

Amendment 3 Amendment No. 100 to Council Bill No. 28 -2023

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

**Legislative Day 12
Date: October 11, 2023**

Amendment No. 3 to Amendment No. 100

(This Amendment to Amendment No. 100 adds data from the Housing Opportunities Master plan and describes rental units throughout the County.)

- 1 Substitute page 1 of Amendment 100 with the attachment to this Amendment to Amendment.
- 2
- 3 In Chapter 6, Dynamic Neighborhoods, substitute page DN11 attached to Amendment No. 100
- 4 with revised page DN11 as attached to this Amendment to Amendment.

Amendment 100 to Council Bill No. 28 -2023

BY: Deb Jung

Legislative Day 11

Date: October 2, 2023

Amendment No. 100

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

- Chapter 6: Dynamic Neighborhoods*
- *Removes all quotes;*
 - *Amends the Equity in Action subsection of the “What We Heard” section by adding a second sentence to the third bullet as follows: “Explore programs that will incentivize developers to build housing in mixed-use projects that will be affordable and create new home ownership opportunities.”;*
 - *Amends the Housing Element (HB 1045) and the Housing Opportunities Master Plan section by describing the types of rental housing and homes for sale in Columbia and throughout the County and inserts data from the Housing Opportunities Master Plan.*
 - *Amends the second paragraph of the Housing Element (HB1045) and the Housing Opportunities Master Plan section by deleting “However, as and substituting “Since”;*
 - *Amends the Data and Findings of the Housing Opportunities Master Plan section by specifying the locations in the County with concentrations of low- and moderate-income households that have lower home ownership rates and less access to affordable for sale homes;*
 - *Amends the Why is Missing Middle Housing Important paragraph of the Diversify Housing Typologies Permitted in the County section by deleting the second sentence and adding the following sentence at the end of the paragraph: “Home ownership opportunities should be emphasized in the areas where apartments are now concentrated.”;*
 - *Amends the Accessory Dwelling Units section by deleting language relating to Portland, Oregon, data regarding the number of cars for each ADU and where they are parked;*
 - *Amends the DN-1 Policy Statement Implementing Action 2 to consider eliminating specified barriers to housing stock diversification in the Zoning Regulations and Subdivision and Land Development Regulations and deletes the following language: “and do not preclude their potential on existing lots”;*
 - *Amends the DN-1 Policy Statement Implementing Action 3 to consider expanding the types of housing allowed in the Zoning Regulations and Subdivision and Land Development Regulations to include specified missing middle housing types;*

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).

Columbia was built on the concepts embodied in HB 1045 and contains the highest concentration of low and moderate income rental housing and lower priced homes for sale in Howard County, and offers a variety of for-sale and rental opportunities, including some of the more affordably priced for-purchase and rental housing in the County. According to the 2022 Howard County Rental Survey, Howard County has over 25,400 rental units in professionally managed multifamily communities, of which over 46% are located in the Columbia submarket. In addition to Columbia, older and/or more diverse housing inventories with more affordability can also be found in the Elkridge and Southeast submarkets. Home ownership rates are also lower in Columbia than in the rest of the County. The focus going forward should be to increase home buying opportunities for those living in Columbia.

According to the Housing Opportunities Master Plan: Market Overview and Background Research, between 2015 and 2018, 44% of home sales in Howard County took place at price points below \$350,000 including 61% of sales in Columbia, 56% in Elkridge, 42% in Southeast, and 26% in Ellicott City. Columbia also has the County’s highest number of housing units and the highest percentage of renter-occupied units as compared to owner-occupied units. There are 42,063 total housing units in Columbia with 13,680 (33%) renter-occupied units and 28,383 (67%) owner-occupied. The next highest submarket for renter-occupied units as a percentage of the total units is the Southeast where 29% (5,398) of the total units are renter-occupied and 71% (13,074) are owner-occupied. While home ownership should be fostered throughout the County, these housing demographics highlight the need to increase home buying opportunities in Columbia.

However, as Since 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 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)