



## Meeting Summary/Minutes

**Date:** 3/18/2020

**Time:** 3:00-5:00

**Location:** Virtual Call

A Housing Policy Workgroup Meeting was held over the phone on March 18, 2020. The following were in attendance:

Name	Sector	Employer / Organization
Brent Loveless - <i>Chair</i>	Workgroup Member/Education	PTA Council of Howard County
Kelly Cimino	Housing/Community Development	DHCD
Bill McCormack - <i>Task Force Co-Chair</i>	Housing/Policy	
Paul Casey	Workgroup Member/Housing/Policy	
Kevin Kelehan	Workgroup Member/Legal	Carney Kelehan
Larry Twele	Workgroup Member/Economic Development	Howard County Economic Dev. Authority
Lisa Soto	Education	PTA Council of Howard County
Dr. Caroline Harper - <i>Task Force Co-Chair</i>	Housing/Policy	
Tonya Tiffany	Education	PTA Council of Howard County
Linda Wengel	Taskforce Member/Affordability/Council Rep.	
Rachel Waldman		RCLCO
Michael Spotts		Neighborhood Fundamentals
Allysha Lorber		JMT
Elisabeth McCollum		JMT
Sarah Diehl		JMT
Tracee Strum-Gilliam		PRR, Inc.

The purpose of this meeting was to discuss the engagement strategy of the Taskforce and preview to the Workgroup the ongoing research that has taken place regarding market analysis, existing programs, and upcoming legislation. Additionally, Workgroup goals were discussed with the objective of creating sub-goals and action items for the group.

The following items were discussed:

### Overview of Taskforce and Workgroups



- The purpose of the three different workgroups is to split up the Task Force to be able to focus in detail on certain topics in a smaller group setting. Housing is a diverse and important issue with many different factors.
- There are three different Workgroups:
  - Affordability Workgroup – facilitated by Tracee Strum-Gilliam
  - Housing Policy Workgroup – facilitated by Allysha Lorber
  - Housing Market Workgroup – facilitated by Elisabeth McCollum

### **Overview of Housing Policy Workgroup**

Focused on the Following Topics:

- Role of County, State, & Federal Government
- County, State, & Federal Legislation
- County, State, & Federal Funding
- Adequate Public Facilities Ordinance
- Residential vs. Commercial Zoning
- Inclusionary Zoning
- County's Age-Friendly Initiative
- County's General Plan
- Best Practices from other jurisdictions
- Regional partnership with other Counties
- Community Development
- The role of businesses, employers, schools, developers, transportation, non-profits, and others

### **Engagement Strategy**

- Full meeting schedule can be found in the meeting presentation online, accessible here: <https://www.howardcountymd.gov/LinkClick.aspx?fileticket=LsTACOKdSag%3d&tabid=3032&portalid=0>
- Stay tuned for updates regarding location of upcoming meetings and status of planned popup and public meetings

### **Upcoming Legislation**

- Bill No. 13-2020
  - An act amending the Howard County Code to establish a Notice and a Requirement to provide an offer to the County and Housing Commission to purchase rental housing offered for sale in the County; and generally relating to the sale of Rental Housing.
  - Drafted to address a shortage of affordable rental housing and increase opportunities for the department and commission to expand the number of affordable dwelling units in the county.
  - This Bill was introduced at the beginning of Task Force meetings/formation
    - Concern that this is a piecemeal approach whereas the Task Force is undertaking a comprehensive approach to addressing the issue

- Kelly Cimino will be sending out an email to everyone – those who are interested should read the Bill and respond to Kelly
- Bill found here:  
<https://www.howardcountymd.gov/LinkClick.aspx?fileticket=MH8sbEw21oQ%3d&tabid=3032&portalid=0>

**Preview: Market Understanding** – Presented by Rachel Waldman

- Regional Employment Growth
  - Examined the 20 or so counties that power the region: Central VA to Northeastern MD
  - Region has 4.7 million jobs, about 500,000 have been added since 2010
  - Growth stems from high paying sectors
  - Trends point to strong growth in the region but it is clear that it is putting pressure on the housing market
- Howard County Drivers
  - Main growth driver in the county is that it is equidistant from DC and Baltimore
  - Strong job base of its own
  - Quality of schools and perception of a high quality of life
- Demographics
  - Higher share of middle aged and high-income households compared to DC-Baltimore combined MSAs
  - Household type comparison: more families and couples and less singles and roommates compared to Baltimore/DC areas combined
  - Commute Patterns: 25% of all people working in Howard County also live in Howard County
    - Fewer people live and work in Howard County than peer counties in the region
    - Key takeaway is that other counties that are surrounding Howard County are benefiting from housing people that work in Howard County.
- Housing
  - Little variance by income: likely is a supply constraint in Howard County across all housing types and price points
  - Ratio of households to jobs: Howard County has more jobs than households, likely contributing to its housing constraints
  - Howard County has the lowest ratio of households to jobs versus the surrounding counties
    - Future evidence that there probably is a housing supply constraint in the county across all pricepoints
  - Existing housing inventory: roughly 25% of housing in the county is rental
    - Majority of rental stock is suburban garden type
    - A large share of what is being built is in the urban category
  - For sale homes: there is an even split between single-family detached and townhomes
- Area Median Income (AMI)
  - AMI= measure of the midpoint of a regions income distribution based on household size
  - AMI bands are used to set income thresholds for housing policy and programs across all levels of government
  - AMI for Howard County is \$94,000
- Rental Affordability

- Most attainable rental stock for Low and Moderate-Income households is older
  - Over 20 years old and is less desirable
- Newer properties targeting households with higher income
- For sale homes: similar trends to the rental market; balance in for sale market is more extreme
  - Of for sale housing that has been built, less than 20% is attainable to anyone not making 120% of AMI
- Compared to other counties, Howard County does have lower share of very low and low income and a higher share of higher income obtaining households
- Majority of households are homeowners that are making over 120% of AMI
  - Roughly 25% of all households that are homeowners but are making less than 120% of AMI
- There needs to be an opportunity for homeownership at more obtainable price points than what is being provided today.
- Homeownership is at 74% and higher than the national rate – attributed to homeownership rate of higher income bracket
  - When you look at household rate making <80% AMI, rate is 53% and less
- What we've learned so far:
  - The region is growing as new jobs are created, and these jobs are bringing more workers to the area than the amount of new housing that is being built.
  - The county is more affluent than its neighbors and has more families and middle-aged households. This dynamic is partially created by its housing supply, coupled with the other factors that make the County a desirable place to live, and then reinforced by limited new supply additions.
  - Far fewer people who are employed in Howard County also live there, compared to nearly every other jurisdiction in the Washington-Baltimore region, and there is little variance by income. Howard County has less housing than it needs across all household types and income bands and is not building enough to keep up with job growth.
  - Most new housing being built by the market is affordable to households above 80% AMI (rental) and above 120% AMI (for-sale).
  - Only approximately 27% of housing (both rental and for sale) is affordable to households making less than 60% AMI, and 92% of this inventory is over 20 years old.
  - As such, compared to surrounding counties, Howard County has less than its fair share of low and moderate income households, particularly low income singles and families.
- Next Steps:
  - We will be looking at locations where additional housing could be developed and will be making recommendations to the team that is working on the plan
  - Housing burden analysis: what share of incomes are Howard County households spending on housing? What share are housing burdened (paying more than 30%)?
  - Qualitative supply analysis: what is the character of housing supply beyond cost and size?
  - Supply-demand reconciliation: combine supply and demand analysis to understand where the mismatch is most prevalent
  - Distribution by geography: evaluate how these trends vary within the County



**Preview: Inventory of Existing Programs – Presented by Michael Spotts**

- Overall approach: focus on action taken by Howard County itself but consider third party resources
  - Focus efforts on county specific programs and policies
  - Use feedback from one stage to advance the rest of the research
  - Using publicly available data, next phase is to take a deep dive into the specifics of the needs assessment
- Workgroup requested a copy of the list of stakeholders who are going to be contacted for input
  - Will be circulated to the group to be able to give feedback
- Intervention Types/Categories
  - Land Use & Planning
    - Using rules that govern new development to encourage specific housing types, price points, etc.
    - Examples: Zoning modifications, inclusionary zoning policies, overlays, etc.
  - Capital & Subsidy
    - Loans, grants, or other resources provided for the production (new construction & preservation) of affordable housing
    - Examples: Housing trust funds/gap financing
  - Household Supports
    - Assistance to improve the housing circumstances of individual households
    - Examples: housing choice vouchers, down payment assistance, homeowner rehab loans and grants, etc.
  - Policy Tools
    - Rules governing how various stakeholders participate in the housing market
    - Examples: tenant protection policies, rent stabilization, right-to-purchase laws
- Completed first phase of inventory work to identify what is available to address needs
  - Looking for input from the Workgroup
    - What is working well?
    - What can be done better?
    - Where are there gaps that aren't being addressed?
    - What are needs in the future that the county may not be ready to handle?
    - Who else should we be talking to?
- **Workgroup Question:** Is there an effort to look at nonprofits that are looking to deal with some of these issues? How can they complement what the county is able to do?
  - **Answer:** Information is being shared with Michael and the team regarding all nonprofits that are supported through funding so they have all of the data needed.

**Workgroup Goal Setting**

- **Housing Opportunities Master Plan Development Process Goals**
  - Be inclusive, equitable, open, transparent, and accountable

- Assess housing programs/policies in all departments/agencies of Howard County Government to improve efficiency and effectiveness
- Provide metrics/timelines to measure progress toward achieving goals
- Identify ways to create and preserve housing opportunities for residents of all income levels
- **Goal #1:** Complete a comprehensive inventory of housing programs and policies in all departments and agencies of local government, as well as those of community and human service organizations outside of local government.

**Workgroup Feedback**

- Something that is being led by the RCLCO team
- This is a broad universe - how do we make this manageable? Is It intended to be that broad? If so, we want to make sure we limit it to those that impact housing itself, want to make sure we are able to focus
- Limit to federal and state - limit to 3 specific areas outside of local government
- Identify at least one from each level and at least one from the private/NGO sector
- Include analysis of legal precedent
- **Goal #2:** Identify potential long-term, sustainable and consistent public and/or private financial strategies and sources of revenue to help build and preserve affordable housing opportunities.

**Workgroup Feedback**

- There should also be short term, the word sustainable better captures what it should be
- Workgroup specifically tasked with looking at inclusionary zoning - there are a lot of jurisdictions out there that handle it differently (i.e. fee in lieu or not)
- It would be timely to go over fee in lieu- there is a bill for a transfer tax (expect to pass)
- Look at best practices - suggestions that are looking at things in other areas that could work in Howard County
- Change laws to allow the housing commission to operate as a profit-making entity
- Look at dedicated revenue sources - consider if there are benefits to doing so
- Assess prioritization of revenues vs cost of delivering a given standard
- **Goal #3:** Identify opportunities to more effectively utilize the County's existing inclusionary zoning program, Moderate Income Housing Unit program (MIHU), to develop affordable rental and home ownership opportunities, especially in areas of the county where these opportunities are in critically low supply.

**Workgroup Feedback**

- Assess ownership vs rental in the MIHU program
- Should MIHU be considered/ required in rural parts of the county?
- Rural areas will have different zoning than more developed areas
- How to alleviate concentrations of poverty – Identify geographically where concentrations of poverty do or don't exist to be able to put weight to these policies - utilize data from school systems, help to equalize schools in terms of FARM rate
- For rural parts of the county - transportation accessibility/mobility/reliability
- Fee in Lieu- how to use the revenues - Important to look at fee in lieu and how money is used that goes into it
  - should be used close to original development where these units should have gone in

- Depends on where the housing can be utilized - you need to have projects to put it in
- **Goal #4:** Identify best practices used in jurisdictions economically and demographically like Howard County that could be implemented to help preserve existing affordable rental housing stock in the County.

**Workgroup Feedback**

- RCLCO team is leading, will share information with Task Force
- Do we want to be like everyone else vs achieving a given standard- need to define the standard and how to achieve it
- **Goal #5:** Considering tax abatement and incentives to foster affordable housing creation by the Howard County Housing Commission (HCHC), the County's housing authority, and private developers

**Workgroup Feedback**

- Look at what fees are charged for affordable housing and market rate housing - should it be the same or should there be greater incentives for affordable housing.
- Consider PILOT- should they be given or not? Do they work? Do we consider them or not?
- Define HCHC as the County's Housing Authority
- Conduct economic analysis and cost of offsets from new revenue sources
- How do we incentivize while maintaining a sustainable budget? Where will the offsets come from? If the county offers a PILOT, the development wouldn't pay taxes, how does the county make up that revenue in another way
- Can HCHC be its own developer, or should it team with developers, or both?
- **Goal #6:** Recommend opportunities to strengthen the County's commitment to affordable housing such as use of public lands, reliance on LIHTC projects, increased use of subsidies such as the County's Housing Stability Support Program and expansion of the "Live Where You Work" program.

**Workgroup Feedback**

- A policy issue
- Define which agency has authority and responsibility to which issues and areas
- Establish a process for these agencies to partner / collaborate
- Review each agencies' resources - how to share/collaborate or how to separate
- How to streamline, or leverage each agencies' resources
- Some MOUs and grant agreements are in place, need to establish better ways to work together. Define expectations and who takes the lead for different issues

**Action Items / Next Steps**

- RCLCO Team will continue to go through these goals and develop sub-goals to present to the Workgroup before the next meeting.
- RCLCO Team to continue with analysis and stakeholder interviews/get ready for the public survey that is going to go out in April
  - Workgroup requested to see a draft of survey before it is sent out



## Housing Policy Workgroup Meeting #1

Housing Opportunities Master Plan & Task Force

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- Kelly will be sending out a meeting invite for discussion about Council Bill 13. Amendments are due April 2, 2020
- Note to Workgroup – if you have any additional comments, there will be additional opportunities
  - Please reach out to Allysha via email if you would like to submit additional comments
- Next time the Workgroup is together there will be public comments to go over