July 18,2016 Chairman Ball and members of the County Council RE: CB43, CB44, CB45, CB52CB53, CB55CB56, CR103, CR104 and CR105-2016

My name is Grace Kubofcik, 4801 Carman Drive, Ellicott City MD 21043 and I am speaking for my self.

All parties support a full spectrum of affordable rental housing in Downtown Columbia .The Howard County General Plan language and policy is very clear and was clear when 5,500 residential units were approved for the Downtown Area.

Yes there was a Downtown Trust Fund and yes we were in extreme economic distress for any developer trying to build apartment units. The banks were just not lending. The County Council on October 1,2012 passed CB31, 2012. A Bill proposed by the Department of Planning and Zoning to the New Town Zoning Regulation section A.9.f. (3) to read Downtown Revitalization: Additional Requirements "All residential development has an affordable housing obligation requiring a one time per unit payment to the Downtown Columbia Housing Foundation upon the issuance of building permits in accordance with community enhancements, programs and public amenities number 26 in the Downtown Columbia Plan or, alternatively, 15% of the dwelling units shall be moderate income housing units."

I testified in support of the Council Bill and it established the % floor of affordable units for Downtown Columbia in the County Zoning regulations..

I strongly support Council member Terrasa's legislative package of three bills. I want but one amendment and that is to remove the 80% requirement of affordability. The legislation includes the "Carbo Scale" so it provides flexibility and options to go below 30% of median. Data shows the need of rental affordable units. We have a waiting list greater than 800 for those with incomes between \$30,000 and \$63,000. The legislation will assure integration of affordable units and the permanency of those units. Key elements of the County's MIHU housing policy.

Howard County Developers have completed or are building affordable units integrated into all of their rental buildings with out needing the Housing Commission or the use of public owned land. Two bedroom units at the MIHU rental rate in March 2016 were renting at \$1,241 per month up to \$1,571 per month. The County currently has more than 700 MIHU rental units completed or in process.

I oppose uncapped affordable density. This concept sets a wrong policy for the County as a whole and provides no predictability. How will it affect current provisions of APFO?

I oppose the DRRA and do not perceive a benefit to the County in the DRRA document. In fact this document provides for special consideration of Howard

Hughes needs for Low income tax credits over the needs of other developers needing the same in Howard County. What does the DRRA and its provision establish as policy or precedent as the County comes to address the redevelopment of New Town? Does this document support housing policy? I think not.

I also oppose the DRRA on grounds that with the exception of 200 units of Section 8 housing which will be scattered in Howard Hughes market rate residential buildings all other affordable housing will be the responsibility of the Howard County Housing Commission. We will have labeled those entities in exact opposite to what we have been trying and successfully achieving. Affordability in Downtown Columbia equals Housing Commission units.

I also object to the notion that the Housing Commission has financial responsibility through its' bonding authority for the new Banneker Fire Station. County government's primary responsibility is first and foremost safety. Taxpayers accept that responsibility in both operating and capital costs. This is not the Housing Commission's purpose.

The DRRA makes it quite clear that we the residents of the County will bear the financial cost of new capital projects library, school, art center etc. All of this points to the strong negotiation on the part of Howard Hughes.

Fundamental to development or redevelopment is roads, intersections and traffic devices as well sidewalks and storm water requirements. Developers assume those costs and pass them on to those who purchase or lease. I cannot believe in contemplating the purchase from General Growth that Howard Hughes in looking at the potential for build out of new commercial, retail and office and 5,500 units of residential that they did not calculate those estimated costs. I think they did. So I look at the TIF as a financial tool to achieve speed and pace of development and to achieve profits at a higher and faster rate. The County has to weigh what is in the County's best interest. Honestly I haven't heard that argument.

The major cost in the TIF proposal is public parking garages. That is of the \$90 million requested in the first TIF phase, \$59.5 million is budgeted for three public garage facilities creating 3,963 spaces.

The County has a Revenue Authority that has a stated purpose to finance or operate parking facilities and whose bonds may not be deemed to constitute a debt to the County. (Section 25.102 etc) I have no expertise in this area but wonder why the Revenue Authority has not been considered. Certainly it is not based on the notion that public parking will be free in Downtown Columbia.

In reviewing the County Finance Department document's related to the TIF there were provisions that need to be carefully considered by the County Council. One is rate of return, under a TIF scenario and non-TIF scenario. Another is the "look back" provision. That is a requirement for audited statements and an agreement on

reasonable profit to be earned by the developer. The County and the Developer shall share in the excess profit. How will the public know what that agreement is and are the agreement terms subject to public review? I was surprised to learn that one TIF in Baltimore City allowed for a 20 % profit to the developer. Is that a standard rate of profit? Another comment needing review is that "the fiscal analysis indicates that tax revenues should be sufficient to cover County expenses, however, the margin is low, creating risk for the County as the fiscal impact is based on estimates and it is prudent for there to be some positive margins in these estimates. Further, the fiscal impact analysis indicates that benefits to the County are back loaded." (Page 19 and 20).

The County Council and the public have a lot to review, study and ask questions. I urge the County Council to allow for additional opportunity for public hearings in September 2016.

Thank you.

Grace Kubofcik

4801 Carman Drive Ellicott City MD

Attachments: CB 31,2012, Planning Board Testimony April 14,2016

Introduced Sept. 4, WIZ
C- 75 (C) \ (1)
Public Hearing Sept. 18, Vol L
Council Action Od. 1, 201
Executive Action Oct 5. 7012
Effective Date Dec. 5.2012

County Council Of Howard County, Maryland
2012 Legislative Session Legislative Day No.
Bill No. 3 (2012 (ZRA 139)
Introduced by: The Chairperson at the request of the Marsha S. McLaughlin, Director, Department of Planning and Zoning
AN ACT amending the Howard County Zoning Regulations to require a financial
affordable housing obligation or the provision of moderate income housing units in
Downtown Columbia; and generally relating to the Howard County Zoning
Regulations.
Introduced and read first time September 4, 2012. Ordered posted and hearing scheduled.
By order Stephen LeGendre, Administrator
Having been posted and notice of time & place of hearing & title of Bill having been published according to Charter, the Bill was read for a second time at a public hearing on September 1.5., 2012.
By order <u>Stephen LeGendre</u> , Administrator
This Bill was read the third time on Abehor , 2012 and Passed , Passed with amendments, Failed
By order <u>Stephen LeGendre</u> , Administrator  Sealed with the County Seal and presented to the County Executive for approval this <u>Uday</u> of <u>October</u> 2012 at <u>1</u> 1:00
Sealed with the County Seal and presented to the County Executive for approval this 2 day of October, 2012 at 1:00 a.m/p.m.
By order Stephen LeGendre, Administrator
Approved/Vetoed by the County Executive
Ken Ulman, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN SMALL CAPITALS indicates additions to existing law; Strike-out indicates material deleted by amendment; Underlining indicates material added by amendment.

7	Section 1. Be it Enacted by the County Council of Howard County, Marylana, that th
2	Howard County Zoning Regulations are hereby amended as follows:
3	By adding subsection A.9.f.(3) of:
4	Section 125 "NT (New Town) District"
5	
6	Howard County Zoning Regulations.
7	Section 125. NT (New Town) District.
8	
9	A. Definitions, Requirements and Restrictions Applicable to NT Districts
10	
1	9. Downtown Revitalization:
12	
13	f. Additional Requirements.
4	
15	(3) ALL RESIDENTIAL DEVELOPMENT HAS AN AFFORDABLE HOUSING
16	OBLIGATION REQUIRING A ONE-TIME PER UNIT PAYMENT TO THE
17	DOWNTOWN COLUMBIA COMMUNITY HOUSING FOUNDATION UPON
8	ISSUANCE OF RESIDENTIAL BUILDING PERMITS IN ACCORDANCE WITH
9	COMMUNITY ENHANCEMENTS, PROGRAMS AND PUBLIC AMENITIES
20	number 26 in the Downtown Columbia Plan or, alternativel
21	15% OF THE DWELLINGS SHALL BE MODERATE INCOME HOUSING UNIT
22	
23	Section 2. And Be It Further Enacted by the County Council of Howard County,
24	Maryland that the Director of the Department of Planning and Zoning is authorized to
25	publish this Act, to correct obvious errors in section references, numbers and reference
26	to existing law, capitalization, spelling, grammar, headings and similar matters.
27	
8.	Section 3. And Be It Further Enacted by the County Council of Howard County,
9	Maryland, that this Act shall become effective 61 days after its enactment.

#### BY THE COUNCIL

This Bill, having been approved by the Executive and returned to the Council, stands enacted on 2012.
· · · · · · · · · · · · · · · · · · ·
Stephen M. LeGendre, Administrator to the County Council
Stephen M. LeGendre, Administrator to the County Council
BY THE COUNCIL
This Bill, having been passed by the yeas and nays of two-thirds of the members of the Council notwithstanding the
objections of the Executive, stands enacted on, 2012.
Stephen M. LeGendre, Administrator to the County Council
BY THE COUNCIL
This Bill, having received neither the approval nor the disapproval of the Executive within ten days of its
presentation, stands enacted on, 2012.
Stephen M. LeGendre, Administrator to the County Council
BY THE COUNCIL
This Bill, not having been considered on final reading within the time required by Charter, stands failed for want of
consideration on, 2012.
···
Stephen M. LeGendre, Administrator to the County Council
BY THE COUNCIL
This Bill, having been disapproved by the Executive and having failed on passage upon consideration by the
Council stands failed on, 2012.
Stephen M. LeGendre, Administrator to the County Council
BY THE COUNCIL
This Bill, the withdrawal of which received a vote of two-thirds (2/3) of the members of the Council, is withdrawn
from further consideration on, 2012.

Stephen M. LeGendre, Administrator to the County Council

Re: ZRA 162, ZRA 170 and DRRA Downtown Columbia

Chairman Santos and members of the Planning Board:

I pose three questions:

- 1.Do we need a full spectrum of affordable housing built in Downtown Columbia?
- 2.Do we need proposed ZRA 162 with a specific MIHU requirement?
- 3.Do we need proposed ZRA 170 and the proposed Development Rights and Responsibilities Agreement, DRRA?

**Question 1**: The question of the need for a full spectrum of affordable rental housing units in Downtown Columbia is universal answered, YES!

The Howard County General Plan policy and words are abundantly clear that it is the County's desired policy and outcome to have such units built in the defined Downtown Columbia area. There is no disagreement on this question but major disagreement about how to achieve it.

My approach is based on the premise that Howard County has an established mechanism to produce affordable rental units within new residential construction; it is called Moderate Income Housing, MIHU.

**Question 2.** Do we need proposed ZRA 162 that requires 15% of the not yet developed 4,700 residential units in Downtown Columbia to be MIHU; the answer is yes with an amendment. It

is clear that without a specific requirement the Master Developer will not engage in creating affordable units.

Under current zoning regulations, if a developer in Downtown Columbia does not provide the Trust Fund per residential unit payment, the developer is required to produce 15% of the developers residential units as MIHU units.

The Master Developer is on record as stating that all 5,500 residential units are market rate units. The Master Developer has provided timely payments to the Trust Fund for the 800 rental units currently construct or approved.

The Administration and the Master Developer have spent a considerable effort to propose among other items:

- >more density, 900 additional residential units
- >a density exemption for these 900 units termed affordable
- >elimination of payments to the Trust Fund for residential units, payment valued at \$33 million
- > the creation of a new category of affordability, 80% of median income or \$70,000 plus, and a proposal to provide 200 units at this level.
- >a commitment from Howard County to provide special consideration and support for Low Income Housing Tax Credits for the Master Developer
- > a proposed DRRA, 44 pages, that has a term of 40 years and requires cosigning by the Howard County Housing Commission and the Downtown Trust plus the need for additional memorandum of understanding.

ZRA 162 has none of the above provisions. It is simple. It is transparent. It is integrated. It has a provision to enable units at lower levels than 60and 50% of median. Data shows that this is the income levels that need rental units. ZRA 162 will

deliver 705 MIHU units. These units will be integrated within every new residential construction in the defined Downtown Columbia area faster than administrative/public processes for Howard County capital projects and State processes and awards of Low Income Tax credits, all proposed in ZRA 170.

ZRA 162 needs to be amended. It needs to eliminate the category 80% of median.

**Question 3**: Do we need ZRA 170 and the DRRA? My answer is NO'

What is the public purpose? ZRA 170, the DRRA and other documents demand much and give little in return. Does it create better County Housing policy, no. Is it equitable to other residential development in the County, no? Do they establish mechanisms that provide models for New Town redevelopment, no?

What are the core provisions of these documents?

- >the Master Developer has 5,500 market rental rate units
- >receives 900 more residential units
- > affordable units depend on lots of complex issues, land swaps, County capital projects State timetables for Low Income Tax Credits
- > the ability to build 350 of the 900 units on County owned land currently being used for public purposes, a fire station and library
- > the County needs to fund new capital projects and support the residential development above the capital structures as specified by the Master Developer
- >the DRRA binds the County for 40 years
- > no assurance of permanency of affordability for the Housing Choice, 200 units, and 80% units, 200, at the end of 40 years.

- > there are requirements that all low income tax credit rental units are placed on specific sites only one of which the Master Developer owns and
- > the Master Developers Trust Fund cost is reduced by \$33 million.

Looking at these documents, I say stupendous negotiations! The complexity over 500 new affordable units by low income tax credits is an out come. The larger more important objective it seems to the Administration was no harm to the Master Developers bottom line. In fact, I could argue the Master Developer's bottom line has been enhanced. I expect more from my County government.

We only have a small glimpse of the Master Developers next request, a Tax Increment Financing, TIF, proposal. The County Executive has asked for \$70 million in TIF bonds for the FY17 Capital Budget request with another \$40 million TIF bonds for FY18. All of these bonds support the Master Developer.

I urge the Planning Board to reject ZRA 170 and the DRRA. I urge the Planning Board's support for ZRA 162 with the amendment.

Grace Kubofcik

4801 Carman Drive

Ellicott City MD 21043



### <u>MIHU RENTALS</u>

Rental MIHUs are currently offered at Alta at Regency Crest (Ellicott City, age-restricted), Ashbury Courts (Laurel), Belmont Station (Elkridge), Millers Grant (Ellicott City), Mission Place (Jessup), Orchard Meadows (Ellicott City), Orchard Park (Ellicott City), Penniman Park (Elkridge) and Woodfield Oxford Square (Hanover). Because the area median income decreased in 2016, the MIHU rents also decreased. The table below has been updated to reflect the changes. MIHU rental applications are available year round and offered on a first come, first serve basis at participating communities.

The Department sent annual MIHU compliance forms to all participating MIHU communities this month. completed compliance forms have been received. On-site monitoring visits will be scheduled in April and May.

MIHU rental activity for March 2016:

Development	Status	Total	On-site MIHU	Pending	Rented			
Aladdin South	$\frac{1}{C}$	Units	Requirement	1 onding	Rented	Market	MIHU	Difference
Alta at Regency Crest		39	39	0	39	Rent**	Rent*	
Annapolis Junction Town	C	150	15	0				
Ashbury Courts	UC	416	32	32	15	\$2235	\$1241	\$994
Belmont Station	C	156	24	3	0			
Burgess Mill Station	C	208	32	0	21	\$1560	\$1241	\$319
Columbia Landing	C	198	20	0	32	\$1828	\$1275	\$553
Deep Falls	C	300	60	0	20			
	PC	60	60		60			
Ellicott Gardens	С	106	103	60	0			.,
Howard Square	PC	654		0	103			
Miller's Grant*	UC	286	69	69	0			
Mission Place	$\frac{SC}{C}$	366	29	22	7			
Monarch Mills	$\frac{c}{c}$		61	0	61	\$1690	\$1241	\$449
Oakland Place		269	27	0	27	72000	ΨΙΖΤΙ	J449
Orchard Meadows	C	16	2	0	2	\$2000	\$1571	\$429
Orchard Park*	$\frac{c}{c}$	150	15	0	15	\$1598	\$1260	\$338
Penniman Park	$\frac{c}{c}$	40	4	0	4	\$1695	\$1260	\$435
Parkview at Emerson	$\frac{c}{c}$	186	19	0	19	\$1685	\$1260	\$425
Riverwatch		80	80	0	80		7.200	Ψ123
	PC	84	42	42	0			
Woodfield Oxford Square	C	248	38	0	38	\$2000	\$1241	\$750
TOTALS		4012	771	228	543	Ψ2000	Ψ1241	\$759
*updated March 2016	**for	2 bedroor	n unit – As of July	2015	373			

### MIHU RESALE

A resale request was received from a homeowner at Oxford Square. This 4-bedroom townhouse, along with the one at Dorset Gardens, will be offered to eligible applicants in the database at the MIHU resale price. Staff is working with the homeowner at Elkridge Crossing to coordinate resale of the 2-bedroom condo unit.

Previous MIHU resale activity (only communities with resale activity are shown here):

Development	Status	First owner	Second Owner	Third Owner
Belmont Station	C	17	0	0
Cherry Tree Townhomes	С	17	2	0
Dorset Gardens	UC	15	0	0
Elkridge Crossing Condos	C	10	6	1
Legacy at Cherry Tree Condos	С	5	1	0
Shipley's Grant	C	12	2	0
Oxford Square	UC	15	0	0
Village Towns	C	14	3	0

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# TESTIMONY TO HOWARD COUNTY COUNCIL Roy Appletree 7230 Single Wheel Path, Columbia

## Downtown Columbia Affordable Housing and TIF July 18, 2016

Members of the County Council

#### **Position**

I am in favor of our Downtown renewal. I am in favor of Affordable Housing as first proposed by the CDHC and now championed by Councilperson Terrasa. I am open to a TIF after the long term costs and benefits to taxpayers are carefully and independently reviewed under various scenarios.

My testimony focuses on these three points:

- The housing policy proposed by HHC and the Administration is seriously flawed
- The Administration's negotiations are both structurally flawed and severely wanting
- The Administration's housing and TIF proposals heavily mortgage both our affordable housing opportunities and future tax revenue flows for 30 and 40 year periods.

#### **Personal Background**

I moved to Columbia in 1975 for all a New Town had to offer, including market rate, entry level affordable housing. Now retired, my professional housing career began in 1979 as the President/CEO of the then Columbia Interfaith Housing Corporation.

I bring a unique perspective to this issue. I was as a member of the Full Spectrum Housing Coalition subgroup whom the Council leadership directed at the tail end of the 2010 legislative process to negotiate the Trust Fund with GGP. I was a CDHC Board Member and voted for our proposal - in respond to CR 120-2014 - for the flexible MIHU program that Councilwoman Terrasa has introduced. Finally I was a member on the CDHC subcommittee that at the direction of Council leadership negotiated with HHC the so called "Joint Agreement." Ultimately I voted against the proposal when it became clear how much the Administration was willing to give away. Please note that CDHC crafted proposal was never on the negotiating table.

#### **Kudos to HHC**

Let me start by saying a few words about the HHC.

- First, if you really get a T-Shirt for supporting improvements to our Downtown like Whole Foods, The Metropolitan and the Merriweather Post Pavilion renovation I'm there
- Second, HHC excels in the PR department. Virtually nothing bugs me more about this year long process than their ability to sell it as a "joint" and "consensus" recommendation; and as their providing for 900 units of affordable housing.
- Third, they are negotiators par excellence skilled in what they do and always able to point the finger to Dallas. They have been able to convince the Administration that it is their way or the highway.

#### **A Flawed Housing Policy**

The only <u>new</u> housing opportunities under ZRA 170 are the 500 units on the five mixed income, Low Income Housing Tax Credit (LIHTC) sites. This is counter to a successful County policy that targets new construction as a mechanism for new opportunities.

The 200 Middle Income Units (MIUs) at 80% of median with a rent of \$1,970 for a 2-bedroom are at levels well above the County median rent of \$1,374. (HHC Pre-Submission Chart and Plan 2030, p 125).

The 200 Housing Choice Voucher/ Section 8 are for families - be they in Howard County, Baltimore City or Kalamazoo, Michigan - who already hold the vouchers. These are not new subsidies.

In Howard County a voucher holder or a family at 80% of median is readily able to rent in a neighborhood with sound housing, good schools, public safety and amenities

Under the HHC proposal only 7.8% of the 6,400 units of new construction will create new housing opportunities. The math is as follows:

900 affordable - 200 MIUs - 200 HCVs = 500 new housing opportunities 5,500 currently zoned + 900 ZRA 170 bonus density = 6,400 units 500 new opportunities / 6,400 units = 7.8% new opportunities

The result: The largest residential rezoning that will ever take place in Howard County yields only about 1/2 of our standard of 15% affordable housing opportunities. And to make a finer point only 150 of these units or 2.3% of the new opportunities are on HHC property

The HHC / Administration proposal grievously misdirects incentives. The Administration's "Value Analysis" credits HHC with \$12.4m in incentives for relocating 180 families holding a Section 8 Certificate; and an additional \$12.4m for relocating 180 Middle Income families. It is foolish to provide a developer a \$69,180 incentive to house a family who can already afford sound housing! In addition CDHC is pledging another \$325,000 per year to support the Downtown Section 8 program. Also, the Housing Commission is providing a greater subsidy to HHC for accepting a Section 8 certificate than to any other landlord.

The HHC/Administration housing proposal provides too few new opportunities while grossly misallocating million of dollars in zoning incentives.

#### **Negotiations that were Poorly Constructed and Poorly Executed**

Let's be perfectly clear:

• The Council leadership directed CDHC to negotiate the HHC proposal while providing them no carrots and almost no sticks. The CDHC properly endorsed the use of bonus density and reduced parking ratios as tools, but has never recommended or endorsed any specific level. This is the second time that we advocates have been directed to negotiate a deal that elected officials can potentially hide behind.

- The Administration agreed to zoning incentives without a sound analysis of the value of their offer. The Administration's apparent overriding objective was to make the deal happen.
- Howard Hughes got almost everything they asked for back in June 2015.

#### HHC Gets Their Housing Proposal

Let's compare the HHC affordable housing proposal quietly developed and unveiled in June 2015 with the so called "Joint" proposal from June 2016:

- The same 500 LIHTC units on the same 5 sites
- The same use of The Flier Building
- 180 Section 8 units increased to 200 units
- 180 Market Affordable units increased to 200 units
- The same forgiveness of \$35m in contributions to a Trust Fund
- 900 unit bonus density decreased from about 1,030
- Parking ratio reduced almost to their requested level

HHC must be amazed that they got almost everything they asked for of the Administration. Especially amusing must be that they have also obtained their desired lock in for 40 years with a DRRA.

#### HHC Gets Held Harmless and Then Some

The Administration's expressed desire is to keep HHC whole when it comes to the creation of a workable Downtown affordable housing policy. They argue, "A deal is a deal."

I knew HHC was winning the negotiations when the Administration bought into their argument that they had a right to 5,500 market rate units. While HHC could and has legally blocked affordable housing, that is not the same as their acting in good faith. Quite clearly, the Downtown Plan was premised on some level of affordable housing to be created with the Trust Fund. HHC's stance should place all of us on guard when it comes to intent.

Keep this is mind when it comes to the DRRA - which I oppose. I strongly suggest you get a clear written opinion on what you can and cannot change under the health and safety clause. If you don't foresee law suits in the next 40 years I know where there is bridge you can buy and it doesn't go over Route 29!

The Administration's "Value Analysis" in the TSR (Exhibit A5) shows a positive benefit to HHC of \$6.2m. That apparently inconsequential amount would mean a windfall for affordable housing.

The affordable housing deal is really a real estate deal. There are assumptions that must be made for any real estate valuation. While there is no single correct bottom line there are magnitudes and directions. Before you vote I hope you can explain to yourself and us citizens why:

- 1. When HHC conveys a market rate unit at the Transit Center it is valued at \$53,500 which is the land cost assigned to The Metropolitan which was not an arms length deal
- 2. When the Assessor reviews The Metropolitan he will likely come up with a land value of approximately \$70,000

- 3. When NVR purchased multifamily slots at Waverly in October 2015 they paid over \$90,000 a land unit,
- 4. When the County grants 900 units of density to HHC its only worth \$24,400?

It is easy to oversimplify this complex analysis. For example there is a difference when a unit is lost in podium construction versus high rise construction. For example there is a difference when the market isn't ready to build a high rise. That said, let's do some basic math: If we used the same \$53,500 value for giving up a market unit and gaining a market unit then the Administration is providing a windfall to HHC of over \$30 million which is about the size of the forgone trust fund.

I must also raise the absurdity of the Library deal. The taxpayer spends \$40m for a new library whose proposed location is questionable. This is done with a land swap. HHC gets the library site for the entrance road they need and we pay for, along with the land to build the required affordable housing. In return we build the library but provide them the air rights to construct market rate housing. Go figure.

The Technical Staff Report (TSR) explicitly discusses the matter of financial feasibility. It says Councilwoman's Terrasa's ZRA is not financially feasible. What however would it take to make ZRA 162 financially feasible? It is surely something much less than 900 units, reduced parking ratios and forgiving \$35m into the Trust Fund? Why wasn't this evaluated?

Earlier I stated that it upset me how the HHC and Administration PR has defined the issue and obfuscated the reality. Equally bothersome to me is that to date no elected official seems to care whether the taxpayer is getting a fair value in this real estate transaction. It all just seems to be "funny money."

#### **Tax Increment Financing**

but

The TIF was always the elephant in the room. Mr. John DeWolf, the HHC Senior Vice President for the Columbia project, long ago told CDHC that the big dollars for HHC were with the TIF, not the outcome of affordable housing. We suspected this to be true but it was good to have it affirmed.

I do commend the Administration for linking affordable housing and the TIF, even if HHC asserts that they are distinct. If officials are serious about a responsible level of new affordable housing opportunities they should be negotiating with the TIF in mind.

I have reviewed at least once all of the TIF materials. Even given my background in public finance it is overwhelming. I am not opposed to a TIF though this is an unusual application, After all in 2010 you granted a 5,500 residential bonus density. To me the question isn't the "but for". The question for me is the "if not." What is the current physical or economic problem with our Downtown we are trying to fix? We have already established sound zoning for growth. What if the market doesn't catch up for 5 or 10 years? What is we only provide say \$30 million in TIF? What does that buy us? What do we gain or lose?

You need to be clear on your objectives and aware of alternative scenarios. In this regard I support PATH's and now the Council's request for an independent analysis. In the process please get an expert analysis of the real estate deal masquerading as affordable housing.

#### Summary

Affordable housing has always been an critical feature of the written Downtown Plan. Affordable housing has also been the stepchild in the process. In my 2009 Downtown testimony to the County Council I wrote:

The County's MIHU program provides a sound framework that must be extended over time to all development areas – including Downtown. Now is not the time for the County Council to be undermining our inclusionary zoning program. It sends the wrong message to other communities, as well as developers.

Let's not undermine inclusionary zoning a second time. ZRA 162 represents the initial plan that was carefully considered by CDHC. It represents the best of housing policy with some flexibility not offered other developers.

I close with a quote from Donald Trump's "Art of the Deal" and highly recommend it to you and the Administration:

"The worst thing you can possibly do in a deal is seem desperate to make it. . . . The best thing you can do is deal from strength, and leverage is the biggest strength you can have."

This sophisticated County can do much better.

Thank you for your consideration.

Date: 18 July 2016

Subject: Downtown Columbia Legislation

My name is Stu Kohn and I reside at 8709 Yellow Bird Court, Laurel, Md. 20723. I am the President of the Howard County Citizens Association, HCCA.

When we testified on Thursday evening our main focus was and will continue to be that any proposed development before you or you acting as the Zoning Board has to have strategic planning especially regarding our quality of life issues, the Police, Fire, EMS, and Hospital facilities as discussed in PlanHoward2030, Chapter 8. We provided you with some very concerning statistics that everyone should pause and think before any proposed development is approved.

We appreciate the Council permitting additional time to testify on the Downtown Columbia legislation. Tonight, we want to ask some questions and suggest some potential amendments to a few of the Bills as follows:

#### **Bill 54**

Refer to Page 2, Line 1 – The word "Art" needs to be defined as "Art" is only in the eye of the beholder.

 $\underline{\text{Line } 9-10}$  – Why do we have an escape clause with the "fee in-lieu" clause? We need to enforce that we take pride not allow the developer a buyout.

Line 17 – Who will determine the "value" of the "Art?"

Refer to Page 3, Line 15 – Why are we speaking a 40 year term? How was this established?

<u>Lines 26 thru 31</u> – Why not the going 15 percent required for Affordable Housing? Why should Howard Hughes get a reduced discount when other developers do not? Councilwoman Terrasa's proposal is the right thing to do. This is one major reason why the majority of your constituents favor her plan.

Refer to Page 5, Line 8 – Does the phrase, "reserved parking spaces" include "Handicap parking?

<u>Line 16</u> – Would like to have the opportunity for someone to fully explain Table 1 to us. As to how the numbers were established.

#### **Bill 55**

Refer to Page 2 Lines 2 thru 28 – What is the rationale for Developers to buy their way out?

<u>Line 10</u> – Why is the word "Shall" being deleted and replaced with "May"? Need to be more forceful.

#### **Bill 56**

<u>Refer to Exhibits E-1, E-2(a), and Table B</u> – There potentially is a conflict with the "Per Unit" rates that need an explanation.

We only hope our concerns and questions are not only heard but where plausible acted on by you. Winston Churchill, stated, "Criticism may not be agreeable, but it is necessary. It fulfils the same function as pain in the human body. It calls attention to an unhealthy state of things."

Thank You,

Stu Kohn

HCCA, President

B111-56

Exhibit E-1
Projected Future Assessed Value

Crescent ST District, Phase I

			Crescent 51 L	istrict, Phase	1				
			Avg. SF				Assessed Valu	e	Equivalent
Property Class	Description	Units	Per Unit	BSF	Rooms	Per Units	Per BSF	Per Room	Unit Factors
Residential Rental Property				•					(per unit)
Residential Rental A Property	Multi-Family Market Rate	705	1,125	792,958	-	\$233,294	\$207	-	1.000
Residential Rental B Property	Multi-Family 80% AMI	23	1,075	24,722	-	\$149,100	\$139	-	0.640
Residential Rental C Property	Multi-Family 60% LIHTC	0	920	0	-	\$35,121	\$38	-	0.150
Residential Rental D Property	Multi-Family 30% AMI	23	1,048	24,097	-	\$122,354	\$117	-	0.520
For Sale Property	**								(per unit)
Residential For Sale A Property	Condo	0	1,500	0	_	\$406,195	\$271	=	1.740
Residential For Sale B Property	Townhouse	0	1,500	0	-	\$353,941	\$236	=	1.520
•						·			(per 1,000 BSF)
Office Property	Office	-	-	963,000	-	_	\$244	-	1.050
-									(per 1,000 BSF)
Retail Property	Retail/Restaurant	-	_	210,731	-	-	\$408	-	1.750
									(per room)
Hotel Property	Hotel	-	-	-	0	-	\$173.15	\$114,212	0.490

MuniCap, Inc.

<sup>&</sup>lt;sup>1</sup>Provided by The Howard Research and Development Company.

<sup>&</sup>lt;sup>2</sup>See Exhibits E-2(a) and E-2(b).

BILC-56

<u>Exhibit E-2(a)</u> Comparison of Valuation Methods - Residential

		Income	Developer Estimated
Property Type	Comparables <sup>2</sup>	Capitalization <sup>3</sup>	Sales Price <sup>4</sup>
Residential			
MF Rental - Market Rate			
Per Unit	\$219,956	\$236,328	-
Per SF	<u>\$207.42</u>	\$210.11	-
MF Rental - 80% AMI			
Per Unit	\$149,100	\$151,039	-
Per SF	\$138.72	\$140.52	-
MF Rental - 60% LIHTC			
Per Unit	\$73,585	\$79,062	· -
Per SF	\$84.83	\$85.94	
PILOT Value (45%) <sup>5</sup>	<u>\$38.18</u>		
MF Rental - 30% AMI			-
Per Unit	\$115,359	\$123,946	
Per SF	<i>\$116.79</i>	\$118.30	
Condos			
Market rate			
Per Unit	\$379,706	NA	\$900,000
Per SF	<u>\$270.80</u>	NA	\$600.00
Townhome			
Market rate			
Per Unit	\$438,245	NA	\$750,000
Per SF	<u>\$235.96</u>	NA	\$500.00

MuniCap, Inc.

<sup>&</sup>lt;sup>1</sup>Valuation approach chosen for each type of development is underlined and shown in bold and italics.

<sup>&</sup>lt;sup>2</sup>See Exhibit E-3(a).

<sup>&</sup>lt;sup>3</sup>See Exhibit E-4(a).

<sup>&</sup>lt;sup>4</sup>Source: The Howard Research and Development Corporation.

<sup>&</sup>lt;sup>5</sup>According to the Howard County Housing Commission, units subject to a PILOT pay approximately 45% of their County real estate taxes. PILOT percentage is based on previously executed LIHTC deals within the County.

Table B
Project Description - Scenario B

Development Type	Units/SF/ Rooms <sup>1</sup>	Estimated Assessed Value Per Unit/SF/Room <sup>2</sup>	Total Estimated Assessed Value (2015 Current \$)
Development Type	Rooms	CIII/B1/1Com	(2013 Current 4)
Residential			
Rental	(Units)	(Per unit)	
MF rental (market)	3,309	\$244,751	\$809,848,657
MF rental (80% AMI)	825	\$163,121	\$134,575,080
MF rental (40-60% AMI)	0	\$163,121	\$0
MF rental (30% AMI)	0	\$163 <u>,12</u> 1	\$0
Flier building (market)	0	\$244,751	\$0
Flier building (40-60% AMI)	0	\$163,121	,\$0
Parcels C&D multi-family (Metropolitan)	817	\$244,751	\$199,961,548
Sub-total rental	4,951		\$1,144,385,285
For Sale			
Condos	461	\$30 <sup>2</sup> ,861	\$139,659,028
Townhomes	88	\$341,090	\$30,015,943
Sub-total residential	5,500		\$1,314,060,256
	(CE)	(D CE)	
<u>Commercial</u>	(SF)	(Per SF) \$244	\$1,050,387,790
Office	4,300,000	•	, ,
Retail	628,310	\$341	\$214,107,410
Restaurant Full service	379,902	\$341	\$129,458,123
	,	·	• •
Fast food service	241,788	\$341	\$82,393,409
Sub-total restaurant  Civic/recreation <sup>3</sup>	621,690	\$0	\$211,851,532 \$0
Civic/recreation	196,450 (Rooms)	្សប (Per Room)	ΦU
Hotel	( <i>Rooms)</i> 640	\$114,212	• • • • • • • • • • • • • • • • • • •
Sub-total commercial	5,746,450	\$114,212	\$73,095,501 \$1,549,442,233
Sub-total commercial	5,740,450	•	\$1,349,442,233
Total all development			\$2,863,502,490

<sup>1</sup>Provided by Howard County. Includes the maximum allowable density pursuant to the Plan and excluding the recent affordable housing proposal by HRD.

#### **Projection of Impacts**

MuniCap, Inc. estimated future impacts on Howard County using a combination of accepted approaches for projecting fiscal impacts. In each case, fiscal impacts are shown only for direct impacts resulting from the project.

To calculate direct employment impacts, MuniCap, Inc. used IMPLAN Professional 3.0 software developed by IMPLAN Group, LLC. IMPLAN is an industry-accepted economic impact

<sup>&</sup>lt;sup>2</sup>Estimated by MuniCap, Inc. based on survey of comparable properties.

<sup>&</sup>lt;sup>3</sup>Assumes the civic/recreation is quasi-public and tax exempt.

David Yungmann 14750 Addison Way Woodbine, MD 21797 July 18, 2016

My name is David Yungmann and I live at 14750 Addison Way in Woodbine. I am here tonight to testify in support of the public financing proposal contained in CR 105 and CB 56.

I still believe as I did eight years ago that Howard County's future will follow Columbia. It is now large enough to lift our entire County up or drag us down. We have in front of us an award-winning plan to create a world-class city in place of the of the aging office buildings, acres of dirty surface parking and dark streets we had just a few years ago.

But the level of quality we demand here in Howard County is not cheap. That's why Tax Increment Financing was a critical part of the approved Plan from the very beginning. A TIF is not a giveaway to the developer. That's a political statement not a statement of fact. A TIF is a common financial vehicle used dozens of times in our region to finance — not to ultimately pay for - infrastructure improvements for new development. Now a TIF does come with the risk of the developer not completing the project so, to protect Howard County taxpayers, this TIF is accompanied by the Special Taxing District, which shifts that risk back to the developer. It is truly the best of both worlds for County taxpayers.

Aside from the origins of Columbia itself, there has been nothing in Howard County comparable to the scale, investment and opportunity presented by this Downtown Columbia Plan. I fully respect that the devil is in the details and appreciate the hard work you all do to protect we taxpayers by analyzing those details. However, too often I've seen individual components of this plan turned into year-long debates and/or political issues, only to lose sight of the tremendous opportunity the Plan in its entirety is for all of Howard County.

And much of this opportunity is made possible because we have a rare team - a motivated community, a forward-thinking County government and a capable and committed master developer in Howard Hughes. As we've seen with some of the village centers, redevelopment without a private partner is nearly impossible — and certainly far more costly and risky to taxpayers. It wasn't that long ago that we feared we would lose our master developer, but we've made it here and our collective futures are bright if we can work together and allow everyone to win. Just because one team member wins doesn't mean the other team members are losing.

It has been over six years since four of you voted to embark on this tremendous endeavor, but only 5% of the 30-year Plan has been completed. It's time to come back together as a team and get all of these lingering hurdles, including this TIF and Special Taxing District, approved so the important work of creating Howard County's future can move forward without further delay. Thank you for listening.

Ashley Hull The Metropolitan Downtown Columbia 10000 Town Center Avenue Columbia, MD 21044

Good Evening. My name is Ashley Hull. I am the Assistant Property Manager at The Metropolitan Downtown Columbia, located at 10000 Town Center Avenue. I am here tonight to share information regarding the County Administration's proposed legislation on affordable housing and the public financing plan.

Given the conversations about residential parking and projected student enrollment from housing in Downtown Columbia, we thought it would be helpful to share the real time data we have gathered about the tenants in the 380 apartments in The Metropolitan, since it is the only residential project completed under the Downtown Columbia Plan.

#### The breakdown of 380 apartment units at The Metropolitan is:

- 48 "studio" 1-bedroom apts.
- o 189 larger 1-bedroom apts.
- 109 2-bedroom apts.
- o 34 3-bedroom apts.

#### This is more precise breakdown:

1 BR JR 48 units
1 BR 147
1 BR Den 29
1 BR Loft 13
2 BR 105
2 BR Loft 4
3 BR 34

The student generation from the entire 380 units has been: 55 school age children

9 from 1-bedroom apartments

31 from 2-bedroom apartments

15 from 3-bedroom apartment

#### There are 708 parking spaces at The Metropolitan

- 699 in the parking garage (fully enclosed by the building)
- 9 parallel, street spaces

#### The number of cars parked by residents at The Metropolitan is: 408

241 from 1-bedroom apartments128 from 2-bedroom apartments39 from 3-bedroom apartments

The average number of cars from 1-bedroom apartments is 59% The average number of cars from 2-bedroom apartments is 31% The average number of cars from 3-bedroom apartments is 10%

Residents have a designated area in the parking garage, and visitor spaces are marked on the ground floor level and are available on the street.

Based on this experience, we would urge a loosening of parking requirement to reflect the lower number of cars used by renters in more urban residential property like The Metropolitan.

Our support for the Tax Increment Financing plan rests with our desire to see development in Downtown Columbia proceed at a greater speed through the public-private partnership. Public improvements, such as roads and parking, fall into the responsibilities of government. A public parking garage for Merriweather Post Pavilion is long overdue and would be a benefit to everyone.

Thank you.



July 18, 2016

Chairman Calvin Ball, and Members of the Howard County Council George Howard Building 3430 Courthouse Drive Ellicott City, MD 21043

#### Greetings:

This is testimony in favor of the pending legislation relating to Downtown Columbia: (CB43-2016, CB44-2016, CB45-2016, CB52-2016, CB53-2016, CB54-2016, CB55-2016, CR103-2016, CR104-2016, CR105-2016, CB56-2016).

Over a 32 year career in economic development, I have been Assistant Director of the Economic Development Council of the Greater Baltimore Committee, Vice President of MEGA (Maryland Economic Development Associates and Executive Director of the Washington Baltimore Regional Association. I have also worked at the county level in 3 Maryland jurisdictions – Executive Director of the Carroll County Economic Development Commission, Executive Director of the Baltimore County Economic Development Commission and for more than 17 years I served as CEO of the Howard County Economic Development Authority.

During this period I have seen Tax Increment Financing used in a number of ways to benefit communities by creating public-private initiatives that accelerate positive commercial growth, creating jobs and increasing the growth of property taxes from the commercial sector. This testimony is to endorse the use of this vehicle in the development of Downtown Columbia.

The ultimate success of Downtown Columbia rests upon its employment growth and its ability to attract corporate investment, emerging businesses and targeted retail shops, restaurants, arts and culture and entertainment. To be competitive, a community must be able to respond to opportunities as they arise. This opportunity is before the Council tonight. Tax Increment Financing allows Columbia to build now. This is critical to realize the development goals envisioned in the Downtown Columbia Plan.

The Downtown Columbia Plan is guiding the revitalization of 390 acres of property in the center of Columbia where mixed-use development will include residences, office buildings, stores and restaurants, hotels, entertainment venues, cultural and civic institutions, as well as parks and other natural amenities. As the Council knows, this 30-year plan was carefully crafted, publicly vetted and embraced by the majority of Columbia residents. It is deliberate, well-conceived and logical. When completed, Columbia will have undergone a remarkable transformation.

Although much has been accomplished since the Downtown Columbia Plan was unanimously adopted by the County Council in February of 2010, less than 5% of the Plan has been completed. To accelerate the momentum of the revitalization, new and improved roads and public parking are



critical. Their absence is an impediment to timely and comprehensive development of the buildings that will house the businesses that are estimated to bring almost 20,000 permanent jobs to Howard County, as well as the civic amenities that will help attract employers and new residents.

A public-private partnership is required to create the urban core as envisioned in the Downtown Columbia Plan, which called for more vertical development, taller buildings, parking garages instead of blacktop surfaces for cars, a denser, more walkable community.

Tax Increment Financing is being sought as the funding vehicle for public improvements: new and improved roads and public parking garages for shoppers and Merriweather Post Pavilion concert attendees and other visitors to the area.

Tax Increment Financing is a commonly used public financing tool that involves borrowing money in the bond market and having the debt repaid with tax revenues from incremental, that is, new real property taxes generated by the project served by the improvements.

Property owners in Howard County will never pay the special tax and will never be taxed to pay for these public improvements — even if the development fails. In the unlikely event that a particular development is insufficient to generate enough additional tax revenue to pay the debt service on the bonds, the developer — not the County — is responsible for the debt service and has backed the bond issuances with its land.

Howard County has nothing to lose and everything to gain by approving the proposed Tax Increment Financing plan before you.

Howard Bank will be opening a new branch bank at the intersection of Wincopin Circle and Little Patuxent Parkway. We will continue to invest in Columbia. We encourage the County to do so too, with the adoption of these bills.

Sincerely,

Richard W. Story

Senior Vice President

Director of Community Relations and Government Affairs

and Business Development Liaison 6011 University Boulevard, Suite 370

Ellicott City, MD 21043 Direct Dial: 410 988-1759

Mobile: 410 236-2782

Please visit us: www.howardbank.com



#### Chairman and County Council Members

Re: CB 52 to CB 56-2016 and CR 103 to CR 105-2016

Having worked for The Rouse Company as an architect and planner involved with Columbia and other new community plans, I have concerns about the above legislative package. Proposing innovative ways to see that affordable housing is implemented in Downtown Columbia are to be applauded, however in its zeal to make it feasible through public / private partnerships it ignores the tenets of good city and community planning.

Civic institutions and buildings should be features of a city's core. Columbia's core as illustrated in the 2010 Downtown Columbia Plan comprises The Lakefront, The Mall, Symphony Overlook and the Warfield Neighborhoods. The Crescent Neighborhood is located away on the other side of Merriweather and Symphony Woods Park and is not the right place for a new Library.

Also proposing affordable housing on the top of a Fire Station and a Transit Center is an incompatible mix of uses and together with housing on the current Library and Flier building sites, concentrates affordable housing in pockets. This is contrary to the tenets of integration into market rate projects: a policy of both HUD and the Housing Commission!

Increment

I question Howard Hughes need for Tax İncentive Financing since recent development is already proving the viability of Downtown. I understand General Growth Properties' agreements with Department Stores precludes development of The Mall Neighborhood for 20 or more years, but the existing Lakefront businesses are suffering from lack of customers because of the change of use for the former Rouse Company Headquarters and the vacant American City office building. Development of The Crescent, unfortunately, will further diminish the vibrancy of the real Downtown core. Tax Increment Financing would be more appropriate here if Howard Hughes needs an incentive to redevelop the American City building, its extensive parking lot and the inadequate Wincopin parking deck adjacent.

I urge the Council members NOT to approve the legislative package as it is currently filed.

Respectfully
Jervis Dorton 5963 Gales Lane Columbia 21045

Good Evening Chairman Ball, Mr. Weinstein, and Members of the Council,

My name is Colleen Morris, 6432 Quiet Night Ride. I grew up in Oakland Mills and teach at Guilford Elementary, with affordable housing as part of the community's appeal. I now live in River Hill. I incorrectly assumed my neighborhood would eventually include affordable housing, as a part of Columbia and Rouse's vision. Putting affordable housing in all new development (not just downtown) in Columbia allows for a full spectrum of housing and ensures we maintain the rich diversity of Rouse's planned community.

I attended the presentation and work session for the administration and Councilwoman Terrasa's plans for Downtown Columbia, and I have concerns about several aspects of the administration's plan.

First, more than one school may be needed as a result of the 5,500 units called for in the original 2010 plan. Compounding this problem, as many as 900 affordable units will be built, creating now 6400 units. Please remember: when HCPSS opened Pointers Run, they had to purchase 10 portable classrooms within two years due to their underestimation of the population, and they recently opened Ducketts' Lane overcapacity. It is unfair to the community to add 900 units without waiting to see the impact of the first 5,500.

Second, a full spectrum of housing creates the diversity Rouse envisioned IF one avoids concentrating all affordable housing in one area. Councilwoman's Terrasa's plan is preferable to the administrations, as it puts less strain on resources and inequities in schools and communities. At Guilford, where over 60% of our students qualify for free and reduced meals, teachers sold novelty pencils all year so our 5<sup>th</sup> grade students could get yearbooks; we previously charged parents \$5 for an activity fee, and we are very frugal on field trips due to the burden on parents funding. At Pointers Run, in River Hill, I paid for my son's yearbook, was charged \$25 for an activity fee, and he had many opportunities to travel outside the area on multiple field trips. This inequity can be seen in PTA resources as well. At one point, parents in the River Hill community were funding the lights on the football fields.

An additional concern I have is tax-increment financing. All tax dollars should be available to the County to meet public needs, whether known or unforeseen. In this instance, you could commit \$170M outside the budget process, before you know our future needs. In addition, these dollars are for parking garages, roads, and other amenities that have traditionally been paid for by the developer. The TIF seems to be a subsidy to the Howard Hughes Corporation, at the expense of education and other priorities.

Finally, there are long term consequences attached to the administration's plan. I am very concerned that you would place a moratorium on legislation for the next 40 years, when the past 6 years have clearly demonstrated the need for significant changes.

I hope you will take these concerns to heart as you deliberate on the best direction for our county.

Thank You, Colleen Morris 6432 Quiet Night Ride Columbia, MD 21044 July 18, 2016

Howard County Council George Howard Building 3430 Court House Drive Ellicott City, MD 21043

Dear Chairman Ball and members of the County Council:

Downtown Columbia's redevelopment is underway. We have waited a very long time to see shovels in the ground and cranes in the air. There is no question that progress has been made in bringing new residents and businesses to Columbia, but much remains to be done.

At the moment, you are focused on the two proposals regarding affordable housing. Both are designed to replace a failed approach in the Downtown Columbia Plan. I favor the Joint Recommendations because they were presented to you by the very organizations that can make affordable housing happen and because they went through a lengthy process to come to an agreement that reflects compromise and an understanding of the underlying challenges in downtown development.

I am writing you, however, to address a related issue: density. During recent meetings and the County Council work session, people have said that the 5,500 cap on residential units was itself a "density bonus" for the developer, when actually density is at the heart of the Downtown Columbia Plan and is not a "bonus." Without people, there is no Downtown. I have always felt that the 5,500 unit cap was too low and that eventually we would determine that more density is required to support the businesses and amenities that will truly transform the experience of living in Columbia.

I recall a few years ago when I was hosting Sister City chaperones in my home and we went to dinner at the Lakefront. When we finished dinner and left Clyde's a band was playing, but there were no people enjoying it. My guest commented: "such a pity, such a pity." In Spain, it is unimaginable that the downtown center would not be filled with activity and folks of all ages and backgrounds every night. Vibrancy and downtown energy requires people of all kinds. I believe it is imperative that we build a spectrum of housing options and put the energy back in downtown Columbia.

No matter which plan for affordable housing is accepted, the cap should be raised to include the affordable housing units on a one-for-one basis. If there are 500 affordable units, the cap should be 6,000; if there are 900 affordable units as is proposed in the Joint Recommendations, the cap should be raised to 6,400. This is a commonly accepted practice in urban development, and the density will be a benefit to Downtown Columbia.

Thank you for your consideration.

) ///www

10071 Windstream Drive #3

Columbia, MD 21044



## Howard County Council Public Hearing 18 July 2016 Testimony for CB105-2016 and CB 56-2016

Submitted by: Howard County Economic Development Authority

Chairman Ball and members of the County Council, I'm Larry Twele, CEO of the Howard County Economic Development Authority, located at 6751 Columbia Gateway Drive, Suite 500 in Columbia, Maryland. The Howard County Economic Development Authority is a public-private partnership that promotes the retention, growth and attraction of new businesses to Howard County. I'm testifying tonight to urge your support of the tax increment financing bill CB 105-2016 and special tax district bill CB 56-2016.

The Authority believes that the Downtown Columbia Plan that was adopted in 2010 and is currently underway is critical for the economic development future of Howard County. With office vacancy below 10% and the consistent desire heard from our prospects to locate in a vibrant, live-work-play environment, the further development of Downtown Columbia is critical. We believe that the Tax Increment Financing bill and corresponding Special Taxing District being proposed to facilitate this development are critical will help meet this demand.

Tax Increment Financing is a widely used economic development tool by local governments across the country as well as the state of Maryland. TIF's have been proven to support job creation and promote economic development. The County has already used a TIF for the Annapolis Junction Towne Center project which has proved to unlock new opportunities in a fiscally responsible fashion.

We believe the County Administration has worked diligently with the Howard Hughes Corporation (HHC) and as noted in its staff report to you, the proposal has met all the statutory requirements, it will assist in the completion of the objectives of the Downtown Columbia Plan, and it follows industry best practices for the use of a TIF. Additionally, the County will be further protected by the creation of a Special Tax District. The creation of the Special Tax requires HHC and any future owners to take on the development risk and provides a greater likelihood that they will move forward in accordance with the development plan and schedule.

The redevelopment of Downtown Columbia has had an excellent start following your approval of the Downtown Columbia Plan in 2010. This Plan recognized the need for Howard County to use innovative financing techniques like the TIF. The EDA urges you to pass CB 56-2016 and CB105-2016. From an economic development perspective, it is critical to maintain market momentum and review this proposal in a thorough and timely fashion.

Thank you.

County Council Public Hearing on July 18, 2016 regarding Downtown Housing Legislative Packages

#### Position: AGAINST Administration's/HHC Legislative Package and TIF,

#### FOR Councilwoman Jen Terrasa's proposed legislation

#### Nancy Schweiss, 6201 Woodleigh Drive, Columbia MD 21044

Thank you very much for the opportunity to express my concerns about planned development in Downtown Columbia, and the financing thereof.

I am testifying today on my own behalf as a 15-year Columbia resident. While I'm not representing Wilde Lake Middle School in any formal capacity, I am also speaking as a very concerned WLMS parent.

When we moved here in 2001, my husband and I specifically chose Howard County for its schools, and have come to appreciate it as a welcoming and civic-minded community. As residents of the nearby Clemens Crossing neighborhood, my husband, our two school-aged children, and I will all be profoundly affected by downtown development. We traverse downtown Columbia on a daily basis for our routine needs. We will face increased traffic, a noisier environment and I imagine increased light pollution at night.

Recognizing that some development of this unique and prime real estate is inevitable, you as County Council members are facing decisions as to whether we as a community should add extra fuel to the development process so that development can proceed faster and buildings can reach higher than would otherwise be possible. Promises of a bright downtown are being used to justify requests that those of us in the regularly taxed areas of Howard County carry the burden of additional school, public safety, and public facility costs with our property taxes for the already approved new 5500 residences. This seems profoundly undemocratic. My family doesn't get a choice about where our property taxes go, and I am not inclined to

allow Howard Hughes Corporation to forgo its civic responsibility for covering critical community services that its tenants require.

While these concerns are serious with their impact county-wide on citizens, they are but small matters when compared to the thunderous impact that can be expected on our nearby schools with the possible introduction of 900 additional residences. Not only would the property taxes from these units be diverted from contributing to teachers' salaries, firefighters, and emergency services, but the new residences would force the school system to accommodate students above and beyond the numbers that were used as bases for school capacity planning. That would hit our middle school particularly hard, with an estimated added 150 students, and all of our students would suffer the consequences of overcrowded classrooms. One hundred and fifty students is quite a large number, at least five classrooms worth, if not six, and I truly cannot even imagine how that number of additional students could be accommodated. Our schools have nothing to gain and everything to lose from this proposal. There is nothing more important than our children's educations, and there is no chance for a do-over if we fail them.

Arguments that an increased tax base over the next 30 years would benefit us all fail to sway me. Thirty years is quite a long time to wait for return on investment. Suggestions that a denser downtown would benefit existing homeowners through raising property values don't encourage me, either. We should remember that rising property taxes are often a hardship for seniors who prefer to remain in their homes while living on fixed retirement incomes.

I can see few benefits from the downtown development. After facing increased traffic congestion to reach downtown, we can expect downtown to be more crowded once we get there. We can expect amenities such as our pools to become more crowded. We can expect Mall parking to get more swamped.

Advocates for TIF and dense development are touting having public parking garages so that we as a town do not have to rely on privately owned parking. To me, this is a solution looking for a problem. We have always been a civic-minded community; we

have never had a problem with the Mall allowing their spots to be used for people attending the July  $4^{th}$  fireworks, Merriweather concerts, parades, or Lakefront activities.

Some are justifying downtown development as salvation for Merriweather Post Pavilion. I value Merriweather Post both because of its rich history in our community, and its ability to continue to provide us entertainment in the future. I applaud community members who through their efforts saved Merriweather from the wrecking ball a decade ago. However I fail to see how downtown development is necessary to preserve Merriweather; it seems to be doing just fine.

After learning about these proposals in recent days, I have spoken to many people. Almost all of them had been unaware of the TIF program which would require existing property owners to contribute to community services for new residences. No one I spoke to seemed to be in favor of it. I believe that if focus groups were queried we would find that the vast majority of citizens oppose TIF financing for downtown development.

Columbia, the ultimate planned community, has always prided itself on careful and thoughtful planning. As we approach Columbia's 50<sup>th</sup> anniversary, and anticipate growth wherever that takes us, we should not dispense with that record. Some are saying that Howard Hughes Corporation will be unable to achieve all of its development if we do not provide cost sharing for them in the form of the Tax Increment Financing. I say that if they are unable to afford all of the development without public financing then they simply need to de-scope. I do believe that our community will be better for it if that's what comes to be.

As we transition to our new phase, let us as much as possible be evolutionary. By garnering lessons learned from each phase of development, we will be able to make the best possible future for all of us. We needn't be scared into rushing things by illusory fears of increasing interest rates or losing momentum.

Thank you very much.

David H. Barrett

ADDRESS: 8491 Grove Angle Rd. Ellicott City, MD 21043

PHONE: 410-312-0977

July 18, 2016

Good evening. My name is David H. Barrett. I live in Howard County – first in Columbia since 1977 and in Ellicott City. I am here this evening to support the Joint Recommendations on Affordable Housing and the public financing legislation.

My point of view on these subjects is influenced by several things.

- 1. I am a former businessperson; I am now a teacher at the Homewood Center in Howard County
- 2. I am a past president of the Howard County Library and also past chairman of the Howard County Poetry and Literature Society
- 3. I am a past board member of the Horizon Foundation and chairman of the Grants and Special Initiatives Committee.
- 4. I am a past president of the Howard County chapter of the Alpha Phi Alpha Fraternity, Inc. and a co-founder of its Alpha Achievers program.
- 5. Finally, I am a past chairman of the board of the Alpha Foundation of Howard County.

I mention all of these things because I want you to know that I am anchored in this county and I am supporting the Joint Recommendations on Affordable Housing. And the reason is that, I believe that an inclusive community should provide housing choices for people of all incomes. The higher number of units and the quicker

delivery of housing set the Joint Recommendations apart from the alternate proposal, as does the involvement of the Howard County Housing Commission, one of the partners in creating the Joint Recommendations.

If representatives of county government, the Housing Commission, the Columbia Downtown Housing Corporation and The Howard Hughes Corporation all stand behind the recommendations, that leads to me to believe that the right parties will be involved in realizing the goals of the program.

As for Tax Increment Financing, it is a tool to generate development momentum, to get the public infrastructure in place so that private development can proceed. I have been watching the redevelopment process since 2005, and I'm not getting any younger. I would like to see the fruits of all our planning. Like the Joint Recommendations, the TIF is a private-public partnership, and that is a strong foundation.

As someone who is involved in the arts, I am heartened to see that an arts center is included in the projects coming on line and that a new library may be part of our future. The public improvements to be funded by the TIF will include new connector roads that will serve the sites of those future amenities, and the parking garage will serve concert goers at Merriweather Post Pavilion. These are all steps in the realization of the ideas we started out with a decade ago. Let's keep the momentum going.

Finally, where I teach we lost one of our best teachers to Oklahoma this year because after living in Baltimore County for several years, she was unable to find affordable housing here.