

**The Howard Hughes Corporation
Downtown Columbia Pre-submission Community Meeting
February 20, 2016 • Howard Community College
Joint Recommendations for Affordable Housing
Development Rights and Responsibilities Agreement (DRRA)**

Purpose:

The Howard Hughes Corporation (HHC) held a Pre-Submission Community Meeting on Saturday, February 20, 2016, for the purpose of presenting the Development Rights and Responsibilities Agreement (DRRA) and affordable housing recommendations for Downtown Columbia.

DRRA elements were presented in a talk accompanied by slides illustrating aspects of the proposal. Handouts shared a summary of the agreement, as well as the definitions of key terms.

Presenters/Panel:

- Greg Fitchitt, Vice President Development, Howard Hughes
- Tom Carbo, Executive Director, Howard County Housing Commission (HCHC)
- Paul Casey, President, Columbia Downtown Housing Corporation (CDHC)
- Carl DeLorenzo, Director of Policy and Programs, Office of the County Executive

Attendance: Approximately 80 people.

At 1 p.m., Greg Fitchitt brought the meeting to order. He stated the purpose of this particular Pre-submission Community Meeting is to present the Development Rights and Responsibilities Agreement (DRRA) and affordable housing recommendations for Downtown Columbia. He reviewed the agenda for the meeting and described the handouts. There would be a presentation of the housing recommendations followed by a question and answer session. The recommendations were created jointly among the Columbia Downtown Housing Corporation (CDHC), the Howard County Housing Commission (HCHC), the County Administration and The Howard Hughes Corporation. He introduced joint partner representatives (listed above) on hand to answer questions.

First, Mr. Fitchitt described the existing 16-step review process for all Downtown Columbia development projects, pointing out opportunities for community input. Next, he presented an update of the Downtown Columbia Plan, approved in 2010 in order to develop the area around downtown as a true urban center for Columbia. He cited the following projects: the renovation of Clyde's, the opening of Petit Louis Bistro, the development of The Mall's Outdoor Plaza, the renovation of The Rouse Company Building to include Haven on the Lake and Whole Foods, and the building and opening of The Metropolitan. It was mentioned that development efforts have not been exclusively the work of Howard Hughes, but also that of General Growth Properties (GGP) and the Columbia Association. Projects currently under construction were mentioned, such as the renovation work at Merriweather Post Pavilion, the One Merriweather office building under construction on the corner of Little Patuxent Parkway and Broken Land Parkway, Inner Arbor Trust's Chrysalis amphitheater in Symphony Woods and the soon-to-be under construction Parcel C apartments.

The initial affordable housing responsibility of the master developer under the Downtown Columbia Plan was iterated, a plan that called for the developer to contribute a fee at various landmark stages of construction to a housing fund managed by the CDHC, plus a per-unit fee

with each unit of market rate housing developed. With these contributions, the fund currently contains approximately \$5 million to develop affordable housing projects. While CDHC was charged with using the fund to create affordable housing, there was no clear mechanism in place to accomplish it, thus a desire grew to make changes to ensure that affordable housing units would be built in Downtown Columbia. The DRRRA and affordable housing joint recommendations developed over the past year present that plan.

The recommendations are practical, achievable ways to deliver a significant amount of affordable housing in the downtown area, delivering approximately 1,000 units with the full build out of the Downtown Columbia Plan. The units will be delivered in a full spectrum of income levels, including 200 very low income units targeting people earning 30% of the Howard County median income, 500 Low Income Housing Tax Credit (LIHTC) units at 50% of the Howard County average median income, and 200 middle income units targeted at 80% of median income. In addition, there will be 110 LIHTC units on a property adjacent to downtown, formerly the Columbia Flier Building. These affordable housing units will be distributed throughout the downtown area. All market rate apartment projects built going forward will also include very low, low and middle income units.

The 900 affordable units are exempt from the 5,500 unit cap for housing in Downtown Columbia. In the recommendations, there is also a reduction of parking requirements for studio and one bedroom apartments. In addition to its past contributions to the CDHC fund, donating land and developing or aiding in the development of these projects, Howard Hughes will be creating an additional \$3.2 million gap financing fund to help finance some of the tax credit projects.

A slide provided an example of who might live in the various types of affordable housing based on demographics such as income, employment, age, and family status: a single mom with a housekeeping position and an annual income of \$20,000 corresponds to a very low-income unit with a \$520/month rent; a young professional architect with an annual salary of \$37,000 might find himself in a low-income unit with a \$928/month rent; or a young, dual-income family making \$78,000 might be suited for a 2 bedroom middle-income unit at \$1,970/month.

A map of Downtown Columbia showed where the different types of affordable housing will be located, including future market rate project sites and HCHC project sites. Middle, low and very low income locations would exist throughout downtown, some to start as soon as the next stage of Merriweather District (Crescent Neighborhood) gets under way. The six HCHC project locations were identified on another map. Other slides illustrated what various project sites might look like, such as housing over a future fire station and a transit hub. The HCHC sites are:

- **Banneker Fire Station** – a temporary fire station will be built in the Merriweather District (Crescent Neighborhood) while the Banneker site is redeveloped to include above-station housing – approximately 200 units, 100 at market rate and 100 at 50% of county median income. The renovation of the Banneker station has been included in Howard County’s Capital Plan since 2004, and the Downtown Columbia Plan recommends “incorporating mixed-use and affordable housing into the new fire station.”
- **Temporary Fire Station Site** – after use as a temporary fire station while the Banneker site is being redeveloped, the temporary station site will become a LIHTC site with approximately 90 units at 50% Howard County median income.
- **Future Transit Hub** – called for in the Downtown Columbia Plan, the transit hub will include approximately 60 low income housing units above the facility, possibly seniors.

- **Redevelopment of Toby's** – planned to become an arts center and a new dinner theater facility for Toby's, with approximately 100 LIHTC units and 100 market rate using, it will also include a parking structure.
- **Current Library Location** – with the development of a new central library in the Merriweather District (Crescent Neighborhood), the old site will become a mixed income LIHTC project for housing after the new library is complete. There will be approximately 150 market rate units and 150 LIHTC.
- **Columbia Flier Building Site** – outside of Downtown Columbia proper, Howard Hughes will fund the HCHC purchase of the site to be developed with a mix of market rate and affordable housing. Overall, the site will hold approximately 110 at market rate, 110 LIHTC units.

The final slide of the presentation listed next steps in the review and approval process. Affordable housing projects will begin in earnest with the development of Area 3 of the Merriweather District (Crescent Neighborhood), which will include both very low income units and middle income units.

The presentation concluded at 1:24, beginning a question and answer period.

Question and Answers:

Question: How long will this plan take?

Answer: The Downtown Columbia Plan is a 30-year plan, and we are currently about six years into its implementation. While many would like to see these projects happen at a faster pace, 20 to 30 years is probably a realistic time frame to consider.

Question: How much low income housing will be built on Howard Hughes land?

Answer: There will be 150 LIHTC units built directly on Howard Hughes land, 90 units at the temporary fire station site and the 60 for the transit center site. The Middle Income Units and Very Low Income Units will also be built within all apartment projects developed by Howard Hughes on Howard Hughes land, up to a total of approximately 400 additional units (200 of each type). Howard Hughes is also contributing a parcel of land to the Toby's project, to the new library project through a land swap and funding HCHC's purchase of the Flier site.

Question: For the affordable housing units not being built on Howard Hughes land, will Howard Hughes be building it and turning it over to the County? If you are not building these units, who will be?

Answer: Howard Hughes will be involved in the building of all the affordable housing sites except for the Banneker Fire Station location in one way or another. HCHC will develop that project. Other sites, like the Toby's project, are a mix of efforts. HCHC will be developing that project in conjunction with Toby and Hal Orenstein, Orchard Development and the County, but Howard Hughes will provide some of the land and support the development. Similarly, Howard Hughes will provide a site for a new central library in the Merriweather District (Crescent Neighborhood), freeing up the existing site for affordable housing development by HCHC.

Question: It sounds like other than the 150 units, affordable housing will be built and financed by the County. Is that true?

Answer: The housing projects will not be funded by the County. Some will be funded by HCHC. Bonding and financing will also be through the HCHC, which is an independent entity from the County. Except for the Banneker site and the former Flier Building site, Howard Hughes is contributing land in all of the affordable housing projects, and Howard Hughes is financing the land purchase for the Flier site.

Question: With this agreement, affordable housing counts will come on top of the 5,500 units allotted to downtown. How will this affect traffic and parking issues in Downtown Columbia?

Answer: Currently, the Downtown Plan allows for the development of 5,500 units, and a contribution to a fund for affordable housing. With these joint recommendations, the developer now participates in the building of affordable housing as it develops the market rate units and the residential cap is extended by the number of affordable units. Each individual project will involve a planning review of traffic and parking issues pertinent to it to make sure it will work within the redevelopment of Downtown.

Question: The Banneker fire station residences will be built in an existing neighborhood. What studies have been done about how it will affect the existing population, schools and parking?

Answer: At the moment, the projects presented are in the conceptual phase. As planning proceeds, details will be developed and studies undertaken as to the impact on the community for things like parking and traffic. At that point, issues will be addressed and resolved.

Question: What determines the need for affordable housing in Downtown Columbia?

Answer: At the moment, there are waitlists for affordable housing in the County. It is the policy of the County, including the Downtown Columbia Plan, to ensure that there is a full spectrum of housing provided with new development.

Question: When looking at income levels, we have heard the median income of Howard County and Baltimore region being quoted. Which is the one that helps determine affordable housing income levels?

Answer: The percentage of very low, low, and moderate housing units in Howard County is based on the Howard County median household income. LIHTC projects and Housing Choice Vouchers are federal programs and are based on a Baltimore regional median household income.

Question: It is my understanding that the fire station on Banneker Road is zoned as 'open space.' Is housing an acceptable use of land zoned for open space?

Answer: The Banneker fire station site is zoned New Town, thus any use permitted for downtown is an acceptable use on the site. Incidentally, the idea for redeveloping the fire station with affordable housing is part of the original Downtown Columbia Plan.

Question: Is there a school that will be built for Downtown Columbia?

Answer: There are 27 different requirements that take effect at various thresholds in the Downtown Columbia Plan. One of them is a school needs assessment. When the residential build out is about 25% achieved, the school system will come in and evaluate the student generation rate and the specific need it creates.

Question: Why is the fire station being built with housing on top of it? Why not just build that housing elsewhere?

Answer: The proposal for building affordable residential units on top of a new Banneker fire station comes from the Downtown Columbia Plan.

Question: There seems to be a lot of emphasis on very low, low, and moderate income levels in these new units. Where will the high income and senior units be located? Where will the residents for the lower income units come from?

Answer: When downtown is built out, about 15% of total units will be affordable housing. Eighty-five percent will be market rate housing. Currently, there are waiting lists for affordable housing units in the county. We have no shortage of demand.

Question: When is the DRRR document going to be available for public review?

Answer: The document is being created now and will be submitted to the County Executive and County Council for review in about two weeks.

Question: What are the consequences if one of these projects doesn't get finished?

Answer: There are failsafe measures built in. For instance, with the library site and with the temporary fire station site, Howard Hughes has the first option to develop. If Howard Hughes does not reach certain milestones with those sites, they will be turned over to the Housing Commission.

Question: Is the parking reduction just for affordable housing units or for all units?

Answer: That would be for all units in those categories downtown-wide. When first reviewing the joint recommendations, the Department of Planning and Zoning did an extensive analysis of other, similar jurisdictions and found the reduced parking requirement to be more than justified for these types of units.

Question: Is this parking adjustment part of the DRRR?

Answer: The DRRR is one part of this legislative package; the parking adjustment is another part. Once the DRRR petition is filed with the County Executive's office, the County Executive's office will submit to the Planning Board the rest of the package, which will include the parking adjustments.

Question: If this parking change is a good idea, why would it not be implemented throughout the County from now on?

Answer: It will be specific to downtown. The downtown area has its own parking regulations. Typically, a more urban environment has parking needs that are different from more suburban or rural areas.

Question: Parking currently is a problem in the Banneker area. How do these plans address parking with the addition of these units to the location?

Answer: These joint recommendations include high-level concept plans for these projects. Design details for things like site access and parking will come in later stages of planning. They are important issues and will be addressed. Specifically, these are things that the Site Development Plan (SDP) stage of the process identifies and presents for review and discussion in a SDP pre-submission community meeting. Parking assessments for each project will be made during the SDP portion of planning.

Question: Have efforts been made to encourage businesses to come to Columbia?

Answer: Yes, attracting businesses is absolutely central to making the Downtown Plan work.

Question: What are the heights of the buildings that will be built in the next phases of development?

Answers: According to the Downtown Columbia Plan, the Merriweather District (Crescent Neighborhood) can have up to 20 stories. In other areas, the maximum is 15 and a little lower by the Lakefront.

Question: Howard Hughes is donating land for a new library. Does this mean they are getting the existing site in return?

Answer: Yes, it will be redeveloped as a mixed-use site. It is a land swap but restricted in use.

Question: Who is developing the properties that are not Howard Hughes projects?

Answer: The HCHC will be developing the LIHTC properties that are not being created by Howard Hughes.

Question: There is a two-year waiting list at Burgess Mills. What percentage are Howard County residents and what part from Baltimore County?

Answer: That's not known. The HCHC doesn't track waiting list current residency.

Question: With the balance of types of affordable housing and market rate, what will assure a full spectrum healthiness of these properties going forward? Will market-rate residents move out of their buildings?

Answer: By experience, market rate residents don't move out. Monarch Mills and Burgess Mill Station are examples. If you build a project that looks like low income, it becomes stigmatized. If you build a market rate property that looks like one, it remains one. These projects will enhance the community.

Question: What is the role of Orchard Development?

Answer: Orchard Development is the development agent of the HCHC on the Toby's Art Center project.

Question: Is any of this going to be funded by HUD block grants?

Answer: At the moment, it is not planned to have block grant funding in these projects.

Question: How is the board of the Housing Commission selected if it is an independent entity?

Answer: The County Executive selects members who are approved by County Council. The HCHC funds all of its projects independent of the county.

Question: Who decides who falls into these income levels and qualifies to live in the affordable units?

Answer: It is different for the various project types. Howard Hughes would income-qualify for middle income units of affordable housing within the market rate projects, and the Housing Commission would provide an annual compliance verification. For the very low income units and LIHTC projects, it would be the HCHC.

Question: Would affordable housing be available to self-employed people?

Answer: Most of these programs do allow for self-employment. It is best to speak directly to the HCHC to learn about options.

Question: How will the affordable housing project at Banneker change surrounding property values?

Answer: Studies performed on similar projects show that they do not negatively impact surrounding property values. With these mixed-use projects, like Burgess Mills, the property adds to the community around it in part because it is newer and better than the existing community. The HCHC foresees the Banneker project will be either as good as or better than The Metropolitan, it will just happen to have affordable housing in it.

Question: Will any of these projects address the need for senior housing?

Answer: The temporary fire station site is contemplated as being 50-plus. The HCHC is looking into making the transit site a 50-plus facility as well.

Question: Are the units at the low income site going to be 100% low income or will they be mixed?

Answer: LIHTC sites will contain mixed levels of income, both market rate units and affordable units. The two senior sites would be low-income unit sites. Numbers would be mixed in other developments.

Question: What is the timing for the development of the Flier Building site?

Answer: The site is separate from DRRA and will have a different review process than the 16-step Downtown Columbia process. The timing is expected to be three to five years.

Question: Is it true you are supposed to provide a site for the new library per a CEPPA?

Answer: No, it is not a requirement of any of the CEPPAs.

Question: Can you explain how the Downtown Columbia Plan always envisioned affordable housing, yet only counted for 5,500 market rate units?

Answer: Affordable housing was always envisioned in the development of Downtown Columbia, but the mechanism in the plan doesn't provide for anything but the financial contribution by the developer at certain project milestones. The DRRRA and the joint recommendations are an effort to build into legislation a mechanism for affordable housing units to be built in Downtown Columbia.

Question: Why is Howard Hughes donating land for the development of the Toby's site?

Answer: Howard Hughes is donating one-half acre of land to the HCHC for the affordable housing project on that site.

Question: What is the DRRRA an acronym for? Where did it come from, and why is it being used instead of mechanisms already in place?

Answer: The DRRRA or Development Rights and Responsibilities Agreement is statewide legislation the County adopted in order to provide for a binding commitment between the developer and the County.

Question: How is TIF funding being proposed with this plan?

Answer: While the tax increment financing plan or TIF is part of the overall Downtown Columbia development plan, it is not a part of this proposal.

Question: What is the need for a temporary fire station site? Why not just build out the affordable housing at the temporary location and renovate the existing firehouse?

Answer: The proposal provides affordable housing at both locations. The County wants the Banneker station to stay where it is in a new facility, and a temporary site is needed in order to redevelop the existing site, so that there is no interruption in service.

Question: Why does Howard Hughes prefer these joint recommendations over providing straight 15% of affordable units with all market rate projects?

Answer: These recommendations provide more affordable housing units than the 15% mandate. Also, the mandate does not take advantage of subsidies the way these recommendations do. It's a very workable plan.

Question: Why did the original 5,500 units approved for downtown not provide for affordable housing units?

Answer: There were different options discussed. One was a unit requirement and another was the setup of a fund in lieu of a 15% mandate. A decision was made then to support the funding option. That plan did not generate any affordable units, hence this DRRRA and the joint recommendations.

Question: If this proposal is denied, what would you happen?

Answer: The partners have been working very hard to come up with a workable plan and are optimistic it will go through.

The meeting adjourned at 2:45.