

Affordable Housing Working Group – 5th Meeting Summary

Date: February 26, 2025

Working Group Attendees:

Name:	Attendance:
Ned Howe	Present
Timothy J. Goetzinger	Present
Justin Kennell	Present
Grace Morris	Present
Jacqueline West-Spencer	Present
Jessica Zuniga	Present
Cedric Brown	Absent
Tom Evans	Present
Paul Revelle	Present
Taneeka Richardson, MPH	Present
Kathryn Valentine	Absent
Kelly Cimino (<i>non-voting member</i>)	Present
Peter Engel (<i>non-voting member</i>)	Present

Staff: Lynda Eisenberg (DPZ), Mary Kendall (DPZ), Sarah Latimer (DPZ), Jeff Bronow (DPZ), and Jeff DelMonico (DPZ).

Meeting Overview

The Affordable Housing Working Group reconvened for a fifth meeting to deliberate on the definition of affordable housing and to clarify how the HoCo by Design Housing Allocation Chart Affordable Housing column could be utilized by development projects. Staff provided a brief presentation, followed by discussion on the two topics.

Affordable Housing Definition

The Working Group recommended that the following definition of affordable housing be used for local programmatic purposes. These definitions should be used to determine if a housing unit qualifies for allocations from Affordable Housing column in the APFO Housing Allocation Chart.

- **Howard County Median Income (HC MI) Rates:** The County's MI rates based on family size will be used as the benchmark for affordability criteria.
- **Rental Units:** Affordable housing is defined as units for families earning less than 60% of Howard County's Median Income (HC MI).
- **Ownership Units:** Affordable housing is defined as units for families earning between 60% and 120% of Howard County's MI.

The Working Group's definition of affordable housing was intentionally constructed to expand opportunities for qualifying housing units 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. This definition should not create conflicts with other County, State, and Federal policies or programs that may follow different income restrictions or exclude projects that may require different income restrictions, so long as they minimally meet the County's affordable housing definition. For example, under the State of Maryland's 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 under Howard County's definition, given the County's higher overall MI. The definition provided by the Working Group serves to guide housing allocations within the context of Howard County's Adequate Public Facilities Ordinance (APFO) Housing Allocation Chart in HoCo By Design.

Affordable Housing Allocation Process & Incentives

The Working Group discussed potential processes and incentives related to the affordable housing allocation column in HoCo By Design's Housing Allocation Chart. The Working Group discussed both near term and longer term recommendations.

Near Term Recommendations

The Working Group noted that in the current market, the housing allocation test is not typically a limiting factor for development; however, the APFO School test and other required legislative procedures can be barriers. If the goal is to advance affordable housing through incentives, then the process through which development projects are approved should be expedited and streamlined. The Working Group recommended that projects eligible for units from the Affordable Housing column of the APFO Allocation Chart be exempt from the APFO Schools test in order to appropriately incentivize the development of more affordable housing units. This column should only be used to support and advance projects that can provide a meaningful amount of affordable housing, beyond what is required in the County's zoning regulations. The Working Group also discussed that many, if not all, affordable housing developments are mixed income projects and will include a combination of market rate and affordable units. So, the entire development project would need to be exempt from the APFO Schools test to move forward.

In summary, the Working Group recommended the following requirements and incentives for the projects that utilize allocations from the APFO Housing Allocation Chart Affordable Housing column:

- **Approval Authority:** The Working Group recommended the County implement a process whereby the 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 affordable housing projects to go through an administrative review and public process for approval versus a legislative review.
- **Eligibility Threshold:** To qualify, a development must include at least 20% of the housing units at affordable sale prices or rents within the proposed project. Proposed affordable units must meet the definition of affordable housing as defined by the Working Group.
- **Other Qualifying Programs:** Projects may also utilize units from the affordable housing column if they qualify for, or receive funding/financing from one of the below programs:

- Moderate Income Housing Unit (MIHU), Low Income Housing Unit (LIHU), or Disability Income Housing Unit (DIHU)
- 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: Development projects that meet the above requirements should be granted an exemption from the APFO Schools test.
- Distribution of Housing Allocations: As outlined in HoCo By Design, the goal of the Housing Allocation column is to increase the production of affordable housing units both for sale and for rent by the number listed in the column. Therefore, development projects that qualify for this column should be granted allocations from the affordable housing column for the affordable units and allocations from the other geographic-based columns for the market rate or remaining units.

Longer Term Recommendations


In the longer term, the Working Group recommended establishing a density bonus for projects that use housing unit allocations from the Affordable Housing column of the APFO Allocation Chart. Projects could be reviewed and approved by the Housing and Community Development Board to receive a density bonus proportional to the number of affordable housing units built above and beyond zoning requirements. The Housing and Community Development Board would determine whether the amount being requested is consistent with the established policy. Any zoning requirements for Moderate Income Housing Units (MIHU) must be satisfied as part of the development proposal.

Next Steps:

Staff outlined the next steps following the meeting, including completing an update to the Findings and Recommendations Report to be sent to the Working Group, and a presentation to the APFO Review Committee. Two working group members volunteered to present the Working Group's recommendations to the APFO Review Committee. The two volunteers, Paul Revelle and Ned Howe, will present the Working Group's recommendations to the Adequate Public Facilities Ordinance (APFO) Committee with staff on March 26th, 2025.

Affordable Housing Working Group

Meeting #5
February 24, 2025



Today's Agenda

Agenda Items

- 1) Welcome and Introductions
- 2) Working Group's Scope of Work
- 3) Definition of Affordable and Accessible Housing
- 4) Affordable Housing Column of the APFO Allocations Chart
- 5) Discussion

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.

Definition of Affordable and Accessible Housing



Defining Affordable and Accessible Housing

- **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.

Defining Affordable and Accessible Housing

- **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)

Defining Affordable and Accessible Housing

Affordable Housing Working Group Findings & Recommendations Report

The current Working Group Findings and Recommendations matrix defines affordable housing as the below:

“as market rate or income-restricted housing that is affordable to those making 55-120% for for-sale housing; or affordable to those making 50-100% of Area Median Income for rental housing.”

Defining Affordable and Accessible Housing

Proposed Changes from the Affordable Housing Coalition

The Coalition recommends:

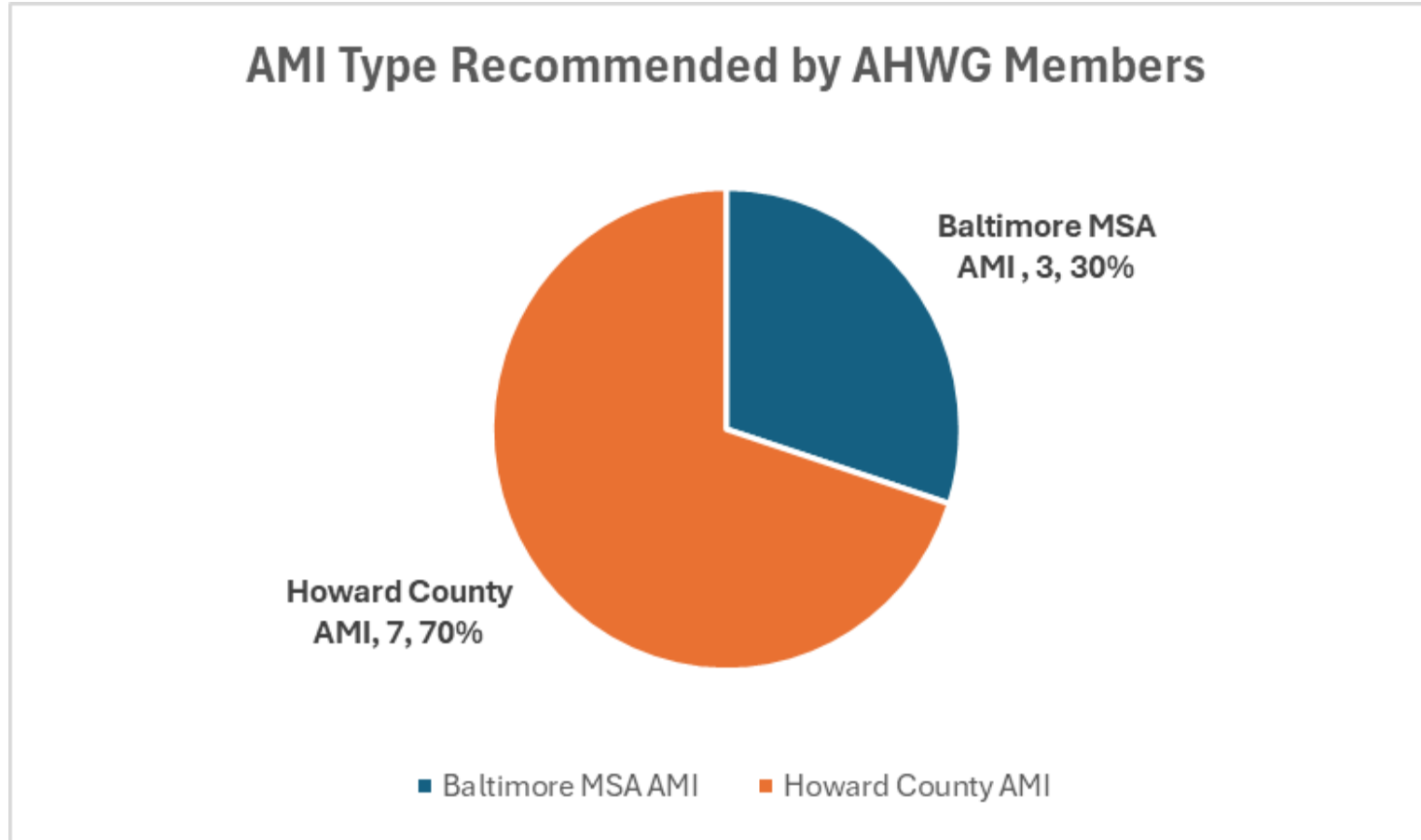
Affordable rental housing is defined as:

1. Housing with recorded income and rent restrictions under federal, state, or local law; and
 2. Market rate housing that is affordable to households with **incomes less than or equal to 60% area median income (AMI)** as demonstrated by the housing having a rent that does not exceed Howard County's MIHU Program rent limits as published on DHCD's website.
- **The greatest need is for rental units at or below 60% AMI**
 - Our consensus was that the **Howard County AMI** should be used

Affordable housing for home ownership is defined from 60-120% of AMI, as it can be very costly to lower home ownership costs for households at the lower side of the current definition's spectrum, particularly those at or below 60% AMI.

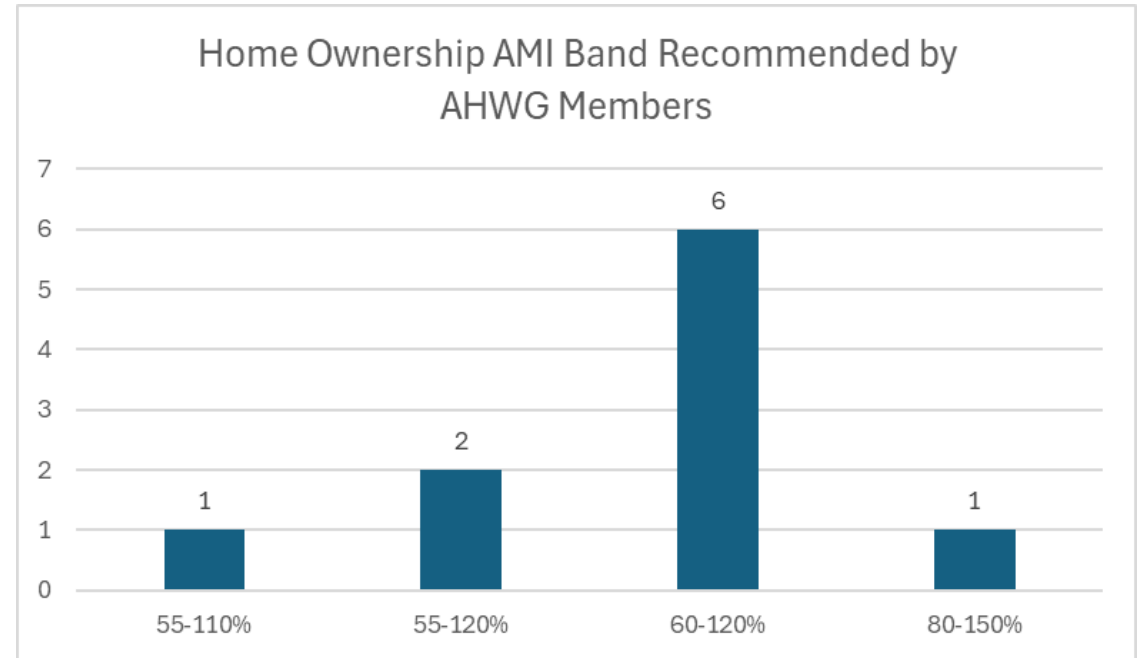
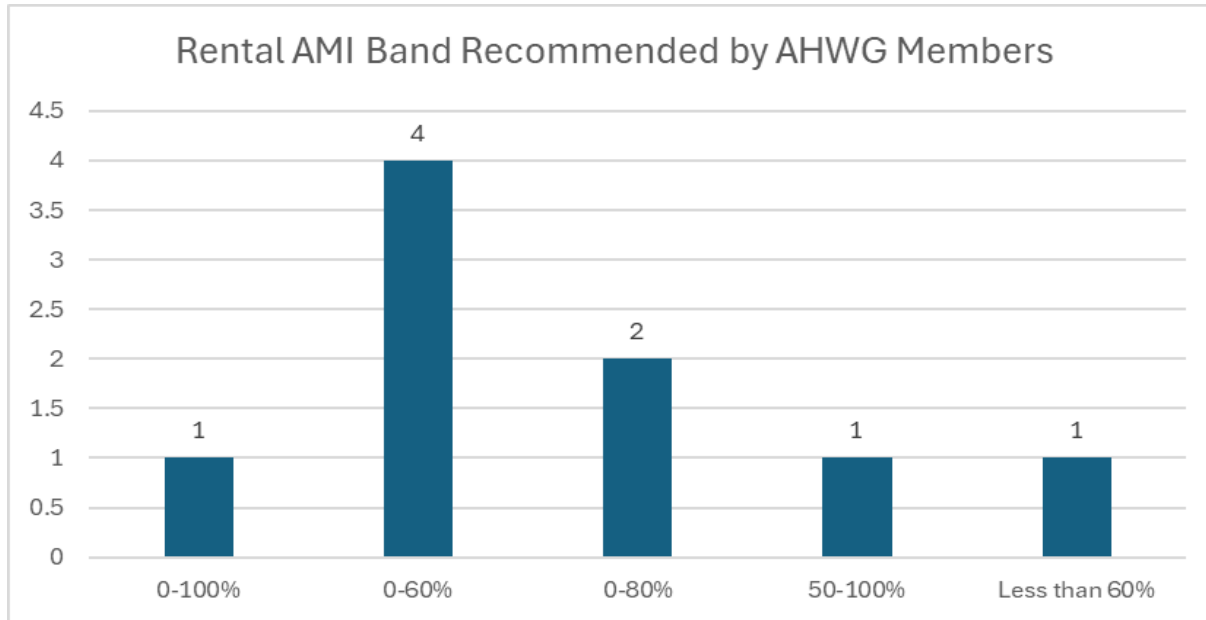
Defining Affordable and Accessible Housing

Working Group Member Feedback



Defining Affordable and Accessible Housing

Working Group Member Feedback




Discussion

Affordable Housing APFO Allocation Column & the Definition of Affordable Housing

1. What AMI type does the group recommend determine the qualifications for affordable housing? (local, regional, or other?)
2. What income band does the group recommend be used to determine if a rental housing unit qualifies as affordable housing?
3. What income band does the group recommend be used to determine if a home ownership housing unit qualifies as affordable housing?

Affordable Housing APFO Allocation Chart Column



Howard County's APFO

Overview

- There are 3 tests associated with APFO:
 1. Allocations
 2. Schools
 3. Roads
- Allocations test is conducted at initial plan stage approval. For comprehensive plans, test conducted at plan submission (R-A-15, NT, PGCC, MXD)
- School capacity utilization test conducted once plan has allocations
- For roads test, traffic study must be conducted, and impacts must be mitigated by the developer

Howard County's APFO

Allocations Test

- The annual number of allocations is based on the General Plan
- 1 allocation = 1 dwelling unit no matter type (SFD, SFA, or APT)
- Allocations pace development so County government can plan and provide for capital facilities
- Each year the County Council adopts a new 10-year allocation chart (based on General Plan growth chart)
- Allocations are given out by geographic and other specialty pools as indicated in the General Plan allocation chart
- Some exemptions possible

Howard County's APFO

Allocations Test:
HoCo By Design
(Current General Plan)

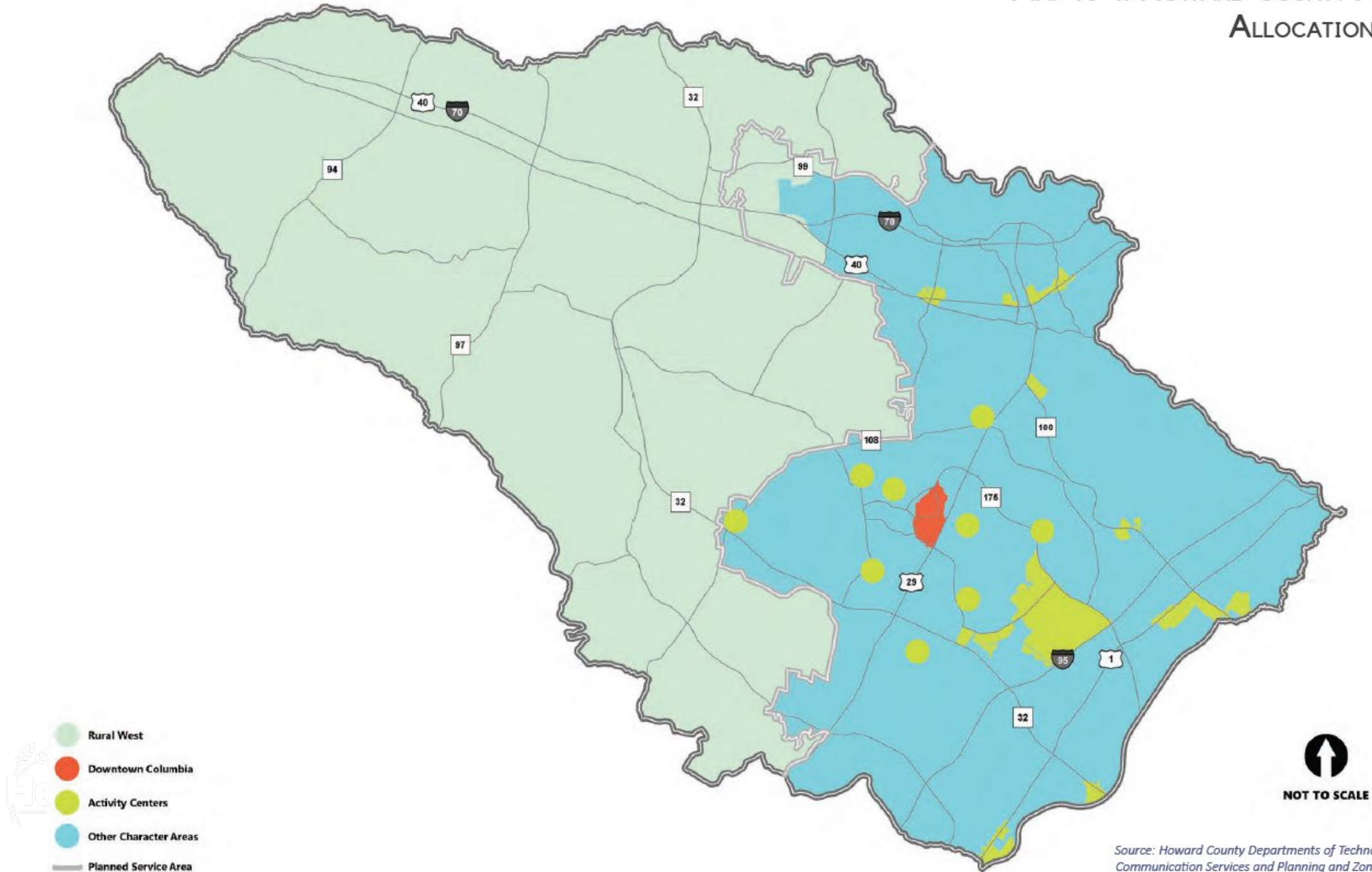
Table 10-1: Howard County APFO Allocations Chart - HoCo By Design

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

MAP 10-1: HOWARD COUNTY APFO ALLOCATION MAP



APFO Exemptions

Project Type	Exempt from Allocations Test	Exempt from Schools Test	Exempt from Roads Test
Single Lot in the Rural West	✓	✓	
Single Lot for Family Member	✓	✓	
Mobile Home Replacement Units	✓	✓	
Redevelopment Sites Replacing Existing Units	✓	✓	
Age Restricted Units		✓	
Moderate Income Housing Units (MIHUs)	✓		
Special Affordable Housing Opportunities (County Council Resolution Process)		✓	

Special Affordable Housing Opportunities

- (e) *Special Affordable Housing Opportunities.* To balance the County's policy goals to provide adequate school facilities and affordable housing in accordance with section 7-101 of the Land Use Article of the Annotated Code of Maryland and the County's General Plan, if an affordable housing project or phase of a project is located in the attendance area of a school that is closed for development due to projected enrollment in the school capacity chart, the Director of the Department of Planning and Zoning shall authorize the affordable housing project to proceed subject to all other provisions of this subtitle, provided that:
- (1) At least 40 percent of the units shall be affordable to households earning 60 percent or less of the metropolitan statistical area median income;
 - (2) The project or phase of a project is led by or in partnership with a local nonprofit or the Housing Commission;
 - (3) The project or phase of a project is seeking or has received an allocation of Low-Income Housing Tax Credits or other state or federal financial assistance for affordable housing;
 - (4) The project or phase of a project has obtained a letter of support from the County Executive;
 - (5) The requirements of subsection (f) of this section have been met; and
 - (6) The County Council and County Executive have approved either a Payment in Lieu of Taxes (PILOT) agreement for the project or a resolution authorizing the project to proceed. As part of the approval of the PILOT or resolution, the Council shall hold a public hearing and consider:
 - (i) The capacity utilization at the school or schools impacted by the project and at adjacent schools, and the school region, including limiting the potential impact on any elementary or middle school with a capacity utilization rate greater than 115 percent unless an adjacent school with the same grade levels has a capacity utilization rate of 100 percent or less;
 - (ii) Estimated student generation from the project;
 - (iii) The projected impact and potential strategies identified in item (5) of this subsection; and
 - (iv) The need for affordable housing in the County, including factors such as the housing cost burden on families, the availability of housing for individuals with disabilities, and the extent of homelessness among families and school children.

Special Affordability Housing Opportunities

There have been 4 projects approved by County Council Resolution receiving this APFO exemption:

- Robinson Overlook – 43 unit mixed income rental housing
- Roslyn Rise (Legacy at Twin Rivers) – 59 unit mixed income rental housing
- Patuxent Commons – 76 unit mixed income rental housing
- Ranleagh Court – 82 unit mixed income rental housing

Moderate Income Housing Units – Do not need allocations

Table 37
In Process Plans With MIHU and Age-Restricted Units On December 31, 2023

Plan Name	File Number	Zoning	MIHU Units												Market Rate			
			Not Age-Restricted				Age-Restricted				Total MIHU				Age-Restricted Units			
			SFD	SFA	APT	Total	SFD	SFA	APT	Total	SFD	SFA	APT	Total	SFD	SFA	APT	Total
Erickson - Oxford Hills	SP-23-001	CEF	0	0	0	0	0	0	120	120	0	0	120	120	0	0	1,080	1,080
10010 Junction Drive	S-23-004	TOD	0	0	98	98	0	0	0	0	0	0	98	98	0	0	0	0
Lakefront North - DT Columbia *	SDP-22-042	NT	0	0	57	57	0	0	0	0	0	0	57	57	0	0	0	0
Elms at Elkridge (Robert's Property)	SP-21-001	CEF	0	0	54	54	0	0	0	0	0	0	54	54	0	0	44	44
Brompton 3 (Blue Stream)	SDP-18-058	CAC	0	0	48	48	0	0	0	0	0	0	48	48	0	0	0	0
O'Donnell Properties	SDP-23-013	TOD	0	0	43	43	0	0	0	0	0	0	43	43	0	0	0	0
Paddock Pointe - Phase 2	SDP-15-063	TOD	0	0	42	42	0	0	0	0	0	0	42	42	0	0	0	0
Weinman Apartments	S-23-002	CAC-CLI	0	0	39	39	0	0	0	0	0	0	39	39	0	0	0	0
Dorsey Business Center Parcel A	S-22-005	TOD	0	0	38	38	0	0	0	0	0	0	38	38	0	0	0	0
Putuxent Commons **	SDP-23-026	POR	0	0	31	31	0	0	0	0	0	0	31	31	0	0	0	0
Taylor Highlands	SP-16-013	R-A-15	0	0	26	26	0	0	0	0	0	0	26	26	0	0	0	0
Waverly Winds Apartments **	SDP-23-045	NT	0	0	25	25	0	0	0	0	0	0	25	25	0	0	0	0
That Place at Patapsco Park	SDP-23-039	POR	0	0	0	0	0	0	9	9	0	0	9	9	0	0	80	80
Elkridge Crossing 2, Section 4	F-20-078	CAC-CLI	0	8	0	8	0	0	0	0	0	8	0	8	0	0	0	0
Elkridge Crossing 2, Remaining Units	S-19-005	CAC-CLI	0	0	7	7	0	0	0	0	0	0	7	7	0	0	0	0
Elkridge Crossing 2, Section 2	SDP-20-053	CAC-CLI	0	6	0	6	0	0	0	0	0	6	0	6	0	0	0	0
Buch Property	SDP-12-001	CAC-CLI	0	2	1	3	0	0	0	0	0	2	1	3	0	0	0	0
Beechwood Manor	SDP-23-047	R-SC	0	2	0	2	0	0	0	0	0	2	0	2	0	0	0	0
Trotter's Retreat	SDP-24-017	R-20	0	0	0	0	0	0	0	0	0	0	0	0	25	0	0	25
Kerger Pond	SDP-24-018	R-20	0	0	0	0	0	0	0	0	0	0	0	0	28	0	0	28
Friendly Inn	SDP-23-038	B-1	0	0	0	0	0	0	0	0	0	0	0	0	0	12	0	12
Lutheran Village at Miller's Grant	SDP-22-043	PSC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	43	43
The Highlands (Lyhus Property)	SDP-23-018	RR-DEO	0	0	0	0	0	0	0	0	0	0	0	0	58	0	0	58
Bethany Glen	SDP-22-021, 24-015, 24-021	R-20	0	0	0	0	0	0	0	0	0	0	0	0	19	135	0	154
TOTAL			0	18	509	527	0	0	129	129	0	18	638	656	130	147	1,247	1,524

* Includes very low and middle income units in accordance to the Downtown Columbia Plan.

** Low Income Housing Tax Credit Project

Table 38
Approved Site Development Plans with MIHU and Age-Restricted Units in 2023

Plan Name	File Number	Zoning	MIHU Units												Market Rate			
			Not Age-Restricted				Age-Restricted				Total MIHU				Age-Restricted Units			
			SFD	SFA	APT	Total	SFD	SFA	APT	Total	SFD	SFA	APT	Total	SFD	SFA	APT	Total
Cultural Arts Center - DT Columbia *	SDP-17-043	NT	0	0	87	87	0	0	0	0	0	0	87	87	0	0	0	0
Paddock Pointe - Phase 4	SDP-21-037	TOD	0	0	55	55	0	0	0	0	0	0	55	55	0	0	0	0
Annapolis Junction Town Center	SDP-13-048R	TOD	0	0	45	45	0	0	0	0	0	0	45	45	0	0	0	0
Ranleagh Court Apartments **	SDP-22-051	NT	0	0	17	17	0	0	0	0	0	0	17	17	0	0	0	0
Dorsey Overlook	SDP-20-074	R-APT	0	12	0	12	0	0	0	0	0	12	0	12	0	0	0	0
Wellington Farms, Phase 2	F-22-030	R-ED, R-SC	0	10	0	10	0	0	0	0	0	10	0	10	0	0	0	0
Elkridge Crossing 2, Section 3	SDP-20-060	CAC-CLI	0	4	0	4	0	0	0	0	0	4	0	4	0	0	0	0
Corridor Square, Parcel B	SDP-21-051	TOD	0	2	0	2	0	0	0	0	0	2	0	2	0	0	0	0
TOTAL			0	28	204	232	0	0	0	0	0	28	204	232	0	0	0	0

* Low Income Housing Tax Credit Project. Includes very low and middle income units in accordance to the Downtown Columbia Plan.

** Low Income Housing Tax Credit Project

APFO Summary

- APFO has worked to slow growth in areas of high development activity.
- New infrastructure can be planned and paid for and built with a known 10-year growth pace.
- APFO has granted relief and has given the HCPSS time to plan, redistrict and build new schools (30 new school since 1992) and additions.
- Pacing growth has also allowed for the planning of other county infrastructure and services.
- APFO manages new growth. However, it is a limiting factor to meet housing demand.

Working Group

Excerpt from Report

Affordable Housing Set-Aside

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 Recommendation

"The working group recommends that the **development and process incentives** noted above **be provided to affordable and accessible units in tandem with a possible zoning overlay encouraging affordable and accessible housing and within activity centers.** Importantly, the working group proposes that the APFO Review Committee remove the APFO Allocation Chart to remove potential hurdles for development. The working group also proposes that **affordable and accessible units be exempt from APFO testing requirements, similar to Moderate Income Housing and Age Restricted Units.** The working group notes that this would provide a greater benefit for affordable housing by removing a potential step and hurdle in the development process for affordable and accessible units."

Working Group

Findings & Recommendations related to Affordable Housing and APFO

1. Implement density bonuses, expedited review process or other incentives for MIHU percentages beyond the required amount.
2. Develop a floating zone whereby increased density and other incentives are provided by-right for projects providing affordable housing, given certain criteria are met in the development proposal.
3. Adjust the timing of the APFO waiting bins.
4. Exempt Affordable Housing, Accessible Housing, and Minor Subdivisions from APFO testing requirements.
5. Adjust school capacity requirements to revert back to the 2018 adequacy standards.
6. Offer incentives to developers, such as reduced permitting and development fees or no APFO requirements.
7. Provide incentives throughout the county, rather than in targeted locations, to avoid concentration of and encourage affordable housing.

Items for Discussion:

- Application of affordable housing definition to this column.
- Recommending zoning incentives or a floating zone that **provide for density bonuses and allow affordable units** in density bonus projects to pull from the Affordable Housing Allocation pool.
- Consider how projects with **missing middle housing unit types** may use the Affordable Housing Allocation pool.
- Discuss how **projects with affordable units beyond the required amount**, could utilize the Affordable Housing Allocation pool and **exempt these units from the APFO Schools Test**, including:
 - MIHU, LIHU, DIHU (already exempt from needing allocations but not exempt from schools test),
 - LIHTC affordable units,
 - Development projects that qualify under the Housing Expansion Affordability Act (HEAA),
 - Projects that receive funding from the Housing Opportunities Trust Fund,
 - and other units that meet the definition for affordable housing

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

Working Group

Recommendations for Consideration for the APFO Allocation chart's Affordable Housing Column

Next Steps

Affordable Housing APFO Allocation Column & the Definition of Affordable Housing

1. Revisions to Working Group Findings & Recommendations Report
2. Presentation to APFO Review Committee: Volunteer Representative Needed
 - March 12th or 26th, 2025 ; 6 PM