

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1406

(Delegate Stewart)

Environment and Transportation

Education, Health, and Environmental Affairs

Land Use – Comprehensive Plan – Middle Housing (Planning for Modest Homes
Act of 2020)

This bill requires a local jurisdiction to address “middle housing” as a component of the housing element of its comprehensive plan. To the extent practicable, a housing element must estimate the number of additional housing units the local jurisdiction will need over the next ten years to manage changes in its population as projected in population forecasts. **The bill takes effect June 1, 2020, the effective date of Chapters 713 and 714 of 2019. If the effective date of Chapters 713 and 714 is amended, the bill takes effect on the taking effect of Chapters 713 and 714.**

Fiscal Summary

State Effect: The bill does not materially affect State operations or finances.

Local Effect: Local governments can likely incorporate the bill’s requirements into their comprehensive plans using existing resources. Revenues are not directly affected.

Small Business Effect: Minimal or none.

Analysis

Bill Summary: The bill establishes numerous definitions related to “middle housing,” which is defined as duplexes, triplexes, quadplexes, cottage clusters, and town houses. A “cottage cluster” is a grouping of no less than four detached housing units per acre with a footprint of less than 900 square feet each and that includes a common courtyard. A “town house” means a dwelling structure constructed in a row of two or more attached

dwelling units where each unit is located on an individual lot or parcel and shares at least one common wall with an adjacent dwelling unit.

Current Law/Background: The State, through the Land Use Article, generally entrusts local jurisdictions with land use planning authority to guide their own growth and development.

Chapter 300 of 2007 authorized counties and municipalities to support, foster, and promote affordable housing programs for low- and moderate-income households through various local programs. Prior to that, local governments participated in federal low-income housing programs, and counties were authorized, subject to specified land use provisions, to promote affordable housing through an adequate public facilities or inclusionary zoning ordinance.

Comprehensive Plans and Housing Elements

Local jurisdictions must enact, adopt, amend, and execute a comprehensive plan; the plan must include visions and elements specified in statute. At least once every 10 years, each planning commission must review the comprehensive plan and, if necessary, revise or amend the plan to include all of the required elements and visions.

While charter counties and Baltimore City are subject to different requirements than noncharter counties and municipalities with respect to what elements a comprehensive plan must include, Chapters 713 and 714 of 2019 require that a comprehensive plan adopted by a local jurisdiction must include a housing element. A housing element (1) must address the need for affordable housing within the local jurisdiction, including workforce housing and low-income housing, and (2) may include goals, objectives, policies, plans, and standards.

Housing Affordability in Maryland

The generally accepted definition of housing affordability is when a household pays no more than 30% of its annual income on housing. According to the U.S. Department of Housing and Urban Development, families who pay more than 30% for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation, and medical care.

In Maryland, the median sale price for owner-occupied real property was \$315,000 in fiscal 2017, which was a 1.9% increase from fiscal 2016. Nineteen counties and Baltimore City realized increases in the median sale price during this period, while four counties experienced decreases. The median sale price, based on statistics from the

State Department of Assessments and Taxation, ranged from \$116,750 in Allegany County to \$449,080 in Montgomery County.

Based on a five-year average for 2012 through 2016, the median household income for Maryland jurisdictions averaged \$76,067 statewide and ranged from \$35,886 in Somerset County to \$113,800 in Howard County. Montgomery County had the second highest median income at \$100,352, and Calvert County had the third highest at \$96,808. Five counties (Allegany, Caroline, Dorchester, Garrett, and Somerset) and Baltimore City had income levels below 70% of the statewide average.

In Allegany County, the median home price is approximately 2.8 times higher than the median household income; whereas in Baltimore City and Talbot County, median home prices are approximately 4.9 times higher than median household income. Additional median household income and median home price information for Maryland counties and Baltimore City can be found on page 21 of the 2019 [Overview of Maryland Local Governments](#) report.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): U.S. Department of Housing and Urban Development; Baltimore City; Harford, Montgomery, and Wicomico counties; Maryland Association of Counties; Maryland Municipal League; Department of Housing and Community Development; Maryland Department of Planning; Department of Legislative Services

Fiscal Note History: First Reader - March 2, 2020
rh/lgc Third Reader - March 15, 2020
Revised - Amendment(s) - March 15, 2020

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