

Introduced _____
Public Hearing _____
Council Action _____
Executive Action _____
Effective Date _____

County Council Of Howard County, Maryland

2013 Legislative Session

Legislative Day No. 8

Bill No. 35 -2013

Introduced by: The Chairperson at the request of the County Executive

AN ACT amending moderate income housing unit provisions to allow certain alternatives to the moderate income housing unit obligation in certain zoning districts; allowing a developer to substitute moderate income housing units by purchasing, rehabilitating, and offering for sale certain existing housing units that are in foreclosure under certain conditions; allowing the substitution of units by offering a certain number of units to certain eligible low-income purchasers who have a certain annual household income; allowing a fee-in-lieu under certain conditions; and generally related to moderate income housing units in Howard County.

Introduced and read first time _____, 2013. Ordered posted and hearing scheduled.

By order _____
Sheila M. Tolliver, Administrator

Having been posted and notice of time & place of hearing & title of Bill having been published according to Charter, the Bill was read for a second time at a public hearing on _____, 2013.

By order _____
Sheila M. Tolliver, Administrator

This Bill was read the third time on _____, 2013 and Passed ____, Passed with amendments _____, Failed _____.

By order _____
Sheila M. Tolliver, Administrator

Sealed with the County Seal and presented to the County Executive for approval this ___ day of _____, 2013 at ___ a.m./p.m.

By order _____
Sheila M. Tolliver, Administrator

Approved/Vetoed by the County Executive _____, 2013

Ken Ulman, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN SMALL CAPITALS indicates additions to existing law; Strike-out indicates material deleted by amendment; Underlining indicates material added by amendment.

1 **Section 1. Be It Enacted** by the County Council of Howard County, Maryland, that the Howard
2 County Code is amended as follows:

3 By adding:

4 Title 13 – Housing and Community Development

5 Section 13.402C “Alternatives to Moderate Income Housing Unit Obligation in certain
6 zones”

7
8 **Title 13. Housing and Community Development.**

9 **Subtitle 4. Moderate Income Housing Units.**

10
11 **SECTION 13.402C. ALTERNATIVES TO MODERATE INCOME HOUSING UNIT OBLIGATION IN**
12 **CERTAIN ZONES.**

13 (A) *APPLICATION.* THIS SECTION SHALL APPLY ONLY TO:

14 (1) RESIDENTIAL DEVELOPMENTS OF SINGLE-FAMILY DETACHED HOMES OFFERED FOR
15 SALE IN THE RC, RR, R-ED, R-20, R-12, AND R-SC ZONING DISTRICTS, AND

16 (2) AGE-RESTRICTED ADULT HOUSING AND PLANNED SENIOR COMMUNITIES.

17 (B) *ALTERNATIVE COMPLIANCE.* IN THESE DEVELOPMENTS, INSTEAD OF PROVIDING MODERATE
18 INCOME HOUSING UNITS AS REQUIRED BY SECTION 13.402 OF THIS SUBTITLE, THE DEVELOPER MAY
19 PURSUE ONE OR A COMBINATION OF THE ALTERNATIVES SET FORTH IN SUBSECTION (C), (D), OR (E)
20 OF THIS SECTION.

21 (C) *UNITS IN FORECLOSURE.* THE DEVELOPER MAY SUBSTITUTE UNITS BY PURCHASING,
22 REHABILITATING, AND OFFERING FOR SALE EXISTING HOUSING UNITS THAT ARE IN FORECLOSURE
23 AND ARE LOCATED THROUGHOUT THE COUNTY AS FOLLOWS:

24 (1) A SUBSTITUTE UNIT IS ELIGIBLE UNDER THIS OPTION IF IT:

25 (I) HAS HAD MORTGAGE OR TAX FORECLOSURE PROCEEDINGS INITIATED;

26 (II) HAS NOT HAD A MORTGAGE OR TAX PAYMENT MADE FOR AT LEAST 90
27 DAYS; AND

28 (III) HAS BEEN OFFERED FOR SALE BY THE OWNER TO THE PUBLIC OR THE
29 DEPARTMENT;

30 (2) THE DEPARTMENT MUST APPROVE EACH SUBSTITUTE UNIT BEFORE PURCHASE BY
31 THE DEVELOPER, AND SHALL ENSURE THAT THE SUBSTITUTE UNIT PROVIDES THE
32 SAME NUMBER OF BEDROOMS AS PLANNED FOR THE ON-SITE UNIT;

33 (3) THE REHABILITATION OF EACH SUBSTITUTE UNIT SHALL MEET THE DEPARTMENT'S

- 1 MINIMUM STANDARDS, AS DETERMINED BY REGULATION OF THE DEPARTMENT;
- 2 (4) UPON COMPLETION OF REHABILITATION, THE DEPARTMENT MUST APPROVE EACH
- 3 COMPLETED UNIT BEFORE RESALE;
- 4 (5) A DEVELOPER SHALL PURCHASE AND REHABILITATE THE UNIT AND REQUEST A
- 5 PRIORITY PERIOD, AS SET FORTH IN SECTION 13.404 OF THIS SUBTITLE, WITHIN ONE
- 6 YEAR OF THE DEVELOPER'S INITIAL NOTIFICATION OF SALE UNDER SECTION 13.404;
- 7 (6) THE SALES PRICE FOR A SUBSTITUTE UNIT SHALL BE THE LOWEST OF THE
- 8 FOLLOWING:
- 9 (I) THE MODERATE INCOME HOUSING UNIT PRICE DETERMINED BY THE
- 10 DEPARTMENT AT THE TIME OF THE DEVELOPER'S REQUEST FOR A PRIORITY
- 11 PERIOD FOR THE SUBSTITUTE UNIT; OR
- 12 (II) THE DEVELOPER'S ACTUAL COST OF PURCHASING, REHABILITATING, AND
- 13 SELLING THE SUBSTITUTE UNIT, INCLUDING ACTUAL AND REASONABLE
- 14 CARRYING COSTS; AND
- 15 (7) A DEVELOPER SHALL PURCHASE SUBSTITUTE UNITS OF THE FOLLOWING TYPES AND
- 16 AT THE FOLLOWING RATIO:

TYPE OF REQUIRED MIHU:	TYPE OF SUBSTITUTE UNIT:	RATIO:
APARTMENT	APARTMENT	1:1
APARTMENT	SINGLE-FAMILY, ATTACHED	3:2
APARTMENT	SINGLE-FAMILY, DETACHED	2:1
SINGLE-FAMILY, ATTACHED	APARTMENT	2:3
SINGLE-FAMILY, ATTACHED	SINGLE-FAMILY, ATTACHED	1:1
SINGLE-FAMILY, ATTACHED	SINGLE-FAMILY, DETACHED	3:2
SINGLE-FAMILY, DETACHED	APARTMENT	1:2
SINGLE-FAMILY, DETACHED	SINGLE-FAMILY, ATTACHED	2:3
SINGLE-FAMILY, DETACHED	SINGLE-FAMILY, DETACHED	1:1

- 18
- 19 (D) *OFFER TO LOW-INCOME PURCHASERS.* THE DEVELOPER MAY SUBSTITUTE UNITS BY OFFERING
- 20 ONE-THIRD OF THE MODERATE INCOME HOUSING UNITS REQUIRED UNDER THIS SUBTITLE TO
- 21 ELIGIBLE LOW-INCOME PURCHASERS WHO SHALL HAVE AN ANNUAL HOUSEHOLD INCOME OF UP TO
- 22 60 PERCENT OF THE MEDIAN INCOME. THE PURCHASE PRICE FOR THESE UNITS SHALL BE

1 ESTABLISHED IN THE SAME MANNER AS SET FORTH IN SECTION 13.403 OF THIS SUBTITLE, EXCEPT
2 THAT THE BASE PRICE SHALL BE AFFORDABLE TO A PURCHASER WITH A HOUSEHOLD INCOME
3 EQUAL TO THE FOLLOWING PERCENTAGES OF MEDIAN INCOME, ADJUSTED BY FAMILY SIZE
4 APPROPRIATE TO THE SIZE AND NUMBER OF BEDROOMS IN THE UNIT:

5 (1) FIFTY-FIVE PERCENT FOR PROFFERED UNITS AND SINGLE-FAMILY DETACHED
6 HOMES;

7 (2) FIFTY PERCENT FOR SEMI-DETACHED (DUPLEXES) AND SINGLE-FAMILY ATTACHED
8 (TOWNHOMES); AND

9 (3) FORTY-FIVE PERCENT FOR APARTMENTS (CONDOMINIUMS).

10 (E) *FEE-IN-LIEU*. THE DEVELOPER MAY PAY A FEE-IN-LIEU TO THE DEPARTMENT FOR EACH
11 MODERATE INCOME HOUSING UNIT REQUIRED BY THIS SUBTITLE AS FOLLOWS:

12 (1) THE FEE-IN-LIEU SHALL BE CALCULATED AS THE DIFFERENCE BETWEEN THE
13 PREVAILING MARKET PRICE AND THE MODERATE INCOME HOUSING UNIT PRICE OF A
14 THREE-BEDROOM SINGLE-FAMILY ATTACHED UNIT; PROVIDED, HOWEVER, THE FEE-
15 IN-LIEU SHALL NOT BE LESS THAN SEVEN AND ONE-HALF PERCENT OF THE SALE
16 PRICE FOR THE MODERATE INCOME HOUSING UNIT;

17 (2) THE PREVAILING MARKET PRICE SHALL BE DETERMINED BY A SURVEY OF SALES
18 PRICES OF THREE-BEDROOM SINGLE-FAMILY ATTACHED UNITS SOLD COUNTY-WIDE
19 WITHIN THE PREVIOUS 6 MONTHS AS REPORTED BY THE METROPOLITAN REGIONAL
20 INFORMATION SYSTEM (MRIS);

21 (3) SALES OF THE FOLLOWING UNITS SHALL BE EXCLUDED FROM THE SURVEY:

22 (i) TOWNHOUSES LESS THAN 1,200 SQUARE FEET AND MORE THAN 2,000
23 SQUARE FEET;

24 (ii) UNITS IN POOR CONDITION OR IN NEED OF SIGNIFICANT REPAIR OR
25 RENOVATION; AND

26 (iii) THE THREE HIGHEST AND THREE LOWEST SALES PRICES;

27 (4) THE DEPARTMENT SHALL CONDUCT THE SURVEY AS OF JUNE 1 AND DECEMBER 1
28 OF EACH YEAR. THE FEE-IN-LIEU SHALL BE REVIEWED AND APPROVED BY THE
29 HOUSING AND COMMUNITY DEVELOPMENT BOARD AND PUBLISHED ON THE
30 COUNTY'S WEBSITE TOGETHER WITH THE BASE SALES PRICES AND RENTS FOR
31 MODERATE INCOME HOUSING UNITS.

32 (5) IF THE CALCULATION TO DETERMINE THE NUMBER OF MODERATE INCOME HOUSING
33 UNITS REQUIRED IN A DEVELOPMENT UNDER THE ZONING REGULATIONS RESULTS IN

1 A FRACTION OF A UNIT, THE FEE-IN-LIEU SHALL BE PRO-RATED FOR THE
2 FRACTIONAL UNIT.

3 (6) A DEVELOPER MAY NOT PAY A FEE IN LIEU OF A SINGLE-FAMILY ATTACHED OR
4 APARTMENT MODERATE INCOME HOUSING UNIT EXCEPT IN AN AGE-RESTRICTED
5 ADULT HOUSING OR PLANNED SENIOR COMMUNITY;

6 (7) A DEVELOPER SHALL PAY THE FEE-IN-LIEU BEFORE A USE AND OCCUPANCY PERMIT
7 MAY BE ISSUED FOR ANY UNIT IN THE DEVELOPMENT; AND

8 (8) THE FEE-IN-LIEU COLLECTED BY THE DEPARTMENT SHALL BE USED FOR HOUSING
9 PROGRAMS OPERATED BY THE DEPARTMENT.

10 (F) *MULTI-PLEX DWELLINGS*. NOTWITHSTANDING SECTION 13.402(D) OF THIS SUBTITLE, ANY
11 DEVELOPMENT OF SINGLE-FAMILY DETACHED DWELLING UNITS MAY PROVIDE MODERATE INCOME
12 HOUSING UNITS ON SITE IN THE FORM OF MULTI-PLEX DWELLING UNITS IN ACCORDANCE WITH THE
13 APPLICABLE PROVISIONS OF THE ZONING REGULATIONS.

14
15 ***Section 2. And Be It Further Enacted*** by the County Council of Howard County, Maryland,
16 *that this Act shall become effective 61 days after its enactment.*