

**Sayers, Margery**

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**From:** Peter Engel <pengel@househoward.org>  
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Attached is testimony from the Howard County Howard Commission in support of CB 50. Thank you very much.

Peter Engel



### **Testimony in Support of Council Bill 50**

Thank you for the opportunity to provide written testimony in support of Council Bill 50. The Howard County Housing Commission recognizes the on-going need faced by thousands of County residents for housing that they can afford, and the benefits of a strong Moderate Income Housing Unit ordinance to assist with the housing shortfall.

CB 50 provides much-needed updates to the ordinance, bringing it in line with today's practices. It also adds the option of creating accessible units for people with disabilities, creating a new DIHU category. There are very few units in the County reserved for people with disabilities, many of whom receive Supplemental Social Security Income (SSI) at levels that are far below the minimum necessary to qualify for rental housing.

The MIHU ordinance is Howard County's only program that actively creates below-market rental and ownership units. There are no general County funds that support housing affordability and the small amount of federal CDBG and HOME dollars received each year is far from adequate to create more than a few units on its own. While inclusionary zoning practices such as MIHU do not always produce large quantities of housing, they are a key element of any good housing strategy. The law creates new affordable opportunities throughout the business cycle, accelerating when times are good. In addition, in cases where creating the housing itself is economically inefficient, the program produces funds that can be used to support other housing equity efforts. These "fee-in-lieu" payments are the only funds that the County has to support the creation or preservation of below-market apartments.

The County's Department of Housing and Community Development, which oversees the program, has noted for a number of years areas in which the law could be improved. The Housing Commission is pleased to see the Administration proposing these changes, which add to and strengthen the law, and hopes that the Council approves them.

In particular, there are two sections of the bill that should be noted. The first is the new Disability Income Housing Unit category. In 2020, SSI payment standard for an individual is \$783 per month, for a total of about \$9,400 annually. This is less than 12% of the County median income for a one-person household and clearly far too little to afford any housing in the County. At the same time, the only substantial program to assist very low income renters, such as individuals receiving SSI, is the federal Housing Choice Voucher program, which continues to have a waiting list that is years long.

The new DIHU category will not solve this problem alone, but it will contribute to the solution. In the housing realm, there are no single, one-step solutions. Rather, government must partner with the private sector, which provides the vast majority of housing, to assist people who for various reasons cannot keep pace with the prevailing market. The DIHU program does just that and will make a valuable tool for improving the housing status of County residents.

A second change to the ordinance will assist the Commission and others in creating more housing opportunities throughout the County for a broader segment of the market. This amendment allows fee-in-lieu funds to be provided to the Commission and local non-profits for a variety of housing affordability purposes. Regional local jurisdictions that support affordable opportunities typically provide general funds and other resources to the effort. Montgomery County has been spending over \$35 million annually; Baltimore City created a \$20 million fund; Arlington County, in Northern Virginia, has been spending between \$15 million and \$20 million; and Washington DC appropriates over \$100 million each year. As noted above, Howard County provides no general funds for support and the Department of Housing and Community Development is funded, both operationally and programmatically, through a small percentage of the transfer tax.

Allowing fee-in-lieu dollars to be used to support the efforts of the Commission and non-profits to create and preserve affordable housing in the County would be a step in the right direction. These badly needed funds could be paired with other government programs to create more units, leverage other public and private sector sources, and increase the supply of low and moderate income housing in Howard County.

The Commission supports the proposed changes and encourages the Council to approve them. Thank you again for the opportunity to provide this testimony.