

COLUMBIA DOWNTOWN HOUSING CORPORATION

9820 Patuxent Woods Drive, Suite 224
Columbia, Maryland 21046

March 27, 2019

The Honorable Calvin Ball
County Executive
Howard County, Maryland
George Howard Building
3430 Courthouse Drive
Ellicott City, Maryland 21043

The Honorable Christiana Mercer Rigby
Chairperson, County Council
Howard County, Maryland
George Howard Building
3430 Courthouse Drive
Ellicott City, Maryland 21043

Phillip Dodge
Executive Director
Downtown Columbia Partnership
10480 Little Patuxent Parkway, Suite 400
Columbia, Maryland 21044

SUBJECT: Seventh Annual Report of the Columbia Downtown Housing Corporation – CY 2018

INTRODUCTION

On behalf of the Board of Directors of the Columbia Downtown Housing Corporation ("CDHC"), I am pleased to present our seventh Annual Report. This report is required by Section 28.204(c) of the Howard County Code and Section 5 of Howard County Council Bill No. 154-2012. This report summarizes our work in connection with promoting the development of affordable housing in Downtown Columbia ("Downtown") during the past year and describes the financial standing of the Downtown Columbia Community Housing Fund (the "Fund").

BACKGROUND

The Downtown Columbia Plan (the "Plan") was adopted by Howard County (the "County") on February 1, 2010 as an amendment to the County's General Plan. The Plan is a comprehensive document that details a 30-year redevelopment process for Downtown.

Under Title 28, the Downtown Columbia Partnership is charged with collecting and receiving the Fund. Section 28.116 of the Code establishes the Fund as a separate, nonlapsing fund

received from various sources and made available for the purpose of providing affordable housing opportunities for households of eligible income in Downtown. Section 28.116 requires the Partnership to contract with the Downtown Columbia Housing Foundation (the "Foundation") for administration of the Fund.

Title 28, Subtitle 2 requires that the Foundation be a not-for-profit entity which includes representation from various organizations that are able to promote the purpose for which the Fund exists. On November 5, 2012, the Council adopted Resolution No. 154-2012, recognizing CDHC as the Foundation and thus as responsible for administering the Fund on behalf of the Partnership. As a condition of continued recognition, CDHC is required to furnish the County Executive, County Council, and Partnership with an Annual Report within the 90-day period following the final day of its fiscal year, which is December 31.

I. PROGRESS OF CDHC IN CARRYING OUT ITS OBLIGATIONS

A. Organizational Activity

During calendar year 2018, the CDHC Board held five public meetings and several meetings of its various committees. As CDHC is a quasi-public entity, the Board complied with the Maryland Open Meetings Act and Public Information Act by working with the County's Department of Housing & Community Development. CDHC provided the public with notice of the Board's covered meetings in advance by publishing them on the County's website and keeping detailed minutes and audio recordings.

The CDHC Board includes 13 members, six of whom have served since the Board's inception. The Board includes people with a broad array of housing and professional experience who are committed to achieving the goals for which the Fund was established. At CDHC's Annual Meeting in January 2019, the Board elected its current officers: Patricia Rynn Sylvester as President; Bruce I. Rothschild as Secretary; and Bethany H. Hooper as Treasurer. Pursuant to a Memorandum of Understanding dated December 1, 2012, and in accordance with Sec. 28.202 of the Code, CDHC continued to receive critical staff assistance from Howard County's Department of Housing and Community Development (the "Department"). The Department's assistance has been essential to the successful administrative operation of CDHC and its Board.

Recognizing that there are other potential sources of funding including charitable contributions, CDHC continues to maintain the tax-exempt status under Section 501(c)(3) of the Internal Revenue Code that it received in 2014.

B. Financial Standing of the Fund

CDHC began its Fiscal Year on January 1, 2018 with \$ 4,899,267.00 in cash investments. In 2018, CDHC received \$ 3,225,394 in fees and earned investment income of \$ 93,854, while expenses paid from the Fund equaled \$ 14,063. CDHC ended the year with \$ 8,204,452 in cash investments. Please refer to Attachment A to view all payments received since inception.

During FY2018 the following payments were made to the Fund:

	DESCRIPTION	AMOUNT to FUND	DATE
DRRA Section 4.4G	Upon issuance of a building permit for the 818 th Net New dwelling unit to provide funding for the development of the LIHTC Developments in Section 4.4 (of the DRRA) needed to make the development financially feasible following commercially reasonable efforts to secure all traditional sources of financing.	\$3,200,000.00	11/01/2018
CEEPA #27	Each owner of property developed with commercial uses pursuant to the Downtown Revitalization Zoning Regulations Fund for each square foot of Gross Leasable Area for office and retail uses and for each square foot of net floor area for hotels shall provide an annual payment to the fund.	\$25,393.60	06/07/2018

In November 2018, the CDHC filed its Form 990 for 2017 with the IRS. A copy of the Form 990 is on file with the Howard County Department of Housing and Community Development.

II. AFFORDABLE HOUSING IN DOWNTOWN COLUMBIA

A. Background

In January 2017, legislation became effective creating a comprehensive, creative and achievable plan that reflected more than 2 years of collaborative, intensive work by CDHC, the County, The Howard Research and Development Corporation (“HRD”), the Howard County Housing Commission (the “Commission”), and numerous stakeholders. At a public ceremony in February 2017, CDHC, HRD, the Commission, and the County entered into an Agreement for Affordable Housing in Downtown Columbia to memorialize what will be a long-term partnership among the four parties. CDHC’s 2016 Annual Report provides a thorough discussion of the activities and work that led to the consideration and passage of the legislation and can be found as Attachment B to this report.

Under the legislation, MIHU requirements are established for property in Downtown not covered by a Development Rights and Responsibilities Agreement (DRRA). In conjunction with the negotiations and passage of the 2016 legislation, HRD, the County Administration

(the "Administration"), and the Commission executed a DRRA that provides for a total of 900 affordable housing units/opportunities in Downtown as described below.

The DRRA establishes the following plan for affordable housing in Downtown:

1. Inclusionary Units (400 total)
 - A. 200 Very-Low Income Units
 - i. These units will be master leased by the Commission for households (HHs) at or below 50% Howard County area median income (HC AMI), including voucher holders.
 - ii. Master lease has a 40-year term, renewable at the Commission's discretion in perpetuity.
 - B. 200 Middle Income Units
 - i. These units will serve HHs making 80% HC AMI and be leased directly through the individual properties.
 - ii. The term of the restriction is 40 years.
 - C. The inclusionary units will be integrated into every new rental building built by HRD and each building will include between 6 - 14 percent affordable units.
 - D. HC AMI is \$111,473 (4-person HH); \$78,031 (1-person HH) as of Jan. 1, 2019.
2. Low Income Housing Tax Credit (LIHTC) Developments (417 total affordable units):
 - A. 5 separate buildings to be owned by the Commission will be developed as mixed-use projects:
 1. Toby's Art Center & Residences (AKA Artists Flats & New Cultural Center, ~192 total units)
 2. Banneker Fire Station/Senior Housing (100% affordable for HH with a member 62 and older, 100 units)
 3. New Library & Residences (est. 120 total units)
 4. Existing Library Site – Residences
 5. Transit Center & Residences
 - B. 4 of the 5 developments must be mixed income and include no more than 40-50% affordable units.
 - C. Affordable units will serve HHs at or below 60% of the Baltimore metro AMI (about 50% HC AMI).
3. Live Where You Work (LWYW) –
 - A. 83 homeownership/LWYW rental opportunities within the downtown footprint.
 - B. Funded by a fee of \$1,734/net new rental unit for the 1,583rd - 5,178th units, excluding the inclusionary units.
 - C. Assuming full build-out of Downtown, fees paid would be \$7.775M.

B. CDHC's Activities in 2018

CDHC continued to focus on working with the Administration, HRD and the Commission to implement the various objectives for affordable housing in Downtown. The full Board met in

January, May, July, September, and December to receive briefings and discuss issues affecting affordable housing in downtown. The Board's Live Where You Work (LWYW) committee met in the other months to continue progress in developing this program with the goal of a 2019 opening. As needed, the Board's executive, investment and audit committees also met.

Representatives of the Commission, the Department, HRD, and the Administration were regular guests at Board meetings. Discussions were open with Board members expressing their interest in proactive and timely actions to produce affordable units in downtown. The Commission and Administration provided updates on the progress being made on the Toby's, Banneker Station and Library projects. The Commission and HRD discussed progress on the master lease for the 200 very-low income integrated units in HRD market rate properties. A copy of the close-to-final draft of the master lease was shared with CDHC in early 2019. HRD also provided updates on the development of residential units in the Crescent and at the Lakefront, including timing for the payment of fees. Board meetings also included updates from its various committees, as well as updates on other affordable housing news such as the award of LIHTCs to local developments, Mainstream vouchers awarded to the Commission, the work of the Economic Opportunity and Prosperity Task Force, and the formation of a new Housing Affordability Coalition in the county.

Education about the downtown affordable housing plan was also key to the CDHC's work in 2018. CDHC's Board President participated on a panel at an April 28th NAACP Housing Symposium at Wilde Lake High School to discuss Downtown Columbia. The Board also stayed abreast of activities in the county and became engaged as appropriate to ensure people were aware of potential or expected impacts on the plan. Specifically, CDHC worked on the following two issues in 2018:

APFO - In January, CDHC testified before the County Council and also reached out to individual Council members to explain the impact that the then-pending Adequate Public Facilities Ordinance (APFO) could have on the planned development of two tax credit transactions in downtown, the integrated affordable units within HRD's market rate developments, and the LWYW funding. CDHC estimated that LWYW funding could decrease by 44% from \$7.7M to \$4.3M. CDHC requested an exemption for downtown from the APFO legislation, similar to what was provided for the Long Reach development. In the end, the Council elected not to provide an exemption for downtown Columbia and instead to provide a mechanism in the APFO law for consideration of waivers for affordable housing developments that meet certain narrowly defined criteria on a case-by-case basis. The Board supported this amendment because of the overall benefit for affordable housing in the County. For downtown, the waiver could be used for the two tax credit developments but the HRD market rate developments with the integrated affordable units are not eligible to be considered for a waiver and the waiver would not have any effect on the projected loss of LWYW funding.

CEPPA #17 - CDHC also engaged in activities related to CEPPA #17, which provides that prior to approval of the site development plan for the 1,375th new residential unit "GGP shall, if deemed necessary by the Board of Education, reserve an adequate school site or provide

an equivalent location within downtown.” In early 2018, the issue of how CEPPA #17 would be satisfied was re-opened when the Board of Education rescinded its approval of the Clary’s Forest school site. CDHC received information about the progress of resolving CEPPA #17 and its impact on the timing for development of affordable units in downtown from HRD, Carl DeLorenzo of the County Administration, and others. In August, members of CDHC met with Superintendent Michael J. Martirano and members of his team to discuss downtown affordable housing, LWYW, and CEPPA #17. Additionally, CDHC sent a letter to the Board of Education advocating for quick resolution of CEPPA #17, explaining the potential impact on affordable units in downtown and the tremendous need for affordable housing in the county. CDHC also followed HRD’s request for alternative timing for CEPPA #17 before the Planning Board. We planned to testify in support of the request to change the timing for compliance from the 1,375th unit to the 1,650th unit. This would have allowed SDP 18-005, which included residential buildings with 26 affordable units, to proceed before CEPPA #17 was satisfied. The Planning Board hearing was postponed so no testimony was provided and, ultimately, CEPPA #17 was satisfied without the need for alternative timing.

C. LWYW Activities

The LWYW team met 6 times in 2018 and focused on developing the administrative procedures and other documentation needed to open a program in 2019. The team consists of Board members, as well as the Director of the Department of Housing and Community Development. A representative of the Administration also attended most meetings and facilitated meetings with Howard County General Hospital, a potential participating employer. The full Board remained actively engaged in the LWYW discussion and each Board meeting included a thorough discussion of the team’s work.

At its Feb. 21, 2018 meeting, the team discussed the potential program funding decrease resulting from the APFO legislation and whether timing for moving forward with the program should change. A decision was made to continue efforts to pilot a LWYW program. The mandated LWYW fee of \$1,734/unit is paid when building permits are issued and starts after the 1,583rd unit. This means that LWYW fees were not expected to be received in 2019 and the CDHC Board would need to agree to advance funds for the pilot from its existing funds.

A draft LWYW Administrative Procedure document was put together following extensive discussions with the Department, and the 2017 Policy Outline was revised and updated in June and again in December to reflect updated 2019 MIHU/LIHU incomes and rent levels. A draft Employer – CDHC MOU was developed and shared with the Hospital as part of our ongoing conversations. Work continued through the second half of 2018 by both CDHC and the hospital on a joint LWYW effort. In late December, the hospital shared a draft proposal with CDHC, including an application, eligibility criteria for employees, funding, and timing. CDHC is reviewing this information and, in early 2019, revised the draft MOU based on the Hospital’s comments.

CDHC has also begun discussions with the school system about participation in LWYW following a December meeting with the School Superintendent at which the LWYW program and goals were discussed. A subsequent conversation occurred in Feb 2019 and more are anticipated.

Work will continue in 2019, including finalizing administrative procedures, outreach to landlords, CDHC's consideration and approval of funding to match employer proposed/anticipated contributions, and announcing the first LWYW Partnership Agreement.

D. Financing of Affordable Housing Developments in Downtown

CDHC did not receive any requests for financing in 2018 but expects to receive a request in the first quarter of 2019 as the Commission gets closer to finalizing the financing for the construction of the residential component of the Toby's development and preparing its LIHTC application to the State for the May 8, 2019 Competition. In preparation for the request, CDHC refocused attention on its draft Letter of Intent (LOI) developed in late 2017. Comments were received from the Commission in December and the financing team is in the process of reviewing and working with the Commission on the draft LOI.

III. CDHC's ACTIVITIES IN 2019

At the request of the County Council, CDHC's president testified at the Council's housing briefing on January 7, 2019. CDHC also held its annual meeting on January 16, 2019 at which it re-elected its slate of officers and discussed its work plan for 2019. In February, the LWYW and finance committees met, and on March 20, 2019 a full Board meeting was held to approve this annual report and to discuss funding for the LWYW program and for the Toby's residential development. Representatives of the Board also participated in a meeting with staff from the Howard County public school system to further explain the LWYW program.

The Board anticipates that its activities in 2019 will be focused on opening the LWYW program and working to expand employer participation. We will continue to monitor and facilitate progress on the affordable housing goals in the DRRA. CDHC also looks forward to participating in the development of a County Housing Master Plan as recommended by the Economic Opportunity and Prosperity Task Force. Additionally, we expect to continue to educate and share information about affordable housing in downtown with the community and all interested stakeholders.

IV. Estimated Timing for Affordable Housing Units Planned in DRRA

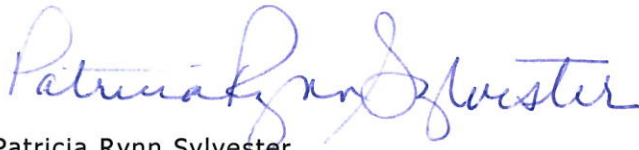
1. Inclusionary Units
 - A. First 24 units are under construction for occupancy in 1st Quarter of 2020.
 - B. Second building with another 26 units is approved; occupancy expected in mid 2021.
 - C. Inclusionary units in the Lakefront residential buildings are being planned.
 - D. Howard Hughes and the Commission are finalizing the Master Lease for the very-low income units and have shared a draft with CDHC.
2. LWYW Program
 - A. Pilot program expected to begin in second half of 2019.

- B. CDHC has updated its approved Program Outline to reflect 2019 MIHU/LIHU Income and Rent levels, Administrative Procedures are approved and draft MOUs with DHCD and a potential employer are in process.
 - C. A draft Landlord Fact Sheet has been developed and outreach to landlords and employers is in process in early 2019.
 - D. A 2019 Program opening will require CDHC to use its existing funds to cover costs until the LWYW fees begin to be paid. CDHC will consider how to do so in early 2019.
3. LIHTC Projects
- A. Toby's Art Center (Artists Flats/New Cultural Center)
 - o The Commission is working toward an application to the State for LIHTCs by May 8, 2019.
 - o There remains a budget gap for the Arts Center portion of the development, and discussions are in process among affected parties on how to resolve.
 - o The Commission and CDHC are discussing financing assistance in advance of the May application deadline.
 - B. Banneker
 - o All interested parties continue to coordinate concerning issues related to the fire station relocation so that the housing can continue to move forward on the planned schedule of development beginning in Summer 2021.
 - C. New Library
 - o Commission, Library System and Howard Hughes continue to discuss site and development.
 - o This site is on schedule to follow Toby's and Banneker's but it is possible that it could move more quickly than originally planned, perhaps as early as the State's 2020 LIHTC application round.
 - D. Existing Library and Transit Center – No action at this time.

V. CONCLUSION

We are excited that the first affordable units in downtown are under construction for early 2020 occupancy and increased affordability through LWYW is also "under construction" with anticipated 2019 occupancies. This is good news and evidence that the comprehensive, multi-faceted plan for affordable housing in Downtown is working. This result could not have been achieved without continuing cooperative efforts among many different parties, including CDHC, HRD, the Commission, housing advocates, the County, and the community at large. CDHC looks forward to continuing its partnership with the many interested stakeholders. In particular, we are pleased to work with County Executive Dr. Calvin Ball and his team, and the new County Council to ensure timely forward momentum for a downtown that provides opportunities for people of all incomes and abilities to live, work and thrive together.

Sincerely yours,



Patricia Rynn Sylvester
President
Columbia Downtown Housing Corporation

cc: Board of Directors

Jeryl Baker
Jolly Burks
Paul Casey
John DeZinno
Christopher Fritz
Bethany Hooper
Rev. Mary Ka Kanahan
Peter Morgan
Bruce Rothschild
Russell Snyder
Rev. Dr. Robert Turner
Gregory Fitchitt, Ex Officio

Kevin Kelehan, Esquire, Counsel
Kelly A. Cimino, Director, Dept. of Housing and Community Development
Peter Engel, Executive Director, Howard County Housing Commission

Attachment A

Columbia Downtown Housing Corporation -- Funding Received 2013- 2018

CEPPA/DRRA Provision	Description	Year Payment Received	Amount	Entity
CEPPA 10	Upon issuance of 1st building permit	2013	1,500,000.00	HRD
CEPPA 11	Upon issuance of building permit for 400th residential unit	2016	1,500,000.00	HRD
CEPPA 26*	Upon issuance of any building permit for building containing dwelling units, developer shall contribute a fee for each dwelling unit <i>*removed from law by Council Bill 52-2016</i>	2013 2016	829,422.20 998,103.63	Parcel D LLC (Metropolitan) Parcel C.(10M & mflats)
CEPPA 27	Each owner of property developed with commercial uses pursuant to the Downtown Revitalization Zoning Regulations Fund for each square foot of Gross Leasable Area for office and retail uses and for each square foot of net floor area for hotels shall provide an annual payment	2016 2017 2018	6,657.05 2,687.92 1,973.26 2,179.35 785.20 12,275.12 2,190.62 791.42 12,338.61 8,401.02 1,671.93 3,200,000.00	Mall in Columbia (2013-2016) Parcel D (Metropolitan) One Merriweather Mall in Columbia Parcel D (Metropolitan) One Merriweather (Medstar) Mall in Columbia Parcel D (Metropolitan) One Merriweather (Medstar) Two Merriweather (2017-2018) Parcel C (10M & mflats) HRD
DRRA Section 4.4G	Upon issuance of a building permit for the 818 th Net New dwelling unit to provide funding for the development of the LIHTC Developments in Section 4.4 (of the DRRA) needed to make the development financially feasible following commercially reasonable efforts to secure all traditional sources of financing	2018	3,200,000.00	HRD
Total Funding Received:				8,079,477.33

Attachment B

COLUMBIA DOWNTOWN HOUSING CORPORATION

6751 Columbia Gateway Drive, Third Floor
Columbia, Maryland 21046

March 31, 2017

The Honorable Allan Kittleman
County Executive
Howard County, Maryland
George Howard Building
3430 Courthouse Drive
Ellicott City, Maryland 21043

The Honorable Jon Weinstein
Chairperson, County Council
Howard County, Maryland
George Howard Building
3430 Courthouse Drive
Ellicott City, Maryland 21043

Michele Whelley
David Feehan
Co-Executive Directors
Downtown Columbia Partnership
10480 Little Patuxent Parkway, Suite 400
Columbia, Maryland 21044

SUBJECT: Fifth Annual Report of the Columbia Downtown Housing Corporation

INTRODUCTION

On behalf of the Board of Directors of the Columbia Downtown Housing Corporation ("CDHC"), I am pleased to present our fifth Annual Report. This report is required by Section 28.204(c) of the Howard County Code and Section 5 of Howard County Council Bill No. 154-2012. This report summarizes our work in connection with promoting the development of affordable housing in Downtown Columbia ("Downtown") during the past year and describes the financial standing of the Downtown Columbia Community Housing Fund (the "Fund").

BACKGROUND

The Downtown Columbia Plan (the "Plan") was adopted by Howard County (the "County") on February 1, 2010 as an amendment to the County's General Plan. The Plan is a comprehensive document that details a 30-year redevelopment process for Downtown.

Under Title 28, the Downtown Columbia Partnership is charged with collecting and receiving the Fund. Section 28.116 of the Code establishes the Fund as a separate, nonlapsing fund received from various sources and made available for the purpose of providing affordable housing opportunities for households of eligible income in Downtown. Section 28.116 requires the Partnership to contract with the Downtown Columbia Housing Foundation (the "Foundation") for administration of the Fund.

Title 28, Subtitle 2 requires that the Foundation be a not-for-profit entity which includes representation from various organizations that are able to promote the purpose for which the Fund exists. On November 5, 2012, the Council adopted Resolution No. 154-2012, recognizing CDHC as the Foundation and thus as responsible for administering the Fund on behalf of the Partnership. As a condition of continued recognition, CDHC is required to furnish the County Executive, County Council, and Partnership with an Annual Report within the 90-day period following the final day of its fiscal year, which is December 31.

I. PROGRESS OF CDHC IN CARRYING OUT ITS OBLIGATIONS

A. Organizational Activity

The CDHC Board held eleven public meetings during calendar year 2016 plus numerous committee meetings and interactions with interested parties. As CDHC is a quasi-public entity, the Board complied with the Maryland Open Meetings Act and Public Information Act by working with the County's Department of Housing & Community Development. CDHC provided the public with notice of the Board's covered meetings in advance by publishing them on the County's website and keeping detailed minutes and audio recordings.

At CDHC's Annual Meeting in January 2017 the Board reelected its then-current officers: Paul K. Casey as President; Bruce I. Rothschild as Secretary; and Bethany H. Hooper as Treasurer. Additionally, the Board passed a resolution creating a fourth officer position of Vice President and Patricia Sylvester was elected to fill that position.

Pursuant to a Memorandum of Understanding dated December 1, 2012, and in accordance with Sec. 28.202 of the Code, CDHC continued to receive critical staff assistance as well as limited financial support from Howard County's Department of Housing and Community Development (the "Department"). The Department's assistance has been essential to the successful administrative operation of CDHC and its Board.

Recognizing that there are other potential sources of funding including charitable contributions, CDHC continues to maintain the tax-exempt status under Section 501(c)(3) of the Internal Revenue Code that it received in 2014.

B. Financial Standing of the Fund

CDHC began its Fiscal Year on January 1, 2016 with \$2,359,832 in cash investments. In 2016, CDHC received \$2,503,004 in fees and earned investment income of \$35,999, while expenses paid from the Fund equaled \$31,463. CDHC ended the year with \$4,867,372 in cash investments. During FY2016 the following CEPPA payments were made to the Fund:

CEPPA #	CEPPA DESCRIPTION	AMOUNT to FUND	DATE
11	Upon issuance of permit for 400 th dwelling unit, master developer will contribute \$1,500,000 to the Fund.	\$1,500,000	6/14/16
26	Upon issuance of any building permit for building containing dwelling units, developers contribute a fee for each dwelling unit.	\$998,104	6/14/16
27	Each owner of property developed with commercial uses pursuant to the Downtown Revitalization Zoning Regulations Fund for each square foot of Gross Leasable Area for office and retail uses and for each square foot of net floor area for shall provide an annual payment to the hotels.	\$4,900	6/14/16

In November, 2016, the CDHC filed its Form 990 for 2015 with the IRS. A copy of the Form 990 is on file with the Howard County Department of Housing and Community Development.

II. ADDRESSING CHALLENGES IN DEVELOPING AFFORDABLE HOUSING IN DOWNTOWN COLUMBIA

A. Steps Taken by CDHC toward Addressing Challenges

CDHC is fortunate to have an exceptionally dedicated and professionally experienced Board, the members of which are committed to achieving the goals for which the Fund was established. In 2016, CDHC's steps toward achieving its goals and addressing the challenges were largely characterized by working closely with County Administration (the "Administration"), The Howard Research and Development Corporation ("HRD"), and Howard County Housing Commission (the "Commission") to develop a legislative package for the Joint Recommendations for Affordable Housing in Downtown Columbia that were offered by CDHC and HRD in 2015 (the "Joint Recommendations").

In its prior Annual Reports, CDHC identified a number of challenges to carrying out the Foundation's obligation "to fulfill the vision of the Downtown Columbia Plan...for a full-spectrum and diverse mix of housing, ensuring that low-, moderate- and middle-income families have an opportunity to live in Downtown Columbia" (See County Code Section 28.200(1)). The identified challenges included limited developable land in Downtown, high costs of producing units in the podium and high-rise developments envisioned by the Plan, the absence of a requirement that developers include units affordable to households of low or moderate income in new residential projects in Downtown, and insufficient resources in the Fund, especially during the early years of Downtown development, to leverage as a means of influencing developers to produce affordable units. After four years of continuous efforts by CDHC, the Administration, HRD, the Commission, and additional creative efforts by the Council, legislation was adopted in 2016 based on the Joint Recommendations which successfully addressed these challenges to affordable housing development in Downtown Columbia.

B. History of Joint Recommendations

On February 27, 2015, as per the Council's request via Council Resolution No. 120-2014, CDHC presented to the Council and to County Executive Kittleman its recommendations for legislative and zoning changes to the current regulatory regime for Downtown development as a means of realizing the Plan's goal of a full spectrum of affordable housing being incorporated into Downtown development. On June 8, 2015, at the Council's monthly meeting, HRD, which is the master developer under the Plan, presented a counter-proposal for the development of affordable units in Downtown.

After being presented with HRD's counter-proposal, the Council requested that the parties work together to determine whether it would be possible to achieve an agreed-upon set of recommendations derived from the HRD proposal. CDHC and HRD agreed and after extensive discussions and negotiations, which included input from the Administration and the Commission, presented the Council with the Joint Recommendations at the Council's monthly meeting on September 8, 2015. The Joint Recommendations outlined a proposed long-term cooperative effort among CDHC, HRD, the Commission, and the County to develop several hundred new dwelling units in Downtown that would be affordable to a wide range of incomes, from as low as zero to as high as 80 percent of the Howard County area median income. This proposed effort would leverage various means to provide a full spectrum of affordable housing in Downtown, including the federal Low-Income Housing Tax Credit, land covenants, master leases, and increased contributions to the Fund. The Council had a number of detailed questions regarding the impacts that the Joint Recommendations would have on County finances, schools, general government operations, safety, parking, value, and tax receipts and, during the remainder of 2015 worked with the Administration to produce and analyze a number of studies on these topics of inquiry.

C. Development of Legislative Package for Joint Recommendations

With ongoing input and support from CDHC, HRD, and the Commission, the Administration led the effort to draft the legislative package to implement the Joint Recommendations. The package covered five key components: (1) amendments to the County's General Plan; (2) amendments to the Downtown Columbia Plan; (3) amendment to the County Zoning Regulations; (4) amendments to the County Code; and (5) a Development Rights and Responsibilities Agreement between HRD and the County (the "DRRA"). The changes were ultimately submitted to the County Council as Council Bill Nos. 52, 53, 54, and 55 and Council Resolution Nos. 103.

At its February 2016 meeting, CDHC established a workgroup consisting of Board members and CDHC's general counsel to work with HRD, the Commission, and the County to revise and refine the legislative package, primarily the DRRA. Members of the workgroup met and communicated frequently with the other parties over a period of months to finalize the terms of the DRRA, going through many drafts of the document.

D. Legislative Process for Joint Recommendations

The legislative process for the Joint Recommendations commenced with the Administration filing the legislative package with the County Planning Board for review and recommendations to the County Council. The Planning Board held a lengthy public hearing on the filing on April 14, 2016 and continued the hearing to April 28, 2016 and again to May 10, 2016. CDHC President Paul Casey was present at all three hearings to express CDHC's support for the Joint Recommendations and to join the Administration officials in answering questions about the proposal from Planning Board members. After several hours of questions, discussion, and public testimony over the three hearings, the Planning Board, on May 10, voted 4-to-1 to recommend approval of the Joint Recommendations with a suggested modification that would increase any applicability of the County's Moderate Income Housing Unit program in Downtown from a baseline of 10 percent to 13 percent.

The next filing by the Administration came on June 27, 2016, which was the submission of the four bills and one resolution cited above to the County Council. In July, September, October, and November, the Council held a number of work sessions and public hearings on the legislative package, many of which were attended by Mr. Casey who was present to answer questions about the package and express CDHC's support for its passage. In addition, several Board members attended the public hearings and work sessions and Patricia Sylvester and Andrea Ingram testified on behalf of CDHC. The Council's process included significant analysis, debate, and a number of proposed amendments. The legislative process ultimately expanded the Joint Recommendations and provided additional resources to ensure the future of affordable housing in Downtown. On November 9, 2016, the Council voted 4-to-1 to approve the bills and resolution that will ensure the development of a full spectrum of affordable housing in Downtown. The principal elements included provisions which facilitate the construction of 200 very-low income units and 200 middle-income units, both of which will be integrated into

market-rate projects. There will be 417 low-income housing tax credit units constructed in four mixed-income mixed-use projects and one senior mixed-use project throughout Downtown on land contributed by the County and HRD. There will also be new fee payments to the Fund which will be used in part to provide financial assistance to the 83 units in order to allow people to live near where they work.

III. CDHC's ACTIVITIES IN Q1 2017

With the passage of the legislation, CDHC's focus has shifted to working with the Administration, HRD, and the Commission to implement the various objectives for affordable housing in Downtown. To memorialize what will be a long-term partnership among the four parties, CDHC, HRD, the Commission, and the County entered into an Agreement for Affordable Housing in Downtown Columbia at a public ceremony on February 3, 2017. Additionally, the Board of CDHC has formed committees to formulate its plan to leverage the Fund to finance the development of affordable units and to develop the program of live-near-where-you-work housing in Downtown as mandated by the Council.

IV. SPECIAL THANK YOU TO THOMAS P. CARBO

Today, the future of affordable housing in Downtown has never looked brighter and the Board members of CDHC know that our community would not have reached this historic point without the tireless efforts of Thomas P. Carbo, the former Executive Director of the Commission and Director of the County Department of Housing and Community Development.

Tom departed this life on November 25, 2016, 16 days after the Council passed the Joint Recommendations that he so passionately championed. On that day, the world lost a compassionate man and a devoted supporter of affordable housing who dedicated his career to the advancement of families with limited means. Tom was a visionary, who looked at the seemingly impossible task of assuring affordable housing in Downtown and saw a challenge that, with perseverance and a team spirit, could be overcome.

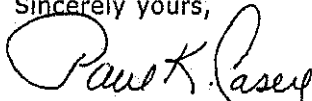
From CDHC's creation in 2012 to the time of his passing, Tom was instrumental to the operation and success of CDHC. He worked closely with all involved parties to help us achieve our goals. Tom was a fixture at our meetings over the years and was always lending his support to our work. We owe a deep debt of gratitude to Tom for all that he has given us and all that he has done, not just for Downtown, but for the quality of life in Howard County as a whole.

CONCLUSION

We are pleased to see that our efforts over the last four years have resulted in a comprehensive, multi-faceted plan for affordable housing in Downtown. This result could not have been achieved without a sincere and cooperative effort among many different parties, including CDHC, HRD, the Administration, the Commission, the Council, the housing advocates, and the community at large. The implementation of this plan will require a similarly cooperative

approach and CDHC is committed to continuing to work with all interested parties as effectively and timely as possible in order to implement each aspect of the legislation and to achieve the affordable housing goals for Downtown.

Sincerely yours,



Paul K. Casey
President
Columbia Downtown Housing Corporation

cc: Board of Directors

Jesse Chancellor
Christopher Fritz
Bethany Hooper
Andrea Ingram
Rev. Mary Ka Kanahan
Oramenta Newsome
Bruce Rothschild
Russell Snyder
Patricia Sylvester
Rev. Dr. Robert Turner
John DeWolf, Ex Officio

Kevin Kelehan, Esquire, Counsel
Kelly A. Cimino, Director, Dept. of Housing and Community Development