



POLICY DEEP DIVES LAND USE AND ZONING POLICY

Howard County Housing Opportunities
Master Plan
October 19, 2020

RCLCO
REAL ESTATE ADVISORS

AGENDA

Introduction, “Ground Rules,” and Challenges To Address (10 minutes)

Key Approaches (20 minutes each)

- ▶ Use land use policy to produce income restricted and/or subsidized units
- ▶ Enabling more equitable growth throughout the county
- ▶ Facilitating lower-cost housing typologies

Additional Topics for Discussion (as time allows)

- ▶ Remove zoning barriers to mixed-use neighborhoods
- ▶ Streamline entitlement/review process

CHALLENGES FOR DISCUSSION

- ▶ Housing supply has not kept up with housing demand, particularly over the last decade and given the recent employment growth. This imbalance between supply and demand is leading to rising affordability issues.
- ▶ A lack of affordable housing throughout the county inhibits racial and socioeconomic integration. Historically disadvantaged populations, lower income households, and households experiencing poverty find that most of the housing options affordable to them are concentrated in only a few locations. This challenge is especially problematic considering that most remaining land and school capacity is in the Rural West, where current zoning regulations largely prohibit affordable housing development of any kind.
- ▶ New development today is less diverse than the housing inventory overall. In recent years, new development has shifted in favor of rental apartments, and—at the same time—the for-sale market has largely stopped building smaller, more attainably priced for-sale housing.

WAYS TO INCREASE HOUSING OPPORTUNITIES

Land use, planning, and zoning policies dictate what gets built, where, and for whom.

Intentional decisions regarding land use, planning, and zoning are critical to advancing racial and social equity.

Interventions fall into three categories:

- ▶ Use land use policy to produce income restricted, subsidized units
- ▶ Enable more equitable growth throughout the county
- ▶ Facilitate lower-cost housing typologies

NEXUS WITH APFO AND THE GENERAL PLAN

Land use/planning and APFO have separate but connected roles

- ▶ Land use/planning: proactive – guiding how and where to grow
- ▶ APFO: reactive – “circuit breaker” to ensure growth does not get ahead of land use/planning vision
- ▶ *Current approach creates “de facto” double veto on development*

Many topics overlap with the General Plan, which guides land use decisions based on shifting demographics, regional growth, and community goals/objectives

- ▶ Housing plan establishes strategy/direction, recommends specific policy changes within direct purview
- ▶ General plan implements strategy/direction in areas germane to planning, land use and zoning, considering issues such as environment, infrastructure, schools, etc.

USE LAND USE POLICY TO PRODUCE INCOME-RESTRICTED AND / OR SUBSIDIZED UNITS

- Land use, zoning, and planning policies influence more than market-rate development.
- Regulatory barriers/inefficiencies disproportionately impact affordable housing development.
- Conversely, these tools can proactively facilitate production of units targeted to low- and moderate-income households.

Key Policy Interventions:

- ▶ **Update MIHU policy rules and incentives to increase production and promote development in all parts of the County.**
- ▶ **Loosen zoning requirements unrelated to health and safety for predominantly income-restricted affordable housing and prioritized housing types**

USE LAND USE POLICY TO PRODUCE INCOME RESTRICTED AND/OR SUBSIDIZED UNITS

Update MIHU policy rules and incentives to increase production and promote development in all parts of the County.

- Current MIHU policies allow for imbalances in where affordable units are produced through market-rate development.
- Inclusionary policies, such as MIHU, do face a tradeoff between production and integration.
- Adding incentives for production beyond baseline requirement can address supply gap for both market-rate and affordable units.

Specific recommended changes:

- ▶ Apply MIHU requirements for all residential zones/rezonings
- ▶ Allow localized policies to supersede MIHU to produce more affordable housing
- ▶ Pair 12.5% across-the-board baseline with incentives for developments to reach 25% MIHU/LIHU/DIHU
- ▶ Create periodic review structure

Considerations for discussion:

- ▶ MIHU as unit production mechanism vs. revenue driver (fee-in-lieu) for subsidized affordable production?

Regional/National Examples:

- ▶ Unit production example:
 - » Montgomery County, MD Moderately Priced Dwelling Unit Program
- ▶ Revenue driver example:
 - » Arlington County, VA Affordable Dwelling Unit policy and Affordable Housing Investment Fund subsidy

USE LAND USE POLICY TO PRODUCE INCOME RESTRICTED AND/OR SUBSIDIZED UNITS

Loosen zoning requirements unrelated to health and safety for predominantly income-restricted affordable housing and prioritized housing types

- Affordable housing is often more difficult to build than market-rate housing, largely due to the need for assembling complex subsidy programs, navigating additional layers of regulations, etc.
- Streamlining local regulations can improve the viability of affordable housing.
- Specific requirements for consideration include parking, setbacks, height, etc.

Discussion: Options for achieving objective include:

- ▶ Allow for “by-right” affordable development in low-poverty zones
- ▶ Amend zoning code provisions individually
- ▶ Adopt issue specific ordinances (for example, “parking in affordable housing development” ordinance)
- ▶ Countywide affordable housing overlay

Regional/National Examples:

- ▶ Austin, TX Affordability Unlocked Bonus Density Program
- ▶ Cambridge, MA Affordable Housing Overlay (passed in 2020)

ENABLE MORE EQUITABLE GROWTH THROUGHOUT THE COUNTY

- Relying on areas currently zoned for denser housing to meet most of the County's housing needs is unlikely to be successful, given infrastructure and school capacity constraints, as well as the current level of buildout.
- Failure to allow growth throughout the county can reinforce existing patterns of racial and income segregation
- Neighborhoods with higher levels of poverty require a flexible approach to encourage revitalization without harming current residents.
- Growth can be achieved while balancing needs related to infrastructure, conservation, education, etc.

Key Policy Interventions:

- ▶ **Adopt /amend zoning and resource tools that address neighborhood context.**
- ▶ **Identify zones for cluster development in Rural West.**
- ▶ **Create minimum growth and affordability parameters countywide, with provisions/resources for specific neighborhood plans.**

ENABLE MORE EQUITABLE GROWTH THROUGHOUT THE COUNTY

Adopt /amend zoning and resource tools that address neighborhood context

- Housing opportunities across the County are unequal and reinforced by past and existing zoning policies.
- The mechanisms for promoting housing opportunity will need to balance countywide objectives with neighborhood context, therefore the County needs flexible tools to address the full range of possibilities.
- A clear and urgent priority should be proactively encouraging affordable housing in low-poverty neighborhoods.
- Policy must consider needs of current residents, given timeline for new development and risk of displacement.
- Neighborhood reinvestment strategies are important to enhancing access to opportunity, preventing displacement, and encouraging broader improvement in the housing stock, amenities, etc.

Potential policy approaches for discussion:

- ▶ Allow for “by-right” affordable development in low-poverty zones.
- ▶ Provide funding for affordable housing development in low-poverty zones.
- ▶ Provide enhanced mobility services and counseling for lower-income households (*10/20 policy discussion*)
- ▶ Revisit County approach to higher-poverty neighborhoods (Section 13.1500) to allow for targeted investments that improve housing stability, encourage mixed-income opportunities, and prevent displacement.
- ▶ Increase coordination between DPZ and HCD in processes and decisions related to planning, zoning, and larger site-specific efforts.
- ▶ Target housing rehabilitation resources to disinvested neighborhoods (*10/26 policy discussion*)

ENABLE MORE EQUITABLE GROWTH THROUGHOUT THE COUNTY

Identify zones for cluster development in Rural West.

- There is a lack of both affordable housing and land planned for development that could be affordable in the Rural West.
- Substantially limiting growth in the Rural West reinforces existing patterns of segregation and limits the County's ability to add housing supply.
- Allowing for development around existing nodes of activity and infrastructure can support integration and affordability.

Specific recommended changes:

- ▶ Conduct a study to identify potential nodes of development in the Rural West (and other undeveloped, non-preserved areas of the county) based on infrastructure, community assets and facilities, retail nodes, etc.
- ▶ Study should inform policy action to revise zoning in appropriate locations.

Regional/National Examples:

- ▶ Rural allocation procedures for various state Low Income Housing Tax Credit programs
- ▶ Various Virginia Counties with rural areas allow for cluster development. Additional growth considerations made as part of site plan process.

ENABLE MORE EQUITABLE GROWTH THROUGHOUT THE COUNTY

Create minimum growth and affordability parameters countywide, with provisions/resources for specific neighborhood plans.

- Achieving equitable growth requires every neighborhood to evolve, making County-wide growth parameters important.
- This evolution may not look the same throughout the County, and specific planning efforts within those parameters can help guide context-sensitive growth.

Discussion: Options for achieving objective include:

- ▶ Upzoning/significant additional zoning flexibility
- ▶ Infill development policies
- ▶ Neighborhood/corridor plans
- ▶ Single-family neighborhoods form-based code
- ▶ MIHU density bonus program

Regional/National Examples

- ▶ Broad policies
 - » Minneapolis 2040 Comprehensive Plan update
 - » Portland Residential Infill Program
 - » Cambridge Affordable Housing Overlay
- ▶ Neighborhood plans
 - » Downtown Columbia
 - » Columbia Pike Neighborhoods Form Based Code (Arlington, VA)
 - » South Patrick Street Plan (Alexandria, VA)
- ▶ Broad policy/neighborhood plan intersection
 - » Massachusetts 40B

FACILITATE LOWER-COST HOUSING TYPOLOGIES

- The affordability impacts of additional supply will be muted if more naturally affordable housing typologies are limited/restricted.
- Improving building type diversity is necessary to providing housing choice throughout the County.
- Efforts to diversify housing stock can be paired with targeted interventions to support more deeply affordable housing.

Key Policy Interventions:

- ▶ **Adopt a single-family neighborhoods form-based code (or similar zoning reform) to encourage missing middle building typologies (rental and ownership) and lower-cost ownership development.**
- ▶ **Remove zoning and regulatory barriers to smaller units**
- ▶ **Allow accessory dwelling units and pair with financing/technical assistance program to encourage affordability**

FACILITATE LOWER-COST HOUSING TYPOLOGIES

Adopt a single-family neighborhoods form-based code (or similar zoning reform) to encourage missing middle building typologies (rental and ownership) and lower-cost ownership development.

- Detached single-family housing in high-demand markets is increasingly unaffordable.
- Adding housing stock diversity can expand both rental and homeownership options.
- Form-based codes can allow alternate housing typologies to fit within neighborhood context.

Specific recommended changes:

- ▶ Create a countywide policy for allowing more diverse housing types (allow/facilitate neighborhood plans for more contextual discussions).
- ▶ Allow greater density/form flexibility if a proportion of units are affordable and/or near existing infrastructure, retail, and community assets.
- ▶ Adjust associated provisions (including parking) to remove de facto barriers to housing stock diversification

Best Practice:

- ▶ Minneapolis 2040 Comprehensive Plan update
- ▶ Portland Residential Infill Program
- ▶ Cambridge Affordable Housing Overlay

FACILITATE LOWER-COST HOUSING TYPOLOGIES

Remove zoning and regulatory barriers to smaller units.

- Controlling for other factors, smaller homes are generally more affordable.
- Smaller unit sizes can facilitate development on a wider range of lot types/shapes/sizes
- Building smaller units may allow those that prefer to “downsize,” opening up larger homes for families.

Specific recommended changes:

- ▶ Adjust density limits and other associated zoning provisions to allow production of smaller rental units, such as efficiencies.
- ▶ Reduce minimum home/unit sizes in terms of square footage to enable more economic/efficient home structures.
- ▶ Allow smaller-lot development/cottage clusters

Regional/National Examples:

- ▶ Fairfax County, VA Railroad Cottages
- ▶ Kirkland, WA [Cottage Housing Ordinance](#)

FACILITATE LOWER-COST HOUSING TYPOLOGIES

Allow accessory dwelling units and pair with a financing/technical assistance program to encourage affordability.

- ADUs can provide additional, lower cost housing solutions within the context of established neighborhoods.
- ADUs can be essential to independent living in certain contexts (for example, enabling on-site caregiving)
- Absent additional supports, ADUs are difficult to produce affordably and at-scale. However, there are low-cost interventions that can help facilitate affordable ADU development.

Specific recommended changes:

- ▶ Amend zoning to allow ADUs in all zoning categories, including attached, detached, and internal structures.
- ▶ Do not establish owner occupancy requirements, onerous off-street parking minimums, or other regulations that inhibit ADU feasibility.
- ▶ Provide support for the production of ADUs that explicitly advance affordable housing goals (for example, low-cost capital, pre-approved designs, property management support).

Regional/National Examples

- ▶ Austin, TX Alley Flat Initiative
- ▶ Los Angeles, CA ADU Accelerator program

ADDITIONAL TOPICS FOR DISCUSSION

Remove zoning barriers to mixed-use neighborhoods and developments

- Mixed-use neighborhoods can reduce demand for transportation infrastructure
- Mixed-use neighborhoods enable those without automobile access to meet more of their needs independently and reduce isolation.
- Reductions in transportation-related expenditures can improve household financial stability.
- Adding residential development near existing retail can support the retail sector and local tax base.

Specific recommended changes:

- ▶ Conduct a study to identify areas where “tactical” investments and/or regulatory changes could create “15 minute neighborhoods.”
- ▶ Allow neighborhood-serving retail in all residential zones.
- ▶ Provide zoning flexibility to enable both vertical mixed-use buildings and horizontal mixed-use sites.

Regional/National Examples:

- ▶ Fairfax County, VA Mosaic District redevelopment
- ▶ Various mall redevelopment projects nationwide

ADDITIONAL TOPICS FOR DISCUSSION

Streamline entitlement and review process

- Lengthy and complex entitlement processes add costs to a development, often without a corresponding benefit to the community.
- Increasing the efficiency of the development process enables more developments to be financially feasible, particularly smaller-scale developments.
- Streamlined approval processes could give more scope for provision of community benefits.

Specific recommended changes:

- ▶ Create an expedited review/approval program for targeted development types.
- ▶ Limit discretionary reviews and public design reviews.
- ▶ Scale the entitlement and review process to the size of the development.
- ▶ Track internal review timelines and set performance benchmarks.

Regional/National Examples:

- ▶ Austin, TX SMART program
- ▶ Fairfax County, VA Expedited Review Program
- ▶ Minnesota Housing Finance Agency Multifamily Remodel Program

ADDITIONAL DISCUSSION



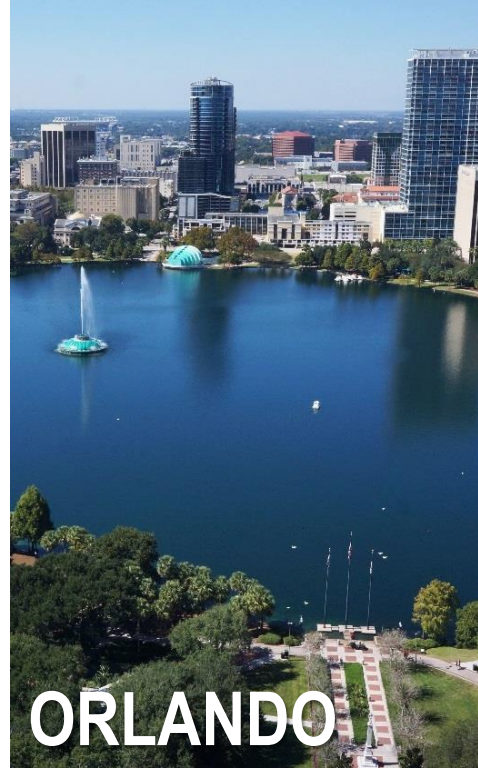
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