

Title: A resolution declaring the City of Frederick's commitment to action on affordable housing

Introduced by: Council President César Díaz

Date: _____ **Action:** _____

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THE CITY OF FREDERICK CITY COUNCIL

RESOLUTION NO: 26-

A RESOLUTION

Declaring the City of Frederick's Commitment to Action on Affordable Housing

BACKGROUND

The City of Frederick City Council makes the following findings:

- The City of Frederick faces a documented and ongoing housing affordability crisis. Nearly one in three households is housing cost burdened. Approximately half of all renter households are cost burdened, and more than one in four renters are severely cost burdened, spending over half of their income on housing.
- The City's rental vacancy rate is 3.1%, well below the statewide rate of 5.1%. This constrained rental market drives up costs and limits options for working families.
- Median home sale prices in the City of Frederick rose sharply between January 2020 and late 2024, increasing more than 60% in the first two years alone.
- The City of Frederick Housing Data Report prepared by Thomas P. Miller and Associates (February 2026) projects total housing demand of 13,774 units by 2035—approximately 1,377 units per year. Of this demand, 6,490 units represent rental housing and 7,284 represent for-sale housing.
- Approximately 4,845 of the projected units—just over one-third of total demand—are needed for households earning 60% or less of Area Median Income (AMI). Of those, 3,666 units are rental, representing more than half of all projected rental demand.
- The current housing gap includes 8,133 households that are cost burdened and earn below \$75,000 annually, including 5,136 renter households and 2,997 owner households. These households represent the most acute unmet housing need in the City.
- Mayor Michael O'Connor convened the Mayor's Affordable Housing Task Force to systematically study the housing crisis and recommend actionable solutions. The Task Force met from March 19 to May 15, 2026, and included housing development experts, nonprofit organizations, faith leaders, advocates, city staff, and elected officials—representing an estimated 371 years of combined experience.
- In July 2026, the Task Force completed its report, *Opening Doors in Frederick: An Action Agenda for Affordable Housing*, outlining data-driven recommendations across four domains: land; policy and process; fees and funding; and communications.
- The Task Force found that entitlement, planning, and permitting processes impose significant time and cost burdens, with approval timelines of 18 to 24 months or more. These delays increase project costs, reduce feasibility, and cause housing projects to stall or fail.
- The Task Force found that the City's Adequate Public Facilities Ordinance (APFO) significantly restricts land available for affordable housing development and

recommended tiered AMI-based exemptions to allow projects serving households earning 80% AMI or below to proceed with reduced APFO thresholds.

- The Task Force further found that the current Moderately Priced Dwelling Unit (MPDU) ordinance's 25-unit threshold is too high. It recommended reducing the threshold to 10 units and creating financial and development incentives for units affordable to households at or below 60% and 30% AMI.
- The Task Force estimated that implementing its full recommendation package—including regulatory reform, adequate staffing, and strategic resource deployment—could generate an additional 4,000 units of new housing over the next decade.
- The documented need of 13,774 units by 2035, compared with the estimated 4,000 units achievable under current conditions, demonstrates both the scale of the crisis and the gap between need and realistic production. The City Council finds that closing this gap requires urgent, innovative, and sustained action beyond typical municipal processes.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FREDERICK that the following affordable housing policy framework is adopted:

Section 1. Acknowledgment of Task Force Findings

The City Council formally acknowledges and endorses the findings of the Mayor's Affordable Housing Task Force Final Report, *Opening Doors in Frederick: An Action Agenda for Affordable Housing* (July 2026), and the City of Frederick Housing Data Report prepared by Thomas P. Miller and Associates (February 2026). Together, these documents constitute the foundational evidence base for housing policy in the City of Frederick.

Section 2. Commitment to Action

The City Council commits to using the Task Force report as the primary framework for shaping and evaluating housing legislation, budget priorities, land use decisions, and regulatory reforms. The Council calls on all City departments to treat the Task Force recommendations as an actionable policy work plan and to develop implementation plans, timelines, and accountability measures to advance this work.

Section 3. Production Goals

The City acknowledges that documented housing demand requires approximately 1,377 new units per year through 2035, of which more than one third must be affordable to households earning at or below 60% of AMI. The City adopts the Task Force's estimate of 4,000 additional units over ten years as a minimum production floor contingent upon full implementation of the Task Force recommendations, and will pursue strategies to close the gap between that floor and the documented need.

Section 4. High-Priority Recommendations

The City Council identifies the following Task Force recommendations as high-priority action items and calls on the Administration, in collaboration with the City Council, to develop implementation plans and timelines for each.

- (A) Establish an Affordable Housing Commission with authority to review annual housing priorities, oversee City Housing Fund spending, and report publicly on progress.

- (B) Create a cross-departmental housing implementation team and an Affordable Housing Navigator position to identify development opportunities, assemble incentive packages, and help projects achieve financial feasibility.
- (C) Reform the Adequate Public Facilities Ordinance to create tiered AMI-based exemptions.
- (D) Modernize the MPDU ordinance by reducing the applicability threshold from 25 to 10 units, creating deeper affordability incentives for units at or below 60% and 30% AMI, and revising in-lieu fee structures to better support the City Housing Fund.
- (E) Establish an expedited development review pathway targeting approval timelines of 8 to 10 months for qualifying affordable housing projects, including concurrent interdepartmental reviews and expanded administrative approvals.
- (F) Explore and develop innovative financing tools—including Tax Increment Financing, Community Development Financial Institution partnerships, PILOT programs, fee-waiver and deferral frameworks, and recordation tax relief—to support affordable housing projects.
- (G) Reform City-owned land disposition practices to prioritize affordable housing development, including issuing an RFP for City-owned parcels with affordability and AMI-targeting requirements.
- (H) Implement zoning reforms to expand and facilitate construction of missing-middle housing, accessory dwelling units, faith-based land development, and infill housing across the City.
- (I) Adopt a housing production dashboard and annual public reporting requirement tracking units permitted and delivered by type and AMI tier, approval timelines, and City Housing Fund expenditures.

Section 5. Anti-Displacement

The City Council recognizes that housing production alone is insufficient to address the housing crisis. The City commits to pursuing parallel strategies to preserve naturally occurring affordable housing, explore targeted rent stabilization tools, maintain and extend affordability covenants, and prevent displacement of low-income residents as new housing is developed.

Section 6. Annual Reporting

Beginning in FY2028, the Department of Housing and Human Services, in collaboration with other relevant City departments, will publish an annual Housing Production Report tracking progress against the Task Force recommendations and the production goals established in this resolution. The report shall be presented at a City Council public meeting and made available to the public in accessible formats and communication channels.

Section 7. Foundation for Future Action

This resolution does not create enforceable legal obligations or supersede existing law. It establishes the policy intent of the City Council and shall serve as the foundation for subsequent ordinances, budget allocations, regulatory reforms, and zoning actions implementing the Task Force's recommendations.

Section 8. Advocacy and Governmental Partnerships

The City Council recognizes that effectively addressing the housing crisis requires coordinated action among governments at all levels. The City commits to advocating for policies that support the development of affordable housing among its federal and state advocacy priorities. The City Council further affirms its intention to work with its governmental partners—particularly Frederick

County and the State of Maryland—to advance joint initiatives and policy frameworks that address the housing crisis. Affordable housing development must be a shared priority that all governments work together to advance.

BE IT FURTHER RESOLVED that a copy of this resolution be transmitted to the City of Frederick’s state and federal delegations, the Governor of Maryland, the Frederick County Executive, the Frederick County Council, and other appropriate public officials and governmental associations.

ADOPTED AND APPROVED THIS _____ DAY OF _____, 2026.

APPROVED: _____ PASSED: _____

Michael O’Connor, Mayor

César Díaz, City Council President

Approved for Legal Sufficiency:

City Attorney