

Amendment 41 to Council Bill No. 28 -2023

**BY: The Chairperson at the Request
of the County Executive**

**Legislative Day 11
Date: October 2, 2023**

Amendment No. 41

(This Amendment adds language about the County’s Live Where You Work program and adds the evaluation of other programs for home ownership opportunities as an action item.)

1 In the *HoCo By Design* General Plan, attached to this Act as Exhibit A, amend the following
2 pages as indicated in this Amendment:

- 3 • Chapter 6, Dynamic Neighborhoods – pages 50 and 52 (note that to add text onto page
4 50, the few lines at the top of page 50 were moved to the bottom of page 49. This text is
5 shown in blue.)
- 6 • Chapter 11, Implementation – page 40

7
8 Correct all page numbers, numbering, and formatting within this Act to accommodate this
9 amendment.

AFFORDABLE HOUSING OVERLAY DISTRICT CONSIDERATIONS

According to the Housing Opportunities Master Plan, the overlay district should:

- Identify neighborhoods with few existing housing options for low- and moderate-income households.
- Include incentives to encourage the production of additional affordable and/or accessible units beyond the MIHU baseline rules.
- Allow affordable housing development proposals that meet specified criteria to proceed by-right, or without the need for additional reviews and approvals. To qualify, an affordable housing development should reserve a significant portion of units at 60% of AMI and be subject to a long-term use restriction, provide accessible and visitable units beyond the minimum required by law, and fall within a range of parameters related to form, density, massing, setbacks, parking, etc.
- Expand below-AMI housing opportunities in larger areas of the County to address de-concentration of poverty for redevelopment or preservation projects within the wider context of the County as a whole.
- Consider areas of the County where existing infrastructure is underutilized and therefore could support additional residential density with limited new public investment.
- Encourage greater racial and socioeconomic integration by increasing affordable housing opportunities throughout Howard County, especially in locations that do not have them at this time.

There are circumstances in which land and construction costs make it challenging for developers to produce income-restricted units on-site, primarily in the case of single-family detached and age-restricted housing developments. For these two housing types, Howard County therefore allows developers to pay a fee-in-lieu (FIL) instead of providing the units on-site, which is a practice that other jurisdictions also use to advance affordable housing goals. The FIL generates revenue that allows the County to provide gap funding for housing developments with even greater percentages of income-restricted units or even deeper levels of income targeting than what market-rate developments can achieve.

The MIHU and FIL policies are central elements of the affordable housing strategy in Howard County. The Housing Opportunities Master Plan (HOMP) also notes that income-restricted units not only provide housing options for moderate- and low- income households but can also serve the needs of various other household types, including those with extremely low incomes, persons with disabilities and/or receiving disability income, youth aging out of the foster care system, and persons at risk of or experiencing homelessness, among others. These groups face unique circumstances and challenges. However, the common thread is that many households with these characteristics may disproportionately struggle to find housing that is both affordable to them and meets their specific needs.

To increase the number of income-restricted units in the County and make more units available to special needs households, the HOMP recommends improvements to the MIHU program, such as additional flexibility to accommodate on-site provisions, incentives to encourage the production of more than the required number of units, greater shares of accessible and visitable units for those with disabilities, and/or deeper levels of income targeting. The HOMP also recommends that the County establish various growth and development targets to demonstrate a clear commitment to increasing the supply of homes affordable to low- and moderate-income households and persons with disabilities and special needs, including the following.

- **Affordability Target:** The greater of at least 15% of all net new housing units should be available to households making less than 60% of AMI each year.
- **Accessibility Target:** At least 10% of new housing units affordable to households making less than 60% of AMI should be physically accessible for persons with disabilities. This target should be supplemented with concerted efforts to facilitate accessibility improvements to the existing ownership and rental stock to better enable integrated aging in place.


In addition to the MIHU program, the County encourages affordability with financial incentives to residents. For example, the County currently offers downpayment assistance to low- or moderate-income residents seeking to purchase a home through the Settlement Downpayment Loan Program. The County also has a Live Where You Work (LWYW) Program in which the County partners with local employers to offer financial assistance to low and moderate income employees to rent a home in the County where they work. According to data provided by the County's Department of Human Resources, approximately 44% of Howard County government employees live in Howard County. With more than 4,000 employees actively working for County government, the County should evaluate establishing a program for its workforce that could not only reduce employee commute times, but also create opportunities for more employees to live in the County where they work.

The County could also encourage greater affordability through the Zoning Regulations by providing density bonuses or other incentives to developers and property owners in exchange for meeting affordable housing goals. The County should create a working group to examine the feasibility of a targeted incentive program, such as a zoning overlay district, to increase the supply of affordable and accessible housing. According to the HOMP, a zoning overlay district could be targeted to areas with limited affordable and accessible housing, and offer incentives to encourage an increase in the supply of affordable housing through tools such as density bonuses, a bonus pool of housing allocations within the Adequate Public Facilities Ordinance Allocation chart (refer to the Managing Growth chapter), and an administrative review processes. Such a program should seek to increase the supply of affordable and accessible housing units at different AMI levels, similar to the multi-spectrum market affordable housing provisions for Downtown Columbia.

I would want to live in Howard County in 10 years if parks, people, and diversity continue to be a priority, but it would be a matter of cost if I could return.

- HoCo By Design process participant


DN-5 Policy Statement

 Increase the supply of for-sale and rental housing units in all new developments attainable to low- and moderate-income households and special needs households.

Implementing Actions

1. Reevaluate the County's inclusionary zoning policies to ensure they are meeting their intended objectives. Expand Moderate Income Housing Unit (MIHU) requirements in areas with a disproportionately lower share of housing options affordable to low- or moderate-income households.
2. Ensure that any corridor, neighborhood, redevelopment, or area plan includes clear policies for meeting affordable housing goals.
3. Update MIHU rules and fee structures, with the goal of producing more units throughout the County that are integrated within communities. Seek opportunities to amend the Zoning Regulations to enable housing types more conducive to on-site MIHU provision across a broader area.
4. Establish a working group to evaluate the feasibility of a targeted incentive program for affordable and accessible housing, including:
 - a. The creation of a definition of affordable and accessible housing, including physical factors such as unit type, size, or physical accessibility design criteria; and/or income factors through tools such as deed restrictions.
 - b. A zoning overlay targeting locations for affordable and accessible housing where there is limited existing supply of affordable and accessible units.
 - c. Incentives related to development, such as density bonuses or relief to setback or other development standards.
 - d. Incentives related to the development process, such as the creation of a specific housing allocation pool for affordable and/or accessible units, exemptions from school requirements in the Adequate Public Facilities Ordinance, or other means of reducing other regulatory barriers.

DN-6 Policy Statement

 Provide various incentives that encourage the development of for-sale and rental housing units affordable to low- and moderate-income households and special needs households.

Implementing Actions

1. Continue to support the Housing Opportunities Trust Fund to expand the number of income-restricted rental and homeownership units produced. Explore the feasibility of establishing a dedicated funding source for this fund.
2. Evaluate opportunities to co-locate income-restricted housing and community facilities on county-owned land.
3. Establish criteria for flexible use and disposition of county real estate assets that are near amenities and would promote development of affordable missing middle and multi-family housing for low- and moderate-income households where appropriate.
4. Offer additional incentives to encourage the production of more Moderate Income Housing Units than required, and/or deeper levels of income targeting in the form of Low Income Housing Units or Disability Income Housing Units.
5. Continue to provide and increase downpayment assistance funding to income-eligible households through the County's Settlement Downpayment Loan Program.
6. [Expand funding and partnerships for the Live Where You Work program. Evaluate expanding the program for home ownership opportunities.](#)

Table 10-1: Implementation Matrix		
Policy and Implementing Actions	Lead Agency	Timeframe (Mid-Term five-year, Long-Term six+ years, Ongoing)
DN-5 - Increase the supply of for-sale and rental housing units in all new developments attainable to low- and moderate-income households and special needs households.		
1. Reevaluate the County's inclusionary zoning policies to ensure they are meeting their intended objectives. Expand Moderate Income Housing Unit (MIHU) requirements in areas with a disproportionately lower share of housing options affordable to low- or moderate-income households.	DHCD DPZ	Mid-Term
2. Ensure that any corridor, neighborhood, redevelopment, or area plan includes clear policies for meeting affordable housing goals.	DPZ DHCD	Long-term
3. Update MIHU rules and fee structures, with the goal of producing more units throughout the County that are integrated within communities. Seek opportunities to amend the Zoning Regulations to enable housing types more conducive to on-site MIHU provision across a broader area.	DHCD DPZ	Long-term
4. Establish a working group to evaluate the feasibility of a targeted incentive program for affordable and accessible housing, including: <ul style="list-style-type: none"> a. The creation of a definition of affordable and accessible housing, including physical factors such as unit type, size, or physical accessibility design criteria; and/or income factors through tools such as deed restrictions. b. A zoning overlay targeting locations for affordable and accessible housing where there is limited existing supply of affordable and accessible units. c. Incentives related to development, such as density bonuses or relief to setback or other development standards. d. Incentives related to the development process, such as the creation of a specific housing allocation pool for affordable and/or accessible units, exemptions from school requirements in the Adequate Public Facilities Ordinance, or other means of reducing other regulatory barriers. 	DPZ DHCD Non-profit Partners	Mid-Term

Table 10-1: Implementation Matrix		
Policy and Implementing Actions	Lead Agency	Timeframe (Mid-Term five-year, Long-Term six+ years, Ongoing)
DN-6 - Provide various incentives that encourage the development of for-sale and rental housing units affordable to low- and moderate-income households and special needs households.		
1. Continue to support the Housing Opportunities Trust Fund to expand the number of income-restricted rental and homeownership units produced. Explore the feasibility of establishing a dedicated funding source for this fund.	DHCD Elected Officials OOB	Ongoing
2. Evaluate opportunities to co-locate income-restricted housing and community facilities on county-owned land.	DPW DPZ DHCD	Long-term
3. Establish criteria for flexible use and disposition of county real estate assets that are near amenities and would promote development of affordable missing middle and multi-family housing for low- and moderate-income households where appropriate.	DHCD HCHC DPW	Mid-Term
4. Offer additional incentives to encourage the production of more Moderate Income Housing Units than required, and/or deeper levels of income targeting in the form of Low Income Housing Units or Disability Income Housing Units.	DHCD DPZ Non-profit Partners	Ongoing
5. Continue to provide and increase downpayment assistance funding to income-eligible households through the County's Settlement Downpayment Loan Program.	DHCD	Ongoing
6. <u>Expand funding and partnerships for the Live Where You Work program. Evaluate expanding the program for home ownership opportunities.</u>	DHCD EDA HCHC	<u>Mid-Term</u>