



Howard County Council

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March 11, 2016

Bill Santos, Chair
Howard County Planning Board
3430 Court House Drive
Ellicott City, MD 21043

Dear Chairperson Santos and Members of the Planning Board:

I am pleased to submit to you my proposed Zoning Regulation Amendment and General Plan Amendment to ensure that Downtown Columbia develops with a full spectrum of housing options as envisioned in the Downtown Columbia Plan (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, these proposed amendments would implement the original recommendations which the Columbia Downtown Housing Corporation (CDHC) presented to the County Council in February 2015.

The public discourse around affordable housing in Downtown Columbia has followed a long and winding path over the past year and a half. In October 2014, the County Council unanimously approved Council Resolution 120-2014, which requested that the CDHC recommend legislative changes believed necessary and appropriate to ensure that the DCP's vision for a full spectrum of affordable housing can be achieved. In accordance with CR120-2014, CDHC undertook an extensive study of the issue, soliciting input from a wide range of stakeholders, including the Howard Hughes Corporation (HHC), and in February 2015, delivered a very thorough report including well-reasoned recommendations for legislative changes.

Representatives of CDHC presented these recommendations to the County Council in April 2015, and in June 2015, the Howard Hughes Corporation (HHC) responded to CDHC's recommendations with a counter-proposal. HHC's counter-proposal was very different from CDHC's recommendations, and members of the Council asked CDHC and HHC to see if they could find common ground. After a few months of negotiating, representatives of HHC and CDHC returned to the Council in September 2015 with a draft joint agreement consisting of a very complex set of recommendations.

If implemented, the draft joint recommendations would relieve HHC of required payments into the Downtown Affordable Housing Fund, increase residential density, and decrease parking in exchange for one of its key selling point – producing more affordable housing units sooner. That sounds good. However, in comparing the two plans, it is important to recognize that the “additional” affordable housing units in the draft joint recommendations are tied to a dramatic increase in density. A 15% requirement (as CDHC originally proposed) would deliver a similar number of affordable units, if the density were similarly increased.

Also, while the draft joint recommendations would concentrate the majority of affordable housing units into projects with either 50% or 100% affordable housing, my proposal would ensure that the affordable units are fully integrated throughout Downtown Columbia. Inclusionary zoning requirements like the one originally proposed by CDHC are the most proven and effective way to provide affordable housing options without an ongoing reliance on subsidies. I firmly believe we cannot compromise on the core principle that people of all socioeconomic backgrounds should be able to make Downtown Columbia their home.

Throughout Howard County's higher density zones, developers are required to deliver affordable units as part of their projects. Downtown Columbia should be no different. Unfortunately, the draft joint recommendations effectively transfer most of that responsibility for affordable units to the Housing Commission. Let me be clear, I fully welcome the Housing Commission's participation in Downtown Columbia, and I believe the County should be an active partner by allowing County-owned properties in Downtown Columbia to be redeveloped to include affordable housing. However, I believe that such efforts should be ***in addition to***, rather than in lieu of, the developer's fundamental responsibility to provide affordable housing.

I anticipate that your public hearings on these proposals will be lively and long. I thank you in advance for your time and your thoughtful consideration. I look forward to your recommendations and am happy to provide any additional information you would find helpful.

Sincerely,



Jennifer Terrasa
Councilwoman

Attachment B

Proposed General Plan Amendments

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 1,500th unit.
2. \$7,000/unit for each unit between the 1,501st 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.

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** 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.