

County Council Follow-up Questions on Fiscal Impact Analysis Presented Oct. 13, 2015

Re. Downtown Columbia Affordable Housing Joint Recommendations

**Prepared by: MuniCap, County Administration, Department of Planning and Zoning,
Department of Housing and Community Development**

MuniCap, Howard County Department of Finance’s financial advisor, completed a revision to its original fiscal impact study on the joint recommendations for affordable housing in Downtown Columbia following a presentation of the results to the Howard County Council. The Howard County Department of Planning and Zoning and the Howard County Department of Housing and Community Development provide analytical and technical support.

The revision, presented in two separate reports, is based on a series of questions the Council posed. The first report (Fiscal Impact Analyses) mirrors the format of the original version of the fiscal impact study, presenting in comparative form an analysis of the joint recommendations and a baseline scenario of 5,500 units with 15 percent dedicated as affordable. The second report (Affordable Housing Fiscal Impact Sensitivities) is a memo outlining alterations to the results of the primary study’s two comparative scenarios. The specific request and where in the reports it is addressed are provided in the table below. Some of the requests have been addressed previously or are included in other reports. These instances are noted.

Item #	Request	Where Request is Addressed
1	Please provide an updated copy of the fiscal impact analysis with continuous page numbering.	Throughout reports
2	Please provide any data available on current tenants of the Metropolitan and whether they are relocating from elsewhere within Howard County or from outside Howard County.	Previously provided
3	Please provide copies of any studies (market demand, etc.) which informed the fiscal impact analysis.	Previously provided
4	Please run a new Scenario C which would assume Scenario B plus the redevelopment of the Flier site as a 220-unit mixed income LIHTC project.	Sensitivities memo
5	Please run a new Scenario A-1 which would assume CDHC’s original recommendation of 15% affordable units (5% at 80% of HC AMI, 5% at 60% of HC AMI,	Sensitivities memo

	and 5% at 40% of HC AMI for rental units; 15% at 80% of HC AMI for for-sale units) and include the density bonus of an additional 1,250 units.	
6	Please run a new Scenario B-1 which would assume CDHC's original recommendation of 15% affordable units (5% at 80% of HC AMI, 5% at 60% of HC AMI, and 5% at 40% of HC AMI for rental units; 15% at 80% of HC AMI for for-sale units) and maintain the existing Downtown Columbia Plan density of 5,500 units.	Sensitivities memo
7	In the fiscal impact analysis, are references to AMI based on Howard County AMI or Baltimore MSA AMI?	The reports reference both and are clarified in Schedule II-D
8	The fiscal impact analysis assumes equal assessed values for affordable units at all levels of affordability. However, Todd Brown explained that these properties would be assessed based on income generation. If that is the case, it would seem that varying rental price points would impact assessed value. Can you please clarify this point?	Schedules I and II of Fiscal Impact Analyses report
9	For both Scenarios A & B, please show 5-year, 10-year, and 20-year impacts, including the timing of capital projects and their associated debt service.	Executive Summary of Fiscal Impact Analyses report
10	Under Results of the Study, only Table G is provided in current dollars. Please provide tables C-F restated in current dollars as well.	Completed
11	Please provide a copy of the build-out schedule used as the basis for the Fiscal Impact Analysis.	Previously provided
12	Please provide a revised copy of the phasing progression chart from the Downtown Columbia Plan to reflect the additional density.	Previously provided
13	Please provide an analysis of debt affordability for all capital projects assumed in the fiscal impact analysis.	New Schedule XIX: Capital Costs Paid by Remaining County (Not Attributable to Project), and Schedule XX: Net Revenues vs. Total Projected County Capital Costs

14	Please provide a revised Table D that breaks out restricted revenues from the general fund.	Completed
15	Please provide a revised Table E including the full cost of each capital project and the % of cost allocated to new Downtown development.	Completed
16	Please adjust the calculations on page 42 to reflect the full costs of current school construction.	Completed
17	Please explain the difference between page 34, which shows an annual loss of approx. \$15 million, and Table G on page 7 of the Executive Summary which shows a \$22 million positive impact.	Corrected Schedule XVI
18	On page 25, how did you arrive at the assumptions of \$56/night and a 95% occupancy rate? (The 2009 fiscal impact analysis assumed \$150/night and a 65% occupancy rate.)	Updated Schedule XI
19	The Fiscal Impact Analysis assumes that Scenario A produces 138 students more than Scenario B. However, the School System estimates an additional 650 students from the additional density. Please revise Scenario A of the fiscal analysis to account for 650 additional students.	Sensitivities memo and revised schools studies prepared by DPZ and HCPSS
20	<p>Please provide a clear comparison of need for additional schools and school capacity based on:</p> <ul style="list-style-type: none"> a. projected enrollments prior to adoption of the Downtown Columbia Plan, b. projected enrollments based on the current Downtown Columbia Plan, and c. projected enrollments based on the proposed additional 1,250 units. <p>What are the differences in the size and timing of schools/additions required to meet those needs?</p>	Sensitivities memo and revised schools studies prepared by DPZ and HCPSS

In addition to the Council's requests above, MuniCap also made the following changes to the Fiscal Impact Analyses report:

Executive Summary

1. Table of contents;
2. New Table A comparing development mix of both scenarios;
3. Charts showing net fiscal impact by scenario over time.

Scenarios A & B

1. Confirmed PILOT assumptions with Tom Carbo;
2. Updated absorption with Jeff Bronow;
3. Updated unit mix for market, affordable, and commission-owned units;
4. Updated valuation for affordable units based on rent table provided by Tom Carbo;
5. Clarified AMI source (i.e., Howard County or Baltimore MSA);
6. Removed rental vacancy from student generation calculation;
7. Updated student yield factor;
8. Amended capital costs schedule showing total capital costs.