

# Charles County Affordable Housing Report



Volume 2 – September 2025





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## INTRODUCTION TO VOLUME 2

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In 2023 the Charles County Board of Commissioners formed the Affordable Housing Workgroup from members of the Planning Commission and staff from the Planning and Growth Management Department (PGM) with three goals: to review the County's existing affordable housing policies and research, to develop targets for affordable housing production, and to recommend necessary affordable housing policies and a timeline for their implementation.

Volume 1 of this report focused on a review of the County's existing policies and research. Volume 2 will address targets, recommended policies, and implementation. Future volumes of this report will be added to assess the effectiveness of the recommended policies and strategies as well as to report on progress towards the targets identified.

This report is a culmination of the work of many county staff, volunteers, and consultant partners past and present. It provides a variety of recommendations based on the latest in planning, economics, and local government knowledge on the issue of housing affordability and offers options for the Charles County Board of Commissioners to consider in delivering results on one of their top priorities.



## RECOMMENDATIONS

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In considering how to address the challenges of unaffordability in Charles County, this report aims to answer three key questions as it considers recommendations for moving forward:

1. How many affordable housing units does Charles County need both now and in the future?
2. How many affordable housing units can be delivered through policy changes?
3. What is the fiscal impact of encouraging these affordable housing units, and how can Charles County mitigate any impacts to the general fund?

A comprehensive and successful affordable housing policy will deliver the number of units that the County needs to support its population and future growth while minimizing the impact on the county's bottom line. In the next sections this report will set out how that scenario can be achieved.

### Targets – How Many Units Does the County Need?

Understanding that County funding, staff time, and political resources are limited and should be directed towards the area with the greatest need, the Workgroup has considered the types of units that should be targeted for development (in terms of AMI affordability) and the number of units that are needed annually, as well as the number of units that should be given public subsidy.

#### Area Median Income (AMI) Targets

As outlined in the Existing Conditions section of this report, Charles County's Area Median Income (AMI), calculated by Maryland Department of Housing and Community Development (DHCD), is one of the highest in the state. While U.S. Department of Housing and Urban Development (HUD) considers households "low income" even at 80% of the area median income, this can range in Charles County from nearly \$70,000 for a 1-person households to more than \$113,000 for a 6-person household. Housing that is affordable to this cohort, while not plentiful, does exist in areas of Charles County. According to the 2024 HR&A Report "75% of renters in Charles County with incomes below \$75,000 are cost burdened; this corresponds to approximately 60% AMI for 2-3



person households, and 50% AMI for four person households. This indicates a need for more subsidized units serving households at and below 60% AMI.”<sup>1</sup>

The workgroup recommends focusing County targets, policies, and resources on the provision of housing that is available to households making up to 60% AMI.

This would not change the county’s definition of affordable housing, nor would it preclude the county from supporting affordable housing targeted at those making 80% AMI but would instead add greater weight to policies aimed at delivering housing that the market is not currently providing.

One way in which additional housing below 60% AMI could be delivered is to give developers the option to average their affordability requirements across the entire development, meaning that a housing development could offer some units affordable to 30% AMI, some to 50% and some at 80% as long as the average level of affordability is 60%.

**TABLE 1 BELOW HIGHLIGHTS THE DIFFERENCE BETWEEN INCOME AND RENT LIMITS AT 60% AND 80% AMI**

Charles County Income & Rent Limits: 60% vs 80% AMI <sup>2</sup>						
Income Level	1 Person HH	2 Person HH	3 Person HH	4 Person HH	5 Person HH	6 Person HH
60% AMI	Annual Income: \$59,580	Annual Income: \$68,110	Annual Income: \$76,640	Annual Income: \$85,110	Annual Income: \$91,930	Annual Income: \$98,760
	Rent Limit: \$1,490	Rent Limit: \$1,703	Rent Limit: \$1,916	Rent Limit: \$2,128	Rent Limit: \$2,298	Rent Limit: \$2,469
80% AMI	Annual Income: \$68,500	Annual Income: \$78,250	Annual Income: \$88,050	Annual Income: \$97,800	Annual Income: \$105,650	Annual Income: \$113,450
	Rent Limit: \$1,713	Rent Limit: \$1,956	Rent Limit: \$2,201	Rent Limit: \$2,445	Rent Limit: \$2,641	Rent Limit: \$2,836

**TABLE 1 - CHARLES COUNTY INCOME & RENT LIMITS FOR 60% AMI AND 80% AMI**

<sup>1</sup> HR&A, “Affordable Housing Strategy Guide,” Page 20

<sup>2</sup> DHCD, “2024 Income Limits”





The workgroup recognizes that the lower affordability targets are set, the more challenging it is for builders and developers to deliver a product that makes sense to their bottom line. This also means that additional incentives may be required in the form of financial enticements for developers as well as additional zoning density bonuses that enable a project to pencil out. In consultation with staff from the Charles County Housing Authority and the Department of Community Services, it is clear that an income target for affordable housing must be established. This target should account for the price points currently absent from the market and guide the allocation of limited county resources accordingly.

### **Numerical Output Targets**

As mentioned in a previous section, the Charles County Housing Initiative Project produced in 2018 by CPAT evaluated the existing affordable housing supply in Charles County and forecasted the need for affordable housing units over the following seven years accounting for the County's population growth.

That analysis concluded that based on the County's growth an additional 1,823 affordable rental units would be needed through 2025.

Since 2018 Charles County staff has tallied the number of affordable rental units created on a county-wide basis in line with the CPAT analysis, including developments within the municipalities of La Plata and Indian Head.

Approximately 618 units were developed over the last seven years, including those currently under construction that are expected to open to tenants by the end of 2025.

Staff has also extended the projections in the CPAT analysis through the year 2050 and has updated the annual population figures along with the tally of affordable units available each year. Thanks to the provision of 618 affordable units over the last seven years Charles County now only faces a shortage of 1,180 units (accounting for actual population growth vs. the CPAT report's estimated population growth since 2018). With updated data and projects, and using CPAT's detailed model, staff can track progress towards the elimination of the affordable housing shortage in Charles County as well as project how many units per year may be needed to eliminate the deficit.



**TABLE 2 BELOW SHOWS AN ABBREVIATED SUMMARY OF THE UNITS DEVELOPED IN RECENT YEARS, AND THE RESULTING RESIDUAL DEMAND FOR ADDITIONAL AFFORDABLE UNITS BETWEEN 30% AND 80% AMI.**

**THE FULL TABLE IS PROVIDED IN APPENDIX E.**

Market Demand Forecast	2021	2022	2023	2024	2025
Charles County Population	168,698	170,111	171,973	174,478	176,624*
*Projection					
Total Potential Demand for Affordable Units	4205	4241	4287	4365	4419
Supply at Start of year	2,903	2,903	2,903	3,047	3,174
New Construction of Affordable Units	0	0	144	127	65
Total Supply of Affordable Units	2,903	2,903	3,047	3,174	3,239
<b>Residual Demand (Additional Units Needed)</b>	<b>1,302</b>	<b>1,338</b>	<b>1,240</b>	<b>1,191</b>	<b>1,180</b>

**TABLE 2 - AFFORDABLE HOUSING SUPPLY AND DEMAND 2021-2025**

Staff can also use this model to project how many units per year will be needed to eliminate the current deficit of affordable housing units. At the onset of the Affordable Housing Workgroup a goal was established that in the future one-quarter of building permits would be issued to affordable housing projects. Using a ten-year average of total building permits issued in Charles County, 25% of those units would equal 206 per year.



IN TABLE 3 BELOW WE CAN SEE THAT AN ANNUAL HYPOTHETICAL PROVISION OF 206 AFFORDABLE HOUSING UNITS STARTING IN 2027 AND CONTINUING FOR SEVEN YEARS WOULD RESULT IN AN ELIMINATION OF THE RESIDUAL DEMAND, WITH AN OVERSUPPLY OF 8 UNITS PRODUCED BY 2035. USING THE SAME PREDICTIVE MODEL, A HIGHER TARGET OF AFFORDABLE UNITS WOULD RESULT IN THE GAP BEING CLOSED IN LESS TIME.

Market Demand Forecast	2031	2032	2033	2034	2035
Charles County Population (Projections)	182,283	184,288	186,315	188,364	190,436
Total Potential Demand for Affordable Units	4807	4884	4944	5023	5085
Supply at Start of year	4,063	4,269	4,475	4,681	4,887
New Construction of Affordable Units *Projection	206	206	206	206	206
Total Supply of Affordable Units	4,269	4,475	4,681	4,887	5,093
<b>Residual Demand (Additional Units Needed)</b>	538	409	263	136	-8

TABLE 3 - AFFORDABLE HOUSING SUPPLY AND DEMAND 2031-2035

Once the Residual Demand or shortage of affordable housing is eliminated it does not mean additional affordable units are no longer needed. Charles County will continue to grow, and as populations increase and average household size decreases in line with census projects there will be an ongoing need for affordable units. However, based on the scenario above, far fewer than 206 units per year will be needed once the shortage has been eliminated.





TABLE 4 BELOW SHOWS THAT OVER THE FOLLOWING SEVEN YEARS ONLY 75 AFFORDABLE UNITS WOULD BE NEEDED ANNUALLY TO KEEP UP WITH CHARLES COUNTY'S POPULATION GROWTH BEFORE THE RESIDUAL DEMAND FIGURE RETURNS TO ZERO. ONCE RESIDUAL DEMAND IS AT OR NEAR ZERO, CHARLES COUNTY WOULD ONLY NEED TO INCENTIVIZE THE LIMITED NUMBER OF ANNUAL AFFORDABLE UNITS NECESSARY TO KEEP UP WITH POPULATION GROWTH.

Market Demand Forecast	2036	2037	2038	2039	2040	2040	2042
Charles County Population (Projections)	202,047	204,532	207,047	209,594	212,172	214,782	217,424
Total Potential Demand for Affordable Units	5167	5230	5314	5380	5466	5533	5622
Supply at Start of Year	5,093	5,168	5,243	5,318	5,393	5,468	5,543
New Construction of Affordable Units *Projection	75	75	75	75	75	75	75
Total Supply of Affordable Units	5,168	5,243	5,318	5,393	5,468	5,543	5,618
<b>Residual Demand (Additional Units Needed)</b>	-1	-13	-4	-13	-2	-10	4

TABLE 4 - AFFORDABLE HOUSING SUPPLY AND DEMAND 2036-2042

Since the 2018 CPAT report, affordable housing in Charles County has been inconsistent in terms of annual units developed. In 2021 and 2022, for example, no new affordable units were developed, but in 2023 and 2024 over 100 units per year were added to local supply. The 618 units developed since 2018 equates to approximately 88 units per year, which is a reasonable baseline for units that are being developed without any other local mandate or incentive program. An annual delivery of 88 affordable units would not allow Charles County supply to catch up with demand, but future policies can supplement what is already being produced to deliver the units estimated by CPAT's analysis.

Starting with the Workgroup's goal of 206 units per year (based on current levels of building permit activity), we can estimate how long it will take to eliminate the gap between supply and demand. Obviously, more units built each year would close the gap faster and fewer units built would have the opposite effect.



While the exact number of affordable units developed each year will vary and can't be predicted or controlled, understanding numerical targets can help Charles County set a limit on the number of units that it supplements with public investment.

As will be discussed in the Fiscal Impact section, each affordable housing unit that is below market value has the potential to negatively impact the county's annual budget. When affordable housing units are subsidized with local funding, an even greater fiscal impact is felt.

Using the CPAT analysis Charles County staff can target the number of annual units needed to achieve equilibrium between supply and demand as well as the maximum number of housing units that should receive local public investment. Even if hundreds of units are developed each year, staff can recommend a limit on the number of units that are eligible for public subsidy thereby reducing the impact to the County's budget.



## Policy Recommendations – How Many Units Can be Delivered?

This section identifies the options from the Studied Policies section that should be progressed for future implementation, the policies that should be shelved for now, and how many housing units could be delivered from the recommended policies.

### Policies to Reevaluate

The Affordable Housing Workgroup, along with PGM staff and the wider Planning Commission, do not recommend the following policies currently for the purpose of affordable housing. These policies may be considered by Charles County departments for other purposes or reevaluated in the future, however at this time the workgroup does not believe they are best suited for expanding or protecting the supply of affordable housing.

Policy	Justification for Exclusion
Regulation of Short-Term Rentals	It's not clear that short term rentals are restricting the supply of housing in Charles County. Such a policy is unlikely to result in an increase in housing supply but would more likely impact tourism and the local economy negatively. No reports recommend such a policy, no local advocates have raised concerns, mention from the public as a solution.
Pre-approved house/ADU plans	Since most housing in Charles County is built by large builders whose plans are already compliant with zoning and permitting, such a program would primarily apply to a small number of building projects. The cost and effort needed to develop approvable plans for a small number of single-family dwellings and ADUs would likely not result in a significant increase in supply. Pre-Approved Plans could be a more useful policy years in the future when Charles County has little land left on which to build single family dwellings.
Reduce Permit Fees	While reducing permit fees could be studied in the future, there are likely better ways to subsidize affordable housing development in the short and medium term. It is unlikely that reducing permit fees would lead to a significant increase in development but would instead negatively affect the PGM budget.
Prioritize Publicly Owned Land	Charles County Government doesn't operate a land bank or own a significant amount of developable land.



	The land that is locally owned is generally prioritized for economic development or future government operations. It may be worth considering whether residential uses are the highest and best use for any county-owned properties on a case-by-case basis but prioritizing affordable housing above all other uses on public land would not be advisable at this time.
Good Cause Eviction Law	Enabling legislation from the Maryland General Assembly failed to pass during the 2025 Legislative Session, and until such legislation passes at the state level Counties will not have the ability to establish Good Cause Eviction laws. Such a policy may be revisited by the Board of County Commissioners at a later date.

TABLE 5 – AFFORDABLE HOUSING POLICIES TO REEVALUATE

## Policies to Advance

The Affordable Housing Workgroup along with PGM staff and the wider Planning Commission recommend the following policies be implemented to address housing affordability in Charles County. These recommendations are based on feedback from other County agencies, public input, and expert analysis conducted by past consultants. While none of the policies below are fully formed, the Workgroup recommends some specific policy elements that should be taken under consideration by each lead agency as it moves forward with policy development. A timeline for policy implementation is considered in a later chapter.

Policy	Justification for Inclusion	Charles County-specific Policy Elements	Lead Agency
Accessory Dwelling Units	Recommended by CPAT Report, HR&A Report, MDP's ADU Task Force and state legislation. Popular with public. Relatively easy to implement. Delivers additional supply. Already under development.	Changes to existing zoning regulations will be made to allow detached ADUs without required storage space, internal ADUs for townhouses, instituting a maximum size requirement and reducing off-street parking requirements in line with recently adopted state legislation (HB 1466). Consider what permitting issues would prevent allowing Park Model Homes as ADUs. Consider advocating for changes to Health Department regulations that make rural ADUs harder to develop.	PGM



Inclusionary Zoning	Recommended by CPAT Report, HR&A Report, and Comprehensive Plan. Popular with public. Voluntary program changes relatively easy to implement. Delivers units affordable to 60% AMI.	Short Term changes to voluntary program should include increasing the density bonus and reducing the minimum size of development for incentives to take hold, while defining “affordable” units as 60% AMI or less. Long term changes to program will make it mandatory and explore best practices for delivering units for sale in addition to rental units. Changes to APFO may be necessary to align thresholds with MPDU requirements. Coordination between PGM and DCS will be required to determine how to monitor ongoing compliance with IZ/MPDU regulations.	PGM in the short term, PGM with DCS support in the long term
Starter Homes	Recommended by CPAT Report, HR&A Report, MDP’s ADU Task Force and state legislation. Popular with public. Relatively easy to implement through zoning changes. Delivers additional supply.	Changes to enable starter homes include reducing the minimum square footage requirements in single family zoning districts where 1,250 is currently the minimum, to 1,000 square feet or less. Additional changes will reduce lot sizes and increase site design flexibility in line with CPAT report recommendations. Consider lifting the maximum percentage of each residential development that can be built at the square foot minimum.	PGM
Tiny Home Communities	Popular with the public, relatively easy to implement through zoning changes. Delivers units affordable to 60% AMI.	Consider whether existing single family, multi-family, or mobile home zoning districts would allow tiny home communities or whether a new zoning district should be formed. Minimum residential square footage requirements may need to be reduced or eliminated to allow tiny homes as primary uses. Further research needs to be undertaken to determine how to enable multiple tiny homes to share a septic system in a rural context. Consider PGM and DCS partnership in a pilot tiny	PGM with Health Department Assistance



		home project to build public awareness and support.	
Missing Middle Zoning	Recommended by CPAT Report, HR&A Report. Popular with public. Relatively easy to implement through zoning changes. Delivers additional supply.	Changes to existing zoning regulations will be made to allow duplexes, tri-plexes, small apartment buildings between 4-10 units, cottage court developments and similar residential uses in more zoning districts and encouraging redevelopment of single-family properties only in certain transit-friendly locations.	PGM
Reduction of Parking Minimums	Recommended by CPAT Report and local housing advocates (HAND). Relatively easy to implement through zoning changes. Delivers additional supply and increases flexibility for developers.	Changes to existing zoning regulations will be made to reduce parking minimums only in certain transit-friendly locations and will be primarily tied to the provision of 60% AMI affordable units. PILOT criteria below can be used to determine the extent to which parking standards can be relaxed.	PGM
Tax Abatement Program (PILOT)	Recommended by CPAT Report HR&A Report, and local housing advocates (HAND). Delivers units affordable to 60% AMI. Already under development.	Develop criteria that can be used to determine eligibility for public investment in affordable housing projects and determine an annual budget for such public investment. Criteria can also be used for determining eligibility for other incentives such as permit expedition and relaxing of parking standards. Funding by the PILOT program should be tied to the county's affordable housing deficit figure so that funds are not allocated beyond the need that exists. Ultimately a county board should be established to oversee approval of PILOT projects, ongoing compliance, and adjustments to the criteria as necessary to ensure accountability and public trust.	CAO currently leading with support from FAS, PGM, Economic Development, DCS





Housing Trust Fund	Recommended by local housing advocates (HAND).	Provide a dedicated local funding stream with increased taxes or fees targeted at higher end development so that widespread increases in taxes and fees can be avoided. Consider taxing undeveloped properties in the WURC to facilitate redevelopment.	BOCC
Low Income Homebuyer Assistance	Recommended by local housing advocates (HAND). Charles County DCS has operated a similar program with temporary funding in the past.	Provide a dedicated local funding stream to enable DCS to expand this program, providing larger loans and grants to potential homeowners to keep up with the increase in housing prices.	DCS
Emergency Rental Assistance	Recommended by local housing advocates (HAND). Charles County DCS has operated a similar program with temporary funding in the past.	Provide a dedicated local funding stream to enable DCS to expand this program, making sure to tailor the program to provide temporary assistance that doesn't lead to dependency.	DCS
Low Interest Renovation Loans	Recommended by local housing advocates (HAND). Charles County DCS has operated a similar program with temporary funding in the past.	Provide a dedicated local funding stream to enable DCS to expand this program and offer funding for larger projects to maintain existing homes in rural areas of the county.	DCS
Right of First Refusal Policy	Recommended by CPAT report and local housing advocates (HAND). Protects existing housing supply.	Such a policy should avoid Charles County purchasing rental housing and becoming a public landlord. This program could instead be utilized for the County to facilitate the sale of existing affordable units to non-profit partners who will continue to operate it as affordable housing.	BOCC to pass legislation, DCS to administer program



Rental Licensing Program	Protects existing housing supply. Already under development and funded.	Such a program is already under development with dedicated staff to be hired in the coming months to administer the program.	PGM and County Attorney
Regulate Corporate Ownership	Popular with public.	Rather than implement a limitation that must be enforced through zoning, the County should consider levying additional taxes or rental licensing fees on rental portfolios of a certain size with some of this revenue used to supplement a Housing Trust Fund.	BOCC and County Attorney

TABLE 6 - AFFORDABLE HOUSING POLICIES TO ADVANCE

### Policies Currently Under Development

As the work of the workgroup has progressed over the last year, Charles County staff have been tasked with beginning work on several short-term policy changes that have internal and external support and serve as “low hanging fruit” solutions that can be implemented relatively quickly. The Implementation section of this report will provide further information about the next steps for each policy, but in this section will provide a brief update on each policy for which development is already underway.

### Accessory Dwelling Units

PGM staff began developing a zoning text amendment to expand the permissibility of Accessory Dwelling Units as far back as 2019, but that effort has stalled over the years due to staffing changes and work priorities.

Enough work has been done, however, to draft a bill changing the zoning rules to permit more ADUs and Planning staff plans to present this bill to the Planning Commission as an official Zoning Text Amendment application as soon as possible. Staff plans to incorporate additional feedback from the Planning Commission and ongoing public engagement into the official amendment and hopes to progress the amendment to the Board of County Commissioners before the end of 2025.

### Zoning Code Rewrite Amendments

As the zoning code is currently being evaluated by Planning staff and outside consultants, staff believes this is a good time to incorporate small changes into the zoning text to enable additional housing development.



These changes include several adjustments recommended in the 2018 CPAT report that would change lot sizes and setback requirements in several zoning districts to give greater flexibility in designing smaller, more affordable homes. Other changes include adjustments to the APF regulations to align with updated affordable housing definitions, adjustments to density bonuses in multifamily districts, and others. Staff intends to work with stakeholders in the development community to determine where the zoning code can be streamlined to add greater flexibility in housing design.

### **PILOT Workgroup**

As described in a previous section, multiple County departments have been meeting in recent months to establish clear criteria for how affordable housing projects can qualify for county tax abatement incentives.

That group has developed a Standard Operating Procedure (SOP) for internal use including minimum criteria for consideration as well as additional criteria that can be used to rank project applications.

The SOP sets out an annual process and a window for applications to give the Board of County Commissioners ample time and information to consider before deciding to award PILOTs for affordable housing development. See Appendix F for a copy of the SOP, which is being presented to the BOCC for their approval in July 2025. The BOCC has already signaled support for this program by increasing the recordation tax from \$5 to \$7 per \$500 and promising to devote 3% of recordation tax revenues to offset PILOT program costs in the FY 2026 budget.

### **Rental Licensing Program**

The Board of County Commissioners approved the creation of the rental licensing program in March 2025, and with the adoption of the FY 2026 budget, the BOCC approved two staff positions in PGM Permits and an additional position in the County Attorney's Office to oversee the implementation of the program.

To summarize, staff will continue to brief the Planning Commission and Board of County Commissioners on the progress of the policies above and will aim to implement them before the end of 2025. All other policies are subject to further discussion and input from the public and from Charles County elected officials before final implementation.

For information on the potential timeline of the rest of the recommended policies please see the Implementation section at the end of this report.



## Affordable Housing Board

One of the key recommendations of the CPAT report as well as the Charles County 2016 Comprehensive Plan is the creation of an Affordable Housing Board to monitor the creation and preservation of affordable housing. The CPAT report also recommends a Housing Advisory Board that would assist with research and provide guidance to county staff and boards regarding the county's housing needs, policies, programs, and zoning.

Recognizing the help an advisory board could provide, but in an effort not to duplicate services nor to add an extra layer of bureaucracy in the development process, the workgroup and county staff recommend the creation of a single Housing Advisory Board that would address issues related to housing affordability as well as housing production in general. This board would undertake a variety of functions as described in the Comprehensive Plan as well as the CPAT report.

- The board should be formed to promote the preservation and creation of housing, and to study and provide guidance to county staff and boards regarding the county's housing needs, policies, programs, and the effectiveness of zoning tools.
- The board should be authorized to make recommendations to the Department of Planning and Growth Management and the Planning Commission on the application of the MPDU program to specific projects, the effectiveness of the MPDU program, and any necessary changes to the program's criteria – especially if the program is to be made mandatory for future development.
- The board should be authorized to make recommendations to the Board of County Commissioners regarding the distribution of any housing-related funding, including federal or state funds. If the Commissioners elect to establish a Housing Trust fund for Charles County the Housing Board would also oversee the distribution of such funds to protect the BOCC from any accusation of bias or favoritism.
- The board should also continually evaluate the criteria used to determine the awarding of local funding to housing projects, as well as criteria to determine eligibility for tax abatement or PILOT programs.
- The board would also participate in countywide planning efforts such as updates to the comprehensive plan, as well as site-specific planning.
- The board would take on the role of working cross-departmentally to implement the recommendations of this housing strategy as well as future updates to the strategy.



As recommended in the CPAT report, board membership can include county staff and representation from relevant county commissions, the real estate and construction industries, as well as non-profit social service and affordable housing development organizations, tenant associations, and faith-based organizations.

Establishing such an advisory board provides the county with an entity solely focused on advocating for and working to implement the creation and preservation of affordable housing. It would support and continue the work of the Affordable Housing Workgroup, and ensure multiple county departments such as PGM, Community Services, Fiscal and Administrative Services, and the County Administrator's Office are working together and not duplicating initiatives.

In consultation with other departments and County leadership it is recommended that the creation of such a board be a long-term priority. The work of an Affordable Housing Board could be conducted in the short term as a subset of the Planning Commission, or an extension of the Affordable Housing Workgroup. The catalyst for the creation of the fully separate board would likely come from the adoption of a mandatory MPDU program and the creation of a Housing Trust Fund for Charles County.

## **Additional Staffing**

To focus on the specific needs related to affordable housing and implementing the recommendations of this report, the workgroup recommends creating additional staff positions.

Additional work must first be done to determine departmental responsibility for this work, with Planning & Growth Management and Department of Community Services the most natural fits for a single staff member or multiple staff members devoted to affordable housing.



THE OPTIONS OUTLINED BELOW IN TABLE 7 SUMMARIZE WHICH POLICIES COULD BE PROGRESSED UNDER THREE DIFFERENT SCENARIOS: NO CHANGE TO STAFF LEVELS, THE ADDITION OF STAFF ALONE, AND THE ADDITION OF STAFF PLUS AN INCREASE IN PROGRAMMATIC FUNDING.

Option 1	Option 2	Option 3
Existing Staff Can Progress:	Additional Staff Needed:	Added Staff and Program Funding Needed:
<p>Zoning Changes: ADUs, starter homes, density bonuses, MPDU tweaks, other adjustments as needed</p> <p>Right of First Refusal Policy, Regulation of Corporate Ownership</p> <p>Rental Licensing Program*</p>	<p>Mandatory MPDU policy (development and ongoing monitoring)</p> <p>Zoning Changes: Tiny Homes, Missing Middle, Parking Minimums (additional research and public engagement required)</p>	<p>Incentive programs requiring monitoring and staff approval: Tax Abatement, PILOT, Housing Trust Fund, other fee-in-lieu programs</p> <p>Expansion of Rental Assistance, Homebuyer Assistance, Renovation Loans programs</p> <p>Staff support to the Affordable Housing Board</p>
<p>No additional staff needed</p> <p>*Three positions already funded by FY 26 budget</p>	At least one additional PGM Planner needed	At least one additional PGM Planner needed + At least two additional DCS staff needed (Program Manager and Program Assistant)
<p>Investment: Low</p> <p>Impact: Low-Medium</p>	<p>Investment: Moderate</p> <p>Impact: Medium-High</p>	<p>Investment: High</p> <p>Impact: High</p>

TABLE 7 - OPTIONS FOR POTENTIAL CHARLES COUNTY HOUSING STAFF

While some progress could be made on affordable housing initiatives by existing Charles County staff under Option 1 above, the workgroup does not believe this will not lead to substantial enough change in the affordability crisis.

The workgroup recommends proceeding swiftly with Option 2 to add additional staff to PGM to implement the recommendations of this report, as well as budgeting for the additional DCS and PGM staff and program funding needed under Option 3 to implement all the recommendations over the long term.





## **Additional Public Feedback – Potential Policy Survey**

In April, May, and June 2025 additional public feedback was sought through a survey entitled “Provide Your Feedback on Affordable Housing Options”. This survey garnered 287 responses from a wide variety of demographics in Charles County and provided more specific insights into the public’s attitudes towards some potential affordable housing policies.

**TABLE 8 BELOW OUTLINES THE OVERALL SENTIMENTS TOWARDS EACH POLICY OPTION, WHILE A FULL SUMMARY OF THE RESPONSES TO THE SURVEY IS PROVIDED IN APPENDIX G.**

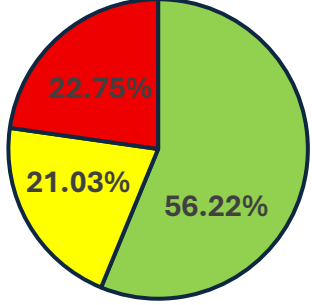
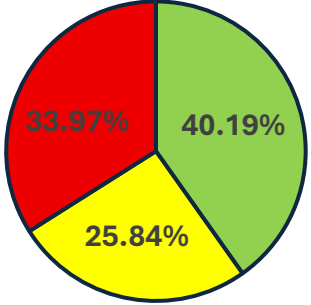
Survey respondents were provided with policy options and descriptions like the Studied Policies section above. Rather than survey the public about all community-wide support policies and subsidies, this survey focused on zoning and land use policies that staff believed would be more straightforward for the public to consider. Respondents were asked to give general feedback on whether they would support each policy and why. Many of the responses provided quality feedback that will be used to develop the individual policies in the future.

The public expressed the most support for and interest in accessory dwelling units, policies to enable more starter homes, and tiny home communities. There was more mixed feedback and negative responses to the idea of a mandatory MPDU program, as well as for Missing Middle Housing types. Staff believes these negative responses stem from an overall hesitancy towards multi-family housing in Charles County, as well as negative sentiments that have stemmed from attempts to implement Missing Middle housing in other jurisdictions at the expense of single-family zoning districts. Staff will incorporate this feedback into additional public education, engagement, and policy development going forward.



Policy	2025 Public Feedback
Accessory Dwelling Units	<p>64.02% 15.91% 20.07%</p> <p>■ Positive ■ Mixed ■ Negative</p>
Mandatory MPDU Program	<p>45.65% 22.61% 31.74%</p> <p>■ Positive ■ Mixed ■ Negative</p>
Starter Homes	<p>68.08% 19.15% 12.77%</p> <p>■ Positive ■ Mixed ■ Negative</p>



<p>Tiny Home Communities</p>	 <p>■ Positive ■ Mixed ■ Negative</p> <table border="1"> <thead> <tr> <th>Response</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Positive</td> <td>56.22%</td> </tr> <tr> <td>Mixed</td> <td>21.03%</td> </tr> <tr> <td>Negative</td> <td>22.75%</td> </tr> </tbody> </table>	Response	Percentage	Positive	56.22%	Mixed	21.03%	Negative	22.75%
Response	Percentage								
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Response	Percentage								
Positive	40.19%								
Mixed	25.84%								
Negative	33.97%								

**TABLE 8 - SURVEY RESPONSES TO AFFORDABLE HOUSING POLICY OPTIONS**



## Policy Outcomes – Unit Output

Considering the recommendations above, it is important to quantify the outcomes of the suggested policy changes to estimate the total number of housing units that could result. Many of the policies above would deliver committed affordable units for households making 60%-80% AMI or less, and many policies would also deliver additional units at market rate. Both types are needed to move the needle on affordability as well as to accommodate Charles County's growing population.

**TABLE 9 BELOW PROVIDES ESTIMATES FOR THE NUMBER OF HOUSING UNITS THAT COULD BE DELIVERED BY A SELECT NUMBER OF THE RECOMMENDED HOUSING POLICIES.**

This estimate is general in nature and based on research done in other jurisdictions that have implemented similar policies. This estimate only considers land use and zoning changes as these can be directly linked to increases in building permits, recorded lots, preliminary subdivision plans, and similar metrics that County staff regularly track and update. More detail on these estimates is provided in Appendix H. County-wide policy changes to protect existing units and tenants can't be used to predict additional units developed, nor can subsidy tools as there are currently no accurate metrics or formulas to determine the number of units that could be developed based on levels of public investment.

An important caveat to consider when predicting future policy changes and their outcomes is the Planned Unit Development district or "PUD". The PUD accounts for a significant portion of Charles County's residential development – between 30-50% of recorded plats and residential building permits over the last several years. The PUD is a zoning indenture that has been in place since the 1970s, and any proposed changes to the regulations within the PUD (Docket 90) requires the agreement of both Charles County as well as St. Charles community developers. Charles County could not, for example, unilaterally require properties within the PUD to allow ADUs, or implement an inclusionary zoning policy, without the agreement of St. Charles. This makes the potential for future policy changes in the PUD less certain, although staff and the workgroup believe there could be agreement on some elements of an affordable housing program that could satisfy all parties.



Policy	Potential Zoning District and Annual Unit Estimates (Additional Units per year vs no change in zoning regulations)	Additional Annual Units (market rate)	Committed Affordable Units (80% AMI or less)
ADU changes	All Residential Zones that permit single family units and townhomes	8-16	
Missing Middle	RM, RH, RO, PRD, MX, TOD, CER, CRR, CMR, HVC, HVG, PUD	60-65	
Inclusionary Zoning	RL, RM, RH, RO, RV, CN, CB, CV, PRD, MX, TOD, CER, CRR, CMR, HVC, HVG, WC, AUC, PUD		130-140*
Smaller Home Footprints on Smaller Lots	RL, RM, RH, RV, PUD	50-55	5-10*
Other zoning changes: density bonuses, APFO tweaks,	RM, RH, CB, PRD, MX, TOD, CER, CRR, CMR, HVC, HVG, WC, AUC, PUD	15-20	8-10*
Tiny Home Communities or Cottage Court (on public sewer)	RL, RM, RH, PMH	8-16	8-16*
	Total Additional Housing Units	141 - 172	151-176*
	Existing Average Units Per Year		88
	Potential Total Annual Affordable Units (Current + Future)		239-264*
* Assumes MPDU program is mandatory			

**TABLE 9 - ANNUAL UNIT ESTIMATES FOR SELECTED HOUSING POLICIES**

According to staff's estimates the policies recommended in this report could yield between 151 and 176 units per year that would be affordable to households earning less than 80% of the Area Median Income.

The bulk of these units would come from the implementation of a mandatory MPDU or Inclusionary Zoning program, as the remaining policies would only yield a small number of affordable units.



The same policies would likely yield between 141 and 172 additional market rate housing units per year, some of which would be lower priced than the County average but still not affordable to low-income tenants or buyers.

Taking the 88 units per year that have been developed since 2018 into account, the additional 151-176 affordable units resulting from the policies in this report could deliver between 239 and 264 units per year for Charles County residents. The next section will consider the fiscal impact of that number of units on the county's finances.

## **Fiscal Impacts – How can the County Mitigate?**

In recent years the Charles County Budget Office has conducted a fiscal analysis which determined that every detached single-family residence built at a value less than \$439,000 generates more public expenditure than it does in tax revenue. This analysis is based solely on impacts to the County's general fund and does not include excise tax revenue collected for school construction, nor any federal and state funding that the county receives for infrastructure maintenance and expansion. The analysis also assumes the household is paying income taxes based on the Area Median Income.

A selling price of nearly \$440,000 is not affordable to households making 30%-80% AMI, and a mortgage for a detached single-family residence is rarely attainable for demographics looking for affordable housing. Using the Budget Office's fiscal analysis as a starting point, Charles County staff set out to further analyze fiscal impacts of other forms of residential development, since apartments and townhomes are generally less expensive to build on a per-unit basis.





**TABLE 10 BELOW OUTLINES THE RANGE OF UNIT VALUES THAT ALLOW THE COUNTY TO “BREAK EVEN” IN TERMS OF IMPACT TO THE GENERAL FUND.**

Housing Type	Breakeven Value for 60%-80% AMI Incomes
Single Family Detached	\$440,000 to \$481,000
Townhouse	\$420,000 to \$461,000
Multifamily Apartment	\$329,000 to \$371,000

**TABLE 10 - BREAKEVEN VALUES FOR RESIDENTIAL TYPES**

The analysis above is based on a conservative estimate of the expected tax revenues for each type of housing unit, and the expected impact on County services such as schools, roads, utilities, and other government services. In summary, any development or construction of units of a lower value than the figures above could result in a negative fiscal impact to the County’s finances. Like the Budget Office’s original analysis, the figures above do not account for excise taxes, federal, or state funding that can be used to offset the county’s investment in supportive infrastructure.

It is unrealistic to expect every affordable housing unit to pay for itself. The types of units that this report recommends be developed in Charles County will certainly fall below these thresholds, although not all of them will utilize public services in the same way.

Accessory Dwelling Units, for example, on properties with public sewer are more likely to appeal to the young and childless as well as retirees that want to downsize. Minimal public investment would be needed to accommodate such development, especially little need for additional capacity in the school system.

ADUs also provide options for young people or retirees to move out of shared accommodation and into a small unit of their own. This does not increase the population of the County – it simply adds flexibility and a step up on the property ladder. In summary, it is not expected that affordable housing units break even fiscally and should be considered philosophically like other forms of public services and infrastructure such as water lines, sewers, roads, schools, and emergency services. Affordable housing, like the other public investments, is necessary both for quality of life for Charles County citizens as well as for economic development.



## Lowering the Fiscal Impact

While it is accepted that affordable housing will rarely result in revenues that fully match expenditures, there are ways to lower its fiscal impact.

Based on the analysis above in Table 10, the cost per unit for apartments is significantly lower than for townhomes or detached housing. Apartments take up comparatively less space, use less public infrastructure per unit, and statistically generate fewer students for the local public school system. The financial gap between the breakeven value of an affordable apartment and the value of an apartment that is affordable to someone earning 60% AMI is therefore smaller than for other types of housing. Additionally, multi-family apartment developments are more easily able to qualify for federal LIHTC incentives, which means fewer incentives are needed from local governments. Multi-family development can be polarizing, and care should be taken in locating such development where infrastructure can support a higher concentration of citizens. Ultimately, policies prioritizing apartment development to a greater degree than detached single family dwellings and townhomes will result in a lower fiscal impact to Charles County.

Increasing commercial development through other policy mechanisms should be prioritized in conjunction with affordable housing policies. While housing in general is often a fiscal burden on local governments, commercial development is the opposite. Businesses generating jobs and sales tax revenue contribute far more to the county's revenues than they use in public services. One strategy that County leaders can immediately implement regarding commercial development is to utilize the Comprehensive Plan update process over the next two years to identify areas of the County that can be prioritized for additional commercial and business activity. Additionally, County leaders should encourage mixed use developments as much as possible, and limit special requests to develop mixed use areas for housing alone.

The commercial components of mixed-use development, while not always popular with developers, contribute significantly to lowering the fiscal impact of development and should be retained.

A final strategy Charles County might implement with its affordable housing policy is limiting public subsidy or tax abatements for affordable housing development to only what is needed to make up the deficit that currently exists in terms of the number of units needed.



Development statistics since 2018 show that the market can provide approximately 88 units of affordable housing per year without significant government assistance, and once the County has encouraged or incentivized enough affordable development to alleviate its shortfall it should pause any further public investment in new construction until additional fiscal analysis is completed.

County staff can track new developments and predict when supply has equaled demand with the use of the CPAT housing tool and can advise the Board of Commissioners when to reduce public subsidies accordingly.

The benefits of affordable housing to Charles County's future economic development prospects cannot be overstated. The Maryland State of the Economy Report from 2023 highlighted several statewide challenges resulting from the high cost of housing including weakened economic activity and outmigration of population. Charles County, while benefiting from residents moving in from higher-cost central Maryland and Northern Virginia counties, is losing ground in its ability to retain front line workers in lower paying fields. "A shortage of affordable housing," the report concludes, "is unsustainable for businesses, especially those that require an in-person workforce."<sup>3</sup>

It is important to note that providing an influx of affordable housing units to satisfy the deficit that exists in Charles County will have a greater fiscal impact in the short term. Over time, fiscal impacts will lessen as the County need only encourage the units needed to keep up with population growth. Over the long term, the benefits to Charles County in terms of increased economic development activity should equal or outweigh the fiscal impacts of supplying the needed quantity of affordable housing.

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<sup>3</sup> Lierman, Brooke. "Maryland 2023 | State of the Economy." (Office of the Comptroller, 2024). <https://www.marylandcomptroller.gov/content/dam/mdcomp/md/reports/comptroller/SOTE.pdf>



## Summary of Recommendations

This section has outlined the number of affordable housing units needed to satisfy Charles County's supply deficit, as well as an estimate of how many units a variety of policy options could yield on an annual basis. The following sections will outline the steps to take to develop each policy and a timeline for implementation.

Workgroup Findings	
Units Needed based on CPAT Analysis	Units that Policy Changes can Deliver
<b>At least 206 per year</b> to eliminate supply deficit by 2035	<b>Up to 239 to 264 per year</b> Including existing annual supply
Mitigation Strategies for Fiscal Impact	
Target policies towards providing affordable multi-family units to reduce supply deficit in the short term	
Focus efforts on increasing economic development activity county-wide to balance budget, using 2026 Comprehensive Plan update as a springboard	
Encourage mixed-use development to offset lower-value housing units	
Limit public subsidy and incentives to affordable units needed until 2035 to make up supply shortage.	

**TABLE 11 - SUMMARY OF WORKGROUP FINDINGS**



## IMPLEMENTATION

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An implementation plan for Affordable Housing policies provides a clear, structured roadmap that ensures policies are executed effectively, efficiently, and with accountability. It outlines specific actions, timelines, responsible parties, and measurable outcomes, which helps align resources, reduce confusion, and anticipate potential challenges. By detailing how a policy will be put into practice, it fosters transparency, enhances coordination among departments, and enables consistent monitoring and evaluation. An effective implementation plan increases the likelihood of achieving intended policy goals while maintaining public trust and responsiveness to community needs.

On the following pages the recommended policies of the Affordable Housing Workgroup have been grouped by short-, medium-, and long-term actions. Additionally, policies are categorized into Land Use/Zoning Policies, County-wide Support Policies, and Subsidy Policies. A geographic visualization is also provided to identify where in the County certain policies will apply. Each policy proposal includes a lead agency to develop the policy as well as implementation steps and a rough timeline for completion for short term policies that can be accurately estimated. Actual development of policies will depend on department resources, staffing, and direction from the Board of County Commissioners on overall priorities. The Five-Year Workplan in the next section provides additional estimates for when policies could be implemented.



## Guiding Principles

As the proposed strategies are still largely in concept stage and open to additional public feedback and professional development, the workgroup recommends the following guiding principles inform the development of the County's Affordable Housing policy framework. These principles originated from the Workgroup as well as the feedback from the public over the course of the last year's engagement activities. As the particulars of each policy are deliberated, these principles should be included to the greatest extent possible.

Guiding Principles for Affordable Housing Policies		
High-Quality Construction	Reduced fiscal impact	Enhances or encourages economic development
Trackable output data	Focus on geographic areas of greatest need	Discouragement of sprawl
Include, but minimize impact on, rural areas	Equal distribution of affordable housing	Avoid displacement
Protect watersheds and minimize additional runoff		

**TABLE 12 - GUIDING PRINCIPLES FOR AFFORDABLE HOUSING**





## Implementation Plan

Short Term (2025-2026) Policy Proposals				
Accessory Dwelling Units	MPDU Changes (still voluntary)	Starter Homes	Rental Licensing Program	Tax Abatement Program (PILOT)
Lead Agency: PGM	Lead Agency: PGM	Lead Agency: PGM	Lead Agency: PGM and County Attorney's Office	Lead Agency: County Administrator's Office
PGM staff to prepare zoning text amendment  <i>Timeframe: October 2025</i>	PGM staff to prepare zoning text amendment  <i>Timeframe: December 2025</i>	PGM staff to prepare zoning text amendment  <i>Timeframe: February 2026</i>	BOCC to approve FY 26 budget adding staff positions to administer program  <i>Completed: June 2025</i>	County Admin Office with staff from PGM, FAS, EDD, DCS and County Attorney to develop criteria for PILOT qualification  <i>Completed: June 2025</i>
Apply, share public notice, schedule PC briefing  <i>Timeframe: December 2025</i>	Apply, share public notice, schedule PC briefing  <i>Timeframe: February 2026</i>	Apply, share public notice, schedule PC briefing  <i>Timeframe: April 2026</i>	PGM and County Attorney's Office to hire staff and develop rules and procedures  <i>Timeframe: 2<sup>nd</sup> Half 2025</i>	Staff to develop Standard Operating Procedure for applications to PILOT program and establish annual process for decisions.  <i>Completed: July 2025</i>
Present to PC at public hearing and work session  <i>Timeframe: February 2026</i>	Present to PC at public hearing and work session  <i>Timeframe: April 2026</i>	Present to PC at public hearing and work session  <i>Timeframe: June 2026</i>	Registration open to all landlords in Charles County  <i>Timeframe: 2026</i>	Staff to present SOP to BOCC for approval.  <i>Timeframe: September 2025</i>
Present to BOCC at public hearing and work session  <i>Timeframe: April 2026</i>	Present to BOCC at public hearing and work session  <i>Timeframe: June 2026</i>	Present to BOCC at public hearing and work session  <i>Timeframe: August 2026</i>		
Land Use/Zoning Policies		Countywide Support Policies		Subsidy Policies

TABLE 13 - SHORT TERM POLICY PROPOSALS



Medium Term (2026-2027) Policy Proposals				
Missing Middle Housing & Higher Densities	Tiny Home Communities	Reduce Parking Minimums for AH	Other Zoning Code Rewrite Updates	Housing Trust Fund
Lead Agency: PGM	Lead Agency: PGM	Lead Agency: PGM	Lead Agency: PGM	Lead Agency: BOCC
PGM Staff to verify language in zoning code rewrite and recommendations in CPAT report	PGM Staff to research	PGM Staff to research	PGM Staff to research	Form HTF Workgroup (similar to PILOT group) made up of County Department leaders and key staff
PGM staff to propose zoning changes in line with recommendations	PGM staff to propose zoning changes in line with recommendations	PGM staff to propose zoning changes in line with recommendations	PGM staff to propose zoning changes in line with recommendations	HTF Workgroup to evaluate HTF funding sources and uses for funds with guidance from BOCC
PGM Staff to conduct Public Engagement on Zoning Changes	PGM Staff to conduct Public Engagement on Zoning Changes	PGM Staff to conduct Public Engagement on Zoning Changes	PGM Staff to conduct Public Engagement on Zoning Changes	Workgroup to make recommendations to BOCC regarding funding sources, use of funds, additional staffing needs, oversight,
Apply, share public notice, schedule PC briefing	Apply, share public notice, schedule PC briefing	Apply, share public notice, schedule PC briefing	Apply, share public notice, schedule PC briefing	BOCC to deliberate in future funding cycle on funding a HTF and the specific uses for future funds
Present to PC at public hearing and work session	Present to PC at public hearing and work session	Present to PC at public hearing and work session	Present to PC at public hearing and work session	
Present to BOCC at public hearing and work session	Present to BOCC at public hearing and work session	Present to BOCC at public hearing and work session	Present to BOCC at public hearing and work session	
Land Use/Zoning Policies		Countywide Support Policies		Subsidy Policies

TABLE 14 - MEDIUM TERM POLICY PROPOSALS



Long Term (2027+) Policy Proposals				
MPDU Changes (Mandatory)	Financial Assistance: Emergency Rental, Low Int. Loans, Homebuyer Assist	Right of First Refusal	Corp. Ownership Limitation	Establish an Affordable Housing Board
Lead Agency: <b>PGM</b>	Lead Agency: <b>DCS</b>	Lead Agency: <b>PGM &amp; BOCC</b>	Lead Agency: <b>BOCC</b>	Lead Agency: <b>PGM &amp; BOCC</b>
PGM staff to research mandatory MPDU/inclusionary programs in other jurisdictions	DCS staff to review existing programs, funding, and community interest	PGM Staff to research and present framework of program to BOCC for consideration	Form an internal workgroup to work out specifics of program with assistance from County Attorney's Office	PGM staff to research similar boards in other jurisdictions
PGM staff to conduct outreach to development community to determine policy direction	DCS staff to estimate amount of funding and additional staff needed to expand programs.	Form an internal workgroup to work out specifics of program.	Workgroup to research and present framework of program to BOCC for consideration	PGM staff to determine future thresholds at which AHB would be needed
PGM staff to make recommendations to Planning Commission and BOCC regarding zoning changes, staff requirements, public feedback	DCS staff to make recommendations to BOCC regarding program changes, staff requirements, outside funding availability to expand programs	Prepare correspondence with BOCC to encourage implementation	Prepare correspondence with BOCC to encourage implementation	PGM staff to determine specific work to be done by AHB, role relative to PC, staff oversight needed, and propose plan to BOCC
PGM staff to propose zoning changes in line with recommendations and conduct public engagement as needed.	DCS staff to make budget requests in future funding cycle for needed funding, staff	Attend BOCC briefing session to advocate if necessary	Conduct public engagement on potential policy with assistance from Media Office	BOCC to deliberate the merits of an AHB and determine specifics including timeline
PGM Staff to present proposed changes to PC and BOCC	DCS to implement expanded program		Attend BOCC briefing session to advocate if necessary	
Land Use/Zoning Policies		Countywide Support Policies		Subsidy Policies

TABLE 15 - LONG TERM POLICY PROPOSALS



## Implementation Map

All the policies recommended in this report will have some level of applicability across Charles County, but a smaller subset will have greater relevance and practical application in certain geographic locations. For example, policies promoting starter homes or requiring moderately priced dwelling units will be most effective when applied to major subdivision plats. Major subdivision plats are generally permitted within the portion of the county known as the Development District or the Priority Funding Area. These policies are more applicable to the built-up area of the county rather than the rural areas. Additionally, developer incentives and higher densification policies would be available throughout the county's Development District but would be most effective in areas already planned for multi-family housing development and transit access. Figure 27 shows areas that would most benefit from certain policies, not necessarily the boundaries of where said policies would apply.

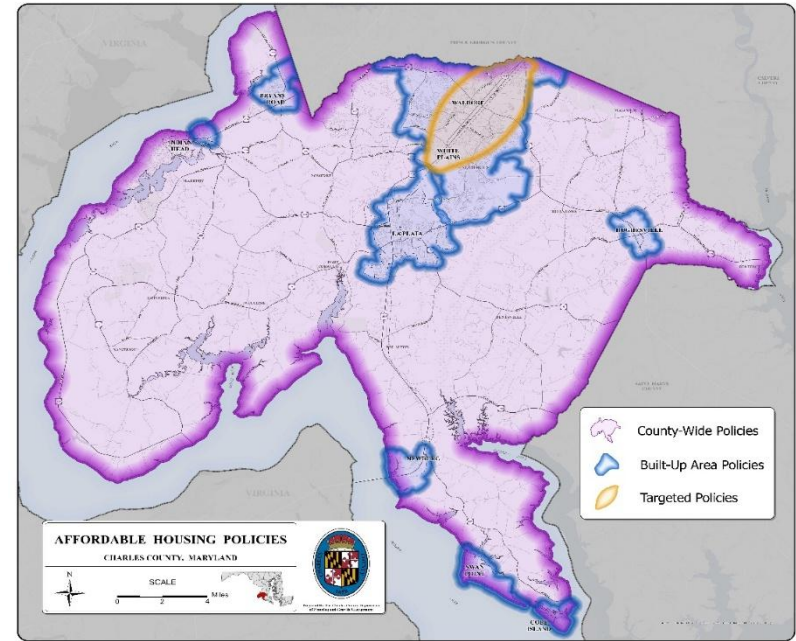


FIGURE 27 - HOUSING POLICIES AND BENEFIT AREAS

Policy Type and Benefit Area	Policy Example
<b>Generally Applicable or County-wide Policies</b>	Affordable Housing Board, Right of First Refusal Policy, First Time Homebuyer Assistance, Emergency Rental Assistance, Renovation Loans, Tiny Home Communities, Housing Trust Fund, Rental Licensing Program, Other Zoning Changes
<b>Built-up Area (Priority Funding Areas)</b>	Limitations on Corporate Ownership of Rentals, MPDU Changes, Zoning Changes for Starter Homes, Accessory Dwelling Units
<b>Targeted Policies (Transit/Urban Redevelopment Corridor)</b>	Missing Middle Housing Types, Higher Densities, Reduce Parking Minimums, Tax Incentives/PILOT Program



## Five Year Work Plan

	2 <sup>nd</sup> Half 2025	1 <sup>st</sup> Half 2026	2 <sup>nd</sup> Half 2026	1 <sup>st</sup> Half 2027	2 <sup>nd</sup> Half 2027	1 <sup>st</sup> Half 2028	2 <sup>nd</sup> Half 2028	1 <sup>st</sup> Half 2029	2 <sup>nd</sup> Half 2029	1 <sup>st</sup> Half 2030	2 <sup>nd</sup> Half 2030
Establish Aff. Housing Board											
ADU ZTA											
Starter Homes ZTA											
MPDU ZTA											
Right of First Refusal Policy											
Rental Licensing											
Tiny Home Communities											
Missing Middle											
Other Zoning Changes											
Reduce Parking Minimums											
Mandatory MPDU											
PILOT											
Limiting Corp. Owners Law											
Housing Trust Fund											
Home-buyer Assistance											
Emergency Rental Assistance											
Low Interest Renovation Loans											
Initial Work to Establish Policy or Change Zoning					Ongoing work to administer permanent policy or program						

TABLE 16 - FIVE YEAR WORK PLAN FOR AFFORDABLE HOUSING INITIATIVES



## Key Milestones

Final Months of 2025	1 <sup>st</sup> Half 2026	2 <sup>nd</sup> Half 2026	1 <sup>st</sup> Half 2027	2 <sup>nd</sup> Half 2027	1 <sup>st</sup> Half 2028
<p><b>Before December 31</b></p> <p>Introduce Zoning Text Amendment for Accessory Dwelling Units</p> <p>Introduce Zoning Text Amendment for Starter Homes</p> <p>Introduce Zoning Text Amendment for voluntary MPDU changes</p> <p>Budget request for Housing Planner</p> <p><b>Ongoing work</b></p> <p>Work with zoning code rewrite consultant to identify additional zoning text to modify</p> <p>Monitor and provide feedback to state legislative proposals</p>	<p><b>Before March 31</b></p> <p>Pass ZTAs: ADUs, Starter Homes, MPDU</p> <p>Begin research and development of next round of Zoning Text Amendments</p> <p><b>Before June 30</b></p> <p>Determine which zoning changes to incorporate into Zoning Code Update and which to progress separately</p> <p>Establish internal workgroup to study Housing Trust Fund and Corporate Ownership laws</p> <p><b>Ongoing work</b></p> <p>Coordinate with new rental licensing staff to share data</p>	<p><b>Before September 30</b></p> <p>Introduce additional ZTAs: Tiny Homes, Missing Middle, Parking Minimums</p> <p>Budget request for Housing Trust Fund</p> <p>Begin research and development of mandatory MPDU program, Affordable Housing Board, Right of First Refusal policy</p> <p><b>Before December 31</b></p> <p><u>Provide Annual Affordable Housing Briefing to Planning Commission</u></p> <p><b>Ongoing work</b></p> <p>Provide housing-specific support for Zoning Code Rewrite process</p>	<p><b>Before March 31</b></p> <p>Pass ZTAs: Tiny Homes, Missing Middle, Parking Minimums</p> <p><b>Before June 30</b></p> <p>Determine which zoning changes to incorporate into Zoning Code Update and which to progress separately</p> <p>Establish internal workgroup with DCS to study expanding home-buyer assistance, emergency rental assistance, and renovation assistance</p> <p><b>Ongoing work</b></p> <p>Research and development of mandatory MPDU program, Affordable Housing Board</p>	<p><b>Before September 30</b></p> <p>Budget request for DCS assistance programs</p> <p>Pass Right of First Refusal Policy</p> <p>Budget request for DCS staff and funding</p> <p><b>Before December 31</b></p> <p><u>Provide Annual Affordable Housing Briefing to Planning Commission</u></p> <p>Present Plan for Mandatory MPDU Program and Affordable Housing Board</p> <p><b>Ongoing work</b></p> <p>Monitor and provide feedback to state legislative proposals</p>	<p><b>Before March 31</b></p> <p>Begin recruiting for Affordable Housing Board</p> <p><b>Before June 30</b></p> <p>Pass Mandatory MPDU program</p> <p><b>Ongoing work</b></p> <p>Review data collected from rental licensing program</p> <p>Review annual report data for changes to housing figures</p> <p>Review newly created policies for negative side effects and make adjustments accordingly</p>

TABLE 17 - KEY MILESTONES FOR HOUSING POLICY DEVELOPMENT



## CONCLUSION

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Charles County faces a deepening affordable housing crisis as the post-pandemic economy drives up housing costs nationwide, and the County's low cost of living relative to other cities and counties in Maryland and Northern Virginia drives up inward migration. Population growth and demand for housing in Charles County continue to grow each year, leading to increasing numbers of cost-burdened households. The County can boast that it is the highest income county in America with an African American majority population, but such economic conditions also result in the highest fair market rents in Maryland for 2-bedroom apartments. These affordability challenges negatively impact quality of life for many Charles County citizens and hurt the County's ability to attract and retain workers and jobs.

The Affordable Housing Workgroup was created in 2023 with a goal of developing strategies that could improve housing affordability for households making 30% to 80% of the Area Median Income, and to alleviate the affordable housing shortage identified in the 2018 CPAT report. Through dozens of meetings, research, and public feedback from citizens and development community, the Workgroup has considered the number of affordable housing units that Charles County needs to serve its population, the types of households to target with affordable housing policies, the financial and personnel resources needed by the County to implement these policies, as well as a plan for future implementation. The collection of subsidy, supply, and support policies recommended are predicted to lead to an increase of approximately 240 to 260 additional affordable units of housing per year, in addition to small increases in market rate housing. This level of production would eliminate the existing shortage of affordable units in the county in less than 10 years, as a minimum of 206 units per year would be needed to achieve the needed supply by 2035. Once the shortage has been alleviated, public subsidies could decrease and prescriptive policies could be relaxed, as fewer than 100 affordable units per year would be needed to keep up with Charles County's population growth.

Affordable housing is not only socially responsible—it is an essential driver of healthy, resilient, and economically vibrant communities. By ensuring that residents have access to stable, reasonably priced homes, Charles County can unlock a wide array of economic and social benefits. These include increased local spending, job creation, and a more stable workforce, as well as improved public health, educational outcomes, and community cohesion. In short, affordable housing is a foundational investment that supports inclusive growth and long-term community sustainability.



The Affordable Housing Workgroup recommends the Charles County Board of Commissioners move quickly to approve and prioritize the strategies in this report to position Charles County for a sustainable and affordable future.





## APPENDICES

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- A. CPAT Report
- B. List of Existing County Housing Programs
- C. HR&A Report
- D. Full Summary of Responses to Sentiment Survey (October 2024)
- E. CPAT Affordable Unit Estimate Model
- F. Affordable Housing PILOT Draft SOP
- G. Full Summary of Responses to Policy Options Survey (June 2025)
- H. Policy Output Estimates