

CHAPTER 10 - HOUSING

Introduction

A primary focus of community planning is decent, safe, and sanitary housing for all Town residents. Facilitating the production of affordable housing options strengthens and makes a more resilient community and helps combat housing discrimination policies and practices that disproportionately affect populations of color.

Goals and Objectives

Goals

- Provide opportunities for safe, sanitary, decent, and affordable housing for all citizens.
- Denton is an inclusive community without barriers that limit housing access based on race, color, religion, sex, familial status, national origin, or disability.

Objectives

- Housing that addresses the needs of all segments of the community.
- Expanded housing choices.
- Policies and regulations supporting private and public sector initiatives to provide affordable housing.
- Continued maintenance and upkeep of existing housing and renovation or removal of substandard housing.
- Work with the Town Council, agencies, and stakeholders to assess fair housing practices affecting Denton residents.
- Work with the Town Council to implement the Fair Housing and Equal Opportunity Plan outlined in Resolution 894.
- Evaluate Comprehensive Plan goals, objectives, policies, and development regulations to ensure compliance with civil rights and fair housing laws and modify them appropriately.

Policy

- If unfair practices are found, take steps to eliminate patterns of housing segregation.

Background

Unit Type

In 2020, the U.S. Census reported 1,864 housing units in the Town of Denton, an increase of 73 units and four percent over the 2010 count. Of the total inventory of dwelling units in the 2017 Maryland Department of Assessment and Taxation database (1,668 units), 70 percent were classified as single-family detached homes. Multifamily and townhouse units accounted for 28 percent (see Table 10-1). In addition, the most recent American Community Survey (ACS) 5-year estimates confirm the dominance of detached single-family units in the housing inventory.

Unit Type	Number	Percent
Detached Single-Family	1,169	70%
Townhouse	153	9%
Multifamily	325	19%
Mobile Home	9	1%
Mixed-Use	12	1%
Total	1,668	100%

Source: Maryland Department of Assessment and Taxation, MdPropertyView©

Age

According to the 2010 U.S. Census, almost 20 percent of Denton's homes were built in or before 1939. About 57 percent were built before 1960 (see Table 10-2). This data indicates that nearly sixty-eight percent of the housing units are over 50 years old. The data reinforces the importance of maintenance and upkeep of the existing housing stock and renovation or removal of substandard housing at the end of its effective lifecycle.

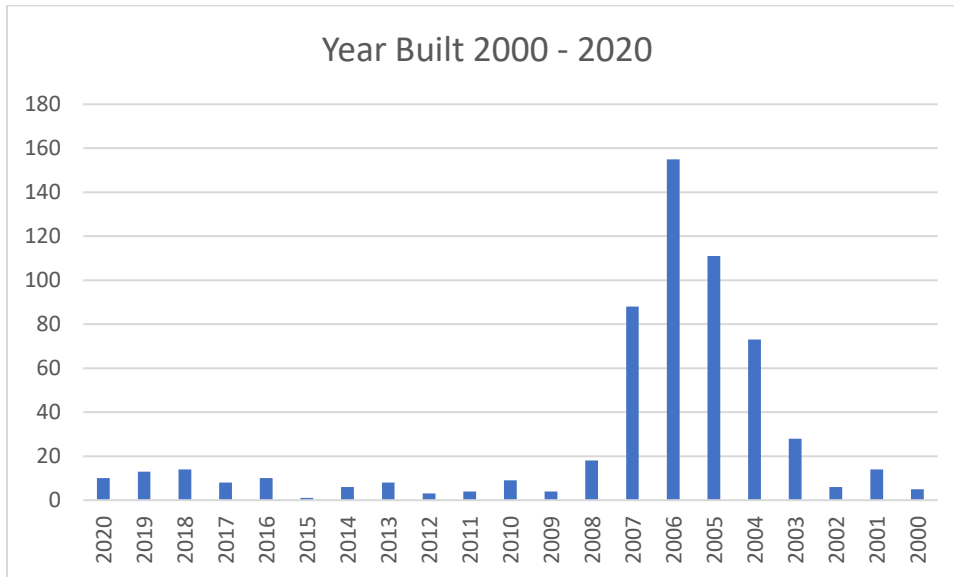
	Number	Percent of Total
Total housing units	1,744	100%
Built 2005 or later	169	10%
Built 2000 to 2004	108	6%
Built 1990 to 1999	88	5%
Built 1980 to 1989	187	11%
Built 1970 to 1979	197	11%
Built 1960 to 1969	251	14%
Built 1950 to 1959	310	18%
Built 1940 to 1949	87	5%
Built 1939 or earlier	347	20%

Source: U.S. Census Bureau, 2010 Census

New Housing Production

Maintaining a healthy balance between housing supply and demand affects the price. When supply falls short of demand, sale and rent prices tend to increase, pricing households at the income margin out of the housing market. According to Department of Assessment and Taxation data, since the 2000 Census, 588 housing units have been built in Denton through 2020 (Chart 10-1). Housing production peaked in 2006, undoubtedly coinciding with the crash of the nationwide housing bubble. Housing production dropped precipitously after 2008. From 2000 to 2010, an average of fifty units were added each year. From 2011 to 2020, eight units were added each year on average.

Chart 10-1: Year Built 2000 - 2020



Tenure

Homeownership is the dominant form of tenure in Denton, with about 54 percent of all units owner-occupied (See Table 10-3). However, following a nationwide trend, since 2010, there has been a decrease in owner-occupied units and an increase in renter-occupied units. Also, there has been an increase in vacant units. According to a Pew Research Center survey, nearly 65 percent of respondents rent due to circumstances, and 72 percent of renters would like to buy a home.¹⁸

	2000		2010		2017	
	Number	Percent of total	Number	Percent of total	Number	Percent of total
Total housing units	1,264	100%	1,791	100%	1,860	100%
Occupied housing units	1,140	90%	1,606	90%	1,553	83%
Vacant housing units	124	10%	185	10%	307	17%

¹⁸ <https://www.pewresearch.org/fact-tank/2017/07/19/more-u-s-households-are-renting-than-at-any-point-in-50-years/>

	2000		2010		2017	
	Number	Percent of total	Number	Percent of total	Number	Percent of total
Owner-occupied housing units	645	57%	906	56%	836	54%
Renter-occupied housing units	495	43%	700	44%	717	46%
<i>Source: U.S. Census Bureau, 2000 Census</i>						
<i>Source: U.S. Census Bureau, 2010 Census</i>						
<i>Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates</i>						

The Census Bureau estimates owner-occupied housing units comprised about 54 percent of the occupied housing stock in 2019, and slightly over 46 percent of homes are renter-occupied. The percentage of renter households in Denton is almost forty percent higher than in Caroline, about a third higher than in Talbot County, and slightly higher than in Easton (See Table 10-4).

Jurisdiction	Total Occupied Housing Units	Owner-Occupied Units as Percent of Total Units	Renter-Occupied Units as Percent of Total Units
Denton	1,553	54%	46%
Caroline	12,024	73%	27%
Easton	7,525	57%	43%
Talbot County	16,826	70%	30%
<i>Source: Census Bureau, American Community Survey, 2016-2020 ACS 5-year data</i>			

Home Prices and Homeowners

Current data on home sales and prices are unavailable at the municipal level. However, industry, federal, and state data collected from county jurisdictions are available, and as Caroline County data includes Denton, it is relevant and will be used for the following discussion.

Data on Caroline County home sales and median home prices indicate that growth in existing home sales rose by about a third between 2017 and 2021, as did the median home prices (see Table 10-5). However, the sale price for houses in Caroline was lower than in all jurisdictions shown in Table 10-5.

While median house prices are lower in Caroline County than in most surrounding counties, this does not mean housing is more affordable. Household incomes are lower in Denton than in surrounding towns and counties, so people generally cannot afford to pay as much for housing (see Table 10-6).

Existing Home Sales in Units	Total Units Sold 2021	Total Units Sold 2017 - 2021	Average Units Sold 2017 -2021	Unit Increase 2017 - 2021	Average & Median Sales Price		
					Average Sales Price 2021	Median Sales Price 2021	Average Median Increase 2017-2021
County							
Caroline County	509	2,144	429	31%	\$239,907	\$255,000	33%
Talbot	842	3,743	749	20%	\$722,619	\$415,000	57%
Dorchester	633	2,471	494	46%	\$291,003	\$237,000	60%
Kent	498	1,922	384	49%	\$398,605	\$269,000	53%
Queen Anne's	1,207	5,078	1,016	30%	\$512,047	\$410,000	41%

Source: Maryland Association of Realtors, <http://www.mdrealtor.org/Resources/Publications/Monthly-Housing-Statistics>

County	Median Household Income
Caroline	\$58,638
Denton	\$50,081
Easton	\$61,651
Talbot	\$73,547
Queen Anne's	\$86,738
Kent	\$58,598

Source: Census Bureau, American Community Survey, 2016-2020 ACS 5-year data

From 2016 to 2020, median home prices in the County increased faster than median household income. As a result, a substantial gap has grown between Caroline County residents' incomes and housing costs. While this is a State and nationwide trend, the gap is significant in the County. For example, between 2016 and 2020, median home sale prices in Caroline County increased by 36 percent. By comparison, the median household income increased only 12 percent during the same period, significantly less than the median home sale prices increase.

Affordable Housing

Defining terms is fundamental to the discussion of affordable housing. Setting policy and objectives or establishing performance measures is problematic without a basic definition. The Housing Cost Burden and the Maryland Housing Affordability Index provide input to help establish parameters for affordable housing discussions.

According to the U.S. Department of Housing and Urban Development (HUD) standards, a household has a "housing cost burden" if it spends 30 percent or more of its income on housing. A household has a "severe housing cost burden" if it spends 50 percent or more of its

income on housing. The housing cost burden combines renter and owner-occupied housing statistics. Owner housing costs include mortgage payments, deeds of trust, contracts to purchase, or similar debts on the property; real estate taxes; fire, hazard, and flood insurance; utilities; and fuels. Where applicable, owner costs also include monthly condominium fees. Renter calculations use gross rent, the contract rent, and the estimated monthly cost of utilities (electricity, gas, water, sewer) and fuels (oil, coal, kerosene, wood, etc.). Household income is the total pre-tax income of the householder and all other individuals at least 15 years old in the household.

Table 10-7 illustrates the disparity in income and housing costs of low-income families in Denton, with data from Caroline County, Easton, and Talbot County for comparison purposes. The "low-income" category includes households with incomes at or below 80 percent of the area median income ("middle income" refers to those with incomes between 80 and 120 percent of the median, and "high-income" includes those who have an income of at least 120 percent of area median income).

Including renters and homeowners, over half of the low-income families are cost-burdened in Denton, spending 30 percent or more of their income on housing. In addition, a lower yet substantial number of low-income households in Denton are severely cost-burdened (spending 50 percent or more of their income on housing). Although the percentage of housing cost-burdened compares favorably with Easton, Denton has a higher percentage of severely cost-burdened households than Caroline, Talbot Counties, and Easton.

County	Percent of Household Income \geq 30%	Percent of Household Income \geq 50%
Denton	52.05%	18.61%
Caroline	64.69%	14.28%
Easton	61.04%	14.26%
Talbot	67.91%	12.99%

Source: Special Tabulation (Comprehensive Housing Affordability Study) Files, U.S. Census and HUD

HB 1045 (2019) amended 3-102 of the Land Use Article, requiring a housing element in comprehensive plans for all Maryland jurisdictions. The statute requires a housing element to address the need for affordable housing, including workforce and low-income housing. The law directs jurisdictions to use HUD's Area Median Income (AMI) calculations when planning for the workforce and low-income housing. AMI is the commonly used housing industry term reflecting annual Median Family Income (MFI) calculations for non-metropolitan counties, called Income Limit Areas. Approximately 50% of families have an annual income above the AMI/MFI level and 50% below. HUD bases its annual calculations for AMI on the American Community Survey (ACS) Median Family Income in The Past 12 Months. Table 10-8 summarizes the most recent application of this formula to Caroline County. The AMI reported for Denton was lower, \$61,000 (see Table 10-9).

2020 AMI for Caroline County, MD;	\$68,900	
HB 1045 Household Income Levels/Ranges		
Workforce Ownership Range (60% - 120% AMI):	\$41,340	\$82,680
Workforce Rental Range (50% - 120% AMI):	\$34,450	\$82,680

Low Income (< 60% AMI):	\$41,340	
Affordable Homeowner/Rental Monthly Payments (Based on 30% of Household Income)		
Workforce Ownership Range:	\$999	\$1,998
Workforce Rental Range:	\$833	\$1,998
Low Income:	\$999	

Table 10-9: Denton 2020 AMI		
2020 AMI for Denton, MD;	\$61,000	
HB 1045 Household Income Levels/Ranges		
Workforce Ownership Range (60% - 120% AMI):	\$36,600	\$73,200
Workforce Rental Range (50% - 120% AMI):	\$30,500	\$73,200
Low Income (< 60% AMI):	\$36,600	
Affordable Homeowner/Rental Monthly Payments (Based on 30% of Household Income)		
Workforce Ownership Range:	\$884	\$1,769
Workforce Rental Range:	\$737	\$1,769
Low Income:	\$884	

Based on income estimates for 2020, nearly one-third of households in Denton had incomes below the level to afford low-income rental housing costs of \$884 a month. At the same time, over sixty percent of households had incomes below the ranges sufficient to afford ownership housing costs of \$1,769 per month (see Table 10-10).

Table 10-10: Average Household Income in the Past 12 Months - Denton	
Household Income*	
Less than \$10,000	5.30%
\$10,000 to \$14,999	3.60%
\$15,000 to \$24,999	11.00%
\$25,000 to \$34,999	13.30%
\$35,000 to \$49,999	14.90%
\$50,000 to \$74,999	21.50%
\$75,000 to \$99,999	5.10%
\$100,000 to \$149,999	14.10%
\$150,000 to \$199,999	6.60%
\$200,000 or more	4.50%
*2020 Inflation-Adjusted Dollars	
Source: U.S. Census Bureau, 2020 ACS 5-Year Estimates	

Summary Conclusions

- There is a need for an affordable workforce and low-income housing in Caroline County. "Like most areas in Maryland and the nation, Caroline County has an affordable housing issue."¹⁹
- Addressing the problem of affordable housing will require a regional approach at best and a countywide approach at a minimum. "Current demographic trends on the Eastern Shore, primarily an aging population base, conclude that service workers are critical to serving County residents. This includes various services from daily living needs to health care, construction/repair, and government services. In this regard, the County should coordinate housing plans, policies, and regulations closely with municipalities to provide adequate, affordable housing served by public infrastructure."²⁰
- The age of housing, 68 percent over fifty years old, underscores the need to preserve the existing housing stock with affordable rents. The challenge is encouraging reinvestment in existing structures without substantially increasing rents and decreasing the current inventory of affordable rental units.
- Housing needs require multiple response strategies targeted to the full spectrum of housing types. The needs include emergency shelters (e.g., short-term housing for the homeless, transitional housing (e.g., halfway house), subsidized social housing for people with special needs (group homes, assisted living), and affordable rental and ownership housing for low- and middle-income households.

Fair Housing - Town Council Resolution No. 894

Denton Town Council Resolution No. 894, adopted July 6, 2023, wherein Denton certified the Town follows a detailed Fair Housing and Equal Opportunity Plan. By this resolution, the Town of Denton committed to creating an environment for its citizens where no one is excluded from participation or benefit due to their race, color, national origin, ethnicity, gender, disability, familial status, marital status, age, or religion. Denying rights based on these protected classes harms citizens' health, safety, and welfare. It constitutes an unjust denial or deprivation of such inalienable rights, which is within the government's power and proper responsibility to prevent. The following summarizes the Town's Fair Housing commitments.

Fair Housing

Following the federal Civil Rights Act of 1968 (as amended), the federal Housing and Community Development Act of 1974 (as amended), and the Fair Housing Act of 1988, the Town of Denton will promote through fair, orderly, and lawful procedures, the opportunity for each person to obtain

¹⁹ Caroline County Comprehensive Plan, April 2010, pg. 187

²⁰ Ibid, pg. 188

housing of such person's choice in this community without regard to race, color, national origin, ethnicity, gender, disability, familial status, marital status, age, or religion.

To the best of our ability, the Town of Denton will promote and encourage fair housing choices for all its residents. The Town of Denton's administrative practices, policies, and laws will attempt to prohibit:

- Discrimination in the Sale or Rental of Housing
- Discrimination in Housing Financing
- Discrimination in Providing Brokerage Services
- Unlawful Intimidation

The Town of Denton will accept complaints from any citizen who feels that they have been discriminated against concerning their housing choice. The Town of Denton will make an initial investigation and refer the complaint to the State or the federal housing departments.

For housing projects developed or assisted with federal funds, the Town of Denton will ensure that its subrecipients and developers will comply with statutes, regulations, and Executive Orders.

Policy Options

A report published by the Brookings Institute entitled *Rethinking Local Affordable Housing Strategies: Lessons From 70 Years of Policy And Practice*¹ evaluated the effectiveness of three broad approaches to affordable housing—rental assistance, homeownership assistance, and regulatory policies, and discussed the lessons learned over the past seven decades. The key findings reported are informative for discussing potential affordable housing policies and strategies for Denton. These points are:

- The responsibilities for implementing affordable housing are increasingly shifting to state and local actors.
- Rental assistance programs require deep subsidies if they are to reach the neediest households; moreover, to be successful, rental assistance programs should avoid clustering affordable housing in low-income neighborhoods and include efforts to raise the incomes of low-income households and
- Land use and other regulatory policies can profoundly affect the location and supply of affordable housing.

The authors point out that "the success of affordable housing programs is determined by how much it achieves a narrow set of objectives, such as the number of new units created or households with affordable housing cost burdens. Although important, these narrow criteria do not reflect the demands on affordable housing programs. Today, affordable housing policies must help

promote healthy families and communities."²¹ The authors suggest that the following seven goals provide a comprehensive framework by which local leaders should evaluate the effectiveness of affordable housing programs:

1. Preserve and expand the supply of good-quality housing units.
2. Make existing housing more affordable and more readily available.
3. Promote racial and economic diversity in residential neighborhoods.
4. Help households build wealth.
5. Strengthen families.
6. Link housing with essential supportive services.
7. Promote balanced metropolitan growth.

Although not all housing programs can meet all housing objectives simultaneously, the list provides a baseline for aligning housing policy with other desired community outcomes. The past lessons also suggest principles to guide local housing policy. As the authors state, "...some of these principles may seem obvious but are frequently ignored. Others run counter to the conventional wisdom, but following them could avoid some of the more dismal failures for which conventional thinking is responsible."²² The principles are:

- Regulation can be a powerful housing policy tool.
- Housing strategies should be tailored to local market conditions.
- Housing markets are regional, so housing policies should be.
- Income policy is housing policy.
- Race matters.
- Implementation matters.

Regulations and Affordable Housing

Perhaps most directly related to affordable housing recommendations are those that may impact land use and other development regulations and policies. The Brookings Institute research and other studies demonstrate that regulations governing land use, residential development, construction standards, subdivision design, and property maintenance play critical roles, even when they are not considered part of an affordable housing strategy. For example, the Brookings study suggests that local land use and development regulations that include large lot sizes, expensive subdivision design standards, construction codes, prohibitions against manufactured housing, townhouses, or multifamily development, and time-consuming permitting processes make

²¹ Rethinking Local Affordable Housing Strategies: Lessons From 70 Years Of Policy And Practice, Bruce Katz and Margery Austin Turner, The Brookings Institution Center on Urban and Metropolitan Policy, The Urban Institute, December 2003

²² Ibid

housing more expensive. They also state that regulatory barriers have prevented affordable housing development and reinforced economic and racial separation patterns.

Affordable Housing Mandates (Inclusionary Zoning)

A recent zoning technique that is becoming more popular as an affordable housing strategy is inclusionary zoning. Inclusionary zoning is a technique that can be used to increase the number of affordable units—for both ownership and rental. Inclusionary zoning can be either mandatory or voluntary. In either case, developers "set aside" some units in new residential developments for low- and moderate-income households. Zoning usually provides developer incentives such as density bonuses and/or reduced fees. The intent is that these incentives reduce or offset some of the cost of producing affordable units. In addition, some communities accept an in-lieu fee. These cash contributions are allocated to an affordable housing fund. These fees may be used by a local housing authority and/or nonprofit organization to buy and/or develop affordable units.

Inclusionary zoning is not recommended as a housing strategy for the Town. The potential of affordable housing mandates is generally modest, and unless housing demand is robust, it will reduce total housing development, particularly middle-priced units. Inclusionary zoning requires developers to sell or rent a portion (typically 10-20 percent) of the units they build at below-market prices. It effectively requires higher-income households to cross-subsidize their lower-income neighbors. If required of all development in an area, these costs are partly capitalized into land values, minimizing the burden on individual developers. However, this strategy is only successful if new housing demand is robust; if not, developers will tend to build fewer moderate-priced units, resulting in less total affordable housing supply. In addition, recent studies of the effect of inclusionary zoning in California, Boston, and the Baltimore-Washington region found that such regulations increase market rate prices and decrease supply in some cases under varied market conditions.²³

Recommendations

The Comprehensive Plan can recommend several actions related to regulatory and other policies that impact affordable housing, including the following:

- Ensure that regulatory policies align with affordable housing goals and correct regulations or requirements that exclude affordable housing types or unnecessarily raise construction costs.
- Maximize density in development or redevelopment projects where appropriate, permitting townhouses and multifamily in a project mix of residential units.
- Implement public water and sewer projects that enable higher-density residential development and mixed-use neighborhoods in designated growth areas and encourage a mix of housing densities and types in new subdivisions.

²³ <https://www.mercatus.org/research/policy-briefs/inclusionary-zoning-hurts-more-it-helps>

- Modify building codes and/or make them more flexible to eliminate unnecessarily costly construction requirements where possible.
- Streamline approval processes to make the development process less time-consuming.
- Work with Caroline County to waive or reduce fees (e.g., impact fees) and infrastructure requirements for affordable housing developments to make them financially feasible.
- Support the efforts of Habitat for Humanity Tuckahoe, Inc., and similar groups providing safe, decent, and affordable housing.
- Facilitate infill development on vacant or underutilized land that produces affordable housing.
- Modifying zoning regulations to permit the full spectrum of housing types where appropriate.
- Participate with State agencies, Caroline County, and others to coordinate affordable housing activities and programs.
- Assist agencies and organizations required to prepare a comprehensive housing plan to identify local data and knowledge sources and collect metrics, statistics, and other quantified information relevant to Denton gathered by consulting agencies, academics, and others with knowledge of the Denton housing situations or whose work impacts housing. This task includes working with the His Hope Ministries (emergency shelters) and other housing providers to assess the housing needs of these groups, identify barriers and issues, and recommend actions to address them.
- Evaluate strategies that address identified fair housing issues and make recommendations.

Neighborhood Conservation

The qualities of neighborhoods that brought people to live in them should be respected and protected. For this reason, the Town is concerned with the conservation and rehabilitation of the existing housing stock and the stability of housing values in existing neighborhoods. At the same time, it is incumbent on the community to utilize its land and infrastructure resources efficiently. Neighborhood conservation is about controlling the pace and degree of change, allowing each neighborhood to evolve while retaining its essential positive features.

Neighborhood conservation does not just mean ensuring housing is decent, safe, and sanitary or that properties are adequately maintained. It means ensuring that when properties are developed or redeveloped, the architectural style of the residence and the way it is placed on the site are compatible with and contribute positively to the existing neighborhood character. Each new home built in the neighborhood should be viewed as a part of an incremental growth process, creating an identity of its own but integrated with the current neighborhood character. New

residences should reflect unity and a positive relationship to the overall character of the neighborhood. In this way, new homes can enhance the order and richness of the community.

Infill, new development, or redevelopment in existing residential neighborhoods should conform, to the extent possible, with the neighborhood's site development and architectural character. The Denton Pattern Book provides detailed guidance in this respect. In addition, the 1997 Denton Comprehensive Plan recommended Neighborhood Conservation areas where incentives for development and redevelopment in character with the existing residential neighborhoods should apply (see Map 10-1). The incentives might include the following:

- Waiver of basic permitting fees
- Short-term tax relief
- Reduced development standards
- Others

The Town encourages neighborhood associations to present a collective neighborhood perspective on matters of Town policy. Neighborhood Associations can play a valuable role in defining housing and community conservation policies, helping define the balance points among community character, affordable housing, and efficient resource utilization objectives.

Map 10-1 Neighborhood Conservation Areas

