

Sayers, Margery

From: Melissa Kistler <melissa.kistler@me.com>
Sent: Friday, January 19, 2018 10:56 AM
To: CouncilMail; Kittleman, Allan; Weinstein, Jon
Subject: CB1- APFO Written Testimony

Hello-

I did not think I would need to reiterate comments and concerns on this bill that I have already shared, but it seems that yes- my voice- and voice of many other concerned citizens of this county including my son- needs to be voiced again. Hopefully, I will be heard among the many others who I know share the same concerns.

Through the summer and fall I have voiced that Howard County needs a stronger APFO. We are on a precipice. If we do not pass CB1 as it was amended and should have been voted on and passed in November, our schools will continue to suffer with overcrowding. Our county will not be the place that attracts developers for new housing and business because what attracts people to Howard County are the schools and the community- the Columbia that Jim Rouse envisioned. People are beginning to see the light, and I have heard countless stories of people I know who decide NOT to move to Howard County because of the debacle the schools are in. No one wants to move somewhere with their children and not know where they will go to school each year due to redistricting which has been touted so often as the answer. No one will move somewhere if they know their child will be educated in a portable classroom. It is unacceptable to pin this issue on the schools and continue to build and build and build without the appropriate stopgap. The BOE cannot magically build schools without funding and LAND to put them on.

A temporary moratorium is not a bad thing for this county despite last minute doom and gloom reports. What is a bad thing for this county is putting business interests before the people. Who will shop at these businesses? Who will live in these homes? Not citizens who feel unheard and pushed aside.

The argument was also recently made that affordable housing can suffer as a result of passing CB1 as amended and as should have passed in November. Is it really acceptable to be building ANY type of housing in areas where there are NO seats in the schools? Students who might be living in affordable housing (and any housing) deserve better. They deserve a SEAT- not on the floor of a bus, not in a portable classroom- but an actual seat. We don't have those in many overcrowded areas of the county. So, until the school's can catch up and get the funds needed and land needed to build more schools- until builder's pay their fair share- NO housing should be built where there is not the infrastructure to support it. This doesn't mean forever- but infrastructure MUST be able to catch up and CB1 as amended and voted on and passed in November (even if not technically)- is a HUGE step and ensuring infrastructure can catch up to allow healthy and checked growth in the future. In the mean time- build away where there is room in the schools and the infrastructure is there to support it.

If you cannot see this- then I question why you are in public office. As public officials you should be serving the interests of citizens- not business, not developers. In all of the related legislative sessions I have attended- the primary voices against CB 1 as amended have only been businesses- not citizens. If CB 1 does not pass as it should have in November, I will see where your interests lie and will not be voting for anyone that does not align themselves with citizens. Plain and simple. You are there to be my voice. You are there to be my child's voice. You have heard our voices. I hope you'll vote accordingly.

Thank you.

Melissa Kistler

9417 Aston Villa
Ellicott City, MD
District 1

Sayers, Margery

From: Gina Desiderio Edmison <desiderio@gmail.com>
Sent: Thursday, January 18, 2018 5:51 PM
To: Weinstein, Jon; CouncilMail
Subject: Official Written Testimony for CB1

I'm going to submit a different kind of testimony this round of APFO. My testimony from November still stands--we need a stronger APFO that supports infrastructure in HoCo, and I expect you to repeat your vote and support the APFO bill as it was passed in November, before we knew it would be invalidated.

But I think you know the position of many of the parents--the citizens, the voters--of HoCo. Instead, I'd like to address the attempt by the developers' to use a "wedge" issue like affordable housing to fragment the support that the majority of Howard County residents share--for a stronger APFO.

I'm a bleeding heart liberal. I admit it. I work for a nonprofit that promotes adolescent sexual and reproductive health. I fight for social justice, and more specifically, reproductive justice, every day. (And yes, I'm aware that not every County Council member is a Democrat, let alone a fellow advocate for social justice, but I'm appealing to the County Council members who also already voted for a stronger APFO in November.)

I'm also a white, cisgender, straight woman of the middle socioeconomic class. I've got plenty of privilege, and as hard as I may work to be intersectional in my work and truly support social justice, my privilege can blind me. I try to self examine and be intentional, though.

When the redistricting chaos began, I didn't fight to keep my neighborhood at a specific school. I understand the need to redistrict--sometimes--and I support creating and maintaining diverse schools that maximize capacity. My fight in the redistricting process related to the artificial fracturing of my neighborhood through the middle. I was okay with the proposed reassignment if and only if they retained us as a contiguous community, which is also core to the policy for reassignment.

I asked myself then if I was okay with my position...was it in alignment with a commitment to social justice and in support of diversity and inclusion in public schools? It wasn't an easy answer, and it wasn't straightforward...if you only look to equally distribute FARMS ratios across the county, without concern for proximity to school or neighborhoods, you'd have a very different result. And neighborhoods are not without their segregation. a result of privilege.

So it's complicated, I know. I get it.

Likewise, when I started learning about APFO and its relation to redistricting and the county's inability to provide the necessary education infrastructure for its rapidly growing development, I asked the question, what about affordable housing? Can I support stronger APFO and still support affordable housing (because I do).

But yes, it's possible to be committed to social justice and support affordable housing AND support stronger APFO. Developers have had several months since the County Council failed to schedule its final vote on APFO appropriately, resulting in an invalidated vote. And they have been busy. This is their job, and they have the money to put into lobbying and spend all day, every day, getting ready for CB1 in the new year.

And they have...they've done their work. They've found the perfect wedge issue in affordable housing. The affordable housing arguments we saw earlier this week were supported by the developers.

You have to stop and ask yourself...why would developers be supporting affordable housing? It's not their usual cause...they buy out of their affordable housing requirements every chance they get. But if it can be the tool to get the more progressive-leaning County Council members to vote against a stronger APFO in CB1, then it will suit their purpose for the time being.

I'm asking you to remember what your constituents want, not the lobbyists, the developers, the money. Howard County needs a stronger APFO. Your own studies have revealed that Howard County pales in comparison to any other county in the state with our APFO. We cannot continue like this. It's your responsibility as our County Council to see through the smoke and mirrors the developers have conjured up here and stay true to your vote in November for a stronger APFO.

#HoCoParentsVote! We're still here, we're still paying attention. We've got our regular day jobs, our families, our life...we can't put the same time into our advocacy that the developers can, but we are here and we are demanding a stronger APFO.

Please pass CB1 ASAP! Support our children, our county, your constituents!

Sincerely,
Gina Desiderio Edmison
District 1
4713 Roundhill Road
Ellicott City, MD 21043

Sayers, Margery

From: secwilliams . <secwilliams@gmail.com>
Sent: Thursday, January 18, 2018 5:23 PM
To: CouncilMail; Kittleman, Allan
Subject: Pass CB-1 as voted on in Nov

County Executive Kittleman and County Council Members,

I respectfully request that you pass the APFO bill, CB-1, as it was already voted on November 6th. The technicality due to timing should not change this vote. If it does, we will continue to lose faith in our government officials, despite the time that they spend working hard for the community members of Howard County.

It is time for the Council to make a decision in the best interest of the existing community members and not change their course to support potential future community members. As an educator I can tell you people are coming to Howard County for the schools. However, that will not continue if our school system's reputation continues to decline as it has been due to negative press based on overcrowding, mold in buildings and a lack of responsiveness to community concerns.

Your best economic driver in Howard County is the schools; not the development. People are concerned Howard County is turning into an overcrowded traffic nightmare, with failing schools, like Montgomery County. Please do not reinforce this belief with a poor decision on CB-1

Stacey Williams

2978 Brookwood Road

Ellicott City, MD 21042

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Stacey C. Williams

secwilliams@gmail.com

410-916-4709 (cell)

Sayers, Margery

From: Brian Esker <bl_esker@yahoo.com>
Sent: Thursday, January 18, 2018 3:33 PM
To: CouncilMail; Kittleman, Allan
Subject: TESTIMONY FOR CB1

Dear County Council,


I am writing to express my support for you to pass the APFO bill, CB-1, as you already voted on it in November. The reintroduction of this bill was meant to pass the bill as it had originally been passed.

The facts are clear: eastern Howard County high schools are overcrowded due to the fact that development is allowed to proceed without regard to enrollment at our high schools. Developers have worked with the county to find land for middle and elementary schools because they can't continue to build if the elementary and middle schools are overcrowded. But that is not true for high schools, and look where we are now....struggling to find land where all the development is going on.

APFO **must** contain a test for high school capacity.

I see more development going on right now in the Howard High School district. This is in the agenda for tonight:

Public Hearing Notice

 Sign Code: P16
Name: Penkusky Property

Case No.: *PB-433*
Category: *Planning Board*
Case Comments: *Residential subdivision for 6 lots and 5 open space lots - R-ED zoning*
Hearing Type: *Planning Board*
Hearing Date: *Jan 18 2018*
Hearing Time: *7:00 pm*
Decision: *In Process*

Staff Planner: [Derrick Jones](#)

This could create an additional 5 families in Howard High School! This subdivision especially upsets me because it is a beautiful wooded lot; I would love that type of lot and it is so rare in eastern Howard County, but if this goes through there will be more trees cleared; more traffic on Landing Road; and more kids in our overcrowded schools. And right now APFO would allow it because it lacks a high school test.

And I have another concern about about APFO: Roads. The number of homes off of Hanover and Old Washington roads has increased immensely in the last 20 years. The only way to get from these neighborhoods to go south on Route 1 safely (at a traffic light) is at Montgomery and Route 1. That has not changed in 20 years. Often times you have to wait multiple light cycles to get out. The only other option is to take your chances turning left without a light, down by the car wash. I see more homes are planned on Winters Lane. How can all this development pass the APFO test for roads?

I strongly encourage you to keep your votes for a stronger APFO!

Sincerely,

Liz Esker
Elkridge, MD
District 1

Sayers, Margery

From: Kimberly Yang <yangkimb@gmail.com>
Sent: Thursday, January 18, 2018 2:26 PM
To: Weinstein, Jon; CouncilMail; Kittleman, Allan
Subject: Testimony for CB1

Dear esteemed Councilmembers and Mr. Kittleman:

I am in District One. I am writing in support of the passage of the APFO bill, CB-1. I supported it as passed last November 2017. I support its passage again for the same reasons, and for the larger goals of preventing frequent redistricting and supporting better infrastructure.

Sincerely,
Kimberly Yang
4801 Ellicott Woods Ln
Ellicott City MD 21043

Sayers, Margery

From: Alice Marschner <dragonmama@comcast.net>
Sent: Thursday, January 18, 2018 1:42 PM
To: CouncilMail
Subject: CB1

Greetings!

In regards to the APFO, I would like to see the capacity tests (for schools) be reduced to 100% with a permanent freeze (not just the four year wait) until the capacity at the schools falls to 95%. After all, if the crowding at the school is bad enough to stop building for four years, and nothing happens to alleviate the problem (like a new school) how is it then ok to build and over crowd the school even more? It makes no sense! However, I know that probably will not happen.

For the last 25 years I have watched and worked with the parents of this county trying to "make it work" for our students, while the schools - many of them already at capacity 25 years ago - received more and more students. While there have been several new schools built, I have watched students from established neighborhoods - those people who have worked hard for years to make their neighborhood school great - being pushed out of their traditional schools and sent to schools farther way, to accommodate the rapid infill that is happening all over the county. I have seen the Board of Education Members look at schools with 120% capacity and say "well, they are making it work", and do nothing, since without a huge influx of money and land for new schools, there isn't much that can be done! At this time I believe that the quality of the school experience and the quality of the education is being severely and adversely effected, and we can no longer make it work. Children are quietly falling through the cracks that are beginning to appear, and if we do nothing the failure rate will become obvious. For the last six months of 2017, I went to or watched every school board meeting on the redistricting. Over the months it became quite clear that without a massive movement of students; with some students being moved a great distance, there was no reasonable solution to be had. It is quite obvious to those who pay attention that without at least four new schools immediately the number of students will over whelm our current schools if development isn't reined in now.

The quality of education is being adversely effected.

When I moved to Howard County 25 years ago, I found the roads to be well filled, with the "to be expected" traffic tie-ups during peak periods. Now the roads are always full, and peak periods are miserable, and I find myself trying to plan my trips during "off hours" only. Rt 70 east to the beltway from Rt 29 is stop and go every morning and evening. When Rt70 west of Rt 29 fills at about 3pm every day, then traffic on Rt99 and Rt 40 become difficult with people trying to avoid 70, then traffic spills over to Rt 144 and we can't get out of the neighborhoods along 144! Rt 29 is always difficult in the afternoon from just south of Columbia, north to Rt 99. Rt 32, Rt 108, all full, every day during peak travel times. In the morning its a mess going the opposite way! While some of the traffic is due to the "passers through", much of it is due to people who live HERE, in Howard County, just trying to get to work, to school or home.

After adding almost 100 homes off Old Annapolis Road, people seem to be surprised how difficult it is to get down Old Annapolis rd to Old Columbia and then to Rt 108 during "peak hours". Adding about 150 cars to that little road twice a day has made a real mess, and there is no plan to add lanes or improve the road in any way.

Our quality of life is being adversely effected.

I hear that new building results in a larger tax base for the county, but the costs of expanding or fixing public facilities far exceeds that small increase. The demand from new residents for schools, roads, water and other things far outstrip that small tax bump, yet the developers walk away with their pockets full.

As a newly retired person, I would like to stay in my home for several more years to enjoy the place I have worked to hard to earn. However, with the tax increases that I have been seeing, and the need for so much capital improvement becoming so glaring, I worry that I will soon be looking for a place to move where growth is more controlled and balanced.

Please pass the CB1-2017 as it stands now, then let's work to find ways to keep the high quality of life here in Howard County.

Thank you for your time.

Regards,

Alice Marschner

3919 River Walk, EC 21042

Sayers, Margery

From: Buffy Illum <buffy.illum@gmail.com>
Sent: Thursday, January 18, 2018 1:37 PM
To: CouncilMail; Kittleman, Allan; Weinstein, Jon
Subject: Testimony for CB1 from District 1

Dear Jon Weinstein and County Executive Kittleman,

I live in Ellicott City in District 1 and am a mother to two small children. I am writing to urge you Jon Weinstein to maintain your November 6th vote on CB1. 2018 is a time to lead with courage to regenerate our community and natural environment. Howard County is a rare gem on the East Coast. We have a fantastic balance of access to well-paying jobs, excellent schools and nature. This is rare and we need leaders who are responsible stewards of our community and its natural environments. I urge you to take a longer view and see that Howard County will always be an attractive place for developers if our schools stay strong, our infrastructure functions well and our environment is well cared for. Younger families are seeking places like Howard County that blend nature, the convenience of the suburbs and easy access to urban areas. Howard County needs to increase APFO to stay attractive.

I will be urging my neighbors in District 1 to reach out with their views on this as well.

Thanks for your time and attention!
Buffy Illum
Ellicott City 21042

Sayers, Margery

From: ROBERT DEAR <bdearsignature@comcast.net>
Sent: Thursday, January 18, 2018 12:42 PM
To: CouncilMail
Cc: Kittleman, Allan; Dear, Linda
Subject: Testimony for CB1

To whom it may concern:

We have been county residents for 28 years and were the first home to be built in the development off Old Mill Rd. We strongly support the strengthening of the APFO bill, CB-1, as voted on November 6.

Our names are Robert L Dear and Linda M Dear and we live at 9804 Old Mill Rd Ellicott City MD 21042 and we are in District 1.

Thank you.

Bob Dear, Sr. Loan Officer
Summit Mortgage Group LLC
5525 Twin Knolls Rd, Suite 322
Columbia, MD 21045
Cell 443-745-6201 Fax 410-461-6351
NMLS: 225658

Sayers, Margery

From: Margaret Glyder <glyders@comcast.net>
Sent: Thursday, January 18, 2018 11:38 AM
To: CouncilMail; Kittleman, Allan
Subject: pass the APFO bill, CB-1, as it was voted on November 6th

Dear Council Members & County Executive Kittleman,

I am writing to urge you to pass the APFO bill, CB-1, as it was voted on November 6th. I have been a resident of Howard County for the past 21 years. I want to see an end to frequent redistricting, give our county a chance to catch up to its booming student population, build schools and support better infrastructure. We need a stronger APFO. It does not make sense to favor the position of developers, banks, real estate agents etc. over the concerns of the Howard County citizens that own homes here and use the schools, parks, hospitals, emergency services & roads.

Sincerely,

Margaret K. Glyder
9905 Springfield Drive
Ellicott City, MD 21042
glyders@comcast.net
410-418-8316
410-707-5150

Sayers, Margery

From: Ginna Rodriguez <rodriguez.ginna@gmail.com>
Sent: Thursday, January 18, 2018 11:18 AM
To: CouncilMail; Kittleman, Allan
Subject: Testimony for CB1

Dear Council Members:

I am writing to let you know my support for CB1. I am a resident of Howard County and specifically district 1. I chose Howard County for its diversity and good schools. My son started Kindergarten in 2016, and although I have seen many good things in his school I have also noticed the impact of poor planning in the county. My son has been in classes with a high number of students, he only gets to enjoy 30 minutes of recess and does not have the ability to wash his hands with water and soap.

Although this may sound like minor things, they have an impact in his educational experience and in a county as wealthy as we are, our kids should be able to enjoy a better educational experience, even kids that are not well off.

I understand that some community members believe that CB1 will have an impact on affordable housing. However, I do not believe our kids education should be sacrificed for the sake of affordable housing.

I also would like to see information on the fiscal analysis that claims that development in Howard County pays for itself without having an impact on the service levels of the community members. I strongly believe that if Howard county did not have such high taxes, development would not pay for itself. Developers should pay more so that the fiscal analysis does not rely on high resident taxes to justify development.

I am highly disappointed in Mr. Kittleman's administration. After so much community feedback demanding stronger APFO, he continues to push for legislation that does not align with the community sentiment. I also disappointed about the invalidation of the vote of CB61. I expect the council to honor the vote and that Mr. Kittleman changes his approach and starts to align with what the community is demanding. We want school to not be overcrowded , and please do not say that overcrowded schools are the result of resales. The statistics shown by the administration representatives are biased and misleading. The residents of Howard County demand better.

Ginna Rodriguez
4053 Pebble Branch Rd
Ellicott City, 21042

Sayers, Margery

From: Joshua Goldsmith <jpaulgoldsmith@gmail.com>
Sent: Thursday, January 18, 2018 9:45 AM
To: CouncilMail; Kittleman, Allan
Subject: Pass the APFO bill, CB-1, as it was voted on November 6th

I am upset to hear that it seems the door has been reopened for discussion about this matter. The matter was voted on and the only reason it did not go through was because of ignorance or purpose. There should be no further discussion. This reintroduction was to correct the error. Not to continue a "debate" or "discussion".

Anne Arundel passed a similar law and is LEADING THE WAY. They get 95% while the people of Howard County have to fight to get 100, 105, 110. The people in our groups are furious/concerned about this. <http://www.capitalgazette.com/news/government/ac-cn-council-meeting-0117-story.html>

Do what is right. Vote and pass the bill, as it was intended before the Council as a whole "made a mistake".

Calvin Ball, considering you are running for Executive, it would be refreshing to see leadership in this particular area.

Social media is a wonderful thing to be able to track and watch what our elected officials do and nothing goes unseen now. More and more people in the communities are following these groups. It is talked about in our neighborhoods and encouraged at every function and bus stop for people to sign up for these groups and follow what is going on.

Again, I ask that you do what is right.

Josh Goldsmith
Ellicott City

Sayers, Margery

From: Sarah Cheng <sarah.cheng1@gmail.com>
Sent: Wednesday, January 17, 2018 11:28 PM
To: CouncilMail
Cc: Kittleman, Allan
Subject: TESTIMONY FOR CB1

Hello County Council,

I am emailing in support of the APFO bill, CB-1. We need you to help prevent future redistricting, and give our county a chance to catch up to its booming student population, and support better infrastructure. We need a stronger APFO! We will all be watching your vote closely to make sure CB-1 is passed, as it was passed already on November 6th. A timing technicality should not determine the future of our county growth. Please vote with Howard County families and schools, not with the developers.

Sarah Cheng
9110 Northfield Rd.
Ellicott City, MD 21042

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Sarah Cheng
sarah.cheng1@gmail.com

Sayers, Margery

From: Coleman, Barbara <BColeman@mdlab.org>
Sent: Wednesday, January 17, 2018 9:10 PM
To: CouncilMail
Cc: joan.driessen@acshoco.org
Subject: Letter of Support for CB 1-2018 and CB 2-2018

Honorable Members of Howard County Council:

Please accept this letter in support of CB 1-2018 and CB 2-2018.

Maryland Legal Aid is a strong and dedicated advocate of affordable housing for current and future residents of Howard County.

Without affordable housing the court system goes into overtime. Our office is charged with handling Failure to Pay Rent cases which many times leads to evictions.

Residents of Howard County should have a fundamental human right to housing. The cost to residents should be at level that the attainment should not threaten or compromise other basic needs. Residents should not have choose between paying rent and buying food.

When this happens not only are residents facing possible eviction but if employed they are also facing a possible garnishment of wages. Now the person has no home and less funds to locate new housing.

Maryland Legal Aid handles an array of cases including Landlord/Tenant and Consumer issues. Families including the elderly and the disabled are the ones that visit our offices daily seeking legal remedies . Our office is able to assist with the various court issues leaving our Community Partners to deal with the non legal issues.

Affordable Housing for low income residents is needed and hopefully with County Council assistance it will become a reality.

Thanks for all that you do for Howard County Residents.

Barbara Coleman

Notice: This e-mail is from Maryland Legal Aid, a not-for-profit law firm. It is intended solely for the use of the individual(s) to whom it is addressed. The contents of this message, together with any attachments, may contain information that is legally privileged, confidential and/or exempt from disclosure. If you believe you have received this e-mail in error, please notify the sender immediately, delete the e-mail from your computer, and do not copy or disclose it to anyone else. If you properly received this e-mail as a client, co-counsel, employee, agent or retained expert of Maryland Legal Aid, you should maintain its contents in confidence in order to preserve any applicable privileges.

From: Heather Urner <heather.urner@yahoo.com>
Sent: Wednesday, January 17, 2018 3:42 PM
To: CouncilMail
Subject: APFO testimony(Articles along with statement)

GUEST OPINIONS

Is Idaho development following California's overgrown path?

BY ANNE HURST

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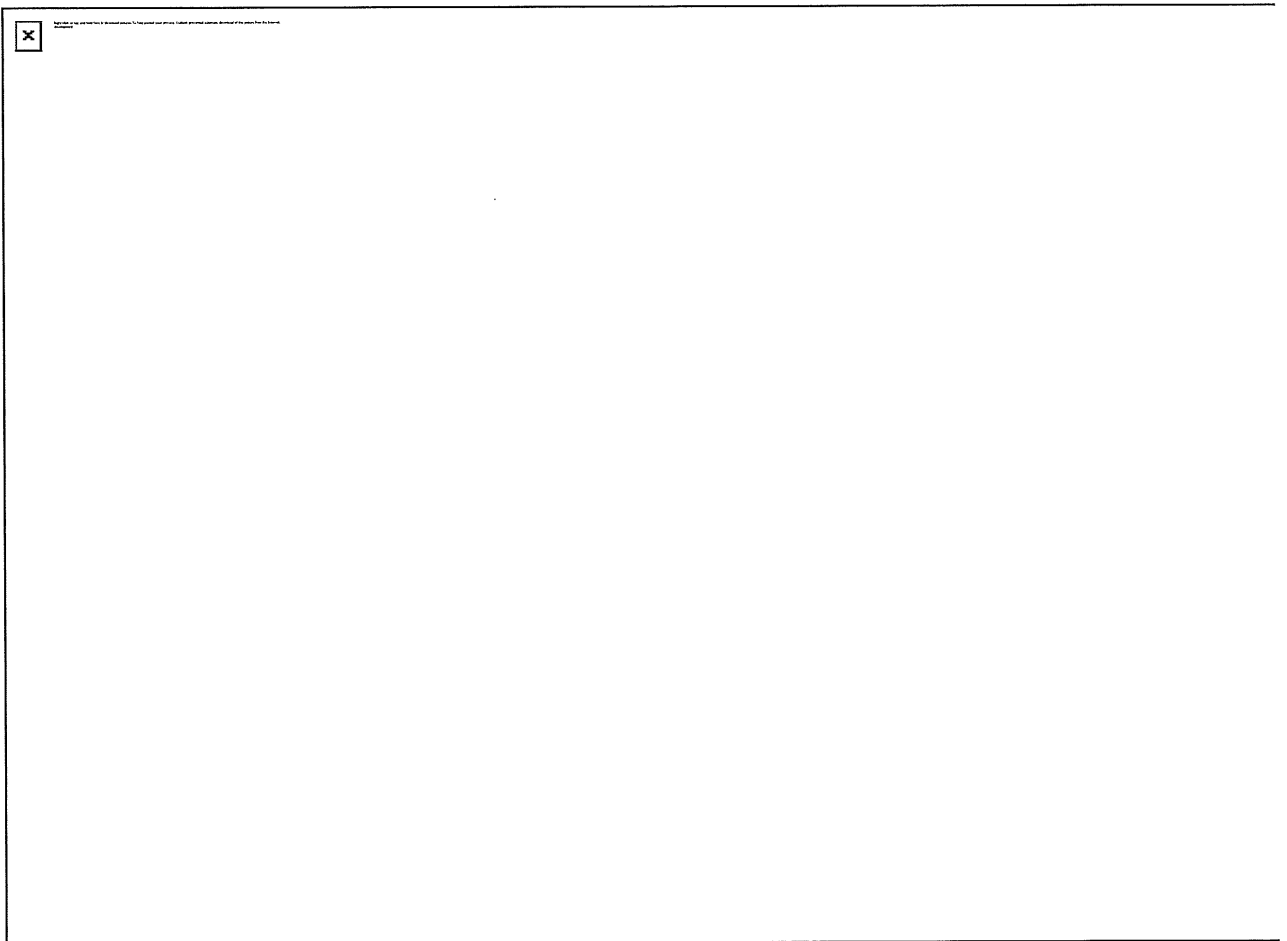
January 02, 2018 11:06 AM
Updated January 02, 2018 12:23 PM

I have been in Idaho for seven years. During this time I have learned that people from my native state of California are not universally loved and embraced. But let's face it: More and more Californians are making their way – fleeing, as it were – to Idaho.

One type of Californian which I truly hope that Idahoans will be very wary of is the land developer. Land developers sing a siren song of increased tax base and improved land usage, and leave in their wake acre upon acre of destroyed farmland, traffic gridlock, compact living space, and stressed infrastructures and

schools. Believe me, when they are finally through, there will not be an inch of open land left in Southern Idaho. Think locusts.

Two favorite refrains with which to identify typical developer mentality are “progress” and “people have to have somewhere to live.” If you hear your friends or acquaintances uttering these bromides, please take a minute to teach them the ugly facts of overdevelopment. Remember, many developers have never seen farmland, or even an empty lot, that they did not covet. The Treasure Valley will be unrecognizable to native Idahoans within the next 20 years if developers, Californian or not, have their way. And, overall, developers are highly aggressive, highly persuasive people who prey quite successfully on local officials’ naivete and greed.



New homes going up in Meridian in 2015.

Katherine Jones Idaho Statesman file

Idahoans, native or not, please look all around you in the towns of Kuna, Nampa, Meridian. See all of the leapfrog development that has already taken place.

Agricultural best practices are usually based on contiguous lands, and the developers already are planning to fill in the empty spaces between existing tracts.

As a native Californian, I want to warn you that beginning after World War II, overdevelopment completely transformed and destroyed my home state. Developers carried out this transformation gleefully, with the full approval of local and state officials. They simply could not build fast enough. They only stop when no land is left.

As I write, land developers are in the process of destroying the agricultural base of the San Joaquin Valley, the central valley of California, which for years was known as the breadbasket of the world. Californians are currently importing many of their vegetables and fruits from Mexico, while their prime farmlands are being destroyed.

I hate to have arrived in Idaho and see the same horrible process here that I thought I had left behind in California. I am not going to pick up and move again. But I feel very uneasy about the many signs I see around me of a potential land-use fiasco here in Idaho like the one that destroyed California.

Please be on your guard, Idahoans. The camel's nose is already under the tent.

Anne Hurst, of Nampa, is a retired teacher who moved to Idaho seven years ago to try her hand at (very small-scale) farming.

Boulder City Council unanimously supports plan to buy Hogan-Pancost

However, council members aren't sure yet what they want to do with the land

By Alex Burness

Staff Writer

POSTED: 01/17/2018 06:40:13 AM MST

UPDATED: 01/17/2018 08:16:27 AM MST

The Boulder City Council isn't sure what, exactly, it wants to do with Hogan-Pancost, but it is sure about buying the property.

Late Tuesday night, the council voted unanimously to direct City Manager Jane Brautigam to negotiate with owner Michael Boyers on a sale of Hogan-Pancost, the 22-acre enclave of county land surrounded by east Boulder, located just north of South Boulder Road.

It's been the subject of Boulder's most persistent controversy over development, with various proposals having come forward over the past 27 years, then met with strong opposition from neighbors and, at best, skepticism from city officials.

In an effort to put that cycle to rest, the council will look to purchase the land, which, officials say, Boyers recently made available [at a "very attractive price."](#) Council members know what that price is, because City Attorney Tom Carr informed them in a confidential memo. The public does not know the price yet.

Advertisement

"I'm not disclosing at this point," Carr said Tuesday. "It's generally not a good idea to tell the world what price you're getting, because (other potential buyers) compete with it."

The last time Hogan-Pancost was sold, just over a decade ago, its two parcels, which are both about 11 acres, went for about \$2.3 million apiece, according to Boulder County property records.

Now that the council has voted unanimously to let its staff negotiate a sale, Carr said he expects to return with a final purchase agreement Feb. 20.

Barring an unexpected swing in the price point, the council will be happy to approve that agreement. Council members, along with many in the public, say they feel exhausted by the ["Groundhog Day"-esque cycle](#) in which developers propose to build at Hogan-Pancost, massive neighborhood controversy ensues and the proposal gets scuttled, for one reason or another.

Mayor Suzanne Jones said a purchase would be "a huge step forward with peace of mind."

"I think we preserve maximum flex by buying this property," said Councilman Sam Weaver. "It gives us the control."

Assuming a purchase goes through, Weaver added, Hogan-Pancost will be "in the hands of the people."

Clearly, there's not an appetite at this time for the development of housing on the site, since proposals for that purpose have sparked the unrest that the council hopes to mitigate with a purchase.

But the council isn't sure yet what it does want to do with Hogan-Pancost, should it complete the purchase.

Some members expressed a desire to evaluate a wide range of options, possibly including housing at some point in the future. That point could be 100 years from now, Councilwoman Jill Adler Grano said.

But others felt it's important to shut down, forever, any inclination that a future City Council might have to build there.

"What I want to do is take out the apprehension and anxiety these (neighbors) have been living with for decades about this being developed and the flood impacts," said Councilwoman Cindy Carlisle, referencing the groundwater issues that have plagued would-be developers at Hogan-Pancost.

"I'd like to put this piece of property to rest."

Added Councilwoman Lisa Morzel: "I never want to see anything built on this property."

There seemed to be some interest among council members in exploring the viability of using the site for flood detention, or possibly a community space such as a public garden or a dog park.

But further study is needed before that choice is made, most members agreed. So, if the sale goes through, the council's plan will be to leave Hogan-Pancost and its land-use designation as they are, for now, before re-evaluating in 2019.

Councilman Bob Yates made the suggestion that the council table, until early next year, the matter of whether to change Hogan-Pancost from Area II to Area III in the Boulder Valley Comprehensive Plan. The latter designation is one for which some neighbors have pushed over the years, since it is reserved for land meant to remain rural and outside city limits.

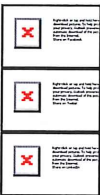
Perhaps the council may have some more relevant information in 2019, Yates said, that would allow for a more informed discussion of Hogan-Pancost's future.

His colleagues seemed comfortable with that plan.

But, added, Councilwoman Mary Young, "In the interim time, prior to our 2019 retreat, I'd like to see us begin to explore ... so that we're not, in 2019, saying, 'Well, what do we want to do?'"

After the council vote, the meeting was adjourned, and council members Morzel, Weaver, Young and Mirabai Nagle went into the crowd to congratulate the handful of neighbors who'd hung around for the discussion. Some exchanged hugs and handshakes.

Alex Burness: 303-473-1389, burnessa@dailycamera.com or twitter.com/alex_burness



Marketplace

My name is Heather Urner, 10212 Hickory Ridge Rd Apt.203 Columbia MD 21044. I am referencing these articles to show that our citizen voices matter. That this situation is not a

situation only to Howard County or Maryland. Especially the article from Boulder, where the Council looked beyond development, beyond money, and saw the value in the voices of the people. These articles include cities where they share our concerns and are making it despite, in spite of the will of the developers. You aren't in your council positions for the developers, you are there for all of Howard County, that's why led you to your voting decisions in November. Show the people that you are for the people and vote for Council Bill 1-2018 and Council Bill 2-2018.

Thank you for your time.

Heather Urner

Sayers, Margery

From: Stephanie Tuite <Stephanie@fcc-eng.com>
Sent: Wednesday, January 17, 2018 10:16 AM
To: CouncilMail
Subject: CB 1-2018 & CB 2-2018

Hi all,

Thanks for listening to everyone's concerns regarding this APFO legislation. I hope that the one take away from last night was the fact that there are many sides to this issue and simply passing legislation that will shutdown development for an unknown period of time could be disastrous. I feel that making modifications recommended by the Task Force are more reasonable direction to go. It is a compromise to what exists and what is currently proposed, and while it does shutdown development in additional school areas, it does not result in a large shutdown to development.

Please give more consideration to the fact that a lot the issues presented are routed in school concerns, not really APFO. Most of the advocates in support of these bills are due to the fact that they feel this will some how relieve the overcrowding, end portables, and improve conditions for their children. Unfortunately the result is just the opposite. As I mentioned last night, currently (as per the FY 2018 Spending Affordability Advisory Committee Report from March 2017) 58% of the current county budget goes to the HCPSS which equates to approximately \$600 million of the \$1.1 Billion county operating budget. When you look at the fact that \$550 million comes from property tax, approximately \$37 million from permits and fees, and an additional \$20 million (assume from house construction and subdivision) per additional year is projected in property tax, if you stop development for a period of time, then the result is at least \$50-\$60 million deficit in the projected budget. This is turn will be a significant hit to the budget where a lot goes to the HCPSS. Less money to pay teachers and less money to be put toward renovations and construction. A big negative. Per the HCPSS website, 86% of their operating budget goes to teacher salaries and benefits. Where will the deficit in the county budget be reflected with the school budget?

Please think more about what will happen as a side effect if this bill is passed in its current form. Please consider an amendment that will make the legislation more in line with the Task Force suggestions on school capacities (110%). This is more in the middle and would have less negative consequences to both the operating budget and development. After all, this group of people did spend a year make their recommendations and tried to consider both sides as I am trying to do. I have two daughters in Dayton Oaks Elementary School. My oldest in a class of 29 students. I don't want to see a deficit in the budget end up with her in a class of over 30 students next year. She was in a class on 27 last year. PLEASE take the necessary time to consider all the ramifications of the decision to pass this bill.

Stephanie Tuite

Sayers, Margery

From: jyoutzgrams@gmail.com on behalf of Jennifer Y. Grams <jygrams@gmail.com>
Sent: Wednesday, January 17, 2018 7:20 AM
To: CouncilMail
Subject: Testimony on CB1
Attachments: J. Grams CB1 testimony 1-16-18.pdf

Council Members,

Attached is a written copy of the testimony on CB-1 that I presented at the legislative hearing on 1-16-18.

Thank you,
Jennifer Grams

Jennifer Youtz Grams
Testimony on CB1
1-16-18

Good evening. I'd like to frame my comments about CB1 in the context of what I refer to as "responsible growth". Being responsible means being dependable, keeping promises, and honoring our commitments.

Responsible growth incorporates the concepts of "smart growth" which I'm sure you are familiar with, but it goes beyond that, because as we all know, just because someone is smart doesn't mean they are responsible.

Responsible growth addresses key aspects of sustainability such as those outlined in PlanHoward 2030 – the environment, the economy, and community quality of life. Responsible growth is a paradigm that brings together - not divides - the community. Responsible growth does not "shut down" development. Rather, it supports continued population and economic growth while at the same time guaranteeing that the county's infrastructure can support that growth.

To put this in perspective, here are some examples of what a county that promotes responsible growth looks like:

- Promotes a diverse economic base that generates the maximum amount of revenue for the local community and doesn't rely so heavily on new residential construction that we're warned that the county would allegedly grind to a halt if development is paused briefly to let our infrastructure catch up
- Values and preserves parkland and open space and doesn't swap it with developers to make their project viable
- Mitigates traffic congestion and creates alternative transportation options for residents
- Provides housing opportunities for people of all income levels and holds developers accountable to build affordable units and not buy their way out of them by paying a fee-in-lieu. Also ensures that there

aren't any loopholes for developers who promise to build one thing and then end up building something else

- Ensures that every child whose family lives in the county - regardless of where they live - has a designated seat in a brick and mortar school building - not a trailer - in their nearest neighborhood school
- Ensures that ALL new residential developments are subject to the schools test, and when ultimately approved, contribute fully to infrastructure and community service needs and that they respect the communities in which development takes place

Most of these points are addressed in CB1 and I'm pleased to see that the bill reflects the legislation as voted on November 6th.

I'm proud of the work our community has done to provide input and to work together to make the APFO better for our county, and especially for our school kids.

While CB1 is not the complete recipe for responsible growth in Howard County, and there's still much work to be done, it's a step in the right direction and I respectfully urge you to move forward and vote to approve this bill as was promised to the citizens of the county back in November.

Sayers, Margery

From: barbkrup <barbkrup@verizon.net>
Sent: Tuesday, January 16, 2018 11:55 PM
To: CouncilMail
Subject: APFO

Dear Council members,

After listening to Steve Breeden's testimony about how redistricting and APFO worked 10 years ago, I wanted to give you a quote from 2001 about overcrowding at Howard and Long Reach high schools:

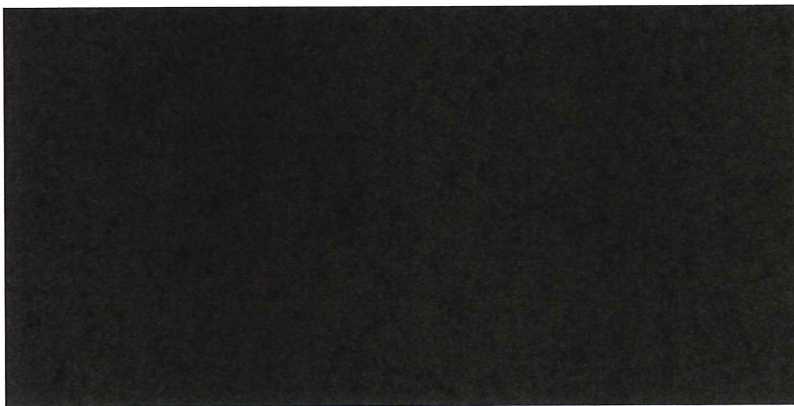
"Each of our students has the right to a seat in a school that isn't overcrowded within a reasonable distance from his or her home, and you have the responsibility to provide it." See the article below.

Please honor your decision on the first APFO vote. Other school districts in our state have 100% for their capacity limits and they continue to have development. As a special education advocate, I am already recommending that people move to Baltimore County instead, if they are considering a move to Howard County. HCPSS is not capable of meeting the needs of too many students with disabilities because of the sheer number of all students and lack of enough money in the budget to increase the number of special education teachers at the same rate. We are sending record numbers of students to nonpublic schools because our teachers are overwhelmed. There was a fear expressed years ago that the changes to APFO then would cause a moratorium. Clearly, that was unfounded.

Thank you.
Barb Krupiarz

Sent from my Verizon, Samsung Galaxy smartphone

[School-crowding issue dominates public hearing](#)



School-crowding issue dominates public hearing

Howard County school officials need to be more proactive and more creative when dealing with the issue of school crowding, according to dozens of parents and community members who spoke out last...

Sent from Yahoo Mail for iPad

Sayers, Margery

From: lmarkovitz <lmarkovitz@comcast.net>
Sent: Tuesday, January 16, 2018 9:48 PM
To: CouncilMail
Subject: Affordable housing issues idea.

If we are concerned about less affordable housing being available for the years of a needed slowdown, why not halt fees-in-lieu on apts/condos for that time period?

After all, developers are testifying their value is increased by the demand for schools, and we all know they pay way less here than other counties. CB1 isn't eliminating any housing just delaying. Projects coming in during that delay could fill the gap with providing it instead of paying the fee in lieu. Just a thought, thanks.

As I write this, you have invited two developers to come to your work session. I realize it is an open proceeding. I will likely attend, wanting to offer some balance on the financial issues.

I heard that the HCEA report doesn't take any fiscal savings into consideration, regarding having to accommodate many students later. If that is true, please keep that in mind.

Thank you for your pertinent and helpful questions tonight.

Lisa

Sent from my Verizon 4G LTE smartphone

Sayers, Margery

From: Dave Ager <dager@townscapedesign.com>
Sent: Tuesday, January 16, 2018 8:15 PM
To: CouncilMail
Cc: 'Josh Greenfeld'
Subject: Written Testimony regarding CB1-2018
Attachments: 2018-01-16_CB1_Testimony of David Ager.pdf

I am unable to attend tonight's meeting. Thank you for the opportunity to provide the attached written comment on the subject bill.

David Ager, Principal
Townscape Design
301.704.4404 410.531.2621
[Townscape](#)

Date: January 16, 2018

To: Howard County Council

From: David Ager

Re: Council Bill 1-2018

Thank you for the opportunity to speak both as a Howard County resident and a business owner in the County's building industry.

The County's own data clearly shows that APFO is currently working. There is existing capacity for current students and there is limited student generation in closed attendance areas. However, I believe the subject legislation is related more to the perception that the system is over-stressed.

As can be illustrated in the deep analysis done by the Attendance Area Committee for the Board of Education during the last redistricting process, overcrowding is the result of a resistance on the part of the County to balance existing capacity through redistricting. There is ample capacity in the school system, it is simply not being utilized.

The other issue affecting current school overcrowding is related to turnover of existing housing stock and the addition of unanticipated new students.

CB-1 will not resolve either of these issues. It will not stop the influx of new students in the existing housing stock, nor will it reallocate empty seats in a comprehensive way.

However, what CB-1 will do is create several negative impacts on the County, including a moratorium on new housing construction in the 2022-2025 timeframe.

This moratorium will have several fiscal impacts, including:

- A \$1.9B decline in construction activity;
- A reduction of more than 6,800 residential units being built during the moratorium years which will limit population growth and raise the price of existing housing;
- A \$700M decline in resident income; and
- With a corresponding reduction in household expenditures there will be a domino effect on county revenues.

If this bill is approved, the County must plan now for the ultimate reduction in revenue and NOT plan on raising taxes on existing residents in the future for decisions made today.

Maintaining the existing system with minor amendments, such as is the case with Council Bill 61 as drafted, will maintain planned growth, stability and predictability in the system.

To solve the problem of school crowding, the County must seriously look at rebalancing existing school seats through comprehensive redistricting and continued investment in new school construction and school additions.

A moratorium on new residential construction will not resolve this issue, but will only exacerbate the problem, with the added and unintended consequences of a domino effect on County revenue.

Respectfully submitted,

David Ager, Principal, Townscape Design LLC

Sayers, Margery

From: Alison Hickman <alisonhickman@gmail.com>
Sent: Tuesday, January 16, 2018 5:55 PM
To: CouncilMail
Subject: Development in Howard County

Hello,

I am generally in support of our County's growth and the need for additional housing in our County.

I am concerned that the voice of people who are against any kind of development is crowding out the voice of those who are excited about the new housing, businesses and opportunities coming to Howard County.

I work professionally in commercial real estate and affordable housing and I am aware the best way to increase housing affordability is through density. We need to make sure our teachers and public service providers continue to have a place to live in our communities.

I grew up here, graduated from Oakland Mills and am now raising my family in Clemens Crossing. I am excited about all the development and don't want to impede opportunities that may arise. Businesses and retail need density to survive in the era of Amazon and online retail.

Please consider this perspective in your deliberations.

Sincerely,
Alison Hickman
6454 Red Keel
Columbia, MD 21044

Sayers, Margery

From: Kisiel, Mackenzie <mkisiel@enterprisehomes.com>
Sent: Tuesday, January 16, 2018 5:25 PM
To: CouncilMail
Cc: Howe, Ned
Subject: CB1-2018 and CB2-2018
Attachments: Enterprise Homes Letter - Howard County APFO Legislation.pdf

Dear Council Members and Staff:

Please find attached to this e-mail Enterprise Homes, Inc.'s letter in response to CB1-2018 and CB2-2018 – APFO legislation. Thank you for the opportunity to comment on this bill.

Mackenzie Kisiel

Development Associate

[Enterprise Homes, Inc.](#)

875 Hollins Street

Suite 202

Baltimore, MD 21201

O: 410.230.2118 | F: 410.230.2129



January 16, 2018

Honorable Mary Kay Sigaty
Chairperson, Howard County Council
George Howard Building
3430 Court House Drive
Ellicott City, MD 21043

Ms. Sigaty,

As you are aware, the Howard County Council will be voting on a new Adequate Public Facilities Bill that will in effect create a moratorium on new housing in most of the County for the foreseeable future. This bill will take the current school closure standard of 115% of capacity that has been used for elementary and middle schools and reduce it to 105% for elementary schools and 110% for middle schools, while establishing a new 115% standard for high schools. Any developments proposed in areas exceeding these capacity levels will not be allowed to be processed.

We would like you to know that we are opposed to this legislation for many reasons but our primary focus is the negative impact it will have on affordable housing and redevelopment opportunities to improve existing older affordable developments. Howard County and particularly Columbia were founded on the principals of inclusion and diversity and the rights of its residents, regardless of their income, to have access to employment, quality shopping, great recreation/amenities and, most of all, a high-quality education. Our founder and the visionary founder of Columbia, Jim Rouse, also believed deeply in these principals. As a company headquartered in Columbia that carries out Jim Rouse's legacy locally and nationally, we believe that this legislation goes against those principals and does not fulfill the promise that is Howard County.

This bill will cripple potential redevelopment efforts to create mixed income and affordable communities within the developed areas of the County. These communities are meant to reduce the concentration of poverty and increase the spectrum of incomes that more accurately reflects the residents and employment base of Howard County. This legislation will not allow existing older affordable housing to be improved and it will also eliminate any new affordable housing to be constructed to help meet an incredibly underserved market, driven by previous years of tremendous market rate housing growth. In Howard County, 45% of renters and nearly 30% of all residents are cost burdened, meaning that over 30% of their income is spent on housing alone. This legislation will certainly escalate the cost of housing by limiting the supply to further exacerbate the problem, while eliminating new affordable housing developments which might provide better housing options.

Under the new bill, redevelopment efforts within existing established communities would not be allowed to move forward. There have been two successful developments that took older 100 % income restricted housing (Guilford Gardens and Ellicott Mills) in dire need of replacement and



used additional density to create new vibrant mixed-income communities that are now sustainable and stable assets broadly viewed as a positive improvement to the greater community.

These developments could not have been undertaken without significant Federal and State resources necessary to fund them. Under this legislation those developments would not only have been unable move forward through the permit process, they would also be unable to even apply for the Federal and State funding. Further, these Federal and State resources such as the Low-Income Housing Tax Credit (LIHTC) have time constraints associated with them that will not work with a potential 7 year wait, as they typically need to be spent within 3 years of award. Current selection criteria for some of these resources favors jurisdictions such as Howard County and now would be an ideal time for Howard County Affordable Developments to pursue these resources. Unfortunately, the selection criteria is modified on a regular basis based on the State's housing policies, so this window of advantage may not be in place moving forward.

There are clearly other ways to potentially address overcrowding issues at schools, such as redistricting, that have not been initiated and we believe that these other solutions should be explored rather than impose a de facto moratorium. In fact, by passing this legislation rather than initiating other actions, this legislation could be a Fair Housing violation.

While we believe that this legislation if passed will severely impact the overall economy of Howard County, it will also truly impact the ability to create new and better affordable housing communities throughout the County.

Please take this into consideration and vote against CB1-2018 and CB2-2018.

Sincerely,

A blue ink handwritten signature, appearing to read "Ned Howe", written over a horizontal line.

Ned Howe
Vice President New Business
Enterprise Homes, Inc.

Cc: Dr. Calvin Ball
John Weinstein
Jenn Terrasa
Greg Fox
Allan Kittleman

Sayers, Margery

From: Sigaty, Mary Kay
Sent: Tuesday, January 16, 2018 4:51 PM
To: Ball, Calvin B; Fox, Greg; Terrasa, Jen; Weinstein, Jon
Cc: Feldmark, Jessica; Sayers, Margery; Wimberly, Theo
Subject: FW: HCAS Testimony re APFO Amendments
Attachments: HCAS Testimony on APFO Affordable Housing Exemption .pdf

Colleagues,

Please see the attached testimony regarding Council Bill 1-2018.

Thanks.....MK

Mary Kay Sigaty
Chairperson
Howard County Council

3430 Court House Drive
Ellicott City, MD 21043
(410) 313-2001

From: Dunham, Mark [mailto:mdunham@generationsofhope.org]
Sent: Tuesday, January 16, 2018 2:43 PM
To: Sigaty, Mary Kay <mksigaty@howardcountymd.gov>
Cc: Clay, Mary <mclay@howardcountymd.gov>; Singleton, Julia <jsingleton@howardcountymd.gov>; Theresa Ballinger <tballinger@howard-autism.org>; Melissa Rosenberg <melissa.rosenberg@howard-autism.org>
Subject: HCAS Testimony re APFO Amendments

Dear Councilmember Sigaty:

On behalf of the Howard County Autism Society (HCAS), I wanted to reach out in advance of tonight's hearing to let you know that two HCAS representatives, Pam Beck and Debbie Clutts, will be offering testimony regarding amendments to the Appropriate Public Facilities Ordinance. Both will be advocating for exempting affordable housing from any APFO amendments adopted by the Council. I've attached their testimony.

As you and your fellow Councilmembers consider changes in APFO, we urge a solution be achieved that will ensure both affordable housing and good schools are made available to meet the needs of county residents of all ages, incomes and abilities.

We'd welcome the chance to discuss this issue with you and your staff in the days and weeks ahead if helpful. In addition, we look forward to sharing developments underway with the [Howard County Autism Housing Initiative](#). We've recently assembled the Task Force to drive development of the project. Per our earlier discussion, we remain very interested in the Columbia Flier site and continue to actively explore its suitability for this initiative.

Thank you again for your leadership and support on matters of concern to individuals with autism and other disabilities in Howard County.

Sincerely,
Mark Dunham

Mark Dunham
Howard County Autism Housing Initiative



HOWARD COUNTY AUTISM SOCIETY

Pamela Beck
Testimony on CB1 and CB2
Howard County Council Public Hearing
Tuesday, January 16, 2018

Good evening members of the Council. My name is Pam Beck and I am here to urge that affordable housing be exempted from any amendments to the Appropriate Public Facilities Ordinance. I am an active member of the Howard County Autism Society and I speak from the perspective of a parent of an adult son with autism.

My son Brandon is 33 years old. For Brandon and adults like him with disabilities in Howard County, the affordable housing crisis is real. And it has certainly been real for our family. From the time Brandon was 20 years old and a high school graduate, our primary focus has been to encourage him to become as independent as possible. With no family nearby, we had to prepare him for living without us – and considering that he has autism and insulin-dependent diabetes and is on limited income, we knew this was going to be a challenge.

However, to our surprise, Brandon expressed to us that he wanted to “be an adult” and live in his own apartment by the time he was 30. Well, he’s now in the fourth year of living in his own apartment five nights per week, with the supports necessary to do so, but this was only possible because he received a Housing Choice voucher after being on a seven-year waiting list.

Brandon was fortunate but what about the hundreds of disabled young adults behind him who will transition into adulthood in Howard County over the next several years? We must ensure that development of a range of affordable housing options for them is expanded and not brought to a standstill, which is what would effectively happen under the proposed APFO amendments.

Brandon was educated in Howard County public schools and I certainly appreciate the quality services and supports he received from the school system. None of us want to see the schools become so overcrowded that the experience for our kids, disabled and non-disabled, is diminished. We have terrific schools and we need to ensure that their quality is maintained.

But the education that my son and other individuals with disabilities received in our schools can only go so far. It cannot provide them an affordable home in which to live or a community in which to thrive. It cannot assure them the shelter and long-term stability that most of us take for granted. At the age of 21, the services and supports stop. And there simply isn't a sufficient supply of affordable housing available for them to live independently and in the community. This shortfall would be exacerbated if the APFO amendments are approved as proposed.

For several years now, members of the Howard County Autism Society have dedicated themselves to addressing the affordable housing crisis facing our sons and daughters. And I'm excited to say that we're on to something. As most of you on the Council are aware, we are working to assemble the partners and plans needed to develop a very innovative, even groundbreaking housing initiative here in Howard County.

Our vision is for an inclusive, intergenerational housing development that would bring together people of different ages, abilities and incomes in a mutually supportive environment. It would be fully integrated into the larger community while being thoughtfully planned to meet the unique needs of its residents. And it would expand affordable housing options not only for adults with disabilities but also for older adults and families.

Development of affordable housing isn't easy. But if the proposed APFO amendments are approved, initiatives like ours would be made much harder, perhaps even impossible, in Howard County. We must find a balance.

For our sons and daughters, affordable housing is not simply good to have, it is essential to their safety and wellbeing. What kind of signal does it send to them, when we effectively stop development of the only viable housing option they have to live independently, here in the community where they were raised and educated? The consequences they will face if the proposed amendments to APFO are approved without an exemption for affordable housing are dire and should be a concern for all of us.

On behalf of Brandon and my family and all the citizens of Howard County with disabilities for whom independence and affordable housing are so vitally linked, I urge you to exempt affordable housing from any amendments to APFO.

Thank you.

Pamela Beck



HOWARD COUNTY AUTISM SOCIETY

**Deborah Clutts
Testimony on CB1 and CB2
Howard County Council Public Hearing
Tuesday, January 16, 2018**

Good evening members of the Council. My name is Deborah Clutts. I am testifying as a member of the Howard County Autism Society in support of exempting affordable housing from the proposed amendments to the Appropriate Public Facilities Ordinance (APFO).

I am also here as the proud mother of a son with autism. My son, Matt, is 19 years old. He is a smart, passionate young man with a wide range of interests. When I think of Matt's future, I want for him what any parent wants for their child. I want Matt to be happy and have a full life with friends and family. I want Matt to be a contributing member of society, and, of significance to tonight's discussion, I want Matt to have a place to live in our community that is safe, secure and affordable, with access to public transportation, shopping, jobs and recreational activities. A place he can call home.

Unfortunately, the housing scenarios parents envision for a typical child transitioning to adulthood are much harder to realize for a young man with autism like Matt. Matt's expected income means he will likely qualify for and require affordable housing throughout his adult life. As we all know, such housing is in short supply in Howard County. And it will become even harder to acquire if new affordable housing development is stopped, which would be the effective result of the proposed amendments to APFO.

Some 600 young adults with disabilities are expected to transition out of Howard County schools in the next five years, fueling the demand for affordable housing. This measure would not only severely limit their housing options but would negatively impact another important population: the direct support professionals that work with and assist many adults with disabilities, and older adults, with activities of daily living.

This critical workforce of support professionals is chronically underpaid. While desperately needed in Howard County, it is increasingly hard for these professionals to find the affordable housing they need to live here. Restricting development of affordable housing would compound the housing challenges they already face. And the ripple effect would be felt by the disabled and older adults in Howard County that they serve.

The Howard County Autism Society is currently assembling partners to help tackle the affordable housing crisis with a unique and promising solution. Our goal is to help foster development of an inclusive, mixed income community that will provide affordable housing. This will be a supportive, inclusive housing community for adults with disabilities along with families and older adults. Our project represents the kind of creative, innovative strategies we must adopt if we are to keep Howard County truly accessible and available for all. It's an exciting initiative and we hope to work with you and others in the community to make this a reality. But it will be seriously curtailed, maybe even derailed, if the proposed amendments are passed as currently written.

As a long-time county resident of 35 + years, I fully support the objectives of APFO and the important protections it provides. It's essential that we not overburden our schools and other public facilities. But we can and must arrive at a **balance** that ensures both good schools and affordable housing.

My son Matt wants what all of us want – a place to call home that he can afford. I want it for him, too. But that goal, already hard to achieve, will be even further out of reach for him and so many adults like him in Howard County if this measure passes without an exemption for affordable housing from the school's test. I urge your support for such an exemption.

Thank you.

Deborah Clutts

GRASSROOTS

CRISIS INTERVENTION



GRASSROOTS
CRISIS INTERVENTION
CENTER, INCORPORATED
6700 Freetown Road
Columbia, Maryland 21044

Business 410-531-6006
24 Hours 410-531-6677
Fax 410-531-3487

www.grassrootscrisis.org

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Ayesha B. Holmes, MS



United Way
of Central Maryland

Howard County Council
George Howard Building
CB1-2018 & 2-2018
3430 Court House Drive
Ellicott City, MD 21043

January 16, 2018

To the Honorable Council Chair Sigaty:

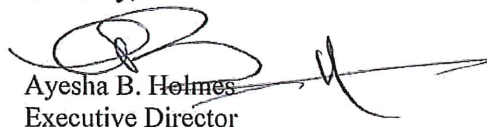
Please accept this letter as written testimony to support an affordable housing amendment be added to CB 1-2018 and CB 2-2018.

Grassroots Crisis Intervention Center, which serves as the single point of access for the Coordinated System for Homeless Services, as well as the Emergency Shelter for Howard County is often where people end up when they are unable to continue to afford safe, stable housing. In this tight rental market, affordable housing for those with middle and moderate income *must* continue to be available. The current APFO will obstruct housing affordability and could lead to more individuals falling into safety net services such as shelters.

We implore the Howard County Council to ensure that CB1-2018 and CB 2-2018 include activity for affordable housing in Howard County. By supporting families to sustain safe and stable homes, our community will thrive. Currently, homelessness among youth is growing, this includes homelessness among school aged children. In Howard County, we must act to ensure families continue to have middle and moderate income options for housing. Grassroots Emergency Shelter serves over 200 individuals per year. About half of those are children under the age of 18 years old, here with their parents. We want to be the bridge to help families find a permanent answer to the housing dilemma they face when we meet them. We need your help to ensure they have options once they have resolved the crisis that brought them here.

We thank you and all the Council Members for your time and service. If you have any follow up questions, I am available anytime.

Sincerely,



Ayesha B. Holmes
Executive Director

Sayers, Margery

From: Thompson, Mark
Sent: Tuesday, January 16, 2018 1:51 PM
To: CouncilMail
Cc: Twele, Larry
Subject: Research Report on the Economic and Fiscal Impact of CB 01-2018
Attachments: APFO - CB 01-2018 Transmittal Memo.docx; HCEDA APFO Impact Report 1-16-18.docx

Dear Council Members,

Please see the attached letter from Larry Twele and the accompanying research report.

Mark

Mark G. Thompson
Vice President of Business Development
Howard County Economic Development Authority
6751 Columbia Gateway Drive, Suite 500
Columbia, MD 21046

410-313-0573



**HOWARD COUNTY
MARYLAND**

Economic Development Authority

January 16, 2018

Howard County Council
George Howard Building
3430 Court House Drive
Ellicott City, MD 21043

Members of the County Council,

Based on the possible projected impacts of CB61-2017, the Board of Directors of the Economic Development Authority commissioned a review of the economic and fiscal impacts if this legislation were to be enacted. One of the roles the Authority plays in the community is to provide research data and information to the public discourse as important policy is being debated concerning matters that affect economic development in Howard County.

Because the vote on CB61-2017 was nullified but similar legislation is now before you for consideration, we believe that the study that was recently completed and delivered to your office is relevant as you consider CB01-2018.

Dr. Richard Clinch from the Jacob France Institute at the University of Baltimore and Ed Steere of Valbridge Property Advisors performed a high-level analysis to quantify the economic and fiscal impacts if CB01-2018 is enacted and has the effect of a building moratorium in Howard County. The accompanying report highlights the findings of their high level, preliminary study.

Sincerely,

A handwritten signature in blue ink, appearing to read "Lawrence F. Twele".

Lawrence F. Twele
Chief Executive Officer
Howard County Economic Development Authority

The Economic and Fiscal Impacts of the Proposed Adequate Public Facilities Ordinance on Howard County

PREPARED FOR THE HOWARD COUNTY ECONOMIC
DEVELOPMENT AUTHORITY

Richard P. Clinch, PhD
DIRECTOR
THE JACOB FRANCE INSTITUTE

Edward M. Steere, AICP
MANAGING DIRECTOR –
PLANNING & MARKET ANALYSIS
VALBRIDGE PROPERTY ADVISORS

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Introduction and Executive Summary

The Howard County Economic Development Authority (HCEDA) retained the team of the Jacob France Institute (JFI) and Valbridge Property Advisors (VPA) to prepare a *preliminary, high-level analysis* of the potential economic and fiscal impacts of the proposed Adequate Public Facilities Ordinance (APFO) legislation on Howard County, Maryland. It is important to note that this analysis was prepared on a quick turnaround basis to provide a *high-level, initial analysis* of the potential impacts of the proposed APFO legislation on the County in time for the County's review and assessment of the proposed legislation. This analysis was based on *preliminary data* on the impacts of the proposed APFO legislation on development activity provided by the County and analyzed by the JFI-VPA Team. The JFI-VPA Team combined input-output economic modeling and fiscal base assessment methodologies to assess the potential economic and fiscal impacts of the proposed legislation. As noted in each section of the report, critical simplifying assumptions were made in order to prepare this analysis in time for the County's consideration of this proposed legislation. This assessment will provide a *reasonable initial assessment* of the potential economic and fiscal ramifications of the proposed legislation, but does not substitute for the more thorough economic and fiscal impact analysis warranted by this potentially high impact legislative proposal that would be possible if more time was available.

The JFI-VPA Team prepared two analyses for this report:

1. The JFI prepared an analysis of the economic impacts of the proposed APFO legislation using the economic modeling technique of input-output analysis. This analysis was based on data on the number of planned housing units impacted by the APFO legislation and current housing unit sales prices provided by the Howard County Department of Planning and Zoning (HCDPZ), analyzed by the JFI using the IMPLAN input-output model for the County; and
2. VPA prepared an analysis of the net fiscal impacts of the APFO on the County in terms of both the tax and other government revenues and cost of providing government services associated with the 6,854 planned housing units whose development in the County could be halted as a result of the proposed APFO legislation. VPA used the FY 2018 Howard County Operating Budget as a current source for General Fund revenues and expenditures generated directly from development when it has been completed to full buildout.

The core findings of the economic impact analysis are as follows:

Based on data from HCDPZ, the proposed APFO legislation effectively results in a moratorium on residential development in the County and will curtail the planned housing development in the County for the four year - 2022 through 2025 period, leading to a reduction of 6,854 housing units, consisting of 1,764 single family detached houses; 1,147 townhouse units; 659 condominiums; and 3,284 apartments over this four-year period. These impacts occur in the 2022-2025 period – because the proposed APFO legislation would take effect in 2019 and impact building activities starting three years later – in 2022 and would be in place for four years, which is the maximum length of time a development project can be on hold due to the APFO schools test. Based on estimates prepared by the JFI and VPA, construction activity will decline by total of \$1.9 billion over the 2022-2025 period and total resident incomes will decline by a cumulative total of \$733 million by 2025. These reductions in construction activity and resident incomes will reduce total economic activity in the County and the impacts of this reduction were estimated by the JFI using the IMPLAN input-output model for Howard County and, thus, the JFI prepared two analyses of the potential economic implications of the proposed APFO legislation:

1. Its **residential construction impact** on construction activity and employment in the County as a result of the 6,854 units not built during the 2022-2025 period. These impacts measure the impacts of the foregone residential construction spending on the County's economy in terms of lost County economic activity and jobs; and
2. Its **residential income and spending impact** on broad county economic activity resulting from the decrease in County household and population growth as a result of the 6,854 units not built during the 2022-2025 period. Fewer housing units developed means fewer residents in the County, with a corresponding decrease in the growth in household incomes. These impacts measure the impacts associated with the foregone incomes and spending by the County residents who would have occupied these housing units if they were developed and occupied.

Residential Construction Impacts: As a result of the projected reduction in development activity occurring in the County as a result of the proposed APFO legislation, construction activity in Howard County will decline by between a low of \$461.2 million in 2024 and a high of \$487.5 million in 2023 and this will reduce economic activity in the County by between \$723.4 million with an employment decline of 4,442 jobs in 2024 to a high of \$765.5 million in economic activity and 4,698 jobs in 2023.¹ This reduction in construction activity will reduce County government revenues by approximately \$14 million each year over the four year growth moratorium period for a cumulative estimated \$56 million in lost County revenues over the four year period.

Residential Income and Spending Impact: The reduction in County residential development activity caused by the proposed APFO legislation will curtail both population and household income growth in the County. This reduction in household income growth will reduce both economic activity in the County, as a result in the "lost" spending by these households, and County government revenues, as result of both the reduction in household income growth as well as from the lower levels of resident spending and its impact on County businesses and employment. The core findings of this analysis are that County household income will fall by \$184.2 million starting in 2022, leading to a reduction in potential County economic activity of \$145.4 million, with the cumulative losses of income by 2025 increasing to \$732.9 million by 2025, reducing potential economic activity in the County by \$578.7 million and reducing employment by 3,779 jobs as a result of the foregone development activity in the County resulting from the APFO legislation. This reduction in household incomes will cause County revenues to fall by a cumulative total of as much as \$32.2 million in 2025. To put this in context, this represents almost 3 percent of County FY2017 General Fund Revenues of just over \$1 billion.

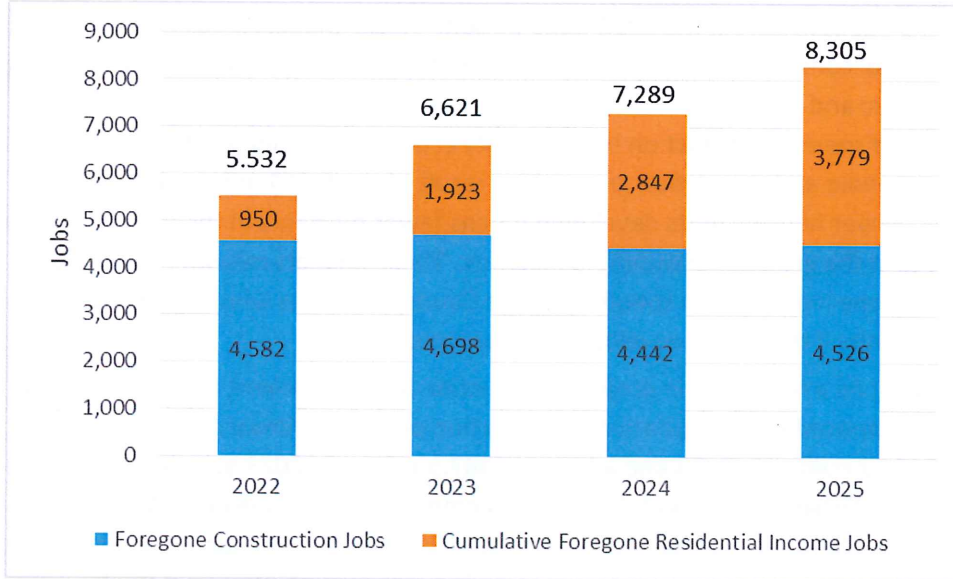
The construction and residential income and spending are cumulative. As presented in Figure ES-1 below, the proposed APFO legislation could decrease County employment by 5,532 jobs starting in 2022 and growing to 8,305 jobs in 2025.² Similarly the IMPLAN estimated fiscal impacts would be cumulative starting with \$22.1 million in potential lost County revenues in 2022 growing to \$46.0 million in 2025.

It is important to note that there are a host of other potential non-economic and fiscal impacts of the APFO legislation induced growth moratorium in the County, including reductions in housing affordability and diversity; reputational effects, as well as impacts on local economic development to consider as well.

¹ Unless otherwise noted, all economic figures in this report are in 2017 \$s.

² There is some potential double counting between the construction and residential income and spending impacts – in terms of if the construction impacted jobs would also be among the purchasers of the housing units foregone; however, this impact is likely to be negligible.

Figure ES-1: Total Job Impacts of Proposed APFO Legislation



The core findings of the fiscal impact analysis are as follows:

- The Howard County General Fund is not all inclusive of revenues and expenditures (allocations), in that there are approximately \$483 million gap between the General Fund revenues and All Fund revenues. The gap is supplied from a variety of external sources that are combined with other funds and programs. The impact of unconventional funding on the County budget warrants an in-depth study to determine the full breadth of fiscal impact of new housing on the budget.
- The development that would not be built if the legislation passes would have generated approximately \$14.4 million in total tax revenue (property, income and fire) in 2022. The overall weighted average revenue per dwelling unit is \$8,396. Single family homes in the Rural West planning area are prime properties that generate a far greater fair share of tax revenue than all other housing types.
- The General Fund is scaled to allocate funds at a rate of \$9,689 per household, whereas the computed average estimated contribution to the budget by full development would be short by approximately \$1,300 per household in 2022. This model test does not fully analyze other sources of revenue and other fees that are generated by new construction or the economic activity associated with new residents analyzed in the economic impact analysis, which may very well offset the shortfall.
- These per unit short falls are likely to be at least partially recovered by some one-time fees outside of the General Fund – such as Special Revenue Funds (e.g. Agricultural Preservation fees, Community Renewal, TIF District), and Enterprise Funds (e.g. Shared Septic Systems, Water & Sewer Operations, etc.)- associated with this development activity. While there was insufficient information available at this time to prepare a full analysis of the impact fees associated with the foregone construction activity, VPA prepared a rough estimate of the fees associated with recordation and transfer taxes, school surcharge and road excise taxes which equates to a weighted average of \$12,872 per housing unit, indicating that the net fiscal impacts of this development activity is likely to be positive during the 2022-2025 impact period.

- The perceived shortfall in revenue to allocation is very likely absorbed in the other revenue sources and fund allocations. Some programs and services would likely be impacted without a revenue stream from new construction.

The proposed APFO legislation has significant economic and fiscal costs. Based on data from HCDPZ, the proposed APFO legislation will effectively result in a moratorium on residential development in the County. The JFI estimates that this will reduce construction activity in the County by almost \$1.9 billion, reducing County employment by between 4,400 and 4,700 jobs per year and reducing County government revenues by \$56 million over the four year period. The JFI estimates that the resulting cumulative loss of \$732.9 million in resident household income by 2025 from the four year moratorium on growth could reduce County employment by as much as 3,779 jobs and County revenues by as much as \$32.2 million in 2025 as result of the foregone development activity. VPA estimates that based on the General Fund alone, new development creates a shortfall of approximately \$1,200 per unit on average, for a total of approximately \$2.1 million in 2022. Although it would appear that the restriction of development would create a net-positive affect on the County budget, there are too many untested variables to validate that hypothesis. For example, VPA estimates that the one-time revenues associated with the foregone construction activity totals approximately \$22 million a year for each of the four years impacted by the proposed APFO legislation, which surpasses the perceived shortfall in the revenue pool. This also illustrates that the distribution of construction revenue in the General Fund is unequal, and that programs funded by construction activity may not have a revenue deficit, when the context of the fund and allocation streams are detailed. The reduction in economic vitality coupled with the restriction of inputs into capital programming by development impact fees and maintenance fees would severely impact other functions of government and public service.

Economic Modeling-Based Assessment of the Impact of the Proposed APFO Legislation on the Howard County, Maryland Economy

The Howard County Economic Development Authority (HCEDA) retained the JFI to prepare an analysis of the economic impacts of the proposed APFO legislation using the IMPLAN input-output (I/O) model for Howard County. This I/O analysis models the flow of funds that are associated with the estimated **construction activity** and **household income** associated with the housing development activity in the County impacted by the proposed APFO legislation on the County's economy and the ongoing ripple (multiplier) effect of these impacted expenditures. I/O analysis represents the "gold standard" for measurement of economic impacts and is the generally accepted methodology for measuring the economic impact associated with projects, companies, or of entire industries.

Data Inputs

The proposed APFO legislation will effectively act as a four year moratorium on growth in nearly all of the County. As a result, both construction activity and resident household incomes will be lower in the County, as this development activity is diverted to other jurisdictions in the region. The JFI estimated the economic impacts on the County in two areas associated with the proposed APFO legislation:

1. The economic impacts associated with the reduction in County **construction activity** as a result of the residential construction activity foregone as development activities are reduced; and
2. The economic impacts associated with the reduction in County **household income** – in terms of the residents who would have, in the absence of the APFO legislation, moved into the County if this development activity were permitted to move forward. These residents would spend money locally and their incomes would be taxed and provide a source of revenues for the Howard County government.

Three main data elements were required to analyze the economic impacts of the proposed APFO legislation on the County. These include: the number of impacted residential units; the construction costs of these units (to estimate the foregone construction activity); and the incomes of the occupants of the residential units (to estimate the loss in County household income resulting from these units not being built). These data were derived as follows:

1. **The number of housing units impacted by the APFO.** The Howard County Department of Planning and Zoning (HCDPZ) provided the number of units likely to be impacted by the APFO. Based on conversations with HCDPZ, these impacts occur in the 2022-2025 period – because the proposed APFO legislation would take effect in 2019 and impact building activities starting three years later – in 2022 and would be in place for four years, which is the maximum length of time a development project can be on hold due to the APFO schools test. Based on the County's analysis, more than 90 percent of the County will be impacted by one or more of the criteria under the proposed APFO legislation, and thus, they estimate that all of the units planned for construction in 2022 through 2025 would be prohibited under the proposed legislation. Because of differences in housing price and resident incomes by region and by type of dwelling, HCDPZ provided the number of impacted residential units, by type for each of the County's five planning districts. These data are presented by year in Table 1, with the estimated number of impacted units totaling 6,854 residential units that would not be developed in the County over the four-year, 2022-2025 period, with most being apartments - with 3,284 units and accounting for 48 percent of impacted units.
2. **The cost of construction for the impacted residential units.** In order to estimate the impact of the foregone construction activity associated with the residential development activity foregone as a

result of the proposed APFO legislation, the JFI needed to estimate the construction costs associated with the impacted units. The JFI estimated the construction cost of these units as follows:

- a. For for-sale units (single family detached, townhomes, and condominiums), construction costs were estimated based on the sales price of comparable units, by planning region, by type. HCDPZ provided data on the sales price of new homes sold by type, by planning region. These sales prices were converted in to estimated construction costs based on data from the National Association of Homebuilders that construction costs represent 55.6 percent of the final sales price of a new home³; and
- b. For apartments, the construction costs were estimated based on an average unit size of 1,000 feet⁴ multiplied by the national average cost of construction of \$192 per square foot for a multitenant building from Fannie Mae.⁵

The estimated construction cost per residential unit was multiplied by the number of units to yield the projected decrease on Howard County residential construction activity.

3. **The household incomes of the occupants of the impacted residential units.** In order to estimate the reduction in Howard County household incomes that will result of from the reduction in housing development activity, the JFI-VPA Team estimated the level of income required to purchase or rent the housing unit. For *for-sale residential units*, the resident household income was estimated using the mortgage underwriting “rule of thumb” that PITI (Principal, Interest, Taxes, and Insurance) payments not exceed 28 percent of income. The JFO-VPA Team used the average sales price data for each planning area provided by the Department of Planning, and assumed 20 percent down payment, with taxes and insurance estimated based on County data. For the rental units, income was estimated based on the HUD 30-percent rule — that a household should spend no more than 30 percent of its income on housing costs, using data on County rents from the U.S. Bureau of the Census.

The input to the analysis of the economic impact of the foregone construction activity resulting from the proposed APFO legislation was the number of impacted units multiplied by the estimated construction cost of the units, and as presented in Table 2 – residential construction activity will decline by between a low of \$461.2 million in 2024 to a high of \$487.5 million in 2023, with a cumulative decline of almost \$1.9 billion over the four-year, 2022 to 2025 period. The input to the analysis of the economic impact of the “lost” household income resulting from lower County residential development activity was the estimated incomes of the residents who would have moved into the County in the absence of the APFO induced moratorium. To estimate this, the number of impacted units multiplied by the estimated household incomes associated with the units. Estimated household income by housing cost, type and region is presented in Table 3; with the County loss in household income presented in Table 4, starting at \$184.2 million in 2023 and growing to a cumulative loss of \$732.9 million in 2025.

Several further simplifying assumptions were made in order to facilitate the implementation of this analysis. These include:

- Construction is projected to be started and completed in the calendar year in which it is allocated;
- Because the timing of purchase/rental of each residential unit is unknown, it is assumed that each unit is completed and occupied in the year in which it was planned/built; and

³ <http://www.nahbclassic.org/generic.aspx?sectionID=734&genericContentID=260013&channelID=311>.

⁴ This is a conservative estimate – the average size of an apartment built in 2016 in the northeast was 1,101 sq. ft. <https://www.census.gov/construction/chars/mfu.html>.

⁵ This is a conservative estimate as construction costs in Maryland are likely to be slightly higher than the national average – see http://www.fanniemae.com/resources/file/research/emma/pdf/MF_Market_Commentary_031517.pdf

- In reality, the timing of these construction and occupancy of the impacted units would be spread out over a longer time period. Thus, this analysis measures the total construction value and household income potential of the impacted development activity in the year in which it is planned/completed.

It is important to note several caveats associated with this economic impact analysis. At the time of this analysis, the proposed APFO restrictions cover nearly all of the County, and thus, it was assumed that all planned development would be impacted. As a result, all planned residential units were considered to be impacted by the analysis. This analysis is also based on the number of residential units planned for the County. Market conditions may lead to more or less than planned development in a given year. Because the construction costs of the impacted units and their associated purchase price were unknown; these were estimated by the JFI-VPA Team using what they consider reasonable methodologies. Actual construction costs and sales prices may vary from this estimate. Furthermore, the loss in household associated with the foregone units was estimated based on meeting standard income assumptions, such as not spending more than 28 percent in income on PITI for homeowners and not more than 30 percent on rent. Actual resident incomes could be lower or higher. Nevertheless, and noting these caveats, this analysis provides an *initial, high level estimate* of the potential economic impacts associated with the proposed APFO legislation. Given the potentially wide-ranging impacts of the proposed legislation, a more thorough assessment of its potential impacts is warranted.

Table 1: Reduction in Housing Unit Development Activity under the Proposed APFO Legislation

Planning Area/Unit Type/Year	2022	2023	2024	2025	Total
Total Housing Units	<u>1,711</u>	<u>1,784</u>	<u>1,672</u>	<u>1,687</u>	<u>6,854</u>
Single Family Detached	440	437	427	460	1,764
Townhouse	298	301	298	250	1,147
Condominium	155	172	164	168	659
Rental Apartment	818	874	783	809	3,284
Columbia	<u>484</u>	<u>540</u>	<u>424</u>	<u>625</u>	<u>2,073</u>
Single Family Detached	42	46	36	54	178
Townhouse	10	12	9	13	44
Condominium	43	48	38	56	185
Rental Apartment	389	434	341	502	1,666
Elkridge	<u>282</u>	<u>388</u>	<u>408</u>	<u>296</u>	<u>1,374</u>
Single Family Detached	15	39	43	45	142
Townhouse	69	94	98	70	331
Condominium	34	54	58	47	193
Rental Apartment	164	201	209	134	708
Ellicott City	<u>425</u>	<u>358</u>	<u>367</u>	<u>310</u>	<u>1,460</u>
Single Family Detached	198	167	171	144	680
Townhouse	123	104	106	90	423
Condominium	31	26	27	23	107
Rental Apartment	73	61	63	53	250
Rural West	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>400</u>
Single Family Detached	100	100	100	100	400
Southeast	<u>420</u>	<u>398</u>	<u>373</u>	<u>356</u>	<u>1,547</u>
Single Family Detached	85	85	77	117	364
Townhouse	96	91	85	77	349
Condominium	47	44	41	42	174
Rental Apartment	192	178	170	120	660

Source: Howard County Planning Department

Table 2: Estimated Decrease in Construction Activity as a Result of Proposed APFO Legislation

Planning Area/Unit Type/Year	Estimated Cost of Construction ^{1,2}					Total
	2022	2023	2024	2025		
Total Housing Units		<u>\$475,802,000</u>	<u>\$487,493,000</u>	<u>\$461,245,000</u>	<u>\$469,914,000</u>	<u>\$1,894,454,000</u>
Single Family Detached		<u>\$200,106,000</u>	<u>\$196,470,000</u>	<u>\$190,682,000</u>	<u>\$206,452,000</u>	<u>\$793,710,000</u>
Townhouse		<u>\$87,225,000</u>	<u>\$86,899,000</u>	<u>\$85,464,000</u>	<u>\$72,644,000</u>	<u>\$332,232,000</u>
Condominium		<u>\$31,415,000</u>	<u>\$36,316,000</u>	<u>\$34,763,000</u>	<u>\$35,490,000</u>	<u>\$137,984,000</u>
Rental Apartment		<u>\$157,056,000</u>	<u>\$167,808,000</u>	<u>\$150,336,000</u>	<u>\$155,328,000</u>	<u>\$630,528,000</u>
Columbia		<u>\$109,672,000</u>	<u>\$122,172,000</u>	<u>\$95,849,000</u>	<u>\$141,569,000</u>	<u>\$469,262,000</u>
Single Family Detached	\$528,000	\$22,176,000	\$24,288,000	\$19,008,000	\$28,512,000	\$93,984,000
Townhouse	\$309,000	\$3,090,000	\$3,708,000	\$2,781,000	\$4,017,000	\$13,596,000
Condominium ³	\$226,000	\$9,718,000	\$10,848,000	\$8,588,000	\$12,656,000	\$41,810,000
Rental Apartment ⁴	\$192,000	\$74,688,000	\$83,328,000	\$65,472,000	\$96,384,000	\$319,872,000
Elkridge		<u>\$61,573,000</u>	<u>\$87,169,000</u>	<u>\$91,917,000</u>	<u>\$68,475,000</u>	<u>\$309,134,000</u>
Single Family Detached	\$303,000	\$4,545,000	\$11,817,000	\$13,029,000	\$13,635,000	\$43,026,000
Townhouse	\$244,000	\$16,836,000	\$22,936,000	\$23,912,000	\$17,080,000	\$80,764,000
Condominium	\$256,000	\$8,704,000	\$13,824,000	\$14,848,000	\$12,032,000	\$49,408,000
Rental Apartment ⁴	\$192,000	\$31,488,000	\$38,592,000	\$40,128,000	\$25,728,000	\$135,936,000
Ellicott City		<u>\$137,071,000</u>	<u>\$115,548,000</u>	<u>\$118,346,000</u>	<u>\$99,902,000</u>	<u>\$470,867,000</u>
Single Family Detached	\$420,000	\$83,160,000	\$70,140,000	\$71,820,000	\$60,480,000	\$285,600,000
Townhouse	\$281,000	\$34,563,000	\$29,224,000	\$29,786,000	\$25,290,000	\$118,863,000
Condominium	\$172,000	\$5,332,000	\$4,472,000	\$4,644,000	\$3,956,000	\$18,404,000
Rental Apartment ⁴	\$192,000	\$14,016,000	\$11,712,000	\$12,096,000	\$10,176,000	\$48,000,000
Rural West		<u>\$54,100,000</u>	<u>\$54,100,000</u>	<u>\$54,100,000</u>	<u>\$54,100,000</u>	<u>\$216,400,000</u>
Single Family Detached	\$541,000	\$54,100,000	\$54,100,000	\$54,100,000	\$54,100,000	\$216,400,000
Southeast		<u>\$113,386,000</u>	<u>\$108,504,000</u>	<u>\$101,033,000</u>	<u>\$105,868,000</u>	<u>\$428,791,000</u>
Single Family Detached	\$425,000	\$36,125,000	\$36,125,000	\$32,725,000	\$49,725,000	\$154,700,000
Townhouse	\$341,000	\$32,736,000	\$31,031,000	\$28,985,000	\$26,257,000	\$119,009,000
Condominium	\$163,000	\$7,661,000	\$7,172,000	\$6,683,000	\$6,846,000	\$28,362,000
Rental Apartment ⁴	\$192,000	\$36,864,000	\$34,176,000	\$32,640,000	\$23,040,000	\$126,720,000

(1) All values expressed in 2017 \$s

(2) Data on Estimated Cost of Construction for Single Family Detached, Townhouse, and Condominium Units based on data on recent sales of new homes provided by the Howard County Planning Department converted into estimated Construction Cost based on data from the National Association of Homebuilders (NAHB) According to NAHB - construction costs represent 55.6% of the Sales Price of a new home.

(3) No data were available on Columbia Condominiums - Sales price and estimated construction costs were estimated based on the MuniCap Study for Downt

(4) Cost per unit of Apartments based on \$192 per square foot - from Fannie Mae Multifamily Market Commentary and an estimated 1,000 square feet per unit.

Source: JFI Analysis of Howard County Planning Department Data

Table 3: Estimated Home Owner or Apartment Tenant Income

Planning Area/Unit Type/Year	Estimated Housing Sale Price ¹ or Monthly Rent ²	Estimated Homeowner ³ or Rental Tenant ⁴ Household Income
Columbia		
Single Family Detached	\$949,000	\$215,606
Townhouse	\$555,000	\$126,148
Condominium ⁵	\$406,195	\$92,337
Rental Apartment ⁶	\$1,627	\$65,067
Elkridge		
Single Family Detached	\$545,000	\$123,907
Townhouse	\$438,000	\$99,580
Condominium	\$460,000	\$104,458
Rental Apartment ⁷	\$1,673	\$66,912
Ellicott City		
Single Family Detached	\$756,000	\$171,826
Townhouse	\$506,000	\$115,089
Condominium	\$310,000	\$70,516
Rental Apartment ⁶	\$1,618	\$64,739
Rural West		
Single Family Detached	\$973,000	\$221,107
Southeast		
Single Family Detached	\$764,000	\$173,585
Townhouse	\$614,000	\$139,615
Condominium	\$294,000	\$66,915
Rental Apartment ⁷	\$1,673	\$66,912

(1) Data on Housing Sale Price was based on an analysis recent sales of new homes provided by the Howard County Planning Department and converted into 2017\$.

(2) Data on rent is from the U.S. Bureau of the Census - American Community Survey - converted in 2017\$ using an inflation rate of 2.5%.

(3) Data on Estimated Homeowner Income based on the standard "rule of thumb" that mortgage PITI should not exceed 28% of income.

(4) Renter household income based on assumption that housing costs should not exceed 30% of Income - based on HUD analysis of housing "cost burdened" households.

(5) No data were available on Columbia Condominiums - Sales price and estimated construction costs were estimated based on the MuniCap Study for Downtown.

(6) Source = Median Rent from U.S. Bureau of the Census - American Community Survey for Columbia and Ellicott City

(7) Source = Median Rent from U.S. Bureau of the Census - American Community Survey for Howard County as a whole.

Source: JFI analysis of Howard County Planning Department Data

Table 4: Estimated Decrease in County Resident Incomes as a Result of Proposed APFO Legislation

Planning Area/Unit Type/Year	Estimated Homeowner/ Rental Tenant Household Income	Estimated				Cumulative Resident Income Loss
		2022	2023	2024	2025	
Total Housing Units		<u>\$184,203,278</u>	<u>\$188,257,528</u>	<u>\$178,750,561</u>	<u>\$181,703,679</u>	<u>\$732,915,046</u>
Single Family Detached		<u>\$81,801,105</u>	<u>\$80,310,688</u>	<u>\$77,948,878</u>	<u>\$84,381,700</u>	<u>\$324,442,372</u>
Townhouse		<u>\$35,691,436</u>	<u>\$35,548,460</u>	<u>\$34,960,821</u>	<u>\$29,718,844</u>	<u>\$135,919,560</u>
Condominium		<u>\$12,853,055</u>	<u>\$14,850,575</u>	<u>\$14,214,810</u>	<u>\$14,512,687</u>	<u>\$56,431,126</u>
Rental Apartment		<u>\$53,857,682</u>	<u>\$57,547,805</u>	<u>\$51,626,052</u>	<u>\$53,090,449</u>	<u>\$216,121,988</u>
Columbia		<u>\$39,598,498</u>	<u>\$44,102,919</u>	<u>\$34,593,811</u>	<u>\$51,117,170</u>	<u>\$169,412,398</u>
Single Family Detached	\$215,606	\$9,055,469	\$9,917,894	\$7,761,830	\$11,642,746	\$38,377,939
Townhouse	\$126,148	\$1,261,478	\$1,513,773	\$1,135,330	\$1,639,921	\$5,550,501
Condominium	\$92,337	\$3,970,489	\$4,432,174	\$3,508,804	\$5,170,869	\$17,082,336
Rental Apartment	\$65,067	\$25,311,063	\$28,239,078	\$22,187,847	\$32,663,634	\$108,401,622
Elkridge		<u>\$23,254,742</u>	<u>\$33,282,912</u>	<u>\$35,129,988</u>	<u>\$26,422,137</u>	<u>\$118,089,779</u>
Single Family Detached	\$123,907	\$1,858,610	\$4,832,387	\$5,328,017	\$5,575,831	\$17,594,846
Townhouse	\$99,580	\$6,870,990	\$9,360,480	\$9,758,798	\$6,970,570	\$32,960,838
Condominium	\$104,458	\$3,551,573	\$5,640,734	\$6,058,566	\$4,909,528	\$20,160,400
Rental Apartment	\$66,912	\$10,973,568	\$13,449,312	\$13,984,608	\$8,966,208	\$47,373,696
Ellicott City		<u>\$55,089,484</u>	<u>\$46,446,732</u>	<u>\$47,564,209</u>	<u>\$40,154,022</u>	<u>\$189,254,447</u>
Single Family Detached	\$171,826	\$34,021,634	\$28,695,015	\$29,382,320	\$24,743,007	\$116,841,976
Townhouse	\$115,089	\$14,155,902	\$11,969,218	\$12,199,395	\$10,357,977	\$48,682,493
Condominium	\$70,516	\$2,186,001	\$1,833,420	\$1,903,936	\$1,621,871	\$7,545,228
Rental Apartment	\$64,739	\$4,725,947	\$3,949,079	\$4,078,557	\$3,431,167	\$16,184,750
Rural West		<u>\$22,110,654</u>	<u>\$22,110,654</u>	<u>\$22,110,654</u>	<u>\$22,110,654</u>	<u>\$88,442,617</u>
Single Family Detached	\$221,107	\$22,110,654	\$22,110,654	\$22,110,654	\$22,110,654	\$88,442,617
Southeast		<u>\$44,149,900</u>	<u>\$42,314,311</u>	<u>\$39,351,898</u>	<u>\$41,899,697</u>	<u>\$167,715,805</u>
Single Family Detached	\$173,585	\$14,754,738	\$14,754,738	\$13,366,056	\$20,309,462	\$63,184,994
Townhouse	\$139,615	\$13,403,066	\$12,704,989	\$11,867,298	\$10,750,376	\$48,725,729
Condominium	\$66,915	\$3,144,992	\$2,944,248	\$2,743,504	\$2,810,418	\$11,643,162
Rental Apartment	\$66,912	\$12,847,104	\$11,910,336	\$11,375,040	\$8,029,440	\$44,161,920

Source: JFI Analysis of Howard County Planning Department Data

Economic Impacts of Foregone Construction Activity

The proposed APFO legislation will reduce economic activity and County government revenues as a result of the reduction in construction activity. Total residential construction activity is projected to decline by: \$475.8 million in 2022; \$487.5 million in 2023; \$461.2 million in 2024; and by \$469.9 million in 2025. The economic impacts of these reduction is County economic activity by year are as follows:

- As a result of the \$475.8 million reduction in County residential construction activity in 2022, total economic activity in the County would be \$746.0 million lower than if the development were permitted to occur, County employment would be reduced by 4,582 jobs earning \$287.9 million in labor income, and County government revenues would be reduced by an estimated \$14.0 million;
- As a result of the \$487.5 million reduction in County residential construction activity in 2023, total economic activity in the County would be \$765.5 million lower than if the development were permitted to occur, County employment would be reduced by 4,698 jobs earning \$295.4 million in labor income, and County government revenues would be reduced by an estimated \$14.4 million;
- As a result of the \$461.2 million reduction in County residential construction activity in 2024, total economic activity in the County would be \$723.4 million lower than if the development were permitted to occur, County employment would be reduced by 4,442 jobs earning \$279.2 million in labor income, and County government revenues would be reduced by an estimated \$13.6 million; and
- As a result of the \$469.9 million reduction in County residential construction activity in 2025, total economic activity in the County would be \$737.2 million lower than if the development were permitted to occur, County employment would be reduced by 4,526 jobs earning \$284.5 million in labor income, and County government revenues would be reduced by an estimated \$13.9 million.

These figures represent the loss in County economic activity by year, as a result of the APFO induced moratorium on development activity in the County – over the four year moratorium period. This development activity would be permitted to occur after 2025, based on the four year limitation on reductions in construction activity under the APFO. On average, the County the APFO will reduce direct construction employment in the County by 2,763 over the four year period, representing 19 percent of 2016 construction sector jobs in the County.

Table 5: Estimated Annual Economic Impacts Associated with the Reduction of Construction Activity Associated with the Proposed APFO Legislation

Construction Impacts	2022	2023	2024	2025
Direct Impact	\$475,802,000	\$487,493,000	\$461,245,000	\$469,914,000
Output (\$s)	\$745,986,622	\$765,474,880	\$723,415,067	\$737,246,950
Employment (Jobs)	4,582	4,698	4,442	4,526
Labor Income (\$s)	\$287,926,914	\$295,409,444	\$279,206,477	\$284,536,991
Estimated County Revenues	\$14,022,112	\$14,371,323	\$13,594,125	\$13,850,573

Source: JFI and IMPLAN

Figure 2: Estimated Annual Economic Impacts Associated with the Reduction of Construction Activity Associated with the Proposed APFO Legislation

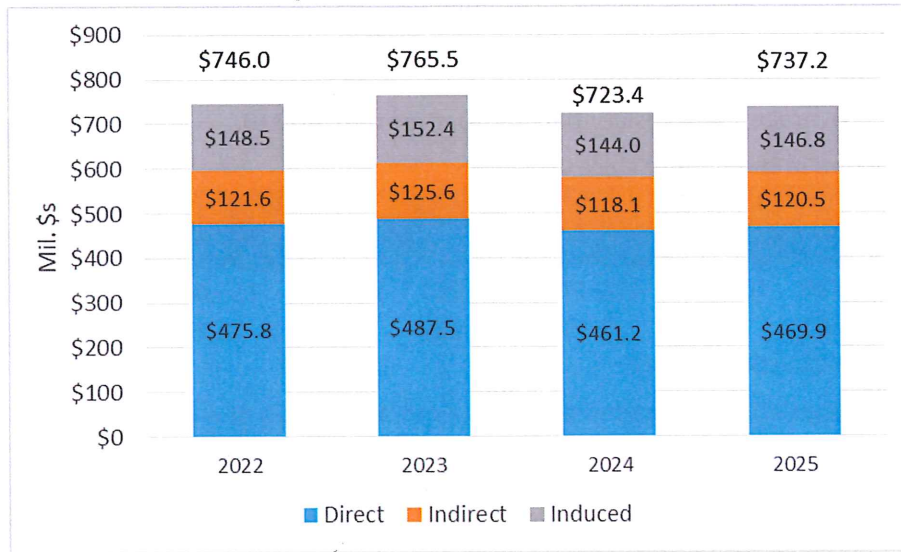


Table 6: Estimated Annual Economic Impacts Associated with the Foregone Construction Activity Associated with the Proposed APFO Legislation

Item	Direct	Indirect	Induced	Total
2022 Construction Impacts				
Output (\$s)	\$475,802,000	\$121,642,995	\$148,541,627	\$745,986,622
Employment (Jobs)	2,778	823	981	4,582
Labor Income (\$s)	\$190,749,889	\$49,316,278	\$47,860,747	\$287,926,914
Estimated County Revenues	n.c.	n.c.	n.c.	\$14,022,112
2023 Construction Impacts				
Output (\$s)	\$487,493,000	\$125,581,465	\$152,400,415	\$765,474,880
Employment (Jobs)	2,841	850	1,006	4,698
Labor Income (\$s)	\$195,442,210	\$50,863,154	\$49,104,080	\$295,409,444
Estimated County Revenues	n.c.	n.c.	n.c.	\$14,371,323
2024 Construction Impacts				
Output (\$s)	\$461,245,000	\$118,127,633	\$144,042,434	\$723,415,067
Employment (Jobs)	2,692	800	951	4,442
Labor Income (\$s)	\$184,915,129	\$47,880,257	\$46,411,091	\$279,206,477
Estimated County Revenues	n.c.	n.c.	n.c.	\$13,594,125
2025 Construction Impacts				
Output (\$s)	\$469,914,000	\$120,540,803	\$146,792,147	\$737,246,950
Employment (Jobs)	2,741	816	969	4,526
Labor Income (\$s)	\$188,391,662	\$48,848,265	\$47,297,064	\$284,536,991
Estimated County Revenues	n.c.	n.c.	n.c.	\$13,850,573

Source: JFI and IMPLAN

Economic Impacts of Foregone Resident Incomes

In addition to the reduction County economic activity resulting from the reduction in construction activity caused by the proposed APFO legislation, the County’s economy will also be impacted by the loss in resident incomes associated with the housing units forgone under the proposed legislation. As presented in Table 7, the County has added on average 1,484 residential units per year since 2010.

Table 7: New Residential Construction in the County since 2011

	2010	2011	2012	2013	2014	2015	2016	Six-Year Average
Cumulative Units	106,563	107,826	109,289	110,448	112,083	113,691	115,467	
New Units		1,263	1,463	1,159	1,635	1,608	1,776	1,484

Source: Howard County Planning -Construction Report

Because the proposed APFO legislation will essentially act as a moratorium on new development for the 2022-2025 period, new development activity will essentially cease over this four-year period. As a result of this reduction in residential development, County population growth and the household incomes associated with this rising population will be slowed. As described above, the JFI estimated the household incomes that will be foregone in the County as a result of the proposed APFO legislation. As described in Table 4 above, household income growth in the County will be reduced by an average of almost \$180 million per year. Moreover, this loss will be cumulative, with the loss in household income potential adding up each year, for a total potential loss of \$732.9 million in 2025. The JFI estimated the reduction in County economic activity and employment that results from this lower level of County household incomes, by year and in terms of the cumulative impact. The JFI also prepared a high level estimate of the loss in County government revenues from both these foregone residential units/household incomes as well as from the resulting reduction in County economic activity.

The proposed APFO legislation will reduce economic activity and County government revenues as a result of the diminished population and associated household income growth. The reduction in Howard County household incomes and the associated reduction in County economic activity will be cumulative and grow as the proposed APFO induced moratorium on development activity reduces development and the attraction of new households into the County. As presented in Table 8 the reduction in economic activity will start at \$145.4 million in 2022 with an associated reduction in employment growth of 950 jobs, earning \$46.7 million in labor income, and with an associated \$8.1 million in County government revenues.⁶ This loss will grow to \$578.7million in economic activity, with a reduction of 3,779 jobs earning an estimated \$185.9 million in labor income, with an associated \$32.2 million in County government revenues.⁷ *It is important to note that these preliminary economic impact estimates do not represent actual losses in County economic activity or employment. They represent the losses in economic activity and employment associated with the residential development forgone as a result of the proposed APFO legislation’s reduction in development activity. Thus, they represent the economic costs of the foregone development activity resulting from the APFO legislation induced development moratorium against the **development potential** of the County if this development were permitted to occur.* Further caveats are also necessary here. These impacts are based on the proposed APFO legislation acting as a moratorium on all development, and would be reduced to the extent that some development activity would be allowed. Furthermore, these estimates

⁶ The loss in economic activity is less than the loss of household incomes because of the combination of household savings and the “leakage” of economic activity due to federal and state taxes as well as from household purchases made from outside of the County.

⁷ This estimate of foregone County government revenues is estimated by the IMPLAN model and by the JFI. This is a rough estimate based on standard relationships of economic activity to County government revenues and is less precise than the analysis prepared by VPA in the second part of this report.

do not take into account any adjustments in the County real estate market made in response to the legislation, such as increases in the sales and turnover existing homes by households desiring the County’s substantial base of amenities. This analysis is also based on the County’s projection of planned units, which could be higher or lower based on economic, market and local conditions. The estimated impacts associated with foregone development activity by year are presented in Table 9.

Table 8: Estimated Cumulative Economic Impacts Associated with the Reduction of Residential Incomes Associated with the Proposed APFO Legislation

Cumulative Residential Income Loss Impacts	2022	2023	2024	2025
Output (\$s)	\$145,425,527	\$294,555,953	\$436,111,314	\$578,748,518
Employment (Jobs)	950	1,923	2,847	3,779
Labor Income (\$s)	\$46,718,168	\$94,591,820	\$140,047,873	\$185,859,576
Estimated County Revenues	\$8,093,562	\$16,373,981	\$24,236,928	\$32,194,430

Source: JFI and IMPLAN

Figure 2. Reduced County Economic Activity as a Result of APFO-Related Foregone Household Income

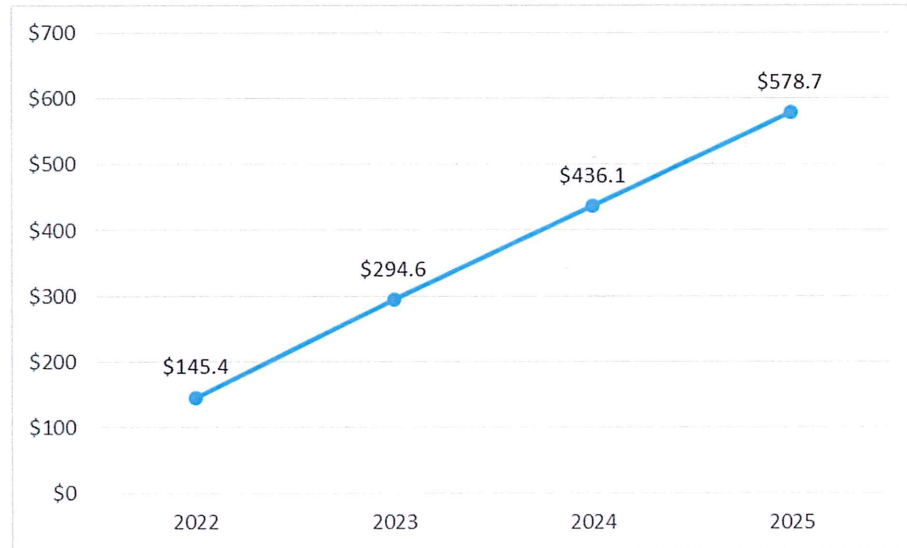


Figure 3. Reduced County Employment as a Result of APFO-Related Foregone Household Income

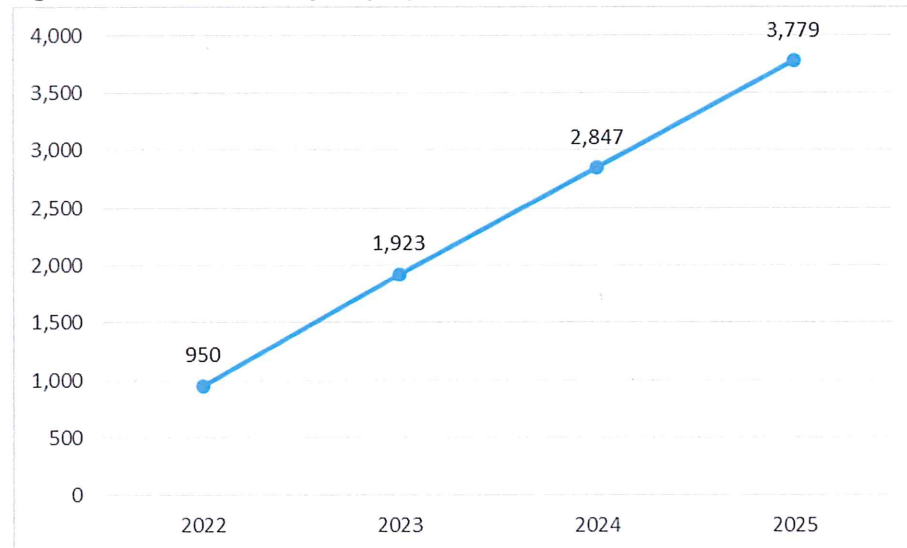


Table 9: Estimated Annual Economic Impacts Associated with the Reduction of Residential Incomes Associated with the Proposed APFO Legislation

Item	Direct ¹	Indirect	Induced	Total
<u>2022 Residential Income Loss Impacts</u>				
Output (\$s)	\$0	\$0	\$145,425,527	\$145,425,527
Employment (Jobs)	0	0	950	950
Labor Income (\$s)	\$0	\$0	\$46,718,168	\$46,718,168
Estimated County Revenues	\$3,385,077	\$0	\$4,708,485	\$8,093,562
<u>2023 Residential Income Loss Impacts</u>				
Output (\$s)	\$0	\$0	\$149,130,426	\$149,130,426
Employment (Jobs)	0	0	973	973
Labor Income (\$s)	\$0	\$0	\$47,873,652	\$47,873,652
Estimated County Revenues	\$3,459,581	\$0	\$4,820,838	\$8,280,419
<u>2024 Residential Income Loss Impacts</u>				
Output (\$s)	\$0	\$0	\$141,555,361	\$141,555,361
Employment (Jobs)	0	0	924	924
Labor Income (\$s)	\$0	\$0	\$45,456,053	\$45,456,053
Estimated County Revenues	\$3,284,873	\$0	\$4,578,074	\$7,862,947
<u>2025 Residential Income Loss Impacts</u>				
Output (\$s)	\$0	\$0	\$142,637,204	\$142,637,204
Employment (Jobs)	0	0	932	932
Labor Income (\$s)	\$0	\$0	\$45,811,703	\$45,811,703
Estimated County Revenues	\$3,339,142	\$0	\$4,618,359	\$7,957,502

Source: JFI and IMPLAN

Ancillary Impacts of the Proposed APFO Legislation

A complete assessment of all of the related potential impacts of the proposed APFO legislation on the County's economy and patterns of development was outside of the scope of this limited engagement. In order to meet the tight deadlines associated with the consideration of this proposed legislation, the JFI instead conducted a *high level review of the available literature* on adequate public facilities ordinances and growth moratoria on jurisdictions as well as discussions with officials from the County Planning Department and Howard County Economic Development Authority Executive Committee. The goal of this analysis was to identify additional critical issues for the County to consider in its review of the proposed legislation.

The JFI's high level analysis of the potential ancillary impacts of the proposed APFO legislation on the County development and the economy focused on the issues of: 1) its potential impact on economic development in the County; 2) its potential impact on the process and patterns of development in the County; and 3) its impact on housing affordability and inclusion. There was a lack of a substantial literature on the impact APFOs and of such a wide ranging development moratorium as could be caused by the proposed APFO legislation on Howard County. Because of this lack of literature on comparable policies and the limited time available for this analysis it is again important to note important caveats to the discussion of potential ancillary impacts below. The JFI drew inferences on these potential ancillary impacts based on its limited, high level review of the available literature found and reviewed. This inferences represent additional potential impacts for the County to consider based on the JFI's interpretation of the materials reviewed, and may or may not accurately reflect the potential impacts on the County. Again, given the potential wide ranging development, economic, and fiscal impacts of the proposed legislation, a more thorough assessment of these potential impacts is warranted.

Economic Development Impacts. The proposed APFO legislation has the potential to impact economic development in Howard County. Historically, Howard County has developed as a suburban, bedroom community with a substantial base of out-commuters. With 57 percent of the County's resident workforce commuting to jobs outside of the County, Howard County has one of the largest shares of resident out-commuters in the State.⁸ Recently however, with its large and growing employment base, Howard County has made great strides in creating employment opportunities for its resident workforce, with the share of resident workers employed in-County increasing from 38 percent in 2001 to 40 percent in 2009 to 43 percent in 2016.

Over the past decade, there has been a significant change in real estate preferences among both employers and households that is altering where people want to live and work. Increasingly, younger workers and innovative companies have begun to favor urban areas. This change was led by younger – Millennials – or the cohort of population born from the 1980s to the early 2000s. According to the Urban Land Institute's America in 2015 A ULI Survey of Views on Housing, Transportation, and Community, "Cities are home to more of the nation's younger generations, composed of 42 percent Millennials and 23 percent Generation Xers, while only 25 percent of city dwellers are Baby Boomers and 9 percent are from the silent and war-baby generations." The role of Millennials was also highlighted in the PWC-ULI report Emerging Trends in Real Estate report, which found that "The Millennial and baby-boom generations have had a hand in a number of significant real estate changes over the decades. The baby-boom generation led the move to

⁸ Based on a JFI analysis of 2016 U.S. Bureau of the Census – American Community Survey data, Howard County has the fifth highest share of resident workers commuting to jobs outside of the County among Maryland's 16 largest counties.

the suburbs during the 1960s, and the Millennial generation is driving the move back to the city.” Jobs have increasingly followed these workers back to the cities.

Increasingly, in order to face the competition from revitalizing cities, suburban employment markets, like Howard County, need to redefine themselves to promote and develop a more urban, live-work-play environment to be competitive in today’s economic development environment. This is especially true for Howard County, where Washington D.C. to the south is one of the most successful downtown revitalization stories in the nation and Baltimore City to the north is focusing on large scale redevelopment to create an improved live-work-play environment. According to the 2014 National Association for Industrial and Office Parks *Preferred Office Locations: Comparing Location Preferences and Performance of Office Space in CBDs, Suburban Vibrant Centers and Suburban Areas* report,

Another trend is gaining momentum to meet the demand for live, work, play (LWP) environments in suburbia, where 77 percent of the nation’s office inventory was located as of the first quarter.

Although suburban redevelopment has received more attention, another emerging type of suburban vibrant center is far more common: the smaller cities and towns contained in many metro areas that have withstood the onslaught of highway-oriented development for over 50 years. The core areas of these cities and towns often have the employment density, design features and mix of land uses that can satisfy the demand for LWP places. Both vibrant town centers and suburban mixed-use developments that have achieved critical mass present many features of small CBDs. The demand for these suburban vibrant centers should grow, compared to the demand for typical single-use suburban locations. The preference for and performance of office space in suburban vibrant centers compared to office space in typical single-use suburban locations, as well as to downtown office space, therefore are of considerable interest.⁹

Howard County has many of the aspects of both suburban redevelopment and smaller city development highlighted in the NAIOP report as an emerging real estate development pattern. In order to be competitive in today’s economic and real estate development market and continue to grow both local jobs and local employment opportunities, Howard County will need to develop the live-work-play environment increasingly demanded by both residents and workers. The County’s Downtown Columbia Development Plan is a clear acknowledgement of this need. By limiting the residential development component of the Downtown Columbia plan, the proposed APFO legislation has the potential to negatively impact the County’s recent economic development success by curtailing the development of the live-work-play environment that is driving today’s economic and real estate development market.

Development Process Impacts.

Another potential impact of the proposed APFO legislation is on the County’s reputation with the local and regional development community. Many of the major developers active in the County are located in the County and many County construction companies are involved in residential development activities. The construction sector accounts for 6 percent of all jobs in the County and the real estate sector accounts for 5.5 percent of County employment, and have grown by 10 and 19 percent respectively since 2009, in

⁹ <https://www.naiop.org/preferredofficelocations>.

the recovery from the “Great Recession.”¹⁰ Howard County’s current APFO model has successfully managed patterns of development to match infrastructure and fiscal needs while offering both flexibility and consistency to the development community. According to the 2005 *Adequate Public Facilities Ordinances in Maryland: An Analysis of their Implementation and Effects of Residential Development in the Baltimore Metropolitan Area* report produced by the National Center for Smart Growth Research and Evaluation, the existing APFO process in the County has provided the development community with “‘predictability’ by betting that sufficient revenues will be raised by the time delays/moratoria automatically end.”¹¹ According to this report,

Development proposals are never really “denied” for lack of facilities in Howard County, and there are no moratoria. Instead, development proposals are put on hold, with a waiting period that can be as long as 9 years (6 years for the growth allocation and the end of three years for the schools test once the allocation is given). Projects must either wait for school redistricting, the construction of a new school, or the end of the three-year waiting period for school capacity improvements. So a residential developer may proceed even without passing the school adequacy test in the fourth year after receiving an allocation. Even in the worst case scenario, (s)he will be able to proceed with the development. As one developer commented, “builders agreed to live with this straightjacket in return for predictability” (as quoted in Burrell 2003).¹²

The proposed APFO legislation has the potential to reverse the development “consistency and predictability” currently present in the implementation of the County’s APFO and jeopardize the County’s reputation with the development community.

Housing Affordability and Inclusion Impacts.

Finally, the proposed APFO legislation could impact housing affordability and inclusion in the County. Providing sufficient affordable housing is a core goal in the County’s Plan Howard 2030 master plan, which established affordable housing as one of nine key initiatives to guide development in the County,

Housing - 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.¹³

The County’s 2030 master plan identifies the need for affordable housing as well as the impact of the County’s existing APFO on affordable housing development in its assessment of the County’s Jobs/Housing Balance,

Since job growth also depends on having the workforce to fill the jobs, a common measure of how growth has been balanced is the ratio of jobs to housing. [...] The jobs to housing ratio has increased from 1.51 in 1990 to 1.78 in 2009. This is a result of continued job

¹⁰ Based on U.S. Bureau of Economic Analysis figures to be comparable to the IMPLAN results.

¹¹ National Center for Smart Growth Research and Evaluation, *Adequate Public Facilities Ordinances in Maryland: An Analysis of their Implementation and Effects of Residential Development in the Baltimore Metropolitan Area*, 2005, p. xv.

¹² Ibid. p lvii.

¹³ <https://www.howardcountymd.gov/LinkClick.aspx?fileticket=T5Yn58WbdKQ%3d&portalid=0> – Executive summary.

growth in the County even while there have been constraints on residential growth due to the County's Adequate Public Facilities Act. Setting housing limits too low in relation to job growth and associated housing demand contributes to higher housing prices, forcing many Howard County workers to commute greater distances for affordable housing.¹⁴

Howard County supports housing affordability through the programs offered by the Howard County Housing and Community Development, which "works to provide affordable housing opportunities for low and moderate income residents of Howard County". The Department administers a range of Federal, State, and County funded programs providing opportunities for affordable home ownership, loans and grants for special needs housing programs, rental assistance, community facilities, and programs. The Department also owns and manages residential property, maintains these properties, provides loans for settlement and down payment assistance, assists in home ownership preparedness, operates the Community Development Block Grant, Community Legacy, and the HOME program."¹⁵ Recent negotiations over the development of downtown Columbia also emphasized the need and planned for affordable housing.¹⁶ Thus, it is clear that expanding the supply of affordable housing is a core goal of the County.

APFOs in general have been found to impact housing affordability and by effectively acting as a moratorium on growth, the proposed APFO legislation could negatively impact the County's affordable housing goals. A review of APFO legislation in Cabarrus County, North Carolina found that APFO programs led to an increase in the price of existing single family homes.¹⁷ Similarly Rosen and Katz found that "building moratoria, growth management systems and restrictive zoning practices have helped lead to significantly increased house prices."¹⁸ Ott and Read found that,

Adequate public facilities ordinances provide rapidly growing communities with a management strategy capable of limiting the pace of residential development. However, existing literature supports many of the economic and social concerns identified by opponents of APFOs. Concurrency regulations imposing temporary development moratoria or voluntary impact fees may produce a number of externalities. APFOs can potentially increase the cost of housing, reduce undeveloped land values, encourage development in more remote locations, and provide existing residents and local governments with windfall economic gains.

Economic theory and existing empirical research show that impact fees often increase the cost of new housing in an amount greater than the fee. Therefore, new home buyers may absorb a large portion of the cost increase associated with an impact fee. Existing residents are likely to experience capital gains as property tax savings and benefits of improved infrastructure are capitalized into existing home values. A reduction in new housing supply may also put upward pressure on existing home prices.¹⁹

¹⁴ Plan Howard2030, p. 78-79.

¹⁵ <https://www.howardcountymd.gov/Departments/Housing-and-Community-Devel>

<https://www.howardcountymd.gov/Departments/Housing-and-Community-Development/MM-About-Us> opment/MM-About-Us.

¹⁶ <http://www.baltimoresun.com/news/maryland/howard/columbia/ph-ho-cf-drra-signing-0209-20170206-story.html>.

¹⁷ Read, D., The impact of an adequate public facilities ordinance on the sale price of single-family housing in Cabarrus County, North Carolina, Housing and Society, 2015, Vol. 42, No. 2, 148-161.

¹⁸ Rosen, L and Katz, L. "Growth Management and Land Use Controls: The San Francisco Bay Area Experience, 9 J. Am. Real Est. & Urb. Econ. A. 321 (1981).

¹⁹ Ott, S, Read, D The Effect of Growth Management Strategies: Adequate Public Facilities Ordinances and Impact Fees A Review of Existing Strategy, Available at, <https://www.naiop.org/-/media/9887459CA2A243F19B542D68CEA45B4D.ashx>

Thus, a strong argument can be made from Howard County's own plan as well as the limited literature reviewed that the County's APFO and the proposed new APFO legislation, which would significantly limit development, has the potential to increase home prices and therefore reduce housing affordability in the County. As a result of this increase in housing costs, County goals for a more inclusive and diverse residential population could also be impacted. According to Pendall, APFOs should not result in exclusion; however, a moratorium can reduce the supply of affordable units and result in the exclusion of minorities from a jurisdiction.²⁰ As a result, the proposed APFO legislation similarly has the potential to impact the County's inclusion goals.

Moreover, by restricting development activity in the County, the proposed APFO legislation will also limit both the development of housing and payment of fees to the County's Moderate Income Housing Unit (MIHU) program. The County MIHU program law "provides a vital tool to increase affordable homeownership and rental housing opportunities for County residents. The law requires developers to build a certain percentage, usually 10-15%, of MIHU "for sale" units or "rental" units in which the sale price and rental prices are calculated based on an affordability formula stipulated by County law."²¹ According to the most recent County October 2017 MIHU Report, 139 MIHU buyers have closed on units since 2017 and there are a total of 505 MIHU rental units currently rented and 133 additional MIHU rental units pending. Developers can also pay a fee-in-lieu of development of MIHU units and according to the MIHU report, "The Department has signed fee in lieu agreements with 46 developers for 594 units through 10/31/17. The FY18 budget spending authority for the fee-in-lieu revenue is \$500,000."²² By restricting development, the proposed APFO legislation will eliminate both the development of MIHU units and payment of fee-in-lieu revenues over the four year moratorium period, thereby reducing the provision of moderate income units.

²⁰ Pendall, R. "Local land-use regulation and the chain of exclusion." *Journal of the American Planning Association* 66:2 (2000), 125-142.

²¹ See https://www.howardcountymd.gov/Portals/0/Documents/Housing/Publications/ConPlan%202011-2015_06%2014%2012%20distributed%20_final%20edit%206.pdf?ver=2016-01-14-223342-780. – Page 86

²² See <https://www.howardcountymd.gov/Portals/0/Documents/Housing/Publications/2017%20Oct%20MIHU%20Report.pdf?ver=2017-12-08-121047-997>

Fiscal Impact of Foregone Residential Development

Valbridge Property Advisors has joined with the JFI to prepare an analysis of the fiscal impact of the proposed APFO legislation on the operating budget of Howard County. Like the Economic Impact model of JFI, we have employed an I/O model that measures both the current Howard County Operating Budget and the tax revenues and expenditures associated with the construction of new residential dwellings. This analysis measures only recurring transactions such as real property tax and capital operating allocations. The one-time costs of development, such as permit fees and impact fees, are addressed in the Economic Impact portion of this report.

Data Inputs

The data used to determine the fiscal impact of residential development is relatively limited at this level of analysis. Since the proposed APFO legislation will essentially place a four year moratorium on new residential development throughout the County, the annual operating budget will undoubtedly change considerably over the moratorium interval.

There are five primary data sources for the fiscal impact analysis:

1. **Census Data** – Valbridge sources current estimates and future projections of population, households and incomes calculated by Environmental Systems Research Institute, Inc. (ESRI), a nationally recognized data provider, which incorporate 2010 Census data. This analysis uses data available from the 2010 U.S. Census and the Census Bureau’s 2011-2015 American Community Survey.
2. **County Budget** – A first-hand source of details on the revenue and allocation expenditures of Howard County are sourced from the FY 2018 Howard County Operating Budget. This document was supported by PlanHoward 2030 Fiscal Impact Analysis, prepared by the Howard County Department of Planning and Zoning Division of Research. May 29, 2012.
3. **Pupil Yield Data** – Every type of dwelling unit generates a factor of students occupying seats in the local school system. The Howard County Public School System (HCPSS) monitors enrollment closely and publishes a Cost per Seat/Student Generation Rates document. The most recent version was updated October 20, 2017, with pupil yields based on housing type per elementary, middle and high school.
4. **Housing Unit Allocations** – The Howard County Department of Planning and Zoning meters growth throughout the county by way of a housing unit allocation model. The Department has supplied VPA with a tally of all development in the allocation pipeline by planning district and unit type.
5. **Sales Data** – To determine the relative values of new construction and compute the foregone property and income tax revenue. Howard County Planning and Zoning provided a data stream of home sales throughout the County, by type and planning region, which was also sourced for Table 3 above. The sale transfer data is derived from the State Department of Assessment and Taxation (SDAT).

The Census American Fact Finder estimates that there are 322,360 persons residing in Howard County in 2017 and will be 348,512 in 2022, based on the 2010 Census and annual surveys thereafter. There was also estimated a household count of 116,281 and a household size of 2.76 persons per household in 2017 expanded to 125,177 households of 2.77 persons in 2022. These key figures drive the

per capita calculations of development and County budget figures. All of the other data is derived from the County budget, housing unit allocation data and sales data.

The Howard County Operating Budget is comprised of several revenue and expenditure streams. For the purpose of this high-level analysis, we concentrated on the General Fund, which has a projected revenue of approximately \$1.1 billion, which computes to a revenue of \$3,408 per capita or \$9,449 per household. There are three primary taxes levied in Howard County – Property, Income and Fire & Rescue. The tax rates are shown in Table 10. Generally, these three taxes supply approximately 88.8% of the General Fund revenue stream, whereas the property tax revenue makes up approximately 48.4% of the General Fund and income tax revenue is another 40.4%. The Fire and Rescue Tax is mentioned here as a required tax, but is not a significant part of the overall operating budget. The remaining 11% of the General Fund revenue is supplied by a wide variety of fees for services, debt service, revenues from other agencies and the prior year fund balance.

The lower part of Table 10 carries forward the data from Table 1 through the four year moratorium term. The county average household size is estimated by the Census to be 2.76 persons in 2017 and 2.77 persons in 2022, exhibiting a relatively stable household size. Further research by the Howard County government pares the household size by unit type, ranging from 2.07 in a multifamily condition to 3.19 in a single family detached house. The population projection data in Table 10 is computed on these detailed assumptions moving forward through 2025 without a perceptible increase in persons per household.

Several important caveats to this fiscal analysis. It was determined that at the time of this analysis, the proposed APFO restrictions will cover nearly all of Howard County, effectively creating a moratorium on all planned residential development. There are a few factors listed below that when studied in greater detail, will affect the outcomes. This report introduces the greatest gross effects of a moratorium. The specific effects on each budgeted allocation will vary over the term of the moratorium and by the parameters of each fund.

- ❖ The fiscal analysis is based on the same housing development activity and income data used in the economic impact study portion of this report.
- ❖ Households and dwelling units are not an interchangeable term in census data, however, based on the limited timing of this study and the data on dwelling units in planning, property transfers and construction permitting, we are conservatively assuming each new dwelling unit will be occupied by one household.
- ❖ Although this fiscal analysis projects 2017-8 data forward through the 2022-5 timeframe, the projection forward of the County budget based on 2018 is likely to shift and restructure considerably without the inputs of new development that carry and fund other programs and departments that may or may not be able to source other revenue. Therefore, this analysis offers a liberal approach to standard inflation in a non-volatile market over a period of eight years.
- ❖ One-time revenues from construction are significant, such as building permit and inspection fees, transfer taxes, recordation taxes, etc., but they are not recurring revenues that would be added year after year to the County General Fund base. Although the revenue streams from these other sources are important and have a direct causal relationship with development, the analysis of details such as foregone construction permitting revenue and allocations to programs mandated by the state government is too variable for the level of analysis presented herein. For example, permit fees for home construction are variable, depending on the size of the home, inspection frequency, and if in a subdivision, the permitting of public infrastructure improvements is based on personnel review time,

inspections, materials, equipment, etc. To adequately address the averages in development costs for new residential construction will require the input of the engineering and architecture community.

- ❖ The total budget for Howard County exceeds the General Fund by approximately \$483 million. Whether operating in net deficit or not, new construction is a direct source of funding for several programs and departments under the Howard County government umbrella. The most accurate picture of the impact of the proposed APFO legislation would require a far deeper analysis of each revenue stream and allocation.

Table 10: Inputs for Computing Fiscal Impact FY2018

Demographics	2017	2022	Annual Rate
Population	322,360	348,512	1.57%
Persons per HH - ACS Count Average	2.76	2.77	
Persons per HH - Single Family Detached	3.19		
Persons per HH - Single Family Attached	2.66		
Persons per HH - Apartment/Condominium	2.07		
Households	116,281	125,177	1.49%
Median HH Income	\$112,531	\$120,888	1.44%

County General Fund			
Property Tax Rate	\$1.014 /\$100 of Assessed Real Property Value		
Income Tax Rate	3.20%		
Fire & Rescue Tax Rate	\$0.176 /\$100 of Assessed Real Property Value		
Projected Revenue	\$1,098,746,451	\$1,212,810,496	
Revenue Per Capita	\$3,408	\$3,480	
Revenue Per Household	\$9,449	\$9,689	

Foregone Development	2022		2023		2024		2025		Total	
	Dwelling Units	Population	Dwelling Units	Population	Dwelling Units	Population	Dwelling Units	Population	Dwelling Units	Population
TOTAL	1,711	4,722	1,784	4,924	1,672	4,615	1,687	4,656	6,854	18,917
Single Family Detached	440	1,214	437	1,206	427	1,179	460	1,270	1,764	4,869
Townhouse	298	822	301	831	298	822	250	690	1,147	3,166
Condominium	155	428	172	475	164	453	168	464	659	1,819
Rental Apartment	818	2,258	874	2,412	783	2,161	809	2,233	3,284	9,064
Columbia	484	1,055	540	1,176	424	923	625	1,362	2,073	4,516
Single Family Detached	42	134	46	147	36	115	54	172	178	568
Townhouse	10	27	12	32	9	24	13	35	44	117
Condominium	43	89	48	99	38	79	56	116	185	383
Rental Apartment	389	805	434	898	341	706	502	1,039	1,666	3,449
Elkridge	282	641	388	902	408	951	296	704	1,374	3,199
Single Family Detached	15	48	39	124	43	137	45	144	142	453
Townhouse	69	184	94	250	98	261	70	186	331	880
Condominium	34	70	54	112	58	120	47	97	193	400
Rental Apartment	164	339	201	416	209	433	134	277	708	1,466
Ellicott City	425	1,174	358	989	367	1,014	310	856	1,460	4,033
Single Family Detached	198	632	167	533	171	545	144	459	680	2,169
Townhouse	123	327	104	277	106	282	90	239	423	1,125
Condominium	31	64	26	54	27	56	23	48	107	221
Rental Apartment	73	151	61	126	63	130	53	110	250	518
Rural West	100	319	100	319	100	319	100	319	400	1,276
Single Family Detached	100	319	100	319	100	319	100	319	400	1,276
Southeast	420	1,021	398	973	373	909	356	913	1,547	3,816
Single Family Detached	85	271	85	271	77	246	117	373	364	1,161
Townhouse	96	255	91	242	85	226	77	205	349	928
Condominium	47	97	44	91	41	85	42	87	174	360
Rental Apartment	192	397	178	368	170	352	120	248	660	1,366

Source: Howard County Government; ESRI; Compiled by Valbridge 2017

Revenues

Table 11 summarizes the revenue streams for property, income and fire tax that would have been realized with projected development, should the proposed APFO legislation not pass. The data is computed for each housing type in each planning district and totaled and averaged at the top. The data shows the relative impact of housing types on revenue.

Table 11 revenue projections are based on a straight-line inflation rate. In actuality inflation is not consistent year to year, and some costs as some factors outside of construction may influence the new construction market, especially in the arena of property assessments and the values of new homes. Markets for construction materials, labor and financial markets are particularly volatile and can cause major shifts in construction and hence, property valuation.

The Rural West is clearly the highest per home value to the County at an average of \$18,654 in combined taxes, whereas apartment households are averaging approximately \$4,120 in tax revenue. Weighted averages are provided for the 2022 year only as a representative snapshot of what each housing type in each district contributes to the General Fund. The overall revenue is estimated at approximately \$14.4 million per annum in 2022, escalating to as much as \$15.1 million in 2025. The overall impact for the 2022-5 period is estimated at \$59.0 million of foregone tax revenue.

To create the property value per unit of apartments, we followed the state assessment method of value based upon income, by analyzing several apartment communities in each planning district (none in Rural West) of relatively new construction and divided the assessed value by the number of units. We also retrieved data on all the affordable (LIHTC) general occupancy (family style) communities in the county and computed per unit value in the same manner. Using the Howard County standard of 10-15% moderate income housing unit (MIHU), we estimated the income per planning area by a 15% factor for affordable and 85% for market rate. It was computed that affordable apartments were approximately one-third the value of market rate in each planning district other than Elkrige, where the values were much closer to market rate. Therefore, in Ellicott City, where there are no general occupancy LIHTC units, an estimation for the four year period was based on 33% of the new units being affordable.

There are a number of affordable age-restricted apartment communities throughout the four more urban planning districts. Although construction of these properties does contribute to the General Fund, these communities were not evaluated in this report primarily because they do not contribute significantly to income tax revenue.

Table 11: Estimated General Fund Revenue Not Realized as a Result of the Proposed APFO Legislation

	Foregone Units	Property Tax Revenue	Fire & Rescue Tax Revenue	Income Tax Revenue	2022 Total Revenue	Property Tax Revenue	Fire & Rescue Tax Revenue	Income Tax Revenue	Total Revenue	2023 Total Revenue	2024 Total Revenue	2025 Total Revenue	Total Foregone Units	Total Foregone Revenue
		Weighted Averages / Dwelling Unit												
Total Housing Units	1,711	\$7,218,139	\$1,252,853	\$5,894,504	\$14,365,496	\$4,219	\$732	\$3,445	\$8,396	\$14,949,840	\$14,589,979	\$15,130,160	6,854	\$59,035,476
Single Family Detached	440	\$3,650,005	\$633,531	\$2,617,633	\$6,901,169	\$8,295	\$1,440	\$5,949	\$15,684	\$6,944,797	\$6,909,012	\$7,666,337	1,764	\$28,421,315
Townhouse	298	\$1,591,514	\$276,239	\$1,142,128	\$3,009,880	\$5,341	\$927	\$3,833	\$10,100	\$3,072,827	\$3,097,572	\$2,698,958	1,147	\$11,879,237
Condominium	155	\$573,259	\$99,501	\$411,298	\$1,084,057	\$3,698	\$642	\$2,654	\$6,994	\$1,284,003	\$1,259,797	\$1,318,287	659	\$4,946,145
Rental Apartment	818	\$1,403,363	\$243,582	\$1,723,446	\$3,370,390	\$1,716	\$298	\$2,107	\$4,120	\$3,648,214	\$3,323,598	\$3,446,577	3,284	\$13,788,779
Columbia	484	\$1,279,075	\$222,009	\$1,267,152	\$2,768,235	\$2,643	\$459	\$2,618	\$5,719	\$3,138,072	\$2,505,585	\$3,773,783	2,073	\$12,185,675
Single Family Detached	42	\$404,160	\$70,150	\$289,774	\$764,085	\$9,623	\$1,670	\$6,899	\$18,192	\$857,776	\$688,086	\$1,057,932	178	\$3,367,878
Townhouse	10	\$56,277	\$9,768	\$40,367	\$106,412	\$5,628	\$977	\$4,037	\$10,641	\$130,887	\$100,620	\$148,973	44	\$486,892
Condominium	43	\$177,109	\$30,741	\$127,056	\$334,906	\$4,119	\$715	\$2,955	\$7,789	\$383,194	\$310,946	\$469,693	185	\$1,498,739
Rental Apartment	389	\$641,528	\$111,350	\$809,954	\$1,562,832	\$1,649	\$286	\$2,082	\$4,018	\$1,766,214	\$1,405,934	\$2,097,186	1,666	\$6,832,166
Elkridge	282	\$855,064	\$148,413	\$744,152	\$1,747,630	\$3,032	\$526	\$2,639	\$6,197	\$2,597,875	\$2,803,623	\$2,189,280	1,374	\$9,338,408
Single Family Detached	15	\$82,895	\$14,388	\$59,475	\$156,758	\$5,526	\$959	\$3,965	\$10,451	\$417,760	\$472,122	\$506,433	142	\$1,553,073
Townhouse	69	\$306,451	\$53,191	\$219,873	\$579,514	\$4,441	\$771	\$3,187	\$8,399	\$809,221	\$864,747	\$633,118	331	\$2,886,600
Condominium	34	\$158,590	\$27,526	\$113,650	\$299,766	\$4,664	\$810	\$3,343	\$8,817	\$488,002	\$537,254	\$446,245	193	\$1,771,267
Rental Apartment	164	\$307,129	\$53,308	\$351,154	\$711,591	\$1,873	\$325	\$2,141	\$4,339	\$882,893	\$929,500	\$603,484	708	\$3,127,468
Ellicott City	425	\$2,393,566	\$415,451	\$1,762,862	\$4,571,879	\$5,632	\$978	\$4,148	\$10,757	\$3,947,946	\$4,139,674	\$3,579,197	1,460	\$16,238,697
Single Family Detached	198	\$1,517,836	\$263,451	\$1,088,690	\$2,869,977	\$7,666	\$1,331	\$5,498	\$14,495	\$2,481,153	\$2,604,096	\$2,247,746	680	\$10,202,972
Townhouse	123	\$631,093	\$109,539	\$452,990	\$1,193,623	\$5,131	\$891	\$3,683	\$9,704	\$1,034,473	\$1,080,726	\$940,537	423	\$4,249,358
Condominium	31	\$97,445	\$16,914	\$69,952	\$184,311	\$3,143	\$546	\$2,257	\$5,946	\$158,448	\$168,656	\$147,261	107	\$658,676
Rental Apartment	73	\$147,191	\$25,548	\$151,230	\$323,969	\$2,016	\$350	\$2,072	\$4,438	\$273,873	\$286,197	\$243,653	250	\$1,127,691
Rural West	100	\$986,622	\$171,248	\$707,542	\$1,865,412	\$9,866	\$1,712	\$7,075	\$18,654	\$1,912,048	\$1,959,849	\$2,008,845	2,059	\$7,746,154
Single Family Detached	100	\$986,622	\$171,248	\$707,542	\$1,865,412	\$9,866	\$1,712	\$7,075	\$18,654	\$1,912,048	\$1,959,849	\$2,008,845	400	\$7,746,154
Southeast	420	\$1,703,813	\$295,731	\$1,412,796	\$3,412,340	\$4,057	\$704	\$3,364	\$8,125	\$3,353,899	\$3,181,248	\$3,579,054	1,547	\$13,526,541
Single Family Detached	85	\$658,492	\$114,294	\$472,151	\$1,244,937	\$7,747	\$1,345	\$5,555	\$14,646	\$1,276,061	\$1,184,860	\$1,845,381	364	\$5,551,238
Townhouse	96	\$597,692	\$103,741	\$428,897	\$1,130,331	\$6,226	\$1,081	\$4,468	\$11,774	\$1,098,246	\$1,051,480	\$976,330	349	\$4,256,387
Condominium	47	\$140,115	\$24,320	\$100,640	\$265,074	\$2,981	\$517	\$2,141	\$5,640	\$254,359	\$242,941	\$255,088	174	\$1,017,463
Rental Apartment	192	\$307,515	\$53,375	\$411,107	\$771,997	\$1,602	\$278	\$2,141	\$4,021	\$725,234	\$701,967	\$502,255	660	\$2,701,453

Source: Valbridge Analysis of Howard County Fiscal Year 2018 Approved Operating Budget

Revenue Gap

The \$483 million gap in revenue between the General Fund and All Funds is summarized below in Table 12. The line items in bold and italic are directly impacted by residential construction activities, but not completely, as some of these funds source revenue from other activities as well. Additionally, the impacts are not shared equally across the county, where for example, some development would be on well and septic services and others would be on public water and sewer. Likewise, the TIF districts are not funded by development in other areas of the county.

Table 12: Other Revenue

Subtotal Other Revenue	\$	483,190,182
Special Revenue Funds	\$	208,990,049
<i>Ag Preservation</i>	\$	12,536,434
Commercial BAN	\$	2,330,000
<i>Communty Renewal Program</i>	\$	5,112,374
Environmental Services	\$	26,355,098
<i>Fire & Rescue Tax</i>	\$	102,230,763
<i>Forest Conservation</i>	\$	682,251
Grants	\$	23,800,861
Program Revenue	\$	11,376,135
Recreation & Parks Fund	\$	20,973,978
Special Tax District	\$	1,025,000
Speed Enforcement	\$	1,258,155
<i>TIF District</i>	\$	1,257,000
Trust and Agency Multifarious	\$	52,000
Enterprise Funds	\$	157,582,118
County Broadband Initiative	\$	638,517
Non-County Broadband Initiative	\$	1,541,298
Private Sector Broadband Initiative	\$	385,526
Recreation Special Facilities	\$	2,153,710
<i>Shared Septic Systems</i>	\$	779,815
<i>W&S Operating</i>	\$	92,218,059
<i>W&S Special Benefits Charges</i>	\$	44,473,893
Watershed Protection & Restoration	\$	15,391,300
Internal Service Funds	\$	116,618,015
Employee Benefits	\$	60,904,219
Fleet Operations	\$	19,701,900
Risk Management	\$	10,580,814
Technology & Communications	\$	25,431,082

Source: Valbridge Analysis of Howard County Fiscal Year
2018 Approved Operating Budget

One-Time Fees and Permitting

Construction activity includes a variety of fees for permitting and review, as well as road excise tax, school surcharge and transfer tax and recordation tax. The permit and review fee revenues are allocated to sustaining those operations of government, while the other fees and taxes are utilized for debt service to capital road improvements and school construction. Although these are not annually recurring revenue streams like property and income tax, they are essentially recurring with continual new construction, and hence an integral revenue stream in the General Fund. Tables 13 and 14 calculate the estimated impacts of these foregone revenues for Transfer Tax (1.0% of purchase price), Recordation Tax (0.5% of assessed value), Road Excise Tax (\$1.18/sf), and School Surcharge \$1.29/sf). Howard County Departments of Permits and Inspections provided that the average sizes by unit types throughout the county were 5,465 for a single family detached unit, 2,586 for a single family attached (townhouse) unit and 1,458 for a multifamily unit. These numbers are based on total enclosed area of the building/unit, rather than limited to finished space as the state tax assessments are computed.

The total foregone revenue each of the four years averages \$22.1 million, with a per unit weighted average of \$12,872 in 2022. These tables illustrate the magnitude of impact by housing type in each planning district, with single family homes clearly contributing significantly more on a per unit basis than multifamily and attached homes. However, the total over the four year period attributes a greater share (\$25.6 million) to multifamily units than to attached units.

These revenues are included in the General Fund revenue and allocation models and represent a separate revenue stream in addition to property tax and income tax. It illustrates that certain General Fund revenues are earmarked for certain allocations and the residential construction revenue is divided among many program allocations in varying percentages. Some construction revenue is also used as inputs to the Special Revenue Funds, Enterprise Funds and Internal Service Funds mentioned above in Table 12. A full analysis of the flow of construction revenue would require detailed review of each fund and requirements of those particular funds to break down the path of each dollar of construction revenue.

Table 13: Estimated One-Time Revenues Directly Associated With New Residential Construction

2022 Foregone Units	Transfer Tax Revenue	Recordation Tax Revenue	Road Excise Tax	School Surcharge	2022 Total Revenue	Transfer Tax	Recordation	Road Excise	School	Total	2023 Total Revenue	2024 Total Revenue	2025 Total Revenue	
						Revenue	Tax Revenue	Tax	Surcharge	Revenue				
Weighted Averages / Dwelling Unit														
Total Housing Units	<u>1,711</u>	<u>\$7,118,481</u>	<u>\$3,559,240</u>	<u>\$5,420,757</u>	<u>\$5,926,082</u>	<u>\$22,024,560</u>	<u>\$4,160</u>	<u>\$2,080</u>	<u>\$3,168</u>	<u>\$3,464</u>	<u>\$12,872</u>	<u>\$22,649,314</u>	<u>\$21,893,337</u>	<u>\$21,650,018</u>
Single Family Detached	440	\$3,599,610	\$1,799,805	\$2,837,428	\$3,101,934	\$11,338,777	\$8,181	\$4,090	\$6,449	\$7,050	\$25,770	\$11,332,407	\$11,169,394	\$12,207,447
Townhouse	298	\$1,569,540	\$784,770	\$909,341	\$994,110	\$4,257,761	\$5,267	\$2,633	\$3,051	\$3,336	\$14,288	\$4,326,187	\$4,326,376	\$3,707,986
Condominium	155	\$565,344	\$282,672	\$266,668	\$291,527	\$1,406,211	\$3,647	\$1,824	\$1,720	\$1,881	\$9,072	\$1,623,917	\$1,576,189	\$1,636,322
Rental Apartment	818	\$1,383,987	\$691,993	\$1,407,320	\$1,538,511	\$5,021,811	\$1,692	\$846	\$1,720	\$1,881	\$6,139	\$5,366,803	\$4,821,379	\$4,098,264
2022 Foregone Units	Transfer Tax Revenue	Recordation Tax Revenue	Road Excise Tax	School Surcharge	2022 Total Revenue	Transfer Tax Revenue	Recordation Tax Revenue	Road Excise Tax	School Surcharge	Total Revenue	2023 Total Revenue	2024 Total Revenue	2025 Total Revenue	
Columbia	<u>484</u>	<u>\$1,261,415</u>	<u>\$630,707</u>	<u>\$1,044,590</u>	<u>\$1,141,967</u>	<u>\$4,078,680</u>	<u>\$2,606</u>	<u>\$1,303</u>	<u>\$2,158</u>	<u>\$2,359</u>	<u>\$6,068</u>	<u>\$4,565,528</u>	<u>\$3,600,591</u>	<u>\$4,504,465</u>
Single Family Detached	42	\$398,580	\$199,290	\$270,845	\$296,094	\$1,164,809	\$9,490	\$4,745	\$6,449	\$7,050	\$20,684	\$1,292,114	\$1,024,351	\$1,556,717
Townhouse	10	\$55,500	\$27,750	\$30,515	\$33,359	\$147,124	\$5,550	\$2,775	\$3,051	\$3,336	\$11,376	\$179,047	\$136,205	\$199,583
Condominium	43	\$174,664	\$87,332	\$73,979	\$80,875	\$416,850	\$4,062	\$2,031	\$1,720	\$1,881	\$7,813	\$472,632	\$380,100	\$569,110
Rental Apartment	389	\$632,671	\$316,335	\$669,251	\$731,639	\$2,349,897	\$1,626	\$813	\$1,720	\$1,881	\$4,160	\$2,621,736	\$2,059,935	\$2,179,056
Elkridge	<u>282</u>	<u>\$843,258</u>	<u>\$421,629</u>	<u>\$647,930</u>	<u>\$708,330</u>	<u>\$2,621,147</u>	<u>\$2,990</u>	<u>\$1,495</u>	<u>\$2,298</u>	<u>\$2,512</u>	<u>\$6,783</u>	<u>\$3,943,747</u>	<u>\$4,213,175</u>	<u>\$3,318,264</u>
Single Family Detached	15	\$81,750	\$40,875	\$96,731	\$105,748	\$325,103	\$5,450	\$2,725	\$6,449	\$7,050	\$14,624	\$853,239	\$949,759	\$1,003,596
Townhouse	69	\$302,220	\$151,110	\$210,552	\$230,180	\$894,062	\$4,380	\$2,190	\$3,051	\$3,336	\$9,621	\$1,233,437	\$1,302,423	\$942,381
Condominium	34	\$156,400	\$78,200	\$58,495	\$63,948	\$357,043	\$4,600	\$2,300	\$1,720	\$1,881	\$8,620	\$576,383	\$629,333	\$518,495
Rental Apartment	164	\$302,888	\$151,444	\$282,152	\$308,454	\$1,044,939	\$1,847	\$923	\$1,720	\$1,881	\$4,491	\$1,280,688	\$1,331,661	\$853,792
Ellicott City	<u>425</u>	<u>\$2,360,518</u>	<u>\$1,180,259</u>	<u>\$1,831,100</u>	<u>\$2,001,796</u>	<u>\$7,373,674</u>	<u>\$5,554</u>	<u>\$2,777</u>	<u>\$4,308</u>	<u>\$4,710</u>	<u>\$12,640</u>	<u>\$6,287,945</u>	<u>\$6,511,827</u>	<u>\$5,559,755</u>
Single Family Detached	198	\$1,496,880	\$748,440	\$1,276,843	\$1,395,870	\$4,918,033	\$7,560	\$3,780	\$6,449	\$7,050	\$17,789	\$4,195,382	\$4,345,561	\$3,702,311
Townhouse	123	\$622,380	\$311,190	\$375,332	\$410,321	\$1,719,223	\$5,060	\$2,530	\$3,051	\$3,336	\$10,641	\$1,473,386	\$1,522,336	\$1,310,492
Condominium	31	\$96,100	\$48,050	\$53,334	\$58,305	\$255,789	\$3,100	\$1,550	\$1,720	\$1,881	\$6,370	\$217,555	\$229,140	\$198,002
Rental Apartment	73	\$145,158	\$72,579	\$125,592	\$137,300	\$480,630	\$1,988	\$994	\$1,720	\$1,881	\$4,703	\$401,622	\$414,790	\$348,950
Rural West	<u>100</u>	<u>\$973,000</u>	<u>\$486,500</u>	<u>\$644,870</u>	<u>\$704,985</u>	<u>\$2,809,355</u>	<u>\$9,730</u>	<u>\$4,865</u>	<u>\$6,449</u>	<u>\$7,050</u>	<u>\$21,044</u>	<u>\$2,845,843</u>	<u>\$2,883,242</u>	<u>\$2,921,577</u>
Single Family Detached	100	\$973,000	\$486,500	\$644,870	\$704,985	\$2,809,355	\$9,730	\$4,865	\$6,449	\$7,050	\$21,044	\$2,845,843	\$2,883,242	\$2,921,577
Southeast	<u>420</u>	<u>\$1,680,289</u>	<u>\$840,144</u>	<u>\$1,252,267</u>	<u>\$1,369,003</u>	<u>\$5,141,704</u>	<u>\$4,001</u>	<u>\$2,000</u>	<u>\$2,982</u>	<u>\$3,260</u>	<u>\$8,983</u>	<u>\$5,006,251</u>	<u>\$4,684,502</u>	<u>\$5,345,957</u>
Single Family Detached	85	\$649,400	\$324,700	\$548,140	\$599,237	\$2,121,477	\$7,640	\$3,820	\$6,449	\$7,050	\$17,909	\$2,145,829	\$1,966,481	\$3,023,247
Townhouse	96	\$589,440	\$294,720	\$292,942	\$320,250	\$1,497,352	\$6,140	\$3,070	\$3,051	\$3,336	\$12,261	\$1,440,318	\$1,365,412	\$1,255,530
Condominium	47	\$138,180	\$69,090	\$80,861	\$88,399	\$376,529	\$2,940	\$1,470	\$1,720	\$1,881	\$6,130	\$357,346	\$337,615	\$350,715
Rental Apartment	192	\$303,269	\$151,634	\$330,324	\$361,117	\$1,146,345	\$1,580	\$790	\$1,720	\$1,881	\$4,090	\$1,062,758	\$1,014,993	\$716,466

Source: Valbridge Analysis of Howard County Fiscal Year 2018 Approved Operating Budget

Table 14: Total Foregone Revenue from Certain One-Time Fees

	Total Foregone Units	Transfer Tax Revenue	Recordation Tax Revenue	Road Excise Tax	School Surcharge	2022-5 Total Revenue
Total Housing Units	6,854	\$28,586,432	\$14,293,216	\$21,659,249	\$23,678,332	\$88,217,230
Single Family Detached	1,764	\$14,824,388	\$7,412,194	\$11,375,507	\$12,435,935	\$46,048,024
Townhouse	1,147	\$6,194,627	\$3,097,313	\$3,500,048	\$3,826,323	\$16,618,311
Condominium	659	\$2,579,605	\$1,289,803	\$1,133,770	\$1,239,460	\$6,242,638
Rental Apartment	3,284	\$4,987,812	\$2,493,906	\$5,649,925	\$6,176,613	\$19,308,256

Planning Area/Unit Type	Total Foregone Units	Transfer Tax Revenue	Recordation Tax Revenue	Road Excise Tax	School Surcharge	2022-5 Total Revenue
Columbia	2,073	\$4,933,029	\$2,466,515	\$4,466,668	\$4,883,052	\$16,749,264
Single Family Detached	178	\$1,756,832	\$878,416	\$1,147,869	\$1,254,873	\$5,037,990
Townhouse	44	\$253,941	\$126,971	\$134,265	\$146,781	\$661,959
Condominium	185	\$781,640	\$390,820	\$318,281	\$347,952	\$1,838,692
Rental Apartment	1,666	\$2,140,616	\$1,070,308	\$2,866,253	\$3,133,446	\$9,210,623
Elkridge	1,374	\$4,547,045	\$2,273,523	\$3,475,872	\$3,799,894	\$14,096,333
Single Family Detached	142	\$809,935	\$404,968	\$915,715	\$1,001,079	\$3,131,697
Townhouse	331	\$1,505,378	\$752,689	\$1,010,040	\$1,104,196	\$4,372,303
Condominium	193	\$924,141	\$462,070	\$332,045	\$362,998	\$2,081,254
Rental Apartment	708	\$1,307,592	\$653,796	\$1,218,072	\$1,331,621	\$4,511,080
Ellicott City	1,460	\$8,377,773	\$4,188,886	\$6,290,089	\$6,876,453	\$25,733,202
Single Family Detached	680	\$5,321,515	\$2,660,758	\$4,385,116	\$4,793,898	\$17,161,287
Townhouse	423	\$2,215,705	\$1,107,853	\$1,290,776	\$1,411,103	\$6,025,436
Condominium	107	\$343,435	\$171,717	\$184,087	\$201,248	\$900,487
Rental Apartment	250	\$497,118	\$248,559	\$430,110	\$470,205	\$1,645,992
Rural West	2,059	\$4,040,398	\$2,020,199	\$2,579,480	\$2,819,940	\$11,460,017
Single Family Detached	400	\$4,040,398	\$2,020,199	\$2,579,480	\$2,819,940	\$11,460,017
Southeast	1,547	\$6,688,188	\$3,344,094	\$4,847,140	\$5,298,992	\$20,178,414
Single Family Detached	364	\$2,895,708	\$1,447,854	\$2,347,327	\$2,566,145	\$9,257,034
Townhouse	349	\$2,219,602	\$1,109,801	\$1,064,967	\$1,164,243	\$5,558,613
Condominium	174	\$530,391	\$265,195	\$299,357	\$327,263	\$1,422,205
Rental Apartment	660	\$1,042,487	\$521,244	\$1,135,490	\$1,241,341	\$3,940,562

Source: Valbridge Analysis of Howard County Fiscal Year 2018 Approved Operating Budget

Pupil Yield

Using the data provided by HCPSS, combined with the foregone housing data from Table 1, we have computed the impact on the schools of this new housing over the four year period of 2022-2025 in Table 15. This is the largest single budget expenditure in the County General Fund at 57.1%. The school system operates under an independent budget from the County, but is still funded in part by the County General Fund. This table of data is illustrative only, in that the forthcoming calculations of budget allocations includes a lump sum from the County of approximately \$627 million in FY2018. This pupil yield represents inputs only and does not factor year-by-year attrition. Pupil yields are estimated by the HCPSS as follows:

	Detached	Attached	Multifamily	Manufactured
Elementary	0.469	0.242	0.106	0.481
Middle	0.144	0.093	0.043	0.145
High	0.075	0.06	0.032	0.075

The cost per pupil is not computed here. This table is for demonstration of the potential growth (or foregone growth) of student populations associated with new construction. The analysis of actual school population is highly dependent on school census data and attrition and graduation rates. Because of the flux in school populations year to year, we are limited in our ability to associate a per pupil impact of new development on the education portion of the General Fund. The many variables at play include the size of a household balanced against the household by household type (family, with or without children; non-family; single parent; etc.), the local attrition rates, ages of members of the households by household type, and more.

With this study, we are able to provide a high-level overview of potential growth areas based on countywide and planning area averages. The data produced indicates a higher propensity for pupil growth from multifamily housing than single family in Columbia and Elkridge in particular, due to the zoning and market for multifamily unit types. A detailed study with more data sources could work to associate a differential cost by unit type, by planning district.

Table 15: Estimated Student Yield Not Realized as a Result of Proposed APFO Legislation

	2022					2023					2024					2025					Total Dwelling Units	Total Foregone Yield
	Dwelling Units	ES	MS	HS	Total	Dwelling Units	ES	MS	HS	Total	Dwelling Units	ES	MS	HS	Total	Dwelling Units	ES	MS	HS	Total		
TOTAL	<u>1,711</u>	<u>382</u>	<u>133</u>	<u>82</u>	<u>597</u>	<u>1,784</u>	<u>389</u>	<u>136</u>	<u>84</u>	<u>609</u>	<u>1,672</u>	<u>373</u>	<u>130</u>	<u>80</u>	<u>583</u>	<u>1,687</u>	<u>380</u>	<u>132</u>	<u>81</u>	<u>592</u>	<u>6,854</u>	<u>2,380</u>
Single Family Detached	440	206	63	33	303	437	205	63	33	301	427	200	61	32	294	460	216	66	35	316	1,764	1,214
Townhouse	298	72	28	18	118	301	73	28	18	119	298	72	28	18	118	250	61	23	15	99	1,147	453
Condominium	155	16	7	5	28	172	18	7	6	31	164	17	7	5	30	168	18	7	5	30	659	119
Rental Apartment	818	87	35	26	148	874	93	38	28	158	783	83	34	25	142	809	86	35	26	146	3,284	594
Columbia	<u>484</u>	<u>68</u>	<u>26</u>	<u>18</u>	<u>111</u>	<u>540</u>	<u>76</u>	<u>28</u>	<u>20</u>	<u>124</u>	<u>424</u>	<u>59</u>	<u>22</u>	<u>15</u>	<u>97</u>	<u>625</u>	<u>88</u>	<u>33</u>	<u>23</u>	<u>143</u>	<u>2,073</u>	<u>475</u>
Single Family Detached	42	20	6	3	29	46	22	7	3	32	36	17	5	3	25	54	25	8	4	37	178	122
Townhouse	10	2	1	1	4	12	3	1	1	5	9	2	1	1	4	13	3	1	1	5	44	17
Condominium	43	5	2	1	8	48	5	2	2	9	38	4	2	1	7	56	6	2	2	10	185	33
Rental Apartment	389	41	17	12	70	434	46	19	14	79	341	36	15	11	62	502	53	22	16	91	1,666	302
Elkridge	<u>282</u>	<u>45</u>	<u>17</u>	<u>12</u>	<u>73</u>	<u>388</u>	<u>68</u>	<u>25</u>	<u>17</u>	<u>110</u>	<u>408</u>	<u>72</u>	<u>27</u>	<u>18</u>	<u>117</u>	<u>296</u>	<u>57</u>	<u>21</u>	<u>13</u>	<u>91</u>	<u>1,374</u>	<u>392</u>
Single Family Detached	15	7	2	1	10	39	18	6	3	27	43	20	6	3	30	45	21	6	3	31	142	98
Townhouse	69	17	6	4	27	94	23	9	6	37	98	24	9	6	39	70	17	7	4	28	331	131
Condominium	34	4	1	1	6	54	6	2	2	10	58	6	2	2	10	47	5	2	2	9	193	35
Rental Apartment	164	17	7	5	30	201	21	9	6	36	209	22	9	7	38	134	14	6	4	24	708	128
Ellicott City	<u>425</u>	<u>134</u>	<u>44</u>	<u>26</u>	<u>204</u>	<u>358</u>	<u>113</u>	<u>37</u>	<u>22</u>	<u>172</u>	<u>367</u>	<u>115</u>	<u>38</u>	<u>22</u>	<u>176</u>	<u>310</u>	<u>97</u>	<u>32</u>	<u>19</u>	<u>148</u>	<u>1,460</u>	<u>700</u>
Single Family Detached	198	93	29	15	136	167	78	24	13	115	171	80	25	13	118	144	68	21	11	99	680	468
Townhouse	123	30	11	7	49	104	25	10	6	41	106	26	10	6	42	90	22	8	5	36	423	167
Condominium	31	3	1	1	6	26	3	1	1	5	27	3	1	1	5	23	2	1	1	4	107	19
Rental Apartment	73	8	3	2	13	61	6	3	2	11	63	7	3	2	11	53	6	2	2	10	250	45
Rural West	<u>100</u>	<u>47</u>	<u>14</u>	<u>8</u>	<u>69</u>	<u>100</u>	<u>47</u>	<u>14</u>	<u>8</u>	<u>69</u>	<u>100</u>	<u>47</u>	<u>14</u>	<u>8</u>	<u>69</u>	<u>100</u>	<u>47</u>	<u>14</u>	<u>8</u>	<u>69</u>	<u>400</u>	<u>275</u>
Single Family Detached	100	47	14	8	69	100	47	14	8	69	100	47	14	8	69	100	47	14	8	69	400	275
Southeast	<u>420</u>	<u>88</u>	<u>31</u>	<u>20</u>	<u>140</u>	<u>398</u>	<u>85</u>	<u>30</u>	<u>19</u>	<u>135</u>	<u>373</u>	<u>79</u>	<u>28</u>	<u>18</u>	<u>125</u>	<u>356</u>	<u>91</u>	<u>31</u>	<u>19</u>	<u>140</u>	<u>1,547</u>	<u>539</u>
Single Family Detached	85	40	12	6	58	85	40	12	6	58	77	36	11	6	53	117	55	17	9	80	364	250
Townhouse	96	23	9	6	38	91	22	8	5	36	85	21	8	5	34	77	19	7	5	30	349	138
Condominium	47	5	2	2	9	44	5	2	1	8	41	4	2	1	7	42	4	2	1	8	174	31
Rental Apartment	192	20	8	6	35	178	19	8	6	32	170	18	7	5	31	120	13	5	4	22	660	119

Source: Howard County Public Schools; Howard County Planning Department; Compiled by Valbridge, 2017

Allocation and Reconciliation

General Fund allocations are summarized in seven categories as shown in Table 16. We have computed the per capita and household allocations based on 2017 and 2022 Census data estimates. The foregone development resulting from the passage of the proposed APFO legislation is computed to approximately \$16.4 million in 2022, and as much as \$17.3 million in 2023.

Table 16: General Fund Allocations FY2018-FY2025

County Government	Education	Public Safety	Public Facilities	Community Services	Legislative & Judicial	General Government	Non-Departmental Expenses	Total
2018 General Fund	\$627,146,166	\$134,812,893	\$70,864,978	\$69,648,002	\$28,288,054	\$29,003,806	\$138,982,552	\$1,098,746,451
2022 General Fund	\$692,252,022	\$148,808,209	\$78,221,676	\$76,878,362	\$31,224,719	\$32,014,775	\$153,410,732	\$1,212,810,496
2018 Per Capita	\$1,945	\$418	\$220	\$216	\$88	\$90	\$431	\$3,408
2022 Per Capita	\$1,986	\$427	\$224	\$221	\$90	\$92	\$440	\$3,480
2022 2018 Per Household	\$5,393	\$1,159	\$609	\$599	\$243	\$249	\$1,195	\$9,449
2022 Per Household	\$5,530	\$1,189	\$625	\$614	\$249	\$256	\$1,226	\$9,689
New Development Allocation	\$9,380,059	\$2,016,361	\$1,059,909	\$1,041,707	\$423,097	\$433,802	\$2,078,725	\$16,433,660
General Fund	\$709,558,323	\$152,528,414	\$80,177,218	\$78,800,321	\$32,005,337	\$32,815,144	\$157,246,001	\$1,243,130,759
Per Capita	\$2,004	\$431	\$226	\$223	\$90	\$93	\$444	\$3,512
Per Household	\$5,585	\$1,201	\$631	\$620	\$252	\$258	\$1,238	\$9,785
New Development Allocation	\$9,869,811	\$2,121,639	\$1,115,249	\$1,096,096	\$445,188	\$456,452	\$2,187,260	\$17,291,695
General Fund	\$727,297,281	\$156,341,625	\$82,181,649	\$80,770,330	\$32,805,470	\$33,635,523	\$161,177,151	\$1,274,209,028
Per Capita	\$2,023	\$435	\$229	\$225	\$91	\$94	\$448	\$3,544
Per Household	\$5,641	\$1,213	\$637	\$626	\$254	\$261	\$1,250	\$9,883
New Development Allocation	\$9,334,879	\$2,006,649	\$1,054,804	\$1,036,689	\$421,059	\$431,713	\$2,068,713	\$16,354,505
General Fund	\$745,479,713	\$160,250,165	\$84,236,190	\$82,789,588	\$33,625,607	\$34,476,411	\$165,206,580	\$1,306,064,253
Per Capita	\$2,041	\$439	\$231	\$227	\$92	\$94	\$452	\$3,576
Per Household	\$5,697	\$1,225	\$644	\$633	\$257	\$263	\$1,263	\$9,981
New Development Allocation	\$9,504,864	\$2,043,189	\$1,074,011	\$1,055,567	\$428,726	\$439,574	\$2,106,383	\$16,652,315

Source: Howard County FY2018 Approved Operating Budget

These allocation projections are straight-line growth across all sectors for the study period. It is understood that in reality there would not be straight line growth in all functions and activities or expenditures of government year to year, but at this level of analysis general trends are important indicators. A detailed departmental and line item budget review would help to differentiate those units that would experience incremental growth and/or those that may not grow or actually decline, based upon the foregone construction activity. In some cases it could be expected that there would be a reduction of staff and space resources that may be associated with the reduced construction activity, whereas some programming and mandated activities that otherwise are funded by the construction enterprise, may need to persist and be funded by another source, based on the details of the mandates.

VPA's estimated revenues and costs associated with the foregone units are presented by year in Table 17. VPA's high level, preliminary fiscal analysis shows that:

- In 2022, the foregone County revenues of \$14.4 million is lower than projected allocated expenses of \$16.4 million, with a net fiscal benefit of \$2.1 million, or \$438 per capita and \$1,293 per household;
- In 2023, the foregone County revenues of \$14.9 million is lower than projected allocated expenses of \$17.3 million, with a net fiscal benefit of \$2.3 million, or \$476 per capita and \$1,405 per household;
- In 2024, the foregone County revenues of \$14.6 million is lower than projected allocated expenses of \$16.4 million, with a net fiscal benefit of \$1.8 million, or \$382 per capita and \$1,156 per household; and

- In 2025, the foregone County revenues of \$15.1 million is lower than projected allocated expenses of \$16.7 million, with a net fiscal benefit of \$1.5 million, or \$327 per capita and \$1,012 per household.

Table 17: Reconciliation of General Fund and Foregone Development

	2022			2023			2024			2025		
	Total	Per Capita	Per Household	Total	Per Capita	Per Household	Total	Per Capita	Per Household	Total	Per Capita	Per Household
Foregone Revenue	\$14,365,496	\$3,042	\$8,396	\$14,949,840	\$3,036	\$8,380	\$14,589,979	\$3,162	\$8,726	\$15,130,160	\$3,250	\$8,969
Allocated Expense	\$16,433,660	\$3,480	\$9,689	\$17,291,695	\$3,512	\$9,785	\$16,354,505	\$3,544	\$9,883	\$16,652,315	\$3,576	\$9,981
Net Surplus/Deficit	-\$2,068,164	-\$438	-\$1,293	-\$2,341,854	-\$476	-\$1,405	-\$1,764,525	-\$382	-\$1,156	-\$1,522,155	-\$327	-\$1,012

While the VPA analysis shows a net fiscal benefit to the County from the development moratorium, as described in more detail below, this analysis focused on three major County revenue streams while comparing these to only General Fund allocated government expenses. Overall County government expenses are supported by both the core general fund revenues analyzed in this analysis, as well as by Special Revenue Funds, Enterprise Funds, and Internal Service Funds. It was not possible, given the time and resources available in this limited engagement to assess all of the potential revenue streams impacted by the foregone development activity. Moreover, VPA's fiscal impact analysis focused on the direct impacts attributable to these properties, and do not take into account the economic and resulting fiscal impacts of the reduction in County economic activity described in the economic impact analysis above. These high level estimates of fiscal benefits to the County account for less than 0.2 percent of county general fund expenditures and, given the omitted potential revenue streams, may not be indicative of actual cost savings to the County.

However, this is not absolute, as there are other revenue and expense streams in the overall County budget that are directly related to new construction and development. Table 18 that follows identifies a set of revenue and allocation funds that offset and augment the General Fund. These tables do not balance because there are other funds and allocations associated with other uses that are not listed herein and also some of these funds are parsed internally to receive revenue from a variety of sources and not only new construction. A more detailed analysis of the budget and each of the programs to determine the levels and sources of revenue and allocations at a micro level is warranted to explain or dissolve the shortfall shown in Table 17.

As noted above in *Revenues*, there is a \$483 million revenue stream that is funded outside of the General Fund, which is mostly generated from property and income taxes. These revenue funds align somewhat with the allocation funds. The All Funds budget is comprised of a total of the General Fund, Grants Fund, Program Revenue Fund and a variety of other funds relative to specific activities in public safety, public facilities, community services and general government. Other sources of revenue are other governmental agencies, impact fees, usage fees, penalty fees, and more. These specified funds have rules of procedure and finances that require particular management and allocations. Some of these mandates are grant-based, and others are legislatively driven. In the latter case, a program that may be heavily funded by development may not be diminished or dissolved, whether development is in a moratorium or not. For example, the Forest Conservation program and Watershed Protection program are state mandated activities that require compliance and monitoring over time, regardless of new development activity.

Adjustments to the revenue and allocations of the county budget through the four year moratorium would require an analysis of the parameters of each funding source and allocation to determine which line items would be increased, decreased or levelled. The outcomes of that analysis

would also color the allocations to non-development related functions of government in order to cover the shortfall on property and income tax revenue growth year-to-year.

Table 18: Other Revenue Sources and Allocations Directly From New Development

Other General Fund Revenues	Type of Fund	Total Revenue	Per Capita	Per Household	Foregone Revenue
Agricultural Preservation	Special Revenue	\$12,536,434	\$39	\$108	\$184,466
Community Renewal Program	Special Revenue	\$5,112,374	\$16	\$44	\$75,225
Forest Conservation	Special Revenue	\$682,251	\$2	\$6	\$10,039
TIF Districts	Special Revenue	\$1,257,000	\$4	\$11	\$18,496
Shared Septic Systems	Enterprise Fund	\$779,815	\$2	\$7	\$11,474
Water & Sewer Operations	Enterprise Fund	\$92,218,059	\$286	\$793	\$1,356,929
Water & Sewer Special Benefits Charges	Enterprise Fund	\$44,473,893	\$138	\$382	\$654,405
Total Revenues		\$157,059,826	\$487	\$1,351	\$2,311,034

Other Allocations	Total Allocation	Per Capita	Per Household	Foregone Allocation
Fire & Rescue Reserve Fund	\$102,230,763	\$317	\$879	\$1,504,260
Agricultural Preservation	\$7,350,000	\$23	\$63	\$108,151
Environmental Services Fund	\$22,614,000	\$70	\$194	\$332,750
Shared Septic	\$535,845	\$2	\$5	\$7,885
Water & Sewer Special Benefit	\$38,473,893	\$119	\$331	\$566,119
Water & Sewer Operating Fund	\$65,158,500	\$202	\$560	\$958,765
Forest Conservation Fund	\$678,751	\$2	\$6	\$9,987
TIF Districts	\$232,000	\$1	\$2	\$3,414
Community Renewal Program	\$610,000	\$2	\$5	\$8,976
Fire Service Building & Equipment	\$4,100,000	\$13	\$35	\$60,329
School Construction & Site Acquisition	\$7,200,000	\$22	\$62	\$105,943
General Improvement Capital Projects Fund	\$7,367,780	\$23	\$63	\$108,412
Recreation & Parks Capital Projects Fund	\$7,648,000	\$24	\$66	\$112,535
Highway Projects	\$526,000	\$2	\$5	\$7,740
Total Expenditures	\$264,725,532	\$821	\$2,277	\$3,895,266

Source: Howard County FY2018 Approved Operating Budget

Some of these funds are sourced directly to new construction, such as Forest Conservation, and Community Renewal Program, whereas the TIF districts (Columbia Town Center, Laurel Park, and Savage) are designated zones with a bond debt of a limited parameters. Likewise, some highway projects are funded through development impact analysis. These funds that are pro-rated would need to be scaled and analyzed with the housing unit allocation plans and program parameters to determine the actual impact of development on planning area by planning area basis. Other factors, some of which are volatile, such as local economic trends as well as cost of construction, goods and materials, can also contribute directly to the value of the homes.

Appendix 1 – Economic Impact Analysis Methodology and Terms

This economic impact analysis of the proposed APFO legislation used the IMPLAN input-output model for Howard County, Maryland. IMPLAN is one of the most widely used models in the nation, and can be used to analyze the impacts of companies, projects, or of entire industries. An input-output analysis examines the relationships among businesses and among businesses and final consumers. Input-output analysis is based on the use of multipliers, which describe the response of an economy to a change in demand or production. Multipliers measure the effects on an economy from a source of economic activity, in this case the foregone residential construction activity and resulting household incomes associated with the impacted housing units associated with proposed APFO legislation.

The economic activity generated in a city, county, region or state is greater than the simple total of spending associated with the event or activity being studied. This is because as this money is earned it is, in turn, spent, earned and re-spent by other businesses and workers in the state economy through successive cycles of spending, earning and spending. However, the spending in each successive cycle is less than in the preceding cycle because a certain portion of spending “leaks” out of the economy in each round of spending. Leakages occur through purchases of goods or services from outside of the region and federal taxation. The IMPLAN multipliers used in this analysis capture the effects of these multiple rounds of spending. This analysis focuses on four measures of economic impact:

- **Output.** The total value of production or sales in all industries;
- **Employment.** The total number of full and part time jobs in all industries;
- **Labor Income.** The wages and salaries, including benefits, and other labor income earned by the workers holding the jobs created; and
- **State and Local Government Revenues.** The revenues accruing to the County government. Local, County government revenues were estimated based on this aggregate estimate, based on data on the distribution of state and local government revenues in Maryland, based on U.S. Bureau of the Census data, with direct household income tax revenues calculated based in County personal income data, from the Bureau of Economic Analysis, and County income tax revenues, from the County budget.

Four measures of the economic activity and impact of the jobs and business activity retained or assisted by HCEDA business attraction, expansion and recruitment efforts and MCE’s operations are included in this report:

- **Direct effects.** The change in economic activity being analyzed—in this case the construction activity and resident incomes associated with the residential units impacted by the Proposed APFO legislation;
- **Indirect effects.** The changes in inter-industry purchases, for example the purchase of raw materials by an HCEDA supported manufacturing firm, that occur in response to the change in demand from the directly affected industries;
- **Induced effects.** The changes in spending from households as income and population increase due to changes in production; and
- **Total effects.** The combined total of direct, indirect and induced effects.

Sayers, Margery

From: Russell Snyder <RSnyder@voaches.org>
Sent: Tuesday, January 16, 2018 9:36 AM
To: CouncilMail
Subject: Written Testimony for County Council Hearing -- 1.16.18
Attachments: Howard County Council Testimony 1.16.18.pdf

Follow Up Flag: Follow up
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Please see my attached testimony for tonight's hearing. Please let me know if you have questions or need anything else from me.

I will be testifying in my role as a Board Member for Bridges to Housing Stability, a local non-profit organization in Howard County.

Thank you.

Russell Snyder | President and CEO
Volunteers of America Chesapeake | rsnyder@voaches.org
7901 Annapolis Rd Lanham, MD 20706
T: 240-764-2631 | C: 301-395-8984 | F: 301-459-2627

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Testimony on behalf of Bridges to Housing Stability – January 16, 2018

Good evening Council Members. My name is Russ Snyder and I have lived in Howard County for over 25 years. I am a current Member of the Bridges to Housing Stability's Board of Directors and am the immediate past president.

Bridges is a Howard County based non-profit that is providing affordable housing for low income households and also providing case management and housing location services to over 130 households annually. The households we serve are typically making less than \$60,000 per year and are barely scrapping by to live in Howard County where the AMI in 2016 was over \$110,000 per family of four.

In a 2016 report by the United Way – titled with the acronym ALICE says that over 22% of the households in the Howard County cannot make ends meet due to the high cost of housing.

The highest cost to live in the County is housing – there is simply not enough affordable housing to meet the demand for low-income families. Thirty-four percent (34%) of the households in the county are paying more than 30% of their income to live in houses or apartments, whether they own or rent them. Limiting the possibility of development and access to new affordable housing throughout the County to correct the overcrowding of schools will not help those families that are struggling to survive due to their income levels.

The families we are serving in Bridges to Housing Stability programs and housing units deserve the opportunity to live in Howard County where affordable housing is part of the long-range plan. The current APFO legislation, without an amendment to exempt affordable housing development, would severely restrict if not eliminate the possibility for low-income households to live in the County. The price of housing would accelerate rapidly due to demand and supply would diminish. Our families cannot afford an increase in housing costs.

We ask the Council to consider an amendment to exempt low-income housing development from meeting the threshold requirements. If not an exemption, we would request consideration about strategically allocating capital resources on the priorities of the school board to renovate or build new schools to meet the growth in the County. This could go a long way to allowing future development of low-income housing. Thank you for your work on behalf of our County and thank you for the opportunity to testify tonight.

Respectfully submitted,

Russell K. Snyder
10432 White Court
Laurel, MD 20723