



HOWARD COUNTY DEPARTMENT OF PLANNING AND ZONING

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Subject: Supplemental Information to Technical Staff Report for ZRA-191

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Chair, Howard County Planning Board

From: Amy Gowan, Director ^{DS}
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At the Planning Board meeting on May 21, 2020, the Department of Planning and Zoning (DPZ) presented ZRA-191. Planning Board members requested additional information beyond what is typically provided in a Technical Staff Report (TSR) and asked DPZ to collect this information. This memo is the response to that request and should be considered supplemental to the ZRA-191 TSR.

Background – ZRA-191

ZRA-191 requests to amend the following sections of the Howard County Zoning Regulations: Section 103.0 to revise the definition of Housing Commission Housing Development to include the Howard County Government; and Section 128.0.J.2.c. to allow the Planning Board to approve up to a maximum of 12 acres of housing developments owned by the Housing Commission or housing developments in which the Housing Commission is the general partner or managing member, and 12 acres of housing developments owned by the Howard County Government or in which the Howard County Government is the general partner or managing member, on non-residentially zoned land in a three-calendar year period.

Supplemental Information

The information below is based on questions asked by the Planning Board members at the May 21, 2020 hearing.

Question 1: Why is the Department of Housing and Community Development (DHCD) pursuing this zoning amendment?

DHCD is pursuing this zoning amendment to ensure that the County's housing department has the same development opportunities as the Housing Commission. While the County focuses on creating, maintaining and preserving affordable rental and homeownership units in the County, the Housing Commission primarily focuses on those activities for rental units.

The Autism Society contacted DHCD about a 5-acre, non-residential parcel that they are interested in acquiring to construct a new multi-generational housing project that will provide approximately 78 affordable rental units for seniors, families and adults with disabilities. DHCD will partner with the Autism Society on their application to the State of Maryland for low income housing tax credits (LIHTC) in the fall. This project is consistent with the General Plan affordable housing goals and the County supports this multi-generational project to address the shortage of affordable units, especially for seniors and adults with disabilities.

While this type of project could be led by the Housing Commission, the Commission already has various projects in their pipeline for which they may need to seek approval by the Planning Board.

Question 2: Why did HCHC and DHCD split? What the difference between the two agencies?

Former County Executive Kittleman's transition team recommended that DHCD and the Housing Commission split in 2017. The combined agency made it difficult for other agencies inside and outside the County, as well as for residents, to distinguish funding, programs and services for each agency and evaluate their performance towards affordable housing goals.

DHCD receives a portion of the County's transfer tax to support affordable housing programs and services. The County Executive appoints the Director and the members of the Housing and Community Development Board. The County Executive appoints the Director and directs the work program, prioritizing certain programs or services. The Housing and Community Development Board acts in an advisory role to the DHCD regarding housing and community development activities. The duties of the board are detailed in Section 13.200 of the County Code.

The Housing Commission is the County's quasi-governmental public housing authority; however, does not receive any County funding. The County's former public housing units have been converted to scattered site rentals so there are no public housing units in the County. The Commission receives funding from HUD to administer the Section 8 Housing Choice Voucher program to provide rent subsidies to low income residents, seniors and persons with disabilities in the County. The County Executive appoints the 7 Commissioners for the Commission and the Commissioners appoint the Executive Director. Rather than the County Executive, the Commissioners direct the work of the Housing Commission and the Executive Director.

While DHCD and the Housing Commission have similar missions and complement each other's work, each can pursue projects independently to meet a specific goal or objective. It is important to consider legislation to level the playing field for both agencies to have the same opportunities to affirmatively and collaboratively further affordable housing goals in the County.

Question 3: What impact will this have on all non-residential land that is included in this amendment?

The nonresidential and mixed-use zoning districts that allow Housing Commission Housing Developments are:

- Institutional Overlay (I)

- Planned Office Research (POR)
- Planned Employment Center (PEC)
- Shopping Center (SC)
- Corridor Employment (CE) – The CE zoning district was unintentionally omitted from the DPZ TSR; however, it does currently allow Housing Commission Housing Developments and will be impacted by this zoning amendment.

DPZ developed an on-line interactive map showing where Housing Commission Housing Developments are currently allowed in non-residential/mixed use zones: <https://arcg.is/1GjWrq>. The map shows the locations of the SC, CE, PEC and POR zones in Howard County and summarizes the total acreage of land in each district. The underlying existing land use by location is also shown. (Note that zones with the Institution (I) overlay were very minimal, so are not shown on the map.)

Collectively, these districts cover a small percentage of the County, a little more than 3,110 acres. Most of the land within these zoning districts lie inside the Planned Service Area (PSA) which contains approximately 70,900 acres; therefore, these districts make up approximately 4% of the PSA. This ZRA could reduce the amount of land available for non-residential development at a rate of 0.4% or 12 acres every three (3) years within these zoning districts. However, some of these districts allow for a mix of uses, with both the POR and SC districts allowing for other types of residential uses by-right. Therefore, these lands are already zoned for a mix of residential and nonresidential uses and could be used for residential regardless of increasing the acreage for affordable housing. When viewed in this context, there is a limited amount of exclusively non-residentially zoned land that would be impacted by this ZRA.

Additionally, the Zoning Regulations permit residential in most commercial zoning districts such as; Business Local (B-1), Business General (B-2), Historic Commercial (HC), Shopping Center (SC). Therefore, it is germane to the regulations to allow for some limited residential in zoning districts that are primarily non-residential.

Question 4: What are the tax implications or revenue loss (if any) that could result from allowing affordable housing developments in I, POR, PEC, SC and CE zoning districts?

A fiscal impact study would need to be conducted for a precise evaluation and results would vary depending on the specifics of each development.

In general, in Howard County non-residential land uses generate positive net fiscal impacts. Residential developments have also been shown to generate net positive fiscal impacts, primarily because 90% of all revenues to the County General Fund are from property taxes and local income taxes paid by residents. However, income and property tax revenues are less for affordable housing units compared to market rate units, and the resulting fiscal impact will not be as positive or may even result in net negative impacts. The net impact would depend on many factors, including the percentage of affordable units, the number of school children living in the homes, and the average incomes of residents, among other factors.

Question 5: Provide a statement on the relationship between this zoning amendment and APFO/school capacity.

All new proposed housing developments are subject to APFO. So, all affordable housing unit developments would have to pass the APFO tests in order to proceed. If schools are overcapacity as defined in the APFO, then these projects would not be allowed to proceed until school capacity becomes available. Per the APFO, residential projects can remain on hold for up to four years.

However, APFO Section 16.1103(e), Special Affordable Housing Opportunities, allows the County Council to advance an affordable housing development in a closed school district after considering certain criteria, such as, but not limited to, the percentage increase on school capacity, estimated number of students that will live in the housing development and the overall need for affordable housing.

Question 6: The TSR outlined how the provision of affordable/special needs housing is consistent with the General Plan, but what does the General Plan say about preserving non-residential land?

Beyond the General Plan policies in support of the creation of affordable and special needs housing identified in the TSR, the General Plan does not appear to comment on the preservation of non-residential land exclusively for non-residential purposes. Further, as indicated in the response to #3, the Zoning Regulations do not limit non-residential districts exclusively to non-residential uses but rather provides mixed use opportunities that are proportional to the purpose and intent of each district.

However, additional policies in support of ZRA-191 have been identified including:

- PlanHoward 2030 promotes County agencies working “together to develop strategies to ensure there will be an inventory of affordable housing options available for residents of various income levels” (p 128).
- PlanHoward 2030 recognizes that as development patterns in the County evolve, the existing regulatory structure should be reviewed and amended as needed to better meet the County’s goals, including the need for affordable housing. Policy 10.4 seeks to “Review and update all County development regulations to respond to County General Plan development goals and changing market conditions, and to improve the efficiency of the County’s review process.” This proposed amendment is consistent with the action of developing “Zoning Regulations that better address infill and redevelopment goals and issues.”

Recommendation

DPZ recommends approval of this ZRA as it supports the affordable housing development goals outlined in PlanHoward 2030 by increasing opportunities for the County to develop housing on non-residentially zoned land.