

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.

This Element of the Comprehensive Plan will examine the state of housing in Easton in 2002. It will also propose programs and policies for providing more low- and moderately priced housing.

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. However, the cost of housing in Easton is no less a concern today. In fact, it is more of a concern. The Comprehensive Plan Opinion Survey asked two questions relative to housing. This first asked what types of housing options were missing or under-represented in Easton. Apartments and Town Homes were the two most frequently selected options. The second question simply asked whether the cost of housing in Easton was a concern to the respondent. 54.3% said yes.

An analysis of recent sales information indicates the range 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 is \$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 is 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 Easton Housing Authority and programs like Habitat for Humanity of Talbot County. 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 this year 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.

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 Building Department operates under the supervision of the Town Engineer and includes a Deputy Building Official who primarily conducts plan reviews, a field inspector, a rental-housing 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.

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 Easton Housing Authority, publicly subsidized but privately constructed housing (for example Chatham Village Apartments), and houses built through Habitat for Humanity of Talbot County.

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

Habitat for Humanity of Talbot County has been responsible for the construction of 15 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.

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 Talbot County and encourage any similar groups in their efforts to provide more safe, decent and affordable housing in Easton.

One such similar effort that has recently been 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. The Town recently 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 was offered by the developers of the proposed Easton Village on the Tred Avon project when affordable housing was raised as a concern during that project's review process. In this case the developer proposed setting aside 10% of both the single family attached and detached units for "affordable" housing. Furthermore, the developer proposed that these units would be indistinguishable from the market rate houses and that they would be incorporated amongst these units throughout the development (i.e. they would not be isolated and segregated). There was even a resale provision such that the units could not be resold for more than was paid for them plus an annual appreciation factor.

The Easton Planning and Zoning Commission believe that such a system merits consideration for all projects. This system should include the following components:

- Housing should be available at as many price points as is feasible within the project.
- A density bonus should be available to the developer to encourage the provision of even more housing at the lowest price points.
- Provisions should be made whereby the less expensive homes could not be resold for more than what the owner paid for them plus an annual appreciation factor. Alternately, these units could be sold at market rate, but whatever profit the owner realized above the limit described above would go into a fund from which the Town could provide more low-income housing.

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.
- ✓ Strengthen the Town's Rental Housing Inspection Program by requiring scheduled inspections and increasing the Town's inspection capacity.
- ✓ 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 Easton Housing Authority 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 Talbot County (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 development, including manufactured homes, on vacant or underutilized land within areas currently served by adequate infrastructure and public facilities.

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 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.
- ✓ In conjunction with the Commission, schedule five-year assessment of the town's housing needs and initiate a survey in 2003 to be used as a benchmark for the 2009 Comprehensive Plan.
- ✓ Endorse the establishment of a Talbot County Housing Authority to increase access to State and Federal funding programs.
- ✓ Support the creation of a county wide Housing Trust Fund to help provide homes for low-income residents.