

Amendment 128 to Council Bill No. 28 -2023

BY: Christiana Rigby

Legislative Day 12

Date: 10/11/2023

(This Amendment makes the following changes to HoCo by Design Chapter 6, Chapter 10, and Chapter 11:

*Chapter 6: Dynamic
Neighborhoods*

- *Adds to the definition of affordable housing that the HOMP recommends prioritizing housing development that serve owner households making less than 120% AMI and rental households making less than 60% AMI;*
- *Amends the DN-5 Policy Statement Implementing Actions to have the working group study allowing affordable housing allocations to roll over, releasing allocations from their requirement to be either homeowner or rental units after three years, and incentives for homeownership opportunities;*

*Chapter 10: Managing
Growth*

- *Removes the Affordable Housing allocations in Table 10-1: Howard County APFO Allocations Chart and substitutes an Affordable Housing (for purchase and rental) allocation at 500 units per year;*
- *Removes the Green Neighborhood program in its entirety in Table 10-1: Howard County APFO Allocations Chart and the accompanying narrative section;*

*Chapter 11:
Implementation*

- *Amends the DN-5 Policy Statement Implementing Actions to have the working group study allowing affordable housing allocations to roll over, releasing allocations from their requirement to be either homeowner or rental units after three years, and incentives for homeownership opportunities.)*

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

- 3 • Chapter 6: Quality by Design: 12, and 51
- 4 • Chapter 10: Managing Growth: 7 and 8
- 5 • Chapter 11: Implementation: 39

6

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

Housing Element (HB 1045) and the Housing Opportunities Master Plan

Maryland House Bill (HB) 1045, adopted in 2019, requires jurisdictions with planning and zoning authority to include a housing element in comprehensive plan updates. A housing element must address the need for affordable housing within jurisdictions, including both workforce and low-income housing. HB 1045 defines workforce housing as follows:

- Workforce housing for home ownership – Housing that is affordable to a household with an aggregate annual income between 60–120% of the area’s median income (see AMI definition next page).
- Workforce housing for rental – Housing that is affordable to a household with an aggregate annual income 50–100% of the area’s median income (see AMI definition next page).

However, as various policies and actions in HoCo by Design are based on the Howard County Housing Opportunities Master Plan, workforce housing (also referred to as moderate-income housing) in this document is more broadly defined as housing that is affordable to households that earn 60–120% of the area median income (AMI), while low-income housing is defined as housing affordable to households that earn less than 60% of the AMI. According to the US Department of Housing and Urban Development (HUD), a home is affordable when 30% or less of a household income is spent on housing costs.

In 2019, recognizing that the housing inventory was scarce for people at every income level, which contributed to rising housing prices and rents, the County launched a process to create a housing plan. Completed in 2021, the County’s housing plan, known as the Housing Opportunities Master Plan (HOMP), includes an assessment of the current state of housing in the County and strategies for improving its availability, affordability, and accessibility. The HOMP includes various recommendations for land use planning, many of which have been contemplated in the HoCo By Design planning process.

The Dynamic Neighborhoods chapter incorporates various data and recommendations from the HOMP and includes policies and implementing actions that address the requirements of HB 1045.



Dynamic Neighborhoods Terms

Affordable Housing: As defined in the Housing Opportunities Master Plan (HOMP), this term is often used in different contexts and to convey different concepts. Broadly speaking, affordable housing is housing in which its occupants can live and still have enough money left over for other necessities, such as food, health care, and transportation. This relationship is often expressed in terms of the percentage of income that a household spends on its housing payments. [For instance, one of the guiding principles in the HOMP recommends, "Howard County should prioritize housing development to serve owner households making less than 120% of Area Median Income \("AMI"\) and renter households making less than 60% of AMI."](#) For the purpose of the HOMP and HoCo By Design, affordable housing can include both income-restricted housing, as well as attainably priced market-rate housing.

Attainable Housing: An attainably priced home is one that does not create cost burdens for the family living there and is generally affordable without a subsidy.

According to the US Department of Housing and Urban Development (HUD), a home is affordable if the occupant is paying no more than 30% of gross income for housing costs, including utilities. Based on this definition, a household that makes \$73,000 per year could probably afford a monthly rent of \$1,825 and a mortgage on a home priced at \$200,000–\$250,000.


Income-Restricted Housing: As defined in the HOMP, rental or homeownership units that are restricted to households at a certain income level, and are often calculated as a percentage of Area Median Income (AMI). These units tend to receive some form of public, philanthropic, or policy support. Examples include, but are not limited to, the following:

- Moderate Income Housing Units (MIHUs)—units that developers of new market-rate housing in Howard County must reserve for moderate-income households at reduced rents or purchase prices.
- Low Income Housing Units (LIHUs)—units that must be reserved for low-income households at reduced rents or purchase prices.
- Disability Income Housing Units (DIHUs)—units that must be reserved for households receiving a disability income.

Area Median Income (AMI): As defined in the HOMP, the midpoint of the income distribution for a region, with half of the households in that region earning more than this amount and half of the households in that region earning less than this amount. In 2019, according to the US Census, the AMI in Howard County was \$121,160. Using this AMI as the basis, below are estimated low and moderate household income ranges:

- Extremely Low Income: Under 30% of AMI (or \$36,348 or less/year)
- Low Income: 30–60% of AMI (or \$36,349–\$72,696/year)
- Moderate Income: 60–120% of AMI (or \$72,696–\$145,392/year)


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, [allowing affordable housing allocations to roll over from year to year, releasing allocations from their requirement to be either for ownership or rental after three years](#), or other means of reducing other regulatory barriers.
 - e. [Incentives related to homeownership opportunities](#).

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.

Adequate Public Facilities Ordinance (APFO)

Housing Unit Allocations

APFO sets the pace of new residential development through an annual housing allocation chart, which caps the number of new units that can be built each year by geographic region. Once the annual cap is reached, subdivision plans are placed “on hold” until the next year when more allocations are made available.

The allocation chart for HoCo By Design is shown in Table 10-1 and includes the years 2026-2040. This allocation chart is based on the approximately ~~1,580~~ 1,780 housing units targeted per year over the 15-year timeframe of this chart. Allocations are granted, if available, once the initial subdivision or site development plan is approved. Given that it typically takes several years for the development review process to be completed (to final plat recordation and site development plan approval), allocations are granted three years ahead of when the new units are expected to be built. Since HoCo By Design has been presented for adoption in 2023, the first year on the allocation chart is 2026.

There are four geographic regions in the HoCo By Design allocation chart: Downtown Columbia, Activity Centers, Other Character Areas, and Rural West. Allocations amount to an average total of approximately ~~1,580~~ 1,780 new residential units per year over the 15 years in the chart, including ~~Green Neighborhood~~ and Affordable Housing units. The number of units in each region is tied to the future land use capacity as modeled and estimated in the Future Land Use Map (FLUM). ~~In addition to the four geographic regions, the allocation chart for HoCo By Design maintains the set-aside incentive of 150 units per year for Green Neighborhood developments. Projects using Green Neighborhood allocations must meet the Green Neighborhood requirements, as specified in the Howard County Subdivision and Land Development Regulations.~~ The total annual average of approximately ~~1,580~~ 1,780 units is significantly less than the 2,084 units targeted in the allocation chart of the previous General Plan, PlanHoward 2030. However, since the County has only realized an annual average of about 1,500–1,600 units per year over the past decade, the revised target of ~~1,580~~ 1,780 units is a realistic measure given the remaining land available and multiple factors influencing growth.

~~Just as the housing allocation chart offers a set aside incentive for the Green Neighborhoods program,~~ HoCo By Design proposes ~~an~~ Affordable Housing set aside ~~incentive incentives~~ as well. These additional allocations could help increase the supply of affordable housing units above and beyond what is required under the County’s Moderate Income Housing Unit (MIHU) program, and could assist the County with reaching the affordability and accessibility targets recommended in the Housing Opportunities Master Plan. As noted in the Dynamic Neighborhoods chapter, ideal locations for these set asides could be in mixed-use activity centers, redeveloped multi-family communities, and within the Affordable Housing Overlay Zoning District.

Table 10-1: Howard County APFO Allocations Chart - HoCo By Design

Year	Downtown Columbia (1)	Activity Centers	Other Character Areas	Rural West	Total	Green Neighborhood	Affordable Housing (for purchase and rental)
2026	335	600	365	100	1,400	150	500-150
2027	335	600	365	100	1,400	150	500-150
2028	335	600	365	100	1,400	150	500-150
2029	335	600	365	100	1,400	150	500-150
2030	335	600	365	100	1,400	150	500-150
2031	155	600	365	100	1,220	150	500-150
2032	155	600	365	100	1,220	150	500-150
2033	155	600	365	100	1,220	150	500-150
2034	155	600	365	100	1,220	150	500-150
2035	154	600	365	100	1,219	150	500-150
2036	154	600	365	100	1,219	150	500-150
2037	154	600	365	100	1,219	150	500-150
2038	154	600	365	100	1,219	150	500-150
2039	154	600	365	100	1,219	150	500-150
2040	154	600	365	100	1,219	150	500-150
Total	3,219	9,000	5,475	1,500	19,194	2,250	7,500-2,250
Annual Average	215	600	365	100	1,280	150	500-150

(1) The allocations for Downtown Columbia align with the phasing chart in the approved and adopted 2010 Downtown Columbia Plan.

As indicated earlier, HoCo By Design envisions future development in the Gateway Regional Activity Center. Once a master plan for Gateway is completed, and the number and pacing of residential units for Gateway determined, the allocation chart can be amended to include annual allocations for Gateway or a separate chart for Gateway can be adopted. However, these units are not likely to be built in the near-term, as zoning changes will follow the master plan and units will take several years after zoning to be constructed.

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, allowing affordable housing allocations to roll over from year to year, releasing allocations from their requirement to be either for ownership or rental after three years, or other means of reducing other regulatory barriers. e. Incentives related to homeownership opportunities. 	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