Affordable Housing Working Group Recommendations to the APFO Review Committee

March 26, 2025



Overall Scope of Work

As described in HoCo by Design in the Dynamic Neighborhoods and Managing Growth Chapters:

DN-6 Action 4: ...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.

MG-1 Action 1 (g): ... evaluate and recommend goals and criteria for the targeted incentive program for affordable and accessible housing and the Affordable Housing set aside in the APFO Allocations Chart.



Working Group

Definition of Affordable Housing

- For local programmatic purposes, including the Affordable
 Housing Column of the APFO Housing Allocation Chart, the
 working group defines affordable housing as deed-restricted
 housing that is affordable to:
 - Those making 60-120% of Howard County Median Income for for-sale housing;
 - Or affordable to those making 0-60% of Howard County
 Median Income for rental housing.
- Expand opportunities for more units to qualify for local programs given the County's high median income (in comparison to the region) and ensure consistency with the County's Moderate Income Housing Unit (MIHU) program.
- The Working Group's definition of affordable housing is not meant to conflict with County, State, and Federal policies or programs that have different income qualifications.



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Recommendations for the Affordable Housing Column



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

| Year | Downtown Columbia (1) | Activity Centers | Other Character Areas | Rural West | Total | Affordable Housing (for purchase and rental) |
|-------------------|--------------------------|---------------------|-----------------------------|------------|--------|---|
| 2026 | 335 | 600 | 365 | 100 | 1,400 | 340 |
| 2027 | 335 | 600 | 365 | 100 | 1,400 | 340 |
| 2028 | 335 | 600 | 365 | 100 | 1,400 | 340 |
| 2029 | 335 | 600 | 365 | 100 | 1,400 | 340 |
| 2030 | 335 | 600 | 365 | 100 | 1,400 | 340 |
| 2031 | 155 | 600 | 365 | 100 | 1,220 | 340 |
| 2032 | 155 | 600 | 365 | 100 | 1,220 | 340 |
| 2033 | 155 | 600 | 365 | 100 | 1,220 | 340 |
| 2034 | 155 | 600 | 365 | 100 | 1,220 | 340 |
| 2035 | 154 | 600 | 365 | 100 | 1,219 | 340 |
| 2036 | 154 | 600 | 365 | 100 | 1,219 | 340 |
| 2037 | 154 | 600 | 365 | 100 | 1,219 | 340 |
| 2038 | 154 | 600 | 365 | 100 | 1,219 | 340 |
| 2039 | 154 | 600 | 365 | 100 | 1,219 | 340 |
| 2040 | 154 | 600 | 365 | 100 | 1,219 | 340 |
| Total | 3,219 | 9,000 | 5,475 | 1,500 | 19,194 | 5,100 |
| Annual Average | 215 | 600 | 365 | 100 | 1,280 | 340 |

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

Source: Howard County Department of Planning and Zoning, 2023

| Affordable Housing (for purchase and rental) | | | | |
|---|--|--|--|--|
| 340 | | | | |
| 340 | | | | |
| 340 | | | | |
| 340 | | | | |
| 340 | | | | |
| 340 | | | | |
| 340 | | | | |
| 340 | | | | |
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| 340 | | | | |
| 340 | | | | |
| 340 | | | | |
| 5,100 | | | | |
| 340 | | | | |
| | | | | |

- Housing units granted allocations from the Affordable
 Housing column should meet the definition of "Affordable
 Housing" as provided by the Working Group
- Projects with other income requirements could still qualify
 - For example, under the Low-Income Housing Tax
 Credit (LIHTC) program:
 - If a project designates 10% of units for families earning 60% or less of Baltimore AMI, those units will still qualify for this column under Howard County's definition, given the county's higher median income.

Working Group

Recommendations for the APFO Allocation chart's Affordable Housing Column

Qualifying Projects



Affordable Housing (for purchase and rental) 340 340 340 340 340 340 340 340 340 340 340 340 340 340 5,100 340

Near Term Recommendations

- Eligibility Threshold:
 - Above and beyond existing Zoning Regulation requirements.
 - Proposed development project must include at least 20% affordable housing units.
 - Proposed affordable units must meet the definition of affordable housing as defined by the Working Group.
- Approval Authority:
 - Housing and Community Development Board review and approve applications for projects that request unit allocations from the APFO Housing Allocation Chart Affordable Housing column.
 - This would allow meaningful affordable housing projects to go through an administrative review for approval.

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Recommendations for the APFO Allocation chart's Affordable Housing Column

Near Term Recommendations



Affordable Housing (for purchase and rental) 340 340 340 340 340 340 340 340 340 340 340 340 340 340 5,100 340

Examples of Other Qualifying Programs:

- Projects that receive funding/financing or satisfy criteria from one of the below programs:
 - Moderate Income Housing Unit (**MIHU**), Low Income Housing Unit (**LIHU**), or Disability Income Housing Unit (**DIHU**) beyond Zoning Regulation Requirements
 - Low Income Housing Tax Credit (**LIHTC**) affordable units
 - Development projects that qualify under the Housing Expansion Affordability Act (HEAA)
 - Projects that receive funding from the Housing
 Opportunities Trust Fund

Process Incentive:

- Grant qualifying projects an exemption from the APFO Schools test.
- Distribution of Housing Allocations:
 - Goal is to increase the production of affordable housing units both for sale and rental by 340 units/year.
 - Therefore, only grant allocations from the affordable housing column for the affordable units and grant allocations from the other, geographic based columns for the market rate or remaining units associated with the development project.

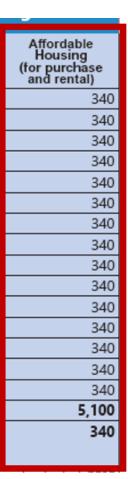
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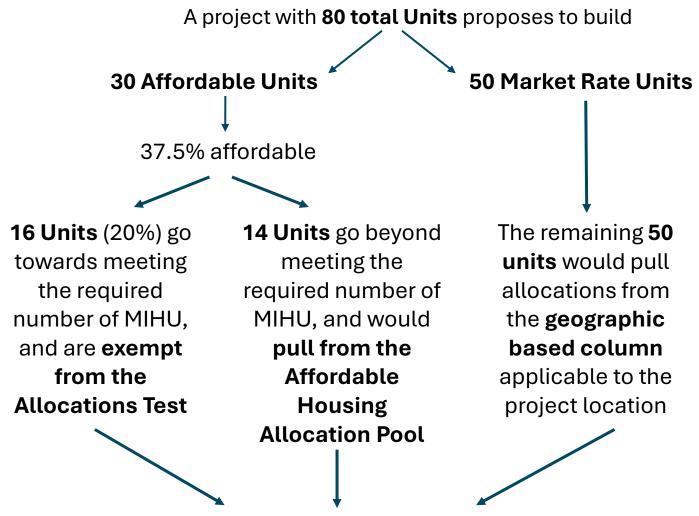
Recommendations for the APFO Allocation chart's Affordable Housing Column

Near Term Recommendations



For example:





The entire approved project (80 units) would be exempt from the APFO Schools Test

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Recommendations for the APFO Allocation chart's Affordable Housing Column

Near Term Recommendations Example



Longer Term Recommendations

- Develop a density bonus option in the Zoning Regulations for development projects that provide a significant portion of affordable housing units
 - Density Bonuses should be **proportional to the amount** of affordable housing units provided in the proposal.
- The Housing and Community Development Board should have the right to determine whether the density bonus amount requested is appropriate, relative to the number of affordable housing units proposed, and review and approve use of allocations from column.
- Any zoning requirements for Moderate Income Housing Units (MIHU) must be satisfied as part of the development proposal.

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Recommendations for the APFO Allocation chart's Affordable Housing Column

Longer Term Recommendations



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Summary of Recommendations



- Affordable housing definition:
 - 60-120% of Howard County Median Income for for-sale housing
 - 0-60% of Howard County Median Income for rental housing.
 - Definition should be applied to local affordable housing programs, including Affordable Housing Column of the APFO Allocation Chart.
- Projects with a meaningful amount of affordable housing units beyond the minimum zoning requirement for MIHUs may apply for review/approval by the Housing and Community Development Board to use allocations from the Affordable Housing Column of the APFO Allocation Chart for their affordable units
- The entirety of approved projects be exempt from the APFO Schools
 Test
- In the longer term, establish a density bonus incentive in the Zoning Regulations
 - Housing and Community Development Board
 reviews/approves density bonus that is proportional to the number
 of affordable units proposed beyond the required number of
 MIHUs