



March 31, 2016

## TECHNICAL STAFF REPORT

*Planning Board Meeting of April 14, 2016*

*County Council Hearing to be Scheduled*

**Case No./Petitioner:** Jen Terrasa, Howard County Council

**Request:** That the Planning Board review and make recommendations on a legislative package for affordable housing in Downtown Columbia (hereafter “GPA 2016-02 Package”), which is comprised of GPA 2016-02 (revisions to the Downtown Columbia Plan) along with ZRA-162 (Zoning Regulation Amendment 162).

**Recommendation:** Denial

### **I. Overview**

*PlanHoward 2030* outlines key initiatives to enhance the high quality of life of all Howard County residents. Affordable housing is an important initiative in *PlanHoward 2030*, which states, “The County will continue to develop new models to provide sustainably affordable housing in mixed income communities, and to educate both home-seekers and the general public on the many benefits of compact, mixed-use, mixed income, location efficient homes.” The Downtown Columbia Plan (DCP), which is a component of *PlanHoward 2030*, embraces the diversity of Howard County residents and emphasizes the need to “recognize and celebrate the original vision of Jim Rouse to create a socially responsible city for people of all ages, incomes and backgrounds. The establishment of an ongoing mechanism to provide a full spectrum of housing into the future is an important social responsibility shared by us all. Of related but equal importance is encouraging within downtown Columbia itself the diversity of people that exists elsewhere in Columbia today.”

To implement the DCP’s vision of a full spectrum housing program for Downtown Columbia, the County Council adopted Council Bill No. 24-2012 establishing a Downtown Columbia Community Housing Foundation (DCCHF) which would administer a housing fund to be created from contributions from Howard Research and Development (HRD), the master developer, other developer and property owners

and other sources. The bill recognized the Columbia Downtown Housing Corporation (CDHC) as the Downtown Columbia Housing Foundation under the DCP.

In March of 2014, the CDHC reported that legislative changes were necessary to realize the DCP's affordable housing goals. In October of 2014, the County Council passed Council Resolution No. 120-2014 requesting the CDHC to recommend any changes believed necessary and appropriate to the County Council and County Executive. From February through July 2015, representatives of the CDHC and HRD provided recommendations, and alternative proposals, to the County Council. Concurrently, from June through August 2015, representatives of CDHC, HRD, the Howard County Housing Commission and the County Executive met to discuss a set of joint recommendations for the affordable housing program.

In October 2015, Councilwoman Terrasa filed a petition for a General Plan Amendment and accompanying Zoning Regulation Amendment to implement the original recommendations of the CDHC. Councilwoman Jen Terrasa has submitted this proposal with the aim that Downtown Columbia develops with a full spectrum of housing options as envisioned in the DCP. Calling for at least 15% affordable housing ranging from 40% to 80% of Howard County area median income for all future Downtown residential development, Councilwoman Terrasa indicates that these proposed amendments would implement the original recommendations which the CDHC presented to the County Council in February 2015. DPZ agrees that there is a need to achieve a full spectrum of housing options in accordance with the DCP. As a result, this report reviews and analyzes the viability of her legislative package to bring affordable housing to Downtown Columbia.

## **II. Description of GPA Package 2016-02**

The following strategies are used to achieve a full spectrum of housing affordability:

### **1. Minimum Unit Requirement**

At least 15% of residential units in each Downtown Columbia Revitalization development shall be affordable at the following levels:

- Each rental housing project, at least 15% of the units must be affordable as follows: 5% at 40% of HCAMI, 5% at 60% of HCAMI and 5% at 80% of HCAMI.
- Each for-sale housing project, at least 15% of the units must be affordable at 80% of HCAMI.

### **2. Low-Income Alternative**

A flexible compliance strategy for a project to satisfy affordability requirements by providing units in one of the following alternative affordability levels:

Low-Income Alternative Compliance			
Alternative	40% HCAMI Units	60% HCAMI Units	80% HCAMI Units
1	6%	4%	3%
2	7%	3%	1%
3	8%	2%	0%
4	9%	0%	0%

### 3. Low-Income Unit Exchange

For mixed-income rental housing, with more than 15%, but not more than 45%, of all units in the project being affordable, the developer will receive a one-time-credit for each affordable unit in excess of the required 15% and affordable at 60% HCAMI or less. The following provisions apply:

- The one-to-one credit can be used to reduce the number of units required to be affordable at the same level of affordability in another project and
- The use of the credit shall not result in a project with less than 5% of its units affordable.

### 4. Housing Fund

The one-time, per-unit developer contribution required under the Downtown Columbia Plan is eliminated for all projects exclusive of those with Site Develop Plans (SDPs) filed before October 1, 2015.

## III. Evaluation of ZRA-162

Although DPZ recommends denial of the GPA-2016-02 package, the following evaluation of ZRA-162 provides technical recommendations should the Planning Board desire to recommend ZRA-162, or a portion thereof.

The petitioner proposes to create Sec. 125.0.A.9.d which provides for Full Spectrum Housing, however this section currently exists. Therefore, DPZ proposes to change the section to 125.0.A.9.i. This change is reflected in the following evaluations, as well as in Exhibit B - DPZ's proposed text.

#### 1. **Section 125.0.A.9.d- Change to Section 125.0.A.9.i** Staff recommends inclusion with revisions

The proposed amendment adds a new section entitled "Full Spectrum Housing." It requires 15% affordable residential dwellings in each Downtown Columbia Revitalization development, in accordance with the requirements of five proposed subsections.

DPZ recommends that dedicated affordable housing be required in new development in Downtown Columbia in accordance with the objectives of *Plan Howard 2030* and the DCP. Since an MIHU requirement currently exists in the MXD, RH-ED, R-ED, RSI, POR, CCT, CEF, RSA-8, R-SC, R-12,

R-20, RR, RC, RA-15, TOD and CAC Zoning Districts, the proposed language has been revised to maintain consistency with the MIHU requirement used in other Zoning Districts.

**2. Section 125.0.A.9.d(1)(A)- Change to Section 125.0.A.9.i(1)(A)**

DPZ recommends this requirement be located in the Howard County Code Title 13, Subtitle 4

The proposed amendment adds a requirement that 15% of the dwelling units in a rental housing development in Downtown Columbia be affordable; with 5% at 40% of Howard County Area Median Income (HC AMI), 5% at 60% of HC AMI, and 5% at 80% of HC AMI.

According to the Petitioner’s proposal a minimum affordable housing requirement would be included in the Zoning Regulations in Sec. 125.0.A.9.i. DPZ prefers that details regarding affordability levels and/or compliance with this requirement be located in the Housing Code (Title 13, Subtitle 4 of the Howard County Code). Section 13.402 of the Howard County Code governs development procedures associated with affordable units, affordable development agreements, and outlines various compliance options. Therefore, DPZ recommends that all compliance provisions be located in the Housing Code. This approach avoids duplication within various regulations and is consistent with how the regulations are currently organized.

**3. Section 125.0.A.9.d(1)(B)- Change to Section 125.0.A.9.i(1)(B)**

DPZ recommends this requirement be located in the Howard County Code Title 13, Subtitle 4

The proposed amendment adds a requirement that 15% of the dwelling units in a for-sale housing development in Downtown Columbia be affordable at 80% of HC AMI.

See comments in Evaluation #2. Details regarding compliance or affordability levels should be located in the Housing Code (Title 13, Subtitle 4 of the Howard County Code).

**4. Section 125.0.A.9.d(1)(C)- Change to Section 125.0.A.9.i(1)(C)**

Staff recommends inclusion as proposed

The proposed amendment requires that projects comply with the procedures set forth for Moderate Income Housing Unit (MIHU) law, Sec. 13.400 et seq. of the Howard County code.

Pursuant to Sec. 13.400(f) “Residential developments in the R-SA-8, R-A-15, CCT, POR, R-SI, TOD, CAC Zoning Districts and any other zoning districts that may include a moderate income housing unit requirement” are subject to Subtitle 4 Moderate Income Housing Units. Therefore, this section is not technically necessary. However, DPZ supports the reference to Sec. 13.400 of the Howard County Code for information purposes.

**5. Section 125.0.A.9.d(1)(D) – Change to Section 125.0.A.9.i(1)(D)**

DPZ does not recommend inclusion

The proposed amendment requires all projects that submit a site development plan after October 1,

2015 comply with the requirements of subsections (A) and (B).

This section provides grandfathering rights for developments that submitted a Site Development Plan (SDP) prior to October 1, 2015. Any project that filed an SDP on or after October 1, 2015 would be required to comply with these regulations, even if the SDP was approved.

This provision is not consistent with Sec. 100.E.3 which states:

*“Any amendment or change to the Zoning Regulations, whether previously or hereafter adopted, shall be applicable to all pending and future proceedings and actions of any Board, Hearing Authority or agency empowered to decide applications under these Regulations, whether decided on original application or remand from Court, unless the amendment or change expressly provides that it only applies to future proceedings and actions...b. Applications for subdivision or Site Development Plan approval are considered pending unless the initial residential plan submittal, as defined in the Subdivision and Land Development Regulations, or the Site Development Plans for all other types of development is technically complete prior to the date the legislation is effective, except that development projects of over 300 units which have processed Site Development Plans on at least 50% of the overall site shall not be considered pending.”*

Although grandfathering provisions are allowable, DPZ does not support applying new affordable requirements to developments that have submitted SDP’s and have been deemed technically complete. Therefore, DPZ’s recommends that Sec. 100.E.3 apply.

**6. Section 125.0.A.9.d(1)(E) - Change to Section 125.0.A.9.i(1)(E)**

DPZ does not recommend inclusion

Similar to #5 above, this section does not allow projects that filed SDPs after October 1, 2015 to pay the “per unit developer contribution” required in the Downtown Columbia Plan. With respect to the grandfathering date of October 1, 2015, a Downtown Columbia Plan amendment has been submitted with this ZRA that will address this requirement. However, as stated in #5 above, DPZ recommends that any affordable housing requirements apply prospectively in accordance with Section 100.E.3.

**7. Section 125.0.A.9.d(2)(A)- Change to Section 125.0.A.9.i(2)(A)**

DPZ recommends this requirement be located in the Howard County Code Title 13, Subtitle 4

The proposed amendment provides alternative HC AMI allocations to meet the affordable housing requirements in subsections (A) and (B).

See comments in Evaluation #2. Details regarding compliance or affordability levels should be located in the Housing Code (Title 13, Subtitle 4 of the Howard County Code).

**8. Section 125.0.A.9.d(2)(B)- Change to Section 125.0.A.9.i(2)(B)**

DPZ recommends this requirement be located in the Howard County Code Title 13, Subtitle 4

The proposed amendment allows for a housing unit exchange for rental housing developments that

provide affordable units above the required 15%. The units above the 15% can be used to meet the affordable housing requirement of other rental housing developments.

See comments in Evaluation #2. Details regarding compliance or affordability levels should be located in the Housing Code (Title 13, Subtitle 4 of the Howard County Code).

**9. Section 125.0.E(4)(e)- Change to Section 125.0.E(4)(e)**  
DPZ does not recommend inclusion

The proposed amendment adds a reference to Sec. 125.0.A.9.D in the existing affordable housing requirement criterion related to Final Development Plan Approval.

Inclusion of this section reference is unnecessary, as the existing language regarding satisfying the affordable housing requirement is sufficient to ensure compliance. However, if this is included the reference should be changed to refer to Sec. 125.0.A.9.i

**10. Section 125.0.H(3)(g)**  
DPZ recommends inclusion with revision

The proposed amendment adds a reference to the Sec. 125.0.A.9.D in the existing affordable housing requirement criterion related to Site Development Approval.

DPZ recommends that this section be included but the reference be revised to reflect Section 125.0.A.9.i.

ZRA-162 and its accompanying DCP amendments (i.e. GPA 2016-02 Package) represent a potential strategy for the creation of full spectrum housing in Downtown Columbia. However, DPZ does not support the inclusion of housing policy provisions into the Zoning Code and prefers that affordability requirements be included in Title 13, Subtitle 4 of the Howard County Code. Many jurisdictions codify affordable housing goals through adoption of an Inclusionary Housing Ordinance or Housing Code that is separate from Zoning Regulations.

Additionally, it should be stressed that this section of the technical staff report focuses on zoning text changes rather than the ability of GPA 2016-02 Package to create a full spectrum of housing opportunities. The sections below evaluate the proposal in relation to the DCP and analyze its viability in relation to the competing GPA 2016-03 Package.

If the GPA 2016-02 Package is recommended for adoption, DPZ recommends relocating the detailed regulations governing compliance with the affordable housing requirement to the Housing Code (Title 13, Subtitle 4 of the Howard County Code). DPZ also recommends revising affected subsections to reference the Housing Code for those requirements. The Department of Planning and Zoning's recommended amendment text is attached to this Technical Staff Report as Exhibit B.

#### **IV. Evaluation of GPA 2016-02**

1. The following summarizes proposed revisions to the DCP, which is incorporated into *PlanHoward 2030* by reference:

**a. Downtown Columbia Plan, Chapter 1. Making a Special Place  
Section 1.5 Diverse Housing**

**Downtown Columbia Community Housing Foundation (DCHF)**

The Downtown Columbia Plan's vision of a full spectrum of housing is established through the DCHF which uses developer required funds to support affordable housing opportunities. GPA 2016-02 revises the program's design by acknowledging the Fund's application with previous residential projects, eliminating its requirement for new projects and replacing it with unit affordability requirements.

**Mixed-Income Housing**

Inclusionary policies intend to create mixed-income housing throughout Downtown and produce affordable units for a broad spectrum of incomes. Optional provisions are included to facilitate a greater number of low income units and provide flexibility within the parameters set for the overall mix of affordable and market rate units (see II. Section 1-3). The specific parameters of the policy are only referenced by GPA 2016-02 and are incorporated into the supporting Zoning Regulation Amendment (ZRA-162).

**b. Downtown Columbia Plan, Chapter 4. Balancing and Phasing Growth  
Downtown Community Enhancements, Programs and Public Amenities (CEEPAs)  
Implementation Chart**

GPA 2016-02 revises CEEPA 26 by removing the one-time, per unit development fee for new residential projects through a timing provision that applies the requirement to SDPs filed prior to October 1, 2015.

2. The following policies of *PlanHoward 2030* are directly related to, and implemented by, GPA 2016-02:

**a. Chapter 9 Chapter 9. Housing**

**POLICY 9.2** Expand full spectrum housing for residents at diverse income levels and life stages, and for individuals with disabilities, by encouraging high quality, mixed income, multigenerational, well designed, and sustainable communities.

Implementing Actions

- **Range of Affordable Options.** Continue to expand current options for full spectrum, affordable housing through affordable housing requirements in additional zoning districts; increased regulatory flexibility to provide low and middle alternatives to moderate income housing; institution of density or other incentives; use of fee-in-lieu option; accessory apartments

establishment of public, private, and nonprofit partnerships; and promotion of business community support for workforce housing.

- **Diverse Rental Opportunities.** Work with developers to provide increased full spectrum rental choice for all incomes, ages and abilities throughout Howard County, especially in areas designated for increased density and revitalization.

While the GPA 2016-02 Package provides consistency with the referenced policy of *PlanHoward 2030*, its strategies to deliver full spectrum housing through a range of affordability options and diverse rental opportunities are not as far reaching as those incorporated into the competing GPA 2016-03 Package. The DCHF would receive no further funding. As an instrument of the DCP's affordable housing program, the Fund remains a critically important element of a comprehensive set of options to meet affordable housing needs.

Also, the intent of *PlanHoward 2030* Policy 2.1 is to foster broad public participation in the DCP's implementation process (see GPA 2016-03 Package). While the GPA 2016-02 Package is with merit in terms of its attempt to advance affordable housing policy, it undermines the process of seeking consensus with difficult issues, like affordable housing, which is implicit to Policy 2.1.

The amendments in the GPA 2016-02 Package express the single perspective of the CDHC prior to it revisiting the issue to collaborate with stakeholders and prompt the competing GPA 2016-03 Package. As a result of working through the consensus building process, that prior position of the CDHC, which was first presented in February 2015, has since been broadened to reflect a collective response to affordable housing policy by the CDHC, HRD, the Howard County Housing Commission and the County Executive – the position represented in the GPA 2016-03 Package.

## **V. Comparison to the GPA 2016-03 Package**

Credit is due to the GPA 2016-02 Package for initiating the process to implement affordable housing in Downtown Columbia, and many of its components served as a spring-board for the GPA 2016-03 Package. Still, it is only the GPA 2016-03 Package, described in a separate technical staff report, that is based upon the Joint Recommendations - a cooperative effort by key stakeholders in Downtown Columbia.

Application is a key differentiator in the competing legislative packages. Howard County can set an inclusionary requirement at any level it wants, but the intended number of affordable units may not be built due to market limitations. The Joint Recommendations (i.e. the GPA 2016-03 Package) comes as close as possible to guaranteeing the full number of affordable units envisioned. A 15% MIHU requirement in the absence of density increases and parking modifications may not be economically feasible and therefore is less likely to result in the construction of units and alignment with the DCP. An analysis of the proposals in the GPA 2016-02 Package by Sage Policy Group, Inc. notes that “compliance



would likely bring investment returns to levels that would not support ongoing redevelopment in Downtown Columbia” and that “the return for investors in Downtown Columbia’s redevelopment will be reduced enough to frustrate construction.”

The competing GPA 2016-03 Package provides an alternative to the GPA 2016-02 Package by serving affordable housing needs to a greater extent. The GPA 2016-03 Package proposes the development of more affordable units serving a broader range of incomes and has a higher likelihood of being successfully implemented as summarized in the table below.

<b>DCP Affordable Housing Amendment Comparison</b>				
Affordable Housing Program	2010 DCP (Current Law)	GPA 2016-03 Package Without the DRRA	GPA 2016-03 Package	GPA 2016-02 Package
Initial Fund	•	•	•	•
Ongoing Developer Fees	•	•	•	
Multiple Developers of Affordable Units			•	
Stakeholder Consensus			•	
Provides Land for LIHTC Projects			•	
Provides for Housing Commission Ownership			•	
Minimum Affordable Unit Requirement		10%	>10%	15%
Potential Affordable Units*		468	900	702
HC AMI Range		60%	0% - 80%	40% - 80%

*\* Applies minimum requirement across remaining 4,683 units in Downtown Revitalization. Excludes units at the Columbia Flier building.*

As the chart above indicates, the legislative package under review would produce less affordable units in Downtown Columbia than the competing GPA 2016-03 Package. Under the GPA 2016-02 Package, the projected number of rental units that will be affordable to households of low or moderate income at full build-out will be nearly 200 less than the projected number under the Joint Recommendations. In addition, the competing GPA 2016-03 Package requires the inclusion of a broader range of incomes (0% - 80% vs. 40% - 80%).

The objectives of the GPA 2016-02 Package are commendable and align with many of the affordable housing goals of the DCP, but the competing GPA 2016-03 Package is a more comprehensive and consensus-driven package and will better achieve the full-spectrum affordable housing goals in Downtown Columbia. Given this, DPZ recommends GPA 2016-03 and does not recommend GPA 2016-02. Please refer to the technical staff report on GPA 2016-03 for more details on that package.

**VI. Recommendation**

The Department of Planning and Zoning recommends denial of this GPA 2016-02 legislative package.



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Valdis Lazdins, Director

3-31-16

\_\_\_\_\_  
Date

**VII. Exhibits**

- **Exhibit A:** ZRA-162 (Petitioner’s Proposed Text)
- **Exhibit B:** DPZ’s Proposed ZRA-162 Text
- **Exhibit C:** Amendment to General Plan (revisions to the Downtown Columbia Plan)

*\*NOTE: The file is available for public review at the Department of Planning and Zoning Public Information Counter.*

# Exhibit A

## Petitioner's Proposed Text

(CAPITALS indicate text to be added; [[brackets indicate text to be deleted]])

Sec. 125.0.A.9

D. FULL SPECTRUM HOUSING: TO PROVIDE A FULL SPECTRUM OF HOUSING AFFORDABILITY AS ENVISIONED IN THE DOWNTOWN COLUMBIA PLAN, AT LEAST 15% OF THE RESIDENTIAL DWELLINGS IN EACH DOWNTOWN COLUMBIA REVITALIZATION DEVELOPMENT SHALL BE AFFORDABLE AS DESCRIBED BELOW:

### 1. REQUIREMENTS

- A. IN EACH RENTAL HOUSING PROJECT, AT LEAST 15% OF THE UNITS MUST BE AFFORDABLE AS FOLLOWS: 5% AT 40% OF HC AMI, 5% AT 60% OF HC AMI, AND 5% AT 80% OF HC AMI.
- B. IN EACH FOR-SALE HOUSING PROJECT, AT LEAST 15% OF THE UNITS MUST BE AFFORDABLE AS FOLLOWS AT 80% OF HC AMI.
- C. PROJECTS CONTAINING AFFORDABLE UNITS SHALL COMPLY WITH THE PROCEDURES SET FORTH IN THE MODERATE INCOME HOUSING UNIT (MIHU) LAW, SECTION 13.400 ET SEQ. OF THE HOWARD COUNTY CODE.
- D. NOTWITHSTANDING THE PROVISIONS OF SECTION 100.O.E OF THE ZONING REGULATIONS, ANY PROJECTS THAT HAVE FILED A SITE DEVELOPMENT PLAN ON OR AFTER OCTOBER 1, 2015 WILL COMPLY WITH THE REQUIREMENTS PROVIDED IN SUBSECTIONS (A) AND (B) OF THIS SECTION.
- E. THE PER-UNIT DEVELOPER CONTRIBUTIONS REQUIRED PREVIOUSLY UNDER THE DOWNTOWN COLUMBIA PLAN ARE ELIMINATED FOR ALL PROJECTS OTHER THAN THOSE PROJECTS THAT HAVE SITE DEVELOPMENT PLANS FILED BEFORE OCTOBER 1, 2015.

### 2. FLEXIBILITY

- A. LOW-INCOME ALTERNATIVE. A PROJECT MAY SATISFY THE AFFORDABILITY REQUIREMENT IN D(1) ABOVE BY PROVIDING AFFORDABLE UNITS IN ONE OF THE FOLLOWING ALTERNATIVES:

ALTERNATIVE	40% HCAMI UNITS	60%HCAMI UNITS	80% HCAMI UNITS
1	6%	4%	3%
2	7%	3%	1%
3	8%	2%	0%
4	9%	0%	0%

- B. LOW INCOME UNIT CREDIT EXCHANGE. IF A RENTAL HOUSING PROJECT IS A MIXED-INCOME PROJECT IN WHICH MORE THAN 15%, BUT NOT MORE THAN 45%, OF THE UNITS IN THE PROEJCT ARE AFFORDABLE UNITS, THE DEVELOPER WILL RECEIVE A “ONE-TO-ONE CREDIT” FOR EACH AFFORDABLE UNIT THAT IS IN EXCESS OF THE REQUIRED 15% AND IS AFFORDABLE AT 60% OF HC AMI OR LESS. A “ONE-TO-ONE CREDIT” MAY BE APPLIED TO REDUCE THE NUMBER OF UNITS REQUIRED TO BE AFFORDABLE AT THE SAME LEVEL OF AFFORDABILITY IN ANOTHER RENTAL HOUSING PROJECT IN DOWNTOWN. PROVIDED, HOWEVER, THAT USE OF THIS LOW-INCOME UNIT CREDIT EXCHANGE SHALL NOT RESULT IN A RENTAL HOUSING PROJECT HAVING LESS THAN 5% OF ITS UNITS AS AFFORDABLE.

Sec. 125.0.E.4

e. The Final Development Plan satisfies the affordable housing requirement IN ACCORDANCE WITH SECTION 125.A.9.d OF THESE ZONING REGULATIONS;

Sec. 125.0.H.3

g. The Site Development Plan satisfies the affordable housing requirements IN ACCORDANCE WITH SECTION 125.A.9.d OF THESE ZONING REGULATIONS AND the approved Final Development Plan.

## **Exhibit B**

### **Department of Planning and Zoning's Proposed Text**

(CAPITALS indicate text to be added; [[brackets indicate text to be deleted]].)

Sec. 125.0.A.9

#### **FULL SPECTRUM HOUSING:**

- i. **AT LEAST 15% OF THE RESIDENTIAL DWELLINGS IN EACH DOWNTOWN COLUMBIA REVITALIZATION DEVELOPMENT SHALL BE MODERATE INCOME HOUSING UNITS.**

Sec. 125.0.H.3

**g. The Site Development Plan satisfies the affordable housing requirements IN ACCORDANCE WITH SECTION 125.A.9.i. OF THESE ZONING REGULATIONS AND the approved Final Development Plan.**

## Exhibit C

### I. Proposed Changes to Section 1.5 of the Downtown Columbia Plan

#### 1.5 DIVERSE HOUSING

This Plan recognizes and celebrates the original vision of Jim Rouse to create a socially responsible city for people of all ages, incomes and backgrounds. The establishment of an ongoing mechanism to provide a full spectrum of housing into the future is an important social responsibility shared by us all. Of related but equal importance is encouraging within downtown Columbia itself the diversity of people that exists elsewhere in Columbia today. Realizing this diversity will be important to the social and economic success of the downtown, where the mixing of individuals with different backgrounds and incomes will result in an ongoing exchange of ideas in an environment where residents, workers and visitors will have an opportunity to learn from one another and grow together as a community.

*Downtown Columbia: A Community Vision* recaptures the spirit of the Rouse vision for a complete city in which different types of people live together to create a fully realized community. In such respect, this Plan also recognizes the enrichment a community can experience through the diversity of its people. This Plan strives to achieve this objective through the provision of expanded residential opportunities for in-town living in both housing form and affordability, and through the establishment of a community housing fund **AND INCLUSIONARY ZONING POLICIES** which will be used to help meet the affordable housing needs of the community.

#### BACKGROUND

The need for affordable housing exists today and will likely continue to grow into the future. Significantly, however, what at times can be overlooked is the important relationship between reasonable opportunities for affordable housing and the economic health of the County. *General Plan 2000* recognized this significance and identified the important relationship between the need for affordable housing and the County's employment growth, and its demand for low and moderate income workers. In this regard, *General Plan 2000* recognized that to the degree low- and moderate- income workers can be housed in the County, the County's economic development prospects are improved. In addition, *General Plan 2000* further recognized that by providing more affordable housing it becomes possible for residents' children and parents, as well as teachers, firemen and policemen to live in the County. The accommodation of work force housing is a goal shared by all.

*General Plan 2000* (Policy 4.2) recommends providing affordable housing for existing low- and moderate-income residents and for the diverse labor force needed for continuing economic growth. Policy 4.2 also recommends that new funding sources be identified to enable the Office

of Housing and Community Development to expand the supply of affordable housing to serve low-or moderate-income households, including seniors and persons with disabilities. In a similar context, *Downtown Columbia: A Community Vision* expands upon these objectives and suggests that new models for developing affordable housing in combination with mixed-use development should generate new and innovative techniques for achieving these objectives. It is with these policy statements in mind that this Plan proposes a means of providing a full spectrum of housing for Downtown Columbia.

## **DOWNTOWN COLUMBIA COMMUNITY HOUSING FOUNDATION**

A full spectrum housing program for Downtown Columbia should establish a flexible model that aspires to make new housing in downtown affordable to individuals earning across all income levels. In order to create an effective, flexible means of providing a full spectrum of housing for Downtown Columbia, GGP will establish the Downtown Columbia Community Housing Foundation ("DCCHF"), as detailed below. The intent of this full spectrum housing program, **INCLUDING THE DCCHF FUND AND INCLUSIONARY ZONING for MIXED-INCOME DEVELOPMENT IN** Downtown Columbia, is to satisfy all affordable housing requirements for downtown.

### **Initial Source Fund**

GGP will establish the DCCHF at its expense and will contribute \$1.5 million to the DCCHF upon issuance of the first building permit for new housing in Downtown Columbia. GGP will contribute an additional \$1.5 million upon issuance of a building permit for the 400th new residential unit in Downtown Columbia. Each payment will be contingent on expiration of all applicable appeal periods associated with each building permit without an appeal being filed, or if an appeal is filed upon the issuance of a final decision of the courts upholding the issuance of the permit.

### **Ongoing Developer Contributions**

**FOR PROJECTS THAT HAVE A SITE DEVELOPMENT PLAN FILED PRIOR TO OCTOBER 1, 2015, EACH [[Each]]** developer will provide a one-time, per unit payment to the DCCHF in the following amounts, to be imposed upon the issuance of any building permit for a building containing dwelling units. Payment will be contingent upon the expiration of all applicable appeal periods associated with each building permit without an appeal being filed, or if an appeal is filed upon the issuance of a final decision of the courts upholding the issuance of the permit:

1. \$2,000/unit for each unit up to and including the 1,500<sup>th</sup> unit.
2. \$7,000/unit for each unit between the 1,501<sup>st</sup> unit up to and including the 3,500<sup>th</sup> unit.
3. \$9,000/unit for each unit between the 3,501<sup>st</sup> unit up to and including the 5,500<sup>th</sup> unit.

The amounts to be paid under 1, 2 and 3 above will be subject to annual adjustment based on a builder's index, land value or other index provided in the implementing legislation.

Each owner of property developed with commercial uses pursuant to the Downtown Revitalization Zoning Regulations shall provide an annual payment to the DCCHF in the amount of five cents (\$0.05) per square foot of Gross Leasable Area for office and retail uses, and five cents (\$0.05) per square foot of net floor area for hotels. The payment will be made annually by the property owner, with the initial payment being made prior to the issuance of an occupancy permit for net new commercial development on the property. The amount of the charge will be subject to annual adjustment based on a builder's index, land value, or other index provided in the implementing legislation.

### **DCCHF Notice of Sale**

The DCCHF should be notified by the developer or joint venture, via first class mail, of land for or all residential units offered for initial sale in each new residential or mixed use building in Downtown Columbia. No later than 10 days after the sale of rental housing, the owner must provide written notice of the sale. The DCCHF also should be notified by the developer, via first-class mail, of all apartment units offered for rental in each new residential or mixed-use building containing rental units. In support of these objectives, GGP should involve DCCHF in meaningful discussion with land purchasers in Downtown Columbia in order to encourage full spectrum housing in each and every neighborhood.

### **DCCHF Organizational Structure**

It is anticipated that Howard County, in consultation with GGP, will determine, by legislation, the organizational entity, organizational structure, membership, functions, and implementation of the DCCHF. The legislation should provide that, in order to be eligible to receive the funds provided for in this Plan, the DCCHF must be a non-profit entity organized for the purpose of providing full spectrum, below market housing in Downtown Columbia. Use of DCCHF funds is limited to providing full spectrum, below market housing in Downtown Columbia, which may include, but is not limited to, funding new construction; acquiring housing units; preserving existing homes; financing rehabilitation of rental housing; developing senior, family or special needs housing; providing predevelopment, bridge, acquisition and permanent financing; offering eviction prevention and foreclosure assistance.'

## **MIXED-INCOME HOUSING**

**THE INTENT OF THIS PLAN IS TO ENSURE THAT AFFORDABLE HOUSING UNITS WILL BE DEVELOPED THROUGHOUT THE DOWNTOWN AREA IN MIXED-INCOME PROJECTS AND THAT THE UNITS BE AFFORDABLE AT A BROAD SPECTRUM OF INCOMES. IN ADDITION, THE DEVELOPERS ARE PROVIDED OPTIONS TO FACILITATE MORE LOW INCOME UNITS AND TO PROVIDE FLEXIBILITY WITHIN CERTAIN PARAMETERS IN THE MIX OF AFFORDABLE UNITS AND MARKET RATE UNITS. THE INCLUSIONARY ZONING REQUIREMENT WILL APPLY TO EACH RESIDENTIAL PROJECT IN DOWNTOWN COLUMBIA WITH A SITE DEVELOPMENT PLANS SUBMITTED ON OR AFTER OCTOBER 1, 2015 IN ACCORDANCE WITH SECTION 125 OF THE ZONING REGULATIONS.**



## II. Proposed Change to CEPPA #26

26. **FOR ANY SITE DEVELOPMENT PLAN FILED PRIOR TO OCTOBER 1, 2015, TO**[[To]] fulfill an affordable housing obligation, each developer will provide a one-time, per unit payment to the DCCHF in the following amounts, to be imposed upon the issuance of any building permit for a building containing dwelling units. Payment will be contingent upon the expiration of all applicable appeal periods associated with each building permit without an appeal being filed, or if an appeal is filed upon the issuance of a final decision of the courts upholding the issuance of the permit:
- 1). \$2,000/unit for each unit up to and including the 1,500th unit.
  - 2). \$7,000/unit for each unit between the 1,501th unit up to and including the 3,500th unit.
  - 3). \$9,000/unit for each unit between the 3,501st unit up to and including the 5,500th unit.

*The amounts to be paid under 1), 2) and 3) above will be subject to annual adjustment based on a builder's index, land value or other index provided in the implementing legislation.*