Meeting Summary/Minutes

Date: 3/23/2020
Time: 3:00-5:00
Location: Virtual Call

A Housing Market Workgroup Meeting was held over the phone on March 23, 2020. The following were in attendance:

Name	Sector	Employer / Organization
Pat Sylvester – *Workgroup Chair*	Housing/Disabilities	Columbia Downtown Housing Corporation
Bill McCormack - *Task Force Co-Chair*	Housing/Policy	
Dr. Caroline Harper - *Task Force Co-Chair*	Housing/Policy	
Kelly Cimino	Housing/Community Development	DHCD
Roger Barnes	Workgroup Member/Faith Community	African American Roundtable
Steve Breeden	Workgroup Member/Developer	SDC Group
Jennifer Broderick	Workgroup Member/Housing/Affordability	Bridges to Housing Stability
Jeff Bronow	Workgroup Member/Planning/Zoning	Howard Co. Dept. of Planning & Zoning
Rose Burton	Workgroup Member/Community Resources	Howard Co. Office of Community Partnerships
Maria Miller	Workgroup Member/Housing/Finance	Brightview Senior Living
Brent Loveless	Task Force Member/Education	PTA Council of Howard County
Paul Casey	Task Force Member/Housing/Policy	
Linda Wengel	Task Force Member/Affordability/Council Rep.	
Peter Engel	Task Force Member/Housing	Howard County Housing Commission
Jackie Eng	Public	Housing Affordability Coalition
Grace Kubocik	Public	Housing Affordability Coalition
Nkechi Animashaun	Housing Policy	DHCD
Rachel Waldman	Consultant Team	RCLCO
Michael Spotts	Consultant Team	Neighborhood Fundamentals
Elisabeth McCollum	Consultant Team	JMT
Allysha Lorber	Consultant Team	JMT
Sarah Diehl	Consultant Team	JMT

Tracee Strum-Gilliam		PRR, Inc.

The purpose of this meeting was to discuss give an overview of the Task Force and Workgroup meeting schedule and high level meeting topics, go over the engagement strategy for the Task Force, and review 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 specific to the Housing Market Workgroup.

The following items were discussed:

Overview of Task Force 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 Market Workgroup
Focused on the Following Topics:

- Current housing types and needs
- Future housing types and needs
- Redevelopment of aging communities
- Creation of affordable units
- Preservation of affordable units

- Supply vs. demand
- Market Analysis
- 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 pop up 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; and that Task Force was not consulted
- Kelly Cimino will be sending out an email to everyone – those who are interested should read the Bill and respond to Kelly
  - Call will be on Wednesday, 3/25 at 3:00
- Co-chairs would like to know if Task Force would like to take a position and submit testimony on behalf of the Task Force
  - Kelly to look into whether or not Task Force can take position, or if members need to express their concerns as individual citizens
- Amendments are due April 2, 2020
- Bill can be found here:
  https://www.howardcountymd.gov/LinkClick.aspx?fileticket=MH8sbEw21oQ%3d&tabid=3032&portalid=0

Preview: Market Understanding – Presented by Rachel Waldman, RCLCO

- 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 Metropolitan Statistical Areas (MSAs)
  - Household type comparison: more families and couples and less singles and roommates compared to DC-Baltimore 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 price points
  - ○ 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 region's 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:
  - ○ 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
  - ○ Will be looking at race within these issues as well

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
  - ○ Looking at broader ecosystem where these policies and tools would interact
  - ○ 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
- 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 from 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 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

  - Review and provide comments on inventory of programs compiled and presented by the RCLCO Team
  - Inventory also needs to include private/non-profit sector, state government, etc. (being done when/where feasible by team)

- **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

  - Market rate at every level (seniors, all income levels)
  - Market analysis using future projections and data - where is housing slated to go and at what level, so that we can determine if we need to be building housing at specific AMI bands
  - What is the supply and demand?
  - We need a more detailed market analysis before we get to identifying solutions – how many jobs are in the pipeline? What is happening downtown?
  - Analysis of future capacity of land use - land constraints and current/future capacity and market (job growth, school planning and zoning)
  - Concern that these goals do not fit what this particular workgroup is doing
  - HUD Consolidated Plan has been shared with the RCLCO Team
  - Regional Analysis of Impediments – How does Howard County compare to surrounding jurisdictions (also shared with the RCLCO Team)

  Use Analysis to Develop:

  - Determine balance of supply and demand
  - Future Projections: What will the need be in 20 years and how will we fulfill it? How can we make it affordable?
  - Come up with policies to meet goals once data has been analyzed

- **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

  - North and west areas of County have less low-income households – identify opportunities to build more density (mapping tool, database to determine what is left land-wise and what can be built on it)
  - Look within the County to see where there is opportunity for building density vs. to meet a need for those who work in the county who make <80% (a mapping tool would be helpful)
    - This would allow group to see where MIHU should go, etc.
  - Where are we today – database and map of entire county showing demographics, housing types, etc., to build a better picture of today and see where changes should be made going forward
  - Quantify the potential housing opportunities based on available land
  - Look at existing maps (available on Howard County website)
  - Jeff to share presentation that he gave to RCLCO
  - Goal – be the workgroup that is reviewing maps/data and providing guidance to the rest of the Task Force (determine what is most useful for other groups)

- **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

  - Review best practices from other jurisdictions presented by the RCLCO Team and identify examples that may work well in Howard County.
  - Define the vision and standard that will make Howard County unique, competitive, and equitable

- **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

  - Determine needs and means beyond what HCHC does:
    - Tax abatement can also exist to address housing needs beyond what the housing commission does. There may be other mechanisms that the group could identify that looks at the broader spectrum of housing.
    - Paul to share information. Look at Columbia Downtown Housing Annual Reports
  - What are tools that should be considered – for over 60% AMI group (Affordability WG could focus on below 60%)

- **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

  - Identify opportunities to provide more housing stock on County-owned land either though public housing or by partnering with private developers
  - Live where you work concepts/programs for all levels of income

- **Goal #7:** Identify regulatory, legal and other potential barriers that are restricting greater collaboration between HCHC and DHCD

  Workgroup Feedback

  - Barriers to development (no growth to slow growth)

- **Goal #8:** Identify how the County's zoning can be changed to ensure all areas of the County include affordable rental housing and ownership opportunities.

  Workgroup Feedback

  - Assess opportunities for different housing types to meet a broader market supply
  - Focus on existing zoning and how to change to create ADUs, duplexes, bungalows on single family home lots, etc. (new construction limited by land supply; what can we do with existing single family lots?)
  - Creative solutions for future housing needs
  - 1 acre and 3 acres lots exclusionary? Expand Metropolitan District
  - Wasted lands in the industrial areas – can we turn parking lots into land for homes? (Gateway an example)

- **Goal #9:** Identify programs that can be implemented to incentivize private developers to partner with the County to create mechanisms that ensure the ongoing ability to develop affordable housing.

- **Goal #10:** Recommend potential changes to current policies and programs to address the shortage of affordable units for very low/low/moderate income households, including workforce housing.

  Workgroup Feedback

  - Density/density bonuses
  - Increase % of affordable housing in commercial developments approved going forward
  - All housing has to serve a range of incomes (all housing types need to accommodate)

- **Goal #11:** Provide guidance to the County as to how it can coordinate the delivery of affordable housing resources and services to efficiently achieve the goals of the Plan.

  Workgroup Feedback

○ Provide review and input on the Housing Opportunities Master Plan prepared by the RCLCO Team

General Discussion

- Future projections – what do we need in next 20 years and how can we make it affordable?
- Come up with policies to meet goals once data has been analyzed
- Need to understand job ops. coming and associated incomes to align with future housing types needed
- Affordable Housing Goal
    ○ We want more, but how much more?
    ○ Percentages of each AMI and steps to get there
    ○ Would help to understand what jobs are coming to the county and what the range of incomes would be – align with the future housing types needed.
- Age Friendly Initiative
    ○ Look at housing pillar
    ○ Stay tuned with what they are doing (important stakeholder)
    ○ How do you make it easier for people to age in place?

Action Items / Next Steps

- Notes will be shared with the entire Task Force
- RCLCO Team to provide additional analysis materials to the Workgroup
- Kelly will be sending out a meeting invite for discussion about Council Bill 13. Amendments are due April 2, 2020
- 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