

League of Women Voters of Howard County
Housing Study
April, 2018

LWVHC Housing Position and Background for the Study

The LWVHC at its 2017 annual meeting agreed to conduct a study on its housing position adopted in 2005. The study was to review the position, update and to take into account changes to Howard County Housing policy since 2005. Linda Wengel, chaired the committee, committee members were Roy Appletree, Nancy Berla, Sue Buswell, Jean Israel, Thea Jones and Grace Kubofcik.

The League's housing position dates to 1968 with low-income persons and 1970 addressing Residential Care Facilities. Additional studies expanded the position to include low and moderate income persons involuntarily displaced, zoning regulations requiring a minimum percentage of affordable housing for persons with moderate income, a portion of new affordable units being reserved for Howard County public employees, favorable tax treatment for building and maintaining of affordable housing, public and private partnerships to build and manage affordable housing facilities as well as other measures to include county financing and construction of housing, public financial assistance to rehabilitate existing housing and rental housing.

The committee met with the Director of the Department of Housing and Community Development and the Executive Director of the Housing Commission. Relevant documents were obtained, telephone interviews were conducted with apartment managers to determine availability of MIHUs and changes that have occurred in Howard County housing since 2005 were reviewed.

Howard County Housing Policy Changes since 2005

Moderate Income Housing (MIHU) legislation and units developed.

The Department of Housing and the Housing Commission were separated 2016

Alternative Compliance Fee-In Lieu CB35 2013 and CB18 2014

Mixed Income Option (Carbo Scale) CB 34 2013

Downtown Columbia housing affordability controlled by a Development Rights Agreement, 2016

Howard County Plan to End Homelessness adopted 2011

Types of Affordable Housing in Use in Howard County

Inclusionary Zoning, Moderate Income Housing Units (MIHUs) which are available to households earning 60 to 80% of Howard County median income. Program Includes ownership and rental programs that comprise 10 to 15% of units in an apartment community. Administered by Department of Housing and Community Development.

Mixed income developments, developed by private developers or public/private partnerships that are financed using Low Income Housing Tax Credits (LIHTC).

Housing Choice Vouchers, formerly known as Section 8 housing, a federally financed program serving households with 30% of the area median income. They can be income or project based. Administered by the Housing Commission.

Entry level market rate housing, usually older housing that is market driven affordable housing.

Federal Deep Subsidy Housing Projects, now out of existence, but existing in Columbia's older villages.

Housing Needs and Availability

The 2016 Federal Poverty Guidelines for a family of 4 is \$24,300. Howard County 2016 Self Sufficiency Standards for an adult is \$34,924 and for adult and an infant is \$72,843, or an adult with 2 school age children is \$68,373. It is estimated that 24,000 Howard County households earn less than \$60,000, which is half the county median income, and therefore eligible for housing assistance. The Howard County Public Schools homeless students population was 486 in the 2016-2017 school year.

During the height of the economic down turn Howard County had 1,358 foreclosures filed, in 2013 the number filed was 864, in 2015 the number was 636 and in 2016 the number was 503.

The Howard County Housing Commission has reported that 9,900 renter households have incomes below \$50,000. There are only 3,247 units in the county with rents affordable to that population, leaving a shortage of 6,653 affordable units.

In June 2017, there were 761 MIHUs rentals and 252 purchased units. Waiting lists for MIHUs numbered over 2,000. In the pipeline still under construction are 1,689 rental units with 217 of those units MIHUs.

Market rent for rental housing in the county ranges from above \$2,570 to \$1,491 in older units. MIHU unit rents range from \$1,265 to \$1,323 per month the difference from market rent can range from \$226 per month to \$1305.

Funding for The Housing Choice Voucher program has virtually been at a standstill. The number of people on the waiting list, which is closed to new applicants, is 5210. The number of leased Housing Choice Vouchers in the county is 761, although the Housing Commission administers about 1100 vouchers issued from outside the county. The Housing Commission also owns and manages and maintains scattered site units throughout the county numbering 1,988 in 2017.

Constraints to Increasing Supply of Affordable Housing

The Adequate Public Facilities Ordinance, which regulates the amount of residential development in the county based on school and road capacity as well as other public services, limits the number of housing allocations available each year. The recently passed updated APFO sets stricter standards for school capacity and is believed it will severely restrict development in parts of the county where schools are overcrowded. Although, an amendment to lessen restraints on affordable housing was added to the legislation, it will still be more difficult for affordable housing projects to be built.

The recently passed federal tax bill, which reduces corporate taxes, diminishes the incentive for developers who took advantage of the Low Income Tax Credit to build affordable housing.

This program has yielded the largest supply of affordable housing nationwide. The recently passed Federal Spending Bill has increased the amount of the tax credit, which should help remedy the effects of the 2017 tax legislation.

The option for Howard County builders of single family homes to pay a fee in lieu of building affordable houses further reduces the supply of MIHUs. Fees paid are used for down payment assistance and rehabilitation costs etc. to eligible households.

In addition the above fee in lieu of option, the MIHU requirement permits developers to use an array of "alternate compliance" options.

Distribution of Affordable Housing in County

There are 64 low income apartment communities in Howard County which contain 2983 for rent units which are either income based or project based Section 8 subsidized. There are an additional 2198 other low income apartments that don't have rental assistance but are still considered to be affordable for low income families. Of the 64 subsidized communities 52 are in Columbia, 7 in Elkridge, 5 in Ellicott City. (Affordable Housing Online, 2018)

As of 2015 there were 831 MIHU units in 18 apartment communities. Most were concentrated in the northeast and southeast of the county, with only 1 development west of Route 29. It should be noted that Columbia is excluded from the MIHU requirement and much of the western part of the county is single family housing. (see map attached)

County Housing Related Programs

The Community Action Council provides Eviction Prevention Grants, Home Energy Grants, federally funded programs, which pass through the states. Other local programs such as One Month's Rent.

The Department of Housing and Community Development provide a Settlement Downpayment Loan Program, a Neighborhood Stabilization Program and the Maryland Rehabilitation Program, a county funded program for the acquisition and rehabilitation of existing properties to be leased to low income families. The department also provides grants to agencies, such as Bridges to Housing Stability. Fee in lieu funds are used to assist populations at risk of homelessness.

The Day Resource Center, a partnership between Grassroots and the faith community assists the homeless population including providing temporary housing.

All of the above agencies receive county funds.

Consensus Questions:

“Support for an adequate housing choice, in a suitable living environment, within the economic reach of all citizens (persons) of all ages. Support for maintaining and increasing the number and percentage of affordable units, (in the county).”

Amend to add: “both low-income and moderate-income units, to be distributed throughout the County.”

Delete: “maintaining and” and “in the county”

_____ Agree

_____ Disagree

1. “Support for Residential Care facilities, with establishment of County regulations governing their use, to protect the rights of the facilities’ residents and the community. (1970, 1971, 1986, 2005)”

Delete from LWVHC positions:

_____ Agree

_____ Disagree

2. “Relocating low-income persons displaced by government action. (1968, 1985, 2005)”
3. “Assistance in the relocation of low and moderate income person involuntarily displaced. (2005)”

Combine #2 and #3 into the following:

“Assistance in the relocation of low and moderate income persons involuntarily displaced by government action.”

_____ Agree

_____ Disagree

4. “Zoning regulations which require a minimum percentage of affordable housing for persons of moderate income. (2005)”
6. “Favorable tax treatment for the building and maintaining of affordable housing. (2005)”
7. “Public and private partnerships to build and manage affordable housing facilities.
8. “Other measures to include county financing and construction of housing; public financial assistance to rehabilitate existing housing; rental housing. (2005)”

Replace #4, #6, #7 and #8 with the following:

“Support for strategies which increase the number of low-income and moderate-income housing units, including:

- a) Zoning regulations
- b) Favorable tax treatment, including payment in lieu of taxes
- c) Selective use of fee in lieu of units
- d) County financing and construction of housing
- e) Public financial assistance
- f) Public and private partnerships to build and manage affordable housing facilities.

_____ Agree

_____ Disagree

5. “A portion of new affordable housing to be reserved for Howard County public employees. (2005)”

Support with no changes.

_____ Agree

_____ Disagree

Adopt the following position:

“Continue, enhance, and monitor MIHU (Moderate Income Housing Units) rental and purchase assistance, and units for those with special needs.”

_____ Agree

_____ Disagree

Adopt the following:

“Increase and monitor funds to prevent homelessness.”

_____ Agree

_____ Disagree

Adopt the following:

“Re-development of existing residential properties should not reduce the number of moderate- and low-income housing units.”

_____ Agree

_____ Disagree

Appendix I

Alternative Compliance and Fee-in Lieu

The Howard County Housing Code (Section 13.402(e)) provides for optional methods for developers to provide Moderate Income Housing units other than on their development project site.

The developer has to request alternative compliance and be granted same by the Housing and Community Development Board in consultation with the Director Of Housing, the Director of Planning and Zoning and the Director of Community and Resources Services. Options include: the moderate income housing units are provided at a different location or the developer provides a different ratio of unit type or the developer provides disability income housing units, DIHUs, a dwelling unit offered for rent to an adult person with a disability receiving Supplemental Security Income or Social Security Disability Income.

Alternatives to moderate income housing unit obligations apply only to:

- Residential single family homes for sale in the RC, RR, R-ED, R-20 and RSC zoning districts
- Age restricted adult housing & planned Senior Communities
- Mixed Use Developments
- Single family attached homes in the historic district

Section 13.402c(a)

Determinations to allow Alternative Compliance

- The number of MIHU units to be constructed will render the development economically unfeasible or
- The development proposes an indivisible package of services and facilities to all residents that would cost the moderate income owners so much that the units would be rendered unaffordable to eligible purchases
- and the alternative method results in geographic distribution of moderate Income units throughout the County.

Rehabilitation

A developer may provide up to 5 rehabilitated existing moderate income housing units, if the developer's requirement is for 29 or fewer moderate income housing units or if the developer's requirement is for 30 or more moderate income units. (Section 13.402 (g)).

Units in Foreclosure (CB10, 2010) Section 13.402A.

The developer shall substitute units by purchasing, rehabilitating, and offering for sale existing housing units that are in foreclosure.

- The substitute unit has had a mortgage or tax foreclosure proceeding initiated.
- The substitute unit has not had a mortgage or tax payment made for at least 90 days and
- The owner has publically offered the unit for sale.

Upon developer rehabilitation completion, the Housing Department must approve the unit and the sale price for the unit shall be the lowest of the following:

- The moderate income housing unit price determined by the Department
- 90% of the appraised value of the unit as rehabilitated or
- The developers actual cost of purchase, rehabilitating and selling including Carrying costs.

Offer to Low Income Purchases

The developer shall substitute units by offering 1/3 of the moderate income housing units required to eligible low-income purchasers who have an annual household income up to 60% of the median income.

Mixed Income Option (Section 13.402B)

Instead of providing moderate income housing units, the developer may provide a mix of moderate and low income housing units, for sale units at up to 60% of median income, or if rental up to 40%of median income, based on a formula.

See Appendix II

Fee-in Lieu Section13.402 C (e) CB35, 2013: CB18, 2014

The developer may pay a fee-in lieu for each unit in the development or portion of the development that is not providing MIHUs on site. The fee-in lieu rate is set each year by the County Council and is accost per square foot of residential space on the units building permit application. In Fiscal Year 2014 the rate was \$2.00 and in fiscal year 2018 \$2.07. Examples: a 3,600 sqft home would have a fee-in lieu of \$7,200; a 2,600-sqft town home would have a fee-in lieu rate of \$5,200. This fee is paid to the Department of Housing.

The Department of Housing shall use the fee-in lieu income for

- The Settlement Down Payment Loan Program
- The Rehabilitation Loan Program
- Grants to other County entities-local non profits approved by the Housing Department for rental subsidies, the purchase of homes, emergency eviction support or other housing opportunities for low and moderate income households.

In a recent census tract block group where the poverty level is 10% or greater, the fee-in-lieu shall be used only for the Settlement Down payment and the Rehabilitation Loan Program.

Appendix II

Moderate Income Housing Units

Sec. 13.402B. Mixed income option. (The Carbo Scale)

- (a) *Option.* Instead of providing moderate income housing units as required by the Zoning Regulations and section 13.402 of this subtitle, the developer may provide a mix of moderate income housing units and low income housing units at one of the percentages of total units set forth in subsection (c) of this section.
- (b) *Low Income Defined.* “Low income” is an annual household income of up to 60 percent of the median income in Howard County if the unit is for sale and up to 40 percent of the median income in Howard County if the unit is for rent. A low income housing unit for sale shall be offered to an eligible low income purchaser in accordance with section 13.404 of this subtitle. A low income housing rental unit shall be offered for rent to an eligible low income renter in accordance with section 13.405 of this subtitle.
- (c) *Percentage of Restricted Units.*
 - (1) *Fifteen percent requirement:* If the Zoning Regulations require that 15 percent of the units for sale or rent must be moderate income housing units, the developer may meet its obligation by providing moderate and low income housing units in one of the following percentages:

IF MIHU REQUIREMENT 15%		
OPTION	LOW INCOME UNITS	MODERATE INCOME UNITS
A	5%	5%
B	4%	7%
C	3%	9%
D	2%	11%
E	1%	13%

(2) *Ten percent requirement:* If the zoning regulations require that ten percent of the units for sale or rent must be moderate income housing units, the developer may meet its obligation by providing moderate and low income housing units in one of the following percentages:

IF MIHU REQUIREMENT 10%		
OPTION	LOW INCOME UNITS	MODERATE INCOME UNITS
A	4%	2%
B	3%	4%
C	2%	6%
D	1%	8%

(d) **Purchase Price.** The purchase price for the low income housing units shall be established in the same manner as set forth in section 13.403(a) of this subtitle, except that the base price shall be affordable to a purchaser with a household income equal to the following percentages of median income, adjusted by family size appropriate to the size and number of bedrooms in the unit:

- (1) Fifty-five percent for proffered units and single-family homes;
- (2) Fifty percent for semi-detached (duplexes) and single-family attached (townhomes); and
- (3) Forty-five percent for apartments (condominiums).

(e) **Rental Rates.** The rental rates for the low income housing units shall be established in the same manner as set forth in section 13.403(b) of this subtitle, except that the Department shall establish maximum rates for rental units, by bedroom size, that are equal to 30 percent of the monthly income of a household whose annual income does not exceed 40 percent of the median income.

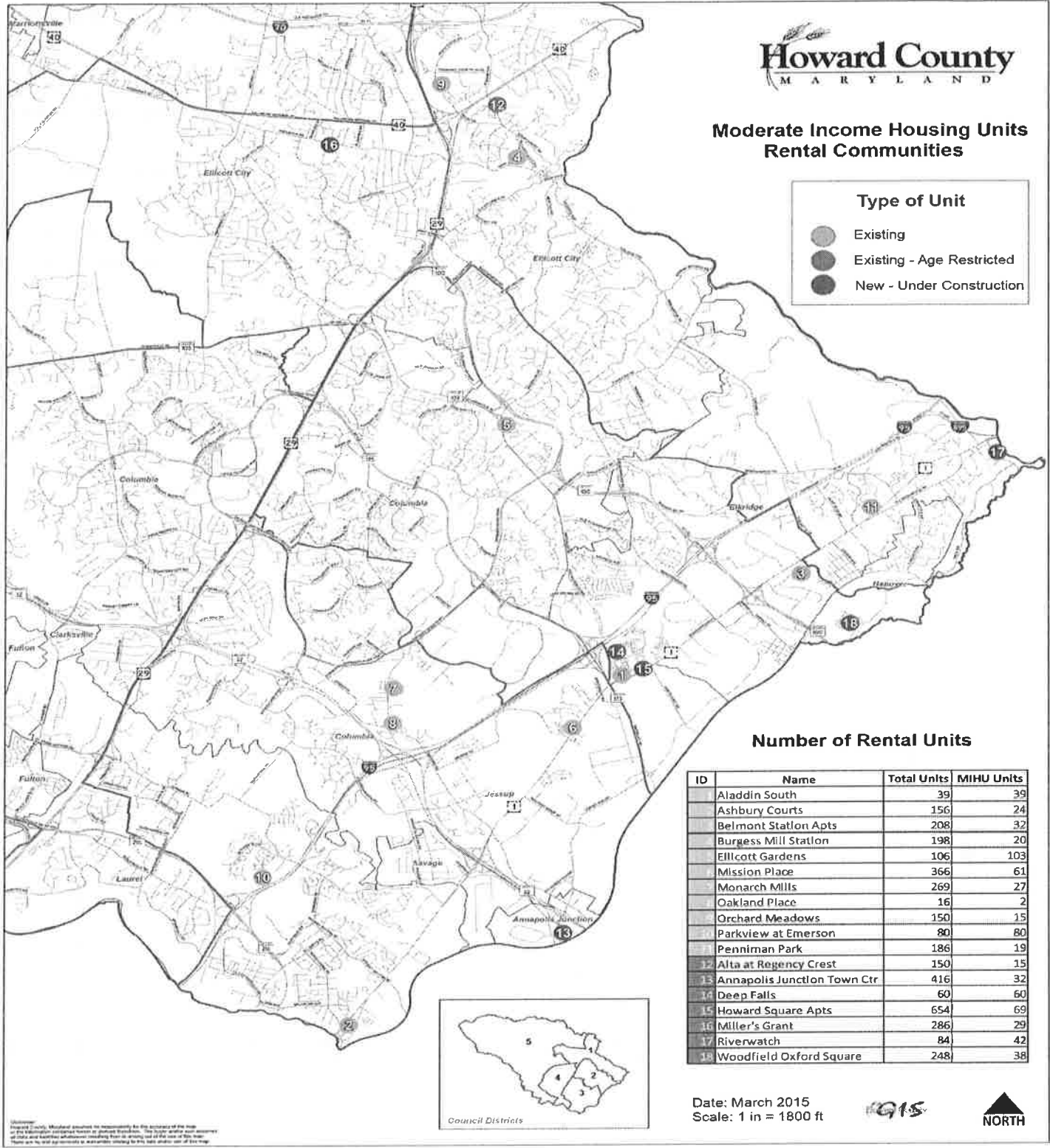
Appendix III



Moderate Income Housing Units
Rental Communities

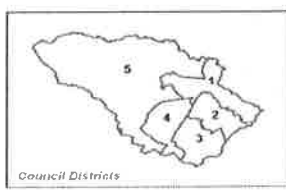
Type of Unit

- Existing
- Existing - Age Restricted
- New - Under Construction



Number of Rental Units

ID	Name	Total Units	MIHU Units
	Aladdin South	39	39
	Ashbury Courts	156	24
	Belmont Station Apts	208	32
	Burgess Mill Station	198	20
	Ellicott Gardens	106	103
	Mission Place	366	61
	Monarch Mills	269	27
	Oakland Place	16	2
	Orchard Meadows	150	15
	Parkview at Emerson	80	80
	Penniman Park	186	19
12	Alta at Regency Crest	150	15
13	Annapolis Junction Town Ctr	416	32
14	Deep Falls	60	60
15	Howard Square Apts	654	69
16	Miller's Grant	286	29
17	Riverwatch	84	42
18	Woodfield Oxford Square	248	38






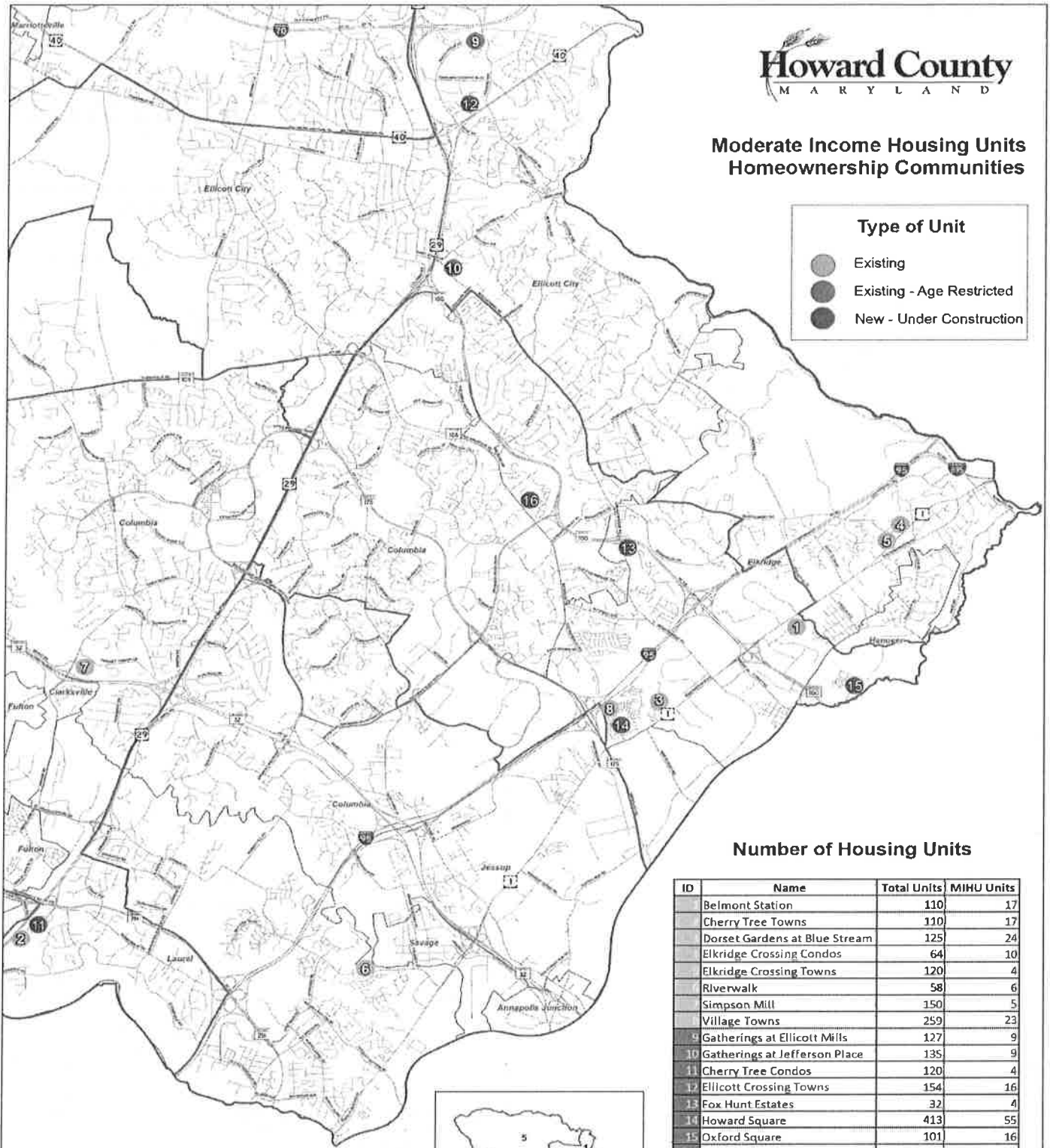
Date: March 2015
 Scale: 1 in = 1800 ft

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**Moderate Income Housing Units
Homeownership Communities**

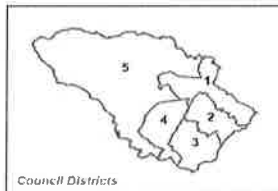
Type of Unit

-  Existing
-  Existing - Age Restricted
-  New - Under Construction



Number of Housing Units

ID	Name	Total Units	MIHU Units
	Belmont Station	110	17
	Cherry Tree Towns	110	17
	Dorset Gardens at Blue Stream	125	24
	Elkridge Crossing Condos	64	10
	Elkridge Crossing Towns	120	4
	Riverwalk	58	6
	Simpson Mill	150	5
	Village Towns	259	23
9	Gatherings at Ellicott Mills	127	9
10	Gatherings at Jefferson Place	135	9
11	Cherry Tree Condos	120	4
12	Ellicott Crossing Towns	154	16
13	Fox Hunt Estates	32	4
14	Howard Square	413	55
15	Oxford Square	101	16
16	Shipley's Grant	332	14



Date: March 2015
Scale: 1 in = 1800 ft



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