 1,542         | 474          | \$237,405 - \$284,882   |
|                                  | \$71,400 to \$89,299    | 1,887         | 247          | 2,089         | 274          | 2,280         | 299          | \$284,886 - \$356,303   |
|                                  | \$89,300 to \$119,099   | 2,095         | 204          | 2,319         | 226          | 2,531         | 246          | \$356,307 - \$475,205   |
| Middle - Upper Income Households | \$119,100 to \$148,799  | 947           | 70           | 1,049         | 78           | 1,144         | 85           | \$475,209 - \$593,708   |
|                                  | \$148,800 to \$178,599  | 434           | 17           | 481           | 19           | 525           | 20           | \$593,712 - \$712,610   |
|                                  | \$178,600 or more       | 505           | 53           | 560           | 59           | 611           | 64           | \$712,614+              |
|                                  | <b>Total</b>            | <b>13,211</b> | <b>4,187</b> | <b>14,626</b> | <b>4,636</b> | <b>15,959</b> | <b>5,058</b> |                         |

Note: Calculation of Average Mortgage Limits is based upon the annual household income range multiplied by 3.99 to determine average mortgage limits. Generally, a mortgage lender will lend you between three and four times your gross salary.

Source: Queen Anne's County Housing Study, 2006 (Table 5-5 page 5-7) augmented with average mortgage calculations based upon affordability of average housing sales prices.





## Section 7.4.1 Summary of Housing Supply and Demand

Housing in Queen Anne’s County is among the highest priced of counties in Maryland. Indicators suggest there is a shortage of “workforce housing.” A housing market out of reach of the average household has interrelationships with a number of influencing factors studied in the Queen Anne’s County Housing Study, 2006. Table 7-4 illustrates the average home sale prices for Queen Anne’s County and neighboring Counties. Queen Anne’s County home sale prices increased \$170,793 from 2002 to 2008, a 64.3 percent increase.

**Table 7-4: Regional Comparison of Average Housing Sales Price 2002-2008**

| Queen Anne’s County and Neighboring Counties Average House Sales Price |           |           |           |           |      |                  |      |
|--|-----------|-----------|-----------|-----------|------|------------------|------|
| County   | 2002      | 2004      | 2006      | 2008      | Rank | Percent Increase | Rank |
| Caroline   | \$130,279 | \$197,171 | \$258,464 | \$216,810 | 7    | 66.4%            | 4    |
| Cecil  | \$178,170 | \$236,351 | \$290,845 | \$262,113 | 6    | 47.1%            | 8    |
| Dorchester   | \$133,328 | \$205,863 | \$252,987 | \$279,622 | 5    | 109.7%           | 1    |
| Kent   | \$200,946 | \$289,420 | \$380,744 | \$395,334 | 3    | 96.7%            | 2    |
| Queen Anne’s   | \$265,426 | \$377,900 | \$453,103 | \$436,219 | 2    | 64.3%            | 5    |
| Somerset   | \$110,849 | \$129,636 | \$205,892 | \$161,335 | 9    | 45.5%            | 9    |
| Talbot   | \$363,669 | \$514,885 | \$634,377 | \$634,377 | 1    | 74.4%            | 3    |
| Wicomico   | \$130,779 | \$172,238 | \$208,400 | \$208,400 | 8    | 59.4%            | 7    |
| Worcester  | \$230,220 | \$346,031 | \$374,456 | \$374,456 | 4    | 62.7%            | 6    |
| Maryland   | \$194,180 | \$269,305 | \$374,456 | \$341,116 |      | 75.7%            |      |

Source: MD Association of Realtors, 2008

Cost of living is the cost of maintaining a certain standard of living. Changes in the cost of living over time are often analyzed in a cost of living index. Cost of living calculations are also used to compare the cost of maintaining a certain standard of living in different geographic areas. Queen Anne’s County has a cost of living index of 100.8, and has nearly the highest cost of living on Maryland’s Eastern Shore second to Cecil County at 101.1.

**Table 7-5: 2008 Comparison of Cost of Living**

| 2008 Comparison of Cost of Living |                      |
|-----------------------------------|----------------------|
| County                            | Cost of Living Index |
| Caroline County                   | 85.1                 |
| Cecil County                      | 101.1                |
| Dorchester County                 | 84.9                 |
| Kent County                       | 88.5                 |
| Queen Anne’s County               | 100.8                |
| Somerset County                   | 84.2                 |
| Talbot County                     | 92.1                 |
| Wicomico County                   | 84.9                 |
| Worcester County                  | 89.7                 |

Source: City Data, 2008



The following summarizes key conclusions with respect to housing demand, supply and affordability identified in the 2006 Housing Study. (Refer to 2006 Housing Study for supporting data.)

### Housing Demand Conclusions from Queen Anne's County 2006 Housing Study

- **Age Distribution Trends and Patterns** – The County does not currently attract significant numbers of young families. This trend has been compounded by a shortage in the supply of rental units or homes that are affordable to low to moderate income families.
- **Age Distribution of Household Head** – The County has found a niche as a retirement destination, which accounts, in part, for an increase in people in the range of 55-64 years of age. The County has fewer heads of households in the 25-34 age range, supporting the observation that younger adults are choosing to live outside of the County.
- **Household Income Distribution Suggest Need for Range of Housing Types** – Income disparities are evident even as the County's demographic composition has grown and changed. There are many households in the County that spend over 30% of their household income on housing. Realizing this, there is a need to provide more affordably priced owner and rental dwelling units. Not only is the number of "cost burdened" households an issue, but also the limited range in diversity in terms of housing styles and sizes is an issue as well.
- **Labor Market Commuting** – As of the 2000 Census, nearly 60 percent of the County's resident labor force commuted to places of employment outside the County, while 35 percent of people employed at jobs located in Queen Anne's County live in other jurisdictions. A more diverse housing stock that also includes "workforce" housing will provide opportunities to live and work in the County, and also has the potential to alter commuting patterns. A full range of housing options provides housing choices and opportunities for the resident labor pool. A readily available local workforce is essential in attracting new business ventures and investment opportunities in the County's employment centers.

### Housing Supply (Inventory) Conclusions from Queen Anne's County 2006 Housing Study

- **Increases in Single-Family Housing Stock** – Trends suggest the predominant housing types are single-family dwellings.
- **Renter-Occupied Housing Stock** – There is a rental housing gap in the County. Of the available rental units, there is a limited supply of studio and 1 and 2 bedroom units.

### Housing Affordability and Cost Burdened Households Conclusions from Queen Anne's County 2006 Housing Study

- **Costs of Housing** – The housing industry cannot produce a new house at a cost that is affordable to major portions of its citizenry. Housing costs include land, architects and engineers, borrowing costs, fees and permits, labor, materials, insurance, taxes, marketing, brokerage fees and other costs. The cost of government regulations must also be added (e.g. land development regulation compliance, minimum lot size and conservation, etc.). In 2004, the average construction cost alone was \$172,800, the second highest in the region and ninth in the State. (Source: Queen Anne's County 2006 Housing Study, Executive Summary, page 3)



### Section 7.5 Workforce Housing Policies, Programs and Regulations

There are a variety of housing policies and programs that are currently administered by the Department of Land Use, Growth Management and the Environment (LGE), the Housing Authority and the Department of Housing and Community Services (refer to 2006 Housing Study). It is this relationship between land use regulations, building codes and housing programs that enable the County to offer opportunities for workforce housing. The following provides a brief description of relevant policies and/or programs.

#### Section 7.5.1 Inclusionary Housing Program

Inclusionary housing is a housing program typically adopted as part of the zoning ordinance that requires developers to dedicate a certain percentage of new homes to qualifying households at an affordable housing cost for a specified duration of time. The County's inclusionary housing program is the Moderately Priced Dwelling Unit (MPDU) regulations contained in Chapter 18, Zoning and Subdivision Regulations of the County Code (refer to Article XXI Inclusionary Housing, Section 18:1-108).

Following the adoption of the 2002 Comprehensive Plan, updates to Chapter 18 added provisions for MPDUs. Individuals whose household income is 80 percent or less than the average household median income for the Baltimore-Towson Metropolitan Statistical Area (MSA), with adjustments for household size, as reported by the United States Department of Housing and Urban Development (HUD) are eligible to participate in the County's MPDU Program.

The County's MPDU Program is intended to provide affordable new housing to moderate income households. When certain types of new residential developments are proposed at least 10 percent of the units are to be provided at a cost affordable to individuals and families earning 80 percent or less of the median income for the area. The maximum allowable income based upon family size is adjusted annually.

**Program Impact:** Additional assessments such as condominium fees or homeowner association fees can result in the dwelling exceeding the qualifying mortgage or rent for those seeking MPDU housing. The implementation of this program has yet to realize MPDUs due to the difficulty in certifying applicants that qualify for the program who can also afford the additional community assessments.

#### Section 7.5.2 Critical Workforce Housing Program

The Department of Housing and Community Services offers a second mortgage financing to homebuyers who meet the Critical Housing Workforce Program guidelines. The purpose of the program is to ensure that the County continues to have an adequate supply of workers in local jobs that are critical to the safety and well being of County residents. The loan cannot exceed 33 percent of the total purchase price or the appraised value of the home and property, whichever is less. At least one of the borrowers must be considered a member of the "**Critical Workforce**" which is defined as the following:

- Teachers employed full time in Queen Anne's County;
- Law enforcement officers, including correctional officers, employed full time in Queen Anne's County by County or Municipal Government;
- Emergency Medical Technicians employed full time in Queen Anne's County;



- An active member of a Queen Anne's County Volunteer Fire Company for the past 12 months, which includes both firefighters and Emergency Medical Technicians, and must be certified by the president of the County Volunteer Chief's Association; and
- Queen Anne's County Emergency Dispatchers.

**Program Impact:** This program has been offered for nearly six years with the average loan of approximately \$50,000 with a total of \$2,330,000 administered over the duration of the program. The program has been successful to serve the target workforce (*the County's Critical Workforce*). The Community Development Revolving Fund used to support this program has been supplemented by County resources and Community Development Block Grant (CDBG) funds. Table 7-4 summaries the number of loans administered through this program.

**Table 7-6: Summary of Loans Administered 2004-2009**

| Number of Loans | FY 2003/2004 | FY 2004/2005 | FY 2005/2006 | FY 2006/2007 | FY 2007/2008 | FY 2008/2009 | FY 2009/2010* |
|-----------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
|                 | 6            | 7            | 3            | 9            | 10           | 10           | 3             |

\*Program year not complete.

Source: Queen Anne's County Department of Housing and Community Services

### Section 7.5.3 Critical Workforce – Neighborhood Conservation Initiative (NCI)

Neighborhood Conservation Initiative (NCI) funds are part of the Federal and State Neighborhood Stabilization Program pursuant to the Housing and Economic Recovery Act of 2008. These funds are targeted to income-eligible, first-time homebuyers who are members of the critical workforce in Queen Anne's County. Queen Anne's County Department of Housing and Community Services have been authorized to provide zero-percent deferred payment loans, not to exceed the amount of \$50,000 as a second mortgage. In accordance with the State's approval, these loans can be used to purchase homes which have been foreclosed in Stevensville, Grasonville and Church Hill.

**Program Impact:** Because this is a new program, as of 2009, no loans have been administered.

### Section 7.5.4 Special Loan Programs

The Queen Anne's County Department of Housing and Community Services administer a variety of "Special Loan Programs" on behalf of the Maryland Department of Housing and Community Development (DHCD). These programs are designed to provide funding for improvements of existing single family units and rental properties that are available to low and moderate-income families. The funding from these programs are used to rehabilitate properties, increase energy conservation, modify structures to meet special housing needs, lead paint abatement and installation of indoor water and sewer facilities. The programs include:

- Maryland Housing Rehabilitation Program (MHRP)
- Accessory, Shared and Sheltered Housing Program (ACCESS)
- Lead Hazard Reduction Grant Loan Program (LHRGLP)
- Special Targeted Applicant Rehabilitation Program (STAR)



- Indoor Plumbing Program (IPP)

**Program Impact:** The majority of these loans are typically administered to seniors who are in need of home improvements, rather than critical workforce households. The program is designed to help homeowners remain in their home while necessary improvements and renovations are funded.

## Section 7.5.5 Housing Authority

The Housing Authority provides a broad range of housing related services to assist residents of Queen Anne’s County to acquire and maintain decent safe and affordable housing. They develop and administer programs which provide and promote affordable rental housing, rental housing assistance, family self-sufficiency and homeownership. Table 7-5 identifies the affordable rental housing stock owned and maintained by the Housing Authority.

**Table 7-7: Publicly Owned Affordable Housing Stock**

| Housing Development | Type                     | Number of Units/Beds   |
|---------------------|--------------------------|--|
| Scatter Sites       | Single Family Homes      | 12 units   |
| Grasonville Terrace | Senior Housing           | 33 one-bedroom units   |
| Fisher Manor        | Townhouses               | 24 three-bedroom units<br>1 four-bedroom unit                          |
| Foxxtown            | Senior Housing           | 37 one-bedroom units<br>3 two-bedroom units                            |
| Riverside Estates   | Townhouses               | 23 two-bedroom units   |
| Terrapin Grove      | Senior Housing           | 73 one-bedroom units<br>12 two-bedroom units<br>9 one-bedroom cottages |
| Safe Haven Manor    | Assisted Living Facility | 16 beds  |
| <b>TOTAL</b>        |                          | <b>227 units and 16 beds</b>   |

Source: Queen Anne’s County Housing Authority

**Program Impact:** The last time the private development community built such types of new rental units was in 1985. The Housing Authority has since built rental units. The Housing Authority owns approximately 50 percent or more of the current rental units that are considered affordable housing across the County. Emphasis is on affordable housing for low-to-moderate income households (a portion of the workforce) and senior housing. Of the total, **48 affordable units** are designated for families with household incomes less than 50 percent of the County’s median household income.



### Section 7.6 Community Issues, Obstacles & Opportunities to Workforce Housing

The following community issues and obstacles are identified with respect to affordable and workforce housing:

- Shortage of workforce housing units with respect to type, size and location within the County.
  - Increasing home ownership costs and rising rent levels.
  - Limited vacancies (3.7 percent in 2000) and limited variety of types of housing other than single family dwellings (refer to Table 7-2). Note: Data may have changed since the 2000 U.S. Census as a result of more recent economic conditions.
- People employed at local businesses and current residents are seeking housing that is priced within their household income in locations outside of the County and commuting to work within the County.
- The current workforce able to afford housing within the County is commuting outside the County to the adjacent Washington, D.C. and Baltimore region for employment.
- Decreasing availability of affordable housing for the elderly.
- The gap between household incomes and housing prices continues to increase.
- The supply of housing affordable to the County's workforce earning 60 percent to 120 percent of median household income and for recent college graduates is limited.
- Decreasing availability of affordable workforce housing for low-to-moderate income households.
- An insufficient supply of workforce housing has a negative impact on the ability of businesses to expand, new business development and the ability to attract industries to locate within the County.

Opportunities for workforce housing may include:

- The County's Inclusionary Zoning, which is a Moderately Priced Dwelling Unit (MPDU) Program, promotes workforce housing opportunities. The ability for developers to offer a "fee in lieu" instead of constructing MPDUs, with those funds dedicated towards other Housing Programs, may offer more opportunities to provide workforce housing.
- Funding and incentives such as Housing Land Trust Fund, Affordable Housing Tax Credit, and infill development.
- Walkable neighborhoods located within designated Planning Areas and Towns.
- Commercial apartments, which are a dwelling unit located above the first floor of a commercial building, are allowed as a supplemental use in commercial zoning districts. As an incentive, the square footage of commercial apartments is not included in the floor area ratio calculations for a commercial building.
- An accessory apartment is permitted for every single-family lot provided the owner of the principal dwelling resides on the property. However, if the property is not connected to public sewer there is a requirement that the Health Department has approved a separate on-site sewerage disposal area for the additional residential unit.
- Tax Credit Program for housing units priced between subsidized units and market rate units.
- Consideration should be given for reduced impact fees and increased density.
- Partnerships with private and non-profit agencies/organizations to provide affordable housing.
- Streamline development review process.
- Modify the MDPU Program to insure greater success at meeting affordable housing needs.
- Housing costs.



# 7.0 Workforce Housing

## Section 7.7 Sustainability Indicators & Recommended Evaluation

As previously mentioned, housing diversity that provides affordable workforce housing is one of the keys to creating and sustaining healthy, economically vibrant communities. A lack of workforce housing influences opportunities for business development and business expansion.

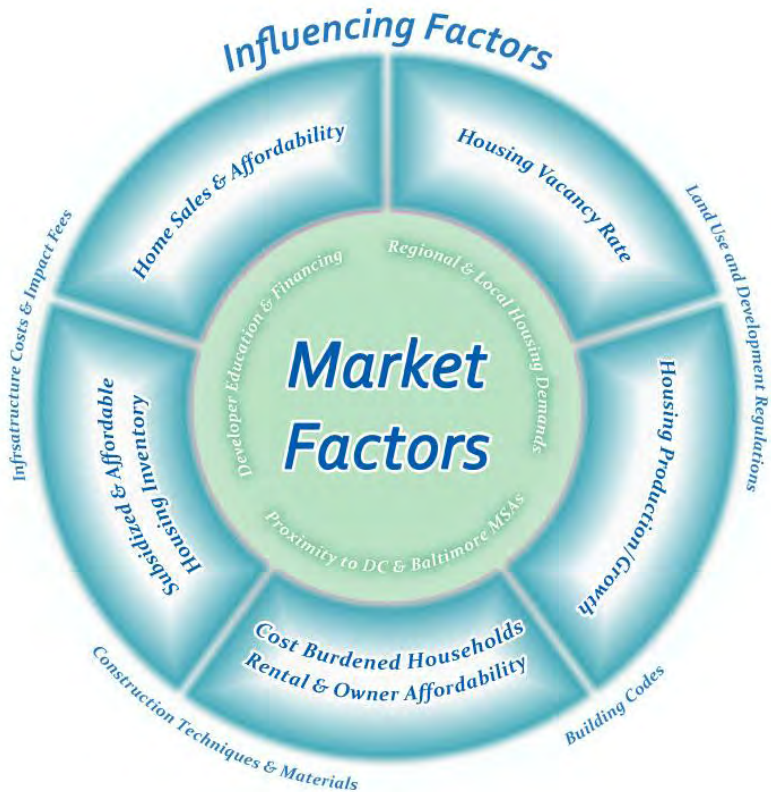
There are direct relationships between land use, economic development and infrastructure investment that are described through a variety of influencing factors. Such factors include land and development regulations, infrastructure costs, impacts fees, construction techniques, building codes, market demand with respect to the following indicators of sustainability:

- The existence of housing unit diversity and variety.
- Housing production/growth inside and outside of Planning Areas and/or Priority Funding Areas.
- Housing variables that are published in the Decennial Census.
- Housing program participation and waiting lists for the units owned and managed by the County’s Housing Authority units and the County’s Rental Assistance Program.
- Infrastructure to support housing.

### Sustainability Indicators

Indicators are the tools used for community assessment and measurement of various aspects or factors of health, safety and welfare of our community. Indicators demonstrate the link from the past to the present and the present to the future.

These sustainability indicators should be measured and evaluated over time to determine community impact with respect to meeting workforce housing needs as a factor affecting the overall sustainability of the County. The following diagram depicts the relationship between various indicators and influencing factors affecting the housing market.





### Section 7.8 Goals, Objectives and Recommendations

This section identifies various goals, objectives and recommendations that support the development of strategies, programs and projects that will contribute to realizing the goal for workforce housing.

***Goal:** The overarching goal is to encourage an increased supply of workforce housing to sustain the economic vitality of Queen Anne's County.*

#### Goal 1: Provide Affordable Workforce Housing Supply

**Objective 1:** Foster opportunities to create a supply of workforce housing affordable to appropriate income levels through various approaches, methods and programs.

##### Recommendations:

1. Collaborate with the municipalities and identify locations in planning areas in which to provide workforce housing.
2. Encourage and allow appropriate density increases and range of unit types to allow workforce housing to be an economically viable development option.
3. Encourage incorporation of workforce housing within developments.
4. Study potential means of improving the viability of the Moderately Priced Dwelling Unit (MPDU) program.

**Objective 2:** Continue to implement various approaches, methods and programs that promote workforce housing.

##### Recommendations:

1. Continue to allow accessory apartments in association with single-family lots, and commercial apartments.
2. Promote infill development and redevelopment activities and where appropriate encourage the replacement, installation, and/or upgrade of public infrastructure improvements such as roads, curbs, gutters, public water and sewer, and sidewalks.
3. Create partnerships between the County and Towns to identify new workforce housing opportunities.
4. Continue to implement the County's housing and homeownership assistance programs and expand funding and eligibility.
5. Encourage non-profit involvement in providing affordable housing.
6. Consider increased density as an incentive to provide affordable housing.





## 7.0 Workforce Housing

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