

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.