

# Anne Arundel County Affordable Housing Needs Assessment

May 2019

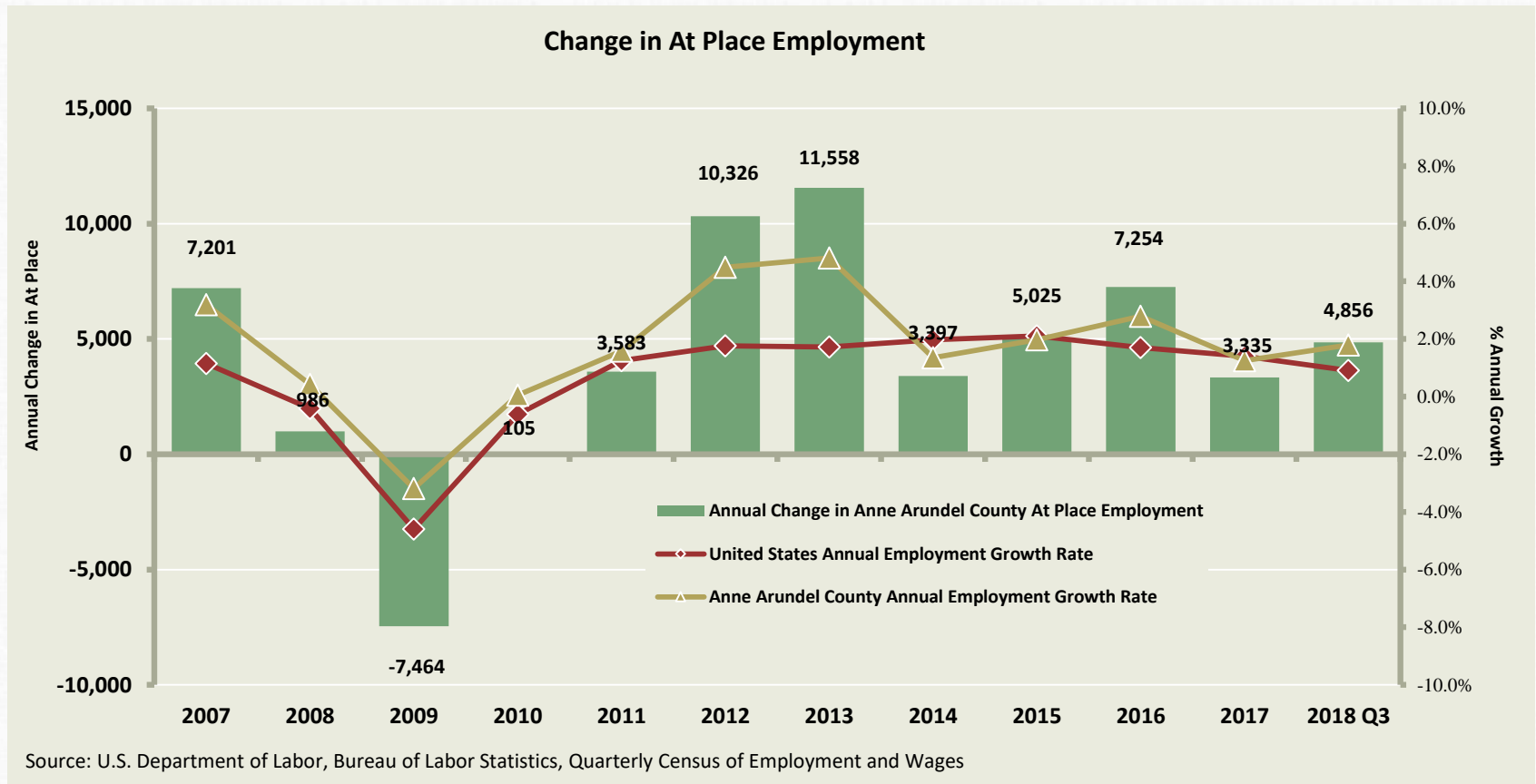


Nicole Mathison  
Senior Analyst  
Real Property Research Group, Inc

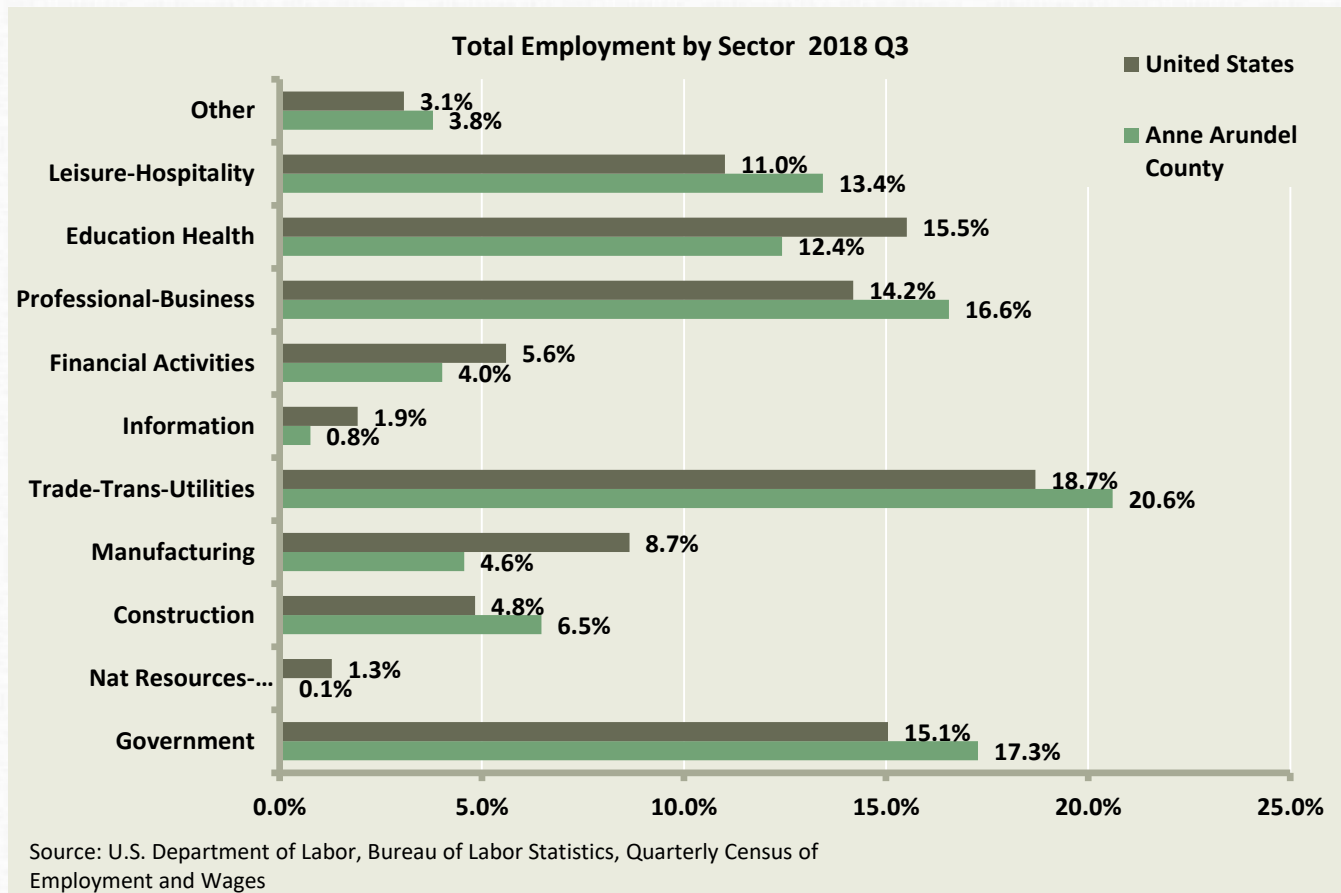
## Scope of the Rental Survey & Analysis

- Evaluation of Economic & Demographic Trends
- Survey of Affordable Multifamily Rental Stock
- Affordable Supply & Demand Analysis
- Affordability & Penetration Analysis

# Employment Growth in Anne Arundel County

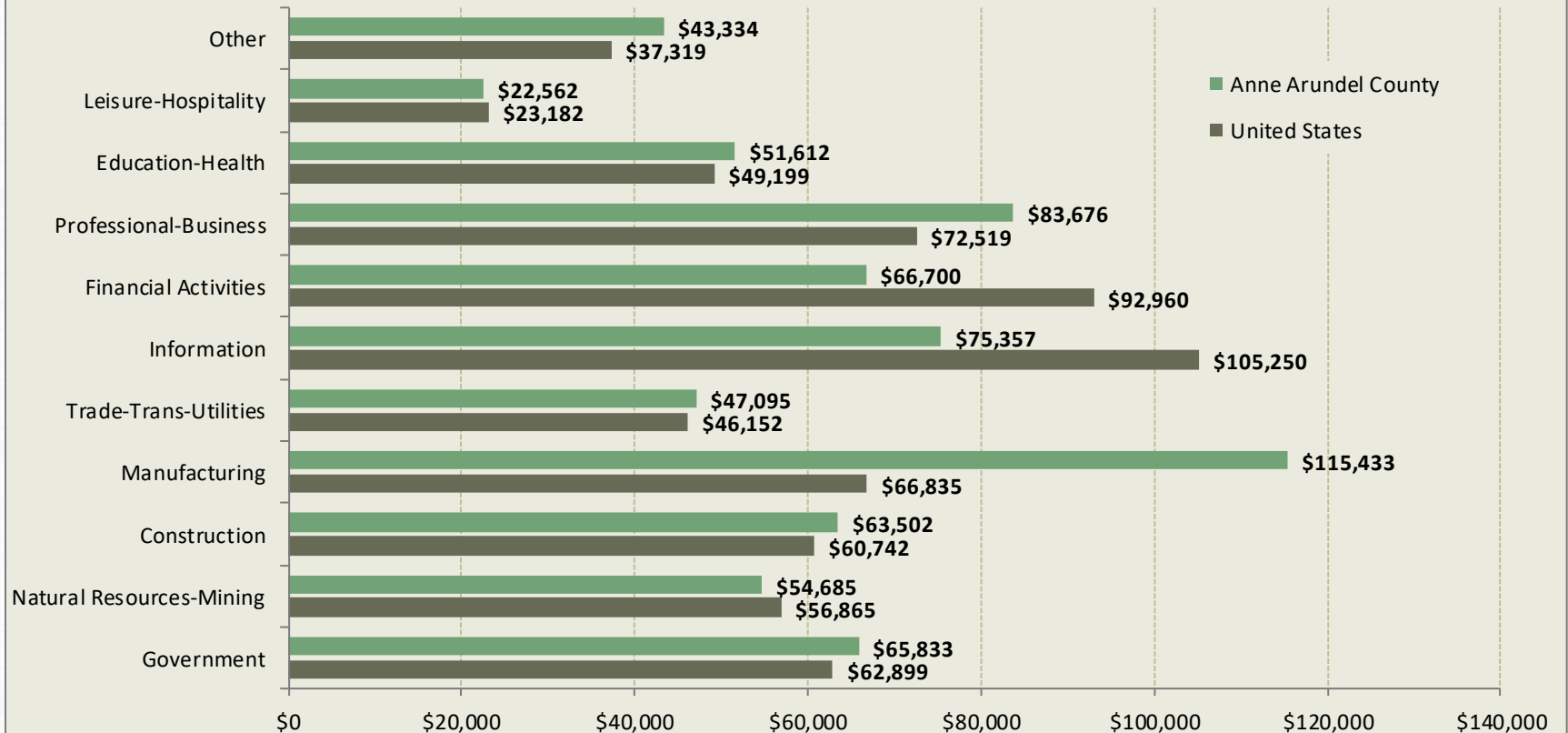


# Employment by Sector

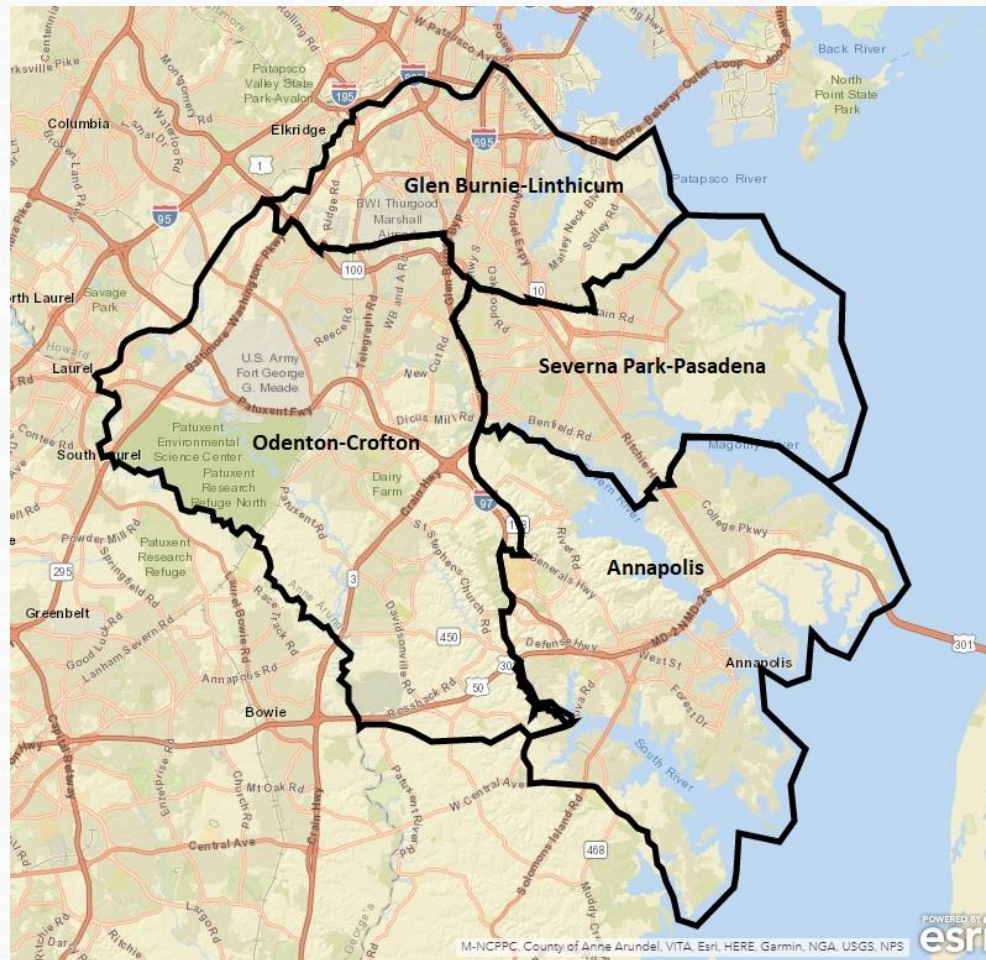


# Annual Wages

## Average Annual Pay by Sector 2017



# Anne Arundel County Submarkets

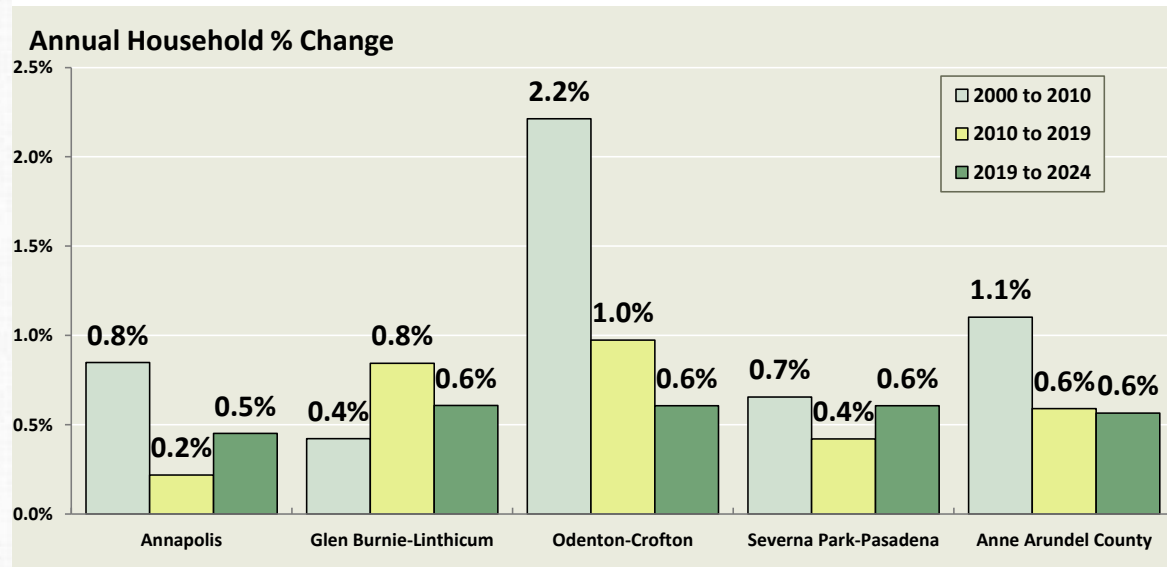


# Household Growth

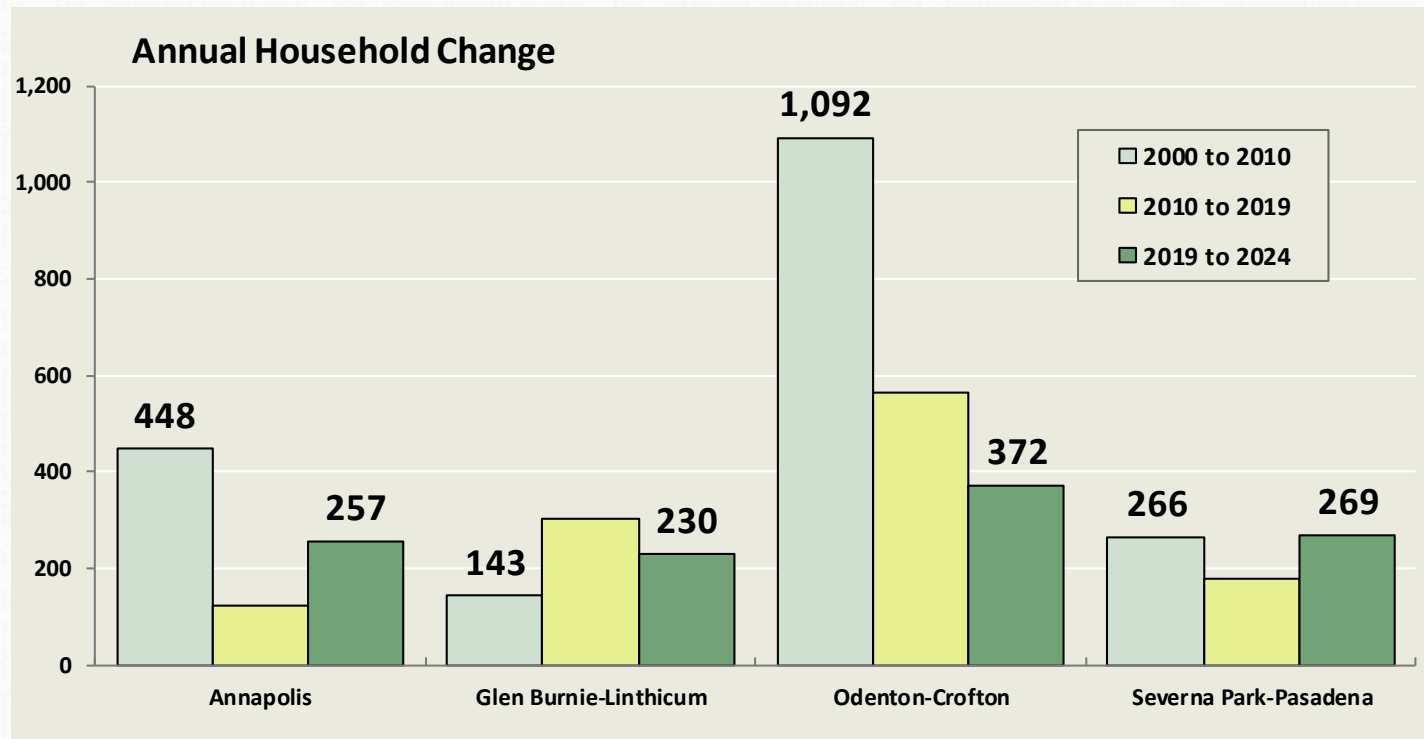
	Annapolis	Glen Burnie-Linthicum	Odenton-Crofton	Severna Park-Pasadena	Anne Arundel County
<b>Households</b>					
2000 Households	50,817	33,205	44,623	39,439	178,670
2010 Households	55,298	34,632	55,545	42,098	199,378
2019 Households	56,392	37,353	60,608	43,717	210,235
2024 Households	57,675	38,502	62,468	45,060	216,243
<b>Household Change 2000-2010</b>					
Total Change	4,481	1,427	10,922	2,659	20,708
<b>Annual Change # / %</b>	<b>448 0.8%</b>	<b>143 0.4%</b>	<b>1,092 2.2%</b>	<b>266 0.7%</b>	<b>2,071 1.1%</b>
<b>Household Change 2010-2019</b>					
Total Change	1,094	2,721	5,063	1,619	10,857
<b>Annual Change # / %</b>	<b>122 0.2%</b>	<b>302 0.8%</b>	<b>563 1.0%</b>	<b>180 0.4%</b>	<b>1,206 0.6%</b>
<b>Household Change 2019-2024</b>					
Total Change	1,283	1,149	1,861	1,343	6,008
<b>Annual Change # / %</b>	<b>257 0.5%</b>	<b>230 0.6%</b>	<b>372 0.6%</b>	<b>269 0.6%</b>	<b>1,202 0.6%</b>

Sources: Baltimore Metropolitan Council 7/18; RPRG, Inc.

NOTE: Annual % Change is an average compounded rate.



# Annual Household Growth by Submarket

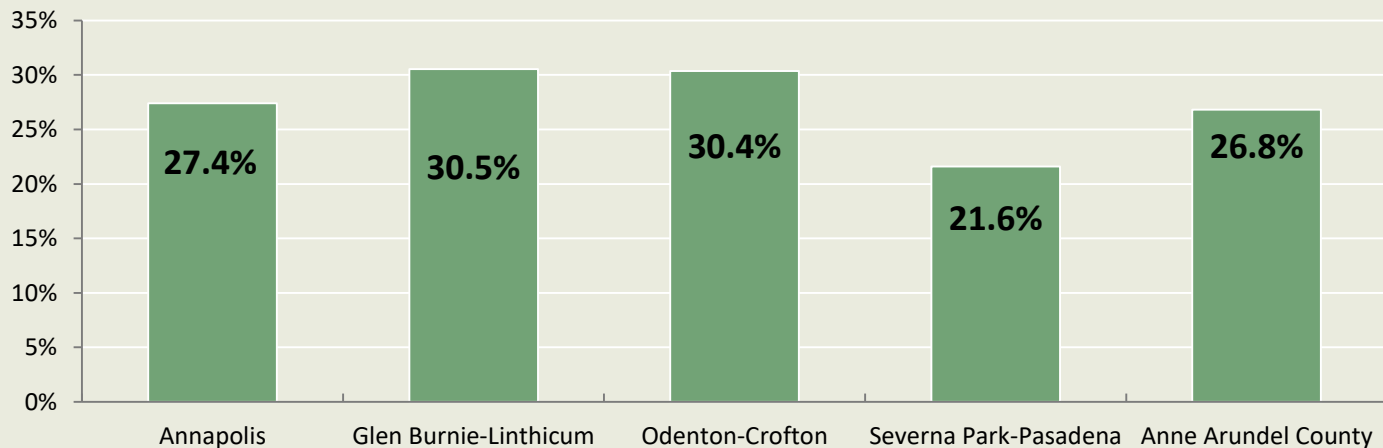


# Renters by Submarket

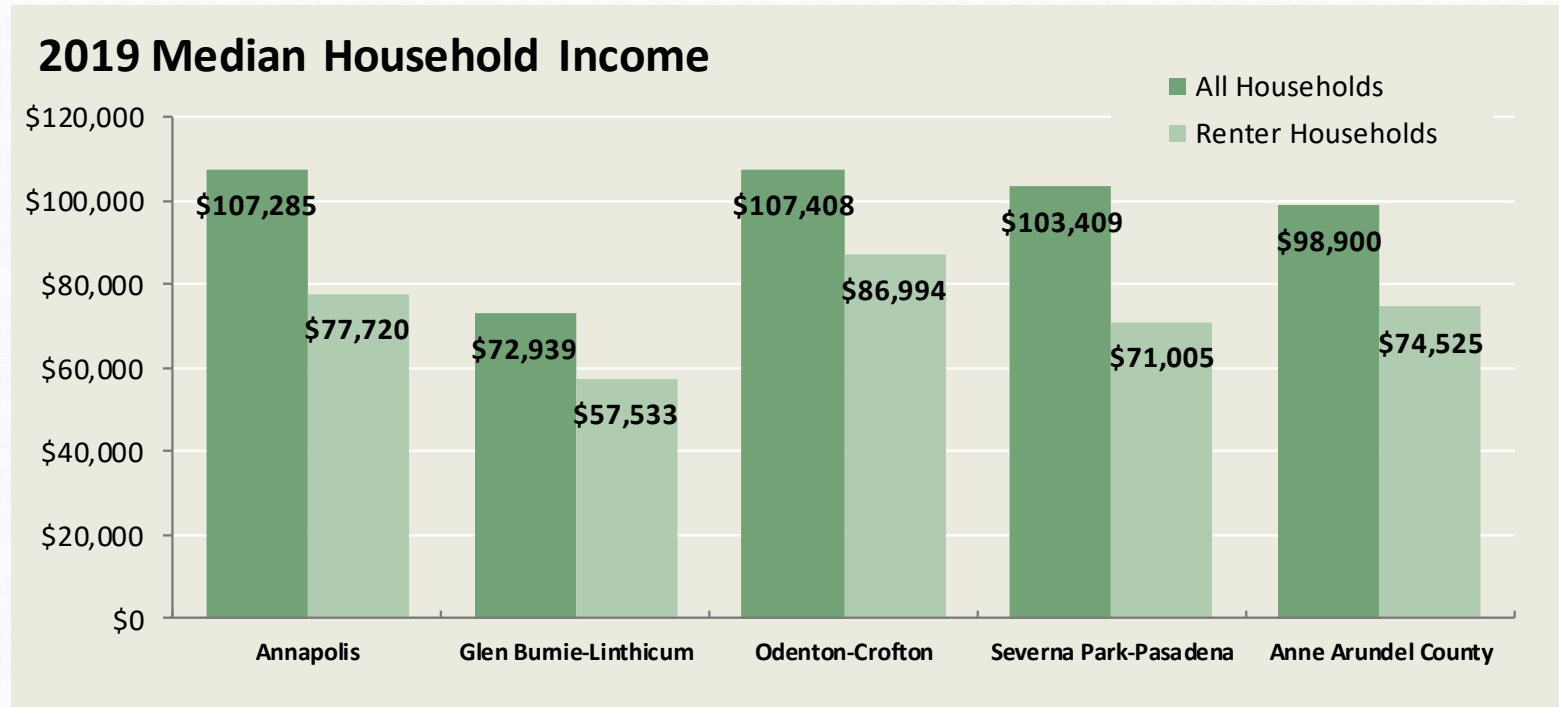
	Annapolis		Glen Burnie-Linthicum		Odenton-Crofton		Severna Park-Pasadena		Anne Arundel County	
Household Tenure (2019)										
Total Households	56,392		37,353		60,608		43,717		210,235	
% Renters	15,459	27.4%	11,405	30.5%	18,398	30.4%	9,444	21.6%	56,369	26.8%
% Owners	40,933	72.6%	25,948	69.5%	42,210	69.6%	34,273	78.4%	153,866	73.2%
Senior Households 62+	21,464		37,353		15,258		14,033		88,108	
% Renters	3,830	17.8%	11,405	30.5%	2,273	14.9%	1,786	12.7%	19,294	15.9%
% Owners	17,634	82.2%	25,948	69.5%	12,985	85.1%	12,247	87.3%	68,814	84.1%

Sources: Esri; BMC; RPRG, Inc.

## 2019 Renters as % of All Households

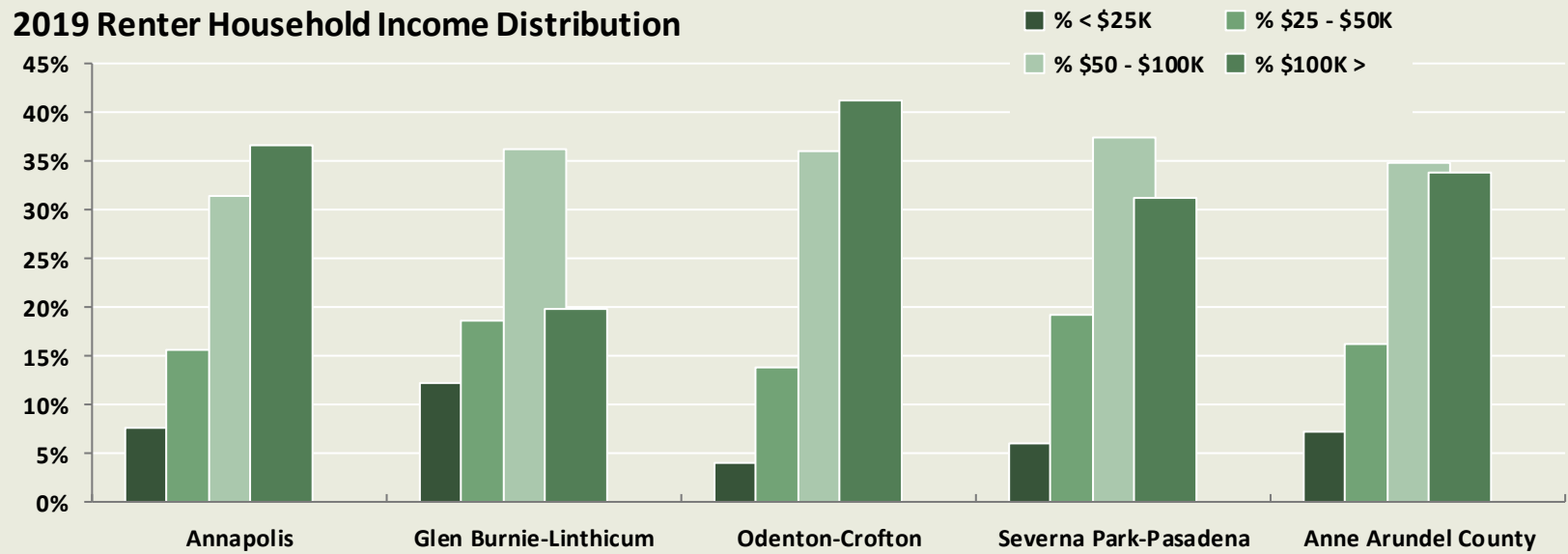


# 2019 Household Income



# Household Income Distribution

**2019 Renter Household Income Distribution**



# Rent Cost Burden

	Annapolis		Glen Burnie-Linthicum		Odenton-Crofton		Severna Park-Pasadena		Anne Arundel County	
Rent Cost Burden										
Total Households	14,582		10,407		18,081		8,455		52,819	
> 30% Income on Rent	6,223	44.6%	4,773	47.8%	7,717	44.2%	4,134	51.4%	23,319	46.2%

Source: American Community Survey 2013-2017

# Multifamily Survey

103 Communities – 21,316 Units

- 9% Rent-restricted units (LIHTC, MPDU) in 16 communities (1,902 units)
- 17% Deeply subsidized units (e.g. public housing, PBV) in 28 communities (3,558 units)

Submarket	Surveyed Rental Units (excluding those with deep subsidies)		Vacancy Rate
Annapolis	2,002	11.3%	1.9%
Glen Burnie-Linthicum	5,440	30.8%	2.2%
Odenton-Crofton	5,309	30.0%	3.2%
Severna Park-Pasadena	4,925	27.9%	2.7%
<b>Anne Arundel County</b>	<b>17,676</b>	<b>100%</b>	<b>2.6%</b>

# Net Demand

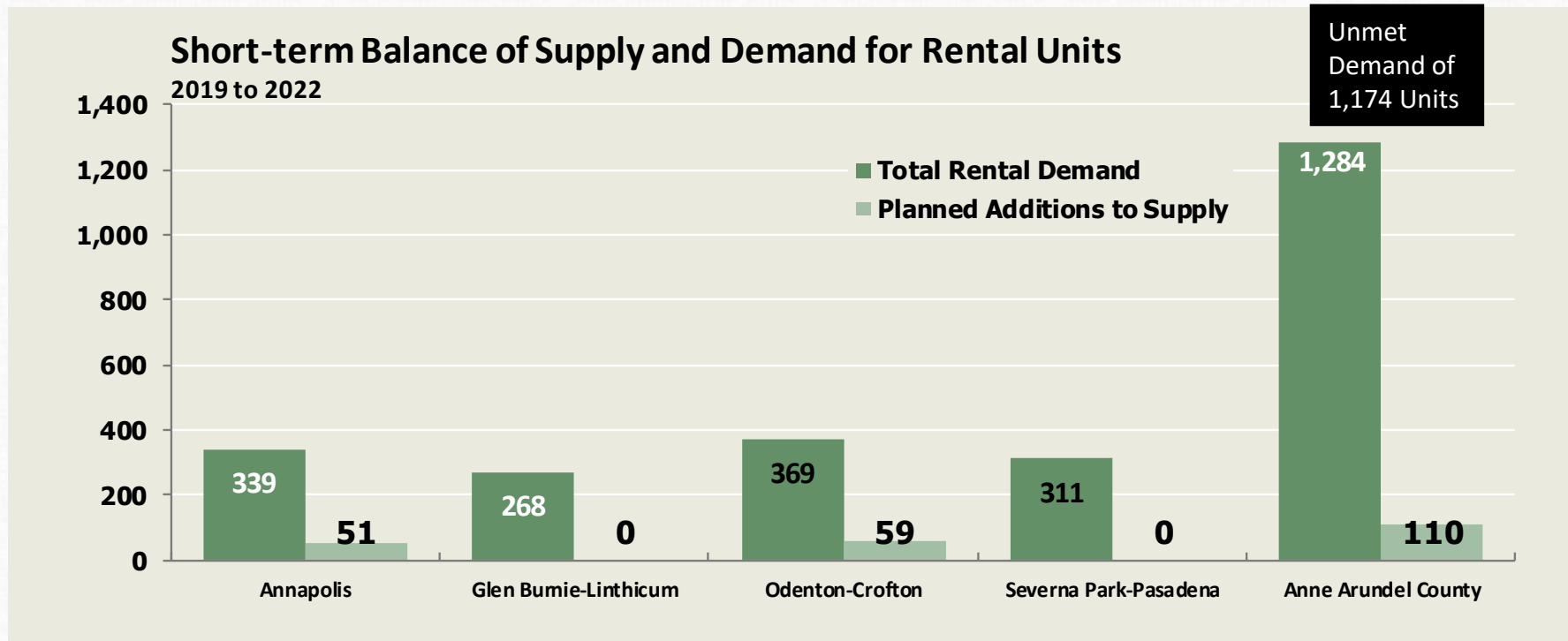
- Demand
  - Growth
  - Replacement Housing
  - Occupancy Levels in Rental Market
- Supply
  - Pipeline

# Affordable Rental Pipeline

Community	Location	Developer	Status	Income Restricted Units
<b>Annapolis</b>				
Towne Courts (TC)	2010 West St, Annapolis	PIRHL/Housing Initiative Partnership	Nine percent tax credits awarded in 2017 for townhome community.	42
Eastport (MPDU only)	915 Chesapeake Ave, Annapolis		Mixed use project would include 98 apartments, of which 6 would be MPDUs.	6
Parole Place (MPDU only)	103 Solomon's Island Rd, Annapolis		Mixed use project would include 90 apartments, of which 6 would be MPDUs.	6
<b>subtotal</b>			<b>Annapolis</b>	<b>54</b>
<b>Glen Burnie-Linthicum</b>				
None				
<b>subtotal</b>			<b>Glen Burnie-Linthicum</b>	<b>0</b>
<b>Odenton-Crofton</b>				
Brock Bridge Landing (TC)	7902 Brock Bridge Rd, Jessup	Woda Cooper/Interfaith Housing Alliance	Nine percent tax credits awarded in 2018.	38
Meade Village (TC)	1710 Meade Village Circle, Severn	Housing Commission of Anne Arundel County	Nine percent tax credits awarded in 2017. Project includes rehab of existing units and addition of 24 new units.	24
<b>subtotal</b>			<b>Odenton-Crofton</b>	<b>62</b>
<b>Severna Park-Pasadena</b>				
None				
<b>subtotal</b>			<b>Severna Park-Pasadena</b>	<b>0</b>
<b>Total Pipeline of Affordable Units</b>				<b>116</b>
<div> <div>(TC) Tax Credit</div> <div>(MPDU) Moderately Priced Dwelling Units</div> </div>				

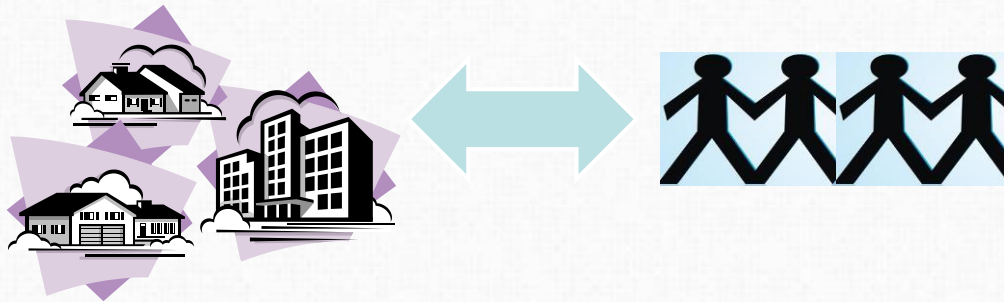
Source: Compiled by Real Property Research Group in May 2019 from various sources, including interviews with developers, planners, official public sector websites, developers' websites, journal articles, site visit observations, and past RPRG work.

# Short-Term Balance of Supply and Demand



## Effective Demand

- The number of rental units in each income group is compared to the number of households that qualify for that band



- Over supply means more units than households.
- Under supply means more households than units.

## Penetration Rate – Part 1 (Units)

- We established maximum median income limits for each unit type

HUD 2019 Median Household Income

**\$101,000**

**Baltimore-Columbia-Towson, MD MSA**

Income Classification	% of Median Income	Maximum Income Limit x Unit Size				
	Range	Eff/1 BR	2BR	3BR	4BR	5BR
Extremely Low Rent and Subsidized	0% -30%	\$21,210	\$27,270	\$31,515	\$35,160	\$38,805
Very Low Rent	30% - 50%	\$35,350	\$45,450	\$52,525	\$58,600	\$64,675
Low Rent	50% - 60%	\$42,420	\$54,540	\$63,030	\$70,320	\$77,610
Moderate Rent	60% - 80%	\$56,560	\$72,720	\$84,040	\$93,760	\$103,480
High Rent	80% - 100%	\$70,700	\$90,900	\$105,050	\$117,200	\$129,350
Very High and Extremely High Rent	100% or more	+	+	+	+	+

## Penetration Rate – Part 1 (Units)

- We established rent bounds for different unit types based on area median income

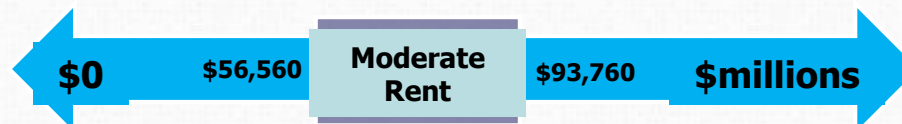
Income Classification	% of Median Income	Rent Range x Unit Size				
	Range	Eff/1 BR	2BR	3BR	4BR	5BR
Extremely Low Rent and Subsidized	0% -30%	\$0-529	\$0-681	\$0-787	\$0-878	\$0-969
Very Low Rent	30% - 50%	\$530-883	\$682-1,135	\$788-1,312	\$879-1,464	\$970-1,616
Low Rent	50% - 60%	\$884-1,060	\$1,136-1,363	\$1,313-1,575	\$1,465-1,757	\$1,617-1,939
Moderate Rent	60% - 80%	\$1,061-1,413	\$1,364-1,817	\$1,576-2,100	\$1,758-2,343	\$1,940-2,586
High Rent	80% - 100%	\$1,414-1,767	\$1,818-2,272	\$2,101-2,625	\$2,344-2,929	\$2,587-3,233
Very High and Extremely High Rent	100% or more	\$1,768 +	\$2,273 +	\$2,626 +	\$2,930 +	\$3,234 +

## Penetration Rate – Part 2 (Households)

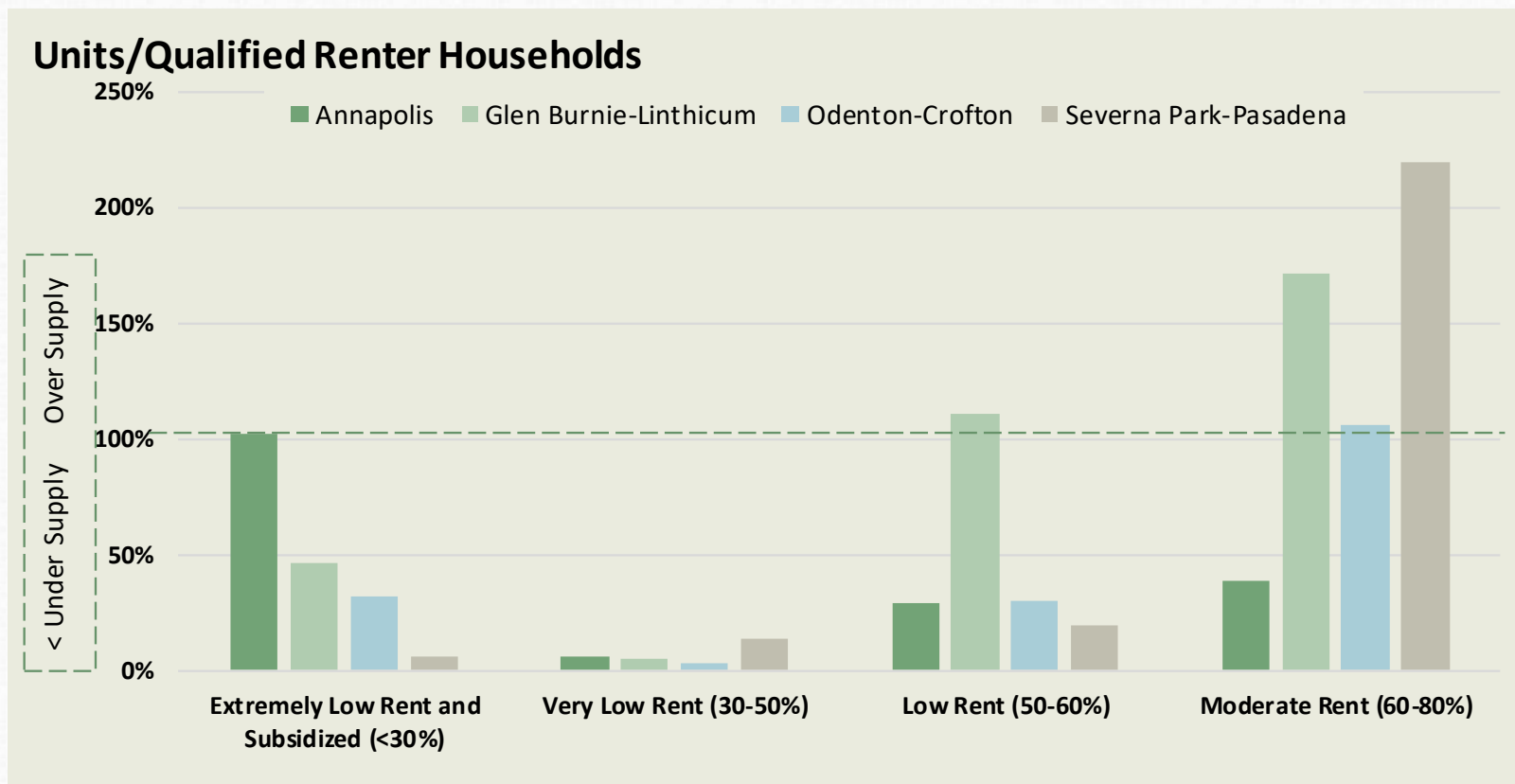
- Income bands are defined for each income group based on a 30% rent burden

HUD 2019 Median Household Income **\$101,000** **Baltimore-Columbia-Towson, MD MSA**

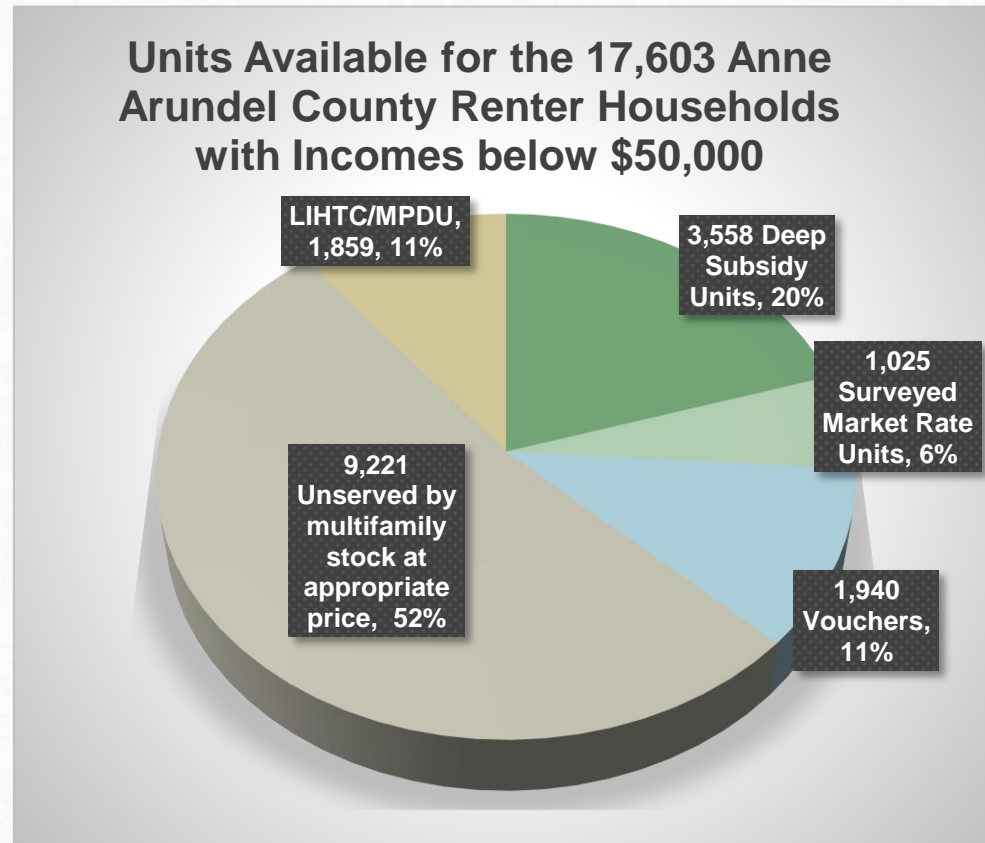
Income Classification	% of Median Income	Maximum Income Limit x Unit Size			
	Range	Eff/1 BR	2BR	3BR	4BR
Extremely Low Rent and Subsidized	0% - 30%	\$21,210	\$27,270	\$31,515	\$35,160
Very Low Rent	30% - 50%	\$35,350	\$45,450	\$52,525	\$58,600
Low Rent	50% - 60%	\$42,420	\$54,540	\$63,030	\$70,320
Moderate Rent	60% - 80%	\$56,560	\$72,720	\$84,040	\$93,760
High Rent	80% - 100%	\$70,700	\$90,900	\$105,050	\$117,200
Very High and Extremely High Rent	100% or more	+	+	+	+



# Penetration Analysis Results



# Gross Demand for Affordable Rental Units



# Final Thoughts

- Anne Arundel County is a growing market.
- The county's rental market is relatively tight with an average vacancy rate of 2.6% among the surveyed communities.
- Almost one-half (46 percent) of renters countywide are paying rent that is more than 30 percent of their income.
- Penetration rates reflect a significant undersupply of units for households earning less than 60% AMI.
- Approximately one-half of the renter households in the county earning less than \$50,000 can be accommodated by appropriately priced multifamily rental units.



REAL PROPERTY **RESEARCH** GROUP

Thank you!

Nicole Mathison  
Senior Analyst  
Real Property Research Group, Inc.  
410.772.1004  
nmathison@RPRG.net