

**JOINT RECOMMENDATIONS FOR AFFORDABLE HOUSING IN DOWNTOWN
COLUMBIA**

The parties to these **Joint Recommendations for Affordable Housing in Downtown Columbia** dated September __, 2015 (the "Recommendations") are **The Howard Research And Development Corporation** ("HRD"), the **Columbia Downtown Housing Corporation** ("CDHC"), the **Howard County Housing Commission** ("Commission") and **Howard County, Maryland** ("County").

Background

On February 1, 2010, the Howard County Council ("County Council") approved Bill No. 58-2009 approving the Downtown Columbia Plan, A General Plan Amendment ("Downtown Columbia Plan"). The Downtown Columbia Plan envisioned a full spectrum housing program for Downtown Columbia to be achieved through the creation of a Downtown Columbia Community Housing Foundation which would administer a housing fund to be created from contributions from the Downtown Columbia Community Developer, developer and property owner contributions, and other sources.

On July 2, 2012 the County Council approved Bill No. 24-2012 establishing the Downtown Columbia Community Housing Fund ("Fund") for the purpose of providing affordable housing assistance as an amenity as described in the Downtown Columbia Plan and further providing for the recognition of a nonprofit entity as the Downtown Columbia Housing Foundation for purposes of administering the Fund.

On November 5, 2012, the County Council adopted Resolution 154-2012 recognizing CDHC as the Downtown Columbia Housing Foundation under the Downtown Columbia Plan.

On or about October 8, 2013, HRD, as the designated Community Developer, contributed \$1.5 Million to the Fund in accordance with the Downtown Columbia Plan and Bill 24-2012. To date, approximately \$2.3 Million in contributions have been provided to the Fund.

On March 31, 2014, CDHC presented its Second Annual Report to the County Council and County Executive in which CDHC advised that without changes in legislation it would be difficult to realize its goals regarding the development of affordable housing in Downtown.

On October 29, 2014, the County Council adopted Resolution 120-2014 requesting CDHC to consider whether legislative changes are necessary and appropriate to ensure the Downtown Columbia Plan's vision for a full spectrum of affordable housing can be achieved and to recommend any changes believed necessary and appropriate to the County Council and County Executive.

On February 27, 2015, CDHC presented its recommendations to the County Council and County Executive.

On June 8, 2015, representatives of the Community Developer presented an alternative means of achieving a full spectrum of housing in Downtown Columbia.

Representatives of CDHC, HRD, the Housing Commission and the County Executive met to discuss elements of HRD's alternative, to understand the various perspectives and objectives of the parties, to identify any modification(s) to HRD's alternative plan, and to determine what, if any, recommendations should be made to the County Council and pursued.

The purpose of these Recommendations is to set forth the parties' agreement on a plan for providing a full spectrum of housing in Downtown Columbia.

1. Definitions.

Unless otherwise defined in these Recommendations, the following words, when used in these Recommendations, shall have the following meanings:

A. "Affordable Unit" means a rental dwelling unit that is either a Middle Income Unit, a Low Income Unit, or a Very Low Income Unit.

B. "Downtown Revitalization" means a form of development required in Downtown Columbia after the effective date of the Downtown Columbia Plan in compliance with the applicable provisions of the Howard County Code and Zoning Regulations that must conform with the recommendations of the Downtown Columbia Plan.

C. "CEPPAs" means the Community Enhancements, Programs and Public Amenities identified in the Downtown Columbia Plan.

D. "Full Build Out" means that point in time when a building permit has been issued for the 5,500th Net New Market Rate Dwelling Unit within the Downtown Columbia Plan area.

E. "Downtown Columbia Community Housing Fund" means the housing trust fund established by Bill No. 24-2012 effective September 3, 2012.

F. "Middle Income Unit" means an Affordable Unit to be leased to tenants who earn a maximum of eighty percent (80%) of the Howard County median income ("AMI") (i.e., rental payment of 30% of gross income less a utility allowance) during the Restriction Period. For purposes of these Recommendations, Middle Income Units specifically do count as both Market Rate Dwelling Units and Affordable Units.

G. "Low Income Unit" means a unit as described in Internal Revenue Code section 42(g)(2).

G.1. "LIHTC Project" means a residential or mixed-use development containing Low Income Units.

H. "Market Rate Dwelling Unit" means a rental or for-sale dwelling unit developed in the Downtown Columbia Plan area which is not a Very Low Income Unit nor a unit

in a LIHTC Project.

I. "Net New" means the number of dwelling units that are permitted under the Downtown Revitalization approval process after the effective date of the Downtown Columbia Plan in excess of the number of dwelling units that are shown on a site development plan for property located within Downtown Columbia that was approved prior to the effective date of the Downtown Columbia Plan.

J. "Property" means all real property in Downtown Columbia currently owned by HRD or its affiliates consisting of approximately 230 acres as shown on Exhibit A.

K. "Very Low Income Unit" means a dwelling unit intended for tenants who either have a Section 8 voucher or whose annual household income would qualify them for a Section 8 voucher, as determined by the Commission.

L. "Zoning Regulations" means the Howard County Zoning Regulations, including, without limitation, the Downtown Revitalization provisions of the New Town (NT) District.

2. Affordable Housing.

HRD is committed to creating affordable housing in Downtown Columbia, Maryland. Toward that end, HRD agrees to facilitate the construction of up to 970 Affordable Units at Full Build Out subject to the following initiatives:

A. In conformity with Section 2.1, HRD will designate at least three percent (3%) but not more than five percent (5%) of all Net New rental units in each building containing rental units (excluding the Metropolitan and Parcel C) that is constructed or otherwise provided on the Property as Very Low Income Units;

B. In conformity with Section 2.2, HRD will ensure the inclusion of at least three percent (3%) and not more than five percent (5%) of all Net New rental units in each building containing rental units (excluding the Metropolitan and Parcel C) that is constructed or otherwise provided on the Property as Middle Income Units;

C. In conformity with Section 2.3, HRD will facilitate the development of six LIHTC Projects that are specifically designated to provide affordable rental housing to tenants whose annual income does not exceed approximately 50% of the Howard County AMI (approximately 60% of the Baltimore, Maryland MSA's AMI); and

D. In conformity with Section 2.4, modify the Fund structure.

2.1. Very Low Income Units.

A. HRD shall designate a minimum of three percent (3%) but not more than five percent (5%) of all Net New rental units within each building containing rental units that is constructed or otherwise provided on the Property (excluding the Metropolitan and Parcel C) to be Very Low Income Units in order to achieve a maximum of 180 Very Low Income Units at

Full Build-Out. The Commission shall master lease such units in each such building from HRD for a period of 40 years, and the Commission shall then in turn lease them to individual households holding Section 8 vouchers or at an income level of up to approximately 50% of the Howard County AMI. The Commission shall lease the units from HRD at a rate of 95% of the Section 8 Voucher Payment Standard ("VPS") for Columbia, MD (100% minus a 5% allowance for vacancy), which VPS rates are currently \$1,151 for an efficiency, \$1,409 for a one bedroom, \$1,634 for a two bedroom, and \$2,193 for a three bedroom. The 95% of VPS payment to HRD will be guaranteed regardless of vacancy (unless caused by HRD) and will not be discounted by a utility allowance. A portion of the \$0.05 per square foot annual commercial payment to the Fund shall be made available by CDHC to the Commission to subsidize the Commission's payment of utilities under the master lease to HRD at a level to be agreed upon by CDHC and the Commission. Units may include smaller square footages and other design elements to reduce development cost and increase affordability, in accordance with the standards shown on Exhibit B.

B. Within the first phase of development within Area 3 of the Crescent development area, HRD will designate 3% of the Net New rental units within each building containing rental units as Very Low Income Units. In future Downtown Columbia development phases, affordable designations will be made by HRD in accordance with the following schedule:

For development up to and including the 3,542nd Market Rate Dwelling Unit, three percent (3%) of all Net New rental units in each building containing rental units (excluding the Metropolitan and Parcel C) that is constructed or otherwise provided on the Property will be Very Low Income Units.

For development from the 3,543rd Market Rate Dwelling Unit up to and including the 5,500th Market Rate Dwelling Unit, five percent (5%) of all Net New rental units in each building containing rental units (excluding the Metropolitan and Parcel C) that is constructed or otherwise provided on the Property will be Very Low Income Units.

2.2. Middle Income Units.

A. HRD shall ensure that a minimum of 3% but not more than 5% of all Net New rental units in each building containing rental units that is constructed or otherwise provided on the Property (excluding the Metropolitan and Parcel C) will be Middle Income Units in order to achieve a maximum of 180 Middle Income Units at Full Build-Out. Units may include smaller square footages and other design elements to reduce development costs and increase affordability, in accordance with the standards shown on Exhibit B. Such units shall be leased to households earning up to 80% of Howard County AMI. Income qualification shall be performed by HRD or its designated building manager, and annual compliance checks may be performed by the County. Households leasing a Middle Income Unit may remain in the unit so long as their income does not exceed 100% of Howard County AMI for more than one year, in which case the building manager may either raise the rent to a market level and lease an alternative unit to a qualifying household at the restricted rent level, or relocate the original household to another unit and re-lease the Middle Income Unit to a qualifying household. HRD will execute and record a binding covenant on each building, enforceable by CDHC and the County, to require that the

income qualification program and restricted rent levels shall be maintained for a minimum of 40 years following first occupancy of a Middle Income Unit within the building (the "Restriction Period").

B. Within the first phase of development within Area 3 of the Crescent, HRD will designate 3% of the Net New rental units within each building containing rental units as Middle Income Units. In future Downtown Columbia development phases, affordable designations will be made by HRD in accordance with the following schedule:

For development up to and including the 3,542nd Market Rate Dwelling Unit, three percent (3%) of all Net New rental units in each building containing rental units (excluding the Metropolitan and Parcel C) that is constructed or otherwise provided on the Property will be Middle Income Units.

For development from the 3,543rd Market Rate Dwelling Unit up to and including the 5,500th Market Rate Dwelling Unit, five percent (5%) of all Net New rental units (excluding the Metropolitan and Parcel C) in each building containing rental units that is constructed or otherwise provide on the Property will be Middle Income Units.

2.3 Projects to be Developed Using Low Income Housing Tax Credits ("LIHTC").
HRD will develop or facilitate the development of six LIHTC Projects that are specifically designed to include Low Income Units, as follows:

A. Downtown Fire Station – Temporary and Existing Site.

(i) Consistent with CEPPA #9, HRD will provide Howard County with a suitable site for a temporary relocation of the Banneker fire station consisting of approximately one (1) acre located within Area 4 of the Crescent approximately as shown on Exhibit C ("Temporary Fire Station Site") at no cost to the County while the Banneker Fire Station site is being redeveloped. Howard County will convey the existing Banneker Fire Station site in fee simple to the Commission. HRD and Howard County will record covenants, enforceable by CDHC, on the Temporary Fire Station Site and the Banneker Fire Station site, respectively, prior to their conveyance, limiting the sites' development to the uses as contemplated herein. Each party shall be responsible for providing its site free from any environmental conditions which would prevent use of the site for residential development. The Commission shall construct a new fire station and residential development on the Banneker Fire Station Site. The new fire station development shall include approximately one hundred (100) Low Income Units as part of a mixed income development of approximately 200 units. Upon providing the Temporary Fire Station Site to the County for the temporary fire station use, HRD will have irrevocably satisfied its obligations regarding CEPPA 9 in full.

(ii) Following completion of the Banneker Fire Station redevelopment, the Temporary Fire Station site may be developed by HRD or a venture between HRD and the Commission or other developer(s) into a LIHTC Project with approximately 90 Low Income Units. Alternatively, at any time HRD may convey the Temporary Fire Station site to the Commission. Additionally, HRD must convey the Temporary Fire Station Site to the Housing Commission in fee simple for zero dollars consideration if HRD fails to meet any of the

following milestones after construction of a new fire station on the Banneker Fire Station Site has been completed: (a) commence design within 1 year, (b) apply for LIHTC financing within 2 years, or (c) commence construction of a LIHTC Project on the Temporary Fire Station Site within 3 years.

(iii) If HRD is involved in the redevelopment of the Temporary Fire Station Site, HRD may seek 70% (9% Allocation) LIHTC allocations for the affordable housing portions of these projects, and if so then the County shall use commercially reasonable efforts to assist HRD in obtaining the 70%/9% LIHTC. HRD may also seek 30% (4% Allocation) LIHTC, in which case the County agrees to use commercially reasonable efforts to assist the parties in obtaining tax-exempt bond financing in conjunction with the 4% LIHTCs.

B. Toby's Dinner Theatre Redevelopment.

(i) Subject to reaching agreement with the owners of Toby's Dinner Theatre ("Toby's"), the County, and the Commission, HRD will contribute approximately 0.44 acres of land at no cost to the redevelopment of Toby's with future contemplated improvements consisting in concept of a new building for Toby's, a performing and visual arts facility, a parking structure and approximately 200 dwelling units. HRD will also record a suitable modification ("Modification") of any covenants restricting the development of the site so it may be developed as contemplated herein, and further will not make any other modification to such covenants except to facilitate the development contemplated herein, inclusive of an affordable housing component, which Modification will be enforceable by CDHC. Any residential units constructed on the site would be developed as part of a mixed income project including approximately 50% Low Income Units.

(ii) If HRD is involved in the redevelopment of Toby's, HRD may seek 70% (9% Allocation) LIHTC allocations for the affordable housing portion of this project, and if so then the County shall use commercially reasonable efforts to assist HRD in obtaining the 70%/9% LIHTC. HRD may also seek 30% (4% Allocation) LIHTC, in which case the County agrees to use commercially reasonable efforts to assist the parties in obtaining tax-exempt bond financing in conjunction with the 4% LIHTCs.

C. Columbia Flier Building.

(i) Subject to favorable disposition of the site by the County and agreement with the Housing Commission, HRD will purchase the Columbia Flier Building site ("Columbia Flier Site") for \$2.8 Million for its anticipated development jointly with the Commission. Howard County will record a covenant on the site prior to its conveyance to HRD, limiting its development to the uses as contemplated herein. The project would be developed with approximately 220 Units as a LIHTC Project with approximately 50% Low Income Units, and may also include a commercial component, such as an incubator use, if so desired by the County. Alternatively, at any time HRD may convey the Columbia Flier Site to the Commission. Additionally, HRD must convey the Columbia Flier Site to the Commission in fee simple for zero dollars consideration if HRD fails to meet any of the following milestones after the Columbia Flier Site has been conveyed to HRD: (a) commence design within 1 year, (b) apply for LIHTC financing within 2 years, or (c) commence construction of a LIHTC Project on

the Columbia Flier Site within 3 years.

(ii) If HRD is involved in the redevelopment of the Columbia Flier Site, HRD may seek 70% (9% Allocation) LIHTC allocations for the entire project, and if so then the County shall use commercially reasonable efforts to assist HRD in obtaining the 70%/9% LIHTC. HRD may also seek 30% (4% Allocation) LIHTC, in which case the County agrees to use commercially reasonable efforts to assist the parties in obtaining tax-exempt bond financing in conjunction with the 4% LIHTCs.

D. Existing Library.

(i) If Howard County (i) decides to relocate the Central Library to a location on the Property approximately as shown on Exhibit D or to a comparable site on the Property as mutually agreed by the County and HRD, and (ii) appropriates 100% of the funds required for the construction of a New Central Library structurally compatible with HRD's utilization of the air and subsurface rights, then HRD and the County shall (a) enter into a land swap wherein the County would receive an appropriate site on the Property for a New Central Library, with air and subsurface rights retained by HRD, and HRD would receive the existing Central Library Site ("Existing Central Library Site"); and (b) HRD will construct the New Central Library using the appropriated County funds, and the Existing Central Library Site may be redeveloped by HRD or a venture between HRD and the Commission or other developer(s) as a mixed-income project containing approximately 300 total units, including approximately 50% Low Income Units. Howard County will record a covenant on the site prior to its conveyance, enforceable by CDHC and the County, limiting its development to the uses as contemplated herein. Each party shall be responsible for providing its site free from any environmental conditions which would prevent use of the site for residential development. Alternatively, at any time HRD may convey the Existing Central Library Site to the Commission. Additionally, HRD must convey the Existing Central Library Site to the Commission in fee simple for zero dollars consideration if HRD fails to meet any of the following milestones after the New Central Library has been completed: (a) commence design within 1 year, (b) apply for LIHTC financing within 2 years, or (c) commence construction of a LIHTC Project on the Existing Central Library Site within 3 years.

(ii) If by the time that the 3,542nd Net New Market Rate Unit has been developed, the New Central Library has not yet been developed and there is not County funding and a set schedule in place for the development of the New Central Library, then the parties hereto shall develop an alternative for the 150 Affordable Units anticipated from the Existing Central Library Site. Possible means to achieve the additional Affordable Units could include, but are not limited to, increasing the percentage of Very Low Income Units and/or Middle Income Units in market rate projects, increasing the number of Low Income Units on any of the undeveloped LIHTC Project sites, new LIHTC Project sites, payment of fees consistent with the original Downtown Columbia Plan or any other payment, or any other means mutually agreed upon by the parties. HRD shall agree that it will not draw building permits or commence construction on any additional Net New Market Rate Units until an alternative plan is agreed upon.

(iii) In the event that, prior to the events described in (ii) above, HRD

elects to develop the Property shown on Exhibit D contemplated for the New Central Library for a use which does not include the New Central Library, then HRD may propose an alternative, comparable site for the New Central Library, to be mutually agreed upon by the County and HRD. If a comparable replacement site is not identified and mutually agreed upon by the County and HRD, then the parties shall work together in good faith to identify a means to develop an alternative for the 150 Affordable Units anticipated from the Existing Central Library Site as discussed in (ii) above. HRD shall agree that it will not draw building permits or commence construction on any additional Net New Market Rate Units until an alternative plan is agreed upon.

(iv) In the event that, prior to the events described in (ii) above, the County decides to develop the New Central Library on the Existing Central Library Site, the parties shall work together in good faith to develop an alternative plan for the 150 Affordable Units anticipated from the Existing Central Library Site as discussed in (ii) above, which may include developing the 150 Affordable Units on the Existing Central Library Site. If an alternative plan is not developed by the time that the 3,542nd Net New Market Rate Unit has been developed, then HRD shall agree that it will not draw building permits or commence construction on any additional Net New Market Rate Units until an alternative plan is agreed upon.

(v) If HRD is involved in the redevelopment of the Existing Central Library Site, HRD may seek 70% (9% Allocation) LIHTC allocations for the affordable housing portion of this project, and if so then the County shall use reasonable commercial efforts to assist HRD in obtaining the 70%/9% LIHTC. HRD may also seek 30% (4% Allocation) LIHTC, in which case the County agrees to use reasonable commercial efforts to assist the parties in obtaining tax-exempt bond financing in conjunction with the 4% LIHTCs.

E. Future Downtown Transit Center Site.

(i) The Downtown Columbia Plan envisions a new transit center as part of the redevelopment of Downtown Columbia. The December 2011 NelsonNygaard transit study ("Study") provided to the County by HRD in satisfaction of CEPPA 5 recommended locating the new transit center in the Symphony Overlook Neighborhood, generally between the Mall and the Corporate Center buildings. HRD will provide a site for the County's construction of a new transit center including approximately 60 Low Income Units to be located on the same site on top of the transit center. HRD will record a covenant on the site prior to its conveyance, enforceable by CDHC and the County, limiting its development to the uses as contemplated herein. The site will be within the Symphony Overlook Neighborhood generally consistent with the location identified in the Study. HRD will provide the site by fee simple transfer at no cost or by long term lease of at least 99 years for a nominal sum. HRD will retain all air and subsurface development rights which are not needed for the construction of the transit center and the 60 Low Income Units, and the County's construction of the transit center and Low Income Units must be structurally compatible with HRD's utilization of the air and subsurface rights. HRD's provision of a site for a new transit center as described herein will be deemed to have irrevocably satisfied CEPPA 14.

Unit counts for the LIHTC Projects are based on approximate site areas and an assumed density

similar to the Metropolitan project recently completed downtown of approximately 100 units per acre. All LIHTC Project sites will require planning approvals from the County. To the extent that HRD acts as the developer of any of the LIHTC Project sites, it shall seek to design to and obtain approval for the unit counts contained herein and the densities feasible for the sites. In the event that any of the sites are not conveyed directly to the Commission, then the number of Low Income Units to be provided and/or facilitated by HRD and the percentage of Low Income Units in each LIHTC Project developed under these Recommendations shall be the number ultimately approved by the County on the LIHTC Project sites identified herein.

2.4 Modification of Housing Trust Fund Fee Structure

The parties agree that the fee structure contained Bill No. 24-2012 should be amended as follows:

- A. HRD, as Community Developer, has contributed the sum of \$1.5 million to the Downtown Columbia Partnership for contribution to the Fund and it is anticipated that HRD will contribute an additional \$1.5 million plus the payments into the Fund as prescribed by the current Downtown Plan for the project known as Parcel C, immediately north of the Metropolitan. HRD shall not be required to contribute additional funds except to the extent it develops or owns properties that are subject to fees required of other developers and/or property owners as set forth herein.
- B. Each developer that develops for-sale residential properties pursuant to the Downtown Revitalization Zoning Regulations shall be required to provide a one-time payment to the Downtown Columbia Partnership, for contribution to the CDHC, upon the issuance of any building permit for a residential for-sale Market Rate Dwelling Unit based on the following charges:
 - i. for each unit up to and including the 1,500th Net New unit: \$2.00 per square foot;
 - ii. for the 1,501st Net New unit up to and including the 3,500th Net New unit: \$7.00 per square foot;
 - iii. for each unit between 3,500 up to and including the 5,500th Net New unit: \$9.00 per square foot.

Payment will be contingent upon the expiration of all applicable appeal periods associated with each building permit without an appeal being filed, or if an appeal is filed, upon the issuance of a final decision of the courts upholding the issuance of the permit.

C. The amounts to be paid under subsections (B)(i), (B)(ii) and (B)(iii) above will be subject to annual adjustment as provided in Bill 24-2012.

D. The above fees will not apply to any rental residential dwelling unit in Downtown Columbia; however any rental Net New Market Rate Dwelling Unit shall be counted towards the thresholds set forth in Section 2.4.B(i) – (iii) above for purposes of calculating the fees payable by for-sale dwelling units.

E. In addition, each owner of property developed with commercial uses pursuant to the Downtown Revitalization Zoning Regulations shall provide an annual payment to the Downtown Columbia Partnership, for contribution to the CDHC, in the amount of 5 cents (\$0.05) per square foot of Gross Leasable Area for office and retail uses and 5 cents (\$0.05) per square foot of net floor area for hotels. The payment will be made annually by the property owner, with the initial payment being made prior to the issuance of an occupancy permit for net new commercial development on the property. The amount of the charge will be subject to annual adjustment as provided in Bill 24-2012.

2.5. Properties Not Owned by HRD.

The Downtown Columbia Plan and/or Zoning Regulations should be amended to require that any property that is not a "Property" as defined herein, but which is subject to the Downtown Columbia Plan and is proposed for residential development, must provide a least 10% of the units as Moderate Income Housing Units serving households at not more than 60% of the Howard County median income. Because it does not currently own these properties, HRD takes no position on this recommendation.

3. Modification of Existing Parking Ratios.

Based upon an analysis by the County, the parties agree existing parking ratios for Downtown Columbia should be modified to a more urban standard and to reduce parking requirements and associated costs as follows:

3.1. Market Rate.

The parking ratios set forth in Section 133.0.F.3 of the Zoning Regulations should be modified to the following ratios for each Net New Market Rate Dwelling Unit located within Downtown Columbia, subject to confirmation that the below ratios are supported for Downtown Columbia by an updated shared parking analysis:

- A. Studio or 1-bedroom: 1.1 spaces per unit
- B. 2- or 3-bedroom: 1.65 spaces per unit.

The parking ratios set forth above may be further reduced for New Affordable Units, similar to reductions provided for affordable units in jurisdictions such as Montgomery County, Los Angeles, Seattle and Denver, where parking ratios are reduced between 25% and 50%, subject to confirmation that the reduced ratios are supported for Downtown Columbia by an updated shared parking analysis.

4. Exclusion of LIHTC and Very Low Income Units from Residential Development Limits.

4.1. Based upon an analysis by the County, the parties agree the Zoning Regulations should be amended to exclude all Very Low Income Units developed and all Units within LIHTC Projects developed from the 5,500 unit maximum number of Net New residential units permitted Downtown. Furthermore, the Adequate Public Facilities Ordinance should be

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amended if necessary such that the housing unit allocation chart adopted each year by the County Council includes additional housing unit allocations advanced from future years in the same manner as provided for residential units in Downtown Columbia under existing law equal to the combined total number of Very Low Income Units and all units within LIHTC Projects as provided in Sections 2.1 and 2.3 above.

The County agrees to submit legislation contemplated by these Recommendations to the Howard County Council for introduction within thirty (30) days after the date of these Recommendations and to affirmatively support the passage of such legislation.

The parties understand and acknowledge that all sections of these Recommendations are integral to the whole and are not severable. To become enforceable, each provision of these Recommendations must be incorporated into a binding Development Rights and Responsibilities Agreement ("DRRA") and no obligation shall be created on any party hereto until (i) the execution of such DRRA and (ii) the passage of all required legislation and zoning modifications required to implement all sections of these Recommendations, unless the waiver or one or more elements is mutually agreed to in writing by all parties.

These Recommendations are non-binding on the parties but are intended to confirm the parties' agreement on the concepts for achieving the goal of a full spectrum of housing in Downtown Columbia as set forth herein and the parties' commitment to work together in good faith to enter into a formal Development Rights and Responsibilities Agreement to formalize the agreements reached herein.

References to the parties in these Recommendations include their successors and assigns.

WITNESS/ATTEST

**THE HOWARD RESEARCH AND
DEVELOPMENT CORPORATION**

By: _____
John DeWolf
Vice President

**COLUMBIA DOWNTOWN HOUSING
CORPORATION**

By: _____
Paul K. Casey
President

DRAFT 9.4.15

**HOWARD COUNTY HOUSING
COMMISSION**

By: _____
Thomas P. Carbo
Executive Director

HOWARD COUNTY, MARYLAND

By: _____
Allan Kittleman
County Executive

EXHIBIT A

Town Center Ownership by HHC					
FDP PHASE	SECTION/AREA	PLAT	PARCEL	ACREAGE	OWNER
140-A-1	7/8	4355	D	3.414	HRD
			E	0.815	HRD
		14938	4	0.99	HRD
111-A-1	7/6	4369	D-1	3.937	Town Center East Parking Lot Business Trust
			H	0.573	Town Center East Parking Lot Business Trust
		21/56	B	1.211	Town Center East Business Trust
	7/1	15694	F-2	1.135	HRD Parking Deck Business Trust
	7/6	16142	C-2	0.234	Town Center East Parking Lot Business Trust
62-A-1	7/1	26/23	A-1	1.681	Town Center East Parking Lot Business Trust
		26/23	D-1	2.574	Town Center East Parking Lot Business Trust
4-A-V	1	12/62	2	0.262	Town Center East Business Trust
			3	0.743	Town Center East Business Trust
			5	1.077	Town Center East Business Trust
		4293	1-A	1.578	Town Center East Business Trust
		13186	21	0.459	HRD Parking Deck Business Trust
			22	0.323	Wincopin Restaurant Business Trust
		13536	13	10.198	Merriweather Post Business Trust
		30/45	11C	0.413	HRD
		30/45	11D	0.077	HRD
		30/45	11E	0.05	HRD
		30/45	11F	0.046	HRD
		30/45	11G	0.391	HRD
4-A-V and 139-A-III		30/45 27/64	Symphony Woods Road	2.578	HRD
225	unsubdivided			64.4	HRD
95		23/86	17	2.315	ACB Parking Business Trust
		23/86	18	7.504	Clover Acquisitions, LLC
139-A-III	1/3	27/64	2	9.196	HRD
234	5/4	14054	1	5.487	HRD
			2	4.396	HRD
			3	1.428	HRD
225	unsubdivided			64.4	HRD
217-A-1	2/8	14022	C	5.448	Parcel C Property, LLC (JV with Kettler, et al.)
			D	4.781	Parcel D Property, LLC (JV with Kettler, et al.)
		14021	1	3.105	HRD
224-A	2/9	12669	1	0.37	HRD
122-A	2/4	4542	A-2	2.405	10 CCC, LLC
			A-4	1.412	20 CCC, LLC
			A-6	2.009	10/20/30 CCC Parking Deck, LLC
			A-7	2.432	30 CCC, LLC
192-A	2/5	6321	A	1.841	40 CCC Parking Deck, LLC
			B	2.178	40 CCC, LLC
		8577	C-4	0.981	60 CCC, LLC
			C-1	1.176	50 CCC, LLC
192-A, 211-A	2/8	14022	E	6.176	50/60/70 CCC Parking Deck, LLC
211-A		9512	B	2.006	70 CC, LLC
TOTAL				230.205	Acres

Exhibit B

Downtown Columbia Affordable Housing Guidelines

The guidelines below apply to the Middle Income (80% AMI) and Very Low Income (30% AMI) units (jointly termed "Affordable Units") in all HHC market rate buildings to be developed in Downtown Columbia, unless otherwise stated.

1. Location

The location of affordable units in each building shall not be congregated into one area of the building, and shall be dispersed to the extent possible taking into consideration design constraints. Affordable Units may be stacked vertically.

2. Unit Mix

The unit mix of the Affordable Units in each building shall be similar to the overall unit mix of the building within 30% of the unit mix percentage for each unit type. The table below provides two examples of permissible unit quantities in a 300-unit building which provides 6% Affordable Units (3% Middle Income and 3% Very Low Income Units):

Unit Type	Total Building		Scenario One			Scenario Two		
	Total Quantity	Unit Mix	Quantity AUs	%(max)	Relative Ratio	Quantity AUs	%(min)	Relative Ratio
Studio	45	15%	3	16.7%	+11%	2	11.1%	(-26%)
1bd	135	45%	9	50%	+11%	7	38.9%	(-14%)
2bd	90	30%	4	22.2%	(-26%)	7	38.9%	+30%
3bd	30	10%	2	11.1%	+11%	2	11.1%	+11%
Total	300	100%	18	100%		18	100%	

3. Unit Size

The minimum gross floor area for Affordable Units shall be:

Studio/Efficiency:	350 square feet
1 Bedroom Unit:	500 square feet
2 Bedroom Unit:	650 square feet
3 Bedroom Unit:	850 square feet

If market rate units for a particular unit type in a project are smaller than the minimums listed above (i.e. a market rate micro-unit of 300 square feet), then the affordable units of that type may be the same square footage as the market rate.

In addition to the minimum square footages listed above, the minimum gross floor area for Affordable Units shall be no less than 80% of the minimum gross floor area for each market rate unit type in each particular project. The table below provides two examples of minimum permissible unit sizes within individual sample projects:

Unit Type	Scenario One (Smaller Units)			Scenario Two (Larger Units)		
	Market Rate Unit Size (min)	AU Unit Size (min)	% of Market Rate	Market Rate Unit Size (min)	AU Unit Size (min)	% of Market Rate
Studio	400	350	87.5%	500	400	80%
1bd	550	500	90.9%	650	520	80%
2bd	850	680	80%	900	720	80%
3bd	1,000	850	85%	1,200	960	80%

4. Occupancy

The minimum and maximum occupancy levels for each unit type shall be:

<u>Unit Type</u>	<u>Min</u>	<u>Max</u>
Studio/Efficiency:	1	2
1 Bedroom Unit:	1	2
2 Bedroom Unit:	2	4
3 Bedroom Unit:	3	6

5. Rental Rates

The rental rates for the Very Low Income units shall be 95% of the Section 8 Voucher Payment Standard, to be master leased by the Housing Commission. There shall be no discount from these rent levels for utility allowances. A portion of the annual commercial payments to the CDHC housing fund of \$0.05/sf from new downtown commercial development shall be made available to the Housing Commission (as master lessee) to subsidize the utility costs of the tenants, at a level to be mutually agreed upon between CDHC and the Commission.

The rental rates for the Middle Income units shall be based on the Howard County median income (family of four), adjusted for household size, then adjusted at 80% of the median income, with the annual rent calculated at 30% of the income, less a utility allowance.

For example, in 2015, the following rent schedule would apply:

Median Income (family of 4): \$109,476

Unit Type	Occupancy Base	Household Adjustment	Adjusted Income	Income at 80% AMI	Annual Max Rent	Monthly Max Rent*
Studio/Eff	1.0	70%	\$76,633	\$61,306	\$18,392	\$1,533
1 Bedroom	1.5	75%	\$82,107	\$65,686	\$19,706	\$1,642
2 Bedroom	3.0	90%	\$98,528	\$78,822	\$23,647	\$1,970
3 Bedroom	4.5	104%	\$113,855	\$91,084	\$27,325	\$2,277

*The Monthly Maximum Rent for each unit type shall be charged regardless of the actual number of occupants. Does not include utility charges and service fees that are paid by the owner.

6. Eligibility Income Limits

Middle Income Unit applicants shall be subject to maximum income limits by household size assuming the following household size adjustments to the median area income (at 80%):

- 1 person: 70%
- 2 persons: 80%
- 3 persons: 90%
- 4 persons: 100%
- 5 persons: 108%
- 6 persons: 116%

7. Quantity of Bathrooms

The minimum number of bathrooms (including toilet, sink, shower or tub) for any affordable unit shall be:

Studio/Efficiency:	1
1 Bedroom Unit:	1
2 Bedroom Unit:	1
3 Bedroom Unit:	2

8. Bedrooms

The minimum bedroom size shall be 100 square feet, subject to applicable code requirements.

9. Unit Finishes

In order to keep the construction costs of affordable units down, affordable units may have different unit interior finishes from the market rate units as follows:

- Carpet in bedrooms, living and dining areas
- VCT flooring in bathrooms and kitchens
- Formica countertops in kitchens and bathrooms
- Black or white appliances
- No decorative backsplashes in the kitchen
- Standard builder grade cabinetry
- Standard builder grade electrical and plumbing fixtures

Unit entries of affordable and market rate units shall be identical, such that an affordable unit is not discernible from a market rate unit in the building corridors.

10. Additional Fees

Additional fees charged for market rate unit and affordable unit applicants and tenants shall be the same. Fees may include, but are not limited to: application fees, parking space fees, pet fees, storage space rental fees, guest passes (for pool use), lost key fees and amenity rental fees. Security deposit requirements are subject to applicant credit standing and income qualification.

EXHIBIT C

**Temporary Fire
Station Site**

Little Patuxent Pkwy

+365

+358

+369

OS 6,000 sf+

+350

+345

+350

Area 1

+338

Crescent W

Symphony Woods
Merriweather Post Pavilion

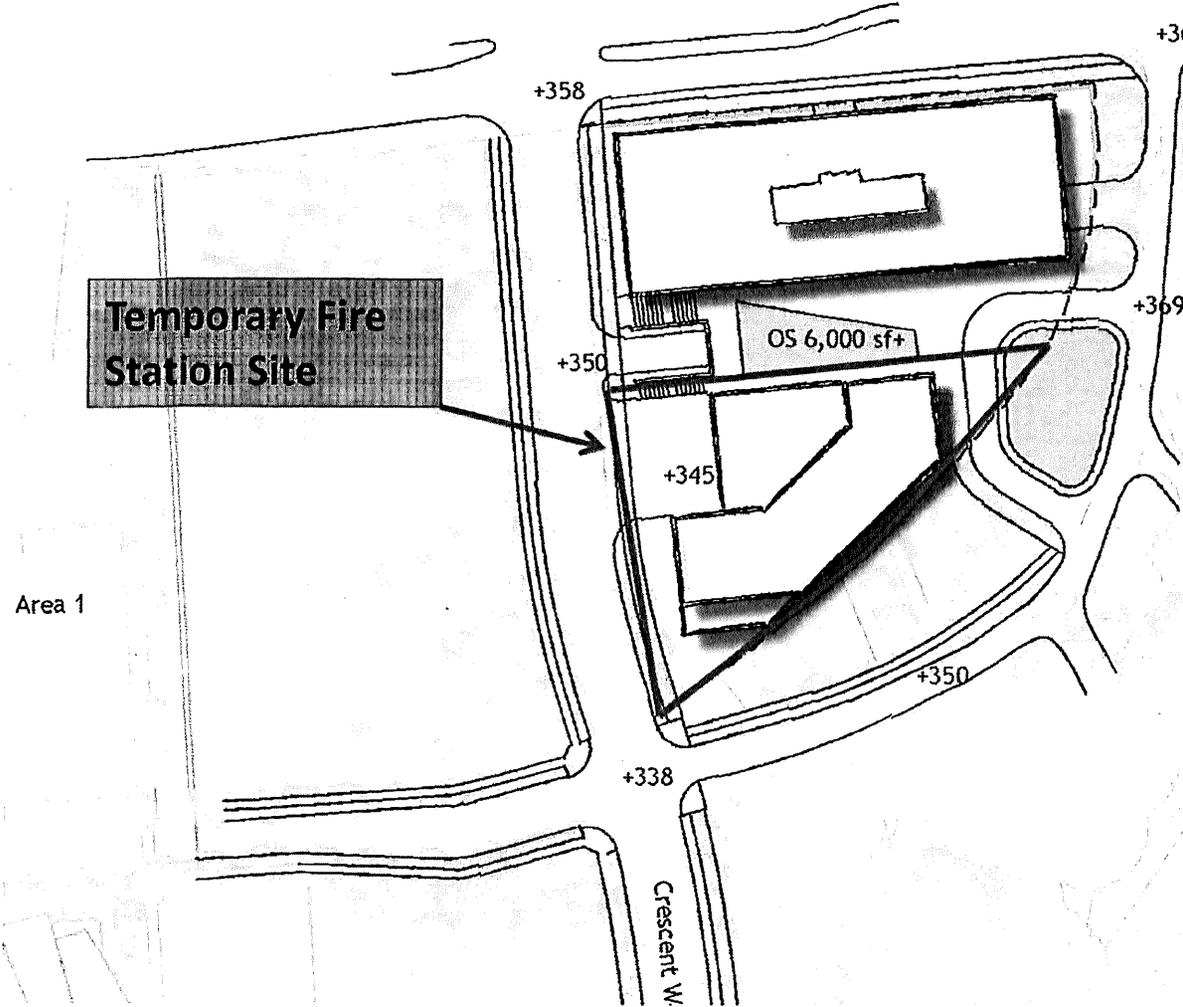
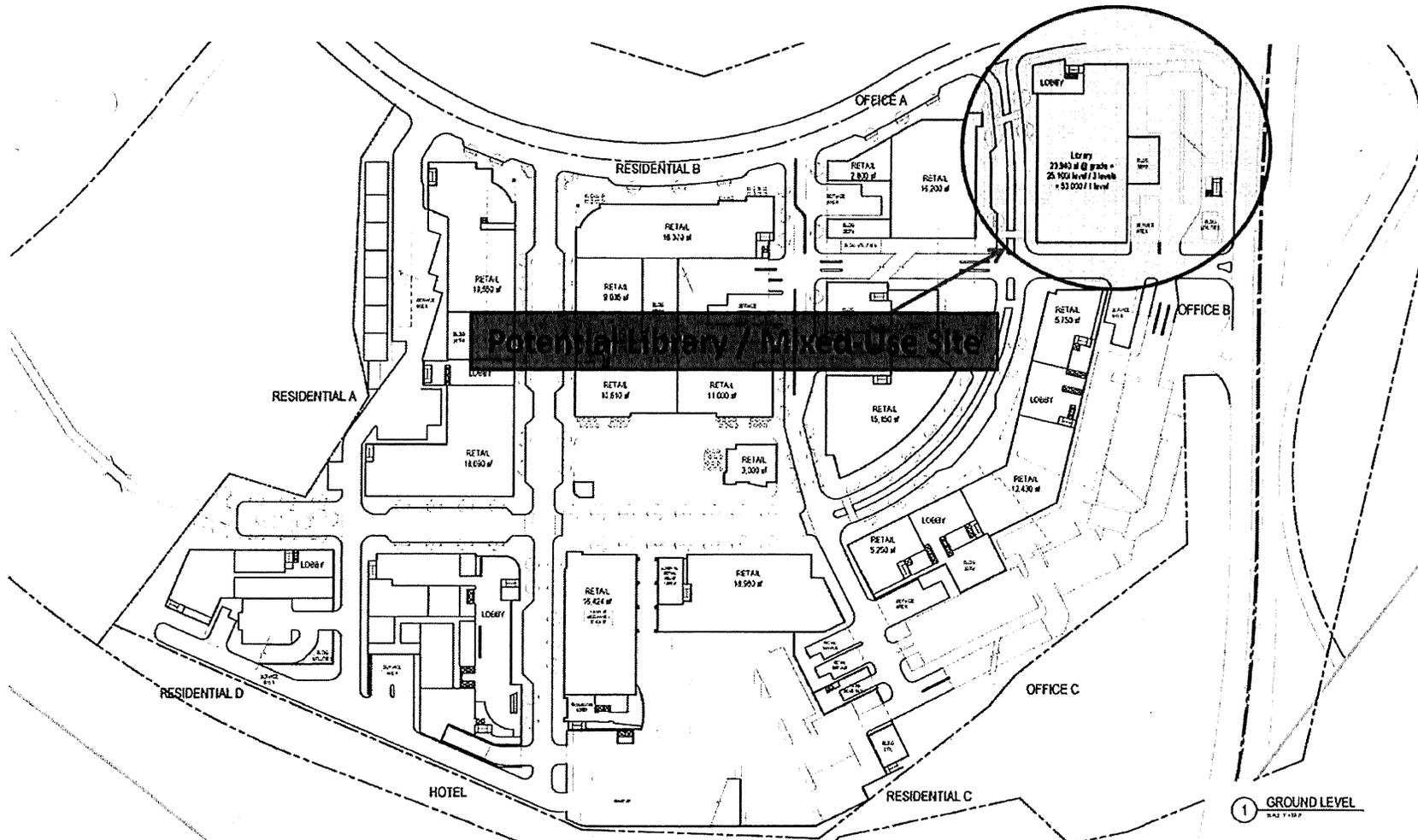


EXHIBIT D

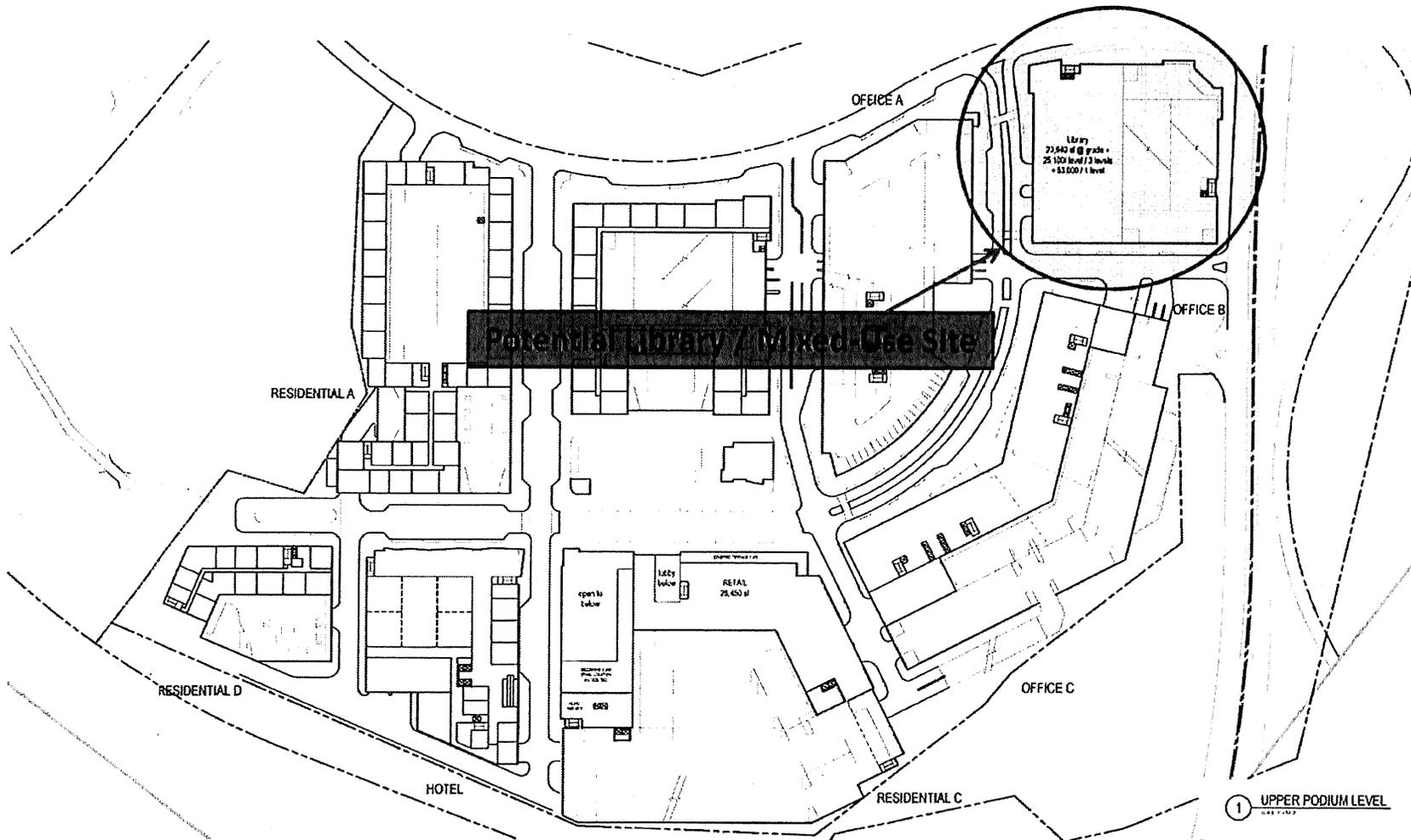


MERRIWEATHER DISTRICT
COLUMBIA, MARYLAND
26 JUNE, 2015
Street Level Plan
Conceptual Plan – Subject to Change

JP2
JP2 ARCHITECTS
2835 O'Donnell Street,
Suite 300
Baltimore, MD 21224
t 410 278 7470
f 410 276 7471
www.JP2architects.com

1 GROUND LEVEL
SCALE 1"=50'

Client:
Howard Hughes Corp.
10221 Wincopin Circle
Columbia, MD 21044
t 410 984 4800



JP2 ARCHITECTS
 2935 O'Donnell Street,
 Suite 300
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MERRIWEATHER DISTRICT

COLUMBIA, MARYLAND

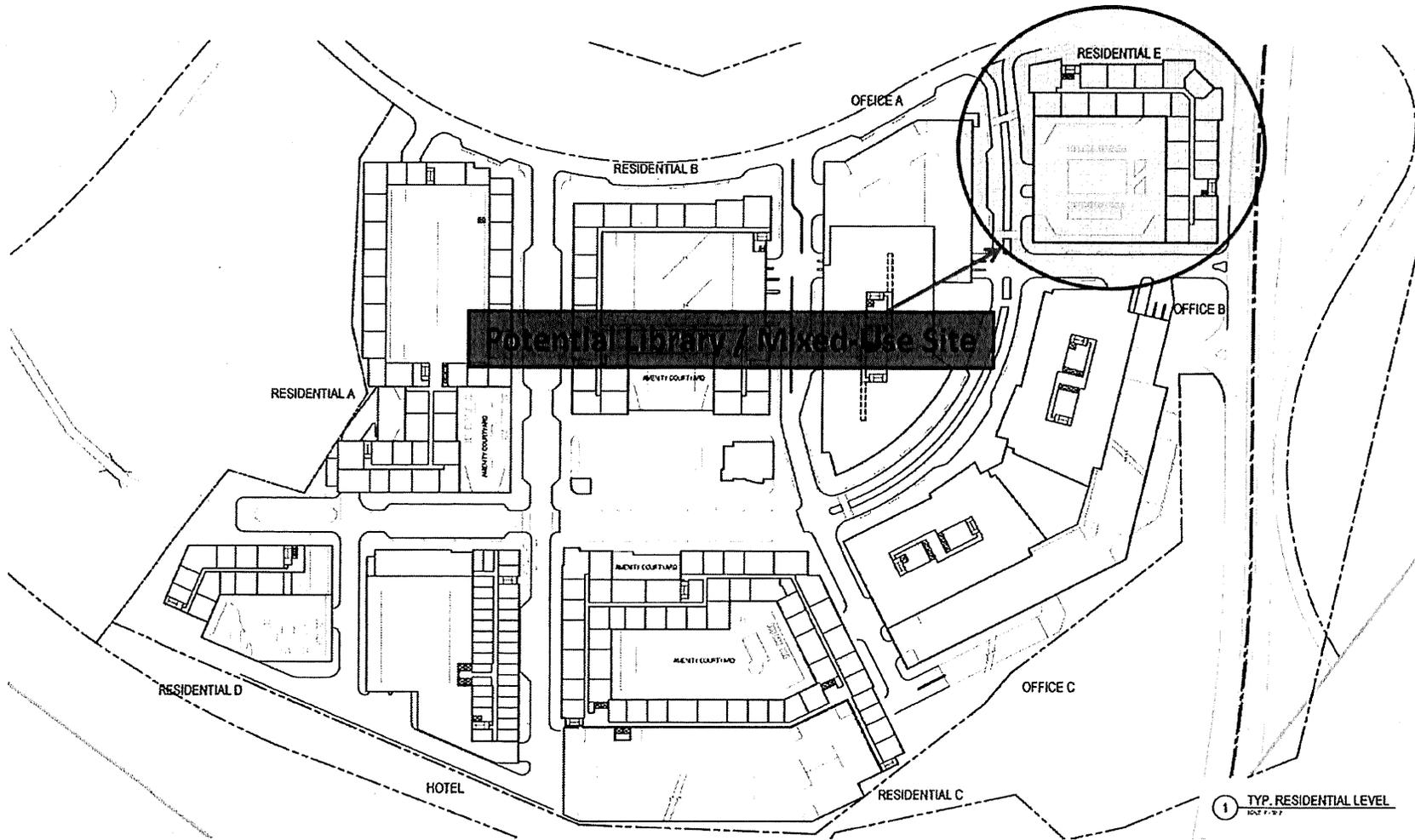
26 JUNE, 2015

Level Two Plan

Conceptual Plan – Subject to Change

1 UPPER PODIUM LEVEL

Client:
 Howard Hughes Corp.
 10221 Winopin Circle
 Columbia, MD 21044
 t 410.964.4900



JP2 ARCHITECTS
 2835 O'Donnell Street,
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MERRIWEATHER DISTRICT

COLUMBIA, MARYLAND

26 JUNE, 2015

Upper Levels Plan Conceptual Plan – Subject to Change

1 TYP. RESIDENTIAL LEVEL
 100' = 1" = 1/8"

Client:
 Howard Hughes Corp.
 10221 Wicopin Circle
 Columbia, MD 21044
 t 410.064.4000



Howard County

HOUSING

September 4, 2015

The Honorable Allan Kittleman
The Honorable Mary Kay Sigaty
3430 Courthouse Drive
Ellicott City, Maryland 21043

Re: Joint Recommendations for Affordable Housing in Downtown Columbia

Dear Mr. Kittleman and Mrs. Sigaty:

At a special meeting held on Tuesday, September 1, 2015, the Howard County Housing Commission (the "Commission") considered and voted to approve the proposed Joint Recommendations for Affordable Housing in Downtown Columbia, a copy of which is enclosed (the "Joint Recommendations"). The Commission also discussed and voted to offer the following additional recommendations:

- 1) For any Low Income Housing Tax Credit project developed by HRD, the Commission should be granted a right of first refusal to purchase the project after the 15-year tax credit compliance period for the minimum purchase price in accordance with Section 42 of the Internal Revenue Code.
- 2) For any Low Income Housing Tax Credit project developed by the Commission, HRD should agree to provide, as a lender of last resort, modest gap financing to cover any shortfalls in the project's development budget.
- 3) The Columbia Downtown Housing Corporation ("CDHC") should agree to provide funding from the Downtown Columbia Community Housing Fund as necessary to assist in the development of any of the Low Income Housing Tax Credit projects.
- 4) HRD should agree, as part of the master lease for Very Low Income Units, to provide the same level of maintenance, repair, and capital improvements over the 40-year term of the lease as are provided for market rate units.

The Commission welcomes the opportunity to assist in the efforts to realize the Downtown Columbia Plan's vision of a full spectrum of housing. If you have any

questions, please do not hesitate to contact us.

Sincerely,



Thomas P. Carbo
Executive Director

Enclosure

cc: County Council Members
Commissioners
Columbia Downtown Housing Corporation
Greg Fitchitt
B. Diane Wilson
Lonnie Robbins
Carl DeLorenzo
Shirelle Bennett

