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SUMMARY OF PROPOSED JOINT RECOMMENDATIONS FOR AFFORDABLE HOUSING IN DOWNTOWN COLUMBIA

Background: In accordance with the Downtown Columbia Plan's vision of a full spectrum housing program for Downtown Columbia, the County established a Downtown Columbia Community Housing Foundation which would administer a housing fund to be created from contributions from HRD, the Downtown Columbia Community Developer, other developer and property owner contributions, and other sources. The County Council recognized the Columbia Downtown Housing Corporation (CDHC) as the Downtown Columbia Housing Foundation under the Downtown Columbia Plan.

After CDHC reported that legislative changes were needed to realize the Plan's affordable housing goals, the Council requested CDHC to recommend any changes believed necessary and appropriate to the County Council and County Executive. On February 27, 2015, CDHC presented its recommendations. On June 8, 2015, representatives of HRD presented an alternative means of achieving a full spectrum of housing in Downtown Columbia. From June through August 2015, representatives of CDHC, HRD, the Housing Commission and the County Executive met to discuss the elements of HRD's alternative and to determine what, if any, recommendations should be jointly made to the County Council and pursued.

<u>Recommendations</u>:

1. <u>Affordable Housing</u>. HRD will develop or facilitate the development of up to 970 affordable rental housing units for a spectrum of Very Low Income, Low Income, and Middle Income households, as follows (see chart attached):

- A. <u>Very Low Income Units</u>. HRD will master lease up to 180 units to the Commission for 40 years for rent to Section 8 voucher holders (or households with incomes up to 50% of Howard County AMI). The units will be scattered through every residential building as follows:
 - a. 3% of each building built, up to the 3,542 market rate unit, and
 - b. 5% of each building built thereafter.
- B. <u>Middle Income Units</u>. HRD will lease up to 180 units to Middle Income households (up to 80% of the Howard County AMI) at restricted rents for 40 years pursuant to a restrictive covenant on each residential building. The units will be scattered through every residential building as follows:
 - a. 3% of each building built, up to the 3,542 market rate unit, and
 - b. 5% of each building built thereafter.
- C. <u>Low Income Housing Tax Credit (LIHTC) Projects.</u> HRD will develop, or transfer the property to the Commission for development of, approximately 610 units affordable to households at 60% of the Baltimore MSA AMI (approximately

50% of the Howard County AMI) within six projects to be financed under the federal LIHTC program. The six projects are (see attached map):

- a. <u>Banneker Fire Station Site:</u> Approximately 200 units to be built in conjunction with a new fire station, with approximately 50% LIHTC units.
- b. <u>Temporary Fire Station Site:</u> Approximately 90 LIHTC units to be built on the Crescent site after completion of the Banneker Fire Station.
- c. <u>Toby's Dinner Theater Site:</u> Approximately 200 units to be built in conjunction with a performing and visual arts facility on the site of Toby's Dinner Theater, with approximately 50% LIHTC units.
- d. <u>Columbia Flier Site:</u> Approximately 220 units to be built on the Columbia Flier site, with approximately 50% LIHTC units. HRD will purchase the site from the County.
- e. <u>Existing Library Site</u>: Approximately 300 units to be built on the existing central library site, with approximately 50% LIHTC units. If the new central library site is not funded and developed by the time the 3,542nd market residential unit is built, HRD will discontinue construction of new market units until an alternative plan for the 150 affordable units is agreed upon.
- f. <u>Transit Center Site</u>. Approximately 60 LIHTC units to be built above the future transit center facility.

2. <u>Housing Trust Fund.</u> Developers of residential rental units will not be required to pay further building permit fees into the Fund. Developers of residential for-sale units will be required to pay a building permit fee based upon the square foot size of the unit according to a fee schedule. Commercial uses will continue to pay the annual 5ϕ /square foot fee to the Fund.

3. <u>Properties Not Owned by HRD.</u> Any properties not owned by HRD that are proposed for future residential development would be required to provide 10% of the units as Moderate Income Units at 60% of the Howard County median income (HRD takes no position on this recommendation).

4. <u>Parking Ratios.</u> Based upon an analysis by the County, existing parking ratios for Downtown Columbia should be modified to a more urban standard to reduce parking requirements and associated costs.

5. <u>Residential Development Limits</u>. Based upon an analysis by the County, 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.

Legislation and DRRA: To become enforceable, each provision of these Recommendations must be incorporated into a binding Development Rights and Responsibilities Agreement ("DRRA"). In addition, legislation is likely needed to accomplish items 2-5 above.

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Proposed Affordable Units

Туре	Site	Income Served	Total Affordable Units
Very Low	all	Section 8 (up to 50% HCAMI)	180
LIHTC	Banneker Fire Station	60% Balt AMI (50% HCAMI)	100
LIHTC	Temporary Fire Station	60% Balt AMI (50% HCAMI)	90
LIHTC	Toby's	60% Balt AMI (50% HCAMI)	100
LIHTC	Flier	60% Balt AMI (50% HCAMI)	110
LIHTC	Library	60% Balt AMI (50% HCAMI)	150
LIHTC	Transit Center	60% Balt AMI (50% HCAMI)	60
Middle	all	80% HCAMI	180
	<u> </u>		Total: 970