

Chapter 6

Housing Element

Goals

- ◆ Provide a variety of housing types within the Town's land use controls.
 - ❖ Improve housing conditions for all the Town's residents.
- ◆ Encourage the use of innovative programs to provide a suitable mix of housing types in affordable price ranges.
 - ❖ Provide a balanced housing stock with housing opportunities for all Town residents.
 - ❖ Continue to encourage greater housing opportunities for the Town's growing elderly population.
 - ❖ Encourage increased homeownership, particularly among the lower-income segments of the community.
- ◆ ~~Insure~~ Ensure high standards of quality in new construction, but with sensitivity to housing affordability.
 - ❖ Continue to require site plan and planning review for all major developments to ensure a functional design, quality living environment, and compatibility with overall town character. Conditions, exactions, and dedications may be required by the Planning Commission so that the development serves the public interests as fairly and fully as possible, consistent with the Comprehensive Plan.
- ◆ Encourage, through both private and public actions, the renovation or removal of substandard housing.
 - ❖ Encourage continued maintenance and upkeep of existing housing and stimulate the replacement of housing that becomes unfit for human habitation.
- ◆ Encourage, through both private and public actions, an opportunity for families to live in adequate homes in price ranges that are affordable.
 - ❖ Ensure that multi-family residential development provides adequate community open space, landscaping, and parking. Minimum parcel size for multi-family development should be of sufficient size to accommodate this use.
- ◆ Protect residential zones from incompatible activities and land uses to create comfortable and safe living environments.
 - ❖ Discourage non-resident through-traffic in ~~predominately~~ predominantly residential neighborhoods.

- ❖ Protect and preserve existing neighborhoods from encroachment of incompatible land uses and activities.
- ◆ Continue to affirm fair housing by working with the community, lenders, state partners such as DHCD, MDP, and Cecil County, to implement meaningful actions and North East's Annual Proclamation of Fair Housing Month in April aimed at these fair housing priorities:
 - ❖ Overcome patterns of segregation;
 - ❖ Foster inclusive communities free from barriers that restrict access to housing and opportunity based on protected characteristics;
 - ❖ Address significant disparities in housing needs and access to opportunity;
 - ❖ Replace segregated living patterns with truly integrated and balanced living patterns; and
 - ❖ Foster and maintain compliance with civil rights and fair housing laws.

Housing Characteristics

As noted in Chapter 1, the town's total number of housing units increased from 847 in 1990 to 1,215 units in 2020 (U.S. Census Bureau's Decennial Census), an increase of over 43 percent. Between 2010 and 2020, the total number of housing units increased from 1,651 to 1,856. Of the 1,856 occupied units, 80 percent were owner-occupied. By 2020, North East's vacancy rates decreased to a 2.7 percent vacancy rate for homeowner units and a 4.7 percent vacancy rate for rental units. Seventy-seven units, or slightly more than 4 percent, were classified as seasonal, recreational, or occasional-use housing.

According to American Community Survey estimates, the average household size in North East is estimated at 2.33. As noted in Chapter 1, the Town is expected to increase in population by an additional 314 persons before 2030 and by an additional 471 persons by 2040 (a total of 785 persons).

Population Projections

	<u>2020</u>	<u>2030</u>	<u>2040</u>
North East **	3,620	3,934	4,405

** Source: Maryland Office of Planning - Preliminary Historical and Projected Total Population for Maryland's Jurisdictions, December 2022 Release*

*** Based on a 3.94 percent growth rate*

Utilizing the 2.33 persons per household figure, this creates a need for 134 units by 2030 and 202 units by 2040 (approximately 337 total units). There were 233 vacant units out of 1,990 total units (2019-2023 ACS), which may represent infill opportunities for some of the 337 total units needed. Additional housing opportunities can also be found outside the Town of North East, including homes for sale and rentals moving into and out of the area.

To develop a planning-level estimate of potential future housing capacity, the Town's inventory of currently vacant parcels designated for future residential land use was

reviewed. Parcel acreage and Future Land Use categories (low-, medium-, and high-density residential) were compiled, and the Town's zoning ordinance development standards were then applied as a reasonable proxy for estimating potential unit yield—generally aligning low-density with the R-1 lot standard, medium-density with the R-2 lot standard, and high-density with the R-3 multifamily density limit. Using this approach across the 18 vacant parcels (about 27.2 acres total) produces a ballpark capacity of approximately 166 dwelling units if developed at ordinance-based maximums. Because the Future Land Use map is not zoning and because actual development must accommodate streets, stormwater management, and other site constraints, a more conservative assumption (e.g., ~75% net-developable area) reduces the estimate to roughly 124 units.

Additionally, the Town may consider annexation as a tool to help meet future housing needs by adding residential opportunities that align with the community's preferred style, character, and quality of life for current and future residents.

Housing Types

2019-2023 ACS data indicate that while North East has a substantial number of single-family detached units (estimated at 652), the majority of units (approximately 67% of the estimated total) consist of single-family attached (788) and apartments (550). Additionally, North East's zoning code currently allows Accessory Dwelling Units. North East will continue to plan for accommodating a variety and mix of housing styles and types to ensure that North East provides a balanced housing stock with housing opportunities for all Town residents.

Income, Workforce, and Low-Income Limits

Housing affordability is based on family size and income limits, with housing expenses (rent, mortgage, utilities, condominium and HOA fees, and taxes) limited to no more than 30% of a household's gross income. As indicated in the 2019-2023 ACS estimates, monthly home ownership costs as a percentage of household income are generally affordable, with fewer than nine percent of households experiencing a housing burden (spending 30% or more). Gross Rent as a percentage of household income is higher, with approximately 58% of households being housing burdened (spending 30% or more).

County Area Median Income

2025 AMI for North East town[Philadelphia-Camden-Wilmington, PA-NJ-DE-MD] : **\$119,400**

HB 1045 Household Income Levels/Ranges

Workforce Ownership Range (60% - 120% AMI) : \$71,640 - \$143,280

Workforce Rental Range (50% - 120% AMI) : \$59,700 - \$119,400

Low Income (< 60% AMI) : \$71,640

Affordable Homeowner/Rental Monthly Payments (Based on 30% of Household Income)

Workforce Ownership Range : \$1,731 - \$3,463

Workforce Rental Range : \$1,443 - \$2,886

Low Income : \$1,731

*The ranges and limits in this table are calculated using .29% of income as a measure of cost burden.

The income limit data shown above and summarized below are 2025 estimates from the Maryland Department of Planning Housing Dashboard, developed to meet HB 1045 requirements that housing elements use HUD's Area Median Income (AMI) to plan for low-income and workforce housing. For the Town of North East, the applicable AMI is calculated at the regional level (the Philadelphia–Camden–Wilmington, PA–NJ–DE–MD area), which includes Cecil County and nearby counties outside Maryland. Because this AMI reflects a broader region, it may not match local incomes within North East; however, it is the standard used to define eligibility and target income levels for affordable housing programs. This plan therefore focuses on housing needs at 60% AMI (low-income) and 60–120% AMI (workforce). For context, Cecil County's 2025 AMI is \$119,400, while North East's median family income (2019–2023 ACS) is estimated at \$87,510 (\pm \$11,906).

The income ranges presented below are intended for general planning purposes and do not represent detailed eligibility thresholds for housing assistance. Program-specific requirements, including income limits, vary and are typically adjusted based on household size.

Low Income Housing

Low Income is defined as less than 60% AMI, \$71,640, with monthly ownership expenses (mortgage, taxes, etc.) less than \$1,731 and rentals less than \$1,731.

Workforce Housing

Workforce Ownership Range is defined as 60% - 120% AMI, or \$71,640-\$143,280, with monthly expenses (mortgage, taxes, etc.) \$1,731-\$3,463.

Workforce Rental Range is defined as 50% -120% AMI, or \$59,700-\$119,400, with monthly rents of \$1,731-\$3,463.

Affordability

Home ownership in-North East is affordable for approximately 91% of homeowners. In less than 9% of owned units (74 households), monthly ownership costs consume 30% or more of household income. By contrast, rental affordability is a concern, with 58% of renters (439 households) having gross monthly rent costs that cover 30% or more of their household income.¹

Housing Developments

The following are a few examples of housing developments in and near North East that provide affordable income-restricted housing opportunities.

Stony Run Apartments

Stony Run is located on the west side of North East (Rhudy Road access from U.S. 40) and provides one-, two-, and three-bedroom apartments. It is an income restricted property that offers playgrounds and a community center with computers and internet access. This community was built with Low-Income Tax Credits and is governed by the Department of Housing and Urban Development's Section 8 and U.S. Department of Agriculture rural rental assistance programs.

Riverwoods at North East

Riverwoods at North East is a family community with 76 apartments (16 one-bedroom, 40 two-bedrooms, and 20 three-bedrooms) serving qualified low-income households. Located on the east side of North East (Riverwoods Road), it provides a garden-style family community with gated access, a computer center, laundry facilities, playground, and many other activities and services. This community was developed with Low-Income Tax Credits and is governed by Maryland's Rental Housing Production Program.

Victoria Park @ North East Independent Living

Victoria Park apartments offer independent living accommodations for residents aged 55 and above. Located in the southern area of North East, it is an age- restricted apartment complex consisting of one- and two-bedroom apartments and amenities (e.g., multipurpose room, library, lounges, and a computer lab). These apartments were developed with Low-Income Tax Credits.

Elk River Manor Apartments

¹ American Community Survey figures are estimates based on smaller sample sizes and fairly significant variation in margins of error. They are included as indicators of where the Town may want to focus on collaborative partnerships and opportunities to help increase improved quality of life and housing opportunities in the future.

Elk River Manor is-located in the south-eastern area of North East, providing income-restricted 1- and 2-bedroom apartments. The complex features a playground and a community room, and was constructed with Low-Income Tax Credits and Rural Housing Rental Assistance.

Nearby North East (with North East mailing addresses)

Cedar Hill Apartments

Cedar Hill apartments, located on the North East Side of Main Street adjacent to Town limits (east of the property), is an income-based community participating in the U.S. Department of Housing and Urban Development Section 8 rental assistance program, designed to meet the needs of residents with a range of income levels. It features two-, three-, and four-bedroom apartments, a playground, and is conveniently located near public transportation access and shopping.

The Willows at North East (formerly known as North East Crossing)

The Willows at North East is a low-to moderate-income restricted affordable rental community located adjacent to North East, off Route 40 in Cecil County. It features spacious one-, two-, and three-bedroom rental homes, off-street parking, a playground, a large clubhouse, and an on-site after-school program in conjunction with the Boys and Girls Club of Cecil County. This institution is an equal opportunity housing provider.

North Creek Run

Consisting of 75 townhomes and apartments, North Creek Run is located just three miles outside of North East. It is an income-restricted community offering one-, two-, and three-bedroom rentals, along with a clubhouse and various apartment amenities (e.g., fitness room and computer lab).

Fair Housing

HB 90 (2021) defines affirmatively furthering fair housing as, “taking meaningful actions...to:

- Overcome patterns of segregation;
- Foster inclusive communities free from barriers that restrict access to housing and opportunity based on protected characteristics;[\[2\]](#)
- Address significant disparities in housing needs and access to opportunity;
- Replace segregated living patterns with truly integrated and balanced living patterns; and
- Foster and maintain compliance with civil rights and fair housing laws.”

North East re-affirms its commitment to furthering fair housing through the implementation of its Goals and Objectives, especially related to:

- ❖ Providing a balanced housing stock with housing opportunities for all Town residents.
- ❖ Continuing to encourage greater housing opportunities for the Town's growing elderly population.
- ❖ Encouraging increased homeownership, particularly among the lower-income segments of the community.

The quality of North East's neighborhoods is determined by the cumulative impact of the Town's housing supply and living environment. Since ~~major primary~~ community goals ~~are to improve the quality of life and to promote the availability and affordability of decent, safe, and sanitary housing for all Town residents, housing ranks as an important~~ include improving the quality of life and promoting the availability and affordability of decent, safe, and sanitary housing for all Town residents, housing is a significant local concern. Important factors to be considered in forming Town policy toward the public function of housing in the Comprehensive Plan are:

- Housing is a durable, physical product in a neighborhood setting.
- Housing is a major user of the Town's land.
- Housing is the object of local real estate taxes.
- Housing is a significant ~~major~~ influence on the Town's physical and social environment.
- Housing is an essential requirement for continued economic development.
- Housing construction is a ~~major~~ significant source of employment.
- Housing is a major investment or expenditure for individual families.
- Housing is a major investment for the private financial community.
- Housing is a ~~major significant ingredient in family satisfaction or dissatisfaction and in a community's sense of well-being~~ factor in family satisfaction or dissatisfaction, as well as in a community's sense of well-being.

Current Housing Programs

As federal housing and other related programs have ~~disappeared, cities and counties have sought to aid the would-be homeowner~~ been eliminated, cities and counties have sought to aid potential homeowners. Maryland mounted an ambitious housing program in 1986 in response to federal cutbacks. Most of the state housing programs are administered by the State of Maryland's Community Development Administration ~~which offers a variety of housing programs that fall under the general categories of home-~~ which offers a variety of housing programs that fall under the general categories of homeownership, rental housing, special loans, and housing subsidy programs. The current programs are briefly described below:

Current Home Ownership Programs

Maryland Mortgage Program (MMP) - The purpose of the MMP is to enable low- and moderate-income households to purchase homes by providing below-market interest rate mortgage financing through private lending institutions. The MMP, which targets first-time home buyers, is available to individuals and households with incomes at or below 85 percent of the State median income.

Maryland Home Financing Program - Home Purchase (MHFP – PIRL) – The purpose of MHFP is to provide low-interest-rate mortgages for lower-income households. The MHFP, which targets first-time home buyers, is available to individuals and households with incomes at or below 55 percent of the State's median income.

Maryland Home Financing Program - Reverse Equity Mortgage Program (MHFP – REMF) – The purpose of the MHFP-REMF is to enable elderly families of limited income to access part of their accumulated equity in order to pay for housing and other personal expenses to continue to occupy the home. For eligible applicants and properties, the Community Development Administration (CDA) will establish a line of credit up to a program maximum of \$50,000 from which funds may be requested on a monthly basis. No repayment of loans is required until the death of the last surviving borrower, after the borrower voluntarily moves out, or after the sale or transfer of the property.

Settlement Expenses Loan Program (SELP) – ~~SELP provides financial assistance in the form of low interest loans to pay~~ The SELP provides financial assistance in the form of low-interest loans to cover settlement expenses.

Rental Housing Programs

Multi-Family Bond Program (MBP) – This program is designed to increase the construction and rehabilitation of Multi-Family rental housing for families with limited incomes. ~~Tax~~ Tax-exempt bonds and notes provide below-market-rate construction and permanent financing to for-profit and nonprofit developers. A certain percentage of units in the project must be made available to low-income persons and households.

Rental Housing Production Program (RHPP) – The purpose of the RHPP is to increase the supply of rental housing for low-income families by providing below-market-rate and deferred payment loans to developers. The program is designed to be used in conjunction with tax-exempt, private, local, and federal loans.

Elderly Rental Housing Program (ERHP) – The purpose of the ERHP is to increase the supply of rental housing for low-income elderly households by providing below-market-rate and deferred payment loans to developers. The program is designed to be used in conjunction with tax-exempt, private, local, and federal loans.

Nonprofit Rehabilitation Program (NRP) – The purpose of the NRP is to provide low-interest mortgage loans to nonprofit organizations and local governments to rehabilitate housing for low-income households.

Partnership Rental Housing Program (PRHP) – ~~The PRHP is intended to expand the supply of affordable housing for poor families through State and local government partnership~~ pains to expand the supply of affordable housing for low-income families through partnerships between state and local governments. Eligible projects include new construction and acquisition or rehabilitation of rental housing.

Maryland Housing Rehabilitation Program - Multi-Family (MHRP-MF) – The purpose of the Multi-Family Program is to provide loans to assist owners in bringing their multi-family units up to applicable building codes and standards.

Multi-Family Home and Energy Loan Program (HELP-MF) – The purpose of the HELP is to finance rehabilitation and energy conservation of existing Multi-Family properties using the proceeds of tax-exempt bonds.

Construction Loan Program (CLP) – The CLP provides low-interest, construction financing loans to nonprofit and local governments to acquire, rehabilitate, or construct certain types of housing, and for bridge loans to ~~profit-profit~~ motivated developers.

Transitional Housing and Emergency Shelter Program – The THESP provides grants to improve or create transitional housing and emergency shelters ~~for the purpose of reducing, aiming to reduce~~ homelessness in the ~~State~~state.

Special Loan Programs

Maryland Housing Rehabilitation Program - Single Family (MHRP SF) – The purpose of the program is to preserve and improve existing small residential properties by bringing the properties up to applicable codes and standards. In 1990, this program was merged with the Livability Code Rehabilitation Program.

Accessory, Shared and Sheltered Housing Program (ACCESS) – The purpose of ACCESS is to expand ~~low-low~~ cost housing opportunities for low-income households and low-income elderly ~~or, handicapped or~~ disabled persons by financing the creation of accessory, shared, and sheltered housing facilities.

Indoor Plumbing Program (IPP) – The purpose of the IPP is to provide indoor plumbing in residential properties.– Loans are made to ~~income-income~~ eligible households in owner-occupied single-occupied single-family units.

Residential Lead Paint Abatement Program (RELAP) – Loans are provided through the RELAP to reduce instances of lead poisoning of children by financing the abatement of lead paint in residential buildings.

Group Home Financing Program (GHFP) – The purpose of this loan program is to assist individuals and nonprofit organizations to construct or acquire and modify existing housing to serve as group homes or temporary and emergency shelter for income-eligible persons and households with special housing needs.

Special Housing Opportunities Program (SHOP) – The purpose of the Special Housing Opportunities Program (SHOP) is to assist non-profit organizations and local development agencies ~~construct in constructing, and acquire-acquiring,~~ and modifying existing housing to provide shelter and services to individuals with special housing needs.

Special Targeted Applicant Rehabilitation Program (STAR) – The purpose of the STAR program is to preserve and improve ~~single-single~~ family properties.– STAR was

designed to bring properties up to applicable building codes and standards or a minimum housing quality standard.

Housing Subsidy Programs

Rental Allowance Program (RAP) – This program provides grants to local governments to provide flat rent subsidies to low-income families who are homeless or have emergency housing needs. The purpose of the program is to help these families to move from temporary housing to permanent housing and self-transition from temporary housing to permanent housing and achieve self-sufficiency.

Section 8 Existing Certificate/Voucher Program – A U.S. Department of Housing and Urban Development ~~Program (HUD), Section 8 Existing is a rental assistance program which subsidizes the rent of low-~~ (HUD) program, Section 8 Existing is a rental assistance program that subsidizes the rent of low-income families through the use of federal grants. This program is administered through the Maryland CDA and the Cecil County Department of Housing.

Low Income Housing Tax Credit Program

~~The Federal Low-Income Housing Tax Credit, created by the Tax Reform Act of 1986 and extended by the Revenue Reconciliation Act of 1989, is designed to encourage private sector investment in the construction and rehabilitation of housing for low- and moderate-~~ Income Housing Tax Credit, created by the Tax Reform Act of 1986 and extended by the Revenue Reconciliation Act of 1989, is designed to encourage private sector investment in the construction and rehabilitation of housing for low- - and moderate-income families. The law ~~gives states annual tax credit allocation based on~~ allocates annual tax credits to states based on their population. CDA is the agency ~~which that allocates administers~~ the state's tax credits on a competitive basis.

Infrastructure Program

The purpose of this program is to provide an efficient and economical means of access ~~to capital markets in order to finance infrastructure projects to~~ ing capital markets to finance infrastructure projects for local governments. This program is administered through the Maryland CDA.

Recommendations

There are alternatives available to local governments for ~~the provision of~~ providing affordable housing. The extent to which these alternatives are used, either singularly or in combination, depends on the particular needs of the community. Each approach to providing affordable housing has varying degrees of success.

Efficiency Apartments

~~Efficiency apartments may be permitted under certain conditions with adequate safeguard~~ apartments may be permitted under certain conditions, provided adequate safeguards are

in place to protect the character of the existing residential neighborhoods. Both the homeowner and the community can benefit from the presence of accessory apartments if they are carefully managed. The most obvious public benefit of efficiency apartments is that they offer a source of inexpensive housing units in the community with virtually no conversion of land use to produce them. Efficiency apartments are moderate-cost housing and can reduce some of the need for ~~some~~ new development.

The following guidelines should be used to address some of the concerns about the impacts that ~~single~~ single-family housing conversion to efficiency apartments may have on the character of a neighborhood:

1. Require Owner Occupancy - require that the owner of the building continue to reside in one of the units to ensure that the appearance of the structure will be maintained.
2. Restrict the Age of Homes to Be Converted - these provisions will limit conversion to existing structures to discourage builders from taking advantage of an efficiency apartment provision as a backdoor route to two-family development.
3. Provide for Parking and Traffic - these provisions will mandate that the existing parking pattern not be altered and that off-street parking be provided.
4. Guarding Against Visual Change in the Neighborhood - these provisions will generally restrict the owner from making external alterations to the structure, such as adding a second entrance on the front of the house.
5. Specifying Minimum Apartment Sizes - these provisions should limit the size of the efficiency apartment as it relates to the main unit to ensure that the accessory unit is clearly secondary. ~~Minimum~~ The minimum size of apartments will be specified.
6. Providing Opportunities to Control the Scale of Change - these provisions should allow conversions under a special exception rather than as a "by right" in any zone, thereby allowing neighborhood residents a chance to respond.

Cluster Development

Cluster development is a method of grouping housing units ~~together~~ to reduce street and utility costs while retaining the same density as regular housing types (see Illustration 1). The Town permits cluster development ~~within~~ as outlined in the Zoning Ordinance.

Traditional Neighborhood Development (TND)

Traditional neighborhood development is a development pattern that reflects the characteristics of small, older communities of the late 19th and early 20th centuries. Emphasis is placed on the layout of the streets, the building of a variety of housing types with smaller front yards, the more judicious use of open spaces to serve as community focal points, and the appearance of clearly defined streetscapes (see Illustration 2). TND communities are characterized by:

- mixed land uses;
- grid street patterns;
- pedestrian circulation;

- intensively-used open spaces;
- architectural character and
- a sense of community.

It is recommended that the Town revise existing regulations to establish a TND overlay zoning district for infill development, as well as for use in Designated Growth Areas. Traditional neighborhood development concepts are particularly relevant to vacant areas in and immediately adjacent to the Town. In the overlay zone, design standards should be created that encourage compatible new construction and additions in traditional neighborhoods. New TND districts created under these provisions should establish specifications for building bulk, building setback, yard requirements, building height and scale, and/or parking requirements. The overlay zone should ~~provide that exceptions to existing development standards can be made~~allow for exceptions to existing development standards where appropriate.

Enforcement of Building and Housing Codes

Building codes are designed to ~~assure~~ensure that new structures are of good quality, and housing codes are aimed at obtaining quality in existing housing. Both are worthwhile, even though they necessitate the added burden of time and staff to enforce them. Building inspection and enforcement in the Town of North East is provided by Cecil County.

Livability Code

The Livability Code applies to ~~minimal safe and sanitary conditions of rental properties only and is intended to insure that all rental units meet basic standards for such things~~the minimal safe and sanitary conditions of rental properties only and is intended to ensure that all rental units meet basic standards for features such as bathroom facilities, electrical systems, etc. Cecil County enforces the Livability Code in the Town of North East.

Other Recommendations

The Town should encourage the construction of ~~additional 55 + housing for the elderly housing for those aged 55 and over, such as Victoria Park~~the Victoria Park development. If located near the downtown area, as recommended, such a project will provide for convenient access to shopping and other downtown facilities.



CONVENTIONAL SUBDIVISION

The entire site is subdivided into lot of 1/2 acre or more. An extensive road system is required for access to lots, and the dispersed lay-out increases the cost of utility installation and maintenance. Open space is minimal thus forcing pedestrians and vehicular traffic to utilize the same travel corridors. Privacy is limited and the landscape is often monotonous.



CLUSTER

Lot size is reduced, with the balance provided as open space. Clustering allows for the utilization of the best building sites, while preserving environmentally sensitive areas. In addition, utility and road costs are reduced as is maintenance costs. More open space can be provided and utility can be achieved with attached units, such as townhouses and multi-plex units.



Illustration 2 - Traditional Neighborhood Development Concept

