



Howard County

Internal Memorandum

Subject: Testimony for Council Bill 45-2020 (ZRA 191)

To: Lonnie R. Robbins
Chief Administrative Officer

From: Amy Gowan, Director, Department of Planning and Zoning
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Date: September 10, 2020

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The Departments of Planning and Zoning (DPZ) and Housing and Community Development (DHCD) support CB45-2020, an act that will revise Howard County's zoning regulations to allow the County to support affordable housing projects on certain non-residentially zoned land. This zoning regulation amendment (ZRA 191) will facilitate the creation of affordable and special needs housing, a key policy identified in both PlanHoward 2030 and the General Plan 2000.

This Council Bill amends Section 103.0, the Definition of Housing Commission Housing Development, to include housing developments owned by either the Howard County Government or the Housing Commission or in which either the Howard County Government or Housing Commission are general partners or managing members. It also amends Section 128.O.J.2.c, to allow the Planning Board to approve up to a total of 24 acres of non-residentially zoned land in a three-year period for such housing developments. A total of 12 acres was added to this text exclusively for Housing Commission Housing Developments in which Howard County Government is the owner, general partner or managing member.

Prior to 2016, the Department of Housing and Community Development and Housing Commission functioned as one County agency and shared one director and one staff. As the County's housing needs and challenges evolved, the two agencies split to better distinguish and expand funding, programs and services and evaluate their performance towards affordable housing goals. While both have roles in addressing the County's housing needs, they are organizationally different and therefore, follow different policies and procedures in their operations and decision-making.

In 2007, Council Bill 72-2007/ZRA-90 established the Housing Commission Housing Development land use category to expand development opportunities that could increase the supply of affordable, senior and special needs housing. In this bill, the Planning Board was authorized to approve up to 12 acres of housing developments in a three-year period located in the non-residential zoning districts listed here:

- Institutional Overlay (I)

- Planned Office Research (POR),
- Planned Employment Center (PEC),
- Shopping Center (SC), and
- Corridor Employment (CE)

To provide housing under this code section, the Housing Commission must be an owner, managing member or general partner of the housing development. DHCD's mission is to provide affordable housing opportunities for low- and moderate-income residents of Howard County. To further support this mission, DHCD is seeking the same opportunities that the Housing Commission currently holds and the ability to participate in affordable housing projects that reflect their priorities.

Finally, ZRA 191 increases overall opportunities for affordable housing, a principal goal of the Housing Opportunities Master Plan currently under development. Research already considered by the housing task force shows that housing supply has not kept up with housing demand, particularly over the last decade and given the recent employment growth; a lack of affordable housing throughout the county inhibits racial and socioeconomic integration, contributing to concentrations of affordable housing in only a few locations; and the current strategy to address infrastructure and public facility capacity issues is placing significant limitations on the amount of housing that can be built.

Planning Board Recommendation and Drafting Error

On August 20, 2020, the Planning Board voted and recommended to approve ZRA-191 and amend Sections 103.0 and 128.0.J.2.c of the zoning regulations as modified by the DPZ in Exhibit B in the Technical Staff Report. However, it was pointed out during a Planning Board meeting that there was a drafting error in the proposed definition of Housing Commission Housing Development, Section 103.0. CB-45 corrected this error to ensure the new definition was consistent with the text changes proposed in Section 128.0.J.2.c.

Fiscal Impact to the County

Given the County's limited amount of land zoned for non-residential uses, there has been some concern expressed about the impact this ZRA will have on the County's tax revenue. Specifically, there is concern that using non-residential land for residential uses will result in a tax revenue loss to the County.

A fiscal impact study would need to be conducted to properly evaluate potential fiscal impacts of using non-residential land for residential development. However, it is important to note that some of the zoning districts impacted by this amendment already allow residential uses by-right; this includes POR and SC districts, so the fiscal impact is difficult to determine, and results would vary depending on the specifics of each development. In general, in Howard County, non-residential land uses generate positive net fiscal impacts. Residential developments have also been shown to generate net positive fiscal impacts, primarily because 90% of all revenues to the County General Fund are from property taxes and local income taxes paid by residents.

However, income and property tax revenues are less for affordable housing units compared to market rate units, and the resulting fiscal impact would depend on many factors, including but not

limited to the percentage of affordable units, the number of school children living in the homes, and the average incomes of residents.

As fiscal impacts are contemplated, it is important to keep in mind that this Council Bill only gives the Planning Board the authority to approve up to an additional 12 acres of non-residentially/mixed use zoned land over a three-year period for Housing Commission Housing Developments. This equates to approximately 2-3 projects over a three-year period and does not necessarily mean that all 12 acres will be used. The County will only seek Planning Board approval as development opportunities arise and funding is available.

Department Recommendation

The Departments of Planning and Zoning and Housing and Community Development appreciate support of CB 45-2020, since addressing affordable housing in the County has been a priority identified in the past two General Plans (i.e., for the last two decades) and it aligns with goals of Housing Opportunities Master Plan currently underway.

cc: Sameer Sidh, Chief of Staff
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