COME HOME TO HOWARD COUNTY

HOWARD COUNTY MARYLAND

Calvin Ball
Howard County Executive

THE HOUSING OPPORTUNITIES MASTER PLAN

A Strategy for Improving the Availability, Affordability, and Accessibility of Housing in Howard County

RCLCO REAL ESTATE ADVISORS

Neighborhood Fundamentals, LLC

JMT

PRR

APRIL 2021

PREFACE

A MESSAGE FROM THE HOWARD COUNTY EXECUTIVE

Howard County is a thriving and diverse community recognized nationally for its affluence, quality of life, and excellent schools. Based on 2019 US Census data, Howard County is home to 325,690 residents and 119,772 households. Howard County has an area median household income of $121,618, which is about 40 percent higher than Maryland's and nearly double that of the United States. Our school system is rated one of the best in the nation. Howard County is also home to more than 175,000 jobs and that number grows about 15 percent per year.

Housing inventory is scarce at every income level, significantly impacting housing prices. The median sales price of housing units in Howard County in 2019 was $482,100. This value is roughly 50 percent higher than the Maryland median sales price of $332,500. The problem is more severe for low- and moderate-income households. Low- and moderate-income households have a lower homeownership rate, less access to quality, affordable units and are concentrated in certain areas in the county. Due to the many factors that make Howard County a desirable place to live, work and play, our current housing supply is expensive when compared to our peers and not able to meet the demand from individuals and families who wish to live here.

To address these issues, in October 2019 I appointed 23 community stakeholders from across the County with diverse backgrounds and experience to form the Housing Opportunities Master Plan Task Force. I also appointed nine ex-officio members from different departments within county government to act in an advisory capacity. A housing plan has not been done for more than a decade, and an overarching strategy was urgently needed to improve access to housing and guide housing-related decisions for the next five to 10 years. The Task Force, along with the plan consultant, RCLCO, was asked to assess housing programs and policies in all County government departments and agencies to improve efficiency and effectiveness; identify ways to create and preserve housing opportunities for residents of all income levels; and provide metrics and timelines to measure progress towards achieving goals in the plan.

I want to thank the Task Force, RCLCO consultant team, county government staff and community members that participated in the development of the Housing Opportunities Master Plan to help residents of all income levels have equitable access to quality housing units throughout the county. I invite residents and community members to join the County's housing department and task force advisory group as they begin work to implement the recommendations in the master plan.

Jim Rouse envisioned Columbia to be a model community across the nation as the best place to live, work, play and grow, and I am committed to creating this same vision for all of Howard County.

HOWARD COUNTY MARYLAND

Calvin Ball
Howard County Executive

PREFACE

A MESSAGE FROM THE HOUSING OPPORTUNITIES MASTER PLAN TASK FORCE CO-CHAIRS

Established in Fall 2019 under Executive Order 2019-12, the Housing Opportunities Master Plan Task Force was created to work with residents, community advocates, business leaders, and RCLCO Real Estate Advisors to develop a comprehensive report that examines existing housing challenges and provides meaningful solutions to address those challenges for years to come. The final report highlights data- driven strategies that encourage diversity and equitable housing opportunities throughout the County that are consistent with best practices adopted in similar communities across the country.

Throughout the process of developing the report, it was evident that the County Executive's decision to create a task force that included residents representing a diversity in age, income, education, ethnicity, religion, and race was critical to truly reflect perspectives across all the vibrant populations that call Howard County home.

For over a year, the 23-member task force of volunteer community members with an interest in housing issues and nine ex-officio county staff members worked diligently with the plan consultant to produce the final plan. Early in the process, the COVID-19 pandemic prompted a dramatic shift in the task force's process; however, they along with the consultant seamlessly transitioned to a virtual process and the work continued. Outreach to the community also transitioned to a virtual platform to ensure that the process was open and transparent, and a variety of voices were heard. RCLCO and the task force worked together to ensure that the final report incorporates insights gained through an analysis of over 2,600 community survey responses, county maps, regional data, national best practices, and meeting discussions.

As co-chairs of the task force, it has been an honor to respond to County Executive Ball's call to action by facilitating a process that will ultimately guide decisions to create viable housing solutions in the future. We also extend our sincere gratitude to each member of the task force for sharing their experiences and their tireless efforts to represent stakeholders across the County. Our efforts would not be possible without the dedication and commitment of the Director of Housing and Community Development, Kelly Cimino, and her staff.

We look forward to serving with other task force members on a task force advisory group to guide the implementation of the Housing Opportunities Master Plan. We will continue to work to create and preserve housing opportunities for residents of all income levels in Howard County.

Respectfully submitted,

Bill McCormack   Dr. Caroline Harper

Bill McCormack   Dr. Caroline Harper

ACKNOWLEDGEMENTS

GROUPS BEHIND THE PLANNING PROCESS

The Housing Opportunities Master Plan is the first strategic, comprehensive plan to address housing needs in Howard County in more than 10 years. Work on this plan commenced in January 2020, when the County selected our team—consisting of RCLCO, Neighborhood Fundamentals, JMT, and PRR—to conduct the research, perform the outreach, formulate the strategy, and compile the report associated with these efforts. However, the Housing Opportunities Master Plan would not have been possible without the efforts of countless other individuals, who we would like to thank for their contributions.

First and foremost, we would like to thank the members of the Housing Opportunities Master Plan Task Force, which provided invaluable insight into the experiences and needs of their constituents, neighbors, friends, and family members. We would also like to extend this appreciation to all of the County staff members who served as advisors to the Task Force. In particular, we would like to thank Dr. Caroline Harper and Bill McCormack, who served as co-chairs of the Housing Opportunities Master Plan Task Force. Our gratitude also goes out to Peter Engel, Brent Loveless, and Pat Sylvester, each of whom served as leaders of smaller workgroups within the broader Task Force.

In addition, we would also like to thank all stakeholders and County residents who took the time to share their experiences and opinions during the planning process. Of course, we would be remiss if we did not recognize your flexibility and willingness to adapt to a virtual environment, with the COVID-19 pandemic beginning after the start of this process. The completion of this plan, even in the face of the associated societal, economic, technological, and public health challenges, is truly a testament to your engagement in this effort and dedication to the goals behind it. Together, you brought a number of important perspectives to this process, and we sincerely appreciate your participation.

Finally, we would like to thank County Executive Calvin Ball and the Department of Housing and Community Development for their commitment to this plan, and for their work to address housing needs. And of course, a very special thank you goes out to Kelly Cimino for her vision and guidance throughout this process.

Thank you,

RCLCO REAL ESTATE ADVISORS   Neighborhood Fundamentals, LLC   JMT   PRR

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INTRODUCTION

IMPORTANCE OF THE HOUSING OPPORTUNITIES MASTER PLAN

A house is more than just a place for someone to wake up in the morning and go to sleep at night. A house provides a feeling of personal stability, and it can offer a sense of financial security. It can serve as a space for a family to grow, as well as one in which to spend time with friends and neighbors. And, as many of us have experienced during the COVID-19 pandemic, a house provides shelter, not only from the chaos of day-to-day life, but also from the all-too-real threats of the outside world.

Given this importance, housing affordability and instability are critical challenges for American communities to address. According to Harvard University, 37.1 million households—equivalent to 30% of all households in the United States—spent more than 30% of their incomes on housing in 2019, up 5.6 million from 2001.[1] Of these households, 17.6 million spent more than half of their incomes on housing, leaving minimal room to pay for food, transportation, medical care, and other necessities. Far from limited to the city centers of high-cost metropolitan areas, these figures highlight the growing housing affordability crisis facing communities across the entire country.

Howard County residents need a greater number and diversity of housing options that are affordable to them. According to our first public survey, affordability is the number one item that households in the community must consider when making housing decisions. Furthermore, a majority of respondents stated they do not believe there are enough reasonably priced housing options available in the County. The lack of affordable, attainable, or appropriate housing options impacts everyone in Howard County, ranging from decades-long residents who may need to leave their friends and family in order to find a home into which they can downsize, to the daycare center, grocery store, and nursing home workers who must endure lengthy commutes from outside jurisdictions just to find housing that they can afford.

It is critical that Howard County act now in order to prevent these challenges from becoming more severe. The rapid growth of the Washington-Baltimore region, generally, and Howard County, specifically, is placing significant pressure on the housing market. If left unchecked, these forces are likely to continue to drive up housing prices, resulting in even fewer housing options for an even greater number of people. This trajectory is at odds with longstanding principles of the community, which has historically been a national paradigm for inclusivity. More than fifty years ago, James Rouse established Columbia as "The Next America," one in which all individuals—regardless of race or socioeconomic background—could live together. Without intervention, this vision will be at risk.

No single action can entirely erase housing affordability as a challenge in Howard County. The purpose of the Housing Opportunities Master Plan is therefore to provide a comprehensive framework through which the County can continue to support its residents. This plan is distinct from HoCo By Design, the General Plan update that will outline a 20-year vision for growth in Howard County. While HoCo By Design will balance an array of needs, the Housing Opportunities Master Plan focuses on strategies to improve housing opportunities, specifically.

Critically, this plan is necessary:

- **To address needs** of existing and future residents, ranging from older adults who wish to age in place to children who wish to move back to the neighborhoods in which they were raised;
- **To strengthen the community** by fostering its racial and socioeconomic diversity, which has historically distinguished Howard County from other jurisdictions in the region and across the country;
- **To coordinate policy** across the County, and to guide these efforts with extensive research of local market dynamics and policy best practices;
- **To support the local economy** of Howard County by ensuring it continues to be a desirable location for people to live, work, and play;
- **To increase transparency** for residents, employees, real estate agents, property developers, and other groups that operate in the community; and
- **To mobilize resources** that are necessary to accomplish each of the above.

Progress may take time but must start today. The Housing Opportunities Master Plan outlines a number of recommendations, each of which varies in terms of scale and impact. While some of the recommendations could provide immediate assistance to your existing friends, family members, and neighbors, others would create opportunities for new ones in the future. Despite these differences, the collective purpose of the recommendations, however, is the same: To increase housing opportunities for people of all ages, income levels, races, and backgrounds. These opportunities, in turn, will help create a more equitable Howard County—one in which anyone can continue to call home.

[1]*Joint Center for Housing Studies of Harvard University, The State of the Nation's Housing 2020*

EXECUTIVE SUMMARY

OVERVIEW OF RECOMMENDATIONS

STRATEGIES TO IMPROVE HOUSING OPPORTUNITIES

The Housing Opportunities Master Plan identifies three strategies Howard County can employ to improve housing opportunities for its existing and future residents. These strategies include:

- Revising **land use, planning, and zoning** regulations to improve the availability, accessibility, affordability, and diversity of housing;
- Supporting housing stability through the improvement of existing **policies and programs** and the creation of new ones; and
- Addressing both **housing and infrastructure** needs in Howard County to ensure that neither form of demand eclipses the other.

There are many different ways for Howard County to accomplish these strategies. The Housing Opportunities Master Plan therefore categorizes its recommendations into 14 different groups across the three strategies, as shown below. For example, one way that Howard County can revise its land use, planning, and zoning regulations to improve the availability, accessibility, and affordability of housing is to promote efficient processes for approving development, which it can do by taking such actions as providing expedited or by-right approval for home modifications that facilitate independent living. This action—providing expedited or by-right approval for such modifications—is just one of 80 recommendations in the Housing Opportunities Master Plan, the purpose of which is to develop a comprehensive framework for improving housing opportunities in all parts and for all residents of Howard County.

Land Use, Planning, and Zoning

Revise land use, planning, and zoning regulations to improve the availability, accessibility, affordability, and diversity of housing

- Use land use policy and provide incentives to produce income-restricted housing units
- Enable more equitable growth throughout the County through changes to zoning regulations and land use plans
- Facilitate the development of lower-cost housing typologies
- Remove zoning barriers to mixed-use neighborhoods and developments
- Promote efficient processes for approving development

Programs and Policies

Support housing stability through the improvement of existing policies and programs and the creation of new ones

- Improve housing sector coordination and boost capacity
- Raise and deploy capital for affordable housing production and preservation
- Create a robust multifamily preservation strategy
- Improve housing conditions and promote and expand programs that support households with home repair and modification needs
- Expand opportunities for homeownership
- Support low-income households, vulnerable populations, and households with specialized needs

Housing and Infrastructure

Address both housing and infrastructure needs in Howard County to ensure that neither form of demand eclipses the other

- Identify creative mechanisms to fund both housing and school facility investment and to attain full development of annual allotted new housing units
- Evaluate targeted changes to the APFO to support the growth required to improve housing affordability and opportunities when the APFO Review Committee convenes following the General Plan
- Creatively utilize land assets in the County

KEY IMPLEMENTATION ITEMS

FOR HOWARD COUNTY OVER THE COMING YEARS

Each of the 80 recommendations in the Housing Opportunities Master Plan varies in terms of its scale and impact. Many of these recommendations aim to assist specific groups, or to resolve unique challenges. However, five of the recommendations are especially central to the overall success of the plan, and to its ability to improve housing opportunities more broadly in Howard County. In order to meet these recommendations, key implementation items for Howard County include the following:

Create an Inter-Agency Housing Opportunities Task Force *(Page 31)*

A range of County departments, nonprofit organizations, and private companies are already committed to addressing housing needs in Howard County. However, a cohesive strategy is necessary to coordinate these efforts. As such, the Housing Opportunities Master Plan recommends the creation of an Inter-Agency Housing Opportunities Task Force, which should be responsible for setting this strategy and overseeing its implementation. Members should include representatives from various County departments, with a formal role for affiliated entities involved in implementing housing and community development activities.

Establish an Affordable Housing Trust Fund *(Page 32)*

At this time, existing resources are insufficient to meet the need for income-restricted housing in Howard County, and available funding is unpredictable from year to year. For this reason, the Housing Opportunities Master Plan recommends the creation of an Affordable Housing Trust Fund, which should consist of both existing and new revenue sources that can collectively serve as a formal, coordinated, and predictable structure for allocating housing funding. The primary purpose of the Affordable Housing Trust Fund should be to expand the number of income-restricted rental and homeownership units, which are in short supply in the County today.

Update MIHU rules and fee structures, and include incentives to encourage additional, more affordable, or more accessible production *(Page 26)*

Today, most income-restricted housing production in Howard County is accomplished by its Moderate Income Housing Unit ("MIHU") policy, which requires developers of new market-rate housing to reserve a portion of units for moderate-income households at reduced rents or purchase prices. The Housing Opportunities Master Plan recommends a number of improvements to this program, such as additional flexibility to accommodate on-site provision and incentives to encourage the production of more than the required number of units, greater shares of accessible and visitable units, and/or deeper levels of income targeting.

Allow a broader range of housing types to proceed "by-right," or without the need for additional approvals *(Page 28)*

New development today is less diverse than the housing inventory overall, in part because restrictions on housing typologies have resulted in a bifurcation of the housing market, wherein smaller rental apartments and larger for-sale homes now account for the bulk of new product. Land use policy can limit the ability of additional supply to improve housing opportunities and affordability, but it can also be used to encourage the opposite. With this idea in mind, the Housing Opportunities Master Plan recommends Howard County allow a broader range of housing types, such as cottage clusters, townhomes, and other "missing middle' typologies, to proceed by-right, in order to facilitate their production.

Create a homeowner resource navigator and website with resources for existing and future residents of the County *(Page 34)*

Howard County offers a range of programs, subsidies, tax abatements and deferrals, and home retrofit supports that improve the quality and stability of housing for homeowners. However, the identification of available resources and the management of the process can be difficult for persons in need of support. Improvements to such resources can help ensure ongoing housing stability for lower-income homeowners, improve independent living opportunities for older adults and persons with disabilities, and strengthen the quality of housing in Howard County more broadly.

TOPICS OF INTEREST
FOR RESIDENTS OF HOWARD COUNTY

In addition to the key implementation items for Howard County to pursue, the Housing Opportunities Master Plan also includes a number of recommendations that will assist existing members of the community. Examples of recommendations that will provide direct benefits to existing residents of the County include the following:

NEW & EXISTING HOMEOWNERS

- Increase homeownership opportunities through the promotion of such programs as the Settlement Down Payment Loan Program
- Create a homeowner resource navigator and website to consolidate important information on housing improvements and financing options, as well as County codes, regulations, and inspections
- Provide technical assistance to help homeowners identify needs and access resources before more significant and costly repairs are necessary
- Create a vetted contractor and vendor list for community usage
- Assist households in navigating the rehab and retrofit processes
- Increase the ability of homeowners to add accessory dwelling units to their properties
- Create more homeownership opportunities through enhancements to the MIHU program

LOW-INCOME RENTERS

- Negotiate and encourage rental assistance contracts with private landlords
- Expand resources for legal assistance and conduct proactive outreach to tenants
- Provide support to renters who live in properties in need of capital investment or at risk of disinvestment, including relocation assistance if needed
- Create a local rental assistance pilot program for the highest need households as they wait to receive other, more permanent forms of household-based subsidies
- When the redevelopment of existing affordable properties is necessary, provide incentives to developers and property owners to create replacement units, so that households can return to the neighborhoods in which they previously lived
- Provide tenant relocation support, mobility assistance and counseling, and rental assistance to expand housing options throughout the County, especially to tenants disrupted by redevelopment processes

OLDER ADULTS

- Provide technical assistance and financial support for home modifications and reasonable accommodations that promote accessibility, visitability, universal design, and/or one-floor living
- Offer expedited or by-right approval for modifications that enable independent living
- Increase opportunities for homeowners to add accessory dwelling units, such as in-law suites, to their properties if they desire
- Identify areas where tactical investments can create “15 minute neighborhoods,” in which many everyday needs can be reached within a short walk or bike ride
- Identify changes that can be made to zoning, land use, and building regulations to advance independent living opportunities
- Allow certain forms of “missing middle” housing to proceed by-right, to increase housing opportunities for older adults who wish to downsize from their current homes

PERSONS WITH DISABILITIES

- Offer expedited or by-right approval for modifications that enable independent living, such as improvements to accessibility or visitability
- Support enhanced participation in and utilization of MDHousingSearch.com, with the goal of matching households with accessible units that meet their needs
- Evaluate requirements related to universal design, accessibility, and visitability to ensure that they conform with best practices, and that the percentage of units that are required in new developments is appropriate
- Incentivize developers to provide a higher proportion of accessible and visitable income-restricted housing units at their projects
- Negotiate with landlords to reduce penalties for tenants who terminate leases in order to gain access to newly available accessible units
- Conduct a neighborhood accessibility and mobility assessment

IMPACT ON EQUITY

AND IMPORTANCE OF ADDRESSING HOUSING-RELATED CHALLENGES

Last year, a series of events propelled the topic of racial equity to the forefront of the national conversation. Soon after the COVID-19 pandemic began, scientists noticed the deadly disease—despite its moniker of "the great equalizer"—disproportionately impacted African Americans. Weeks later, police in Minneapolis killed George Floyd, an unarmed Black man, during an arrest that sparked protests against police brutality and structural racism across the country. Together, these events brought awareness to racial disparities that permeate many aspects of American society, including housing policy.

Across the country, housing policy has produced segregated communities. While sometimes incidental, this outcome was often deliberate. When new housing and land use policies swept across the United States at the turn of the 20th century, they opened up opportunities for Americans to leave cities and purchase homes; however, many of the new communities to which these individuals moved explicitly prohibited African Americans and other minority populations from purchasing and living in them. In addition to creating segregated neighborhoods, such laws also prevented African Americans from building equity. Decades later, this setback has resulted in more implicit forms of segregation, in which many African Americans still cannot afford to live in neighborhoods where high-end single-family homes are the predominant—if not the only—type of housing.

Howard County has historically prided itself on its integration. When James Rouse established Columbia in 1967, he envisioned it as "The Next America," one in which all individuals—regardless of their race or socioeconomic background—could live together. Central to this vision was a diverse housing inventory, with upscale single-family homes sitting alongside reasonably priced apartments. This vision was unequivocally forward-looking, and it provided a model for communities across the country. Today, Columbia is one of the most diverse cities in America, a fact in which members of the community take pride. Racial and ethnic diversity remains important to residents of Howard County, as shown in the first public survey for the Housing Opportunities Master Plan, in which nearly 30% of respondents cited it as one of their most important considerations when searching for a home to rent or own.

While residents have long valued the diversity of Howard County, it is not immune to the threats that face other communities across the country. De facto segregation remains a challenge for Howard County, even after an early emphasis on racial and socioeconomic integration in Columbia. Today, nearly one in five residents of Howard County is Black, but there are several neighborhoods where they represent fewer than one in twenty people. In fact, a majority of African Americans in Howard County live in areas that collectively represent just 12% of its land. These statistics highlight the prevalence and persistence of racial segregation, both of which are compounded by other challenges identified in the Housing Opportunities Master Plan. Ranging from the deterioration of affordable housing to the impact of the COVID-19 pandemic, many of these challenges have disproportionate impacts on African Americans.

Just as the impacts of racial inequality are wide-ranging, so too are the approaches that communities can use to address them. Critically, there is no single action that can entirely erase racial inequality from any community. It is therefore crucial for jurisdictions such as Howard County to consider the challenges faced by African Americans and other historically disadvantaged populations in all policymaking areas.

The Housing Opportunities Master Plan commits to applying a racial equity lens to the improvement of housing opportunities. In the planning process, this commitment started with an approach to outreach that considered environmental, racial, and social justice, aiming to engage all individuals who live in Howard County or hope to do so in the future. Building on these efforts, the development of recommendations considered the unique needs of all such individuals. Moving forward, it will be critical for Howard County to continue to apply this lens, in order to ensure that it lives up to its longstanding ideals, and that it remedies areas in which it has fallen short.

Image Source: Fizkes / Adobe Stock

DEFINITION OF AFFORDABLE HOUSING

AND OTHER KEY CONCEPTS IN THE HOUSING OPPORTUNITIES MASTER PLAN

The meaning of the phrase "affordable housing" varies from person to person, as the price that is affordable to one household is not always affordable to the next. Although certainly important, the provision of traditional, income-restricted housing is not the only strategy that jurisdictions such as Howard County can use to improve the ability of current and future residents to find and pay for housing. For this reason, the Housing Opportunities Master Plan intentionally uses the phrase "housing affordability" when discussing the needs of households and the policies that can support them. Other key definitions for the Housing Opportunities Master Plan are shown below.

Affordable Housing

The term "affordable housing" is often used in different contexts and to convey different concepts. Broadly speaking, affordable housing is housing in which its occupants can live and still have enough money left over for other necessities such as food, health care, and transportation. This relationship is often expressed in terms of the percentage of income that a household spends on its housing payments. For the purpose of the Housing Opportunities Master Plan, affordable housing can include both income-restricted housing, as well as attainably priced market-rate housing.

Income-Restricted Housing

Rental or homeownership units that are restricted to households at a certain income level, often calculated as a percentage of AMI. These units tend to receive some form of public, philanthropic, or policy support. Examples include, but are not limited to, the following:

- **Moderate Income Housing Units ("MIHUs")**, which are units that developers of new market-rate housing in Howard County must reserve for moderate-income households at reduced rents or purchase prices.
- **Subsidized Housing Units**, which are owned and operated by private companies that receive subsidies to rent them to low- and moderate-income households for a lower cost than what the local market would otherwise charge.
- **Low-Income Housing Tax Credit ("LIHTC") Housing Units** that are produced under the LIHTC program, a federal program that provides tax credits to state and local agencies to encourage developers to create income-restricted housing.

Area Median Income ("AMI")

The midpoint of the income distribution for a region, with half of the households in that region earning more than this amount and half of the households in that region earning less than this amount. To understand the ability of different households to find and afford housing, the Housing Opportunities Master Plan examines housing needs at varying AMI levels, including but not limited to:

- **Extremely Low-Income**: Under 30% of AMI
- **Low-Income**: 30% to 60% of AMI
- **Moderate-Income**: 60% to 80% of AMI

Rental Assistance

Subsidy provided either directly to a household or to a property owner that covers a portion of a tenant's rental payment. For example, the Section 8 program of the U.S. Department of Housing and Urban Development ("HUD") provides rental assistance that covers the difference between the tenant's monthly rent and 30% of the household's income.

Image Source: Howard County Government

HOUSING-RELATED CHALLENGES & GUIDING PRINCIPLES OF THIS PLAN

PLANNING FRAMEWORK

GOAL OF SOLVING NINE PRIMARY CHALLENGES THAT IMPACT HOUSING IN HOWARD COUNTY TODAY

The Housing Opportunities Master Plan involved extensive research into the local housing market and existing policy landscape in Howard County. Information on each of these respective topics is highlighted in more detail in Appendix C ("Overview of Market Research and Analysis") and Appendix D ("Overview of Policy, Program, and Funding Research and Analysis").

This analysis points to nine primary challenges that are impacting housing opportunities in Howard County at this time. These challenges relate to a variety of topics, ranging from local zoning regulations that are limiting affordable housing development in certain neighborhoods, to a global pandemic that is exacerbating housing insecurity in communities across the world. Together, these challenges serve as the foundation for the recommendations in the Housing Opportunities Master Plan, which aims to put forth strategies to address and resolve each of them.

LAND USE, PLANNING, AND ZONING

1 Housing supply has not kept up with housing demand, particularly over the last decade and given recent employment growth. This imbalance between supply and demand is leading to rising affordability issues.

2 A lack of housing diversity throughout the County inhibits racial and socioeconomic integration. Historically disadvantaged populations, lower-income households, and households experiencing poverty find that most of the housing options affordable to them are concentrated in only a few locations. This challenge is especially problematic considering that most remaining land and school capacity is in the Rural West, where current zoning regulations largely prohibit affordable housing development of any kind.

3 New development today is less diverse than the housing inventory overall. In recent years, new development has shifted in favor of rental apartments, and—at the same time—the for-sale market has largely stopped building smaller, attainably priced for-sale housing.

POLICIES AND PROGRAMS

4 Howard County lacks a cohesive strategy for prioritization, policy/program design, and resource allocation.

5 Existing resources are not sufficient to meet current and future capacity and demands (e.g., schools, transportation, etc.) while also dedicating funds to housing goals.

6 It continues to be difficult to supply housing for diverse populations, with significant needs going forward.

7 The COVID-19 pandemic and associated economic disruption is exposing and exacerbating housing insecurity.

8 A large portion of housing that is affordable to low- and moderate-income households in Howard County is older and at risk of deterioration and/or redevelopment.

HOUSING AND INFRASTRUCTURE

9 The Adequate Public Facilities Ordinance ("APFO") is placing significant limitations on the amount of housing that can be built, and it is potentially accelerating those capacity issues by limiting the ability to increase the tax base.

CHALLENGE #1: LAND USE, PLANNING, AND ZONING

Housing supply has not kept up with housing demand, particularly over the last decade and given recent employment growth. This imbalance between supply and demand is leading to rising affordability issues.

MARKET AND POLICY SUPPORT

- Howard County is experiencing rapid employment growth, much of which requires a skilled or well-educated workforce. This growth is placing pressure on the local housing market, resulting in rising affordability challenges.
- Howard County has fewer housing units for every job than nearly every other jurisdiction in the region, with an estimated undersupply of more than 20,000 units.
- There is not enough supply for renters at less than 60% of AMI, in particular.
- When coupled with entitlement constraints and regulatory processes that increase development costs, unmet demand for high-end homes crowds out opportunities to serve the middle of the market.
- A lack of new, market-rate rental housing is creating additional competition for workforce and moderate-income housing, since many upper-income households are having or choosing to rent units that other households may need.

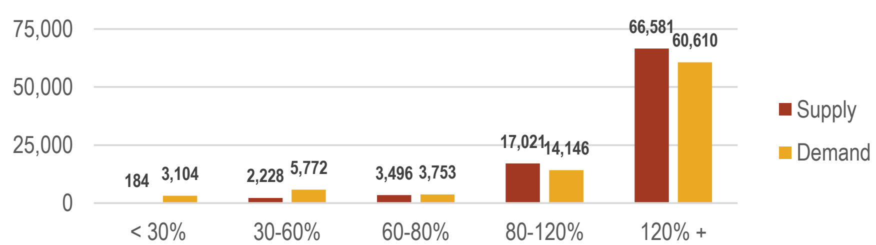
COMMUNITY AND PRACTITIONER FEEDBACK

- 61.3% of respondents to the first public survey believe residents cannot find housing that aligns with their earnings.
- Community members believe housing should be more affordable to allow for public servants, essential workers, and other employees in the County to also live in it.
- While new development is often associated with market-rate and/or higher-end housing, there was considerable agreement among practitioners and stakeholders that the development of more housing, generally, is critical to addressing the needs of individuals with more significant housing challenges.
- Local practitioners recognize the necessity of new housing development, though there is debate about where and how that development should occur.
- According to local practitioners, the largest barriers to new development tend to include infrastructure and school capacity, the APFO, and community opposition.

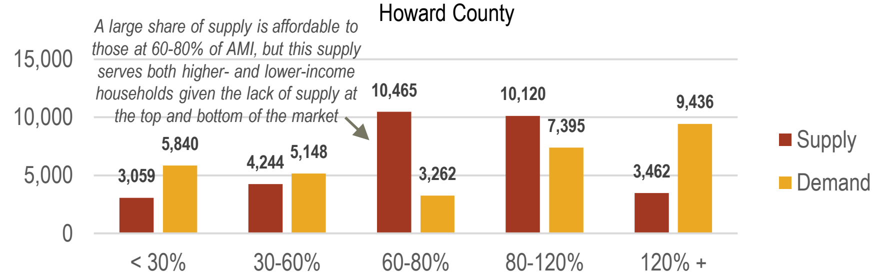
GUIDING PRINCIPLE

Increase the amount of housing that is available at all price and rent points, especially housing that serves low- and moderate-income households. In the near term, Howard County should prioritize housing development to serve owner households making less than 120% of AMI and renter households making less than 60% of AMI, as well as remove barriers to market-rate rental housing development. In the mid to long term, Howard County should address existing policies that are impacting the types and amounts of housing that can be built—across product types and price ranges—to broadly increase available housing supply.

For-Sale Housing Supply and Demand by AMI Level, 2019;
Howard County



Rental Housing Supply and Demand by AMI Level, 2019;
Howard County



Source: Howard County Department of Planning and Zoning; Maryland Department of Planning; 2018 Howard County Rental Survey; Howard County Office on Aging and Independence; Axiometrics; CoStar; RCLCO

CHALLENGE #2: LAND USE, PLANNING, AND ZONING

A lack of housing diversity throughout Howard County inhibits racial and socioeconomic integration. Historically disadvantaged populations, lower-income households and households experiencing poverty find that most of the housing options affordable to them are concentrated in only a few locations. This challenge is especially problematic considering that most remaining land and school capacity is in the Rural West, where current zoning regulations largely prohibit affordable housing development of any kind.

MARKET AND POLICY SUPPORT

- As a whole, Howard County is demographically diverse, and it is becoming more and more so over time. However, that diversity is not uniform across the County.
- High home prices throughout Howard County limit housing and neighborhood choices for lower-income households and households experiencing poverty. The lack of housing type diversity in many neighborhoods exacerbates this problem.
- The Rural West lacks housing options for low- and moderate-income households. Just 1% of its homes are affordable to households making less than 60% of AMI, largely due to the lack of rental housing and attainable for-sale housing.
- So far, Howard County has taken action to address housing choice through tenant-focused efforts, the impacts of which will be limited until housing availability and diversity are addressed throughout the County.

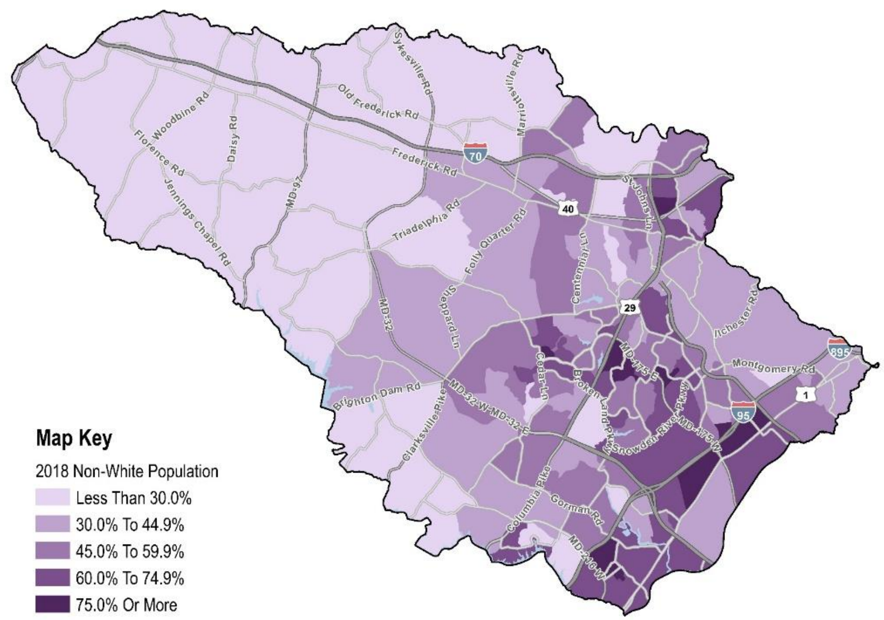
COMMUNITY AND PRACTITIONER FEEDBACK

- Right now, high-end and lower-income housing options are concentrated in specific parts of Howard County. Members of the Task Force express desire for a better balance, with housing available at the full range of income levels across the County.
- Zoning and community opposition are the main barriers to housing diversification.
- A lack of integration at the neighborhood level can make it difficult to achieve racial and socioeconomic diversity in other spheres of life, including education in particular.
- The initial commitment to integration that shaped the development of Columbia is apparent to this day, and its diversity suggests that intentionality in policy and development decisions can lead to successful outcomes. However, as the County has evolved and changed, it is unclear the extent to which stated commitments to diversity and inclusion are backed up by practice. There is concern that status quo policies and practices will erode the socioeconomic diversity of the community. Many community members echoed similar concerns in the first public survey, expressing a desire for Howard County to recommit to the vision of James Rouse.

GUIDING PRINCIPLE

Encourage greater racial and socioeconomic integration by increasing affordable housing opportunities throughout Howard County, especially in locations that do not have them at this time. Identify specific locations in the county where additional mixed-income housing can be built in a fiscally and environmentally responsible way, even if it requires zoning, land use, and infrastructure changes to accommodate.

Non-White Population as a Percentage of Overall Population by Census Tract, 2018;
Howard County



Source: Esri; RCLCO

CHALLENGE #3: LAND USE, PLANNING, AND ZONING

New development today is less diverse than the housing inventory overall. In recent years, new development has shifted in favor of rental apartments, and—at the same time—the for-sale market has largely stopped building smaller, attainably priced for-sale housing.

MARKET AND POLICY SUPPORT

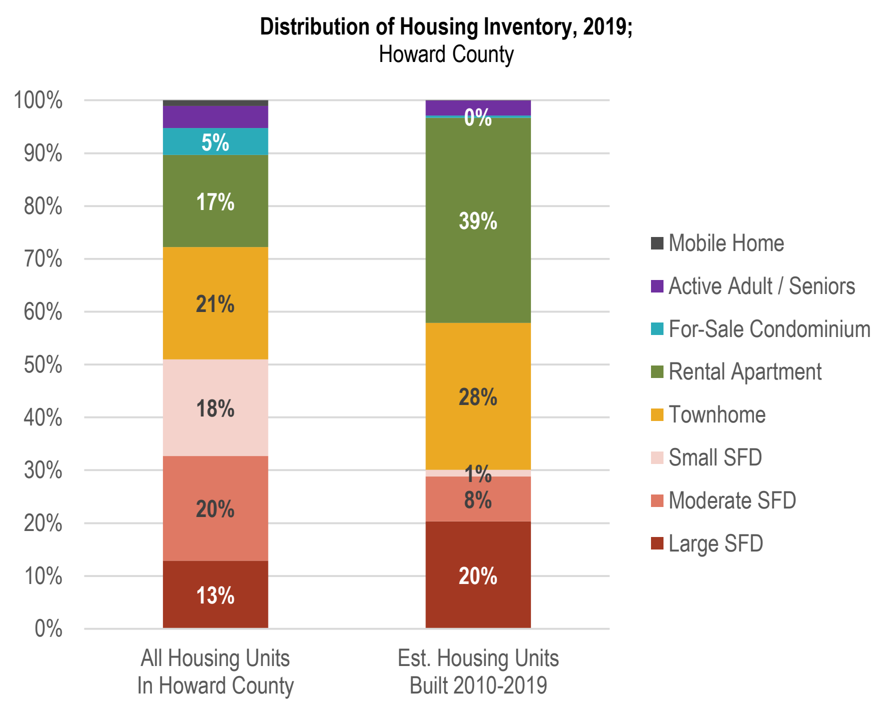
- The lack of diversity in new housing is a result of current zoning policies, as well as the locations in which developable land and school capacity still exist.
- More diverse housing types are necessary in a wider range of areas to promote neighborhood integration and housing attainability throughout the County.
- Ancillary requirements, such as those related to parking and setbacks, can create de facto bans of certain housing types, even in areas where they are otherwise allowed.
- Coupled with limitations on the number, location, and type of housing units that can be built, unmet demand at higher price points crowds out the ability of the market to respond to demand from lower- and middle-income households. In most cases, developers will choose to pursue higher-end development when there is clear demand, particularly when lower-cost housing proposals cannot proceed "by-right."

COMMUNITY AND PRACTITIONER FEEDBACK

- Community members cite that most of the housing options that are available to them are limited to large single-family homes or small multifamily homes, with few options that are appropriate and affordable for the middle class.
- 68.6% of survey respondents believe there is a need for different housing types, and 54.2% of survey respondents believe there is also a need for more integration of different housing types within the same communities.
- Practitioners believe the market can support more diverse housing typologies, but zoning is a barrier. Current policies preclude the incorporation of new and different housing types in many locations.
- Many homeowners wish to add Accessory Dwelling Units ("ADUs") to their properties, which could improve housing diversity in the County.
- Many believe alternative forms of rental housing, such as basement apartments, are important to any housing market, and that they should be encouraged and allowed.

GUIDING PRINCIPLE

Promote a greater diversity of housing options in Howard County by expanding by-right zoning for small lot single-family, townhome and other attached, and moderate-density multifamily development. Facilitate and encourage the expansion of existing properties to include additional units, such as basement apartments and ADUs. Diversifying the housing stock can create more affordable housing options throughout the County, which can advance racial and income integration and economic mobility.



Source: Howard County Department of Planning and Zoning; Maryland Department of Planning; 2018 Howard County Rental Survey; Howard County Office on Aging and Independence; Axiometrics; CoStar; RCLCO

CHALLENGE #4: PROGRAMS AND POLICIES

Howard County lacks a cohesive strategy for prioritization, policy/program design, and resource allocation.

MARKET AND POLICY SUPPORT

- There is some precedent for County action in most housing policy and programmatic areas, as well as precedent for innovative thinking and practice for addressing unmet needs.
- However, these practices are often episodic in nature or are not implemented at a scale sufficient to adequately address needs.
- Given the scale of need, coordination in policymaking as well as resource prioritization and allocation decisions must be improved, particularly as it pertains to housing, planning and zoning, and community resources and services.

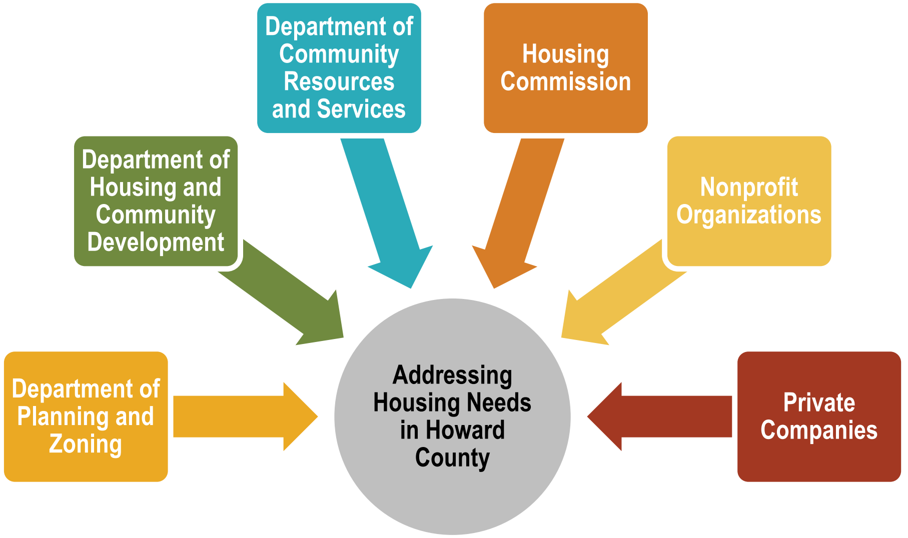
COMMUNITY AND PRACTITIONER FEEDBACK

- County staff is knowledgeable and existing programs are administered effectively.
- There is a strong "ecosystem" of County partners, including but not limited to nonprofits, mission-driven developers, and service providers.
- Certain County policies often work at cross-purposes and can impact housing affordability. Restrictive planning and zoning work against affordability by limiting multifamily housing and overall supply. Higher taxes, especially when combined with homeowner's association ("HOA") fees, can make homeownership less attainable.
- The County should adopt specific and measurable goals and implementation timelines in order to track progress and encourage accountability across County departments and private/non-profit practitioners.
- There are opportunities to better coordinate with private sector, philanthropic, and anchor institutions to better address housing needs.

GUIDING PRINCIPLE

Develop a comprehensive and collaborative strategy for addressing housing needs and prioritizing resources. Ensure that the strategy is implemented, regularly evaluated, and updated over time.

Groups Involved in Addressing Housing Needs;
Howard County



CHALLENGE #5: PROGRAMS AND POLICIES

Existing resources are not sufficient to meet current and future capacity and demands (e.g., schools, transportation, etc.) while also dedicating funds to housing goals.

MARKET AND POLICY SUPPORT

- Resources are needed for both capital (e.g., subsidies to create income-restricted housing units) and household-based supports.
- The resources currently used by the County are generally episodic (e.g., MIHU Fee-in-Lieu revenue), insufficient to address critical needs (e.g., federal pass-through funds, Section 8 Housing Choice Vouchers), or both.
- Sustainable and predictable funding sources can create greater impact and are subject to less political risk.
- Beyond direct financial support, other critical resources to support housing include land assets and in-kind support to nonprofit partners.

COMMUNITY AND PRACTITIONER FEEDBACK

- In the first public survey, many community members indicated that more housing assistance is needed for low- to moderate-income households.
- Community members believe the County needs to invest in a range of different areas, ranging from public transportation and pedestrian infrastructure, which could help improve the mobility of residents, to public schools, some of which are already overcrowded. As a result, there are many competing needs in the County today.
- Many practitioners believe the County should create a housing trust fund with a dedicated funding source and annual contribution from the General Fund.
- Aside from direct subsidies, enhanced incentives (density, waived parking, etc.) could enable the creation of additional housing units that are attainable to low- and moderate-income households earning up to 80% of AMI.

GUIDING PRINCIPLE

Develop funding sources dedicated specifically to addressing affordable housing needs, through such actions as development, rehabilitation, rental assistance, and any other strategies outlined in this plan. These funding sources should include existing ones that could be dedicated for this purpose, as well as new ones that could be created for this purpose.

Image Source: Howard County Government

CHALLENGE #6: PROGRAMS AND POLICIES

It continues to be difficult to supply housing for diverse populations, with significant needs going forward.

MARKET AND POLICY SUPPORT

- Diverse populations are more likely to experience cost burdens, which occur when someone spends more than 30% of their income on housing. In Howard County, 33.5% of households in which one or more members has a disability, 29.7% of nonwhite households, and 27.4% of households over the age of 65 are cost-burdened, compared to 24.1% for the County overall.
- The average percent of income spent on housing is especially high (32.2%) for 65+ renter households, one quarter of which pay 50% or more of their incomes.
- Without rental assistance, households with extremely-low and/or fixed incomes may face severe cost burdens, even in income-restricted housing units.
- Accessibility-related modifications to existing homes, more accessible features in new construction, and more diverse housing types are necessary to increase opportunities for integrated living for older adults and persons with disabilities.
- Mobility is a barrier for many households. Physical infrastructure and transportation changes, such as sidewalks, are necessary to help people who wish to age in place.

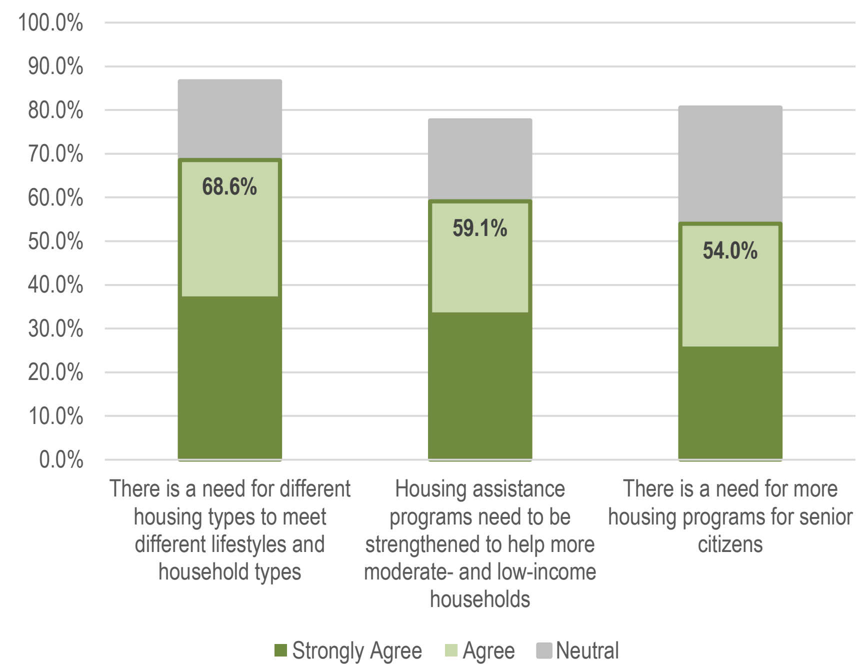
COMMUNITY AND PRACTITIONER FEEDBACK

- 59.1% of survey respondents say that housing assistance programs need to be strengthened to help more moderate- and low-income households. In addition, 54.0% believe there is a need for more housing programs for older adults.
- Information gaps, cumbersome processes, and/or building code/zoning restrictions often make it difficult for older adults and persons with disabilities to make necessary modifications to their homes.
- Coordination among nonprofit partners is strong in terms of providing services, but a more proactive County role in providing resources and facilitating collaboration in back-office functions and resource development could increase impact.

GUIDING PRINCIPLE

Ensure that Howard County meets the unique housing needs of older adults, persons with disabilities, and other diverse populations. Evaluate whether guidelines for special needs housing are actually appropriate for those communities' needs, and revise where necessary.

When Thinking about Current Housing Conditions in Howard County, Please Rate How Much You Agree or Disagree with the Following?
Howard County



Source: Housing Opportunities Master Plan Public Survey #1; RCLCO

CHALLENGE #7: PROGRAMS AND POLICIES

The COVID-19 pandemic and associated economic disruption is exposing and exacerbating housing insecurity.

MARKET AND POLICY SUPPORT

- The COVID-19 pandemic has broadened severe housing challenges and increased demand for services.
- Pandemic-related disruptions have brought to light the pre-existing vulnerability of many households. Nationally, the pandemic has had disparate impacts on lower-income, minority, and traditionally disadvantaged populations, and these disparities are tied to pre-existing patterns of segregation, discrimination, and income inequality that have yet to be addressed. The current crisis may further entrench these disparities.
- Households with significant income disruption may face critical challenges once eviction moratoria expire, particularly if federal, state, and local relief packages fail to address the backlog in unpaid rent and mortgage payments.
- Property owners that are not receiving rent payments may be unable to invest in the upkeep of a property and have a heightened risk of foreclosure. Nationally, data suggests this risk is most acute in properties both owned by and serving lower-income and minority households.

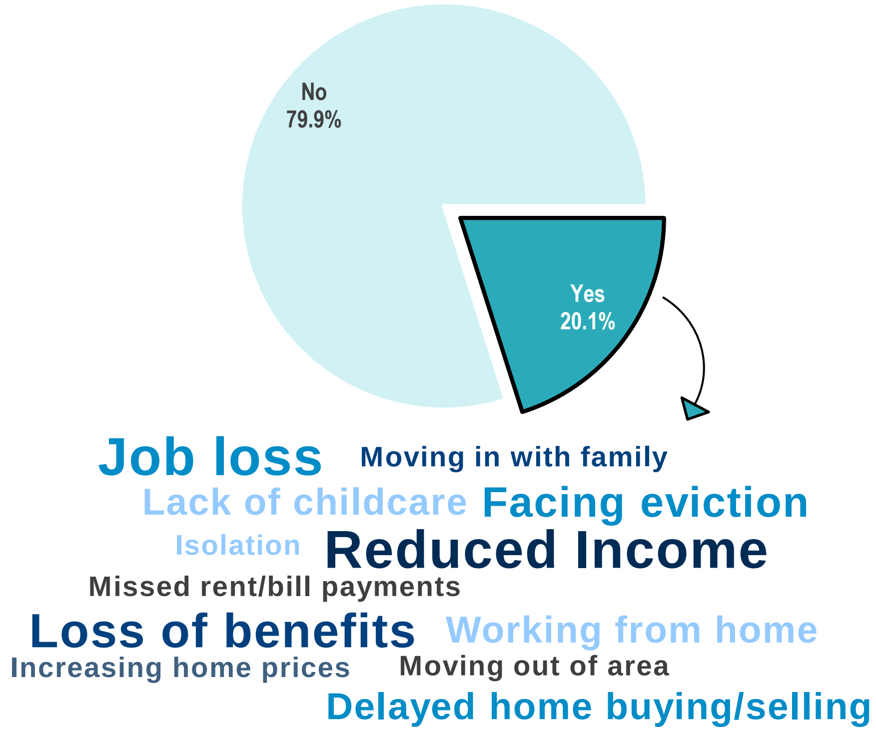
COMMUNITY AND PRACTITIONER FEEDBACK

- 20.1% of respondents to the first public survey stated that the COVID-19 pandemic impacted their housing situation. Many of these individuals are missing rent and bill payments or facing eviction, and others are having to move in with family members.
- It is important to have a safety net for vulnerable households, including eviction prevention efforts, emergency rental assistance, tenant protections, right-to-counsel laws, and access to information resources on the use of payment plans, job opportunities, and available services.
- There is concern that there are insufficient resources to address COVID-related needs in Howard County.

GUIDING PRINCIPLE

Ensure Howard County is well equipped to deal with housing challenges that arise during economic downturns.

Has the Current COVID-19 Pandemic Impacted Your Housing Situation, or Do You Anticipate That It Will in the Future?
Howard County



Source: Housing Opportunities Master Plan Public Survey #1; RCLCO

CHALLENGE #8: PROGRAMS AND POLICIES

A large portion of housing that is affordable to low- and moderate-income households in Howard County is older and at risk of deterioration and/or redevelopment going forward.

MARKET AND POLICY SUPPORT

- Given the history and evolution of Howard County, much of its older housing stock exists in clusters. In many cases, this housing stock is nearing the end of its useful life, and must be recapitalized. This dynamic is both a threat and an opportunity.
  - If left unaddressed, this dynamic could result in fewer attainably priced housing units, with redevelopment leading to rent and price increases.
  - However, this dynamic also presents an opportunity to create a cohesive strategy for equitable and/or mixed-income redevelopment moving forward.
- The vast majority of homes selling for less than $350,000 were built before 1990. Many of these homes require repairs or updates, which result in additional and sometimes unanticipated costs for the households that occupy them.
- In addition to market-rate properties that could be redeveloped, 10 properties with over 500 rental units will see subsidy restrictions expire in the next decade, putting affordability at risk if these properties cannot be recapitalized and/or preserved.
- Without proactive intervention, the strength of the market limits the affordability of properties once redeveloped.
- The physical deterioration of a property affects nearby properties, and neighborhood-focused approaches to revitalization can be more effective than countywide ones.

COMMUNITY AND PRACTITIONER FEEDBACK

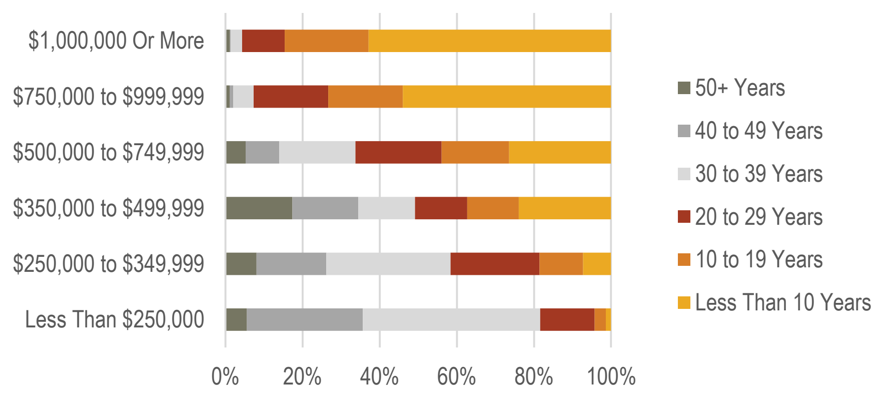
- Practitioners indicate that Howard County lacks a defined strategy for preserving the quality and/or affordability of its older rental housing.
- However, practitioners also point to existing tools to help homeowners keep up with the quality of their homes, and while the communication around or usage of these tools could be improved, the County does not need to start from scratch.
- 59.4% of survey respondents believe the older housing stock needs to be upgraded and modernized to meet new standards and lifestyles.

GUIDING PRINCIPLE

Maintain and increase the existing housing stock while improving housing quality and household stability.

- For rental housing, identify at-risk properties and prioritize tools/resources most appropriate for the given property, including acquisition, repair/rehabilitation, and/or equitable redevelopment.
- For owner-occupied homes, provide tools and resources to ensure that elderly, low-income, and other vulnerable homeowners have greater opportunities to maintain and remain in their current homes and sustain their quality of life.
- Address community-level housing quality issues by promoting and facilitating investment in repair and rehabilitation at a neighborhood scale, particularly in communities that have historically experienced disinvestment or discrimination.

Age of Homes Sold by Price Band, 2015-2018;
Howard County



Source: Maryland Department of Planning; RCLCO

CHALLENGE #9: HOUSING AND INFRASTRUCTURE

The Adequate Public Facilities Ordinance ("APFO") is placing significant limitations on the amount of housing that can be built, and it is potentially accelerating those capacity issues by limiting the ability to increase the tax base.

MARKET AND POLICY SUPPORT

- The amount of housing that Howard County has built has decreased in recent years. As a result, housing supply has not kept up with housing demand, particularly in the most recent years and at attainable price points.
- School capacity is the driving force behind APFO-related moratoria, and restricting development can deprive Howard County of critical resources to address this and other infrastructure needs.
- The APFO provides a framework that, if adjusted for market conditions and accompanied by strong infrastructure planning, could allow Howard County to balance planning and development with service and infrastructure needs. However, the APFO has the potential to disrupt the balance between housing supply and demand even further if the County is unable to keep up with the capacity requirements for new development to take place.
- There are opportunities to address housing needs in a manner that helps address infrastructure/school capacity imbalances, independent of APFO provisions.

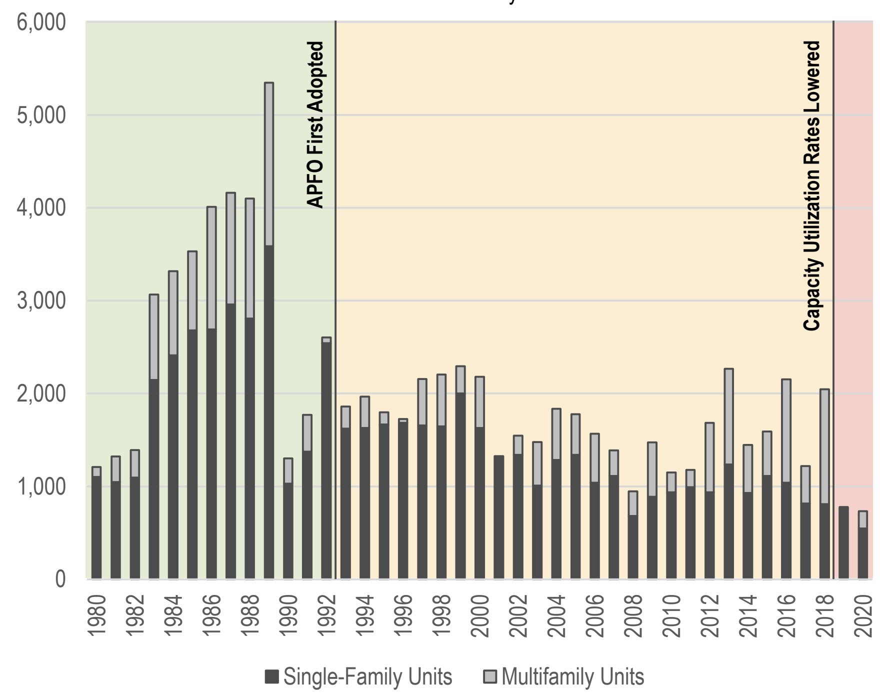
COMMUNITY AND PRACTITIONER FEEDBACK

- Many community members remain concerned about the ability of the County to provide more housing without putting pressure on existing infrastructure, such as roads and schools. Of community members who express opposition to new development, school capacity is often the largest concern.
- That said, the APFO remains a controversial topic within the community; while many community members believe it is necessary to prevent Howard County from building more housing than it can accommodate, others express support for the idea that housing policy should operate independently from the school system.
- Many Task Force members and policy practitioners believe that new development is not the driving force behind school capacity problems. There is evidence to suggest that the turnover of existing units is a major contributor to these problems.

GUIDING PRINCIPLE

Find creative ways to meet demands for both housing and infrastructure, and consider targeted amendments to the APFO to improve planning and predictability and to better balance housing and school interests.

Historical Permitting Activity (in Number of Units), 1980-2020;
Howard County



Source: State of the Cities Data Systems ("SOCDS") Building Permits Database; RCLCO

RECOMMENDATIONS

INTRODUCTION TO RECOMMENDATIONS
IN THE HOUSING OPPORTUNITIES MASTER PLAN

In order to address the challenges that are impacting housing opportunities in Howard County, the Housing Opportunities Master Plan proposes three broad strategies along with a variety of more detailed recommendations. These recommendations are summarized and grouped below, into one of 14 categories. The following pages provide more information on each of these categories, as well as the more detailed recommendations that relate to them.

	Land Use, Planning, and Zoning	Policies and Programs	Housing and Infrastructure
Challenges Impacting Housing	#1 Housing supply has not kept up with housing demand #2 A lack of affordable housing throughout the County inhibits racial and socioeconomic integration #3 New development today is less diverse than the housing inventory overall	#4 Howard County lacks a cohesive strategy for prioritization, policy design, and resource allocation #5 Existing resources are not sufficient to meet current and future capacity and demands #6 It continues to be difficult to supply housing for diverse populations, with significant needs #7 The COVID-19 pandemic is exposing and exacerbating housing insecurity #8 A large portion of affordable housing is older and at risk of deterioration and/or redevelopment	#9 The APFO is placing significant limitations on the amount of housing that can be built
Recommendations	**Revise land use, planning, and zoning regulations to improve the availability, accessibility, affordability, and diversity of housing** ▪ Use land use policy and provide incentives to produce income-restricted housing units ▪ Enable more equitable growth throughout the County through changes to zoning regulations and land use plans ▪ Facilitate development of lower-cost housing typologies ▪ Remove zoning barriers to mixed-use neighborhoods and developments ▪ Promote efficient processes for approving development	**Support housing stability and affordability through the improvement of existing policies and programs, as well as the creation of new ones** ▪ Improve housing sector coordination and boost capacity ▪ Raise and deploy capital for affordable housing production and preservation ▪ Create a robust multifamily preservation strategy ▪ Improve housing conditions and promote and expand programs that support households with home repair and modification needs ▪ Expand opportunities for homeownership ▪ Support low-income households, vulnerable populations, and households with specialized needs	**Find creative ways to meet demands for both housing and infrastructure, and consider targeted amendments to the APFO to improve planning and predictability** ▪ Identify creative mechanisms to fund both housing and school facility investment and to attain full development of annual allotted new housing units to meet growing demand ▪ Evaluate targeted APFO changes to support the growth required to improve housing affordability and opportunities when the APFO Review Committee convenes following the General Plan ▪ Creatively utilize land assets in the County

Use land use policy and provide incentives to produce income-restricted housing units

Land use, zoning, and planning policies can proactively facilitate production of units targeted to low- and moderate-income households.

Today, this production is primarily accomplished by the MIHU policy, which requires developers of new market-rate housing to reserve a portion of units for moderate-income households at reduced rents or purchase prices. While the County recently expanded this policy, there are still circumstances in which land and construction costs make it challenging for developers to produce income-restricted units on-site, primarily in the case of single-family detached and age-restricted housing developments. For these two product types, Howard County therefore allows developers to pay a fee in lieu ("FIL") instead of providing the units on-site, which is a practice that other jurisdictions use to advance affordable housing goals. FIL provides revenue that allows the County to provide gap funding for housing developments with even greater percentages of income-restricted units or even deeper levels of income targeting than what market-rate developments can achieve.

The MIHU and FIL policies are central elements of the affordable housing strategy in Howard County. Against this background, Howard County should:

- **Update MIHU rules and fee structures**, with the goal of producing more units throughout the County that are integrated within communities. As part of this process, the County should provide modest increases in density to accommodate on-site MIHU provision, as well as apply zoning categories that enable housing types more conducive to on-site MIHU provision across a broader area.
- **Continue to allow FIL in cases when on-site MIHU provision would jeopardize the economic feasibility of a housing development**. A land value analysis conducted as part of the Housing Opportunities Master Plan suggests that FIL is an important contributor to the viability of many single-family detached and smaller-scale housing developments. In such cases, the County should work to ensure that the resulting revenues proactively advance economic integration and support expanded housing choice.
- **Include incentives to encourage the production of more than the required number of MIHUs, and/or deeper levels of income targeting** in the form of Low Income Housing Units ("LIHUs") or Disability Income Housing Units ("DIHUs"). The County should offer similar incentives to projects that provide a higher proportion of accessible and visitable MIHUs and/or LIHUs, in order to increase housing options for persons with disabilities.
- **Ensure that any corridor, neighborhood, redevelopment, or area plan that the County decides to undertake includes clear policies for meeting affordable housing goals**. In these instances, the County should explore opportunities to coordinate land use and planning incentives with housing, service, and community development subsidies to better meet housing needs and expand housing opportunities.

Affordable housing is often more difficult to build than market-rate housing, and streamlined regulations can therefore improve its viability.

Affordable housing development requires the assembly of complex subsidy programs, as well as the navigation of additional layers of regulation. Moreover, affordable housing development is often less able to recoup the costs associated with regulation and approval processes than market-rate development, which is able to earn more meaningful returns on investment. To mitigate these challenges, Howard County should:

- **Establish a countywide affordable housing overlay**. This overlay should identify neighborhoods with few existing housing options for low- and moderate-income households, and allow certain affordable housing development proposals in such areas to proceed "by-right," or without the need for additional reviews and approvals. Qualifying development proposals should reserve at least 40% of units for households with incomes that are 60% of AMI or below, though the County could potentially allow a portion of these units to reach up to 80% of AMI if this difference is offset by deeper affordability in other units. In addition, the overlay should also loosen parking, height, setback, and other zoning requirements unrelated to health and safety for affordable and other prioritized types of housing.
- **Complement with a process to help support neighborhoods with much of the existing affordable housing stock in Howard County**. This process should ensure that, in such areas, any affordable housing development that receives County financial support and/or is done by the Housing Commission contributes to the revitalization or strengthening of the neighborhood in which the development is located.

LAND USE, PLANNING, AND ZONING

Enable more equitable growth throughout the County through changes to zoning regulations and land use plans

In certain parts of the County, changes in zoning regulations and land use patterns may be necessary in order to address affordability and equity challenges.

Addressing housing needs in areas currently zoned for denser housing is unlikely to be successful on its own, because land supply is limited and much of it is already developed or preserved for other uses. Meanwhile, the bulk of remaining land is located in areas currently zoned for lower density housing, which is generally less likely to produce units that are affordable to low- and moderate-income households. In particular, the Rural West and many other lower-density neighborhoods that are exclusively zoned for single-family residential development lack both existing affordable housing, as well as land planned for development that could potentially be affordable. Substantially limited growth in these lower-density contexts reinforces existing patterns of segregation and limits the ability of the County to add housing supply.

The County must identify locations where regulatory barriers inhibit the production of both income-restricted and market-rate housing, even though they have the characteristics to support additional development. For this reason, the County should:

- **Determine if there are strategic locations in the Rural West and in lower-density portions of the planned service area where it is feasible to accommodate increased development**, while still balancing other priorities such as water and sewer capacity, historical context, and agricultural preservation goals.

Achieving equitable growth requires every neighborhood to evolve, making countywide growth parameters important.

Growth is unlikely to look the same across all of Howard County. Unlike many other jurisdictions across the country, Howard County is home to a diverse mix of urban, suburban, and rural neighborhoods, each of which is likely to evolve in different ways. A combination of neighborhood planning efforts and countywide growth parameters can therefore help guide context-sensitive growth, while still meeting a set of overarching goals for the community. With this objective in mind, the County should:

- **Provide guidance on minimum growth and affordability goals countywide**, and ensure that future neighborhood planning efforts work towards these goals.

There is a need for housing types that enable independent living.

Critically, demand for such housing cannot be met through affordable housing production alone, as there are needs for accessible and visitable units at all income levels. As such, market-rate production can and should expand the supply of homes that enable people with different housing needs to live and thrive in Howard County. To facilitate this expansion, the County should:

- **Evaluate zoning, land use, and building regulations to identify changes necessary to advance independent living opportunities**. Specifically, the County should determine whether the requirements related to universal design, accessibility, and visitability conform with best practices, and whether the percentage of units necessary to meet the standards is appropriate.

Growth Target:

At least 70 new housing units for every 100 new jobs in any given year

This target translates to roughly 2,000 housing units per year over the next decade, based on the current job growth forecast and adjusting for the job losses associated with the COVID-19 pandemic.

Affordability Target:

The greater of at least 15% of all net new housing units or 300 units overall should be available to households making less than 60% of AMI each year

If realized, this target would translate to at least 3,000 units over the next decade, reducing the current imbalance by 30% or more.

Accessibility Target:

At least 10% of new housing units affordable to households making less than 60% of AMI should be physically accessible for persons with disabilities

This target should be supplemented with concerted efforts to facilitate accessibility improvements to the existing ownership and rental stock to better enable integrated living and aging in place.

Facilitate the development of lower-cost housing typologies

There is demand and support for more diverse housing options than what exist today, and changes in zoning regulations can help increase these opportunities.

At this time, the older housing stock in Howard County encompasses a variety of home and lot sizes, including many townhomes and low-density condominiums. However, large single-family homes and townhomes account for the bulk of recent for-sale housing development, leaving large gaps in the types and sizes of units that are available.

Barring other differences, smaller homes are generally more attainably priced, and smaller unit sizes can facilitate development on a wider range of lot types, shapes, and sizes. The production of smaller units may also allow those individuals who prefer to downsize to do so, opening up larger homes for families and other households that require additional space.

Limits or restrictions on housing typologies limit the ability of additional supply to increase housing opportunities and affordability. Improvements in building type diversity are therefore necessary to provide housing choice, and the first community outreach survey pointed to broad support for these improvements. With this idea in mind, Howard County should:

- **Allow a broader range of housing types to proceed by-right**, in order to facilitate their production. Examples of such housing types could include efficiency rental units, attached single-family homes, cottage clusters, townhomes, and other "missing middle" forms of housing.
- **Provide the regulatory flexibility to increase opportunities for ADUs**. While current regulations permit certain types of ADUs in Howard County, there are restrictions on the location, structure, and usage of these units, which often prevent them from improving housing opportunities. With increased regulatory flexibility, ADUs have the potential to serve as an important housing option for households that require more age-, budget-, and/or lifestyle-appropriate alternatives.
- **Minimize "de facto" barriers to housing stock diversification**. In some cases, zoning regulations may allow certain types of housing, but other restrictions limit the ability to provide them. For example, a zone may allow duplexes on a by-right basis, but rules related to lot-coverage, height, and off-street parking could make such development impossible in practice. In these cases, the County should revise its zoning regulations to ensure that such restrictions do not preclude the development of otherwise permitted housing typologies.

Image Source: Howard County Government

LAND USE, PLANNING, AND ZONING

Remove zoning barriers to mixed-use neighborhoods and developments

In addition to becoming increasingly popular with residents, mixed-use neighborhoods can produce important social, environmental, and fiscal benefits to the communities in which they are located.

In particular, mixed-use neighborhoods can reduce demand for transportation infrastructure, and they can enable individuals without automobile access to meet their needs independently. Moreover, the incorporation of residential development near existing retail can support the retail sector and local tax base, improving tax values per acre for the County compared to single-use properties. For all of these reasons, Howard County should:

- **Make tactical investments and/or regulatory changes to create "15-minute neighborhoods"** in which a significant portion of everyday needs can be accomplished within a short walk or bike ride. For example, Howard County could add sidewalks or other pedestrian improvements to a residential neighborhood without them in order to connect it to a retail service area. These improvements should support the needs of persons with mobility impairments and could include paratransit options for persons with disabilities.
- **Allow certain types of neighborhood-serving retail, such as small corner markets and coffee shops, in all residential zones**. Importantly, some restrictions on the scale of such establishments may be necessary in order to preserve neighborhood context.
- **Provide zoning flexibility to enable mixes of uses**. Depending on the exact location in the County, this flexibility could allow for vertical mixed-use environments, such as housing above ground-floor retail, or horizontal mixed-use environments, such as housing next to or alongside retail. For locations or sites where mixed-use redevelopment is desired, Howard County should consider proactive zoning changes to encourage it.

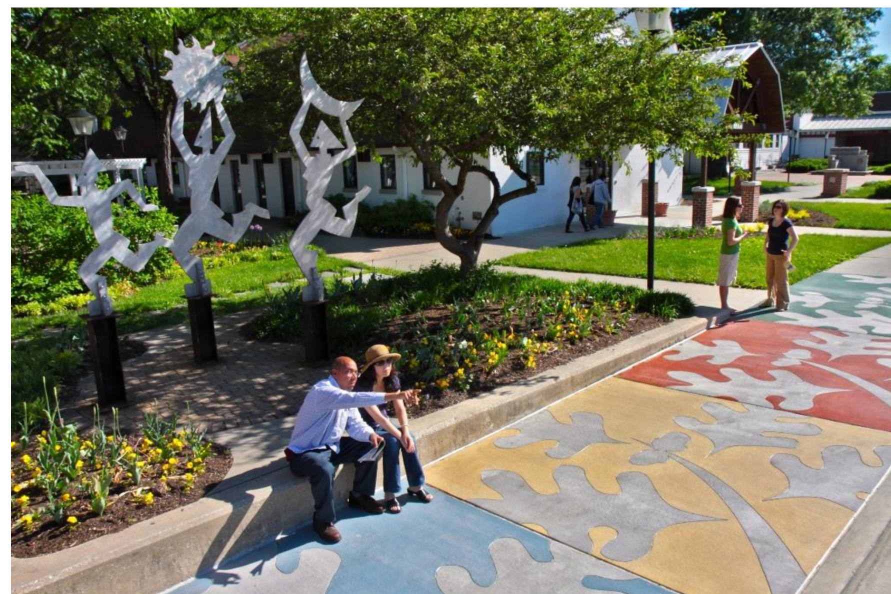


Image Source: Howard County Government

LAND USE, PLANNING, AND ZONING

Promote efficient processes for approving development

Streamlined approval processes can increase the diversity of housing options, as well as the ability for homeowners to make improvements to their residences.

When approval processes—which include site development reviews, design reviews, rezoning, and building permitting—are lengthy and/or complex, they can add costs to a development, often without corresponding benefits to the community. This challenge is common throughout the region and across the country.

Increasing the efficiency of the approval process enables more forms of development to be financially and technically feasible, particularly in the case of small-scale, affordable, and/or redevelopment projects, as well as improvements undertaken by individual homeowners. This dynamic stems from the fact that these projects may require sophisticated understanding of land use, zoning, and building codes, but they have smaller margins and fewer units through which the fixed costs can be spread. In addition to increasing the likelihood that more diverse housing improvements and developments can occur, streamlined approval processes could give more scope for provision of community benefits on larger projects. With such goals in mind, the County should:

- **Grant the aforementioned approvals and incentives administratively**, to the greatest extent possible. This approach could be particularly beneficial for recommendations regarding MIHU requirements and incentives (Page 26), income-restricted affordable housing production (Page 26), and accessory dwelling units (Page 28).
- **Provide expedited or by-right approval for home modifications that facilitate independent living**, such as accessibility, visitability, one-floor living, and fall prevention.
- **Create an expedited review and approval process for proposals that fall within a specific “safe harbor”** when Planning Board approval is necessary. Today, all development proposals that require Planning Board approval follow the same review and approval process, regardless of the extent to which they diverge from their current approvals or zoning. An expedited process for development proposals with minor differences could help improve their viability.
- **Expand upon the County’s existing tracking efforts** and proactively analyze data regarding the length of the approval process on an ongoing basis to identify trends, potential inefficiencies, and potential product types or development characteristics that contribute to lengthier development timelines. This information can be used to improve administrative processes and zoning regulations.

Image Source: Howard County Government

Improve housing sector coordination and boost capacity

While Howard County already has a range of departments, nonprofit organizations, and private companies committed to addressing housing needs, a cohesive strategy is necessary to prioritize and deploy resources.

Internally, the County lacks a sufficiently coordinated, cross-departmental strategy for prioritizing housing needs, designing and administering programs, and allocating resources. Increasing coordination and leveraging partnerships will be critical to improving efficiency and scaling up housing programs to address unmet needs. With this goal in mind, Howard County should:

- **Create an Inter-Agency Housing Opportunities Task Force**, within one year of the implementation of this plan. This group should be responsible for a number of housing-related decisions, including setting strategic direction, prioritizing resources, and ensuring housing affordability is considered in all County policies not explicitly about housing. Members should include representatives from the Department of Planning and Zoning ("DPZ"), Housing and Community Development ("HCD"), and Community Resources and Services ("CRS"), with a formal role for affiliated entities involved in implementing housing and community development activities, as well as an advisory group comprised of select individuals from the Housing Opportunities Master Plan Task Force.

There are a number of ways to enhance the contributions of nonprofit, institutional, and private organizations.

The County's current model of supporting nonprofits and other mission-driven organizations to provide housing and services is well-regarded, but resources are spread relatively thin across a large number of entities. Enhanced partnerships, coordination, and support can help address fragmentation, increase efficiency and reach, and support economies of scale in service provision. For this reason, the County should:

- **Enhance current relationships with nonprofits to ensure that there is a programmatic approach to meeting housing needs countywide**. This effort would work to ensure that current and future programs are coordinated and avoid duplication.
- **Ensure resources for operations and general support are proportionate to the role that nonprofit organizations play**, and explore opportunities for other administrative partnerships that help smaller nonprofits improve scale.
- **Create a joint strategy for fundraising** from major funders and institutions to build organizational capacity in the nonprofit service provider network, and to increase resources for programmatic activities.

Targets that can be accomplished through the program and policy strategies outlined on the following pages, and that should be considered by the Inter-Agency Housing Opportunities Task Force:

Preservation Target:

Zero net loss of existing affordability for households with incomes below 60% of AMI

In other words, Howard County should pledge to maintain the existing number of housing units in which these households can live without cost burdens, while still adding net new affordable housing units that are consistent with the Affordability Target outlined on Page 27.

Redevelopment Target:

One-for-one replacement of affordable housing units, on a countywide basis, when redevelopment is necessary

For example, the removal of a property with 100 affordable housing units should coincide with the addition of 100 new affordable housing units, whether in the form of newly constructed units, negotiated rental contracts, or another program, policy, or strategy outlined in this plan. When accomplishing this goal, Howard County should strive to ensure that all displaced residents who wish to return to their existing neighborhoods have a path to do so.

Raise and deploy capital for affordable housing production and preservation

Changes to the existing funding paradigm are necessary to improve the ability of the County to respond to housing affordability challenges.

At this time, existing resources are insufficient to meet the need for income-restricted housing in Howard County, and available funding is unpredictable from year to year. A diverse revenue base can provide more consistent and adequate funding for affordable housing and protect against market shifts and political changes. This revenue base allows producers of affordable housing to better plan ahead. It also creates a framework in which the County can prioritize resources and advance its policy priorities.

- **Identify new, ongoing funding resources for affordable housing investment** that can generate a large upfront allocation of capital. The resulting revenues should be split between housing and school facilities to facilitate equitable housing and educational access throughout the County.
- **Establish an Affordable Housing Trust Fund**, which is a formal, coordinated, and predictable structure for allocating housing funding. The primary purpose of the Affordable Housing Trust Fund should be to expand the number of income-restricted rental and homeownership units in the County.
- **Assemble capital for the Affordable Housing Trust Fund from both new and existing sources**. The Trust Fund should have multiple sources, as a diverse revenue base can provide resiliency in the face of economic shifts. In addition to any new funding resources discussed above, potential sources for consideration include Trust Fund loan repayments, MIHU FIL payments, proceeds from the sale or lease of publicly-owned properties that are not utilized for community facilities and/or affordable or mixed-income housing, HUD formula resources, a portion of existing transfer tax receipts, potential new issue-specific sources, and/or annual general fund contributions.

Trust Fund Target:

$5 million in new revenues in the first year, with a goal of $10 million (including existing revenue sources) once the fiscal uncertainty surrounding the COVID-19 pandemic has lessened

The initial target of $5 million should be in addition to existing revenue sources that the County already dedicates to capital investment in affordable housing, such as FIL revenues and federal block grants. Once the fiscal uncertainty associated with the COVID-19 pandemic have lessened, the County should then increase its target to $10 million annually (including these existing revenue sources), with the goal of eventually expanding to $20 million over time.

Trust Fund Spending:

1. **100% of units produced with Trust Fund spending should serve households at or below 80% of AMI.** Mixed-income developments should still be eligible to receive funding, assuming such funding only goes towards units at or below 80% of AMI, or that it is necessary to make more deeply-income targeted units financially feasible.
2. **20% of Trust Fund-supported units should be restricted to households at or below 30% of AMI**, at the aggregate portfolio level.
3. **The Trust Fund should also establish a per-project minimum threshold of 10% of units targeted at 30% AMI.** However, the County should have the flexibility to make limited exceptions.

Potential uses include:

- *"Gap financing" for affordable rental or homeownership projects that leverage other sources of capital, such as the Low Income Housing Tax Credit*
- *Short-to-mid-term acquisition funding for strategically important sites/properties*
- *Resources for the rehabilitation of existing affordable properties, or for market-rate properties in exchange for reserving a portion of units for income-eligible households*
- *Grants or low-cost loans to developers to increase the number of affordable and/or accessible units in a MIHU, LIHU, or DIHU development*
- *Resources for the rehabilitation or retrofitting of existing multifamily rental properties to create additional affordable units that are accessible or visitable*
- *Support for mixed-income/affordable and integrated housing for persons with disabilities*
- *Rental contracts with private market-rate owners to reserve a portion of units for income-eligible households*
- *Housing developments that specifically advance the strategies and action steps identified in "The Path Home," the County's five-year plan to end homelessness.*

PROGRAMS AND POLICIES

Create a robust multifamily preservation strategy

Effective preservation strategies require knowledge of the existing affordable housing stock.

The preservation of affordable housing—both income-restricted and market-rate—is a critical part of a comprehensive housing affordability strategy. Preservation is important from an equity standpoint, given the disruption and hardship faced by cost-burdened and displaced households. Research suggests that preservation can be more cost-effective than new development, and that the challenges and timelines associated with new development make it critical to prevent the loss of affordability while waiting for new units to be placed into service. To establish a strong foundation for a comprehensive preservation strategy, Howard County should:

- **Create and regularly update a database of affordable housing units**, including income-restricted and market-rate properties. Within this database, the County should identify "high-impact" properties to target for preservation, including larger properties with many affordable housing units and smaller ones in areas without other affordable housing options nearby.
- **Tailor capital/revenue generation and planning strategies to the individual properties**, based on their level of impact to affordability in the County.

The recently passed "right of first refusal" policy creates an opportunity for Howard County to support the preservation of existing affordability.

This policy creates a legal "window of opportunity" when a market-rate rental property is put up for sale, during which the County can support its acquisition. Since this time window is limited and the property must be purchased at fair market value, this new tool requires proactive planning as well as resource development and prioritization. For this reason, the County should:

- **Create a framework** for evaluating which opportunities to pursue and the appropriate tools to do so.
- **Identify organizations, developers, and partners**, including the Howard County Housing Commission, with capacity to work with the County to acquire properties, when available.
- **Develop other tools, such as property tax incentives and rental assistance contracts**, when negotiating right-of-first-refusal opportunities.

In cases when redevelopment is necessary, strategies can be used to support the preservation of affordability.

The preservation of affordability does not always necessitate the preservation of existing structures. In many cases, market and physical property conditions make redevelopment more effective than rehabilitation. When a property is redeveloped, a right to return to the neighborhood is necessary to avoid a reduction in the County's overall affordable housing inventory and to prevent the direct harm to tenants caused by involuntary displacement. Replacement units can be provided elsewhere in the neighborhood to facilitate mixed-income housing through redevelopment, and they do not need to be provided in the single, redeveloped property. To establish a comprehensive framework for equitable redevelopment, the County should:

- **Allow density transfers and form/height flexibility** to create opportunities for mixed-income redevelopment, when the redevelopment of existing affordable properties is necessary.
- **Allow additional density, subsidies, PILOTs and/or other incentives** to facilitate the creation of replacement units.
- **Negotiate rental contracts and/or provide tax incentives** to facilitate additional affordable units and/or deeper income targeting in the redeveloped property or others nearby.
- **Provide tenant relocation support, mobility assistance and counseling, and rental assistance to existing tenants** to find affordable replacement housing and provide additional choice for those that prefer to explore housing options in other neighborhoods.

Owners of market-rate housing may consider maintaining affordability or reducing rents, if given adequate incentives.

Rental agreements provide a flexible tool to replace units lost from the affordable stock and/or add housing options in areas with few affordable units. For this reason, Howard County should:

- **Negotiate rental assistance contracts** with private landlords.
- **Provide tenant matching and income qualification/certification assistance** for landlords participating in rental contracts and offering units at below-market rates.
- **Provide property tax incentives** to encourage landlord participation.

PROGRAMS AND POLICIES

Improve housing conditions and promote and expand programs that support households with home repair and modification needs

At the property level, supports and resources help improve housing and neighborhood quality and stability.

Robust code enforcement is critical to maintaining and improving health, safety, and quality of life at both the household and neighborhood levels. While some housing quality challenges are the result of bad actors, others stem from a lack of knowledge, capacity, and resources to effectively maintain properties, and the County should therefore:

- **Expand code enforcement** in coordination with landlord and homeowner outreach, technical assistance, and subsidy provision.
- **Provide support to renters in affected properties to improve housing stability**, including relocation and/or legal assistance.
- **Provide resources for property upgrades and/or maintenance** in exchange for ensuring ongoing affordability.
- **Identify opportunities to strategically acquire properties** from willing sellers to preserve those properties and units.

At the neighborhood level, there is a need for strategic investment to improve housing conditions in areas that are experiencing, or at risk of, disinvestment.

This need is in addition to those related to the provision of rehabilitation support to individual homeowners and property owners in the County. At the neighborhood level, the County should:

- **Work with community groups, nonprofit service providers, or other entities** to identify neighborhoods with significant capital needs and/or that are at-risk of disinvestment.
- **Conduct proactive outreach in such neighborhoods** to identify opportunities for targeted investments, and coordinate subsidy provision and rehabilitation activities.

Even when interventions are not necessary to improve the quality of housing, they may be necessary to preserve its affordability.

Market-driven redevelopment and rehabilitation can lead to rent increases that can preclude former residents from remaining in their neighborhoods, even when the units themselves are preserved. In such cases, improvements in the quality of affordable housing units can lead to increased cost burdens for the lower-income tenants who live in them.

- **Provide capital subsidies for multifamily rental rehabilitation** in exchange for ongoing affordability.

Howard County offers several programs, subsidies, tax abatements and deferrals, and home retrofit supports, many of which could be improved or expanded.

These tools can help ensure ongoing stability for lower-income homeowners, and facilitate retrofits of existing homes to incorporate accessibility/visitability improvements, universal design, and/or one-floor living. However, the identification of available resources and management of the process can be difficult for those in need. As such, the County should:

- **Create a homeowner resource navigator website and hotline**, which should consolidate and promote all housing-related resources available to residents of Howard County.
- **Expand independent living opportunities** by providing technical and financial support, such as “permit-ready” home modifications, to older adults and persons with disabilities.
- **Provide technical assistance to homeowners** to identify needs and access resources, more generally.
- **Create a vetted contractor/vendor list** and assist households in navigating the rehab/retrofit process.
- **Use information gained to inform adjustments** to existing programs and development of new options.

It can be difficult for owners to make improvements to properties that were built prior to, and no longer conform with, current zoning and regulatory provisions.

In some cases, property owners may need to bring properties up to the most current code and address “non-conformance,” even when making modest improvements. This process can be difficult to navigate from a technical perspective, create a financial barrier for lower-income property owners, and lead to disinvestment. To prevent such challenges, the County should:

- **Address non-conforming elements of existing properties** by loosening rules and/or “grandfathering in” conditions unrelated to health and safety, like off-street parking or setbacks.

Expand opportunities for homeownership

Improving access to homeownership is an important step in bridging the wealth gap that exists in communities today.

Although homeownership should not be viewed as a necessity to create wealth, it has historically served this purpose for certain segments of the population, while others—especially African-Americans—have been proactively excluded because of discriminatory policies and practices. Improving sustainable access to homeownership can be an important affirmative step to addressing the wealth gap and limited economic mobility, and can help integrate communities with high levels of homeownership-oriented housing stock and high home values.

"Shared equity" homeownership programs create permanent, entry-level homeownership opportunities for moderate-income households. These programs can take many forms. For example, a prospective homeowner could receive a subsidy to purchase a home on the open market. Alternatively, a developer could be required or incentivized to produce units that are offered to income-qualified purchasers. Homeownership units produced through the County's MIHU program are based on the shared equity model, and future policies should continue to encourage similar strategies that create a permanently affordable "first rung on the ladder" to wealth creation through homeownership. To do so, Howard County should:

- **Use down payment assistance and/or second mortgages** to help acquire/preserve existing lower-cost units.
- **Utilize shared equity/permanent affordability provisions**, similar to those of MIHU, when incorporating affordability provisions into redevelopment plans or other new policies.
- **Work with banks that offer first mortgages for shared equity purchasers in other local jurisdictions** to expand into Howard County and increase mortgage access for these programs.
- **Regularly evaluate and adjust MIHU resale formulas as necessary to reduce the number of resales that are released to the general public** when income-qualified purchasers are not found. The County should also expand existing and explore new approaches to preserving MIHU homeowner units.

Image Source: Howard County Government

PROGRAMS AND POLICIES

Support low-income households, vulnerable populations, and households with specialized needs

Extremely low-income households may require financial assistance to pay for housing, particularly in times of natural disaster or economic instability.

This challenge is exacerbated by lengthy waiting lists for existing rental assistance programs. In addition to advocating for state and federal resources to clear these lists, the County should:

- **Create a local rental assistance pilot program** to enhance housing stability for the highest need households, and to support County residents in times of natural disaster or economic instability. Importantly, this program should be used to fill gaps and serve as a "bridge" for households waiting to receive aid from existing federal or state rental assistance programs.

Even when financial assistance is provided, extremely low-income households may still struggle to find housing, given the limited number of affordable units.

Landlord incentives and rental agreements are generally lower-cost strategies for expanding housing choices for vulnerable households. To support these efforts, the County should:

- **Expand the County's current landlord outreach programs** by increasing marketing to landlords and expanding resources available for landlord incentives.
- **Look for opportunities for deeper engagement with property owners of naturally occurring affordable housing units** that might be targets for acquisition or preservation.

There is an opportunity to use the efforts from the COVID-19 pandemic to inform more proactive disaster responses moving forward.

The severity of the COVID-19 pandemic required the creation of new housing support programs and the adoption of new protocols. To prepare for future crises, the County should:

- **Create a formal evaluation structure for COVID-19 relief efforts** and incorporate lessons learned into standing programs.
- **Formalize protocols for responding to future natural and economic disasters**, based on what worked well in recent disaster response efforts.

There is generally a strong preference for integrated and independent living for persons with disabilities or limited mobility, as well as older adults.

Some neighborhoods have the characteristics to support these households, but lack the types of housing that each of these unique groups requires. For this reason, the County should:

- **Conduct a neighborhood accessibility/mobility assessment** to identify areas that are supportive of independent living opportunities, and prioritize housing investments accordingly.
- **Identify neighborhoods that lack mobility infrastructure but already offer senior communities or supportive housing stock**, and make tactical infrastructure investments in such areas to improve the quality of life and ability for households to live independently.
- **Prioritize integrated living to the greatest extent possible**, for individual developments.

There is significant demand for accessible units, and these units can be difficult to find even when they become available.

Although required in new properties, accessible units sometimes go vacant due to timing, information, and affordability challenges. To increase access to these units, the County should:

- **Support enhanced participation in and utilization of MDHousingSearch.com**, with the goal of matching households with accessible units when they become available.
- **Negotiate with landlords to reduce penalties** for tenants who terminate leases in order to gain access to newly available accessible units.

Tenants face information and resource barriers in disputes with landlords and may not be fully aware of their legal rights

Access to counsel is important for tenants seeking recourse when a landlord is in violation of lease, safety, housing quality, or accommodations requirements, and the County should:

- **Expand resources for tenant legal assistance** and conduct proactive outreach efforts to both tenants and landlords.
- **Create a one-stop-shop and information clearing house to support landlords and tenants** with training on rental regulations, codes, legal matters, and other relevant matters.

HOUSING AND INFRASTRUCTURE

Identify creative mechanisms to fund both housing and school facility investment to attain full development of annual allotted new housing units and to meet growing demand

Howard County requires a sustainable strategy to ensure that neither its infrastructure capacity nor its housing inventory falls behind as it continues to grow

Nationwide, approaches for balancing new growth with supportive infrastructure vary from one jurisdiction to the next. APFOs are not universal, and high-demand jurisdictions in the region and across the United States—both with and without APFOs—are struggling with the same challenges in striking this balance as Howard County. Such ordinances can serve an important role when counties are in predominantly "greenfield" growth modes and need to build substantial new infrastructure as they expand into new and undeveloped locations. However, APFOs are less effective when most new construction occurs through redevelopment and/or infill development in locations where existing public infrastructure is already present.

Given that new development is not the only driver of school facility needs, a more sustainable solution is necessary so housing development can proceed along with equitable access to high-quality schools. To address both school and housing the needs, the County should:

- **Identify new, ongoing funding resources for capital investment**. As discussed on Page 32, the source should generate a large upfront allocation of capital, with a defined split of the resulting revenues shared between housing and school facility investment.
- **Allow developers to proffer land or a portion of a site for school or facility construction** in exchange for zoning flexibility and/or density on the remaining portion of the site.

HOUSING AND INFRASTRUCTURE

Evaluate targeted APFO changes to support the growth required to improve housing affordability and opportunities when the APFO Review Committee convenes following the General Plan

Targeted changes to the APFO are necessary in order for the County to address its housing and affordability challenges.

The APFO limits the ability of Howard County to provide affordable housing and meet housing demand, despite its intended purpose of metering growth and creating a mechanism for planning and phasing infrastructure. The APFO has become the single-greatest influence on shaping growth and development in the County, and it risks creating longer-term liabilities for the County if school-related moratoria push development outside of areas with the most supportive infrastructure.

Current regulations require the formation of an APFO Review Committee within one year of the adoption of a new General Plan. The purpose of that committee is to review how APFO is working and develop recommendations for changes and improvements. Against this background, the APFO Review Committee should:

- **Consider amending APFO restrictions, moratoria, and fee structures for all housing in areas with existing transportation infrastructure and strong mobility/independent living characteristics**. Examples of these areas could include Columbia and parts of Ellicott City, which are generally established and have minimal room for large-scale, greenfield residential development. In these locations, continued school capacity challenges are more likely to stem from the turnover of existing units rather than the creation of new ones, and the APFO alone is therefore unlikely to solve these challenges.
- **Consider automatic exemptions from school-related moratoria for affordable housing in low-poverty school districts, as well as market-rate housing in high-poverty school districts**. Such exemptions could help improve equitable access to both housing and education across Howard County.
- **Consider whether specific types of housing should receive automatic or limited exemptions from moratoria as well**. For example, some housing types—such as those with age restrictions—do not attract schoolchildren, and therefore will not contribute to school capacity challenges going forward. Likewise, other “priority” housing types—such as small-lot single-family and other forms of “missing middle” development—may be necessary to serve the existing household base, and such exemptions can help incentivize their development.
- **Consider identifying areas where existing infrastructure is underutilized** and could support additional residential density with limited new public investment.

Image Source: Howard County Government

HOUSING AND INFRASTRUCTURE

Creatively utilize land assets in the County

Intentional, proactive development policies can support both housing and facility needs.

Approaches that generate revenue can be complemented with policies that open sites for community and public facilities. Importantly, co-location of housing and facilities can be a critical tool for more efficiently utilizing existing land. Underutilized public land is an important asset for meeting community goals, but activating public sites requires an intentional approach and creative partnerships. For this reason, the County should:

- **Create an inventory of publicly-owned land assets** and benchmark inventory against facility needs.
- **Establish affordable and mixed-income housing as a priority** for the use of publicly-owned land assets.
- **Identify opportunities for co-location of public facilities and housing** and prioritize such complementary developments, to make the most efficient use of limited land.
- **Allocate proceeds from the sale of publicly owned properties to the Affordable Housing Trust Fund**, when affordable/mixed-income housing and/or community facilities are not major components of the development plans for those sites.
- **Establish protocols** for conveying site control, requiring public benefits or revenue contributions, and accepting unsolicited bids.

Communication and coordination with institutional organizations can support similar opportunities.

Community-serving entities such as faith-based institutions, community groups, hospitals, and universities often hold significant land assets. Such entities may find it within their mission or institutional needs to engage in partnerships for affordable housing and public facility development. To encourage such partnerships, the County should:

- **Proactively address zoning challenges**, such as barriers to mixed-use or housing development, on institutionally zoned sites.
- **Facilitate information sharing, outreach, and technical assistance** in planning and development for community organizations.

CONCLUSIONS

CONCLUDING REMARKS

ROLE OF THE HOUSING OPPORTUNITIES MASTER PLAN

The purpose of the Housing Opportunities Master Plan is to provide a comprehensive framework through which Howard County can continue to advance housing opportunities in the community.

Just as the threats to these opportunities are manifold, so too are the strategies that Howard County can use to improve them. For this reason, the Housing Opportunities Master Plan includes 80 recommendations, each of which varies in terms of its scale, impact, and target audience, among many other characteristics. In spite of these differences, each recommendation in the Housing Opportunities Master Plan is important in its own right.

Howard County is an economically and demographically diverse community, in which different residents have different needs. Moreover, the meaning of housing affordability varies from one person to the next, and there is no one-size-fits-all approach to make certain that everyone—regardless of age, income, educational attainment, gender, race, or any other background—is able to take part in this community. A wide-ranging strategy is therefore necessary to ensure housing attainability, accessibility, and affordability for all such individuals.

From the grocery store clerk in Columbia to the recent empty nesters in the Rural West, the Housing Opportunities Master Plan is intended to provide a framework through which Howard County can promote housing opportunities for all of its residents.

Image Source: Howard County Government

ABOUT THE AUTHORS
AND OTHER ACKNOWLEDGEMENTS

RCLCO
REAL ESTATE ADVISORS

Since 1967, RCLCO has been the "first call" for real estate developers, investors, the public sector, and non–real estate companies and organizations seeking strategic and tactical advice regarding property investment, planning, and development. RCLCO leverages quantitative analytics and a strategic planning framework to provide end-to-end business planning and implementation solutions at an entity, portfolio, or project level. With the insights and experience gained over a half-century and thousands of projects—touching over $5 billion of real estate activity each year—RCLCO brings success to all product types across the United States and around the world.

Neighborhood Fundamentals, LLC

Neighborhood Fundamentals, LLC provides research and technical assistance to public, private and nonprofit institutions on issues related to housing affordability and community and economic development. Neighborhood Fundamentals was founded in 2017 by Michael A. Spotts, who has nearly 15 years of experience providing research and technical assistance to on-the-ground practitioners in both the public and private sectors, at every level of government, and in urban, suburban and rural areas. Neighborhood Fundamentals works with a range of organizations and institutions dedicated to improving housing affordability and community development.

Founded in 1971, Johnson, Mirmiran & Thompson, Inc. (JMT) is a leading expert in community planning. We identify housing affordability issues to address individual needs while also integrating needs of the community, transportation connectivity, economic development, visual quality, cultural resources, and natural environment. We coordinate with our clients and all project stakeholders to examine the relationship between transportation alternatives, economic development potential, urban design, and environmental sustainability. JMT's expansive service area expertise allows for a comprehensive approach and turn-key solutions for any project need.

PRR provides integrated communications solutions that help people make informed decisions and build stronger, more inclusive communities. We are experts in the transportation, health, and environment sectors where we offer research, community engagement, social marketing, and human-centered design services anchored in our philosophy to Make It Meaningful. That means we prioritize diversity, equity, and inclusion in everything we do. Established in 1981, our team includes national experts located in bi-coastal offices in Seattle, Washington D.C., Norfolk, and Baltimore.

OTHER ACKNOWLEDGEMENTS

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County Departments & Affiliated Entities
Columbia Downtown Housing Corporation
Community Resources & Services
Housing and Community Development
Housing Commission
Planning and Zoning

Broader Stakeholders
Accessible Resources for Independence
African American Roundtable
Age-Friendly Stakeholder Group and Age-Friendly Initiative Housing Workgroup
Arc of Howard County
Baltimore Regional Council
Bridges to Housing Stability
Brightview Senior Living
Chinese American Parent Association of Howard County
Columbia Community Care
Columbia Housing Center
Community Action Council of Howard County
Community Foundation of Howard County
Elm Street Development
Enterprise Community Development
Erickson Living
Foreign-Born Information and Referral Network
Grassroots Crisis Intervention
Heritage Housing Partners Corporation
Horizon Foundation
Housing Affordability Coalition
Howard County Autism Society
Howard County Food Bank
Howard Hughes
Humanim
Maryland Building Industry Association
Oakland Mills Interfaith Center
Orchard Development Corporation
Owen Brown Interfaith Center
NVR Homes
People Acting Together in Howard
Rebuilding Together
SDC Group
Trinity Homes
Wilde Lake Interfaith Center
Williamsburg Homes
Wood Partners

TECHNICAL APPENDICES

APPENDIX A

DETAILED RECOMMENDATIONS AND IMPLEMENTATION STRATEGIES

DETAILED RECOMMENDATIONS & IMPLEMENTATION STRATEGIES

Housing Opportunities Master Plan

April 29, 2021

BACKGROUND

In January 2020, Howard County selected RCLCO to develop a comprehensive, strategic plan for expanding housing opportunities in Howard County. Since 1967, RCLCO has been the "first call" for real estate developers, investors, the public sector, and non-real estate companies and organizations seeking strategic and tactical advice regarding property investment, planning, and development. The project team also includes Neighborhood Fundamentals, which provides research and technical assistance on issues related to housing policy and affordability; JMT, which manages community planning and meeting facilitation; and PRR, which specializes in public and environmental justice outreach.

Starting in February, the RCLCO team conducted housing market and policy analysis in Howard County. During this time, the RCLCO team worked closely with the Howard County Department of Housing and Community Development ("HCD"), and it regularly met with the Housing Opportunities Master Plan Task Force, which provided guidance and input along the way.

Key milestones during this process included the following:

- During the summer, the RCLCO team hosted its first virtual community meeting, during which it gathered input from nearly 70 community members on their housing-related issues and experiences. This input was supplemented with a public survey, which ran from June through September and received nearly 2,300 responses during that time. This large response rate stemmed from advertisement through a variety of public, private, and nonprofit resources, as well as environmental justice outreach to historically underrepresented communities.
- During the fall, the RCLCO team translated the market and policy analysis, stakeholder interviews, and community input into a series of challenges facing housing in Howard County today, and the associated guiding principles to steward its recommendations. Within this context, the RCLCO team developed a set of draft recommendations, which fell into three broad categories: land use, planning, and zoning; programs and policies; and Adequate Public Facilities Ordinance ("APFO").
- The RCLCO team then hosted its second virtual community meeting in November, with the goal of collecting feedback and responding to questions about these recommendations. More than 100 people participated in this meeting, and this input was supplemented with a second public survey.
- In December, the RCLCO team revised its recommendations, based on feedback from the November community meeting, and based on the continued input of the Housing Opportunities Master Plan Task Force. The RCLCO team then continued to refine these recommendations during the following months, as it received additional comments from the public, and as it conducted further environmental justice outreach.
- In February, the RCLCO team finalized its recommendations, incorporating them into the Housing Opportunities Master Plan.

Critically, the RCLCO team developed the recommendations in the Housing Opportunities Master Plan with the primary goal of identifying strategies for expanding housing opportunities in Howard County, recognizing that some of the recommendations proposed for consideration need to be evaluated in the context of other County land use priorities. The following document includes an overview of these recommendations, as well as the reasons why they are important for Howard County to implement in order to achieve its stated goal of improving housing opportunities for its residents.

I. LAND USE, PLANNING, AND ZONING

Based on the research to-date, the RCLCO team identified three primary challenges that relate to land use, planning, and/or zoning in Howard County. To respond to these challenges, the RCLCO team formulated three corresponding "guiding principles" for its work, and then constructed a set of recommendations around them.

- **Challenge:** Housing supply has not kept up with housing demand, particularly over the last decade and given recent employment growth. This imbalance between supply and demand is leading to rising affordability issues.
  - **Guiding Principle**: Increase the amount of housing that is available at all price and rent points, especially housing that serves low- and moderate-income households. In the near term, Howard County should prioritize housing development to serve owner households making less than 120% of Area Median Income ("AMI") and renter households making less than 60% of AMI, as well as remove barriers to market-rate rental housing development. In the mid to long term, Howard County should address existing policies that are impacting the types and amounts of housing that can be built—across product types and price ranges—to broadly increase available housing supply.
- **Challenge:** A lack of housing diversity throughout Howard County inhibits racial and socioeconomic integration. Historically disadvantaged populations, lower-income households and households experiencing poverty find that most of the housing options affordable to them are concentrated in only a few locations. This challenge is especially problematic considering that most remaining land and school capacity is in the Rural West, where current zoning regulations largely prohibit affordable housing development of any kind.
  - **Guiding Principle**: Encourage greater racial and socioeconomic integration by increasing affordable housing opportunities throughout Howard County, especially in locations that do not have them at this time. Identify specific locations in the county where additional mixed-income housing can be built in a fiscally and environmentally responsible way, even if it requires zoning, land use, and infrastructure changes to accommodate.
- **Challenge:** New development today is less diverse than the housing inventory overall. In recent years, new development has shifted in favor of rental apartments, and—at the same time—the for-sale market has largely stopped building smaller, attainably priced for-sale housing.
  - **Guiding Principle**: Promote a greater diversity of housing options in Howard County by expanding by-right zoning for small lot single-family, townhome and other attached, and moderate-density multifamily development. Facilitate and encourage the expansion of existing properties to include additional units, such as basement apartments and accessory dwelling units ("ADUs"). Diversifying the housing stock can create more affordable housing options throughout the County, which can advance racial and income integration and economic mobility.

Proposed Approach and Recommendations for Addressing Challenges

Land use and zoning policies dictate what can be built, where, and for whom. Intentional decisions regarding land use, planning, and zoning are critical to advancing racial and social equity. There are five broad ways the County can use land use and zoning to address the above challenges:

1) Use land use policy and provide incentives to produce income-restricted housing units

Land use, zoning, and planning policies impact more than market-rate development, and regulatory barriers/inefficiencies disproportionately affect affordable housing development. Conversely, these tools can proactively facilitate production of units targeted to low- and moderate-income households.

Today, this production is primarily accomplished by requirements to reserve a portion of units in new market-rate developments for moderate-income households at a reduced rent or purchase price ("Moderate Income Housing Unit," or MIHU policy). While the County recently expanded this policy, there are still circumstances in which it is less likely to produce affordable units on-site, primarily in the case of single-family detached and/or age-restricted housing developments. A land value analysis conducted by RCLCO indicates that it can be difficult for developers of larger and more expensive detached housing to produce on-site MIHUs without jeopardizing the economic feasibility of their projects. For these two product types, Howard County therefore allows developers to pay a fee in lieu ("FIL") instead of providing the units on-site, which is a practice that other jurisdictions use to advance affordable housing goals in different development contexts. FIL provides revenue that allows the County to provide gap funding for housing developments with even greater percentages of affordable units or even deeper levels of income targeting than what market-rate developments can achieve.

Recommendations for consideration:

I-1.1 Update MIHU rules and fee structures, with the primary goal of producing more units throughout the County that are integrated within communities. More specifically, the County should provide modest increases in density to accommodate on-site MIHU *provision (e.g., to better take advantage of the existing option to incorporate MIHUs in Multi-Plex structures in certain single-family detached developments). The County should also explore whether it is feasible to apply zoning categories or overlays that enable housing types more conducive to MIHU development (e.g., R-SC, R-SA-8, R-A-15, CEF) across a broader area to encourage MIHU development in lower-density contexts. Additionally, the County should require new housing developments in a final zoning category—Planned Golf Course Communities—to provide MIHUs or pay FIL, neither of which is required by current regulations. Finally, over time and as markets shift, the County should periodically evaluate MIHU provisions (including but not limited to fee-in-lieu, which is mostly applicable in the context of single-family developments), to ensure that they are appropriately calibrated and do not dissuade on-site provision of units.*

I-1.2 Consistent with current regulations, FIL should be allowed in specific cases when on-site MIHU provision would jeopardize the economic feasibility of a housing development and inhibit its ability to proceed. In such cases, the County should work to ensure that the resulting revenues proactively advance economic integration and support expanded housing choice. For example, if FIL is paid in a High Barrier neighborhood (definition below), the resulting revenues could be used to support a mixed-income development or rental assistance contract that would otherwise advance economic integration. The appropriate mechanism for supporting this approach is to dedicate FIL to the Trust Fund described in Recommendation II-2.2.

I-1.3 Include incentives to encourage the production of additional affordable and/or accessible units beyond the MIHU baseline rules. Specifically, the County should consider providing additional density and waiving setback requirements for projects that provide significantly more than the required number of MIHUs, and/or that provide deeper levels of income targeting in the form of Low Income Housing Units ("LIHUs") or Disability Income Housing Units ("DIHUs"). To provide illustrative examples, the current density limitations for the RA-15 and RA-Apt zoning designations are generally more restrictive than the height limitations, so the removal of density caps in exchange for more MIHUs, LIHUs, or DIHUs could incentivize developers to provide more affordable housing without encroaching on allowable building heights. The County should also evaluate whether to waive setback requirements for projects that do the same. Finally, the County should consider offering additional increments of density (and associated form flexibility to accommodate additional units) and other incentives to projects that provide a higher proportion of accessible/visitable MIHUs and/or LIHUs, given that not all persons with disabilities receive Social Security disability insurance ("SSDI") or are at that income level.

I-1.4 Ensure that any Official Area Plan (definition below) that the County decides to undertake (e.g., redevelopment plans), includes clear policies for meeting affordable housing goals. At the very least, these plans should include the provision of MIHUs, using the same rules and fee structures that apply to the County as a whole. However, planning efforts, especially those in low-poverty neighborhoods, should have the ability to supersede these rules and fee structures if they will ultimately produce more affordable housing units than what the MIHU policy alone would produce. Such planning efforts should include coordination with the inter-agency housing opportunities task force outlined in Recommendation II-1.1, including HCD and the Howard County Department of Community Resources and Services ("CRS") in particular, to explore opportunities to coordinate land use and planning incentives with housing, service, and community development subsidies to better meet housing needs and expand housing opportunities. All Official Area Plans should explicitly consider the needs of older adults and persons with disabilities and mobility impairments, and proactively support improvements that will expand housing choice and enable independent, integrated living.

Affordable housing is often more difficult to build than market-rate housing, largely due to the need for assembling complex subsidy programs and navigating additional layers of regulation. Streamlining regulations can improve the viability of affordable housing when considering regulations like parking, setbacks, height, etc. While market-rate development is often willing to incur these costs because there is an ability to earn a meaningful return on investment, income-restricted affordable housing developments cannot recoup these costs and are less likely to proceed unless additional subsidy can be found to cover the costs of regulation and approval processes.

Recommendations for consideration:

I-1.5 Create a countywide affordable housing overlay, which should allow affordable housing development proposals that are located in High-Barrier Neighborhoods (definition below) and meet specified criteria to proceed "by-right," or without the need for additional reviews and approvals. To qualify, an affordable housing development should meet basic affordability requirements (reserve at least 40% of units at 60% of AMI and be subject to a long-term use restriction[1]), provide accessible and visitable units beyond the minimum required by law, and fall within a range of parameters related to form, density, massing, setbacks, parking, etc. For example, the overlay could allow for affordable development to proceed by-right if it falls within an across-the-

[1] The County could also consider allowing a portion of income-restricted units to reach up to 80% of AMI, provided that this difference is offset by deeper affordability in other units (similar to the "income averaging" option allowed under the LIHTC program). Affordability periods should generally match those of the MIHU or LIHTC programs, whichever is greater in the specific development context.

board percentage increase above current zoning (e.g., 25% increase in allowable density and/or height), or it could explicitly enumerate allowable forms that would qualify in specific zoning categories (e.g., townhomes/stacked flats allowed in single-family zones, bonus height/density in multifamily zones, etc.). The overlay should also loosen zoning requirements unrelated to health and safety (e.g., parking, height, setbacks, etc.) for predominantly income-restricted affordable housing and prioritized housing types in all areas, especially if the proposed development is near existing infrastructure, retail, and community assets.

I-1.6 Complement by-right development of affordable housing in High-Barrier Neighborhoods with a process to ensure that any affordable housing development receiving County financial support (e.g., HCD loan, payment-in-lieu-of-taxes, etc.) or Housing Commission development in a Preservation-Revitalization Neighborhood (definition below) contributes to neighborhood revitalization and supports the prevention or reduction of concentrated poverty through mixed-income housing development. This policy should improve upon and replace limitations on County/Housing Commission activities delineated in Section 13.1500 of the Howard County code. An example of an applicable neighborhood would be one that has substantial housing options for lower-income households but may have housing quality challenges. To accomplish this goal, the County should adopt formal criteria and requirements for funding recipients (particularly for allocating the Trust Fund revenues proposed in this plan) and Housing Commission development that include:

- *Minimum standards related to mixes of incomes to reduce/prevent poverty concentration;*
- *A plan for developer and County actions to facilitate a right-to-return to the neighborhood for temporarily displaced households (see also Recommendation II-3.6 through Recommendation II-3.9);*
- *A plan for mobility counseling for affected households that prefer to move to other neighborhoods;*
- *Standards for supportive services for lower-income households; and*
- *Standards for improving building quality and (where feasible) supporting community-serving infrastructure and amenities.*

2) Enable more equitable growth throughout the County through changes to zoning regulations and land use plans

A functioning market-rate development sector is also crucial to maintaining and expanding housing affordability. Without continued market-rate development, the pressures on existing housing stock will continue to increase, exacerbating current challenges and limiting the impact of County interventions. Addressing housing needs in areas currently zoned for denser housing is unlikely to be successful on its own, because land supply is limited and much of the land is already developed or preserved for other uses. In particular, the Rural West and many other lower-density neighborhoods that are exclusively zoned for single-family residential development lack both existing affordable housing, as well as land planned for development that could be affordable. Substantially limited growth in these lower density contexts reinforces existing patterns of segregation and limits the County's ability to add housing supply.

The County needs to consider locations throughout the County where regulatory barriers inhibit the production of both income-restricted and market-rate housing (including lower-cost housing types), even though they have the characteristics to support additional development.

Recommendation for consideration:

I-2.1 Determine if there are strategic locations in the Rural West and in lower density portions of the planned service area where it is feasible to accommodate increased development, while balancing other priorities such as sewer/water capacity, historical context, and agricultural preservation goals. Revise zoning regulations in locations where such development is feasible.

Achieving equitable growth requires every neighborhood to evolve, making countywide growth parameters important. This evolution may not look the same throughout the County, and specific planning efforts within those parameters can help guide context-sensitive growth.

Recommendation for consideration:

I-2.2 Provide guidance on minimum growth and affordability goals countywide. When undertaking an Official Area Plan, the County should ensure that the provisions within those plans related to building form, density, height, etc. contribute to those Countywide goals within the neighborhood context. For example, a redevelopment plan in an area with high-cost, mostly ownership-oriented housing could allow a wider range of building forms and provide bonus density to encourage affordable rental development and entry-level homeownership options. Meanwhile, a lower-density neighborhood could facilitate growth by allowing modest density increases across the neighborhood, or prioritize a corridor for significantly denser, mixed-use, mixed-income development.

There is a need for housing types that enable independent living across the income spectrum, and the demand for such housing cannot be met through affordable housing production alone. Market-rate production can and should expand the supply of homes that enable people with different housing needs to live and thrive in Howard County.

I-2.3 Evaluate zoning, land use, and building regulations to identify necessary changes to advance independent living opportunities. Specifically, the County should evaluate requirements related to universal design, accessibility, and visitability to ensure that:

- *Design specifications and requirements conform with best practices and*
- *The percentage of units in new developments required to meet the respective standards is appropriate.*

3) Facilitate the development of lower-cost housing typologies

The County's older housing stock has a variety of home and lot sizes, including many townhomes and low-density condominiums. However, large single-family homes and townhomes account for the bulk of recent development, leaving large gaps in the types and sizes of units that are available. Barring other differences, smaller homes are generally more affordable, and smaller unit sizes can facilitate development on a wider range of lot types, shapes, and sizes. The production of smaller units may also allow those who prefer to downsize to do so, opening up larger homes for families.

Limits or restrictions on more naturally affordable housing typologies limit the ability of additional supply to address affordability challenges. Improvements in building type diversity are therefore necessary to provide housing choice, and our first community outreach survey pointed to broad support for these improvements. Efforts to diversify housing stock can be paired with targeted interventions to support more deeply affordable housing.

Recommendations for consideration:

I-3.1 Allow a broader range of housing types to proceed by-right through changes to zoning and density limits and/or by encouraging such housing types through the Official Area Plans discussed above. Examples of potential housing types include efficiency rental units, attached single-family homes, "cottage clusters," townhomes, and other "missing middle" types.

I-3.2 Provide the regulatory flexibility to increase opportunities for ADUs. Current regulations allow "accessory apartment dwellings" in limited contexts. Permanent accessory apartments must be internal to the structure/attached to the main unit and on lots above a certain size, and are allowed in most, but not all, residential zones. Temporary accessory family dwellings may be detached but are limited to substantially larger lots, are limited to family members, and must be removed within 60 days of the family member moving from the unit. Against that background, the County should consider:

- *Allowing a wider range of building types by-right, including stand-alone detached units, units over garages, basement apartments in townhomes, and/or attached, bump-out caregiver suites with less restrictive design requirements;*
- *Revising lot size requirements and allowing ADUs in all zones, which would at the same time increase ADU development potential and allow for more incremental growth by spreading demand across a wider range of neighborhoods; and*
- *Removing owner occupancy requirements, which can make obtaining financing more difficult.*

To support affordability through ADU development, the County could provide pre-approved designs/plans and offer technical assistance, low-cost financing, and/or expedited permitting or approval to targeted property owners. Such owners may include:

- *Lower-income, cost-burdened homeowners (including those on fixed-incomes) seeking a supplemental income stream;*
- *Owners who commit to rent to lower-income tenants; or*
- *Older adults, persons with disabilities, or owners who commit to renting to older adults, persons with disabilities, or caregivers at affordable rates.*

The County could also support mission-driven organizations that provide services and support (e.g., financing, development, property management, etc.) to users that are either low-income or are willing to lease to lower-income tenants.

I-3.3 As part of the evaluation conducted during the General Plan process, "stress test" policies that allow greater form flexibility, density, etc. to ensure that other land use and zoning policies do not create "de facto" barriers to housing stock diversification, and adjust the associated policies accordingly. For example, a zone may allow the development of duplexes on a by-right basis, but rules related to lot-coverage, height, and off-street parking could make such development impossible in practice.

4) Remove zoning barriers to mixed-use neighborhoods and developments

Mixed-use neighborhoods can reduce demand for transportation infrastructure and enable individuals without automobile access to meet more of their needs independently. The incorporation of residential development near existing retail can support the retail sector and local tax base, improving tax values per acre for the County compared to single-use properties.

Recommendations for consideration:

I-4.1 Make "tactical" investments (e.g., pedestrian improvements to connect a residential community with a retail service area) and/or regulatory changes to create "15 minute neighborhoods," in which a significant proportion of everyday needs (e.g., groceries) could be reached within a short walk or bike ride. Such tactical improvements should advance integrated living opportunities and support the needs of persons with mobility impairments (e.g., ensuring that sidewalks are wheelchair accessible) and could include paratransit options for persons with disabilities.

I-4.2 Allow neighborhood-serving retail (e.g., small corner markets, coffee shops, etc.) in all residential zones. The list of eligible establishments could correspond with those allowed in Village Centers under the New Town zoning designation, though some restrictions on the scale of such establishments may be necessary for neighborhood context.[2]

I-4.3 Provide zoning flexibility to enable both vertical mixed-use buildings (e.g., ground-floor retail with housing above) and horizontal mixed-use sites (e.g., housing next to or on-site with retail strips). In the latter context, adjustments to associated provisions such as parking, form, and massing may be necessary to fit within existing sites. Consider proactive zoning changes for sites that should be redeveloped with mixed-use.

5) Promote efficient processes for approving development

When the approval process (including site development reviews, design reviews, rezoning, and building permitting) of a jurisdiction is lengthy and/or complex, it can add costs to a development, often without corresponding benefits to the community. This challenge is common throughout the region and across the country. Increasing the efficiency of the approval process enables more developments to be financially and/or technically feasible, particularly in the case of smaller-scale developments, affordable housing, redevelopment projects, and projects undertaken by individual homeowners. This dynamic stems from the fact that these projects may require sophisticated understanding of land use, zoning, and building codes but have smaller margins (or no margins in the context of home improvement), fewer units through which fixed costs can be spread, and/or—in the context of income-restricted housing—additional regulatory and funding approvals. In addition to increasing the likelihood that more diverse housing improvements and developments can be feasible, streamlined approval processes could give more scope for provision of community benefits on larger projects.

Recommendations for consideration:

I-5.1 To the extent feasible, approvals and incentives discussed in the above recommendations should be granted administratively. This approach could be particularly beneficial for recommendations regarding MIHU requirements/incentives (I-1.1, I-1.3), income-restricted affordable housing production through the countywide affordable housing overlay or in Preservation-Revitalization Neighborhoods (I-1.5, I-1.6), and accessory dwelling units (I-4.2).

I-5.2 Provide expedited or by-right approval for home modifications that facilitate independent living (accessibility, visitability, one-floor living, fall prevention).

I-5.3 For proposals that require Planning Board approval, create an expedited review and approval process for proposals that fall within a specific "safe harbor" (e.g., encroach on setbacks within a specific range, or exceed density limits by a minimal amount).

I-5.4 Expand upon the County's existing tracking efforts and proactively analyze data regarding the length of the approval process on an ongoing basis to identify trends, potential inefficiencies, and potential product types or development characteristics that contribute to lengthier development timelines. This information can be used to update administrative processes and remove zoning barriers (e.g., identifying the type of proposals that could be eligible for expedited review or uses that should be allowed by-right).

Definitions and Targets

Definitions and targets are important components of any Housing Opportunities Master Plan because they provide a useful framework through which the County can measure its success. The following definitions and targets apply to the recommendations in the Land Use, Planning, and Zoning section of the Housing Opportunities Master Plan.

[2] These uses include: "stores, shops, offices or other commercial uses which provide opportunities to fulfill the day-to-day needs of the village residents, such as food stores, specialty stores, service agencies, financial institutions, personal services, medical services, and restaurants."

1) **Targets for Land Use, Planning, and Zoning**

- ***Minimum Growth****: In any given year, Howard County should produce at least 70 new housing units for every 100 new jobs, based on the methodology that Howard County currently uses to define employment. This target translates to an average of approximately 2,000 housing units per year over the next decade, based on the current job growth forecast in the General Plan, and adjusting for the significant loss and subsequent recovery of jobs during the COVID-19 pandemic. As a point of reference, Howard County added an average of 1,125 new housing units each year between 2010 and 2019. Please note that the job forecast in the General Plan, which is still a work-in-progress, may change during future scenario planning efforts.*

- ***Minimum Affordability****: In any given year, the greater of at least 15% of all new housing units or 300 units overall should be available to households making less than 60% of Area Median Income ("AMI"). This target is roughly proportionate to the share of the overall household base that these households currently represent in Howard County. This target translates to at least 3,000 units over the next decade, reducing the current imbalance by 30% or more.*

- ***Minimum Accessibility****: At least 10% of new housing units affordable to households making less than 60% of AMI should be physically accessible for persons with disabilities. Based on American Community Survey ("ACS") data, RCLCO estimates that 7.9% of households in Howard County have at least one member with a disability. As such, the target is slightly higher than the share of households that require accessible housing, given that the aging nature of the population is likely to lead to additional demand moving forward. This target should be supplemented with concerted efforts to facilitate accessibility improvements to the existing ownership and rental stock to better enable integrated living and aging in place.*

2) **Definitions for Land Use, Planning, and Zoning**

- ***Official Area Plan****: A corridor, neighborhood, redevelopment, or area plan that is led or supported by DPZ and incorporates changes or guidance related to County land use and zoning policy/decisions (e.g., the Downtown Columbia Plan). Such plans are distinct from plans adopted by village associations, condominium associations, homeowner's associations ("HOAs"), or other civic/community groups that have not been developed in conjunction with the County government. All Official Area Plans should affirmatively contribute to meeting County-wide goals and objectives related to housing opportunities and affordable housing, as set out in the General Plan and/or subsequent planning efforts. To leverage DPZ capacity and encourage locally-driven redevelopment efforts, the County should encourage interested neighborhood groups to request that it initiate an Official Area Planning process, provided that the group contributes resources—including, but not limited to, financial backing—to the planning effort; engages with all affected residents, including historically marginalized and/or underrepresented communities; and addresses underlying covenants, deed restrictions, or other legal mechanisms that could conflict with or inhibit the effectiveness of land use and zoning changes, policies, and incentives included in the Official Area Plan.*

- ***High-Barrier Neighborhood****: A neighborhood in which high housing costs, limited rental housing stock, or other factors create barriers to entry for lower-income households and in which policy should support greater affordable housing opportunities. Specifically, a High-Barrier Neighborhood is a census tract in which the share of households with incomes that are below 200% of the Federal Poverty Level ("FPL") is less than 75% of the countywide average. Similar to Area Median Income ("AMI"), the FPL varies based on household size; as a point of reference, the household income for a four-person household at 200% of the FPL is currently $52,400, which is approximately 55% of AMI. Currently, 12.4% of households in the County have incomes than fall below 200% of the FPL; therefore, this definition would identify "High-Barrier" neighborhoods as census tracts in which fewer than 9.3% of households (75% of 12.4%) have incomes that are below 200% of the FPL. To determine these areas, the County should use five-year American Community Survey ("ACS") data, in order to minimize sample size issues that could otherwise lead to more frequent and less predictable changes in definitions. Today, examples of such areas include most neighborhoods in the Rural West, as well as parts of greater Ellicott City.*

- ***Preservation-Revitalization Neighborhood****: A neighborhood in which the age, tenure, quality, and price point of the housing stock enables residency of a wider range of households, and lower-income households in particular. In such neighborhoods, policy should work to support mixed-income opportunities over the long term by preventing concentrations of poverty, preventing displacement and providing supportive services to households with greater needs, and encouraging revitalization of any lower quality/deteriorating housing stock. A Preservation-Revitalization Neighborhood is a census tract in which the share of households with incomes that are below 200% of the Federal Poverty Level ("FPL") is more than 125% of the countywide average. Currently, 12.4% of households in the County have incomes than fall below 200% of the FPL; therefore, this definition would include census tracts in which more than 15.5% of households (125% of 12.4%) have incomes that are below 200% of the FPL. To determine these areas, the County should use five-year American Community Survey ("ACS") data, in order to minimize sample size issues that could otherwise lead to more frequent and less predictable changes in definitions. Today, examples of such areas include Long Reach, Oakland Mills, and much of the Route 1 Corridor.*

II. PROGRAMS AND POLICIES

Based on the research to-date, the RCLCO team identified five primary challenges that relate to programs and policies in Howard County. To respond to these challenges, the RCLCO team formulated five corresponding "guiding principles" for its work, and then constructed a set of recommendations around them.

- **Challenge:** Howard County lacks a cohesive strategy for prioritization, policy/program design, and resource allocation.
  - **Guiding Principle**: Develop a comprehensive and collaborative strategy for addressing housing needs and prioritizing resources. Ensure that the strategy is implemented, regularly evaluated, and updated over time.
- **Challenge:** Existing resources are not sufficient to meet current and future capacity and demands (e.g., schools, transportation, etc.) while also dedicating funds to housing goals.
  - **Guiding Principle**: Develop funding sources dedicated specifically to addressing affordable housing needs, through such actions as development, rehabilitation, rental assistance, and any other strategies outlined in this plan. These funding sources should include existing ones that could be dedicated for this purpose, as well as new ones that could be created for this purpose.
- **Challenge:** It continues to be difficult to supply housing for diverse populations, with significant needs going forward.
  - **Guiding Principle**: Ensure that Howard County meets the unique housing needs of older adults, persons with disabilities, and other diverse populations. Evaluate whether guidelines for special needs housing are actually appropriate for those communities' needs, and revise where necessary.
- **Challenge:** The COVID-19 pandemic and associated economic disruption is exposing and exacerbating housing insecurity.
  - **Guiding Principle**: Ensure Howard County is well equipped to deal with housing challenges that arise during economic downturns.
- **Challenge:** A large portion of housing that is available to low- and moderate-income households in Howard County is older and at risk of deterioration and/or redevelopment going forward.
  - **Guiding Principle**: Maintain and increase the existing housing stock while improving housing quality and household stability.
    - For rental housing, identify at-risk properties and prioritize tools/resources most appropriate for the given property, including acquisition, repair/rehabilitation, and/or equitable redevelopment.
    - For owner-occupied homes, provide tools and resources to ensure that elderly, low-income, and other vulnerable homeowners have greater opportunities to maintain and remain in their current homes and sustain their quality of life.
    - Address community-level housing quality issues by promoting and facilitating investment in repair and rehabilitation at a neighborhood scale, particularly in communities that have historically experienced disinvestment and/or discrimination.

Proposed Approach and Recommendations for Addressing Challenges

County interventions are necessary to address needs that the market cannot reach, and new funding resources are necessary for those interventions to take place. Although the County has existing programs in place to address a range of housing issues, these interventions do not have the resources or reach to address the scale of need. New approaches and resources are needed to create a more effective and efficient system for prioritizing needs and effectively deploying resources. Recommendations for consideration fall into six categories:

1) **Improve housing sector coordination and boost capacity**

Howard County has a range of departments, nonprofit organizations, and private companies committed to addressing housing needs. Internally, the County lacks a sufficiently coordinated, cross-departmental strategy for prioritizing housing needs, designing and administering programs, and allocating resources. Increasing coordination and leveraging partnerships will be critical to improving efficiency and scaling up housing programs in order to address unmet needs.

Recommendation for consideration:

II-1.1 Within one year of the implementation of the Housing Opportunities Master Plan, create an inter-agency housing opportunities task force with DPZ, HCD, and CRS that is responsible for:

- *Setting strategic direction and prioritizing resources;*
- *Ensuring housing affordability is considered in County policies not explicitly about housing;*

- *Supporting policies that expand housing choice and stability and opportunities for integrated living for older adults and persons with disabilities (including updates to accessibility and visitability standards); and*
- *Coordinating, monitoring and evaluating housing-related efforts and assessing progress toward housing goals and objectives.*
- *Facilitating continuing opportunities for public engagement and dialogue on existing and emerging housing challenges, with a particular focus on outreach to historically marginalized communities, lower-income households, older adults, persons with disabilities, and other groups facing barriers to housing choice and opportunity.*

This inter-agency task force should also consider such items as alternative proposals to MIHU and have a formal role in housing-related policymaking efforts, such as developing the housing components of Official Area Plans and making changes to zoning or APFO. To promote consistency with the objectives of the Housing Opportunities Master Plan, the task force should proactively consider the impact of relevant policies on socio-economic integration, and work to develop and support policies that affirmatively advance racial equity, fair housing, and supportive, integrated living environments for persons with disabilities. In addition, the task force should have a formal role for "affiliated entities" involved in implementing housing and community development activities (e.g., the Housing Commission and nonprofit service providers) to provide ongoing guidance and feedback on County housing needs and policies. Engagement with affiliated entities should be structured in a manner that consciously addresses potential conflicts of interest in the allocation of County resources. Finally, the County should also form an advisory group comprised of members of the Housing Opportunities Master Plan Task Force, which should meet with the inter-agency task force on a bi-annual basis, or more frequently if circumstances dictate.

Finally, the inter-agency Task Force should publish an annual report/dashboard that shows the level of progress toward achieving key goals and objectives of the Housing Opportunities Master Plan.

The County's current model of supporting nonprofits and other mission-driven organizations to provide housing and services is well-regarded, but resources are spread relatively thin across a large number of entities. Enhanced partnerships, coordination, and support can help address fragmentation, increase efficiency and reach, and support economies of scale in service provision.

Recommendations for consideration:

II-1.2 Enhance current relationships with nonprofits to ensure that there is a programmatic approach to meeting housing needs countywide. An example of this approach could include the establishment of a formal strategy that links County agencies (including HCD, CRS, Health, and Education), nonprofit service providers, and mission-driven housing developers to address the interrelated challenges that lead to housing instability and homelessness for households with high-barriers to stable housing. This effort would also work to ensure that current and future programs are coordinated and avoid duplication.

II-1.3 Ensure resources for operations and general support are proportionate to the role that nonprofit organizations play, and explore opportunities for other administrative partnerships (e.g., shared "back office" functions, pooled benefits, etc.) that help smaller nonprofits improve scale.

II-1.4 Create a joint strategy for fundraising from major funders/institutions to build organizational capacity in the nonprofit service provider network and increase resources for programmatic activities. Potential institutional partnerships, grant requests, and social impact investments could focus on the health care providers, given the nexus between housing stability and accessing health services.

2) Raise and deploy capital for affordable housing production and preservation

At this time, existing resources are insufficient to meet the need for income-restricted or subsidized housing in Howard County, and available funding is unpredictable year to year. A diverse revenue base can provide more consistent and adequate funding for affordable housing and protect against market shifts and political changes. This revenue base allows producers of affordable housing to better plan ahead. It also creates a framework in which the County can prioritize resources and advance its policy priorities (e.g., providing affordable housing in High-Barrier Neighborhoods, providing affordable housing opportunities for older adults, etc.).

Recommendations for consideration:

II-2.1 Identify new, ongoing funding resources for affordable housing investment that can generate a large upfront allocation of capital (e.g., a bond issuance backed by a dedicated tax). Per Recommendation III-1.1, the resulting revenues should be split between housing and school facilities to facilitate equitable housing and educational access throughout the County. As an example for consideration, RCLCO estimates a real property tax increase of $0.02 (per $100 of assessed value) on all residential properties could result in an additional $8.5 million in tax revenue each year, providing over $4.0 million per year for both housing and *schools[3]. In this example, the owner of a home with an assessed value of $400,000 would pay just $80 in additional real property taxes annually under this increase. Such provisions may be time-limited and/or renewable via Council vote or referendum.*

II-2.2 Establish an affordable housing trust fund, which is a formal, coordinated, and predictable structure for allocating housing funding. The primary purpose of the Trust Fund should be to expand the number of income-restricted affordable rental and homeownership units in the County. Examples of potential uses include:

- *"Gap financing" for affordable rental or homeownership projects (both new construction and preservation) that leverage other sources of capital, such as the Low Income Housing Tax Credit. Financing should be provided as a flexible loan, with repayments "revolving" back into the Trust Fund. Such loans should support projects with a portion of units reserved for extremely-low income households;*
- *Short-to-mid-term acquisition funding for strategically important sites/properties, including resources for executing the new County right-of-first-refusal for rental properties;*
- *Resources for moderate-to-substantial rehabilitation of existing affordable properties, or for market-rate properties in exchange for reserving a portion of units for income-eligible households;*
- *Grants or low-cost loans to developers to increase the number of affordable and/or accessible units in a MIHU/LIHU/DIHU development, and to support other housing development/rehabilitation efforts;*
- *Resources for the rehabilitation or retrofitting of existing multifamily rental properties to create additional affordable units that are accessible or visitable. Resources for similar improvements of owner-occupied homes are discussed in Recommendation II-4.9;*
- *Support for mixed-income/affordable and integrated housing developments for persons with disabilities, which may include traditional funding resources (Section 811 Project Rental Assistance, Mainstream Vouchers, Weinberg Foundations resources) and/or incorporate innovative models (such as the "intentional intergenerational and intentional neighboring" models); and*
- *Rental contracts with private market-rate owners to reserve a portion of units for income-eligible households to facilitate housing choice in High Barrier Neighborhoods or the right-to-return in Preservation-Revitalization Neighborhoods.*
- *Housing developments that specifically advance the strategies and action steps identified in "The Path Home," the County's five-year plan to end homelessness.*

Trust Fund allocation procedures should establish goals, targets, and incentives for serving persons with disabilities, older adults, and other groups that may face significant housing barriers. Trust Fund allocation procedures should also balance expanding housing choice in High Barrier Neighborhoods and encouraging equitable redevelopment in Preservation-Revitalization Neighborhoods. Advancing racial equity and socio-economic integration should be a priority for the allocation of Trust Fund resources, especially for Trust Fund resources derived from FIL payments. It will likely be necessary to adopt complementary recommendations, including Recommendation I-1.5 in particular, to maximize the ability of Trust Fund revenues to meaningfully expand equitable housing opportunities throughout the County.

One option for Trust Fund administration is to establish it as a dedicated program within the existing Community Renewal Fund. To enhance efficiency and increase competitiveness, program requirements and administration should be structured to work with primary sources of capital, given that Trust Fund resources will serve as a smaller portion of the funding stack. For example, funding can be awarded on a rolling basis, or at a point in time that is coordinated with the state of Maryland's LIHTC allocation timeline. Similarly, the County can adopt underwriting and other program requirements consistent with those of the state's Community Development Administration and utilize the same forms and paperwork. Funding approval should be granted administratively, with the County Council providing higher-level oversight on allocation procedures and program outcomes.

In addition to—or in lieu of—Trust Fund revenues, Payments-in-lieu-of-Taxes ("PILOTs") can be used to fill funding gaps for affordable housing development. As with the prior recommendations, award of PILOTs should be based on clear and consistent standards regarding affordability levels and term. Qualified developments should receive approval via administrative review.

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[3] According to the 2019 Comprehensive Annual Financial Report ("CAFR"), total residential assessed value in 2019 was $42,313,103,881. If the County were to increase the total direct tax rate for residential properties from $1.014 per $100 of assessed value to $1.034 per $100 of assessed value, the increase would therefore result in an additional $8.5 million per year.

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II-2.3 Assemble capital for the Trust Fund from both new and existing sources. As an initial target, Trust Fund revenue should be sufficient to provide gap resources for one affordable development/preservation effort per year, while still providing resources for other activities eligible under the Trust Fund.[4] *Given the fiscal uncertainty and increased social service needs associated with the COVID-19 pandemic, the County should adopt an initial target of $5 million in new revenues for the first year, with the goal of increasing this target once the impact of the COVID-19 pandemic on local budgets has lessened. Critically, this initial target of $5 million should be in addition to existing revenue sources that the County already dedicates to housing. Following the COVID-19 pandemic, the County should then establish an annual target of $10 million (including existing revenue sources), with the goal of eventually expanding to $20 million over time. The Trust Fund should have multiple sources, as a diverse revenue base can provide resiliency in the face of economic shifts. Potential sources for consideration include:*

- *Revenues from the new revenue mechanism discussed in Recommendation II-2.1;*
- *Trust Fund loan repayments;*
- *MIHU FIL payments;*
- *Proceeds from the sale or lease of publicly-owned properties that are not utilized for community facilities and/or affordable/mixed-income housing.*
- *HUD formula resources (such as the HOME Investment Partnership Program);*
- *A portion of existing transfer tax receipts;*
- *Potential new issue-specific sources (e.g., short-term rental fees, "sin taxes" such as cigarette taxes); and/or*
- *Annual general fund contributions*

Well-designed Trust Funds are often "revolving" and can be recapitalized through loan repayments. However, under the typical terms for affordable housing gap financing, there may be a significant lag between when loans are made and when a critical mass of funds revolve back into the Trust Fund (often between 15 and 30 years). As such, failure to renew one-time or time-limited sources should be offset by increases in General Fund contributions or other sources to maintain production.

3) Create a robust multifamily preservation strategy

Preserving existing affordable housing—both income-restricted and market-rate—is a critical part of a comprehensive housing affordability strategy. Preservation is important from an equity perspective, given the disruption and hardship faced by cost-burdened and/or displaced households. Research suggests that preservation can be more cost-effective than new development, and the challenges and timelines associated with new development make it critical to prevent the loss of affordability while waiting for new units to be placed into service.

Effective preservation strategies require knowledge of the existing affordable housing stock, including income-restricted properties with expiring restrictions and naturally occurring affordable rental housing.

Recommendations for consideration:

II-3.1 Create and regularly update a database of affordable housing units, including both income-restricted and market-rate properties. Define risk factors that could indicate units at risk of removal from the affordable stock, such as the need for capital repairs or the magnitude of rent, sales price, and/or property value escalations. The County should use the database to identify "high-impact" properties that it should preserve using the strategies outlined in this section. High-impact properties could include larger ones with a significant number of affordable housing units, as well as smaller ones in locations without other affordable housing options nearby.

II-3.2 Tailor capital/revenue generation and planning strategies to the individual properties identified as high-impact. For example, if several large-scale preservation opportunities (e.g., affordable rentals with expiring use restrictions in an economically vibrant neighborhood) are anticipated within a short window of time, there may be justification for an ad-hoc increase in General Fund

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[4] The cost of producing affordable housing is highly variable and depends on a range of factors, such as land costs/acquisition prices, production method (e.g., new construction, acquisition/rehabilitation, recapitalization of existing affordable units, etc.), construction type (e.g., "stick-built" low-rise, wood over podium, steel and concrete, etc.), and income targeting. Estimates of gap needs per unit can therefore vary widely, from around $30,000 per unit to nearly $100,000 per unit. The County would have the opportunity to set a cap on the amount it is willing to pay per unit. Assuming an average portfolio cost of approximately $40,000 per unit, $10 million could finance approximate 200 units of new construction or preservation annually, with $2 million remaining for other eligible activities. Using an estimated tenant-based subsidy cost of $12,000 per year per household, $2 million could fund deeply income-targeted units for up to 166 households earning up to 30-50% of AMI.

contributions to the Trust Fund. Alternatively, if existing market conditions are such that an existing affordable property is likely to be redeveloped (and there is insufficient subsidy/capital for mission-driven acquisition), an Official Area Plan could be developed to allow for greater density or other incentives to replace a greater proportion of the affordable units lost.

The County recently passed a "right of first refusal" policy (Section 13.1203) that creates a legal "window of opportunity" when a market-rate rental property is put up for sale, during which the County can support the acquisition and preservation of the property as affordable housing. Given that this time window is limited and that the property must be purchased at fair value, this new tool requires proactive planning as well as resource development and prioritization to preserve existing units. It can also open opportunities for maintaining affordability even when the property is not acquired by a mission-driven entity.

Recommendations for consideration:

II-3.3 Create a framework for evaluating which opportunities to pursue and the appropriate tools to do so. Considerations may include:

- *Whether the property is in a High-Barrier Neighborhood or if the preservation effort would otherwise promote or maintain neighborhood economic diversity;*
- *Whether the property has future development potential;*
- *Whether there are lower-cost methods of preserving units within the property (e.g., PILOTs, rental assistance contracts, etc.); and*
- *What the implications are if preservation is not successful (e.g., greater cost burdens if rents increase, total displacement of current residents due to redevelopment, etc.).*

II-3.4 Engage with developers to identify organizations or partners that will have adequate capacity to work with the County to acquire critical properties, when available.

II-3.5 Deploy other tools (e.g., property tax incentives, rental assistance contracts, reservations of units for voucher holders, etc.) when negotiating right-of-first refusal opportunities (discussed in more detail below).

Preservation efforts require the preservation of affordability and not always the preservation of existing structures, as market and/or physical property conditions may make redevelopment a more effective approach than rehabilitation. When a property is redeveloped, a right to return to the neighborhood is necessary to avoid a reduction in the County's overall affordable housing inventory and prevent the direct harm to tenants caused by involuntary displacement. To facilitate mixed-income housing through redevelopment, replacement units can be provided within the neighborhood using various mechanisms, and do not need to be provided in the single, redeveloped property.

Recommendations for consideration:

II-3.6 When the redevelopment of existing affordable properties is necessary, allow density transfers and form/height flexibility to create opportunities for mixed-income redevelopment. For example, if a multi-building development with surface parking is being redeveloped, the County could allow greater density/height/massing for new development on portion of the site if a portion of the existing apartment buildings are rehabilitated and preserved as affordable housing.

II-3.7 Allow additional density, subsidies, PILOTs and/or other incentives to facilitate the creation of replacement units. To the extent feasible, such incentives should be provided "automatically" (received by the owner/developer if baseline parameters are met, subject to availability) or approved administratively.

II-3.8 Negotiate rental contracts and/or provide tax incentives to facilitate additional affordable units and/or deeper income targeting in the redeveloped property or others throughout the neighborhood. For example, if affordable units are anticipated to be lost to redevelopment or rehabilitation, the County can work to identify nearby properties that are willing to reserve a portion of units in an otherwise market-rate development for income-restricted households, in exchange for tax relief or monthly rental payments from the County. Displaced tenants can be given a right-of-first-refusal to lease those units.

II-3.9 Provide tenant relocation support, mobility assistance and counseling, and rental assistance to existing tenants to find affordable replacement housing and provide additional choice for those that prefer to explore housing options in other neighborhoods. Such strategies can include an expansion of existing efforts to improve geographic mobility, such as those undertaken by the Columbia Housing Center, which engages with private market landlords to encourage greater economic and racial integration across neighborhoods.

Owners of market-rate housing may consider maintaining affordability or reducing rents, if given adequate incentives. Rental agreements provide a flexible tool to meet demand as markets shift, rent trajectories change, etc. and can facilitate mixed-income housing opportunities.

These agreements can be used to replace units lost from the affordable stock and/or increase housing choices in neighborhoods with few affordable units.

Recommendations for consideration:

II-3.10 Negotiate rental assistance contracts (e.g., agreements to reserve units for lower-income households in exchange for subsidies) with private landlords.

II-3.11 Provide tenant matching and income qualification/certification assistance for landlords participating in rental contracts and offering units at below-market rates.

II-3.12 Provide property tax incentives to encourage landlord participation.

4) Improve housing conditions and promote and expand programs that support households with home repair and modification needs

Robust code enforcement is critical to maintaining and improving health, safety, and quality of life at both the household and neighborhood levels. While some housing quality challenges are the result of bad actors, others may stem from a lack of knowledge, capacity, and resources to effectively maintain properties. Supports and resources help improve housing and neighborhood quality and stability in the latter context.

Recommendations for consideration:

II-4.1 Expand code enforcement in coordination with landlord and homeowner outreach, technical assistance, and subsidy provision.

II-4.2 Provide support to renters in affected properties to improve housing stability, including relocation and/or legal assistance.

II-4.3 Provide resources (e.g., tax incentives, small rehabilitation loans, etc.) for property upgrades and/or maintenance in exchange for ensuring ongoing affordability. Verification of compliance can occur through the same mechanisms as the MIHU program.

II-4.4 Identify opportunities to strategically acquire properties from willing sellers to preserve those properties and units.

While it is important to provide rehabilitation support to households and owners throughout the County, there is also a need for strategic investment to improve housing conditions in neighborhoods that are experiencing, or at risk of, disinvestment.

Recommendations for consideration:

II-4.5 Work with community groups, nonprofit service providers, or other entities that provide support for lower-income households to identify neighborhoods with significant capital needs and/or that are at-risk of disinvestment, based on the age and quality of the existing housing stock and community infrastructure.

II-4.6 In identified neighborhoods, conduct proactive outreach to neighborhood residents and organizations to identify opportunities for targeted investments, and coordinate subsidy provision and rehabilitation activities.

Even when interventions are not necessary to improve the quality of housing, they may be necessary to preserve its affordability, particularly as upgrades are required. For example, many landowners in high-growth and/or high-value neighborhoods may choose to redevelop their properties rather than upgrade them, if they are able to offset the cost of construction with increased rents. At the same time, property improvements can often lead to rent increases even in cases when the units themselves are preserved. In both cases, improvements in the quality of affordable housing units can lead to increased cost burdens for lower-income tenants who live in them.

Recommendation for consideration:

II-4.7 Provide capital subsidies for multifamily rental rehabilitation in exchange for ongoing affordability. Forms of subsidies might include property tax incentives or low-interest or forgivable loans.

Howard County offers a range of programs, subsidies, tax abatements and deferrals, and home retrofit supports that improve homeowner housing quality and stability. These tools can help ensure ongoing stability for lower-income homeowners, and facilitate retrofits of existing homes to incorporate accessibility/visitability improvements, universal design, and/or one-floor living. However, the identification of available resources and management of the process can be difficult for those in need.

Recommendations for consideration:

II-4.8 Create a homeowner/property owner resource navigator website and hotline. These tools should serve as a one-stop shop and clearinghouse for housing resources in the County. The website and hotline should be accessible for users with disabilities who may use assistive technology to access housing information. This effort should include programs across all pertinent agencies, particularly HCD, DPZ, CRS and the Office of Aging, among others. The one-stop-shop should consolidate relevant information on housing improvements, financing options, and county codes, regulations, and inspections. It should also promote programs *such as the Reinvest*Renovate*Restore program for existing homeowner, Settlement Down Payment Loan Program ("SDLP") for future homebuyers, and tax credits and other resources for fall prevention and accessibility/visitability improvements. The resource navigator and hotline should facilitate improvements for both owner-occupants as well as landlords to facilitate reasonable accommodations for renters with disabilities. This resource should be coordinated with the activities in Recommendation II-4.9 through Recommendation II-4.11.*

II-4.9 Within the framework of the one-stop-shop, the County should offer specific support for expanding opportunities for independent living for older adults and persons with disabilities. Potential forms include enhanced technical assistance and financial support for home modifications and reasonable accommodations that promote accessibility, visitability, universal design, and/or one floor living. Examples of specific services provided may include "permit-ready" or preapproved designs; more intensive case management, resource navigation, access to assistive technology, and referrals to home-based health services; enhanced access to in-home occupational therapist review; and education/support on financial products such as reverse mortgages. The County should proactively market this service to encourage participation (for example, through an insert in annual tax notifications).

II-4.10 More generally, provide technical assistance to property owners to identify needs and access resources.

II-4.11 Create a vetted contractor/vendor list and assist households in navigating the rehab/retrofit process.

II-4.12 Use information gained to inform adjustments to existing programs and development of new options.

Properties may not comply with existing zoning and regulatory provisions, particularly if built prior to the passage of the most recent codes. In some cases, property owners may need to bring properties up to the most current code and address "non-conformance" when making even modest property improvements. This process can be difficult to navigate from a technical perspective, create a financial barrier to upkeep for lower-income property owners, and lead to disinvestment.

Recommendation for consideration:

II-4.13 Address non-conforming elements of existing properties by loosening rules and/or "grandfathering in" conditions unrelated to health and safety (e.g., off-street parking, setbacks, density, etc.).

5) Expand opportunities for homeownership

Although homeownership should not be viewed as a necessity to create wealth, it has historically served this purpose for segments of the population, while others—especially African-Americans—have been proactively excluded because of discriminatory policies and practices. Improving sustainable access to homeownership can be an important affirmative step to addressing the wealth gap and limited economic mobility, and can help integrate communities with high levels of homeownership-oriented housing stock and high home values.

"Shared equity" homeownership programs create permanent, entry-level homeownership opportunities for moderate-income households. These programs can take multiple forms. A prospective homeowner could receive a subsidy (e.g., down payment assistance, a secondary loan, etc.) to purchase a home on the open market. Alternatively, a developer could be required (as with the MIHU program) or incentivized to produce units that are offered to income-qualified purchasers. Purchasers are able to acquire the home at an affordable price, and this subsidy is passed on to future income-eligible purchasers in the form of reduced resale prices. Homeownership units produced through the County's MIHU program utilize the shared equity model, and future policies that encourage homeownership can be reoriented toward this or similar programs that create a permanently affordable "first rung on the ladder" to wealth creation through homeownership.

Recommendations for consideration:

II-5.1 Use down payment assistance and/or second mortgages to help acquire/preserve existing lower-cost units.

II-5.2 When incorporating affordability provisions into redevelopment plans or other new policies, utilize shared equity/permanent affordability provisions similar to those of MIHU.

II-5.3 Work with banks that offer first mortgages for shared equity purchasers in other local jurisdictions (e.g., Montgomery County, City of Rockville, etc.) to expand into Howard County and increase mortgage access for these programs.

II-5.4 Regularly evaluate and adjust MIHU resale formulas as necessary to reduce the number of resales that are released to the general public when an income-qualified purchaser is not found. The County should also expand existing and explore new approaches to preserving MIHU homeowner units, such as layering down payment assistance and assigning right-to-purchase to a nonprofit committed to keeping the unit affordable in perpetuity.

6) Support low-income households, vulnerable populations, and households with specialized needs

There is a diversity of housing needs in the County, some of which cannot be addressed by simply producing more affordable housing units. Specialized interventions are necessary to provide housing opportunities across the spectrum of income and needs.

Households with extremely low incomes may still struggle to pay the costs associated with affordable housing, even in cases when such units are income-restricted. This dynamic can have disproportionate impacts on certain population groups, such as non-white households, households with disabilities, and older adults or other households on fixed incomes. It is therefore important to advance housing opportunities for groups that have historically faced discrimination, and for groups that encounter significant economic barriers.

Recommendation for consideration:

II-6.1 Create a local rental assistance pilot program to provide or enhance housing stability for the highest need households, and to support County residents in times of natural disaster (e.g., following the Ellicott City floods) or economic instability (e.g., the COVID-19 pandemic). A permanent rental assistance program that provides households with indefinite support and covers the difference between their rent and 30% of their income is not financially feasible with current County resources. Therefore, the proposed program should be used to fill gaps and serve as a "bridge" for households waiting to receive existing federal and state rental assistance programs. The program should be designed to provide a flat dollar amount per month, ongoing monthly subsidy to all households who qualify. For the initial pilot, the County should focus on households that meet all of the following criteria:

- *The household must be severely-cost burdened and/or accessing homeless services;*
- *Recipients must be an extremely low-income household, a low-income elderly household, or a low-income household with a person with a disability; and*
- *The household must be not currently receiving other household-based housing subsidies.*

The local rental assistance pilot should use local resources and be supplemented by philanthropic and employer contributions, building off the model of the Live-Where-You-Work program. The program should be monitored and evaluated to adjust household targeting, subsidy amounts, and other design characteristics as necessary. The program could also be expanded if sustainable revenue sources are identified. The County should also advocate for additional state and federal funds to support existing rental assistance programs and clear waiting lists.

Even when additional financial assistance is provided, households that have extremely low incomes or face other barriers to housing (e.g., lack of credit or a poor credit history, eviction records, etc.), may struggle to find available housing units. The County is effectively using landlord outreach and incentive programs to open access to private-market units at affordable rents that might otherwise be rented to higher-income tenants. Landlord incentives—such as security deposit or rent guarantees—are generally lower-cost interventions than rental assistance or new affordable housing development, and they can meaningfully expand housing choices for vulnerable households. Rental agreements (e.g., direct leases, rights of first refusal for units, etc.) can create affordable housing opportunities in neighborhoods with few or no income-restricted properties.

Recommendations for consideration:

II-6.2 Expand the County's current landlord outreach programs (including the Housing Connections program) by increasing marketing to landlords and expanding resources available for landlord incentives (e.g., security deposit guarantees, visual inspections by housing providers, and limited on-time rent guarantees).

II-6.3 Look for opportunities for deeper engagement with property owners of naturally occurring affordable housing units that might be targets for acquisition or preservation.

The severity of the COVID-19 pandemic and the scale of response required the creation of new housing support programs and the adoption of new protocols. There is an opportunity to use these efforts to inform more proactive disaster responses moving forward.

Recommendations for consideration:

II-6.4 Create a formal evaluation structure for COVID-19 relief efforts and incorporate lessons learned into standing programs, such as rental assistance, emergency tenant assistance, etc.

II-6.5 Formalize protocols for responding to future natural and economic disasters, based on what worked well in recent disaster response efforts.

There is generally a strong preference for integrated and independent living for persons with disabilities or limited mobility, as well as older adults. Some neighborhoods and locations have the characteristics to better support households with disabilities or limited mobility, but housing that supports each of these unique groups is not always located in the same area.

Recommendations for consideration:

II-6.6 Within other functional planning efforts and to the extent data is available, conduct a neighborhood accessibility/mobility assessment with a specific focus on identifying areas with the characteristics that facilitate more independent living opportunities. Prioritize the identified areas for investment in age-restricted housing and integrated housing opportunities for those with disabilities.

II-6.7 Within other functional planning efforts and to the extent data is available, identify neighborhoods that lack mobility infrastructure but already offer senior communities or supportive housing stock. Prioritize tactical infrastructure investments in these neighborhoods to improve the quality of life and ability for households to live independently.

II-6.8 For individual developments, prioritize integrated living to the greatest extent possible.

Developers are required to provide accessible units within new properties, but units sometimes go vacant due to mismatches in timing, limited information, and affordability challenges even though there is significant need for accessible units.

Recommendations for consideration:

II-6.9 Support enhanced participation in and utilization of MDHousingSearch.com (a state-run housing matching service/searchable database that includes accessible units and features), with the goal of matching households with available units. Support coordination with MD Department of Disabilities to access Section 811 waiting list to match tenants with accessible units when they become available and reduce length of time units are vacant.

II-6.10 Negotiate with landlords to reduce penalties for tenants who terminate a lease in order to access an accessible unit.

Tenants face information and resource barriers in disputes with landlords and may not be fully aware of their legal rights. Access to counsel is important to tenants seeking recourse when a landlord is in violation of lease, safety, housing quality, or accessibility/reasonable accommodations requirements.

Recommendations for consideration:

II-6.11 Expand resources for tenant legal assistance and proactive outreach efforts to both tenants and landlords. Resources should include information concerning Fair Housing Act requirements regarding reasonable accommodations, and any County supports and resources to facilitate those accessibility accommodations. The County should ensure website accessibility for users with disabilities who may use assistive technology to access housing information.

II-6.12 Create a one stop shop and information clearing house within the County to support landlords and tenants with training on rental regulations, codes, legal matters, tenant screening services, landlord-tenant relations, and dispute mediation and conflict resolution.

Definitions and Targets

Definitions and targets are important components of any Housing Opportunities Master Plan because they provide a useful framework through which the County can measure its success. The following definitions and targets apply to the recommendations in the Land Use, Planning, and Zoning section of the Housing Opportunities Master Plan.

1) **Targets for Programs and Policies**

   - *Preservation of Affordability: Howard County should strive for zero-net loss of affordability for its existing Extremely Low-Income, Low-Income, and Moderate-Income households. In other words, Howard County should pledge to maintain the existing number of housing units in which these households can live without cost burdens, while still adding new affordable housing units that are consistent with the goals outlined in the Land Use, Planning, and Zoning section.*
   - *One-For-One Replacement: When the redevelopment of an existing property with affordable housing units becomes necessary, Howard County should aim for a one-for-one replacement of those units on a countywide basis. For example, the removal of a property with 100 affordable housing units should coincide with the addition of 100 new affordable housing units, whether in the form of newly constructed units, negotiated rental contracts, etc. When accomplishing this goal, Howard County should strive to ensure that all displaced residents who wish to return to their existing neighborhoods have a path to do so.*

- *Housing Trust Fund:* As discussed in Recommendation II-2.3, the County should adopt an initial target of $5 million in new revenues for the first year, in addition to the existing revenue sources that the County already dedicates to capital investment in affordable housing, such as FIL revenues and federal block grant resources. Once the fiscal uncertainty associated with the COVID-19 pandemic have lessened, the County should then increase its target to $10 million annually (including these existing revenue sources), with the goal of eventually expanding to $20 million over time.
- *Housing Trust Fund Spending:* 100% of units produced with Trust Fund spending should serve households at or below 80% of AMI. Mixed-income development with unrestricted units or units targeted at incomes greater than 80% of AMI should be eligible to receive funding, provided that the (a) Trust Fund resources only support units targeted at 80% AMI and below, and (b) such subsidy is necessary to make the more deeply-income targeted units financially feasible. At the aggregate portfolio level, 20% of Trust Fund-supported units should be restricted to households at or below 30% of AMI. The Trust Fund should also establish a per-project minimum threshold of 10% of units targeted at 30% AMI, though the County should have the flexibility to make limited exceptions (for example, preservation of a market-rate affordable rental in a High-Barrier Neighborhood where project-based subsidies are not immediately available).

2) Definitions for Programs and Policies[5]

- *Extremely Low-Income Household:* Households making less than 30% of AMI.
- *Low-Income Household:* Households making between 30% and 60% of AMI.
- *Moderate-Income Household:* Households making between 60% and 80% of AMI.

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[5] *Please note that these definitions are similar to, but differ from, others used in the affordable housing field. For example, the definition for "Low-Income Households" often varies by program, with the Low Income Housing Tax Credit ("LIHTC") program classifying these households as those making less than 60% of AMI, and the Department of Housing and Urban Development ("HUD") programs classifying these households as those making less than 80% of AMI. In addition, programs often include another definition for "Very Low-Income Households," which are commonly defined as those households making between 30% and 50% of AMI.*

III. APFO

Based on the research to-date, the RCLCO team determined that Howard County's APFO limits the ability to provide affordable housing and meet housing demand, despite its intended purpose of metering growth and creating a mechanism for planning and phasing infrastructure. The RCLCO team therefore formulated a "guiding principle" for its work, and then constructed a set of recommendations around it.

- **Challenge:** The APFO is placing significant limitations on the amount of housing that can be built, and it is potentially accelerating those capacity issues by limiting the ability to increase the tax base.
  - **Guiding Principle**: Find creative ways to meet demands for both housing and infrastructure, and consider targeted amendments to the APFO to improve planning and predictability and to better balance housing and school interests.

Proposed Approach and Recommendations for Addressing Challenges

Nationwide, approaches for balancing new growth with supportive infrastructure, school capacity, public facilities, etc. vary from one jurisdiction to the next. APFOs are not universal, and high-demand jurisdictions in the region and across the United States—both with and without APFOs—are struggling with the same challenges in striking this balance as Howard County. Such ordinances can serve an important role when counties are in predominantly "greenfield" growth modes and need to build substantial new infrastructure as they expand into new and undeveloped locations. However, APFOs are less effective when most new construction occurs through redevelopment and/or infill development in locations where existing public infrastructure is already present. Although APFO is an important component of housing policy, changes to the County's overall approach—beyond APFO—are necessary to ensure that infrastructure, school, and facility capacity do not fall behind. Recommendations for consideration fall into three categories:

1) **Identify creative mechanisms to fund both housing and school facility investment to attain full development of annual allotted new housing units and to meet growing demand**

   The primary near-term challenge related to facilities is school capacity. Given that new development is not the only driver of school facility needs, a more sustainable solution is necessary so housing development can proceed along with equitable access to high-quality schools.

   Recommendations for consideration:

   III-1.1 As discussed in Recommendation II-2.1, identify new, ongoing funding resources for capital investment. The source should generate a large upfront allocation of capital (through bonding, general fund appropriation, or other additional revenue source), with a defined split of the resulting revenues shared between housing and school facility investment. As highlighted as a potential example in Recommendation II-2.1, RCLCO estimates a real property tax increase of $0.02 (per $100 of assessed value) on all residential properties could result in more than $4 million per year for both housing and schools.

   III-1.2 Allow developers to proffer land or a portion of a site for school or facility construction in exchange for zoning flexibility and/or density on the remaining portion of the site.

2) **Evaluate targeted changes to the APFO to support the growth required to improve housing affordability and opportunities when the APFO Review Committee convenes following the General Plan**

   Howard County's APFO meaningfully limits the ability to provide affordable housing and meet housing demand, despite its intended purpose of metering growth and creating a mechanism for planning and phasing infrastructure. The APFO has become the single-greatest influence on shaping growth and development in the County and risks creating longer-term liabilities for the County if school-related moratoria lead to development that primarily occurs outside of areas with the most supportive infrastructure.

   Current regulations require the formation of an APFO Review Committee within one year of the adoption of a new General Plan. The purpose of that committee is to review how APFO is working and develop recommendations for changes and improvements.

   Recommendations for consideration:

   III-2.1 Consider amending APFO restrictions, moratoria, and fee structures for all housing types in areas with existing transportation infrastructure and strong mobility/independent living characteristics. Examples of these areas could include Columbia and/or Ellicott City, which are largely established and have minimal room for large-scale, greenfield residential development; in these locations, continued school capacity challenges are more likely to stem from the turnover of existing units rather than the creation of new ones, and the APFO alone is therefore unlikely to solve these challenges.

   III-2.2 Consider automatic exemptions from school-related moratoria for affordable housing in low-poverty school districts, as well as market-rate housing in high-poverty school districts. To receive these exemptions, market-rate housing in high poverty school districts should include on-site MIHUs, consistent with countywide policies. When market-rate redevelopment occurs in such *cases, the County should also prioritize Recommendations II-3.6 through II-3.9, in order to ensure any displaced residents have a right to return if they desire to do so. Given that these exemptions relate to school districts and their capacity, it is appropriate to use Free and Reduced Meals ("FARM") rates as a metric in this case, despite the guidance that the County should otherwise use Census-provided metrics such as the FPL to identify high and low concentrations of poverty more broadly.*

III-2.3 Consider whether specific types of housing should receive automatic or limited exemptions from moratoria as well. For example, some housing types—like those with age restrictions—do not attract schoolchildren, and therefore will not contribute to school capacity challenges going forward. Likewise, other "priority" housing types—such as small-lot single-family and other forms of "missing middle" development—may be necessary to better serve the existing household base, and such exemptions can help incentivize their development.

III-2.4 Consider identifying areas of the County where existing infrastructure is underutilized and therefore could support additional residential density with limited new public investment.

3) **Creatively utilize land assets in the County**

Intentional, proactive development policies can support both housing and facility needs. Approaches that generate revenue (as described above) can be complemented with policies that open sites for community and public facilities. Importantly, co-location of housing and facilities can be a critical tool for more efficiently utilizing existing land. Underutilized public land is an important asset for meeting community goals, but activating public sites requires an intentional approach and creative partnerships.

Recommendations for consideration:

III-3.1 Create an inventory of publicly-owned land assets and benchmark inventory against facility needs.

III-3.2 Establish affordable and mixed-income housing as a priority for the use of publicly-owned land assets.

III-3.3 To make the most efficient use of limited land, identify opportunities for co-location of public facilities and housing and prioritize such complementary developments

III-3.4 When affordable/mixed-income housing and/or community facilities are not prioritized at a given site, allocate proceeds to the Trust Fund described in Recommendation II-2.1.

III-3.5 Establish protocols for conveying site control, public benefit/revenue contribution requirements, and a process for accepting unsolicited bids.

Community-serving entities such as faith-based institutions, community groups, hospitals, and college/universities often hold significant land assets. Such entities may find it within their mission or institutional needs to engage in partnerships for affordable housing and public facility development.

Recommendations for consideration:

III-3.6 Proactively address zoning challenges, such as barriers to mixed-use or housing development, on institutionally zoned sites.

III-3.7 Facilitate information sharing, outreach, and technical assistance in planning and development for community organizations.

Definitions

Definitions are important components of any Housing Opportunities Master Plan because they provide a useful framework through which the County can measure its success. The following definitions apply to the recommendations in the APFO section of the Housing Opportunities Master Plan.

1) **Definitions for APFO**

- ***Low-Poverty School Districts****: Elementary school districts with FARM rates that are less than 50% of the countywide average. Currently, the average FARM rate across all Howard County public school systems is approximately 22.5%; therefore, this definition would identify "low-poverty school districts" as those school districts in which fewer than 11.3% of elementary school students qualify for free or reduced meals. Based on the current FARM rates, this definition would classify 17 of the County's 42 elementary school districts as "low-poverty school districts."*
- ***High-Poverty School Districts****: Elementary school districts with FARM rates that are more than 150% of the countywide average. Currently, the average FARM rate across all Howard County public school systems is approximately 22.5%; therefore, this definition would identify "high-poverty school districts" as those school districts in which more than 33.8% of elementary*

school students qualify for free or reduced meals. Based on the current FARM rates, this definition would classify 15 of the County's 42 elementary school districts as "high-poverty school districts."

DISCLAIMERS

Critical Assumptions

Our conclusions are based on our analysis of the information available from our own sources and from the client as of the date of this report. We assume that the information is correct, complete, and reliable.

We made certain assumptions about the future performance of the global, national, and local economy and real estate market, and on other factors similarly outside either our control or that of the client. We analyzed trends and the information available to us in drawing these conclusions. However, given the fluid and dynamic nature of the economy and real estate markets, as well as the uncertainty surrounding particularly the near-term future, it is critical to monitor the economy and real estate markets continuously and to revisit the aforementioned conclusions periodically to ensure that they are reflective of changing market conditions.

It has become increasingly clear that the U.S. economy is in a recession, and yet the extent of the damage to the economy and the ability to rebound from a still unfolding disruption are unknown. These events underscore the notion that stable and moderate growth patterns are historically not sustainable over extended periods of time, the economy is cyclical, and real estate markets are typically highly sensitive to business cycles. Further, it is particularly difficult to predict inflection points, including when economic and real estate expansions will end, and when downturn conditions return to expansion.

Our analysis and recommendations are based on information available to us at the time of the writing of this report, including the likelihood of a downturn, length and duration, but it does not consider the potential impact of additional/future shocks on the national and/or local economy, and does not consider the potential benefits from major "booms" that may occur. Similarly, the analysis does not reflect the residual impact on the real estate market and the competitive environment of such a shock or boom. Also, it is important to note that it is difficult to predict changing consumer and market psychology. As such, we recommend the close monitoring of the economy and the marketplace, and updating this analysis as appropriate.

Further, any project and investment economics included in our analysis and reports should be "stress tested" to ensure that potential fluctuations in revenue and cost assumptions resulting from alternative scenarios regarding the economy and real estate market conditions will not cause unacceptable levels of risk or failure.

In addition, and unless stated otherwise in our analysis and reports, we assume that the following will occur in accordance with current expectations by market participants:

- Tax laws (i.e., property and income tax rates, deductibility of mortgage interest, and so forth)
- Availability and cost of capital and mortgage financing for real estate developers, owners and buyers
- Competitive supply (both active and future) will be delivered to the market as planned, and that a reasonable stream of supply offerings will satisfy real estate demand
- Major public works projects occur and are completed as planned

Should any of the above change, this analysis should be updated, with the conclusions reviewed accordingly (and possibly revised).

General Limiting Conditions

Reasonable efforts have been made to ensure that the data contained in this study reflect accurate and timely information and are believed to be reliable. This study is based on estimates, assumptions, and other information developed by RCLCO from its independent research effort, general knowledge of the industry, and consultations with the client and its representatives. No responsibility is assumed for inaccuracies in reporting by the client, its agent, and representatives or in any other data source used in preparing or presenting this study. This report is based on information that to our knowledge was current as of the date of this report, and RCLCO has not undertaken any update of its research effort since such date.

Our report may contain prospective financial information, estimates, or opinions that represent our view of reasonable expectations at a particular time, but such information, estimates, or opinions are not offered as predictions or assurances that a particular level of income or profit will be achieved, that particular events will occur, or that a particular price will be offered or accepted. Actual results achieved during the period covered by our prospective financial analysis may vary from those described in our report, and the variations may be material. Therefore, no warranty or representation is made by RCLCO that any of the projected values or results contained in this study will be achieved.

Possession of this study does not carry with it the right of publication thereof or to use the name of "Robert Charles Lesser & Co." or "RCLCO" in any manner without first obtaining the prior written consent of RCLCO. No abstracting, excerpting, or summarization of this study may be made without first obtaining the prior written consent of RCLCO. This report is not to be used in conjunction with any public or private offering of securities or other similar purpose where it may be relied upon to any degree by any person other than the client without first obtaining the prior written consent of RCLCO. This study may not be used for any purpose other than that for which it is prepared or for which prior written consent has first been obtained from RCLCO.

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APPENDIX B

COMPARISON OF TASK FORCE RECOMMENDATIONS AND PLAN RECOMMENDATIONS

Comparison of Task Force Recommendations and Plan Recommendations

By the Housing Opportunities Master Plan Task Force

INTRODUCTION

Starting in August 2020, the Housing Opportunities Master Plan Task Force hosted a series of Task Force-led discussions, independent of the facilitated meetings with the consultant team. As part of these discussions, the Housing Opportunities Master Plan Task Force developed a set of recommendations for consideration in the Housing Opportunities Master Plan.

Members of the Housing Opportunities Master Plan Task Force created this document to provide a comparison between its recommendations and the ones included in the final Housing Opportunities Master Plan. From here on out, text shown in BLACK reflects recommendations and other items from the Housing Opportunities Master Plan Task Force, while text shown in RED reflects recommendations and other items included in the final plan. Recommendation numbers correspond to those in Appendix A ("Detailed Recommendations and Implementation Strategies").

I. LAND USE, PLANNING, ZONING

General Goal - Revise land use, planning, and zoning regulations to improve the availability, accessibility, affordability and diversity of housing.

a. Amend zoning regulations and land use plans to provide more flexibility in housing types allowed in more areas of the county to continue this initiative in PlanHoward2030.

1) *Create a countywide affordable housing overlay, which should allow affordable housing development proposals that are located in High-Barrier Neighborhoods and meet specified criteria to proceed "by-right," or without the need for additional reviews and approvals (Recommendation I-1.5).*
2) *Allow a broader range of housing types to proceed by-right through changes to zoning and density limits (Recommendation I-3.1).*
3) *As part of the evaluation conducted during the General Plan process, "stress test" policies that allow greater form flexibility, density, etc. to ensure that other land use and zoning policies do not create "de facto" barriers to housing stock diversification, and adjust the associated policies accordingly (Recommendation I-3.3).*

b. Explore strategic, limited expansion of the water and sewer district to provide more land for affordable housing development, including mixed-use/mixed-income housing.

1) *Determine if there are strategic locations in the Rural West and in lower density portions of the planned service area where it is feasible to accommodate increased development, while balancing other priorities such as sewer/water capacity, historical context, and agricultural preservation goals. Revise zoning regulations in locations where such development is feasible (Recommendation I-2.1).*

c. Encourage greater developer commitment to creating affordable housing units to serve residents earning below 40% AMI through density bonuses, reduced development fees, tax abatements, reduced property taxes and streamlined permit and development approval processes.

1) *Include incentives to encourage the production of additional affordable and/or accessible units beyond the MIHU baseline rules (Recommendation I-1.3).*
2) *Negotiate rental contracts and/or provide tax incentives to facilitate additional affordable units and/or deeper income targeting in the redeveloped property or others throughout the neighborhood (Recommendation II-3.8).*

d. Amend zoning regulations and land use plans to add flexibility to facilitate redevelopment, preservation and new construction of diverse housing types that improve a community's housing affordability balance while being sensitive to the community's existing character and aesthetics.

1) *Make "tactical" investments and/or regulatory changes to create "15 minute neighborhoods," in which a significant proportion of everyday needs could be reached within a short walk or bike ride. Such tactical improvements should advance integrated living opportunities and support the needs of persons with mobility impairments and could include paratransit options for persons with disabilities (Recommendation I-4.1).*
2) *Allow neighborhood-serving retail in all residential zones. The list of eligible establishments could correspond with those allowed in Village Centers under the New Town zoning designation, though some restrictions on the scale of such establishments may be necessary for neighborhood context (Recommendation I-4.2).*
3) *Provide Zoning flexibility to enable both vertical mixed-use buildings and horizontal mixed-use sites (Recommendation I-4.3).*
4) *Create and regularly update a database of affordable housing units, including both income-restricted and market-rate properties. The County should use the database to identify "high-impact" properties that it should preserve, such as larger ones with a significant number of affordable housing units or smaller ones in locations without other affordable housing options nearby (Recommendation II-3.1).*
5) *Tailor capital/revenue generation and planning strategies to individual properties identified as "high-impact" (Recommendation II-3.2).*
6) *Create a framework for evaluating which "right of first refusal" opportunities to pursue and the appropriate tools to do so (Recommendation II-3.3).*
7) *Engage with developers to identify organizations or partners that will have adequate capacity to work with the County to acquire critical properties, when available (Recommendation II-3.4).*
8) *Deploy property tax incentives, rental assistance contracts, reservations of units for voucher holders, etc. as necessary when negotiating right-of-first refusal opportunities (Recommendation II-3.5).*

e. Provide incentives to owners and developers to encourage redevelopment, including the cost of teardown, where appropriate and prudent to meet the county's long-term goals for housing affordability, equity, balance and stability.

1) *Provide guidance on minimum growth and affordability goals countywide. When undertaking an Official Area Plan, the County should ensure that the provisions within those plans related to building form, density, height, etc. contribute to those Countywide goals within the neighborhood context (Recommendation I-2.2).*
2) *When the redevelopment of existing affordable properties is necessary, allow density transfers and form/height flexibility to create opportunities for mixed-income redevelopment (Recommendation II-3.6).*
3) *Provide capital subsidies for multifamily rental rehabilitation in exchange for ongoing affordability. Forms of subsidies might include property tax incentives or low-interest or forgivable loans (Recommendation II-4.7).*

f. Modify permit and development processes where necessary to improve efficiency of processing new housing project submissions. Encourage use of appropriate tools for redevelopment projects, such as tenant relocation support and mobility assistance, so tenants can pursue housing opportunities in more areas of low poverty in the county. Encourage redevelopment that could deconcentrate areas of low income and increase income diversity without causing involuntary displacement of existing residents.

1) *Ensure that any affordable housing development receiving County financial support or Housing Commission development in a Preservation-Revitalization Neighborhood contributes to neighborhood revitalization and supports the prevention or reduction of concentrated poverty through mixed-income housing development. An example of an applicable neighborhood would be one that has substantial housing options for lower-income households but may have housing quality challenges (Recommendation I-1.6).*
2) *To the extent feasible, approvals and incentives should be granted administratively. This approach could be particularly beneficial for recommendations regarding MIHU requirements/incentives, income-restricted affordable housing production through the countywide affordable housing overlay or in Preservation-Revitalization Neighborhoods, and accessory dwelling units (Recommendation I-5.1).*
3) *Create an expedited review and approval process for proposals that require Planning Board Approval and fall within a specific "safe harbor" (Recommendation I-5.3).*
4) *Expand upon the County's existing tracking efforts and proactively analyze data regarding the length of the approval process on an ongoing basis to identify trends, potential inefficiencies, and potential product types or development characteristics that contribute to lengthier development timelines. This information can be used to update administrative processes and remove zoning barriers (Recommendation I-5.4).*
5) *Provide tenant relocation support, mobility assistance and counseling, and rental assistance to existing tenants to find affordable replacement housing and provide additional choice for those that prefer to explore housing options in other neighborhoods (Recommendation II-3.9).*
6) *Identify neighborhoods with significant capital needs and/or that are at risk of disinvestment, based on the age and quality of the existing housing stock and community infrastructure (Recommendation II-4.5).*
7) *In identified neighborhoods, conduct proactive outreach to neighborhood residents and organizations to identify opportunities for targeted investments, and coordinate subsidy provision and rehabilitation activities (Recommendation II-4.6).*

g. Encourage developers to consult the Housing Opportunities Master Plan and local community plans when evaluating new development and redevelopment plans in the greater context of local community and county needs.

1) *Ensure that any Official Area Plan that the County decides to undertake (e.g., redevelopment plans), includes clear policies for meeting affordable housing goals (Recommendation I-1.4).*

h. Establish criteria to allow ADUs throughout the county to integrate them into existing communities in a holistic manner to preserve the character and nature of the local communities while expanding housing affordability options.

1) *Provide regulatory flexibility to increase opportunities for ADUs (Recommendation I-3.2).*

i. Use code enforcement laws and regulations to ensure housing units meet health and safety standards. Promote existing government and private services for older adults to make safety improvements to continue to live in their homes.

1) *Evaluate zoning, land use, and building regulations to identify necessary changes to advance independent living opportunities. Specifically, the County should evaluate requirements related to universal design, accessibility, and visitability (Recommendation I-2.3).*
2) *Provide expedited or by-right approval for home modifications that facilitate independent living (accessibility, visitability, one-floor living, fall prevention (Recommendation I-5.2).*
3) *Expand code enforcement in coordination with landlord and homeowner outreach, technical assistance, and subsidy provision (Recommendation II-4.1).*

j. Expand below AMI housing opportunities in larger areas of the county to address de-concentration of poverty for redevelopment or preservation projects within the wider context of the county as a whole.

II. PROGRAMS AND POLICIES

General Goal - Support housing stability through the improvement of existing policies and programs and the creation of new ones.

a. Create county housing trust fund in order to expand the number of affordable rental and home ownership units serving persons and families earning below 60% AMI including older adults and persons with disabilities, special needs or facing homelessness.

1) *Establish an affordable housing trust fund, which is a formal, coordinated, and predictable structure for allocating housing funding. The primary purpose of the Trust Fund should be to expand the number of income-restricted affordable rental and homeownership units in the County (Recommendation II-2.2).*
2) *Assemble capital for the Trust Fund from both new and existing sources. Given the fiscal uncertainty and increased social service needs associated with the COVID-19 pandemic, the County should adopt an initial target of $5 million in new revenues for the first year, with the goal of increasing this target once the impact of the COVID-19 pandemic on local budgets has lessened. Critically, this initial target of $5 million should be in addition to existing revenue sources that the County already dedicates to housing. Following the COVID-19 pandemic, the County should then establish an annual target of $10 million (including existing revenue sources), with the goal of eventually expanding to $20 million over time (Recommendation II-2.3).*

b. Advance housing opportunities for groups that have historically faced discrimination, and for groups that have encountered significant economic barriers, vulnerable populations, and households with special needs.

1) *Create a local rental assistance pilot program to provide or enhance housing stability for the highest need households, and to support County residents in times of natural disaster or economic instability (Recommendation II-6.1).*
2) *Expand the County's current landlord outreach programs by increasing marketing to landlords and expanding resources available for landlord incentives (Recommendation II-6.2).*
3) *Look for opportunities for deeper engagement with property owners of naturally occurring affordable housing units that might be targets for acquisition or preservation (Recommendation II-6.3).*
4) *Create a formal evaluation structure for COVID-19 relief efforts and incorporate lessons learned into standing programs (Recommendation II-6.4).*
5) *Formalize protocols for responding to future natural and economic disasters, based on what worked well in recent disaster response efforts (Recommendation II-6.5).*
6) *Conduct a neighborhood accessibility/mobility assessment with a specific focus on identifying areas with characteristics that facilitate more independent living opportunities. Prioritize the identified areas for investment in age-restricted housing and integrated housing opportunities for those with disabilities (Recommendation II-6.6).*
7) *Identify neighborhoods that lack mobility infrastructure but already offer senior communities or supportive housing stock. Prioritize tactical infrastructure investments in these neighborhoods (Recommendation II-6.7).*
8) *Prioritize integrated living to the greatest extent possible for individual developments (Recommendation II-6.8).*

c. Amend MIHU Fee-in-Lieu regulations to more accurately reflect the cost of MIHUs and make it feasible for developers to actually build MIHUs instead of paying the fee-in-lieu.

1) *Update MIHU rules and fee structures, with the primary goal of producing more units throughout the County that are integrated within communities (Recommendation I-1.1).*

d. Amend MIHU regulations to create more rental opportunities at below 40% AMI ranges (DIHUs, LIHUs), to extend the period for resale to keep more MIHUs in the program, to require a higher percentage of MIHUs in low poverty areas and to have MIHU fee-in-lieu revenue used in comparable neighborhoods to provide below AMI housing.

1) *Consistent with current regulations, FIL should be allowed in specific cases when on-site MIHU provision would jeopardize the economic feasibility of a housing development and inhibit its ability to proceed. In such cases, the County should work to ensure that the resulting revenues proactively advance economic integration and support expanded housing choice (Recommendation I-1.2).*
2) *Utilize shared equity/permanent affordability provisions similar to those of MIHU when incorporating affordability provisions into redevelopment plans or other new policies (Recommendation II-5.2).*
3) *Work with banks that offer first mortgages for shared equity purchasers in other local jurisdictions to expand into Howard County and increase mortgage access for these programs (Recommendation II-5.3).*
4) *Regularly evaluate and adjust MIHU resale formulas as necessary to reduce the number of resales that are released to the general public when an income-qualified purchaser is not found (Recommendation II-5.4).*

e. Provide automatic Payment in Lieu Of Taxes (PILOTs), subordinate mortgages, gap financing to facilitate new affordable housing, including mixed use and mixed income projects.

1) *Allow additional density, subsidies, PILOTs and/or other incentives to facilitate the creation of replacement units (Recommendation II-3.7).*

f. Pursue additional strategies like raised voucher payments based on zip code that allow voucher holders to pursue housing opportunities in more areas and facilitate de-concentration.

1) *Negotiate rental assistance contracts (i.e. agreements to reserve units for lower-income households in exchange for subsidies) with private landlords (Recommendation II-3.10).*
2) *Provide tenant matching and income-qualification/certification assistance for landlords participating in rental contracts and offering units at below-market rates (Recommendation II-3.11).*
3) *Provide property tax incentives to encourage landlord participation (Recommendation II-3.12).*

g. Support mobility counseling for voucher holders to offer opportunities to explore new communities and to ensure all communities in the county are accessible for voucher holders.

h. Create a one-stop shop and information clearinghouse within the county to provide home improvement consulting for homeowners on financing options, design options, contractor negotiations, pre-approved contractor lists, county code and inspections.

1) *Create a homeowner resource navigator website and hotline which would serve as a one-stop shop and clearinghouse for housing resources in the county, including all pertinent agencies and particularly the Department of Planning and Zoning, the Department of Housing and Community Development, the Department of Community Resources and Services, and the Office on Aging (Recommendation II-4.8).*
2) *Offer specific support for expanding opportunities for independent living for older adults and persons with disabilities (Recommendation II-4.9).*
3) *Provide technical assistance to property owners to identify needs and access resources (Recommendation II-4.10).*
4) *Create a vetted contractor/vendor list and assist households in navigating the rehab/retrofit process (Recommendation II-4.11).*
5) *Use information gained to inform adjustments to existing programs and development of new options (Recommendation II-4.12).*

6) *Grandfather in non-conforming elements of existing properties unrelated to health and safety (Recommendation II-4.13).*

i. Promote Housing Repair Loan Program (Reinvest, Renovate, Restore) for existing homeowners. Promote Settlement Downpayment Loan Program (SDLP) for new homebuyers.

1) *Provide resources (e.g. tax incentives, small rehabilitation loans, etc.) for property upgrades and/or maintenance in exchange for ensuring ongoing affordability (Recommendation II-4.3).*
2) *Use down payment assistance and/or second mortgages to help acquire/preserve existing lower-cost units (Recommendation II-5.1).*

j. Create a one-stop shop and information clearinghouse within the county to support landlords and tenants with training on rental regulations, codes, legal matters, tenant screening services, landlord-tenant relations, and mediation and conflict resolution.

1) *Provide support to renters in affected properties to improve housing stability, including relocation and/or legal assistance (Recommendation II-4.2).*
2) *Expand resources for tenant legal assistance and proactive outreach efforts to both tenants and landlords (Recommendation II-6.11).*
3) *Create a one stop shop and information clearinghouse within the County to support landlords and tenants with training on rental regulations, codes legal matters, tenant screening services, landlord-tenant relations, and dispute mediation and conflict resolution (Recommendation II-6.12).*

k. Incorporate DHCD into the development approval process to consider compatibility with recommendations in the Housing Opportunities Master Plan.

1) *Create an inter-agency housing opportunities task force with DPZ, HCD and CRS (Recommendation II-1.1).*

l. Enhance coordination with County departments and regional partners to share and access data to create informative maps to facilitate an open, transparent and comprehensive information source to inform decisions that can lead to greater diversity in housing types, sizes and costs to provide housing opportunities for residents of all income ranges.

1) *Enhance current relationships with nonprofits to ensure that there is a programmatic approach to meeting housing needs countywide (Recommendation II-1.2).*
2) *Ensure resources for operations and general support for nonprofit organizations are proportionate to the role that they play, and explore opportunities for other administrative partnerships that help smaller nonprofits improve scale (Recommendation II-1.3).*
3) *Create a joint strategy for fundraising from major funders/institutions to build nonprofit organization capacity and resources (Recommendation II-1.4).*
4) *Support enhanced participation in and utilization of MDHousingSearch.com, with the goal of matching households with available units. Support coordination with MD Department of Disabilities to access Section 811 waiting list to match tenants with accessible units when they become available (Recommendation II-6.9).*
5) *Negotiate with landlords to reduce penalties for tenants who terminate a lease in order to access and accessible unit (Recommendation II-6.10).*

m. Identify areas of housing opportunity that encourage diverse economic and social groups throughout the County. Use census data to regularly update areas of housing opportunity.

1) *Identify opportunities to strategically acquire properties from willing sellers to preserve those properties and units (Recommendation II-4.4).*

2) *Address zoning challenges, such as barriers to mixed-use or housing development, on institutionally zoned sites (Recommendation III-3.6).*
3) *Facilitate information sharing, outreach, and technical assistance in planning and development for community organizations (Recommendation III-3.7).*

III. APFO – HOUSING AND INFRASTRUCTURE

General Goal - Address both housing and infrastructure needs in Howard County to ensure that neither form of demand eclipses the other.

a. Amend Adequate Public Facilities Ordinance (APFO) and mitigation goals and infrastructure financing methods to improve planning and predictability and better balance the provision of housing and the necessary accompanying infrastructure.

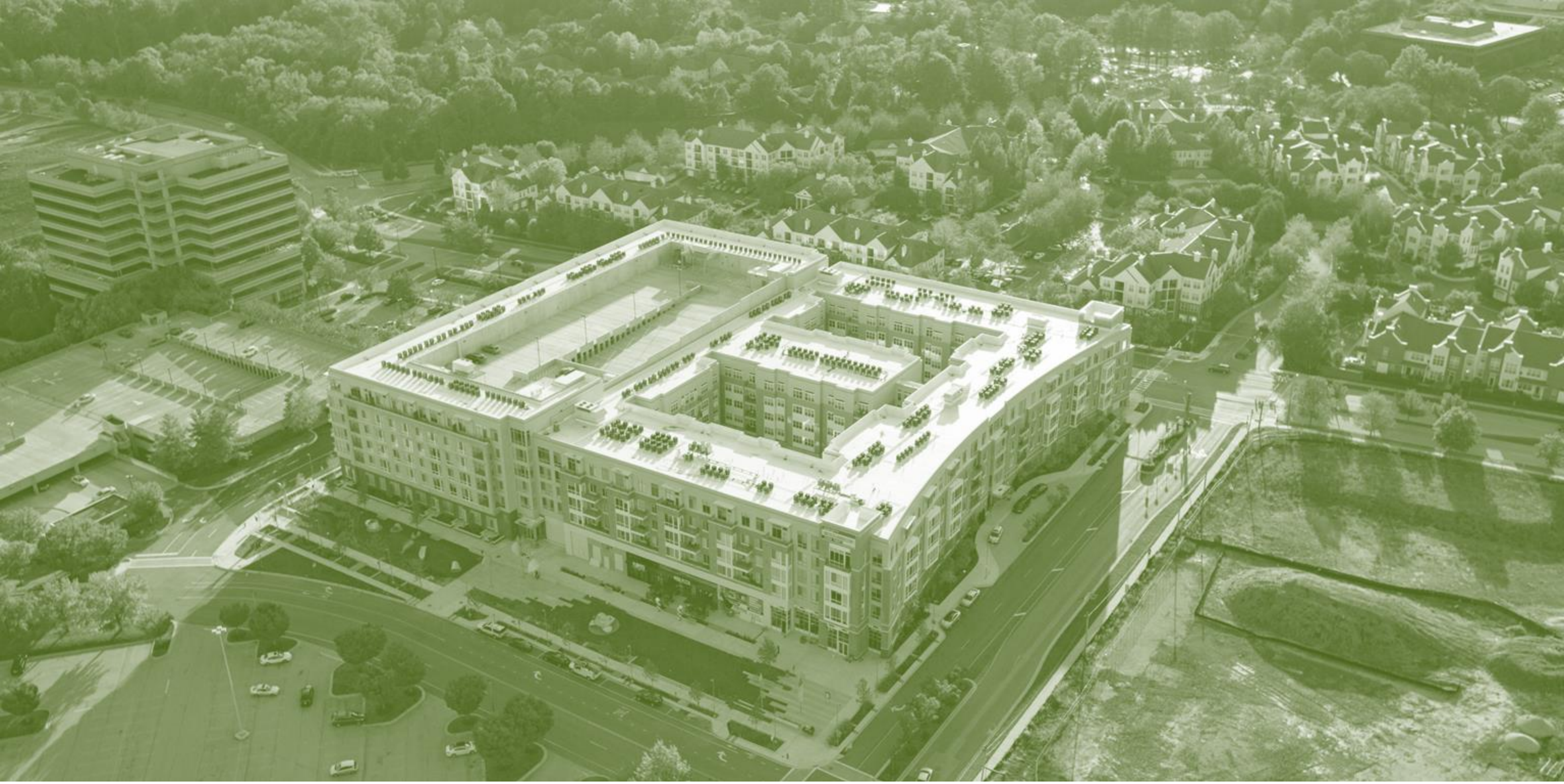
1) *Identify new, ongoing funding resources for affordable housing investment that can generate a large upfront allocation of capital (Recommendation II-2.1).*
2) *Identify new, ongoing funding sources to generate large upfront capital with a defined split between housing and school facility investment (Recommendation III-1.1).*
3) *Allow developers to proffer land or a portion of a site for school facility construction in exchange for zoning flexibility and/or density on the remaining portion of the site (Recommendation III-1.2).*
4) *Consider amending APFO restrictions, moratoria, and fee structures for all housing types in areas with existing transportation infrastructure and strong mobility/independent living characteristics (Recommendation III-2.1).*
5) *Consider automatic exemptions from school related moratoria for affordable housing in low-poverty school districts, as well as market-rate housing in high poverty school districts (Recommendation III-2.2).*
6) *Consider whether specific types of housing like age restricted and "missing middle" should receive automatic or limited exemptions from moratoria (Recommendation III-2.3).*
7) *Consider identifying areas of the County where existing infrastructure is underutilized and therefore could support additional residential density with limited new public investment (Recommendation III-2.4).*

b. Establish procedures regarding the disposition of county land that would promote the use of public land to increase affordable housing opportunities, including prerequisite that any proposed sale or other disposition of county-owned land be subject to a priority for the development of affordable housing opportunities such as mixed-income and mixed-use development.

1) *Allocate proceeds from County land sale to Trust Fund when the site is not prioritized for affordable/mixed-income housing and/or community facilities (Recommendation III-3.4).*
2) *Establish protocols for conveying site control, public benefit/revenue contribution requirements, and a process for accepting unsolicited bids (Recommendation III-3.5).*

c. Evaluate potential to use County owned land for projects that provide below AMI housing, including mixed-income and mixed-use developments.

1) *Create an inventory of publicly-owned land assets and benchmark inventory against facility needs (Recommendation III-3.1).*
2) *Establish affordable and mixed-income housing as a priority for the use of publicly-owned land assets (Recommendation III-3.2).*
3) *Identify opportunities for co-location of public facilities and housing and prioritize such complementary developments (Recommendation III-3.3).*



APPENDIX C
OVERVIEW OF MARKET RESEARCH AND ANALYSIS

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MARKET OVERVIEW & BACKGROUND RESEARCH

HOUSING OPPORTUNITIES MASTER PLAN

HOWARD COUNTY, MARYLAND

Prepared for the Department of Housing and Community Development
April 29, 2021

ABOUT RCLCO

Since 1967, RCLCO has been the "first call" for real estate developers, investors, the public sector, and non-real estate companies and organizations seeking strategic and tactical advice regarding property investment, planning, and development.

RCLCO leverages quantitative analytics and a strategic planning framework to provide end-to-end business planning and implementation solutions at an entity, portfolio, or project level. With the insights and experience gained over 50 years and thousands of projects–touching over $5B of real estate activity each year–RCLCO brings success to all product types across the United States and around the world.

Learn more about RCLCO at www.RCLCO.com.

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OBJECTIVES & TABLE OF CONTENTS

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OBJECTIVES

In January 2020, Howard County selected RCLCO to develop a comprehensive plan for expanding housing opportunities in Howard County. The project team also includes Neighborhood Fundamentals, which provides research and technical assistance on issues related to housing policy and affordability; JMT, which manages community planning and meeting facilitation; and PRR, which specializes in public and environmental justice outreach.

As part of this effort, RCLCO conducted detailed research on the housing market in Howard County, with the goal of understanding housing affordability, housing inventory, and demand dynamics today. This appendix is intended to provide a summary of this research, which was used to inform the recommendations in the Housing Opportunities Master Plan.

Specifically, the following appendix is intended to:

- Assemble and review existing data on the housing market and housing needs;
- Evaluate County characteristics using demographic and GIS mapping by County sub-areas; and
- Identify current locations of affordable housing by type, including both rental and homeownership units.

KEY FINDINGS

KEY FINDINGS

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GROWTH & DEMOGRAPHICS

- The region is growing as new jobs are created, and these jobs are bringing more workers to the area than the amount of new housing that is being built.
- Howard County is more affluent than its neighbors, and it has more families and middle-aged households. This dynamic is partially created by its housing supply, coupled with the other factors that make the County a desirable place to live, and then reinforced by limited new supply additions.
- Far fewer people who are employed in Howard County also live there, compared to nearly every other jurisdiction in the Washington-Baltimore region, and there is little variance by income. Howard County has less housing than it needs across all household types and income bands, and it is not building enough to keep up with job growth.

HOUSING SUPPLY & DEMAND

- Howard County is underbuilding new housing given the size of its workforce. The County has a lower ratio of housing units to jobs than other nearby jurisdictions, and it requires more than 20,000 additional housing units to catch up to these areas.
- Most new housing being built by the market is affordable to households making more than 80% of AMI (rental) and more than 120% of AMI (for-sale).
- Just 9% of housing in Howard County is affordable to households making less than 60% AMI, and virtually no for-sale homes that have been built in the last two decades are affordable to this group.
- For all of these reasons, Howard County has less than its fair share of low- and moderate-income households than other nearby counties.

HOUSING AFFORDABILITY

- The vast majority of low-income renters are spending more than 30% of their incomes on housing. In Howard County, three-quarters of such "cost-burdened" renters make less than 60% of AMI.
- Meanwhile, a lack of for-sale housing is contributing to cost burdens at all income levels. In Howard County, the number of owners that spend 30% or more of their incomes on housing is equally split between households making less than 80% of AMI and households making more than 80% of AMI.
- Cost burdens are disproportionately felt by diverse populations, both for rental and for-sale housing.
- Today, underserved groups in Howard County include market-rate families, workforce families, seniors, low-income renters, and professionals and other renters-by-choice. In almost all cases, these households require a greater amount and diversity of housing than what exists today.

Source: RCLCO

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MARKET UNDERSTANDING

REGIONAL EMPLOYMENT GROWTH

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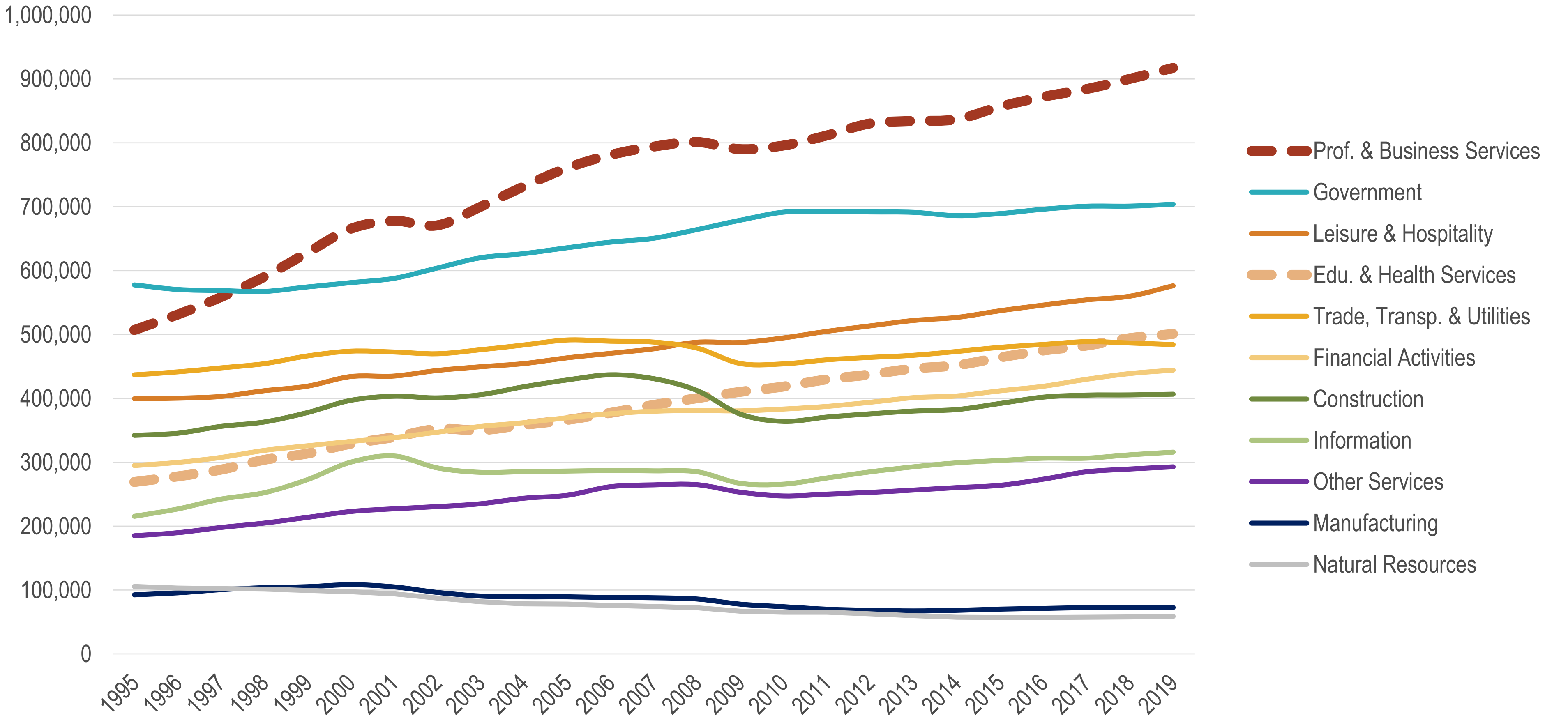
THE REGION IS GROWING RAPIDLY, AND THAT GROWTH IS PLACING SIGNIFICANT PRESSURE ON LOCAL HOUSING MARKETS

- Between 2010 and 2019, the Washington-Arlington-Alexandria and Baltimore-Columbia-Towson Metropolitan Statistical Areas ("MSAs") added more than 500,000 jobs, fueling a need for housing across the region. In addition, approximately 35% of these new jobs are in Professional & Business Services and Education & Health Services, suggesting that much of this employment growth is attracting a well-educated and highly paid workforce, in particular.

Historical Employment by Industry, 1995-2019;
Combined Washington and Baltimore MSAs



Source: Moody's Analytics

LOCAL EMPLOYMENT GROWTH

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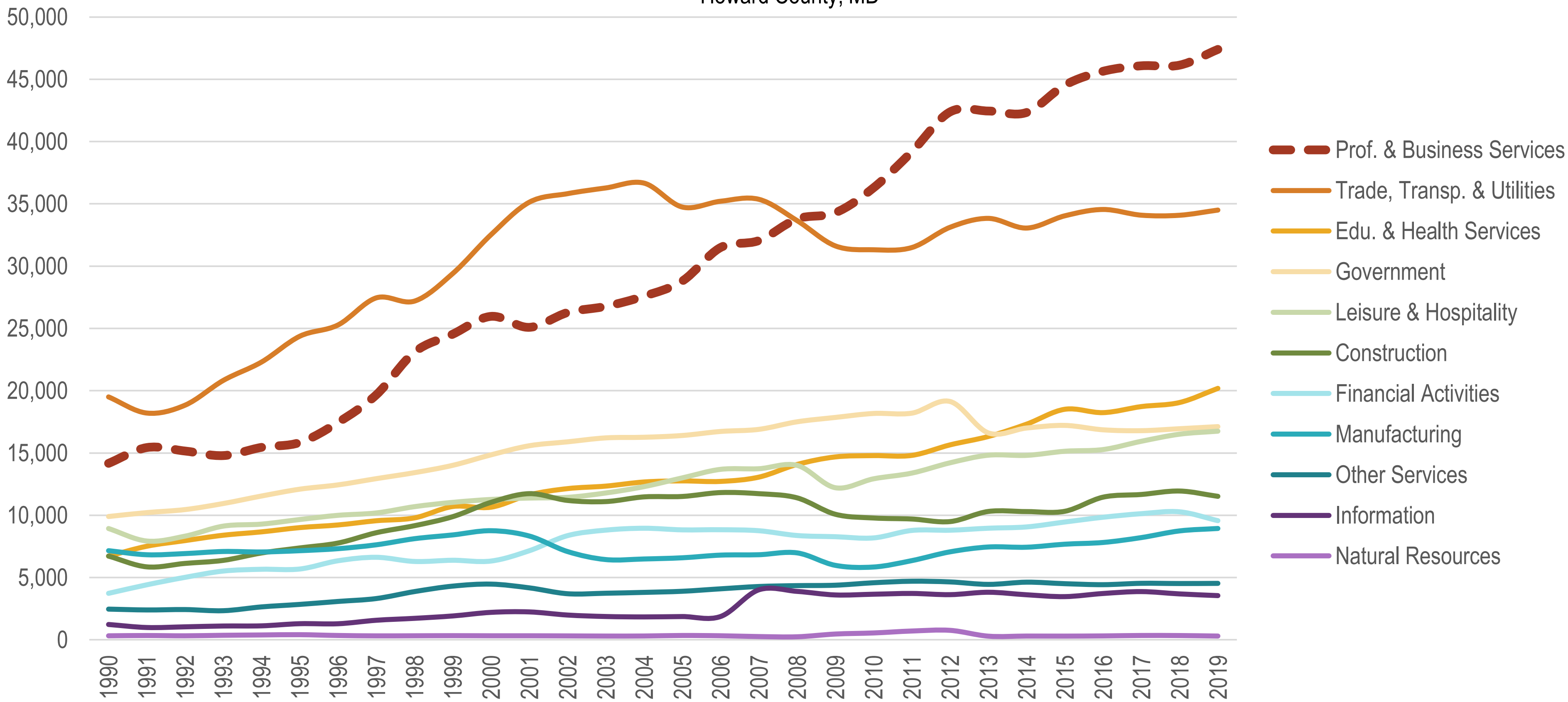
HOWARD COUNTY IN PARTICULAR HAS EXPERIENCED SIGNIFICANT JOB GROWTH IN RECENT YEARS, IN PART DUE TO THE FACT THAT IT IS AN ATTRACTIVE PLACE FOR EMPLOYEES TO LIVE

- Over the last ten years, Howard County has added an average of more than 3,000 jobs each year, with a significant and growing share of these jobs being in the Professional & Business Services sector. This rapid job growth is partially attributable to the fact that Howard County is an appealing residential location for the executives and employees at these companies. In order to sustain economic growth, Howard County must therefore ensure that it remains an attractive and viable place for these individuals to live.

Historical Employment by Sector, 1990-2019;
Howard County, MD



Source: Bureau of Labor Statistics; RCLCO

DRIVERS OF GROWTH

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DRIVERS OF POPULATION GROWTH	PERSISTENCE AND RISKS
Regional Accessibility • I-95, I-70, and Route 1 all run through Howard County, providing easy access to employment and recreational opportunities in Baltimore, the District, and various other parts of the region	**Structural** Howard County is likely to remain accessible to locations across the Washington-Baltimore region
Growing Employment and Wages • Although Government has historically been the largest employment driver in the Washington-Baltimore region, many of its new jobs are in the private sector, in high-paying industries like Professional & Business Services and Education & Health Services • More than 500,000 jobs have been added to the Washington-Baltimore region since 2010, including 34,000 in Howard County • Average weekly wages in Howard County have grown by nearly 25% since 2010	**Structural and Cyclical** Although the local and regional economies are diversifying, employment and wage growth are still at risk of economic downturns, especially since new private sector jobs are typically more susceptible to macroeconomic conditions
Strong School District • Howard County is home to a strong public school system. For the 2019-2020 school year, data compiler Niche ranked Howard County first on its list of best school districts in the State of Maryland, as well as second on its list of districts with best teachers	**Structural** The quality of schools in Howard County is likely to remain high, though other districts may improve over time
Safety • In 2017, Howard County had the tenth lowest crime rate per 100,000 people in the State of Maryland, ranking it above 14 other counties, including both Anne Arundel County and Baltimore County • WalletHub ranks Columbia as the "safest" city in the United States, based on a variety of crime and financial risk-related factors	**Structural** Crime may change over time, but there is a sizable gap between the rates for Howard County and Anne Arundel (25% higher) and Baltimore (74% higher) Counties
Diversity of Neighborhood Environments • Howard County has a broad mix of rural areas, established neighborhoods, and newer suburbs • Downtown Columbia is continuing to urbanize, providing a range of amenities for residents of Howard County • Rolling Stone Magazine recently ranked Merriweather Post Pavilion as the fourth best amphitheater in the country	**Structural** It is possible that other suburban counties will urbanize and diversify as well, but Downtown Columbia remains differentiated in a way that separates Howard County
Quality of Life • Howard County offers easy access to employment and cultural opportunities, making it a desirable place to live • USA Today ranked Howard County as the seventh best county in which to live based on education, poverty, and life expectancy rates	**Structural** Howard County will continue to offer easy access to employment and cultural opportunities
DRIVERS OF EMPLOYMENT GROWTH	**PERSISTENCE AND RISKS**
Access to Transportation Networks • A number of major transportation corridors run through Howard County, including I-95, I-70, and Route 1 • Baltimore / Washington International Airport ("BWI") is also nearby, and runs 650 domestic and international flights daily	**Structural** Howard County will continue to be well-located and accessible for people across the region and country
Connectivity to Major Cities • Howard County is located directly between Washington, D.C., and Baltimore, MD, allowing it to pull from labor markets and customer bases in both directions. The County is also easily accessible to other cities along the eastern seaboard.	**Structural** Proximity to both Washington, D.C., and Baltimore, MD, will remain a major locational benefit of Howard County
Talented Workforce • Washington, D.C., is ranked fourth in terms of tech talent density in major metropolitan areas, according to CBRE. The same report ranks the Washington, D.C., market second in terms of educational attainment. • 62% of adults in Howard County have a Bachelors degree or higher, well-above statewide (39%) and national (31%) averages.	**Structural** The job makeups of Howard County and the surrounding region will continue to attract educated employees

Source: Moody's Analytics; BLS; Niche; Maryland Statistical Analysis Center; Rolling Stone Magazine; USA Today; CBRE; Howard County Economic Development Authority; RCLCO

ACCESSIBLE TO JOBS IN THE REGION

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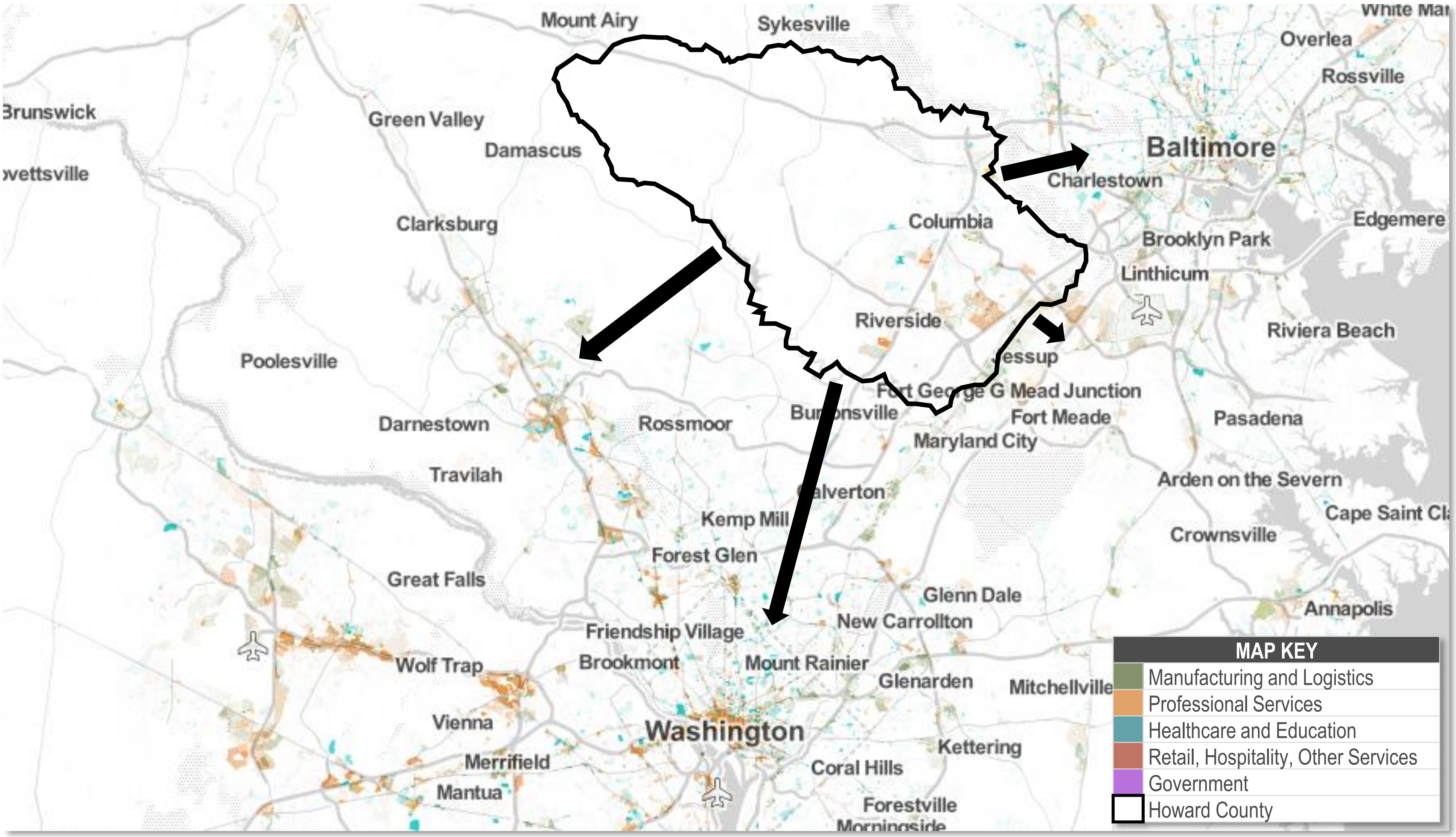
Heat Map of Jobs, 2017;
Combined Washington and Baltimore MSAs

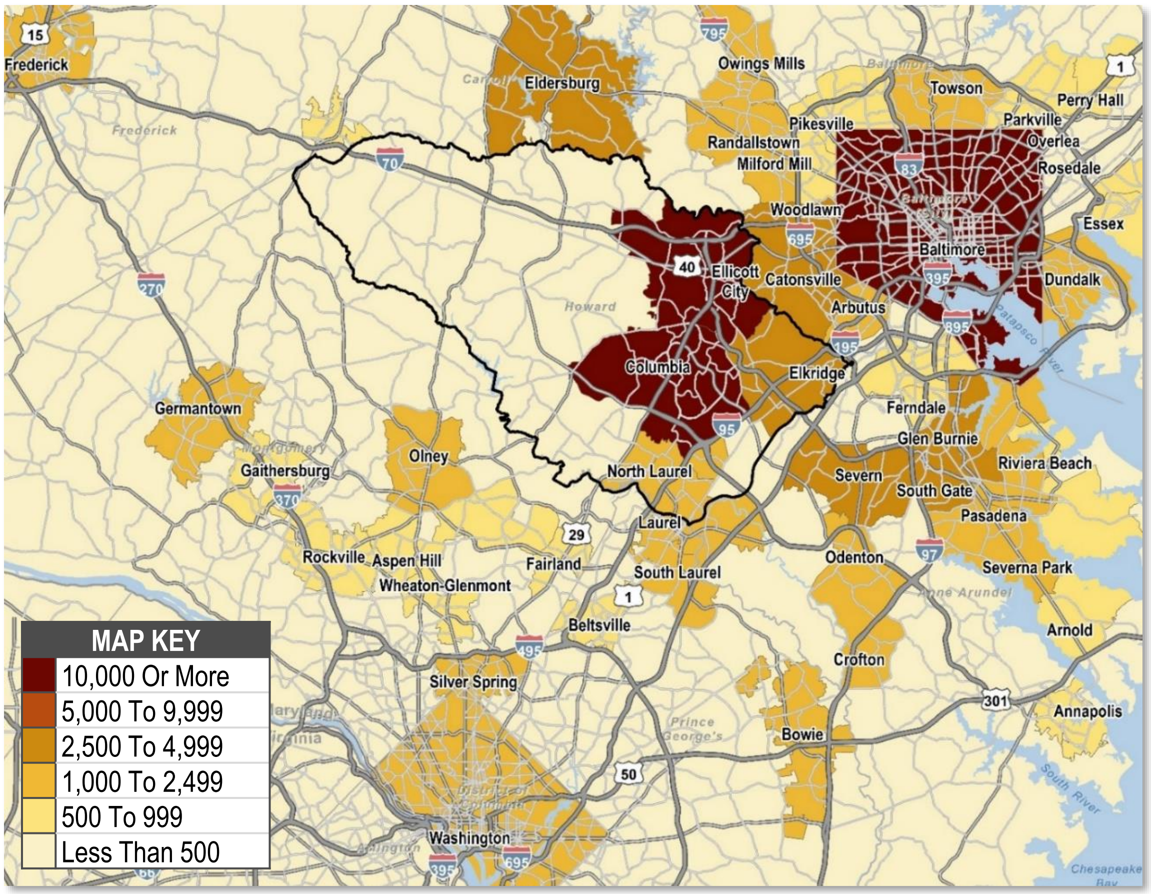


Source: Robert Manduca; RCLCO

A SUBSTANTIAL PORTION OF PEOPLE WHO WORK IN HOWARD COUNTY LIVE ELSEWHERE IN THE REGION

- According to data from the Longitudinal Employer-Household Dynamics ("LEHD") program of the Center for Economic Studies at the U.S. Census Bureau, approximately 25% of people who work in Howard County also live in the County. Meanwhile, a sizable portion of local employees live in other jurisdictions, such as Baltimore County, Anne Arundel County, and Carroll County.

Residences of People Who Work in Howard County, 2017;
Washington-Baltimore Region



NAME	COUNTY	EMPLOYEES #	EMPLOYEES %
Columbia	***Howard County***	***16,234***	***9.0%***
Baltimore	Baltimore County	14,211	7.9%
Ellicott City	***Howard County***	***10,147***	***5.6%***
Ilchester	***Howard County***	***3,903***	***2.2%***
Glen Burnie	Anne Arundel County	3,356	1.9%
Eldersburg	Carroll County	3,331	1.8%
Severn	Anne Arundel County	3,167	1.8%
Catonsville	Baltimore County	3,109	1.7%
Elkridge	***Howard County***	***2,772***	***1.5%***
Woodlawn	Baltimore County	2,517	1.4%
North Laurel	***Howard County***	***2,408***	***1.3%***
Odenton	Anne Arundel County	2,002	1.1%
Arbutus	Baltimore County	1,970	1.1%
Laurel	Prince George's County	1,809	1.0%
Washington	District of Columbia	1,704	0.9%
Montgomery County		16,255	9.0%
Other Anne Arundel County		14,185	7.8%
Other Howard County		***10,314***	***5.7%***
Other Carroll County		6,819	3.8%
Other Baltimore County		5,489	3.0%
Other		55,071	30.5%
TOTAL		**180,773**	**100.0%**
TOTAL IN HOWARD COUNTY		**45,778**	**25.3%**

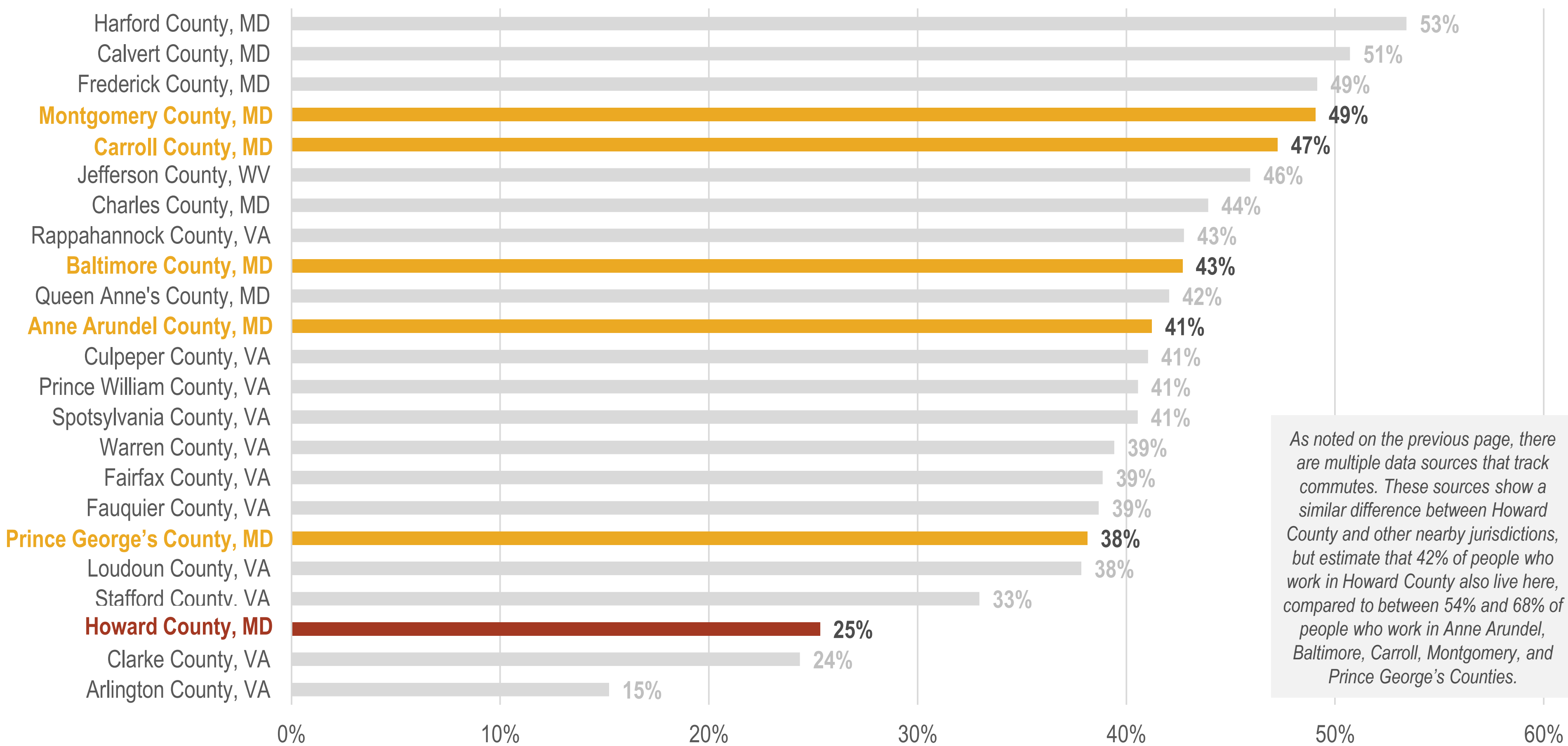
Note: Above map and table use data from the Longitudinal Employer-Household Dynamics ("LEHD") program. Additional data is tracked by the American Community Survey ("ACS"), which shows that a slightly higher proportion (42.2%) of people who work in Howard County also live in the county. ACS does not provide as detailed information about the locations from which non-residents commute.

Source: Census OnTheMap; RCLCO

FEWER PEOPLE LIVE AND WORK IN HOWARD COUNTY THAN THEY DO IN OTHER NEARBY JURISDICTIONS

- This mismatch suggests that there are likely many people who already work in Howard County, and are therefore already a part of its community, who would choose to live in the County if the right type and/or price point of housing existed for them.

Share of Employees in Howard County That Also Live in Howard County, 2017;
Various Counties in Washington-Baltimore Metropolitan Areas

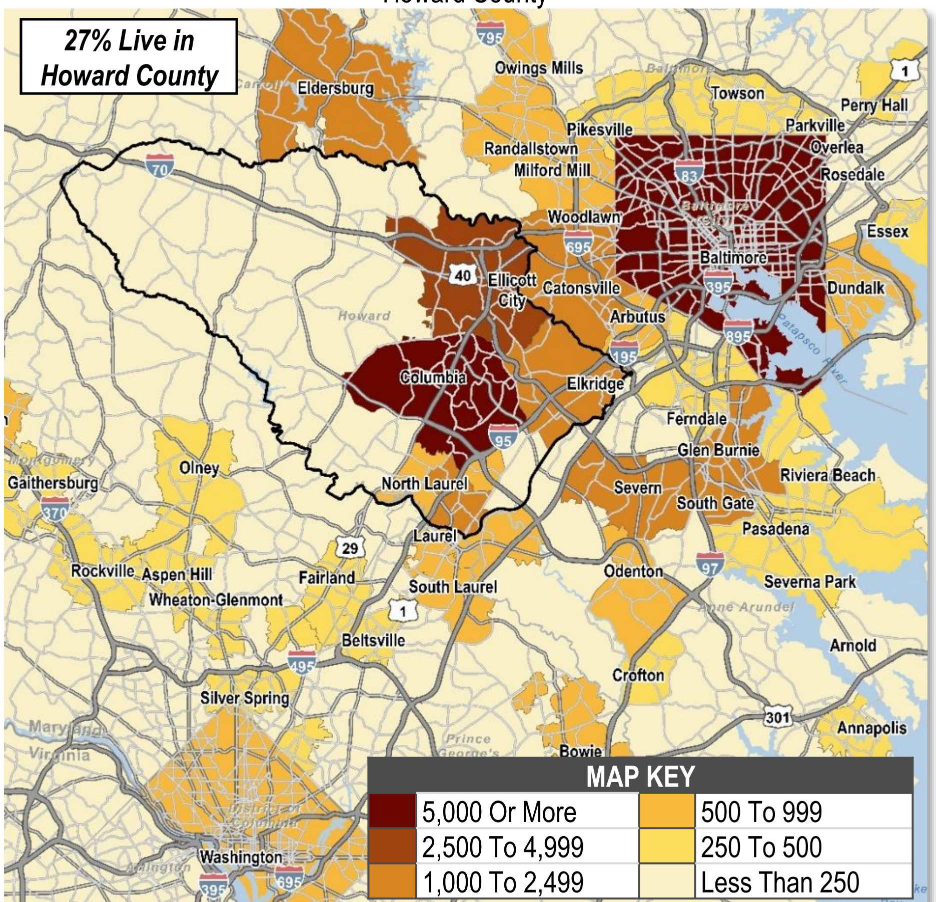


Source: Census OnTheMap; RCLCO

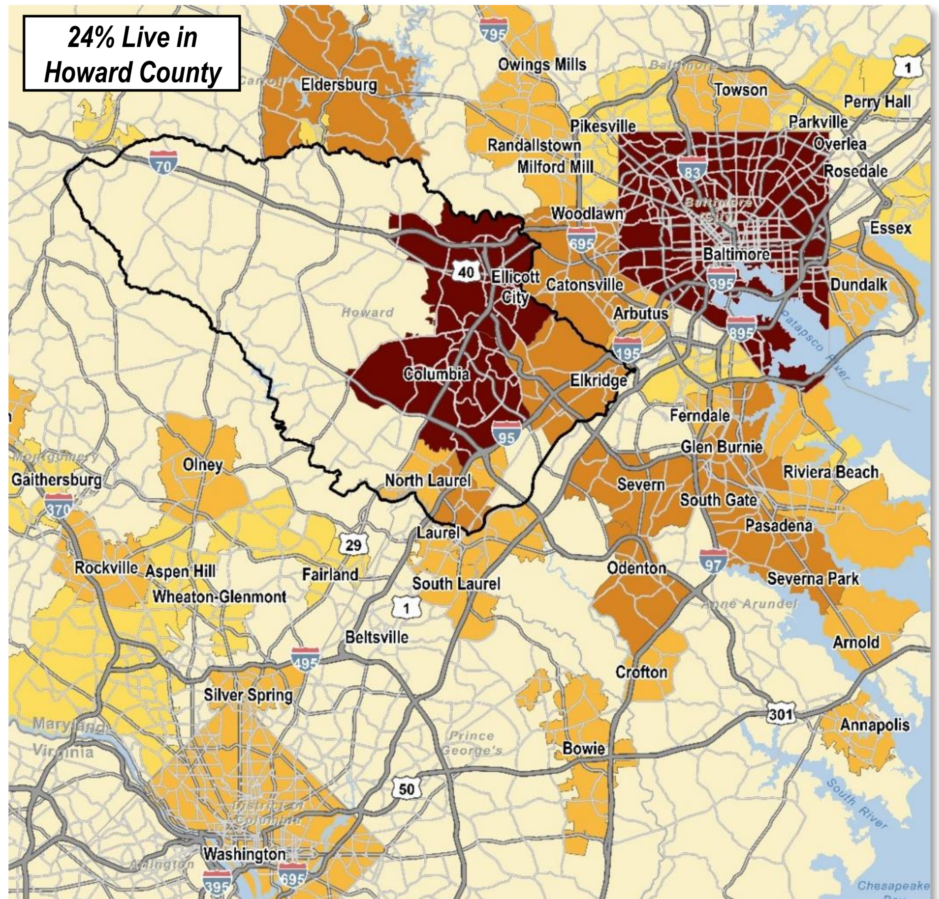
THERE IS LITTLE VARIANCE BY INCOME IN TERMS OF THE PEOPLE WHO BOTH LIVE AND WORK IN HOWARD COUNTY

- This pattern suggests that the difference between Howard County and other jurisdictions is attributable to both housing quantity and housing quality, rather than just price.

Residences of Low-Wage Employees, 2017;
Howard County



Residences of Moderate- & High-Wage Employees, 2017;
Howard County

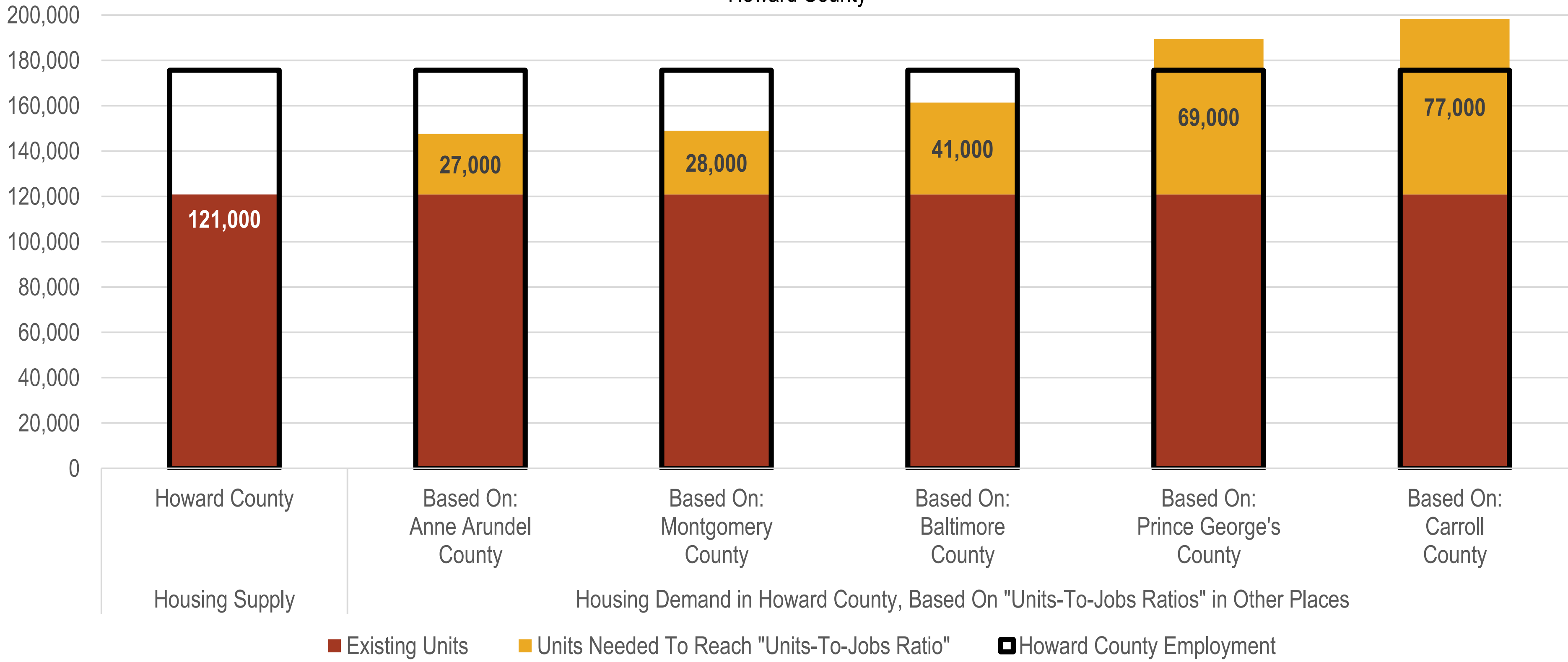


Note: "Low-Wage" defined as those employees earning less than $3,333 monthly (about 50% AMI) "Moderate and High-Wage" defined as those employees earning more than $3,333 monthly
Source: Census OnTheMap; RCLCO

HOWARD COUNTY HAS MANY MORE JOBS THAN HOUSING UNITS, LIKELY CONTRIBUTING TO ITS HOUSING CONSTRAINTS

- Based on job totals from the Bureau of Labor Statistics, Howard County has 0.69 housing units for every job, compared to 0.84 for Anne Arundel County, 0.85 for Montgomery County, 0.92 for Baltimore County, 1.08 for Prince George's County, and 1.13 for Carroll County. While it is not unusual for households to live in different locations than the ones in which they work, the extent of this mismatch suggests that one reason for the housing constraints in Howard County is that it lacks the inventory to support its employees.
- Based on the housing units-to-jobs ratios of other jurisdictions, RCLCO estimates that Howard County requires more than 20,000 additional housing units, in order to reach a more balanced relationship between its employment base and housing inventory.

Housing Units Needed to Reach Units-To-Jobs Ratios of Other Jurisdictions, 2019;
Howard County



Source: Howard County Department of Planning and Zoning; Bureau of Labor Statistics; Esri; RCLCO

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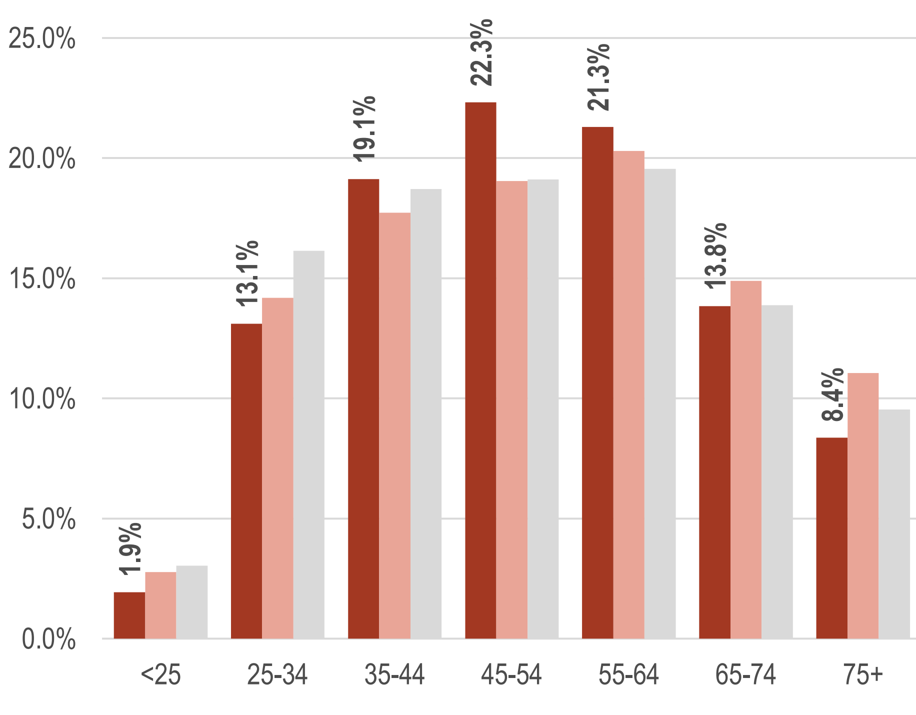
DEMOGRAPHIC OVERVIEW

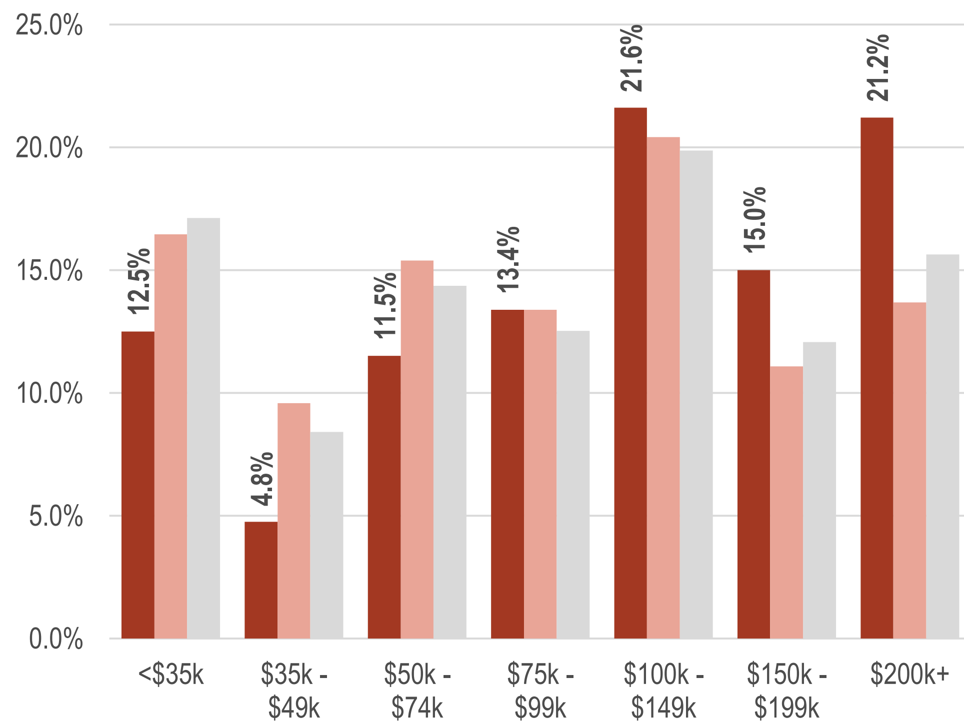
THE HOUSEHOLD BASE IN HOWARD COUNTY TENDS TO BE HIGHER-INCOME, WITH MORE MIDDLE-AGED HOUSEHOLDS

- Howard County has a much higher share of middle-aged and high-income households than other nearby jurisdictions, as well as the broader Washington, D.C., and Baltimore metropolitan areas. Approximately 57.8% of households in Howard County have incomes above $100,000, compared to just 45.2% in nearby counties.

Comparison of Age Distribution, 2019;
Howard County, Nearby Counties, and Washington-Baltimore MSAs



Comparison of Income Distribution, 2019;
Howard County, Nearby Counties, and Washington-Baltimore MSAs



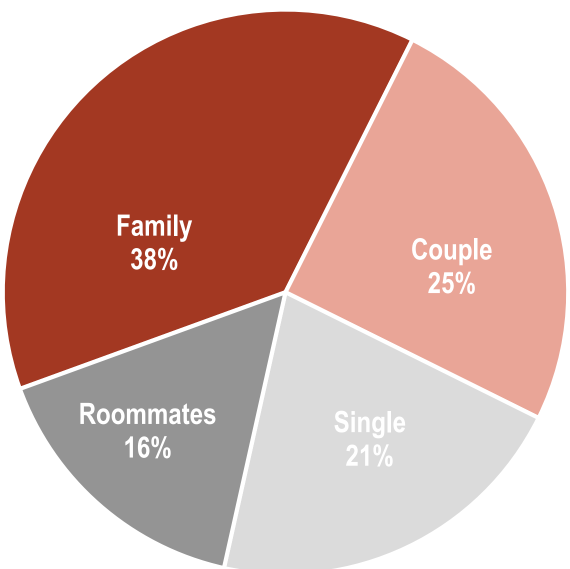
Howard County | Nearby Counties[1] | Washington-Baltimore MSAs

[1] Nearby Counties include Anne Arundel, Baltimore, Carroll, Montgomery, and Prince George's Counties
Source: Esri

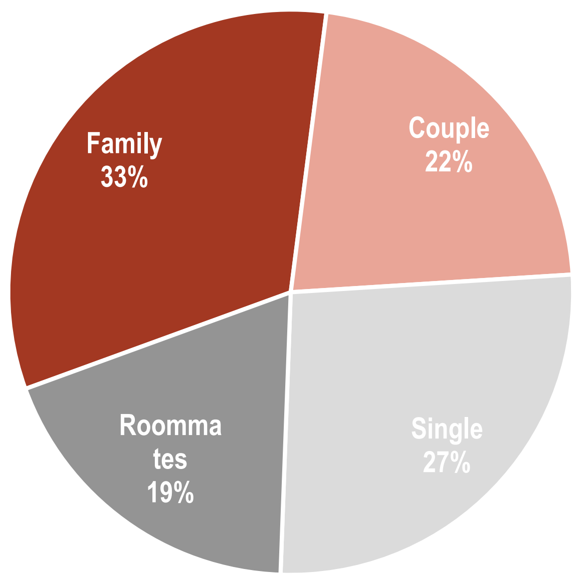
FAMILIES AND COUPLES REPRESENT AN OUTSIZED SHARE OF THE HOUSEHOLD BASE IN HOWARD COUNTY, RELATIVE TO THE HOUSEHOLD BASE OF THE REGION AS A WHOLE

- This difference is true even relative to the household bases of other surrounding counties, such as Anne Arundel County and Montgomery County.

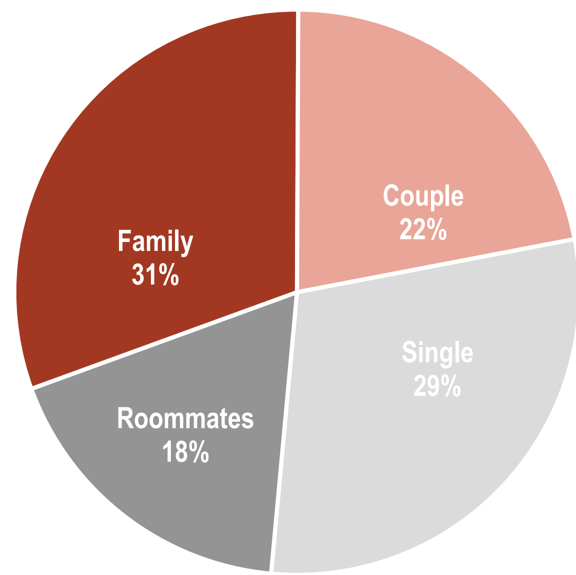
Household Type, 2016-2018;
Howard County, MD



Household Type, 2016-2018;
Nearby Counties[1]



Household Type, 2016-2018;
Washington-Baltimore MSAs



[1] Nearby Counties include Anne Arundel, Baltimore, Carroll, Montgomery, and Prince George's Counties
Source: Esri

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THE FOLLOWING MAPS HIGHLIGHT THE ECONOMIC AND DEMOGRAPHIC DIFFERENCES THAT EXIST IN CERTAIN PARTS OF HOWARD COUNTY, AS WELL AS THE EXTENT TO WHICH SOME OF THOSE DIFFERENCES RELATE TO HOUSING

- RCLCO utilized geographic information system ("GIS") data to observe various economic and demographic variables at the census tract-level. These maps point to substantial economic and demographic differences between Eastern Howard County and Western Howard County, and many of these differences are attributable the housing inventories in each location.
- In general, development patterns in Western Howard County favor large-lot and/or single-family development. This type of development tends to produce more expensive forms of housing, with fewer options for renters. Meanwhile, neighborhoods in Eastern Howard County tend to have more diverse housing inventories, including a mix of single-family detached homes, townhomes, condominiums, and rental apartments that serve households of varying population segments.
- Given these differences, income levels tend to be much higher in Western Howard County than they are in Eastern Howard County. At the same time, neighborhoods in Eastern Howard County tend to be more racially and economically diverse than those in Western Howard County. Nonwhite households, lower-income households, and households receiving assistance are much more likely to live in Eastern Howard County, including Columbia and the Route 1 Corridor in particular, in part because most attainable housing options are concentrated in these neighborhoods. The combination of these trends highlight the extent to which housing influences racial and economic diversity.

Source: RCLCO

HOUSEHOLD INCOMES

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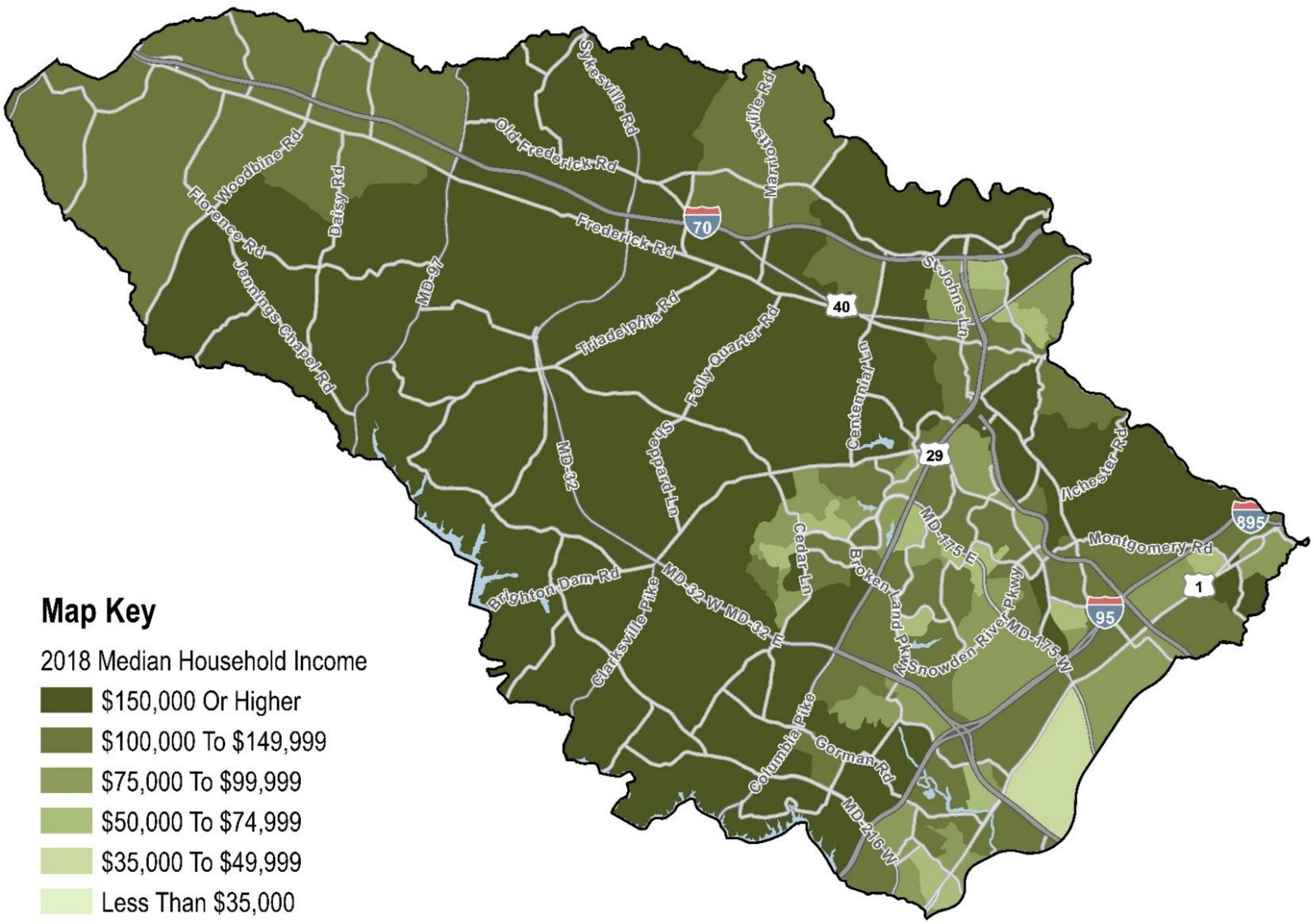

Source: Esri; RCLCO

HOUSEHOLD ASSISTANCE

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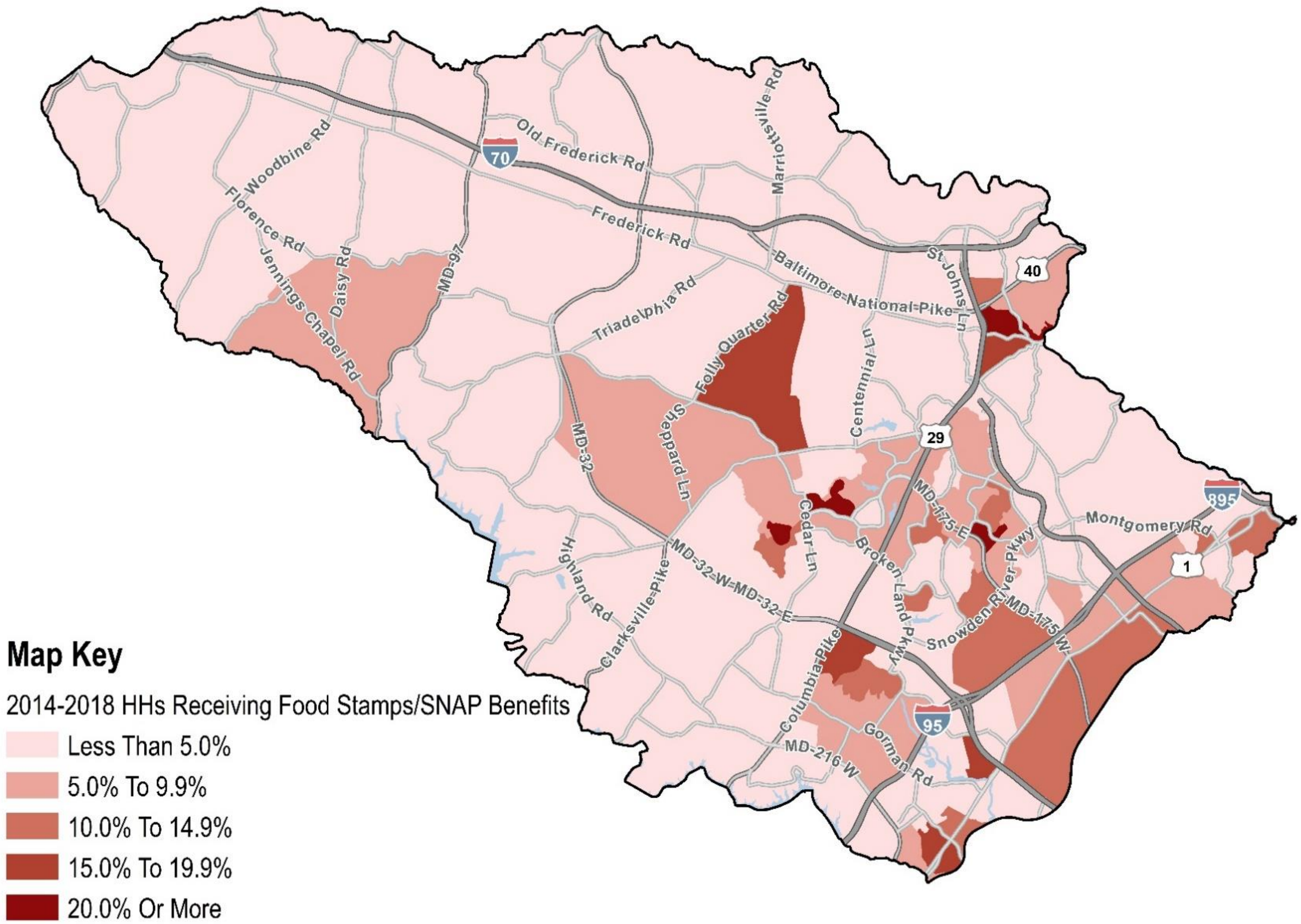
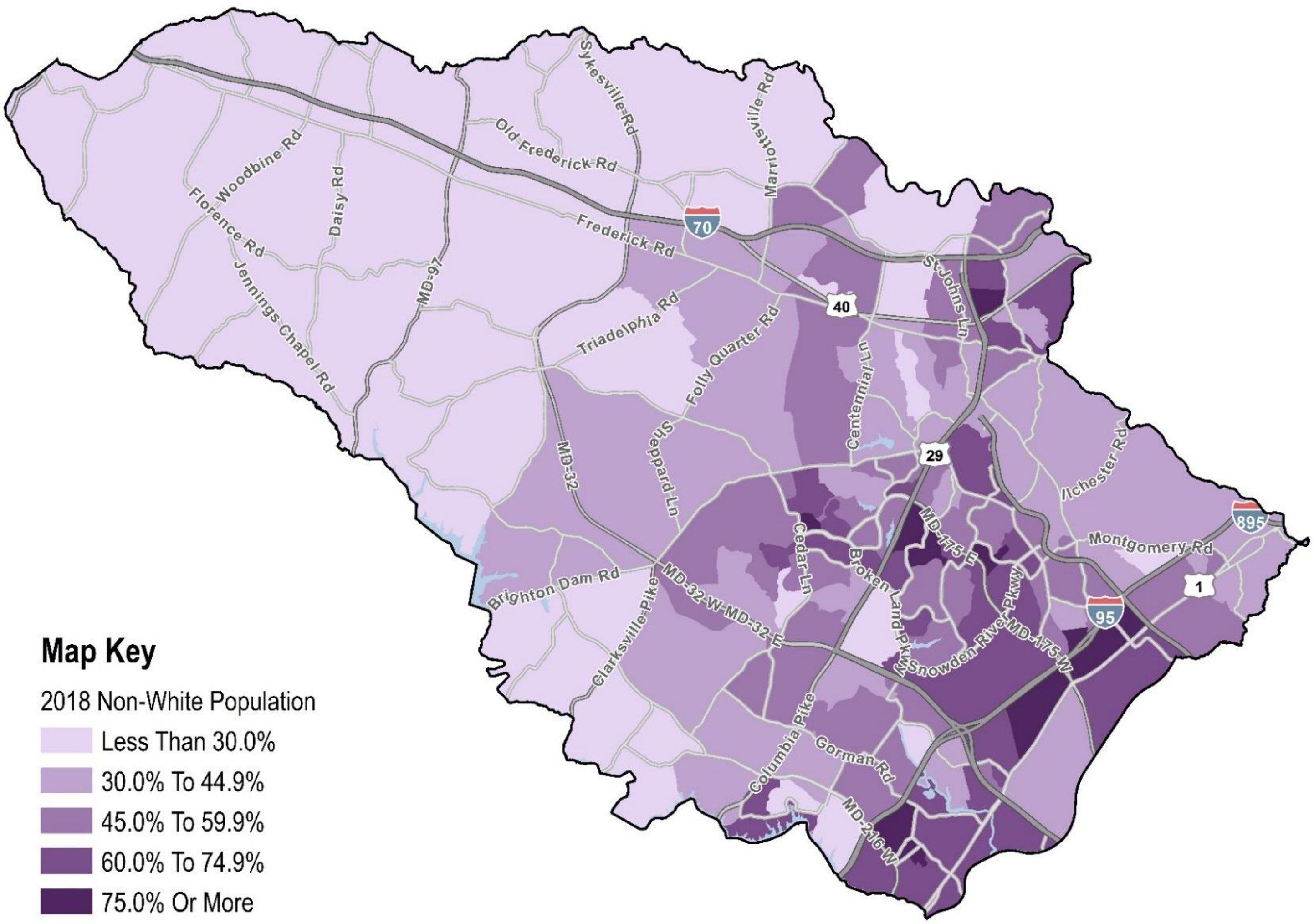


Source: Esri; RCLCO

RACIAL DIVERSITY



Source: Esri; RCLCO

PERSONS WITH DISABILITIES

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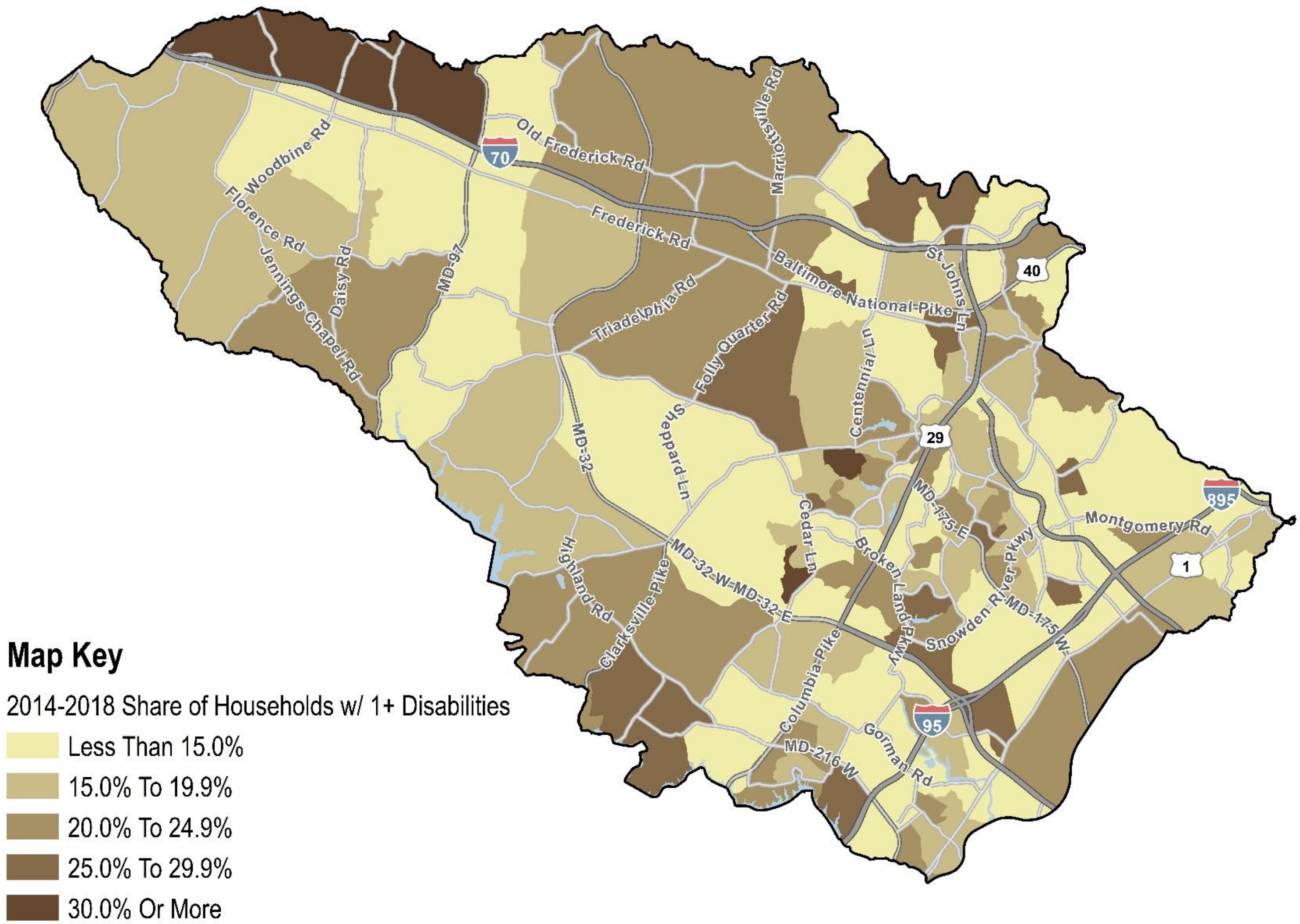

Source: Esri; RCLCO

HOUSEHOLD GROWTH

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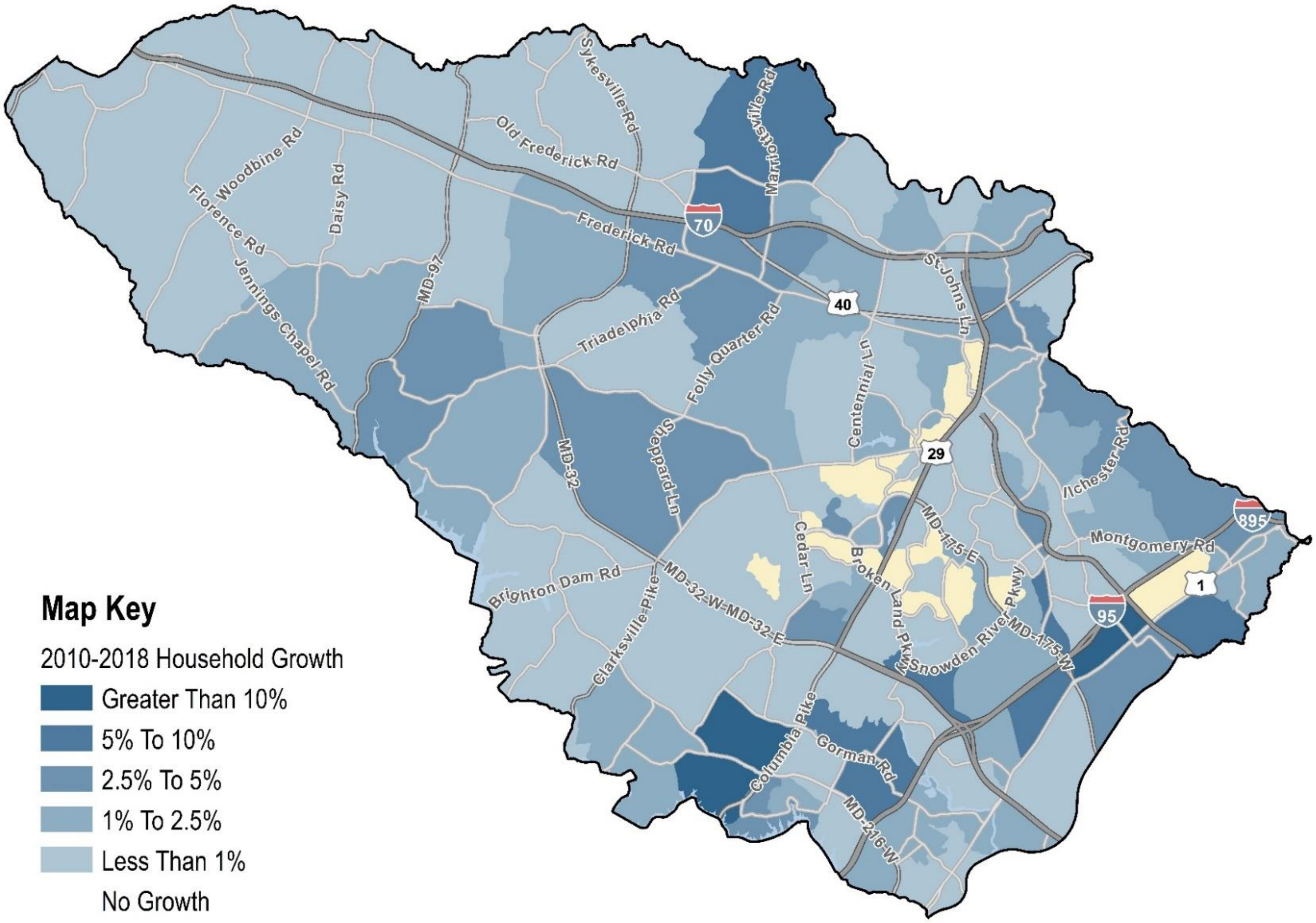
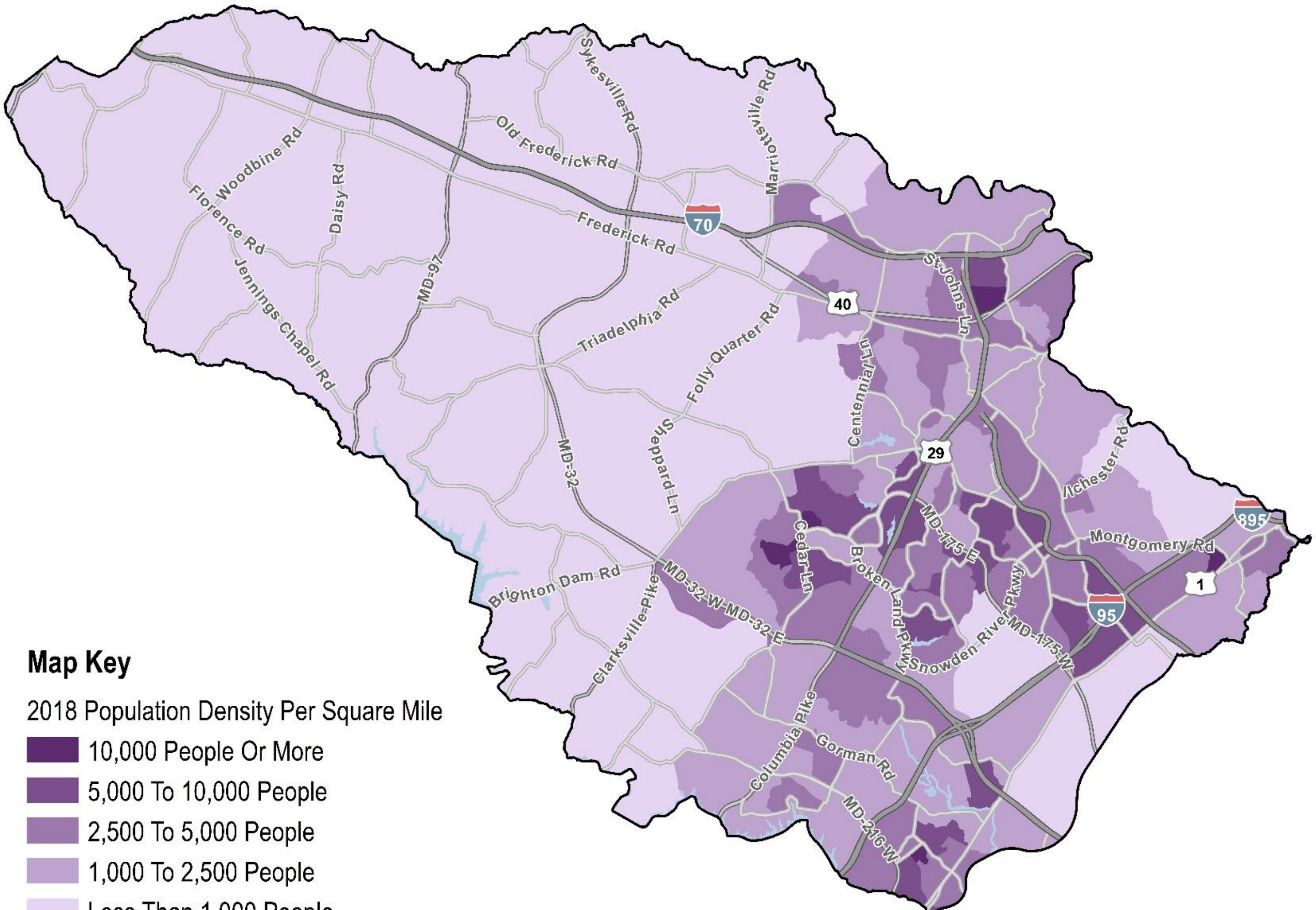


Source: Esri; RCLCO

POPULATION DENSITIES



Map Key

2018 Population Density Per Square Mile

- 10,000 People Or More
- 5,000 To 10,000 People
- 2,500 To 5,000 People
- 1,000 To 2,500 People
- Less Than 1,000 People

Source: Esri; RCLCO

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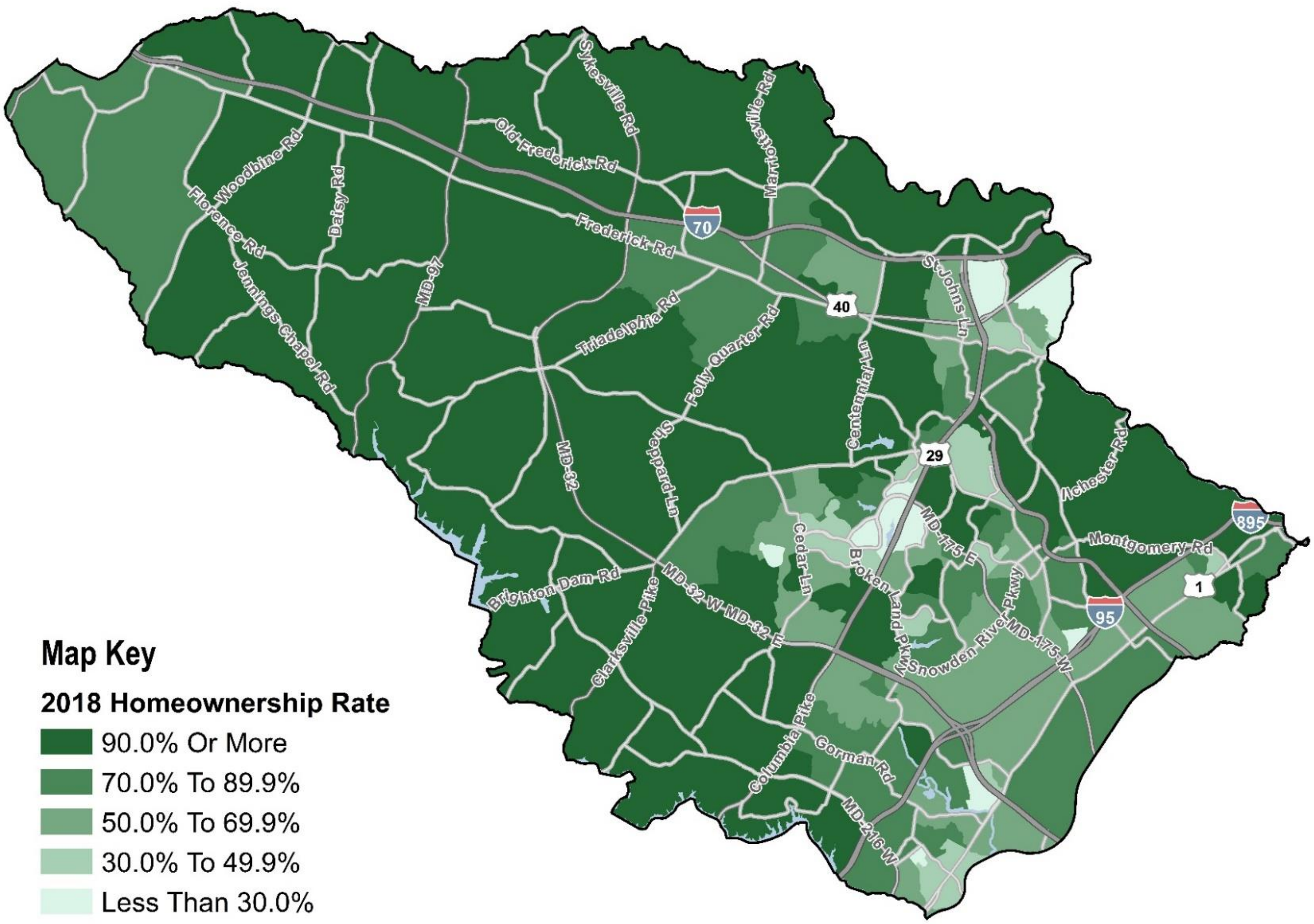
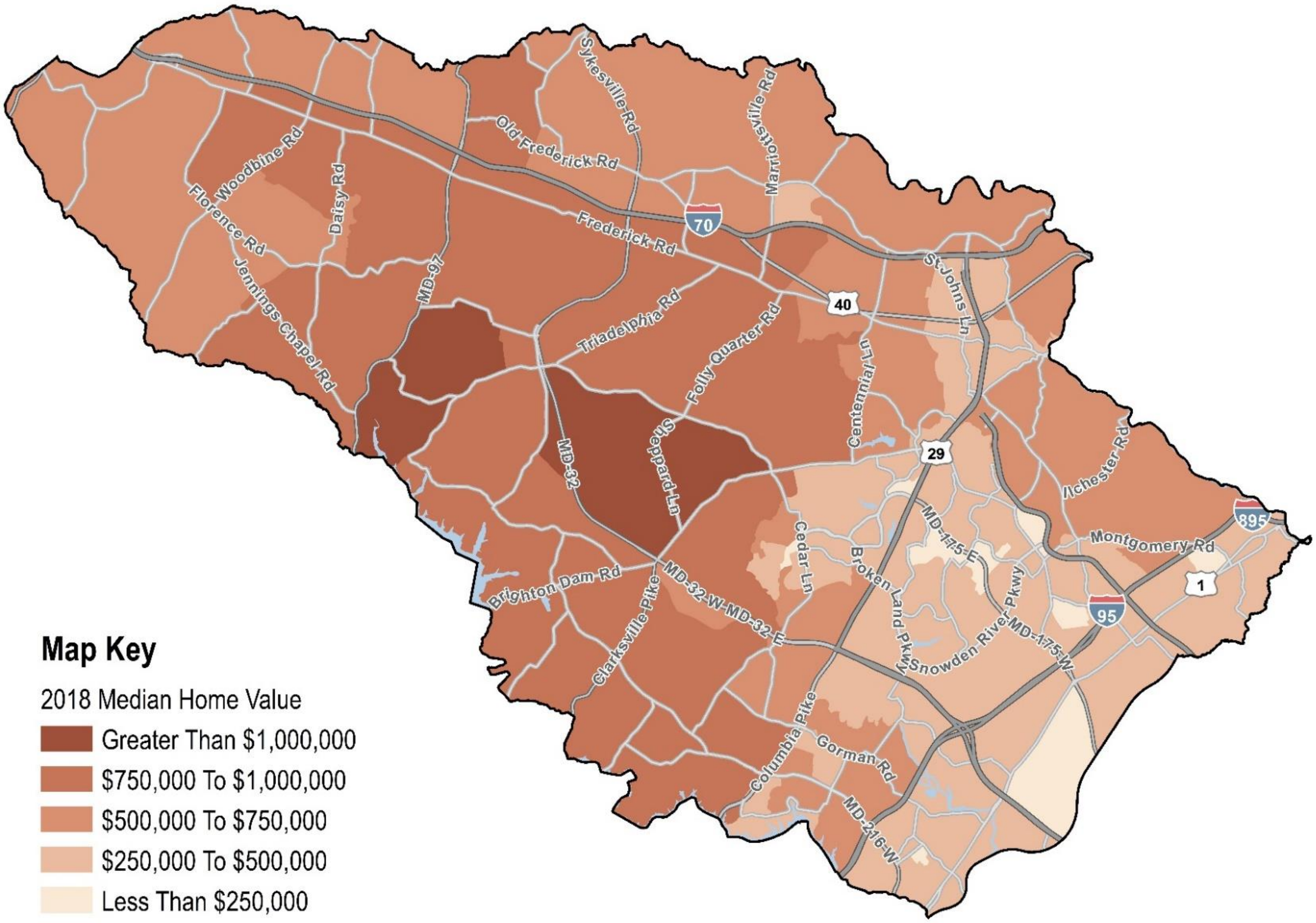
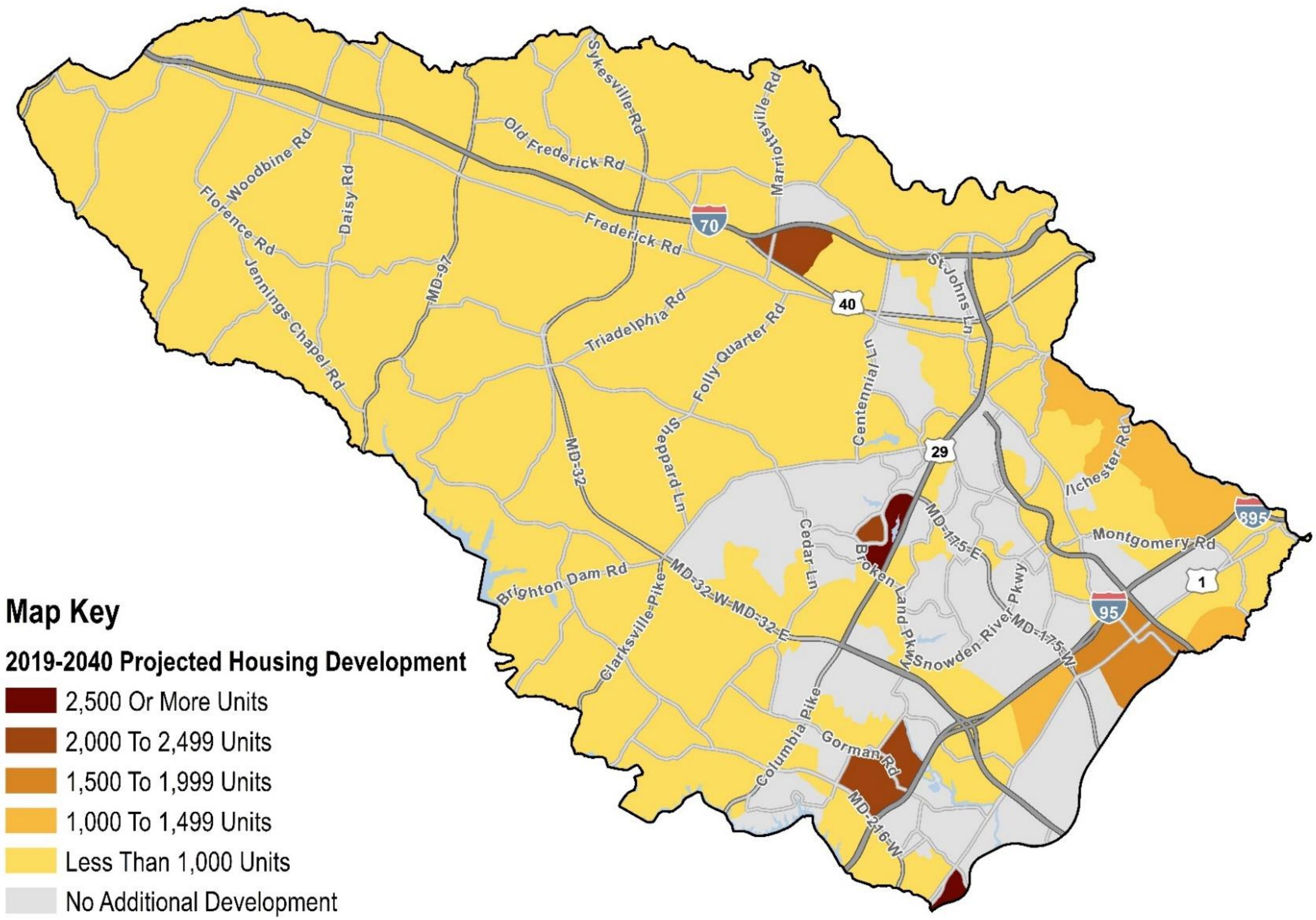


Source: Esri; RCLCO



Source: Esri; RCLCO

FUTURE HOUSING DEVELOPMENT



Note: Above map based on the most recent development projections from the Department of Planning and Zoning, as of April 2020.
Source: Esri; RCLCO

HOUSING DEMAND

TO EXAMINE HOUSING DEMAND AND AFFORDABILITY IN HOWARD COUNTY, RCLCO ANALYZED THE NUMBER OF HOUSEHOLDS IN VARIOUS AMI BANDS

- Area Median Income ("AMI") reflects the midpoint of a region's income distribution, based on household size. AMI bands are used to set income thresholds for housing policies and programs on the Federal, State, and Local levels. The State of Maryland currently uses AMI bands from the Baltimore PMSA[1] for Howard County.
  - For more information on the AMI bands for the Baltimore PMSA, please see below. Given that the Baltimore PMSA covers a wider geography than just Howard County, these bands can be helpful to identify differences between Howard County and other surrounding areas.
  - Howard County also sets its own AMI bands for local programs like its Moderate Income Housing Unit ("MIHU") program. These bands can be helpful to identify differences within Howard County. In general, the AMI bands for Howard County are higher than those for the Baltimore PMSA, given the economic and demographic makeup of the County compared to the broader region.
- To understand housing demand in Howard County, RCLCO relied on AMI bands for the Baltimore PMSA, with the goal of identifying populations that might be over- or under-represented in the County today. Using data from the American Community Survey ("ACS"), RCLCO categorized the household base in Howard County into each of the below AMI bands, with the goal of understanding the number of households in each. RCLCO then utilized the same data to further segment these groups into a variety of different market segments, including singles, couples, families, roommates, and seniors.

AMI Bands, 2019;
Baltimore PMSA

	AMI	Under 30% AMI	30%-60% AMI	60%-80% AMI	80%-120% AMI	Over 120% AMI
1-Person Household	$66K	Under $21K	$21K-$42K	$42K-$53K	$53K-$79K	Over $79K
2-Person Household	$76K	Under $24K	$24K-$49K	$49K-$60K	$60K-$91K	Over $91K
3-Person Household	$85K	Under $27K	$27K-$55K	$55K-$68K	$68K-$102K	Over $102K
4-Person Household	$94K	Under $30K	$30K-$61K	$61K-$76K	$76K-$113K	Over $113K
5-Person Household	$102K	Under $33K	$33K-$66K	$66K-$82K	$82K-$122K	Over $122K

[1] Includes Baltimore City and Anne Arundel, Baltimore, Carroll, Harford, Howard, and Queen Anne's Counties
Source: State of Maryland Department of Housing and Community Development, 2019 Values

RELATIVE TO OTHER SURROUNDING COUNTIES, HOWARD COUNTY IS HOME TO A GREATER SHARE OF HOUSEHOLDS THAT MAKE MORE THAN 120% OF AMI, AS WELL AS A LOWER SHARE OF HOUSEHOLDS THAT MAKE LESS THAN 60% OF AMI

Household Base by Size and AMI Band, 2019;
Howard County and Other Surrounding Counties

HOWARD COUNTY - SUMMARY OF HOUSEHOLD TYPE AND AMI LEVEL

	VERY LOW INCOME	LOW INCOME	MODERATE	WORKFORCE	MARKET RATE	TOTAL
	Under 30% AMI	*30% - 60% AMI*	*60% - 80% AMI*	*80% - 120% AMI*	*Over 120% AMI*	
1-person household	3,487	4,398	2,455	5,502	9,456	25,299
2-person household	2,404	2,865	1,794	6,875	**25,024**	38,962
3-person household	1,222	1,624	746	3,938	14,606	22,137
4-person household	1,172	1,001	1,212	3,306	13,431	20,122
5+-person household	659	1,031	808	1,920	7,527	11,945
TOTAL QUALIFYING HHs	**8,944**	**10,920**	**7,015**	**21,541**	**70,045**	**118,465**
	8%	9%	6%	18%	59%	

SURROUNDING COUNTIES - SUMMARY OF HOUSEHOLD TYPE AND AMI LEVEL

	VERY LOW INCOME	LOW INCOME	MODERATE	WORKFORCE	MARKET RATE	TOTAL
	Under 30% AMI	*30% - 60% AMI*	*60% - 80% AMI*	*80% - 120% AMI*	*Over 120% AMI*	
1-person household	72,088	77,362	34,680	69,837	87,746	341,714
2-person household	29,271	57,857	31,649	76,902	**208,760**	404,439
3-person household	14,462	29,749	16,365	43,691	113,192	217,458
4-person household	11,772	23,923	14,224	34,254	95,106	179,280
5+-person household	10,032	22,642	10,485	28,411	60,332	131,902
TOTAL QUALIFYING HHs	**137,625**	**211,533**	**107,403**	**253,095**	**565,137**	**1,274,793**
	11%	17%	8%	20%	44%	

Note: Above tables use AMI bands for the Baltimore PMSA, in order to highlight differences in Howard County compared to other jurisdictions. "Surrounding Counties" include Anne Arundel, Baltimore, Carroll, Montgomery, and Prince George's Counties. The number of households is based on 2018 ACS 1-Year Estimate totals and 2017 ACS 5-Year Estimate distributions, adjusted up to reflect likely 2019 totals based on the recent (2015-2018) household growth rate for each area.
Source: 2017 American Community Survey 5-Year Estimates 2013-2017; ACS PUMS Data 2016-2018; RCLCO

RELATIVE TO OTHER SURROUNDING COUNTIES, HOWARD COUNTY IS HOME TO A GREATER SHARE OF HOUSEHOLDS THAT MAKE MORE THAN 120% OF AMI, AS WELL AS A LOWER SHARE OF HOUSEHOLDS THAT MAKE LESS THAN 60% OF AMI

Household Base by Size and AMI Band, 2019;
Howard County and Other Surrounding Counties

Howard County

OWNERS

	1 Person	2 Person	3-4 Person	5+ Person	Total	% Own
Under 30% AMI	1,259	973	614	258	3,104	
30% - 60% AMI	2,126	1,817	1,249	580	5,772	
60% - 80% AMI	1,277	1,202	782	491	3,753	
80% - 120% AMI	3,459	4,096	5,071	1,521	14,146	
Over 120% AMI	6,947	21,029	25,756	6,878	60,610	
TOTAL	**15,068**	**29,116**	**33,472**	**9,728**	**87,384**	**74%**
% Own	**60%**	**75%**	**79%**	**81%**	**74%**	

RENTERS

	1 Person	2 Person	3-4 Person	5+ Person	Total	% Rent
Under 30% AMI	2,228	1,431	1,780	401	5,840	
30% - 60% AMI	2,272	1,048	1,377	451	5,148	
60% - 80% AMI	1,178	592	1,175	317	3,262	
80% - 120% AMI	2,044	2,779	2,173	399	7,395	
Over 120% AMI	2,510	3,996	2,281	649	9,436	
TOTAL	**10,231**	**9,846**	**8,787**	**2,217**	**31,081**	**26%**
% Rent	**40%**	**25%**	**21%**	**19%**	**26%**	

Surrounding Counties

OWNERS

	1 Person	2 Person	3-4 Person	5+ Person	Total	% Own
Under 30% AMI	28,443	13,677	8,164	3,001	53,285	
30% - 60% AMI	40,147	33,019	21,629	10,474	105,269	
60% - 80% AMI	18,245	19,791	16,414	6,149	60,598	
80% - 120% AMI	41,404	52,507	50,999	19,866	164,776	
Over 120% AMI	63,157	173,649	181,510	53,518	471,833	
TOTAL	**191,395**	**292,642**	**278,717**	**93,007**	**855,762**	**67%**
% Own	**56%**	**72%**	**70%**	**71%**	**67%**	

RENTERS

	1 Person	2 Person	3-4 Person	5+ Person	Total	% Rent
Under 30% AMI	43,646	15,594	18,069	7,031	**84,340**	
30% - 60% AMI	37,214	24,838	32,043	12,168	**106,264**	
60% - 80% AMI	16,435	11,858	14,175	4,336	**46,805**	
80% - 120% AMI	28,434	24,395	26,946	8,545	**88,319**	
Over 120% AMI	24,589	35,112	26,788	6,815	**93,304**	
TOTAL	**150,319**	**111,797**	**118,021**	**38,895**	**419,032**	**33%**
% Rent	**44%**	**28%**	**30%**	**29%**	**33%**	

Note: Above tables use AMI bands for the Baltimore PMSA, in order to highlight differences in Howard County compared to other jurisdictions. "Surrounding Counties" include Anne Arundel, Baltimore, Carroll, Montgomery, and Prince George's Counties. The number of households is based on 2018 ACS 1-Year Estimate totals and 2017 ACS 5-Year Estimate distributions, adjusted up to reflect likely 2019 totals based on the recent (2015-2018) household growth rate for each area.
Source: 2017 American Community Survey 5-Year Estimates 2013-2017; ACS PUMS Data 2016-2018; RCLCO

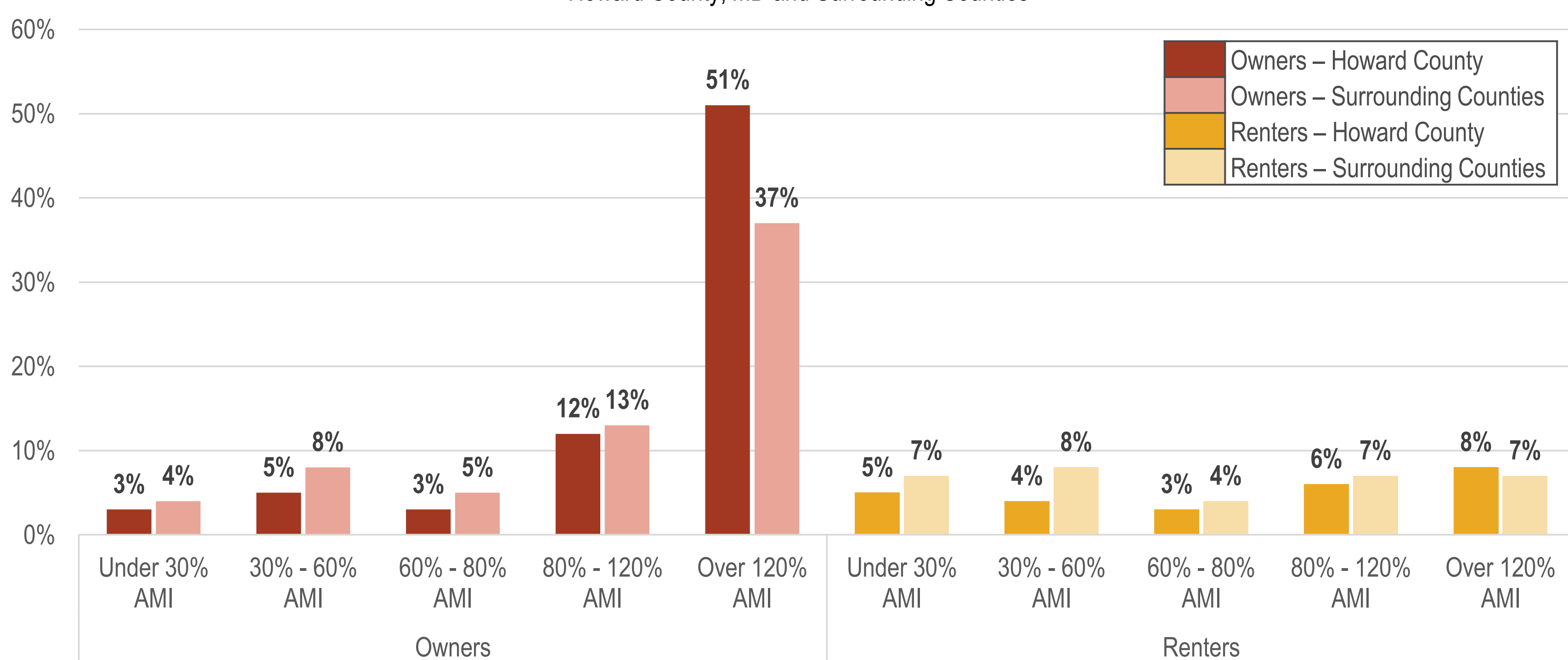
HOUSEHOLDS BY AMI & TENURE

RCLCO REAL ESTATE ADVISORS

HOWARD COUNTY HAS A MORE AFFLUENT AND OWNER-ORIENTED HOUSEHOLD BASE THAN SURROUNDING COUNTIES

- Relative to surrounding counties, Howard County is home to an outsized share of affluent homeowners. Households that own their own homes and make more than 120% of AMI account for a majority (51%) of all households in Howard County, compared to just 37% in surrounding counties.
- On the other hand, Howard County is home to a comparatively lower share of homeowners who make less than this amount, as well as most types of renters. These differences are at least partially attributable to the types and price points of housing that exist in the County today.

Distribution of Households by Tenure and AMI Band, 2019;
Howard County, MD and Surrounding Counties



Note: "Surrounding Counties" include Anne Arundel, Baltimore, Carroll, Montgomery, and Prince George's Counties. The number of households is based on 2018 ACS 1-Year Estimate totals and 2017 ACS 5-Year Estimate distributions, adjusted up to reflect likely 2019 totals based on the recent (2015-2018) household growth rate for each area.
Source: 2017 American Community Survey 5-Year Estimates 2013-2017; ACS PUMS Data 2016-2018; RCLCO

HOUSEHOLD BASE IN HOWARD COUNTY

Segmentation of Household Base, 2019;
Howard County, MD and Surrounding Counties

MARKET SEGMENT	SEGMENT CHARACTERISTICS	HOWARD COUNTY		SURROUNDING COUNTIES		"FAIR SHARE" CAPTURE
		NO. OF HHs	% OF HHs	NO. OF HHs	% OF HHs	
Low-Income Singles	1-Person HHs Aged Under 65 Under 60% AMI	4,052	3%	76,522	6%	▼
Moderate-Income Singles	1-Person HHs Aged Under 65 Between 60%-80% AMI	1,618	1%	21,787	2%	▼
Workforce Singles	1-Person HHs Aged Under 65 Between 80%-120% AMI	3,285	3%	48,874	4%	▼
Market and Above Singles	1-Person HHs Aged Under 65 Over 120% AMI	7,340	6%	64,738	5%	▲
Low-Income Couples	Couples Aged Under 65 Under 60% AMI	922	1%	19,314	2%	▼
Moderate-Income Couples	Couples Aged Under 65 Between 60%-80% AMI	549	0%	9,065	1%	▼
Workforce Couples	Couples Aged Under 65 Between 80%-120% AMI	2,942	2%	28,747	2%	▬
Market and Above Couples	Couples Aged Under 65 Over 120% AMI	13,910	12%	114,336	9%	▲
Low-Income Families	HHs with Children Under 60% AMI	6,637	6%	105,016	8%	▼
Moderate-Income Families	HHs with Children Between 60%-80% AMI	2,600	2%	33,695	3%	▼
Workforce Families	HHs with Children Between 80%-120% AMI	7,491	6%	81,214	6%	▬
Market and Above Families	HHs with Children Over 120% AMI	26,554	22%	182,472	14%	▲
Roommates	Roommate HHs	14,700	12%	176,571	14%	▬
Low-Income Seniors	HHs Aged 65 and Older Under 60% AMI	6,806	6%	116,981	9%	▼
Moderate-Income Seniors	HHs Aged 65 and Older Between 60%-80% AMI	1,578	1%	29,148	2%	▼
Workforce Seniors	HHs Aged 65 and Older Between 80%-120% AMI	5,979	5%	59,120	5%	▬
Market and Above Seniors	HHs Aged 65 and Older Over 120% AMI	11,502	10%	107,195	8%	▲
TOTAL		**118,465**	**100%**	**1,274,793**	**100%**	

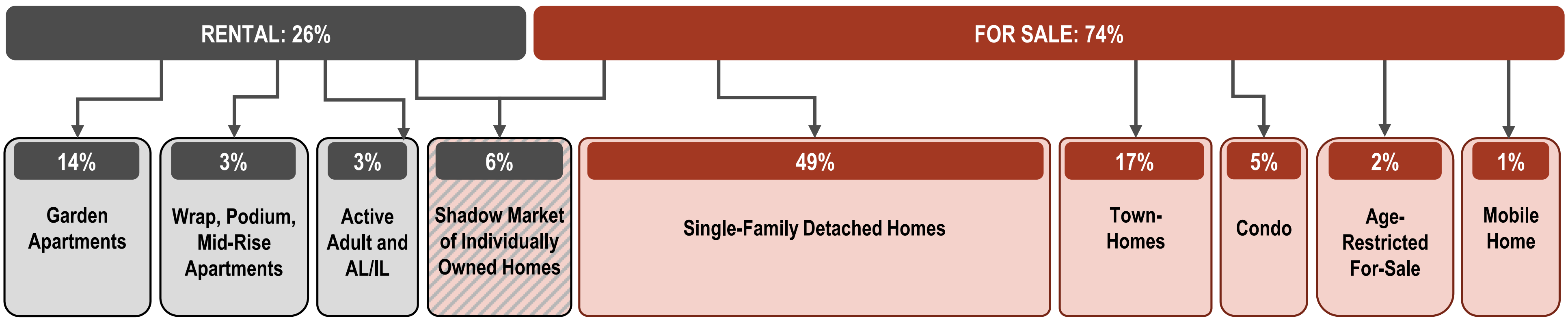
Note: The number of households is based on 2018 ACS 1-Year Estimate totals and 2017 ACS 5-Year Estimate distributions, adjusted up to reflect likely 2019 totals based on the recent (2015-2018) household growth rate. "Surrounding Counties" include Anne Arundel, Baltimore, Carroll, Montgomery, and Prince George's Counties
Source: 2017 American Community Survey 5-Year Estimates 2013-2017; ACS PUMS Data 2016-2018; RCLCO

FOR-SALE HOUSING SUPPLY

HOWARD COUNTY HAS A DIVERSE HOUSING INVENTORY, WHICH INCLUDES A VARIETY OF TYPES, SIZES, AND PRICE POINTS

- In order to analyze the housing inventory in Howard County, RCLCO relied on detailed parcel-level data from the Department of Planning and Zoning ("DPZ"), which tracked the number of single-family detached homes, townhomes, multifamily units, and mobile homes on each property. In addition to the number and type of units, this data distinguished between rental apartments and for-sale condominiums in the case of multifamily housing, and it also included information on age restrictions when applicable.
- Using this data, RCLCO performed a series of analyses to estimate the number of each type of home that is affordable to each AMI level.
  - First, RCLCO broke down the for-sale housing inventory into the following categories: Single-family detached homes, townhomes, condominiums, and mobile homes.
  - Next, RCLCO performed a GIS analysis in order to apply DPZ-provided assessors data, such as size and year built, to each of these homes. This analysis enabled RCLCO to determine the number of "older" single-family detached homes, townhomes, condominiums, and mobile homes, as well as the number of "newer" ones. For the purpose of this analysis, RCLCO defined any home that was built before 2000 as "older" and any home that was built after 2000 as "newer."
  - After determining the number of "older" and "newer" homes for each type of property, RCLCO then estimated the price distribution for each housing type and age group, based on historical sales data from the Maryland Department of Assessments and Taxation ("SDAT").
  - For each housing type and age group, RCLCO then determined the distribution of affordability by AMI band, using American Community Survey ("ACS") data to estimate the share of each type of home occupied by each size of household, and then assuming an affordable home price for any given household size is 3.5 times its income level.
  - Finally, RCLCO aggregated all of this information in order to determine the number of each type of home that is affordable to each AMI band in Howard County.

Rental and For-Sale Inventory, 2019;
Howard County



Source: Howard County Department of Planning and Zoning; 2018 Howard County Rental Survey; Howard County Office on Aging and Independence; Maryland Department of Assessments and Taxation; CoStar; PUMS; RCLC

FOR-SALE HOUSING INVENTORY

RCLCO REAL ESTATE ADVISORS

DESPITE THE DIVERSITY OF THE OVERALL HOUSING INVENTORY, NEW HOMES TEND TO BE LARGER AND MORE EXPENSIVE

- While single-family detached homes under 3,000 square feet represent nearly half (48%) of the overall for-sale inventory, they account for just 17% of new product today.

For-Sale Inventory, 2019;
Howard County

	LARGE SFD	MODERATE SFD	SMALL SFD	TOWNHOME	CONDOMINIUM	OTHER
						
Description	Larger (3,000+ SF) detached homes	Moderate-sized (2,000 to 3,000 SF) detached homes	Smaller (<2,000 SF) detached homes	Attached homes, often multi-story	Condo units in multifamily buildings	Mobile homes
Average Size	4,046	2,440	1,528	1,707	1,158	1,400
Average Price	$737,687	$481,704	$257,232	$327,802	$214,351	$296,956
Average Year Built	1996	1985	1972	1992	1988	1975
% Built Before 1980	8%	30%	65%	22%	18%	19%
Total Number of Homes	15,718	24,024	22,260	27,329	6,190	1,288
Number of Homes Built 2010-2019	2,999	1,254	190	4,100	64	5
Dist. of Total For-Sale Inventory	**16%**	**25%**	**23%**	**29%**	**6%**	**1%**
Dist. of Homes Built 2010-2019	**35%**	**15%**	**2%**	**48%**	**1%**	**0%**

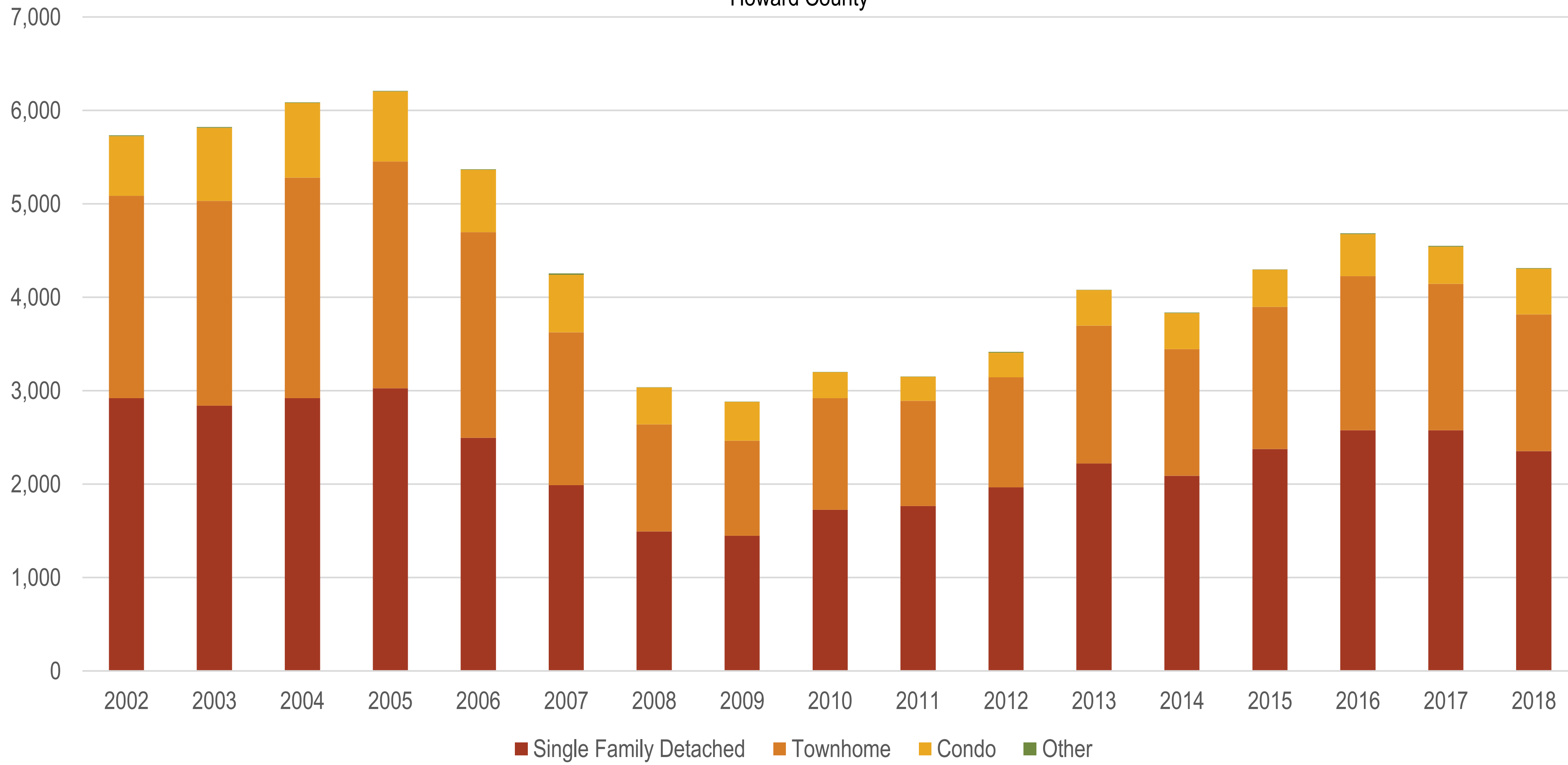
Image Source: Redfin

Source: Howard County Department of Planning and Zoning; Howard County GIS; Maryland Department of Planning; American Community Survey; RCLCO

SINGLE-FAMILY HOMES CONTINUE TO DRIVE MOST TRANSACTION ACTIVITY IN HOWARD COUNTY

- Between 2010 and 2018, single-family detached homes accounted for an average of 2,183 home sales (55%) in Howard County each year, compared to 1,392 townhome sales (35%), and 367 condominium sales (9.3%).

Historical Transaction Activity by Product Type, 2002-2018;
Howard County

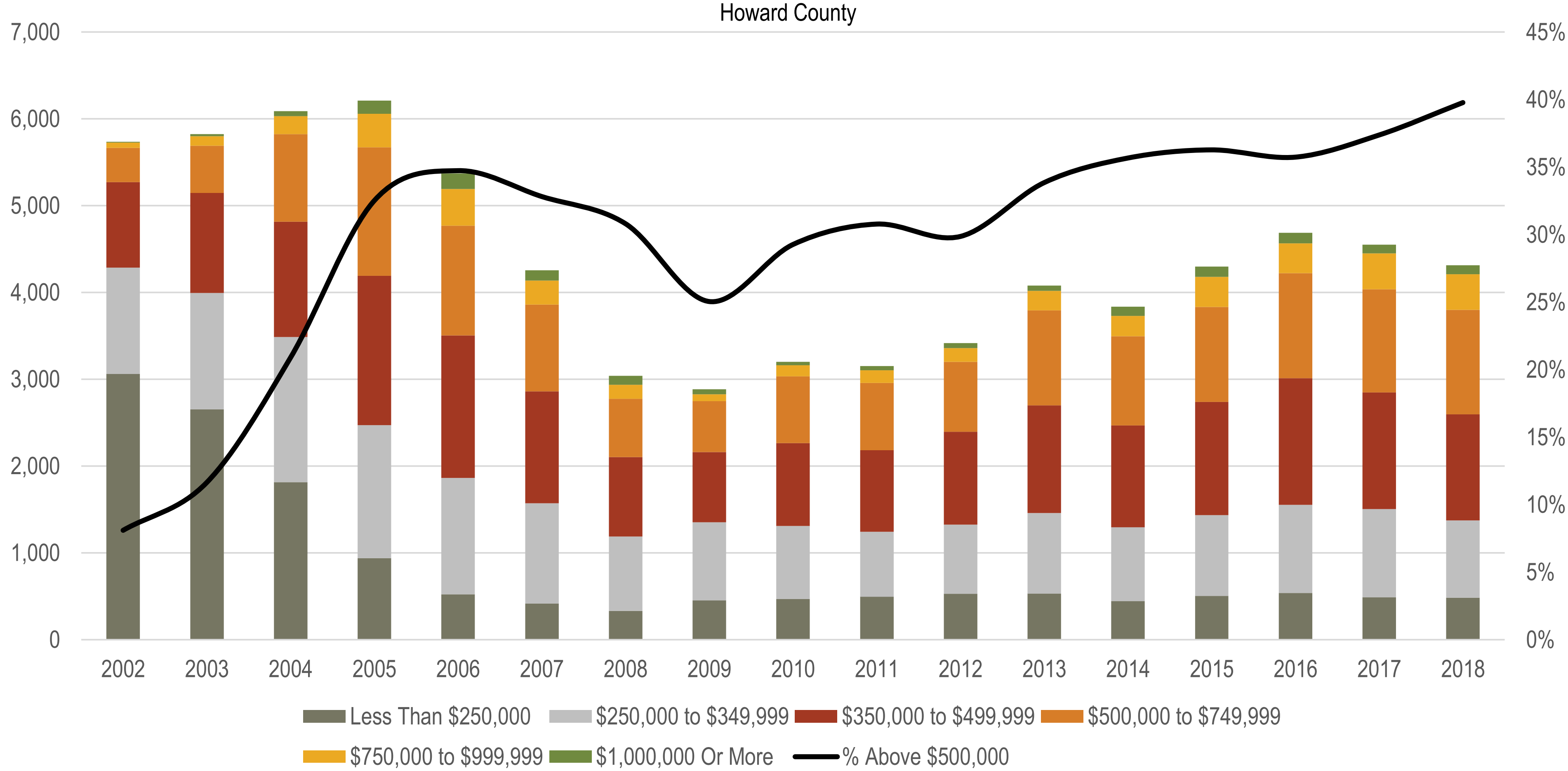


Source: Maryland Department of Planning; RCLCO

THE PRICES OF HOMES IN HOWARD COUNTY HAVE STEADILY INCREASED OVER THE LAST DECADE

- The share of home sales taking place at price points above $500,000 (affordable to a family of four that makes 150% of AMI) has increased from 29% in 2010 to 40% in 2018. At the same time, the share of home sales taking place at price points below $350,000 (affordable to a family of four that makes 100% of AMI) has decreased from 41% in 2010 to 32% in 2018. The combination of these trends points to the rising affordability challenges in Howard County.

Historical Transaction Activity by Sales Price, 2002-2018;
Howard County

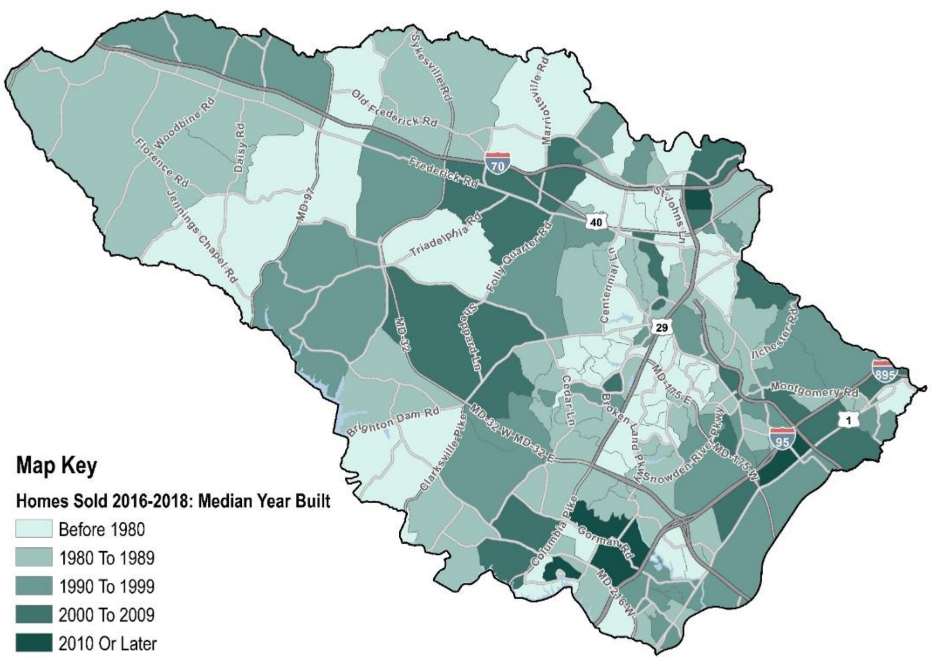


Source: Maryland Department of Planning; RCLCO

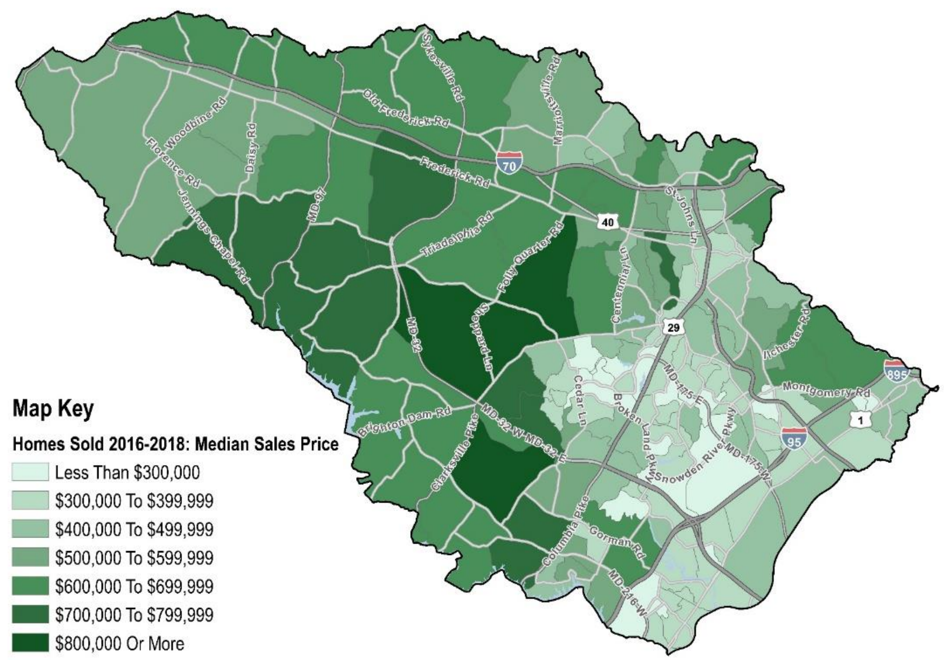
MOST ATTAINABLE HOUSING OPTIONS ARE CONCENTRATED IN LOCATIONS WITH OLDER HOUSING INVENTORIES

- This dynamic is a result of the fact that new construction activity tends to favor larger, more expensive homes, as well as the fact that many of the older homes are smaller and comparatively more affordable.

Median Year Built of Homes Sold, 2016-2018;
Howard County



Median Sales Price of Homes Sold, 2016-2018;
Howard County

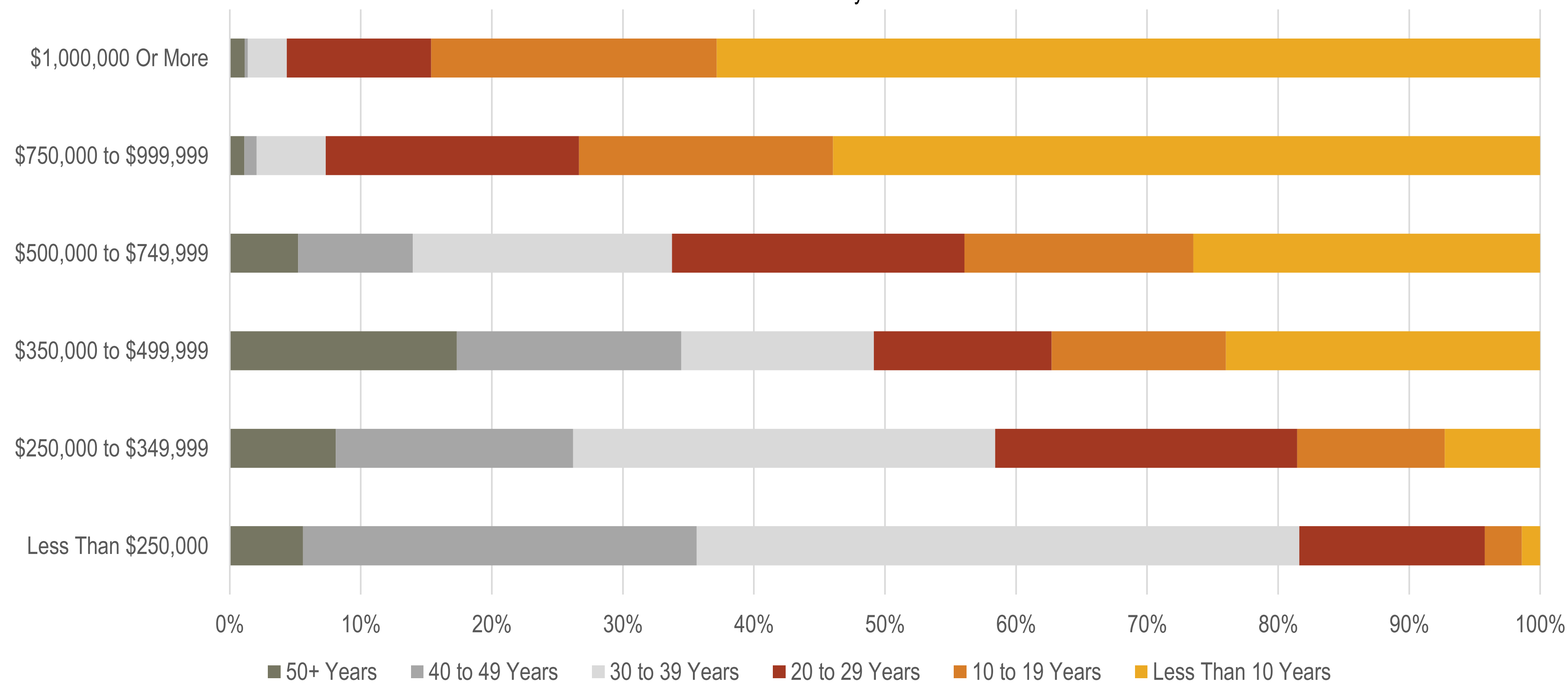


Source: Maryland Department of Planning; RCLCO

MUCH OF THE ATTAINABLE HOUSING INVENTORY CONSISTS OF OLDER HOMES, MANY OF WHICH REQUIRE REPAIRS AND/OR MAY NOT MEET THE NEEDS OF THE HOUSEHOLDS LOOKING FOR THEM

- Between 2015 and 2018, two-thirds (66%) of homes that sold at price points below $350,000 were built more than 30 years ago. This dynamic is even more true in the case of homes that sold at price points below $250,000, 81% of which were built before this time. This dynamic can be problematic considering that older homes often require extensive repairs and/or upgrades, which can make them even less “affordable” than their price tag might suggest.

Age of Homes Sold by Price Band, 2015-2018;
Howard County



Source: Maryland Department of Planning; RCLCO

HOMES FOR SALE AT $350,000

RCLCO
REAL ESTATE ADVISORS

HOUSEHOLDS THAT ARE LOOKING FOR HOMES PRICED AT $350,000 TEND TO HAVE FEWER OPTIONS IN HOWARD COUNTY, AND THOSE OPTIONS THAT DO EXIST TEND TO BE SMALLER AND OLDER

- On average, homes in this price range that are available for sale in Anne Arundel County are:
  - **Townhomes**: Similarly sized (2% larger) but significantly newer (18 years) than what is available in Howard County
  - **Single-Family Detached**: Slightly larger (4%) and slightly newer (4 years) than what is available in Howard County
- On average, homes in this price range that are available for sale in Baltimore County are:
  - **Townhomes**: Much bigger (15% larger) and much newer (10 years) than what is available in Howard County
  - **Single-Family Detached**: Much bigger (24%) and slightly newer (5 years) than what is available in Howard County
- At the time this analysis was conducted, there were also half as many of these townhomes available in Howard County than there were in Anne Arundel County and Baltimore County, and just 15-20% as many single-family detached homes.

	Howard County	Anne Arundel County	Baltimore County
Townhomes			
Single-Family Detached Homes			

Note: Based on current listings available on Redfin as of April 2, 2020
Source: Redfin; RCLCO

ON THE OTHER HAND, NEW HOMES IN HOWARD COUNTY TEND TO BE LARGER AND MORE EXPENSIVE THAN THOSE IN OTHER JURISDICTIONS

- As of April 2020, new construction single-family detached homes available in Howard County were 36% larger and 36% more expensive than those available in Anne Arundel County, as well as 16% larger and 40% more expensive than those available in Baltimore County. Likewise, new construction townhomes in Howard County were 9% larger and 18% more expensive than ones in Anne Arundel County, as well as 10% larger and 30% more expensive than ones in Baltimore County.

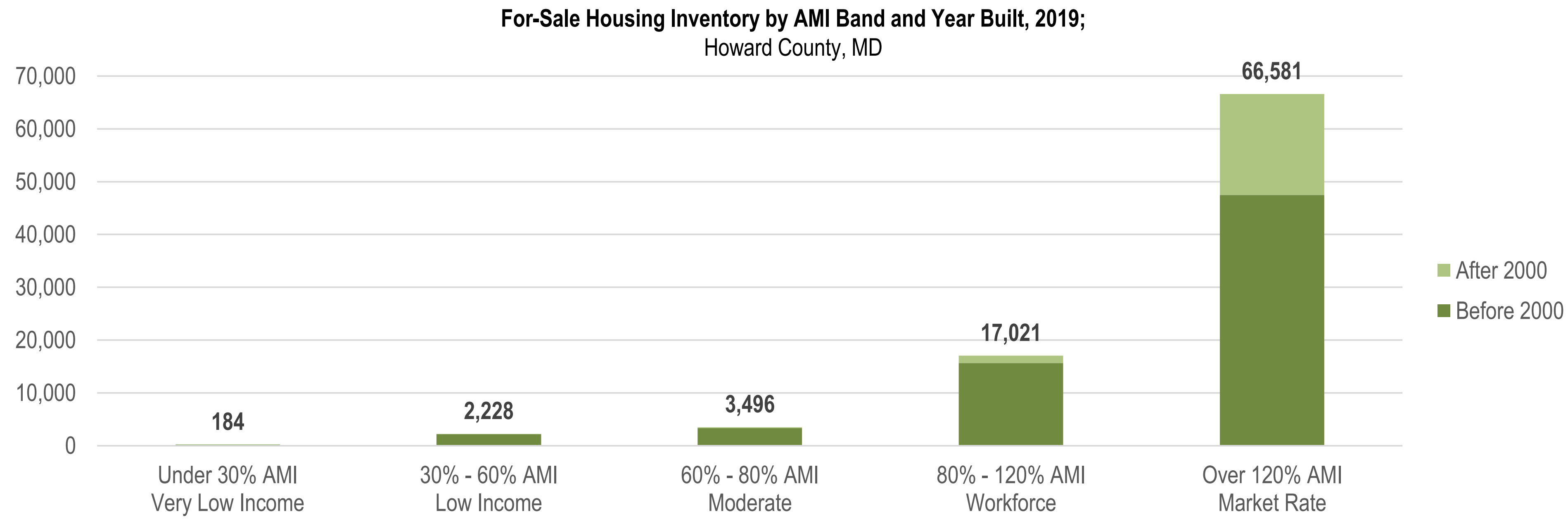
Comparison of New Construction Product, April 2020;
Howard County and Other Nearby Jurisdictions

COUNTY		AVERAGE PRICE
Howard	 	**Townhomes:** \$515,000 (2,471 SF) **Single-Family Detached Homes:** \$928,000 (4,025 SF)
Anne Arundel	 	**Townhomes:** \$438,000 (2,274 SF) **Single-Family Detached Homes:** \$684,000 (2,969 SF)
Baltimore	 	**Townhomes:** \$395,000 (2,246 SF) **Single-Family Detached Homes:** \$665,000 (3,462 SF)

Note: Based on current listings available on Redfin as of April 2, 2020
Source: Redfin

MOST FOR-SALE HOUSING IN HOWARD COUNTY IS NOT AFFORDABLE TO HOUSEHOLDS MAKING LESS THAN 120% OF AMI

- Just one-quarter (25.6%) of for-sale housing units in Howard County are affordable to households making less than 120% of AMI, with most of this product being much older. This pattern indicates that households making less than this amount—equivalent to $113,000 for a family of four—often cannot afford to purchase homes in Howard County without encountering cost burdens.



FOR-SALE UNITS BUILT BEFORE 2000	SFD	TH	Condo	MH	Total	%
Under 30% AMI	7	2	55	111	176	0%
30% - 60% AMI	126	216	1,195	647	2,185	3%
60% - 80% AMI	593	1,133	1,423	202	3,351	5%
80% - 120% AMI	6,203	6,729	2,425	269	15,625	23%
Over 120% AMI	40,557	6,549	297	59	47,461	69%
TOTAL	47,486	14,629	5,395	1,288	68,799	

FOR-SALE UNITS BUILT AFTER 2000	SFD	TH	Condo	MH	Total	%
Under 30% AMI	2	0	6	0	8	0%
30% - 60% AMI	39	2	2	0	43	0%
60% - 80% AMI	98	23	24	0	145	1%
80% - 120% AMI	357	678	362	0	1,396	7%
Over 120% AMI	11,766	6,952	401	0	19,120	92%
TOTAL	12,262	7,655	795	0	20,712	

Source: CoStar; Howard County; Maryland Department of Assessments and Taxation; PUMS; RCLCO

RENTAL HOUSING INVENTORY

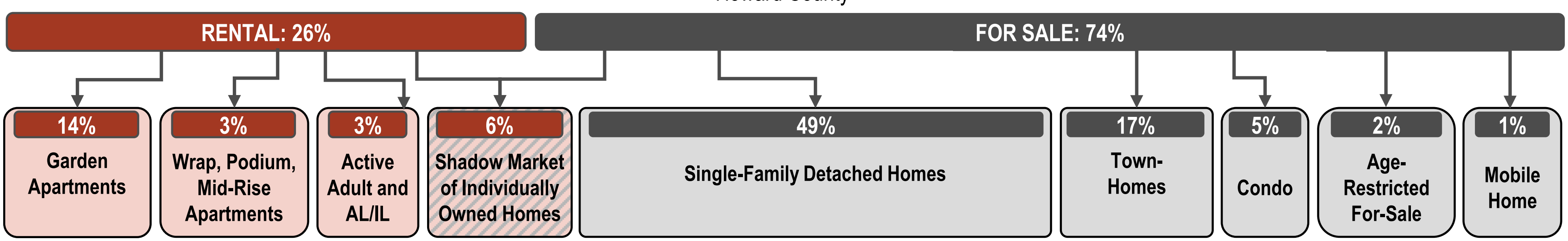
METHODOLOGY

RCLCO
REAL ESTATE ADVISORS

HOWARD COUNTY HAS A DIVERSE HOUSING INVENTORY, WHICH INCLUDES A VARIETY OF TYPES, SIZES, AND PRICE POINTS

- Using the same data from the For-Sale Housing Inventory, RCLCO performed a series of analyses to categorize rental apartments by affordability level.
  - First, RCLCO collected detailed property-level data on all market-rate rental apartments in Howard County using a variety of third party data sources. This data included the number of units in each property and the average rent for each unit, by bedroom count. To incorporate income-restricted units, RCLCO supplemented this data with research from the 2018 Howard County Rental Survey, which included detailed information on the rents of such units.
  - Similar to the steps taken in the for-sale housing inventory, RCLCO then separated "newer" units from "older" ones, again using the year 2000 as the cutoff.
  - Next, RCLCO made a variety of assumptions to the estimate the number of residents in each type of rental apartment unit, for the purposes of determining affordability by AMI level. These assumptions were based on Low Income Housing Tax Credit ("LIHTC") guidelines, which assume 1.0 residents per studio/efficiency unit and 1.5 persons per bedroom thereafter. For example, RCLCO assumed an average household size of 1.5 persons for one-bedroom rental apartment units, with half of those units occupied by one-person households and half of those units occupied by two-person households.
  - Using these assumptions and all of the above information, RCLCO estimated the distribution of rental apartments by AMI level, assuming 30% of income is spent on rent. RCLCO then applied this distribution to the total number of rental apartments from the DPZ-provided inventory, for the purposes of consistency.
- RCLCO also included another category of rental housing—"shadow market" rentals—by estimating the number of individually owned homes that are rented out by landlords, as well as the rents the tenants pay.
  - To do so, RCLCO utilized ACS data to estimate the share of "newer" single-family detached homes, "older" single-family detached homes, "newer" townhomes, and "older townhomes" that are renter-occupied, and then applied this share to the previously calculated for-sale housing inventory. This bifurcation is intended to represent the fact that some types of units, such as "older" townhomes, are more likely to be rented out than others, such as "newer" single-family detached homes.
  - RCLCO then relied on the same ACS data for information on the housing payments and income levels for the households that live in these units, in order to determine their affordability by AMI level.

Rental and For-Sale Inventory, 2019;
Howard County



Source: Howard County Department of Planning and Zoning; 2018 Howard County Rental Survey; Howard County Office on Aging and Independence; Maryland Department of Assessments and Taxation; CoStar; PUMS; RCLCO

RENTAL HOUSING INVENTORY

RCLCO
REAL ESTATE ADVISORS

THE RENTAL HOUSING INVENTORY IN HOWARD COUNTY INCLUDES A RANGE OF PRODUCT TYPES

- This inventory includes purpose-built rental apartment communities of varying densities, active adult and seniors communities, as well as the "shadow market" of individually owned homes.

Rental Inventory, 2019;
Howard County

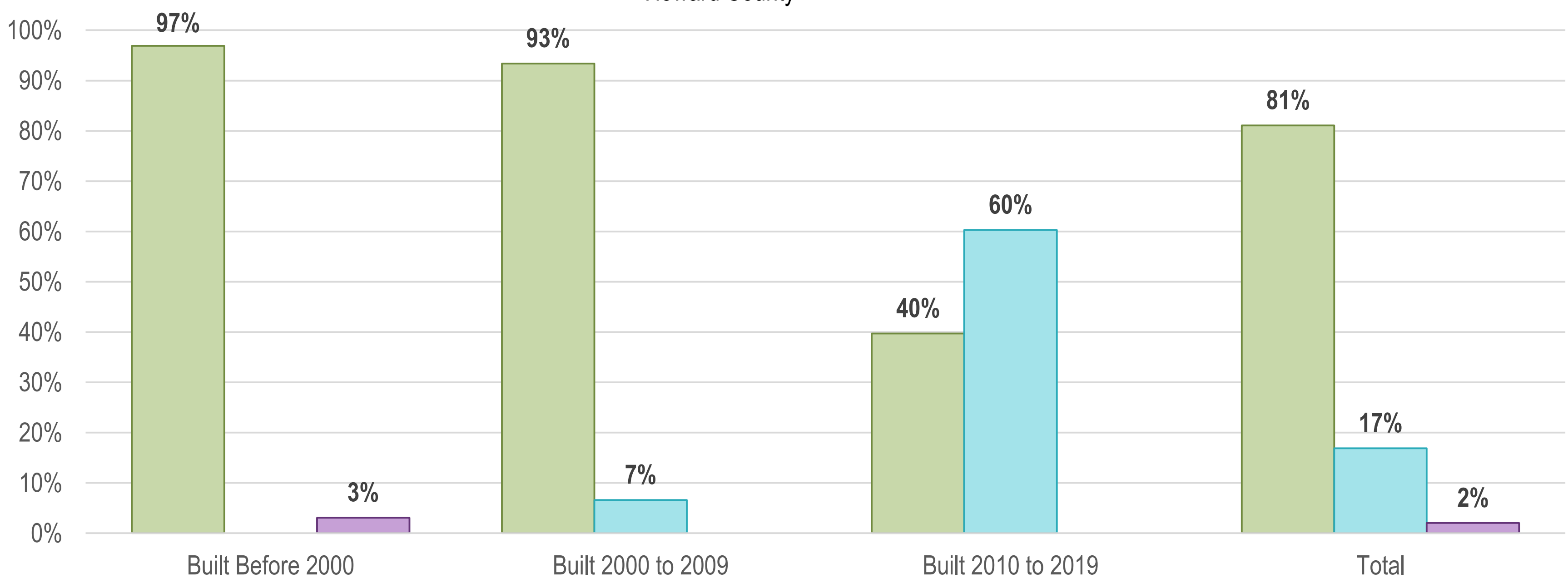
	GARDEN-STYLE APARTMENTS & TOWNHOMES	WRAP / PODIUM APARTMENTS	MIDRISE APARTMENTS	ACTIVE ADULT / SENIORS	SHADOW MARKET RENTALS
					
Avg. Size (SF)	970 SF	990 SF	920 SF	Varies by Level of Care	N/A
Typical Avg. Rent	$1,575 $1,000 to $1,700	$2,050 $1,700 to $1,900	$1,425 $1,100 to $1,300	Varies by Level of Care	$1,820 $1,800 to $1,900
Avg. Year Built	1983	2017	1972	2000	N/A
Est. Inventory	17,059	3,557	425	3,012	7,297
Est. Number of Units Built 2010-2019	2,273	3,451	0	422	698
Est. Share of Inventory	**54%**	**11%**	**1%**	**10%**	**23%**
Est. Share of Units Built 2010-2019	**33%**	**50%**	**0%**	**6%**	**10%**
Est. Number Affordable to <60% AMI	2,007 (12% of Units)	154 (4% of Units)	100 (24% of Units)	2,570 (85% of Units)	2,448 (34% of Units)

Image Source: Apartments.com; Redfin
Source: Howard County Department of Planning and Zoning; CoStar; Axiometrics; American Community Survey; 2018 Howard County Rental Survey; Howard County Office on Aging and Independence; RCLCO

OLDER RENTAL PRODUCT TENDS TO BE MORE SUBURBAN, WHEREAS NEWER RENTAL PRODUCT TENDS TO BE MORE URBAN

- While “urban” forms of construction (e.g., wrap/podium) represent an increasing share of purpose-built rental housing development in Howard County, a majority of units are still garden-style apartments or townhomes.

Rental Apartment Inventory by Type of Development and Year Built, 2020;
Howard County



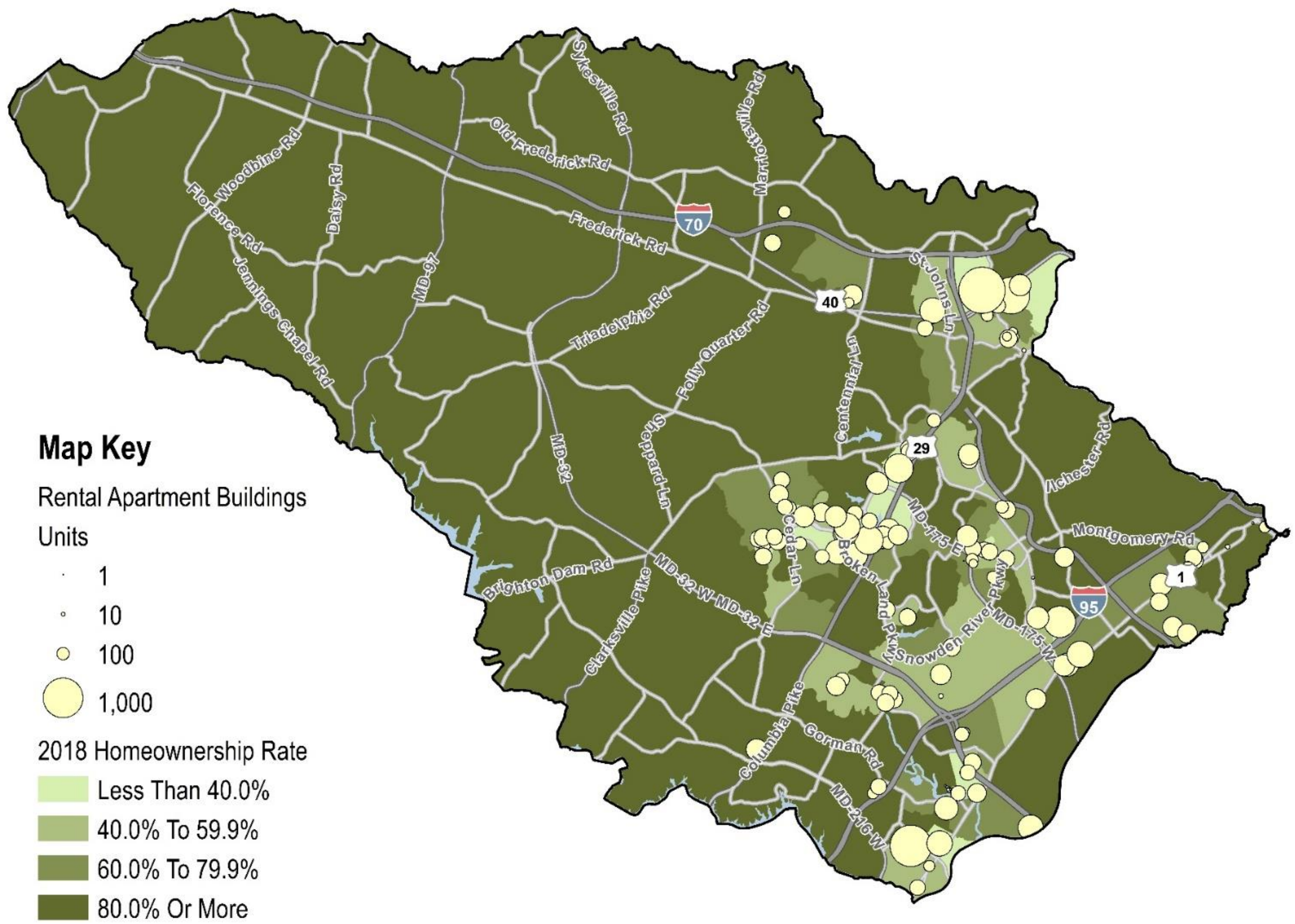
	BUILT BEFORE 2000	BUILT 2000 TO 2009	BUILT 2010 TO 2019	TOTAL
Garden/Townhomes	13,289	1,497	2,273	**17,059**
Wrap/Podium	0	106	3,451	**3,557**
Concrete Mid-Rise	425	0	0	**425**
TOTAL	**13,714**	**1,603**	**5,724**	**21,041**

Source: CoStar; RCLCO

ONE REASON FOR THE UNEVEN HOMEOWNERSHIP RATES ACROSS HOWARD COUNTY IS THE LACK OF RENTAL COMMUNITIES IN CERTAIN NEIGHBORHOODS

- Today, most rental apartment and townhome communities are located in Eastern Howard County, including Columbia and the Route 1 Corridor, in particular.
- Meanwhile, there are fewer options for renters in Western Howard County, where the “shadow market” of individually owned homes represents most, if not all, of the rental housing inventory.

Map of Rental Apartment Buildings and Homeownership Rates, 2020;
Howard County, MD

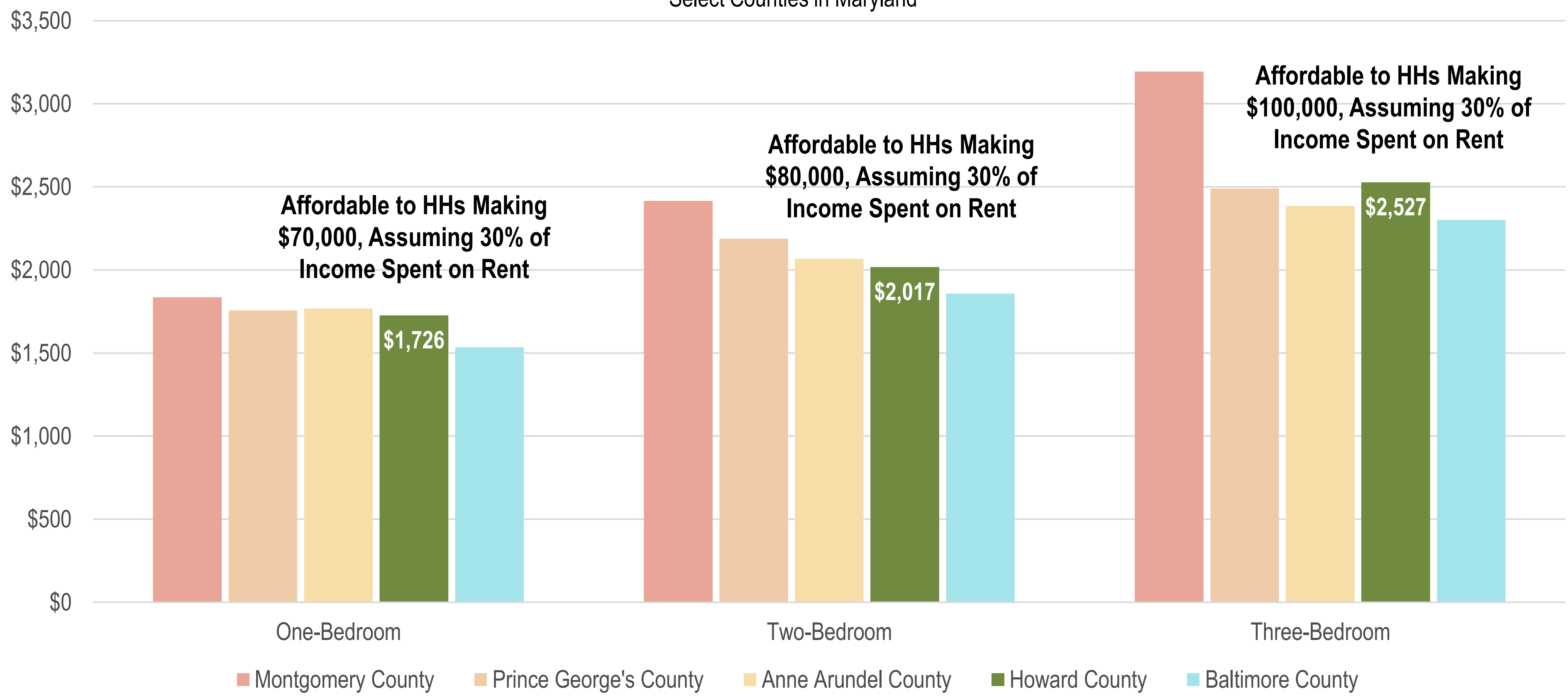


Source: CoStar; Esri; RCLCO

NEW RENTAL APARTMENT COMMUNITIES IN HOWARD COUNTY ARE OFTEN AFFORDABLE TO MIDDLE-INCOME RENTERS

- Even though income levels are generally higher in Howard County than they are in other surrounding jurisdictions, new rental housing is often more affordable in Howard County than it is in those same jurisdictions. On average, the units at new rental apartment communities in Howard County are affordable to households making roughly AMI, while this dynamic is not the case in some other jurisdictions.

Average Asking Rents for Apartments in "New" Buildings by Bedroom Count, March 2020;
Select Counties in Maryland



Note: "New" is defined as those buildings that delivered after 2010
Source: Axiometrics; RCLCO

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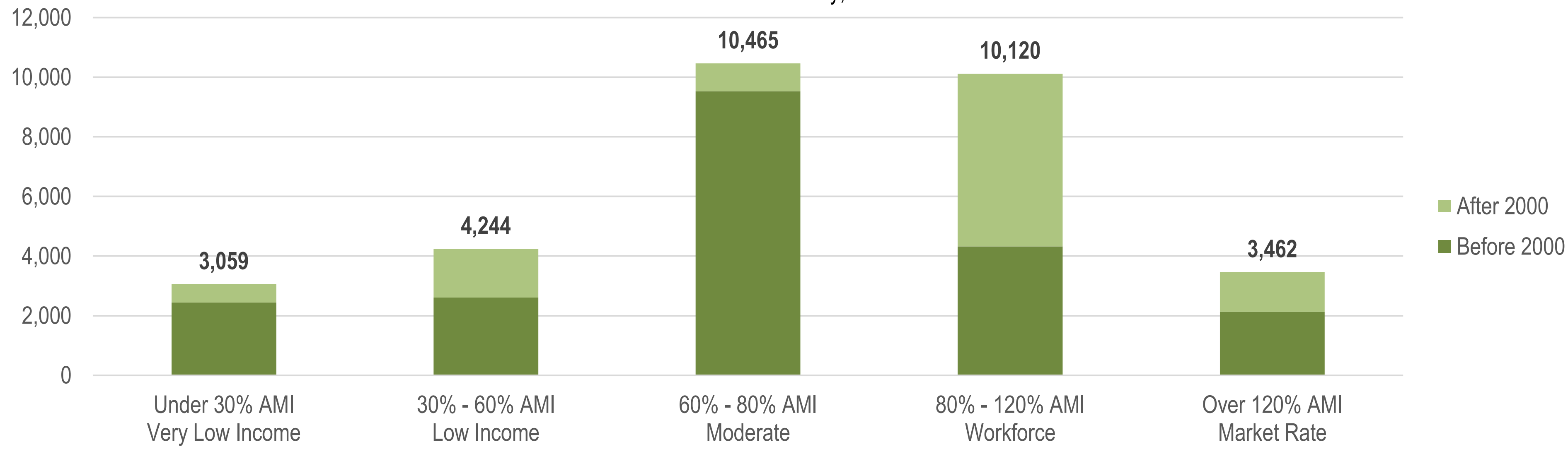
WHILE NEW RENTAL HOUSING IS GENERALLY AFFORDABLE TO WORKFORCE HOUSEHOLDS, OLDER RENTAL HOUSING IS STILL NECESSARY TO SERVE MODERATE-, LOW-, AND VERY LOW-INCOME HOUSEHOLDS

- Most attainable rental stock for moderate-, low-, and very low-income households is older, highlighting the importance of preserving those units.

Rental Housing Inventory by AMI Band and Year Built, 2019;
Howard County, MD



	Studio	1BR	2BR	3BR	4BR	Active Adult / Seniors	Shadow Market	Total	%
RENTAL UNITS BUILT BEFORE 2000									
Under 30% AMI	0	255	377	116	43	337	1,312	**2,440**	**12%**
30% - 60% AMI	0	564	351	61	0	759	874	**2,609**	**12%**
60% - 80% AMI	26	2,910	5,532	600	3	0	461	**9,532**	**45%**
80% - 120% AMI	0	1,598	1,224	340	9	0	1,149	**4,320**	**21%**
Over 120% AMI	0	0	0	0	0	0	2,126	**2,126**	**10%**
TOTAL	**26**	**5,326**	**7,484**	**1,117**	**54**	**1,096**	**5,923**	**21,027**	

	Studio	1BR	2BR	3BR	4BR	Active Adult / Seniors	Shadow Market	Total	%
RENTAL UNITS BUILT AFTER 2000									
Under 30% AMI	0	53	54	0	0	297	214	**619**	**6%**
30% - 60% AMI	0	167	148	96	0	1,176	49	**1,635**	**16%**
60% - 80% AMI	12	153	629	33	0	5	101	**933**	**9%**
80% - 120% AMI	80	2,100	2,647	501	0	202	271	**5,800**	**56%**
Over 120% AMI	0	47	210	103	0	235	740	**1,335**	**13%**
TOTAL	**92**	**2,520**	**3,689**	**732**	**0**	**1,916**	**1,374**	**10,323**	

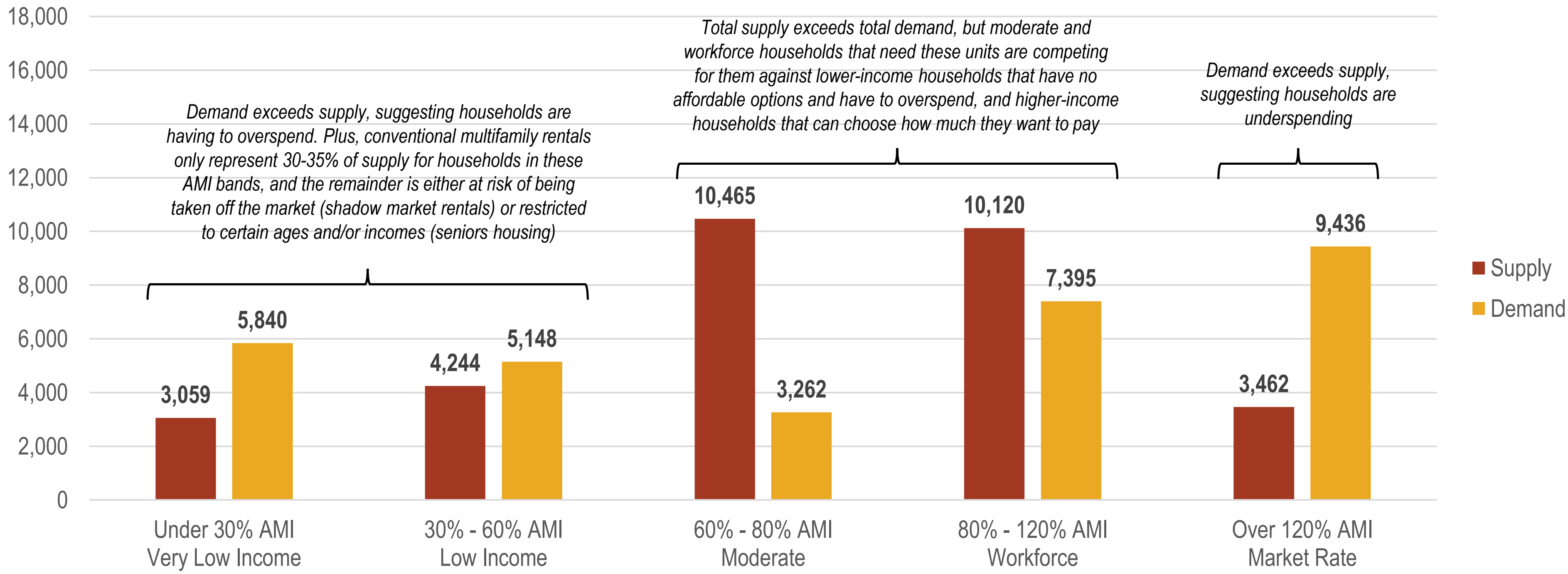
Source: CoStar; Howard County; Maryland Department of Assessments and Taxation; PUMS; RCLCO

SUPPLY & DEMAND BALANCE

MISMATCHES BETWEEN SUPPLY AND DEMAND FOR RENTAL UNITS IS PLACING PRESSURE ON THE MIDDLE OF THE MARKET

- Looking at the rental housing inventory, there is a considerable mismatch between the number of households that earn more than 120% of AMI and the number of units that are priced to serve these households. This dynamic suggests a large number of high-income renter households are living in units that are below their means, and might be needed by other moderate- and low-income households. Meanwhile, demand exceeds supply at less than 60% of AMI.
- Together, these mismatches are placing considerable pressure on the middle of the market, wherein lower-income households are overspending and higher-income households are underspending, thereby crowding out the demand for moderate-income housing.

Comparison of Rental Housing Supply and Demand by AMI Band, 2019;
Howard County, MD

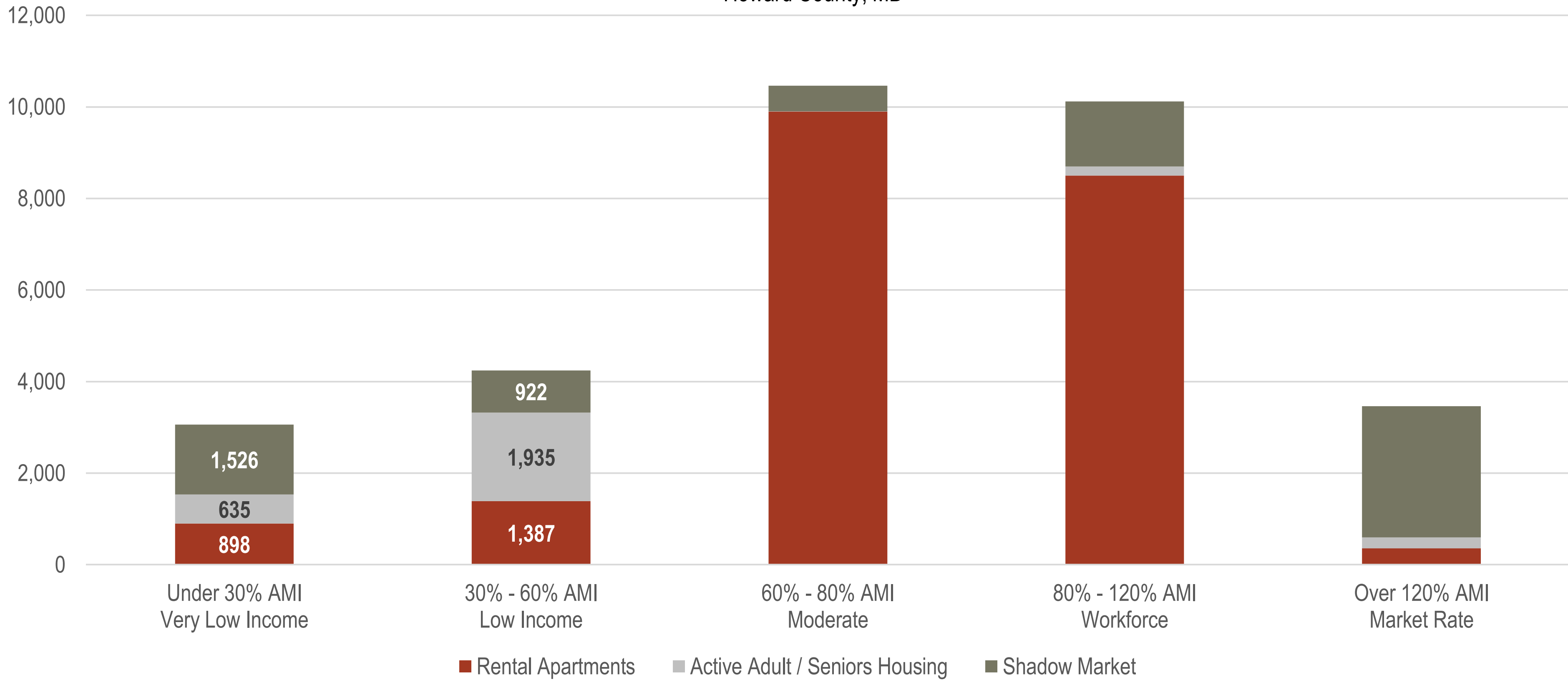


Source: Howard County Department of Planning and Zoning; CoStar; Axiometrics; American Community Survey; 2018 Howard County Rental Survey; Howard County Office on Aging and Independence; RCLCO

THE MISMATCH BETWEEN SUPPLY AND DEMAND AT LESS THAN 60% OF AMI IS EXACERBATED BY THE FACT THAT ORGANIZED MULTIFAMILY RENTAL COMMUNITIES ACCOUNT FOR VERY FEW OF THE UNITS THAT SERVE THESE HOUSEHOLDS

- Nearly 70% of rental housing units that are affordable to renters making less than 60% of AMI are "shadow market" rentals (34%) or active adult/seniors housing units (35%), many of which are income-restricted. This dynamic exacerbates the imbalance between supply and demand because many households, including families, do not qualify for the active adult/seniors housing units. Likewise, the shadow market rentals are at risk of being taken off the market if their owners decide to sell or redevelop.

Rental Supply by AMI Band and Product Type, 2019;
Howard County, MD

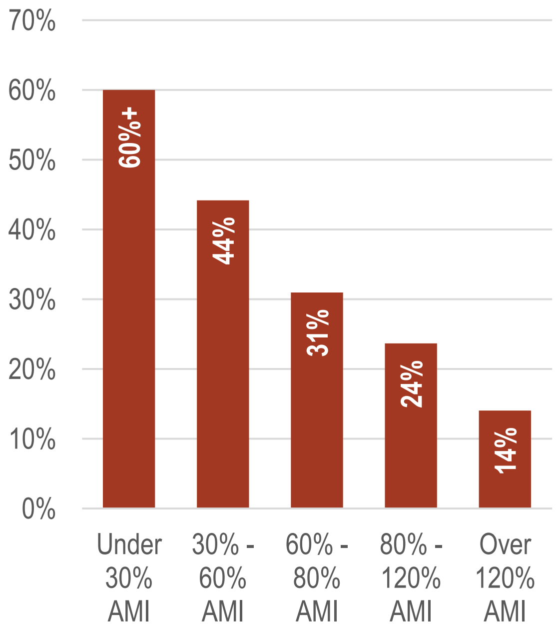


Source: Howard County Department of Planning and Zoning; CoStar; Axiometrics; American Community Survey; 2018 Howard County Rental Survey; Howard County Office on Aging and Independence; RCLCO

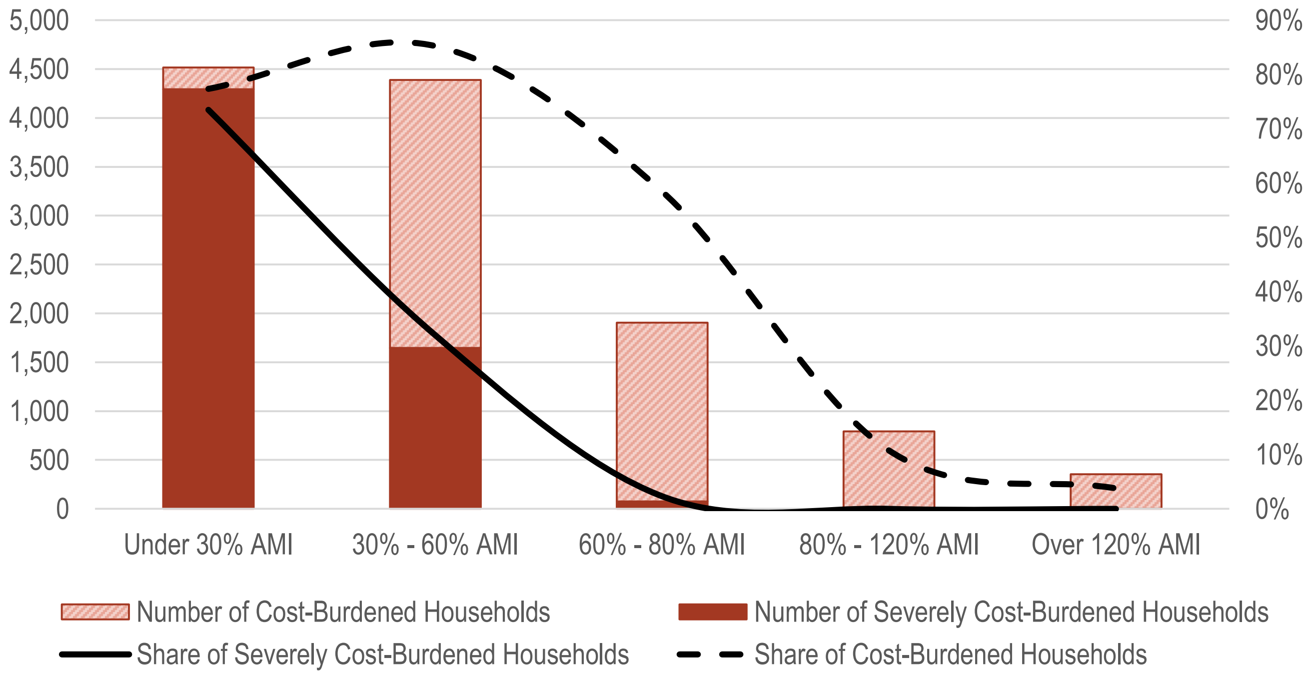
IN THE CASE OF RENTAL HOUSING, MOST COST BURDENS ARE FELT BY LOW- AND VERY LOW-INCOME HOUSEHOLDS

- The Department of Housing and Urban Development ("HUD") indicates that households paying more than 30% of their income for housing are considered "cost burdened." When facing cost burdens, households may struggle to pay for other necessities, such as food, medical care, or transportation.
  - In Howard County, 38% of renter households are cost-burdened. In Howard County, low- and very low-income households are disproportionately more likely to experience cost burdens, as demonstrated by the fact that more than 80% of renter households that make less than 60% of AMI meet this definition. Together, these renters represent nearly three-quarters (74%) of cost-burdened renter households, despite representing just 35% of all renter households.
- This mismatch is also true of "severely cost burdened" households, defined as those households spending more than 50% of their income on housing payments.
  - In Howard County, 19% of renter households are severely cost-burdened, including 54% of renter households making less than 60% of AMI.

Average % of Income Spent on Housing, 2016-2018;
Howard County, MD



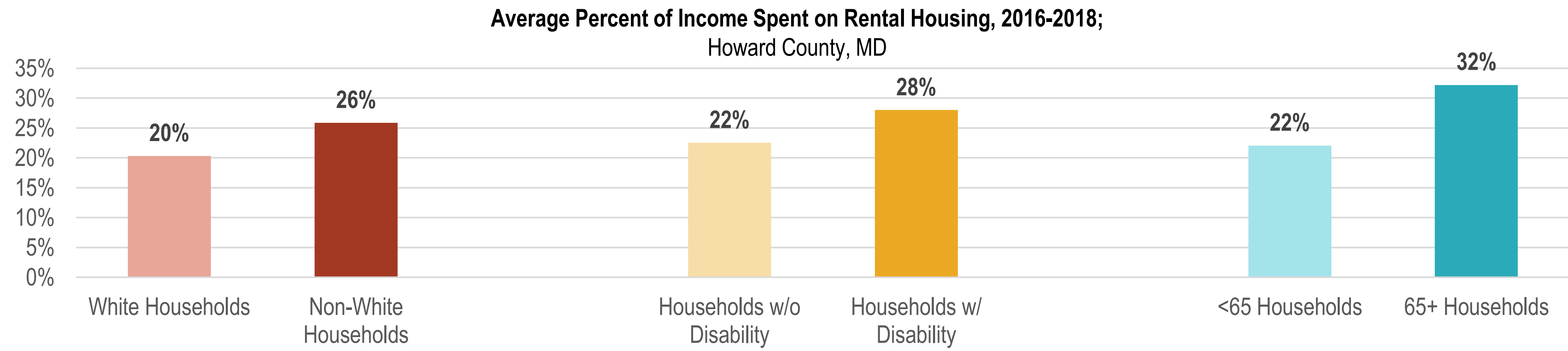
Number and Share of Cost-Burdened Households, 2019;
Howard County, MD

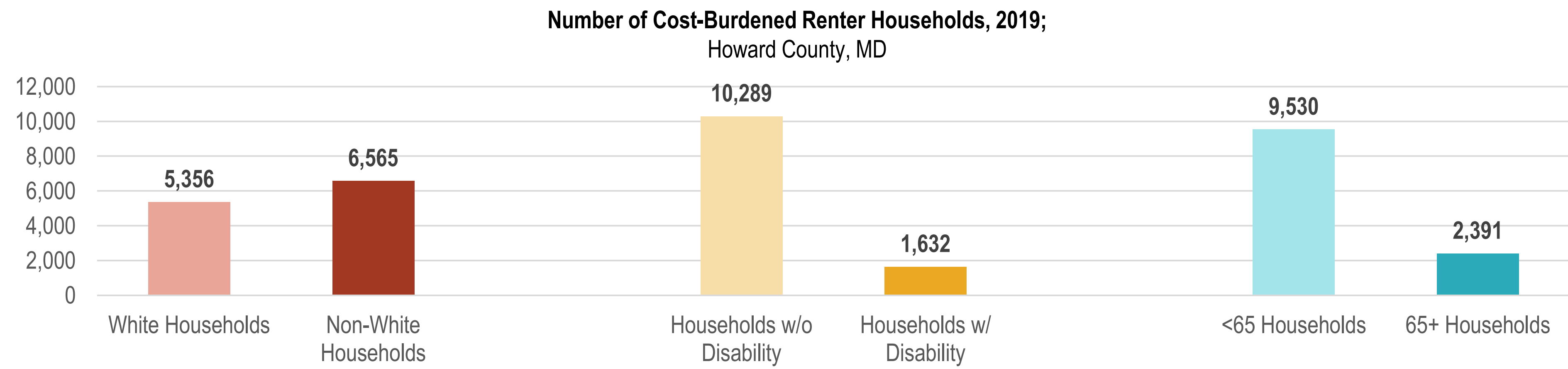


Source: American Community Survey 2016-2018; RCLCO

COST BURDEN OF RENTAL HOUSING

COST-BURDENED HOUSEHOLDS ARE DEMOGRAPHICALLY DIVERSE, THOUGH NON-WHITE HOUSEHOLDS, HOUSEHOLDS IN WHICH ONE OR MORE MEMBERS HAS A DISABILITY, AND SENIOR HOUSEHOLDS ARE DISPROPORTIONATELY MORE LIKELY TO EXPERIENCE THESE COST BURDENS



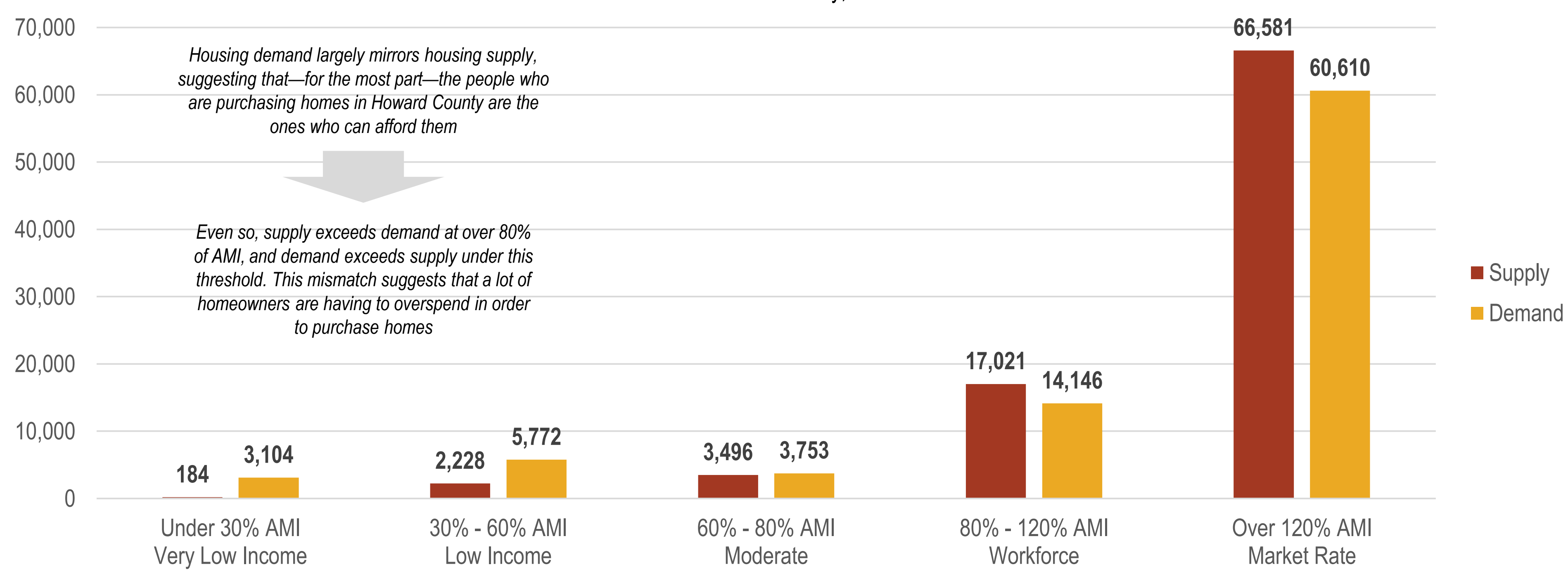


Note: "Cost-Burdened" households include those households spending more than 30% of their incomes on housing payments
Source: American Community Survey 2016-2018; RCLCO

HOUSEHOLDS THAT OWN THEIR OWN HOMES IN HOWARD COUNTY ARE MUCH MORE LIKELY TO BE AFFLUENT, IN PART DUE TO THE TYPE OF FOR-SALE HOUSING THAT EXISTS IN THE COUNTY TODAY

- Looking at the for-sale housing inventory, demand tends to follow supply, with a large number of homeowners who make more than 120% of AMI and far fewer homeowners who make less than this amount. This dynamic suggests that, for the most part, the people who are purchasing homes in Howard County are the ones who can afford them.
- Even so, there remains more demand than supply at price points above 80% of AMI, which suggests that people who make less than this amount are having to overspend in order to purchase homes in the County.

Comparison of For-Sale Housing Supply and Demand by AMI Band, 2019;
Howard County, MD

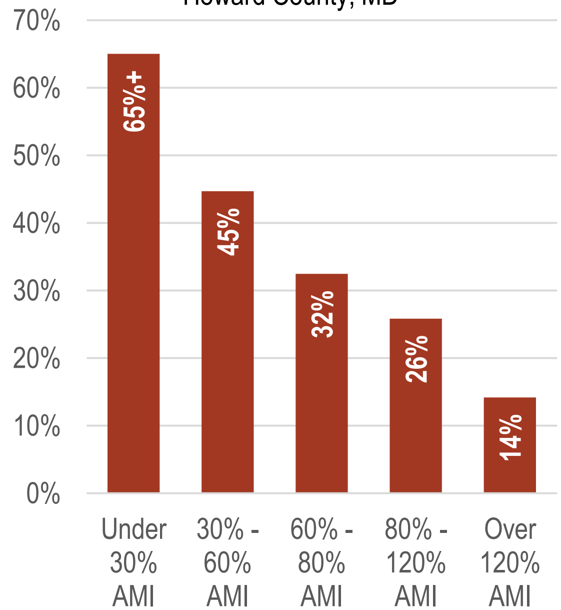


Source: Howard County Department of Planning and Zoning; Howard County GIS; Maryland Department of Planning; American Community Survey; RCLCO

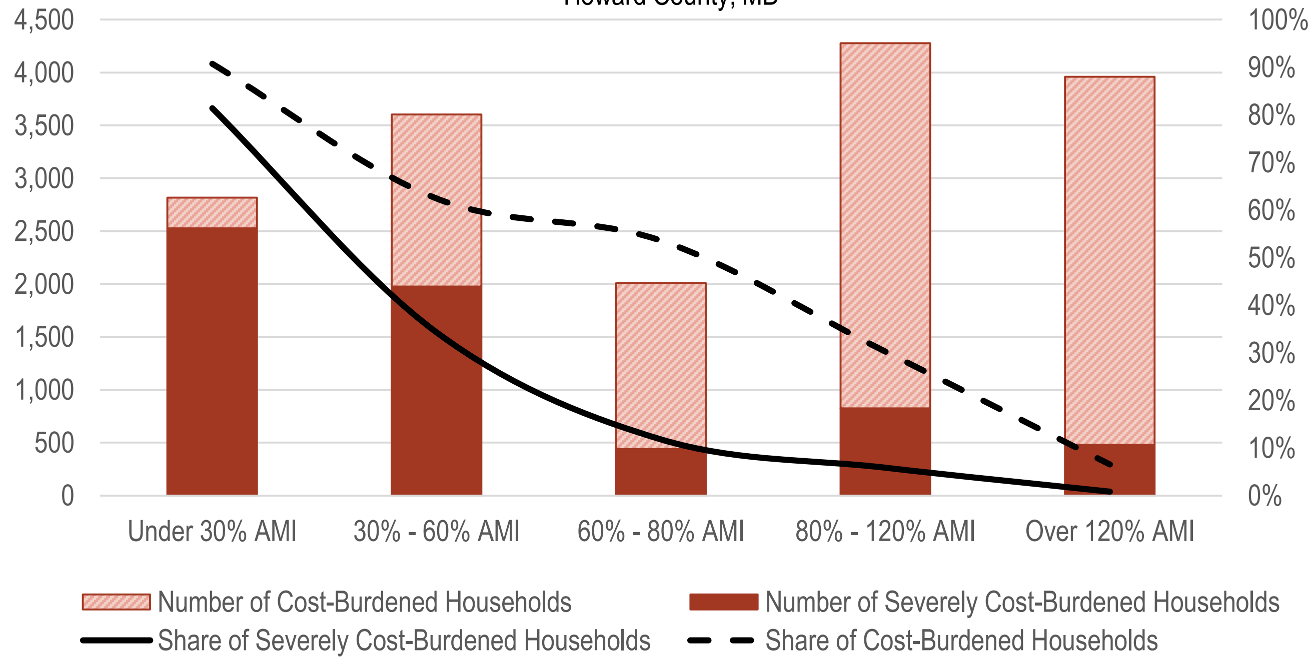
COST BURDENS IMPACT HOMEOWNERS OF ALL INCOMES, THOUGH THEY ARE FAR MORE LIKELY TO IMPACT LOW- AND VERY LOW-INCOME HOUSEHOLDS

- While most cost-burdened renter households are low- or very-income, cost-burdened owner households are economically diverse. In Howard County, 19% of owner households are cost-burdened, with roughly half of these households making more than 80% of AMI and roughly half of these households making less than this amount. This dynamic suggests that the high cost of for-sale housing in the County impacts households of all economic backgrounds.
  - However, it is important to note that these cost burdens are disproportionately more likely to impact lower-income households. In Howard County, 91% of owner households that make less than 30% of AMI, 62% of owner households that make between 30% and 60% of AMI, and 54% of owner households that make between 60% and 80% of AMI are cost-burdened, compared to 11% of owner households that make more than these amounts.
- Moreover, severe cost burdens are almost exclusively felt by low- and very low-income households, who together represent 72% of owners in the County who spend more than 50% of their income on housing.

Average % of Income Spent on Housing, 2016-2018;
Howard County, MD



Number and Share of Cost-Burdened Households, 2019;
Howard County, MD



Source: American Community Survey 2016-2018; RCLCO

COST BURDEN OF FOR-SALE HOUSING

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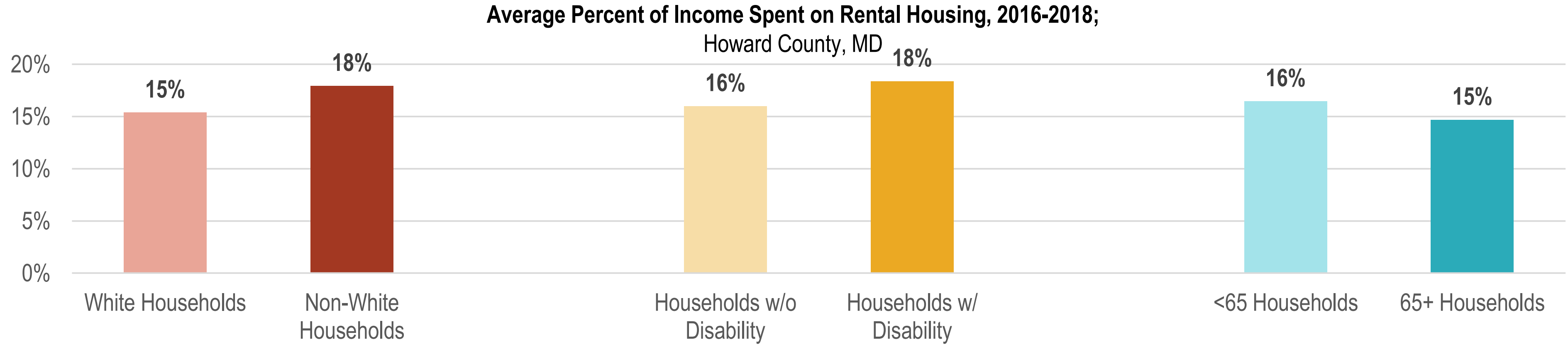
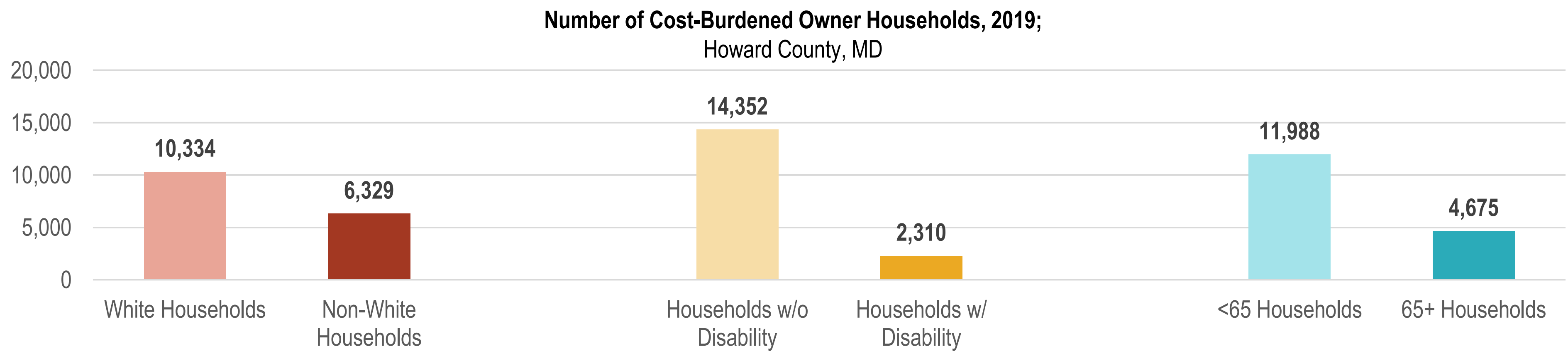
COST-BURDENED HOUSEHOLDS ARE DEMOGRAPHICALLY DIVERSE, THOUGH NON-WHITE HOUSEHOLDS, HOUSEHOLDS IN WHICH ONE OR MORE MEMBERS HAS A DISABILITY, AND SENIOR HOUSEHOLDS ARE DISPROPORTIONATELY MORE LIKELY TO EXPERIENCE THESE COST BURDENS





Note: "Cost-Burdened" households include those households spending more than 30% of their incomes on housing payments
Source: American Community Survey 2016-2018; RCLCO

UNDERSERVED GROUPS

RCLCO REAL ESTATE ADVISORS

TODAY, UNDERSERVED GROUPS IN HOWARD COUNTY ARE ECONOMICALLY AND DEMOGRAPHICALLY DIVERSE

- Based on the market research conducted by RCLCO, underserved groups in Howard County include workforce families, market-rate families, seniors, low-income renters, and professionals and other renters-by-choice, all of whom require a greater quantity and diversity of homes to be supplied by the market.

Summary of Underserved Groups and Strategies to Better Serve, 2020;
Howard County, MD

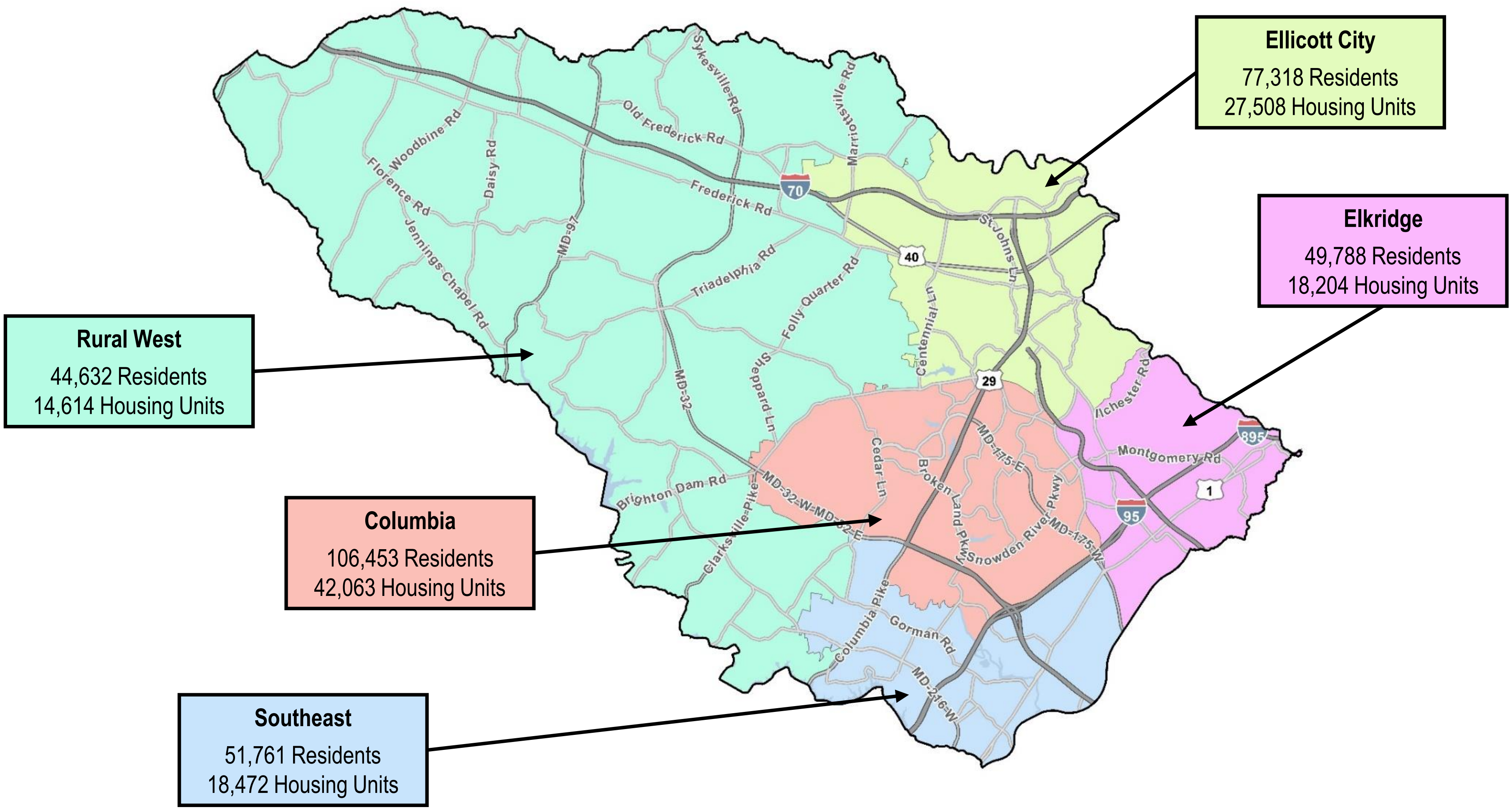
DEMOGRAPHIC GROUP	REASON FOR BEING UNDERSERVED	WAYS TO BETTER SERVE	LIKELY IMPACT OF BEING BETTER SERVED
Workforce Families	New development is generally targeting families with higher incomes given limited units allowed to be built each year	Allow for greater quantity and diversity of homes to be supplied by the market	Allows for a greater diversity of households in Howard County, and increases the likelihood that people who work here will be able to live here as well
Market Rate Families	Limited number of detached homes being built, and most are large and expensive	Allow for greater quantity and diversity of homes to be supplied by the market	Allows for a greater diversity of households in Howard County, and increases the likelihood that people who work here will be able to live here as well
Older Adults and Persons with Disabilities	Very few homes that fit their needs to move and/or downsize into, especially in the case of newer homes	Develop a greater diversity of housing, including small-lot and single-story homes; accessible units; accessory dwelling units; 55+ communities	Increases the likelihood that these households will stay in Howard County but move out of their existing homes, thereby freeing up older forms of housing
Low-Income Renters	Most new rental product is more urban and more expensive, and older product runs the risk of being redeveloped over time	Preserve existing garden-style rental apartments, which are generally older and more affordable	Allows for a greater diversity of households in Howard County, and increases the likelihood that people who work here will be able to live here as well
Professionals & Other Renters-By-Choice	Many of these renter households could afford newer and/or nicer product than the homes in which they live today	Develop more market-rate apartments, likely in urban and/or urbanizing locations	Reduces the likelihood of higher-income households crowding out the rental market for households that require older apartments that are more attainably priced

Source: RCLCO

SUBMARKET COMPARISON

RCLCO RELIED ON THE FOLLOWING PLANNING AREAS TO COMPARE HOUSING IN DIFFERENT SUBMARKETS

Map of Submarkets, 2020;
Howard County, MD



Source: Howard County GIS; Howard County Department of Planning and Zoning; Esri; RCLCO

Economic and Demographic Comparison by Submarket, 2019;
Howard County, MD

	POPULATION	HHs	FAMILIES	AVG. HOUSEHOLD SIZE	MEDIAN AGE	75+ HHs	MEDIAN HOUSEHOLD INCOME	POP. WITH A BACHELOR'S DEGREE	NON-WHITE POPULATION	HHs W/ 1+ PEOPLE W/ DISABILITY	HHS BELOW POVERTY LEVEL
Columbia	106,453	42,154	27,234 (65% of HHs)	2.5	39	1,621 (4% of HHs)	$103,727	24,291 (33% of Pop.)	60,945 (57% of Pop.)	6,534 (16% of HHs)	2,563 (6% of HHs)
Elkridge	49,788	17,597	12,422 (71% of HHs)	2.8	36	301 (2% of HHs)	$109,674	10,263 (31% of Pop.)	24,914 (50% of Pop.)	2,214 (13% of HHs)	670 (4% of HHs)
Ellicott City	77,318	27,453	20,725 (75% of HHs)	2.8	42	1,236 (5% of HHs)	$119,593	15,985 (30% of Pop.)	36,570 (47% of Pop.)	4,432 (16% of HHs)	1,077 (4% of HHs)
Rural West	44,632	14,240	12,377 (87% of HHs)	3.1	47	294 (2% of HHs)	$166,772	9,527 (31% of Pop.)	12,438 (28% of Pop.)	2,430 (17% of HHs)	301 (2% of HHs)
Southeast	51,761	17,618	13,112 (74% of HHs)	2.9	37	266 (2% of HHs)	$108,447	9,141 (26% of Pop.)	30,853 (60% of Pop.)	2,583 (15% of HHs)	774 (4% of HHs)
HOWARD COUNTY	**329,952**	**119,062**	**85,870 (72% of HHs)**	**2.8**	**40**	**3,718 (3% of HHs)**	**$121,643**	**69,207 (30% of Pop.)**	**167,720 (50% of Pop.)**	**18,193 (15% of HHs)**	**5,385 (5% of HHs)**

Housing Inventory Comparison by Submarket, 2019;
Howard County, MD

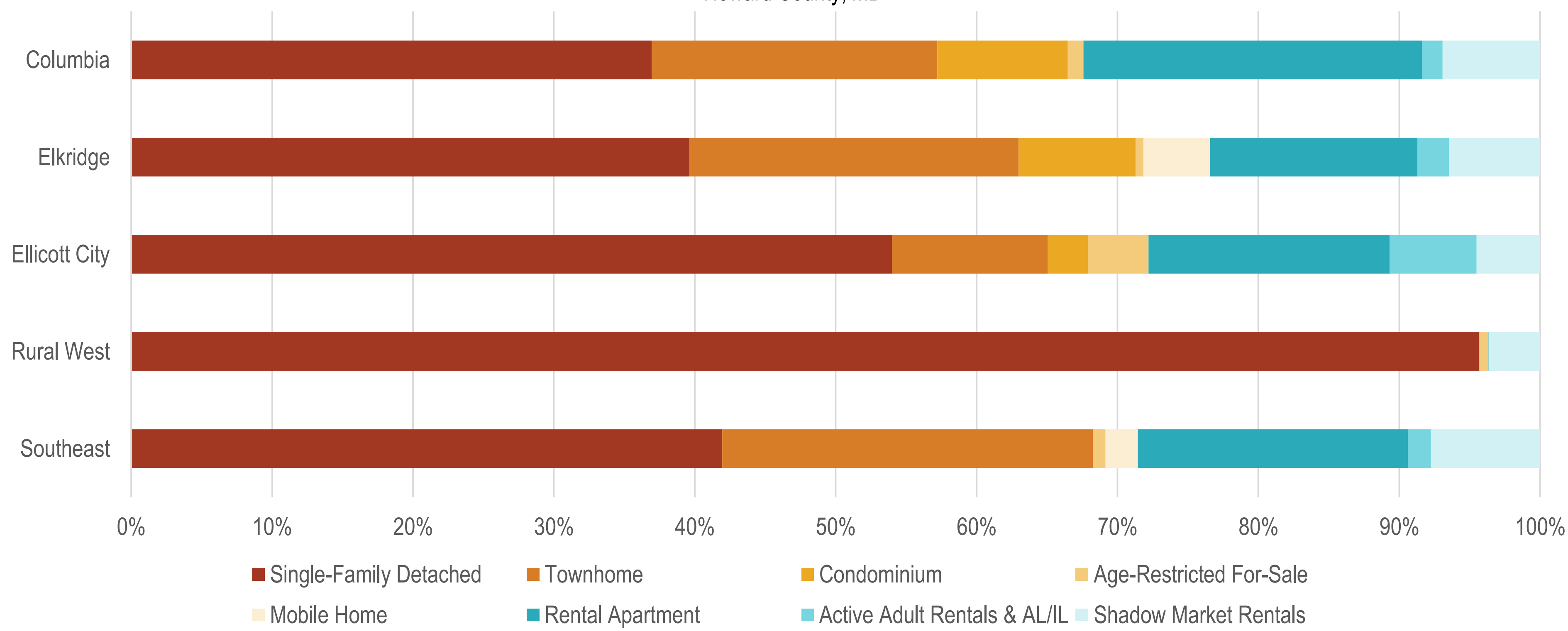
	TOTAL HOUSING UNITS	OWNER-OCCUPIED UNITS	RENTER-OCCUPIED UNITS	SINGLE-FAMILY DETACHED	TOWNHOME	MULTIFAMILY	AVG. SALES PRICE (2015-2018)	AVG. RENT	MEDIAN YEAR BUILT	UNITS BUILT BEFORE 1970	UNITS BUILT BEFORE 2000
Columbia	42,063	28,383 (67% of Units)	13,680 (33% of Units)	16,148 (38% of Units)	11,299 (27% of Units)	14,616 (35% of Units)	$371,992	$1,660	1981	3,811 (9% of Units)	39,646 (94% of Units)
Elkridge	18,204	13,774 (76% of Units)	4,430 (24% of Units)	7,503 (41% of Units)	5,245 (29% of Units)	4,597 (25% of Units)	$390,298	$1,739	1992	1,471 (8% of Units)	10,891 (60% of Units)
Ellicott City	27,508	19,774 (72% of Units)	7,734 (28% of Units)	15,734 (57% of Units)	4,591 (17% of Units)	7,183 (26% of Units)	$528,546	$1,556	1988	5,989 (22% of Units)	19,665 (71% of Units)
Rural West	14,614	14,108 (97% of Units)	506 (3% of Units)	14,538 (99% of Units)	68 (0% of Units)	6 (0% of Units)	$750,316	-	1984	2,506 (17% of Units)	10,932 (75% of Units)
Southeast	18,472	13,074 (71% of Units)	5,398 (29% of Units)	8,078 (44% of Units)	6,126 (33% of Units)	3,841 (21% of Units)	$484,365	$1,646	1989	1,718 (9% of Units)	13,435 (73% of Units)
HOWARD COUNTY	**120,861**	**89,113 (74% of Units)**	**31,748 (26% of Units)**	**62,001 (51% of Units)**	**27,329 (23% of Units)**	**30,243 (25% of Units)**	**$474,593**	**$1,650**	**1988**	**15,496 (13% of Units)**	**94,570 (78% of Units)**

Source: Source: Howard County Department of Planning and Zoning; Howard County GIS; Maryland Department of Planning; Esri; RCLCO

MOST SUBMARKETS IN HOWARD COUNTY OFFER A RANGE OF HOUSING OPTIONS, THOUGH SINGLE-FAMILY DETACHED HOMES ARE THE PREDOMINANT PRODUCT TYPE IN THE RURAL WEST

- Conventional, owner-occupied single-family detached homes account for nearly 96% of housing units in the Rural West, compared to 54% in Ellicott City, 42% in Southeast, 40% in Elkridge, and 37% of Columbia. This comparison indicates that, with the exception of the Rural West, most parts of Howard County maintain diverse housing inventories.
- Likewise, conventional rental apartments, active adult/seniors rental apartments, and shadow market rentals account for 32% of housing units in Columbia, 29% of housing units in Southeast, 28% of housing units in Ellicott City, and 23% of housing units in Elkridge, compared to just 4% of housing units in the Rural West. This comparison highlights the fact that most housing options for renter households in Howard County are concentrated in Eastern Howard County.

Distribution of Housing Inventory, 2019;
Howard County, MD

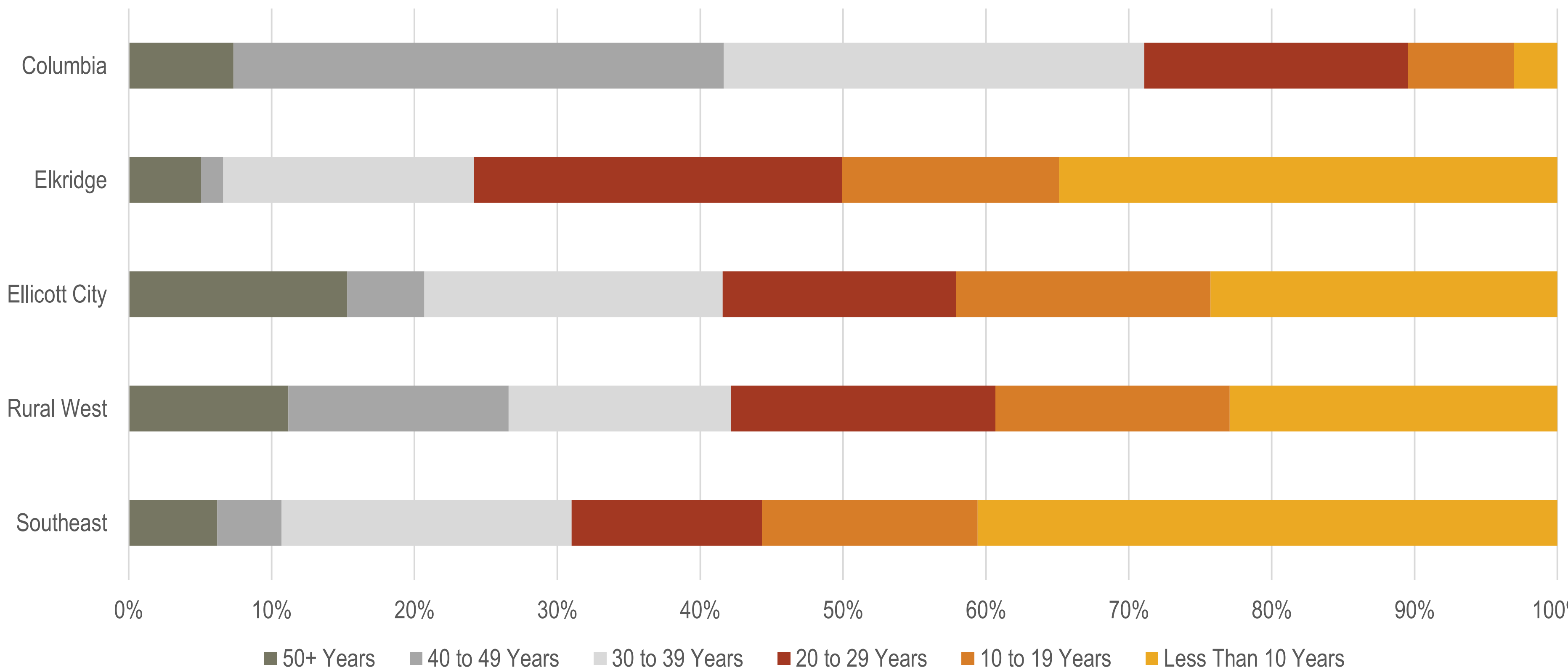


Source: Howard County Department of Planning and Zoning; Howard County GIS; Maryland Department of Planning; American Community Survey; RCLCO

THERE ARE FEW DIFFERENCES IN THE AGE OF FOR-SALE HOUSING IN MOST SUBMARKETS, APART FROM COLUMBIA, WHERE HOMES ARE TYPICALLY OLDER

- Between 2015 and 2018, more than 71% of homes that sold in Columbia were built more than 30 years ago, compared to between 24% and 42% in each of the other planning areas. This difference highlights that most for-sale homes in Columbia tend to be older, which is part of the reason why they also tend to be more affordable. However, the sales prices of these homes do not necessarily take into account the repairs and/or upgrades that may be necessary, given their ages.

Age Distribution of Homes Sold, 2015-2018;
Howard County, MD

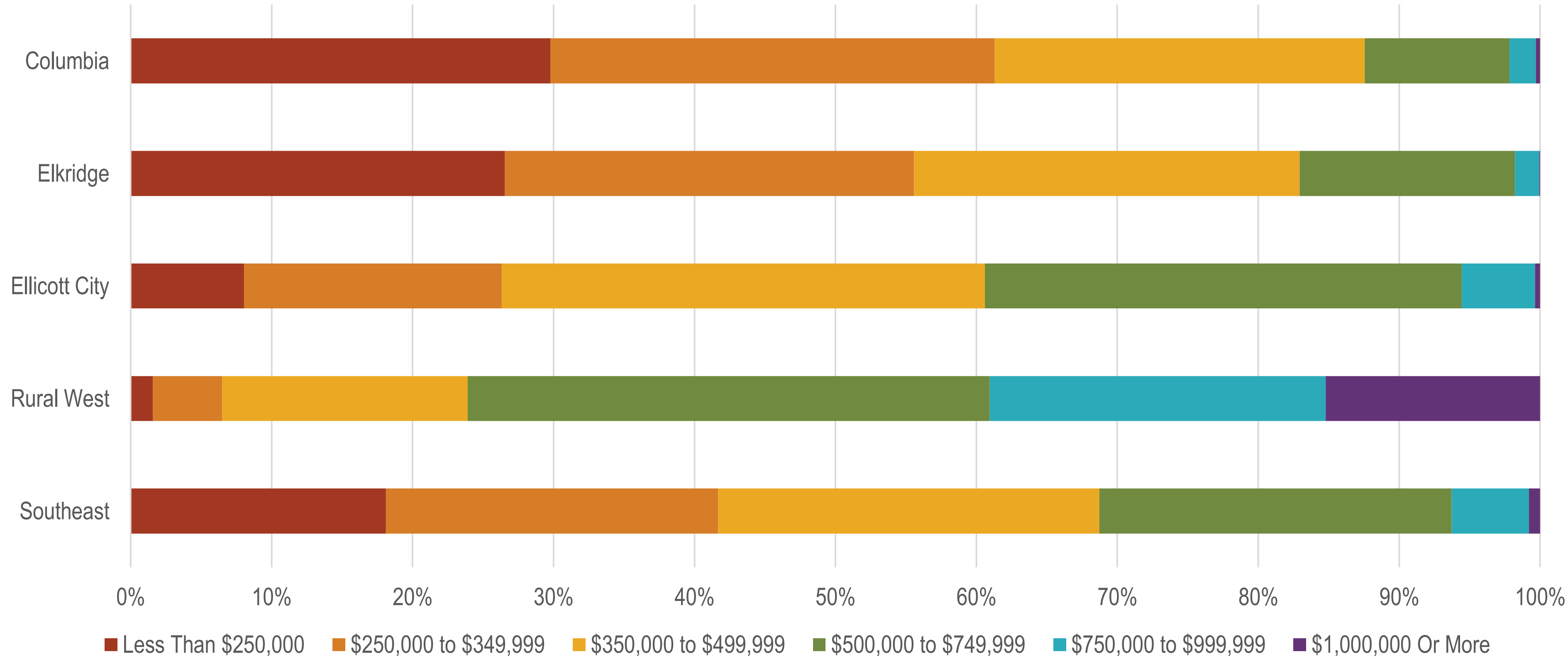


Source: Maryland Department of Planning; RCLCO

MOST SUBMARKETS IN HOWARD COUNTY SERVE A RANGE OF ECONOMIC SEGMENTS, WITH PRICES OFTEN BEING TIED TO THE TYPE AND AGE OF HOUSING THAT EXISTS

- Between 2015 and 2018, 44% of home sales in Howard County took place at price points below $350,000, including 61% of sales in Columbia, 56% of sales in Elkridge, 42% of sales in Southeast, and 26% of sales in Ellicott City. These figures illustrate that submarkets with older and/or more diverse housing inventories tend to have greater numbers of attainable housing options. Meanwhile, just 7% of home sales in the Rural West took place below this threshold, likely due to the fact that the vast majority of homes that sold were larger and detached.

Price Distribution of Homes Sold, 2015-2018;
Howard County, MD

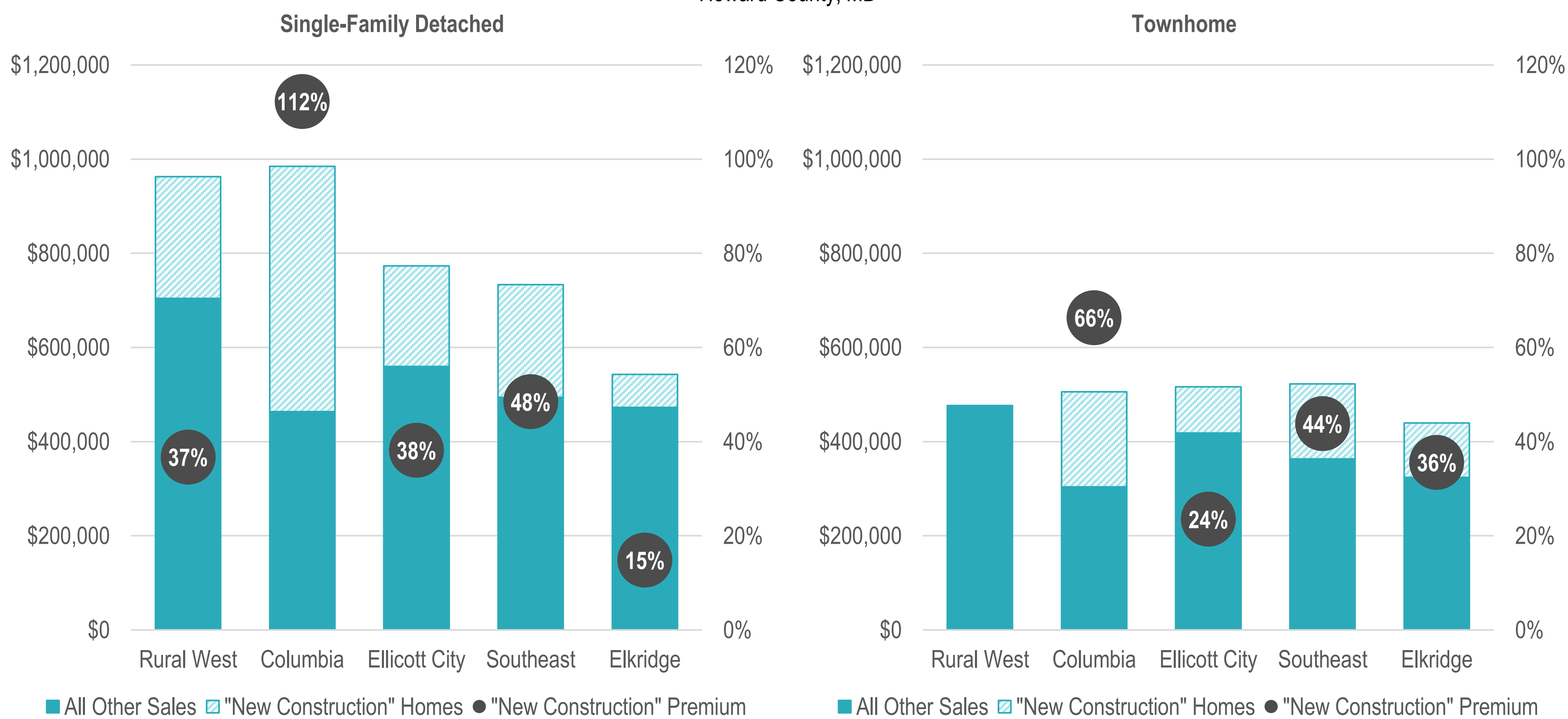


Source: Maryland Department of Planning; RCLCO

NEW HOMES TEND TO COMMAND SIGNIFICANT PREMIUMS OVER OLDER OPTIONS, PARTICULARLY IN COLUMBIA

- Between 2015 and 2018, the average sales price for "new construction" single-family detached homes in Columbia was more than double that of all other single-family detached homes. This premium was narrower in other parts of the County, pointing to outsized demand for newer and/or higher-quality product in Columbia, in particular.

Average Sales Price for "New Construction" and All Other Homes, 2015-2018;
Howard County, MD



Note: "New Construction" is defined as those homes that were built within one year of the year in which they sold
Source: Maryland Department of Planning; RCLCO

MIHU DEVELOPMENT FEASIBILITY

APPROACH TO LAND VALUATION

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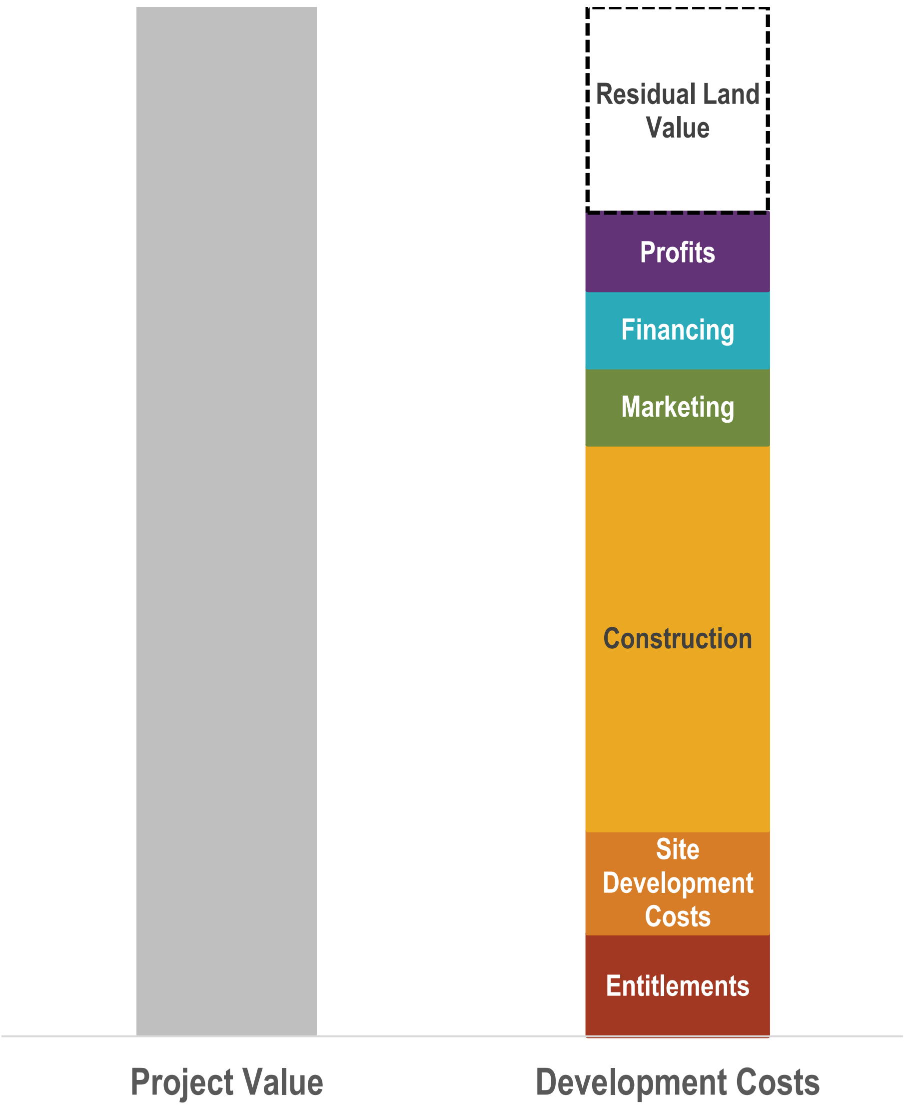
RCLCO CONDUCTED A "RESIDUAL LAND VALUE" ANALYSIS TO DETERMINE THE FEASIBILITY OF MIHU DEVELOPMENT

- Today, a large portion of the affordable housing production in Howard County is accomplished by requirements to reserve a portion of units in new market-rate developments for moderate-income households at a reduced rent or purchase price ("Moderate Income Housing Units," or MIHUs).
- However, in some cases MIHUs may not be financially feasible for developers to construct on their own, and there are therefore certain instances when it may be necessary for the County to provide other options in order for development to proceed. Specifically, Howard County currently allows developers of single-family detached and/or age-restricted housing developments to pay a fee in lieu ("FIL") instead of providing the units on-site, which is a common practice in many other jurisdictions as well.
- In order to examine the importance of this practice, RCLCO conducted a residual land value analysis, with the goal of determining the feasibility of MIHU development.
  - Residual valuation is the process of valuing land with development potential. The value of a parcel of land available for development can be calculated from the value of the completed development minus the costs of the development (including profit).
  - A potential project is said to have a "positive" land value if the costs of the project are less than the anticipated value of what is built. Conversely, a development concept with "negative" land value has projected costs that are larger than the capitalized value of the project.

Illustration of How Residual Land Value is Determined, March 2021;
Hypothetical Single-Family Development in Howard County



Source: RCLCO

A RESIDUAL LAND VALUE ANALYSIS SUGGESTS THAT, FOR MIHU DEVELOPMENT TO BE FEASIBLE ON ITS OWN, THE DEVELOPER WOULD NEED TO OBTAIN THE LAND AT ROUGHLY NO COST

- A residual land value analysis for the most expensive single-family detached MIHU allowable under current County policy produces a land value of $1,000 per unit. In other words, a developer would need to be able to acquire the land for only $1,000 in order for the development to be feasible on its own, after considering site development costs, construction costs, financing costs, etc. that are necessary for development to occur.
- Conversely, a typical market-rate single-family detached housing unit produces a land value of $264,000 per unit. In other words, this analysis suggests that an undeveloped and unfinished lot on which a typical single-family detached home could be built is worth approximately $264,000 in Howard County.
  - For MIHU development to be feasible at this price point, this analysis suggests the MIHU would need to sell for approximately $299,000 higher than the maximum allowable price at this time.

Comparison of Residual Land Values, March 2021;
Hypothetical Single-Family Development in Howard County

Residual Land Value Analysis, March 2021;
Hypothetical Single-Family Development in Howard County

	Moderate Income Housing Unit (SFD)		Market-Rate Housing Unit (SFD)	
Program, Scope & Timing				
Key Assumptions				
Average Unit Size[1]		1,820 SF		3,600 SF
Price PSF[1]		$203		$258
Income and Value				
Sales Price	**$369,311**	$369,311	**$930,000**	$930,000
Less: Selling Costs/Commissions	5.0%	($18,466)	5.0%	($46,500)
Less: Closing Costs	2.0%	($7,386)	2.0%	($18,600)
Value		**$343,459**		**$864,900**
Development Cost and Profit				
Site Development Costs (Per Unit)		**$75,000**		**$75,000**
Construction (per GSF)	$80	$145,600	$80	$288,000
Field Supervision (% of Construction Cost)	6.0%	$8,736	6.0%	$17,280
Hard Contingency (% of subtotal)	5.0%	$7,280	5.0%	$14,400
Hard Costs Subtotal		**$161,616**		**$319,680**
Arch/Eng/Consultants (% of hard)	5.0%	$8,081	5.0%	$15,984
Permits/Fees/Taxes (% of hard)	7.0%	$11,313	7.0%	$22,378
Legal/Bonds/Insurance (% of hard)	1.5%	$2,424	1.5%	$4,795
Overhead/Developer Fee (% of hard/soft)	**4.5%**	**$8,953**	**4.5%**	**$18,059**
Marketing (% of value)	4.0%	$13,738	4.0%	$34,596
Soft Contingency (% of subtotal)	5.0%	$1,778	5.0%	$3,888
Soft Costs Subtotal		**$37,334**		**$81,640**
Max LTV/LTC	75.0%	$155,927	75.0%	$314,535
Average Balance (% of total loan)	50.0%	$77,964	50.0%	$157,267
Interest Rate	5.0%	$3,898	5.0%	$7,863
Term (Months)	18	$5,847	18	$11,795
Loan Fees	1.5%	$2,339	1.5%	$4,718
Financing Costs		**$8,186**		**$16,513**
Developer Net Profit (% of Hard+Soft+Financing)	**15.0%**	**$51,369**	**15.0%**	**$90,158**
Total Net Cost + Profit		**$342,458**		**$601,051**
Project Residual Land Value		**$1,000**		**$264,000**

[1] Market-rate unit sizes and prices reflect the average for all new construction single-family detached homes available for sale in Howard County as of January 26, 2021. Moderate Income Housing Unit sizes and prices reflect those of the highest priced MIHU currently allowable under County policy.
Source: Howard County Department of Housing and Community Development; Redfin; Interviews with local developers and practitioners; RCLCO

THE LAND VALUE ANALYSIS SUGGESTS THAT IT IS PARTICULARLY CHALLENGING TO PROVIDE ON-SITE MIHUS IN THE CASE OF SINGLE-FAMILY DETACHED HOUSING DEVELOPMENTS, AS WELL AS SMALLER-SCALE HOUSING DEVELOPMENTS

- The gap is particularly wide in the case of single-family detached developments, for which the price differential between a MIHU and a market-rate housing unit is greater than it is for other, generally less expensive types of housing, as well as smaller-scale housing developments, in which there are fewer housing units with which developers are able to offset the cost of building housing at below-market rates.
- Please see below for an illustrative example of the second scenario, which assumes one MIHU no matter the scale of the development.

Comparison of Project Residual Land Value by Development Size, March 2021;
Hypothetical Single-Family Development in Howard County

Source: RCLCO

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DISCLAIMERS

CRITICAL ASSUMPTIONS

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Our conclusions are based on our analysis of the information available from our own sources and from the client as of the date of this report. We assume that the information is correct, complete, and reliable.

We made certain assumptions about the future performance of the global, national, and local economy and real estate market, and on other factors similarly outside either our control or that of the client. We analyzed trends and the information available to us in drawing these conclusions. However, given the fluid and dynamic nature of the economy and real estate markets, as well as the uncertainty surrounding particularly the near-term future, it is critical to monitor the economy and real estate markets continuously and to revisit the aforementioned conclusions periodically to ensure that they are reflective of changing market conditions.

It has become increasingly clear that the U.S. economy is in a recession, and yet the extent of the damage to the economy and the ability to rebound from a still unfolding disruption are unknown. These events underscore the notion that stable and moderate growth patterns are historically not sustainable over extended periods of time, the economy is cyclical, and real estate markets are typically highly sensitive to business cycles. Further, it is particularly difficult to predict inflection points, including when economic and real estate expansions will end, and when downturn conditions return to expansion.

Our analysis and recommendations are based on information available to us at the time of the writing of this report, including the likelihood of a downturn, length and duration, but it does not consider the potential impact of additional/future shocks on the national and/or local economy, and does not consider the potential benefits from major "booms" that may occur. Similarly, the analysis does not reflect the residual impact on the real estate market and the competitive environment of such a shock or boom. Also, it is important to note that it is difficult to predict changing consumer and market psychology. As such, we recommend the close monitoring of the economy and the marketplace, and updating this analysis as appropriate.

Further, any project and investment economics included in our analysis and reports should be “stress tested” to ensure that potential fluctuations in revenue and cost assumptions resulting from alternative scenarios regarding the economy and real estate market conditions will not cause unacceptable levels of risk or failure.

In addition, and unless stated otherwise in our analysis and reports, we assume that the following will occur in accordance with current expectations by market participants:

- Tax laws (i.e., property and income tax rates, deductibility of mortgage interest, and so forth)
- Availability and cost of capital and mortgage financing for real estate developers, owners and buyers
- Competitive supply (both active and future) will be delivered to the market as planned, and that a reasonable stream of supply offerings will satisfy real estate demand
- Major public works projects occur and are completed as planned

Should any of the above change, this analysis should be updated, with the conclusions reviewed accordingly (and possibly revised).

GENERAL LIMITING CONDITIONS

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Reasonable efforts have been made to ensure that the data contained in this study reflect accurate and timely information and are believed to be reliable. This study is based on estimates, assumptions, and other information developed by RCLCO from its independent research effort, general knowledge of the industry, and consultations with the client and its representatives. No responsibility is assumed for inaccuracies in reporting by the client, its agent, and representatives or in any other data source used in preparing or presenting this study. This report is based on information that to our knowledge was current as of the date of this report, and RCLCO has not undertaken any update of its research effort since such date.

Our report may contain prospective financial information, estimates, or opinions that represent our view of reasonable expectations at a particular time, but such information, estimates, or opinions are not offered as predictions or assurances that a particular level of income or profit will be achieved, that particular events will occur, or that a particular price will be offered or accepted. Actual results achieved during the period covered by our prospective financial analysis may vary from those described in our report, and the variations may be material. Therefore, no warranty or representation is made by RCLCO that any of the projected values or results contained in this study will be achieved.

Possession of this study does not carry with it the right of publication thereof or to use the name of "Robert Charles Lesser & Co." or "RCLCO" in any manner without first obtaining the prior written consent of RCLCO. No abstracting, excerpting, or summarization of this study may be made without first obtaining the prior written consent of RCLCO. This report is not to be used in conjunction with any public or private offering of securities or other similar purpose where it may be relied upon to any degree by any person other than the client without first obtaining the prior written consent of RCLCO. This study may not be used for any purpose other than that for which it is prepared or for which prior written consent has first been obtained from RCLCO.

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APPENDIX D

OVERVIEW OF POLICY, PROGRAM, AND FUNDING RESEARCH AND ANALYSIS

Howard County Housing Opportunities Master Plan:

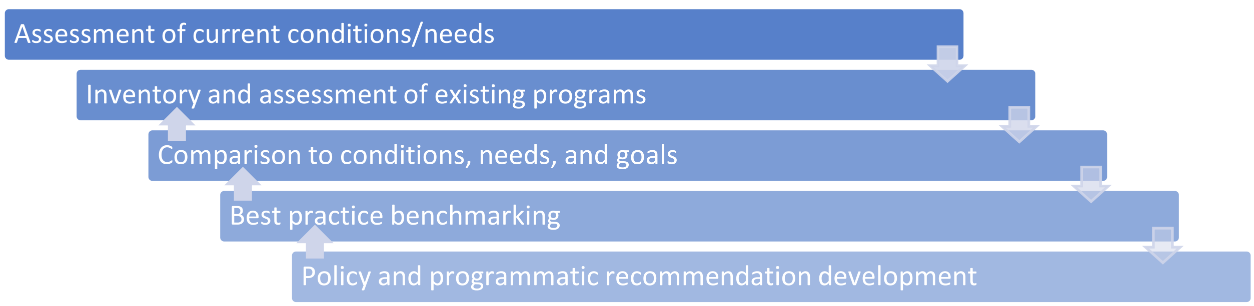
Overview of Policy, Program, and Funding Research and Analysis

Introduction

Identifying new approaches to address housing issues in Howard County requires a detailed understanding of the current policy, programmatic, and funding initiatives (hereafter, "policies") currently in place. This section outlines the consultant team's approach to identifying and evaluating existing policies and summarizes the core findings that were used to inform the policy recommendation process.

Methodology

The process for conducting policy research and analysis was coordinated with the needs assessment, the results of which are shown in Technical Appendix C. This process included four core, iterative steps.



The consultant team first created an inventory of County policies identified to have an impact on housing opportunity, choice, and affordability. This inventory was vetted by County staff and the Housing Opportunities Master Plan Task Force (hereafter, "Task Force"). Policies were analyzed for effectiveness, considering several factors:

- Good governance/administration
- Appropriate targeting (i.e., how does the program work to address a significant housing need?)
- Role in accomplishing jurisdiction's overall goals and strategy
- Interoperability and complementarity with other programs/policies/resources, both internal and external

Policies were also evaluated in the broader context of related policies, including transportation, school, and social services, in particular.

The assessment process included direct outreach to practitioners involved in addressing housing and social service needs throughout the County. This outreach included 29 individual/group interviews and three virtual roundtable discussions with targeted stakeholders, reaching approximately 50 individual practitioners and stakeholders. In addition to County staff and organizations that partner with the County to provide key services, participants included members of the market-rate and affordable housing development community, members of the Age-Friendly Initiative Housing Workgroup, members of the African American Roundtable, representatives of groups serving individuals and families with disabilities, and individuals in the immigrant community, among others. All conversations were conducted on the condition of anonymity to enable a candid discussion of both the positive and negative elements of existing County policies.

The consultant team used this information to inform and refine the nine core challenges around which it organized its research. To complement this work, the consultant team also reviewed other jurisdictions' approaches to meeting the critical housing needs and challenges, with a focus on the Baltimore and Washington, D.C., metropolitan regions, as well as similarly situated counties throughout the country. To complete this task, the team conducted desktop reviews and accessed a searchable, frequently updated database of more than 3,600 policy-related resources (literature, legislative and administrative documents, source interviews, etc.) that cover the full spectrum of issues related to housing attainability, community and economic development, infrastructure, and municipal finances.

Finally, the consultant team used the information gathered through this overall process to inform its policy recommendations. This process was iterative in nature; as new information became available from other components of the project (needs analysis, Task Force discussions, best practices reviews, etc.), the consultant team revisited and refined the inventory and associated recommendations, and it reexamined specific programs.

Policy Inventory and National Examples

Relevant policies to address housing needs often fall into four broad categories. While these categories are non-exhaustive and may have a considerable amount of overlap in some contexts, they encapsulate the vast majority of tools and resources available to expand housing opportunities.

Land Use & Planning	Using rules that govern new development to encourage specific housing types, price points, etc.
	Examples: Zoning modification, inclusionary housing policies, small area plans, overlays
Capital & Subsidy	Loans, grants, or other resources provided for the production (new construction & preservation) of affordable housing
	Examples: Housing trust funds/gap financing; payments in lieu of taxes
Household Supports	Assistance to improve the housing circumstances of individual households
	Examples: Housing Choice Vouchers, down payment assistance, homeowner rehabilitation loans/grants, property tax deferrals/abatements
Policy Tools	Rules governing how various stakeholders participate in the housing market
	Examples: Tenant protection policies, rent stabilization, right-to-purchase/right-of-first-refusal laws

In developing a policy inventory for Howard County, the consultant team primarily focused on the resources, tools, and interventions established and executed by the County government and affiliated organizations (such as the Howard County Housing Commission). This inventory included resources, such as block grants, that are passed through from state and federal funders and administered locally.

This inventory and the associated analysis also considered the use of policies and programs that are directly administered by the state or federal government but critical to addressing housing needs in the County; for example, nonprofit developers in the County often utilize the state-administered Low-Income Housing Tax Credit ("LIHTC") program, which provides capital to produce affordable rental housing. The evaluation of local policies considers how these efforts align with these major sources of funding.

The inventory of existing policies is organized around a framework of potential interventions to support housing affordability. This framework is based on policy research and classifications originally produced by Local Housing Solutions (www.localhousingsolutions.org), and then supplemented and amended based on additional research by Neighborhood Fundamentals. Organizing principles for this framework are the (a) functional areas for addressing housing needs; and (b) the four policy categories listed above. A non-exhaustive list of national examples is also included in the framework. The inventory, which members of County Staff and the Task Force reviewed and vetted for accuracy and completeness, is shown at the back of this appendix. More detailed best practice examples are included within the Assessment and Analysis section below.

This framework serves as an expansive list of the universe of potential policy interventions to address the spectrum of housing needs, and it includes policy categories/approaches for which there is no local analogue in Howard County. A lack of a local example does not automatically constitute a gap in Howard County's approach. In some cases, there are multiple pathways to addressing specific housing needs. In other instances, the County does not exhibit a particular need outlined in the framework (for example, dealing with a large number of vacant, tax-delinquent properties). Any specific gaps in Howard County's approach will be discussed in the Assessment and Analysis section below.

Finally, several policies do not fit within the established policy framework but are still pertinent to the Assessment and Analysis. These policies include the County's core regulations guiding development (the General Plan, zoning code, Adequate Public Facilities Ordinance, and Housing Unit Allocation Process). Finally, it is important to acknowledge that policies related to education, transportation, public works, and the environment also have an impact on housing choice and availability. While these policies are acknowledged where applicable, they were not the focus of this evaluation.

Assessment and Analysis

This section provides a more detailed summary of findings from the Policy, Program, and Funding Research process, organized according to the nine core challenges addressed by the overall Housing Opportunities Master Plan. Findings are based on a combination of reviews of policy regulations, expenditures, and outcomes; observations from the practitioner outreach and community engagement process; reviews of literature and comparisons to national best practices; and the professional judgment of the consultant team.

The policy research process was coordinated with other aspects of the Housing Opportunities Master Plan process, and it was iterative in nature. The policy research contributed—along with the housing market research in Appendix C and the community outreach in Appendix F—to the identification of the core challenges, and it informed the ensuing recommendations.

The core purpose of this exercise was to identify actionable steps to improve efficiency and effectiveness in meeting housing needs, and to weigh tradeoffs between elements of program and policy design. The presence of this guidance should not be interpreted to mean that existing programs are ineffectively administered. On the contrary, many of these programs serve as a strong foundation, upon which the recommendations in the Housing Opportunities Master Plan are intended to build.

Challenge: Housing supply has not kept up with housing demand, particularly over the last decade and given recent employment growth. This imbalance between supply and demand is leading to rising affordability issues.

Examples of Relevant Policies: *General Plan, Zoning Regulations, Adequate Public Facilities Ordinance, Official Area Plans (including Columbia Downtown plan and Developer Rights and Responsibilities Agreement)*

Baseline Analysis and Practitioner Feedback

The consultant team's analysis of Howard County's housing market found that the County is underbuilding new housing considering the size of its workforce. The County has a lower ratio of housing units to jobs than other nearby jurisdictions, and it requires more than 20,000 additional housing units to catch up to these areas. Based on a review of policies and interviews with practitioners, three core barriers to new supply growth were highlighted:

- A General Plan that limits on the areas in which moderate-to-higher density development can occur.
- Zoning policies that limit density and restrict certain housing types (attached single-family, apartments, etc.) that can be developed in many zones, as well as add costs to development (for example, parking requirements).
- The combination of Adequate Public Facilities Ordinance ("APFO") restrictions and limited infrastructure and school capacity in certain portions of the County, which delay or prevent some development that could otherwise proceed based on the General Plan and Zoning Regulations (see discussion below).

Additional barriers to development cited by practitioners include the length of the entitlement and review process and the impact of public opposition on new development proposals.

These plans, policies, and processes are typical of most suburban jurisdictions across the United States, and they are consistent with the County's original intent to preserve farmland and natural space while maximizing the utility of infrastructure investments in the Planned Service Area. In the first generations of the County's build out, this model was not as significant a barrier to overall affordability; during this period, there was still a substantial amount of undeveloped land in residential zones, and the pressures of suburban expansion from Baltimore and Washington, D.C, had not yet reached Howard County to the same extent. However, this development regulation model is not as effective in providing a range of housing choices under current conditions, in which "greenfield" development opportunities have declined and competition has heightened.

The aggregate impact of the full suite of County development policies is to drive up the "cost floor" at which housing can be developed, likely reducing the number of units that can be built and further constraining supply. Unmet demand for high-end homes crowds out opportunities to serve the middle of the market. A lack of new, market-rate rental housing and entry-level homeownership opportunities is creating additional competition for existing units that could otherwise serve lower- and moderate-income households.

While new development is commonly associated with market-rate and/or higher-end housing, most practitioners and other stakeholders interviewed as part of this process agreed that allowing more growth/building more housing generally was critical to addressing the needs of the those with more significant housing challenges, including but not limited to older adults, persons with disabilities, and very low-income households. New supply was cited as critical in this context for three primary reasons:

- Rental housing is a critical housing option for households with housing barriers. Zoning restrictions on density, apartments, or other forms of attached housing reduces the overall supply of such homes and locks these households out of many neighborhoods.
- Competition for a limited number of suitable existing units make it more difficult for service providers and recipients of household-based supports to find units that are both appropriate for and available to potentially vulnerable households.
- In most instances, the same entitlement and approval processes (and associated challenges) that apply to market-rate development also apply to affordable housing development. In the latter case, mission-driven developers cannot cover the costs of these processes by raising prices, and they face the additional obstacles of a more complex financial structure and—in many cases—heightened community opposition.

Despite these challenges, there are examples in which Howard County has adopted development policies to increase supply that are consistent with best practices. Specifically, the redevelopment plan for Downtown Columbia enables relatively dense, mixed-use infill development served by existing infrastructure. The community engagement process was focused at the overall neighborhood planning level, which creates the opportunity for more straightforward approvals on an individual development basis. The redevelopment of Columbia also includes a robust affordability requirement through the Developer Rights and Responsibilities Agreement ("DRRA"). There was some disagreement among interviewees on whether the amount of affordable housing and depth of income targeting was appropriate. Some practitioners believed that the requirements were approaching the limits of economic feasibility, while others believed that more aggressive affordability targets were warranted and viable. It was outside the scope of this research to conduct a feasibility analysis for this specific topic. However, the DRRA includes several positive structural elements:

- An on-site inclusionary housing requirement that reserves a portion of units in each market-rate development for lower-income households, some of which are to be leased to the Howard County Housing Commission to provide deeper levels of affordability.
- A requirement to provide site-control to allow for affordable/mixed-income developments that leverage external housing subsidies (Low-Income Housing Tax Credits). These developments will be co-located with public facilities. These units do not count against the maximum approved units in the overall plan, enabling greater market-rate supply and affordable housing production.
- Monetary contributions from the master developers to finance affordable housing activities.
- Phasing requirements that provide some development-by-development flexibility in terms of inclusionary units but sets standards that ensure that affordable and market-rate housing proceed on concurrent paths.

Guidance for Future Policy

Moving forward, local practitioners in Howard County agree on the necessity of new development, though there is substantial debate about where and how that development should occur. Critical debates included whether the County should prioritize adding density through infill development and/or redevelopment in denser portions of the Planned Service Area, increasing development in the Rural West and other lower-density neighborhoods, or both. Ultimately, it is unlikely that Howard County will be able to add sufficient supply to keep up with economic growth without shifting the current paradigm, in which a significant portion of the County's land area is off-limits to substantial development. Nor is it practically or fiscally feasible to limit growth to lower-density neighborhoods, given the cost of building out supportive infrastructure. Achieving adequate supply growth will need a "both-and" approach that provides for context-sensitive growth throughout the County.

Just as the location of development will need to shift, so will the approach to what type of housing is built and how it is regulated. While parts of Howard County will undoubtedly remain rural and suburban in nature, there will need to be more flexibility in terms of building form, setbacks, infrastructure design requirements, and parking—among other factors—to accommodate a wider range of housing choices and meet demand for different types of neighborhoods. Importantly, policy shifts should prioritize reducing barriers to housing types that have greater potential for providing affordability, such as moderate-density apartments, attached single-family homes, and accessory dwelling units ("ADUs").

Finally, the locations in which the County plans for growth will influence the most effective tools for accommodating such growth. Generally speaking, when jurisdictions prioritize a smaller number of areas or neighborhoods for growth, that growth may necessitate more intensive area/neighborhood planning processes to manage its more concentrated impact on infrastructure, facilities, and existing neighborhoods. Conversely, allowing growth over a broader geography (see Minneapolis 2040 example in the next section) can be accomplished through higher-level changes to the General Plan and zoning ordinances. While some neighborhoods may see more demand than others, and while targeted area/neighborhood planning may be warranted in those contexts, more incremental and less concentrated growth—and associated neighborhood change—could reduce the need for a bespoke plans for multiple neighborhoods.

Additional Policy Considerations and National Examples

Given the magnitude of housing needs, Howard County will likely have to strike a balance between more incremental growth across a broader area and more significant increases in development in strategic locations.

Given the national predominance of traditional, Euclidian zoning (separation of uses and building types, strict form and density regulations), there are limited examples of jurisdictions adopting policies that allow for modest, incremental growth across the full jurisdiction (or substantial majorities thereof). However, that has begun to change in recent years, with examples such as the following:

- The Minneapolis 2040 Comprehensive Plan update received considerable attention for allowing triplexes in all single-family zones and additional density in transit corridors.
- Oregon passed a statewide law allowing for attached housing in most single-family areas in cities with more than 10,000 people.

- California passed a law greatly expanding residents' opportunities to develop ADUs on their properties
- The Residential Infill Project in Portland, OR, allows for attached housing in single-family zones, with greater flexibility in terms of allowable building size and density if income-restricted housing represents a portion of the units produced.

While these steps may be promising, an insufficient amount of time has passed for rigorous, empirical evidence to emerge on their effectiveness and impacts.

In terms of more intensive redevelopment efforts, the County has already set a strong precedent in its approach to the redevelopment of Downtown Columbia. Achieving a development vision and negotiating community benefits may be more difficult when parcel ownership is less concentrated, and the development program is likely to include a larger number of developers. However, several elements of the structural approach highlighted above (especially the inclusionary requirement and the site-control opportunities for mission-driven affordable housing development) are broadly applicable.

The Columbia Pike Neighborhoods Form Based Code[1] in Arlington, VA, serves as another example of a neighborhood- or corridor-specific plan that provided opportunities to significantly increase housing supply, upgrade supportive infrastructure, improve walkability and multi-modal transportation options, and preserve and expand the supply of income-restricted housing. The plan set a goal of no-net-loss of affordable housing as the corridor redevelops from a suburban, strip-mall model of development to a walkable "new downtown." Importantly, the Form Based Code provided opportunities for creative infill development, such as facilitating the preservation of existing modest garden-style apartments by allowing denser development on surface parking lots. On-site affordable housing in market-rate developments was facilitated by the opportunity to achieve additional density and reduce parking levels. Affordability targets and incentives were developed through an intensive community engagement process that included considerable outreach and discussion with the large number of commercial and rental property owners in the corridor in order to balance community needs with the economic feasibility of new development.

This focus on economic feasibility raises the prospect of trade-offs. Community benefits (affordable housing, infrastructure improvements, open space/parks) and design requirements/amenities (off-street parking) carry costs. An effective planning process must consider the relative value of these features to the community in the context of the associated costs, or else development may not occur as planned.

[1] Arlington County, VA. "Columbia Pike Neighborhoods Form Based Code." https://building.arlingtonva.us/permits/form-based-code/neighborhoods/.

Challenge: A lack of housing diversity throughout Howard County inhibits racial and socioeconomic integration. Historically disadvantaged populations, lower-income households, and households experiencing poverty find that most of the housing options affordable to them are concentrated in only a few locations. This challenge is especially problematic considering that most remaining land and school capacity is in the Rural West, where current zoning regulations largely prohibit affordable housing development of any kind.

Examples of Relevant Policies: *General Plan, Zoning Regulations, Adequate Public Facilities Ordinance, Official Area Plans (including Columbia Downtown plan and Developer Rights and Responsibilities Agreement); Moderate Income Housing Unit (MIHU) program); Section 128.J.2.C (Howard County Housing Commission authorization for limited development in non-residential zones (Section 128.J.2.C.); Baltimore Regional Project-Based Voucher and Housing Mobility programs; Columbia Housing Center; County Fair Housing Policies and Enforcement*

Baseline Analysis and Practitioner Feedback

Diversity and inclusion were founding principles in parts of Howard County, particularly in James Rouse's initial vision for the development of Columbia. As the United States continues to reckon with the issues of racial injustice after a tumultuous 2020, this Housing Opportunities Master Plan is an important opportunity to take concerted steps toward equity.

Historically, housing policies have enabled—and, in many cases, deliberately caused—socioeconomic and racial segregation, both locally and nationally. A brief synopsis of the historical record of the use of land use, zoning, infrastructure, and financing to promote segregation is found in "Segregated by Design," a video by author Richard Rothstein.

Just as policy can both intentionally and unintentionally encourage segregation, it can also promote integration (specific examples will be discussed in more detail below). Columbia was established with the intention of creating an integrated community that could serve as a model for other parts of the County and country, and the results of this initial commitment are apparent to this day. However, few other neighborhoods in Howard County took an intentionally integrative approach, and the County as a whole was not spared the impacts of historically discriminatory policies and practices. These impacts are manifest in the levels of racial and socioeconomic segregation seen throughout the County today (see Appendix C for additional data on this subject).

As the County has evolved and changed, and as it has attracted new residents, the extent to which there is still a broad-based commitment to diversity and inclusion is unclear. Several practitioners believed that this commitment has eroded over time, and there is concern that statements on racial and socioeconomic equity will not translate to "on-the-ground" changes in policy and practice.

Moving from general commitments to policy specifics, there are two primary ways in which the County influences integration: (1) the use of policies that shape the location and nature of development (i.e., land use and zoning) and (2) the administration of housing and social service programs and supports. In this latter category, the County has a comparatively strong track record of proactively prioritizing integration. However, the impact of these efforts has been and will continue to be limited until there is a change in approach to development policy. The following sections discuss each of these policy categories in more detail.

Role of planning and development policy in shaping racial and socioeconomic inclusion in Howard County

The previous section (*Challenge: housing supply has not kept up with demand*) detailed the ways in which the County's development policies (General Plan, Zoning Ordinance, etc.) have contributed to increased housing costs and limited the development of naturally lower-cost housing types in significant portions of the County. These factors raise barriers to entry in specific neighborhoods and contribute to de facto segregation based on income in neighborhoods across the County. By limiting flexibility in the location and types of housing that can be built, County policies also make it more difficult to develop the types of housing structures—such as ADUs that can serve as caregiver suites or provide supplementary income—that can facilitate aging-in-place for older adults and/or integrated living for persons with disabilities.

Given racial wealth and income gaps, income-based barriers to integration translate into de facto barriers to racial integration. To provide one example, it is helpful to consider the relationship between housing type, costs, and homeownership. In general, exclusively single-family detached neighborhoods are predominantly owner-occupied. In addition to functionally locking out most renters, the high cost to purchase such homes—particularly in expensive areas such as the Washington-Baltimore region, generally, and Howard County, specifically—reduces housing options for a wider range of households without the income, and importantly, assets to purchase. A critical barrier to homeownership is access to resources for a down payment. Wealth disparities between demographic groups can be particularly impactful in this context. Given that home equity is the largest financial asset for middle-income households,[2] historical practices that explicitly limited the access of non-whites to homeownership can create barriers for future generations, even if and when such policies have been banned. Therefore, it is unsurprising that research shows White households are more likely to receive inheritance or receive help for making a down payment than Black or Hispanic households.[3] When such support may be an important factor in affording to purchase in high-cost jurisdictions, policies that restrict housing choices and prevent more attainable housing types (both rental and lower-cost ownership) from being built have a disparate impact on historically marginalized groups and perpetuate the legacy of segregation.

De facto barriers to integration created by zoning policies limit the potential for greater racial and socioeconomic diversity in other spheres of life, particularly in the case of education. For example, if integration is lacking at the neighborhood level, it is more difficult to draw school boundaries that create student populations reflective of the County as a whole.

Zoning barriers also have spillover impacts on the effectiveness of programs designed to increase integration, housing choice, and stability. Practitioners discussed the difficulty of helping households

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[2] Jenny Schuetz, "Rethinking Homeownership Incentives to Improve Household Financial Security and Shrink the Racial Wealth Gap" (Brookings, December 9, 2020), https://www.brookings.edu/research/rethinking-homeownership-incentives-to-improve-household-financial-security-and-shrink-the-racial-wealth-gap/.

[3] Neil Bhutta, Andrew C. Chang, Lisa J. Dettling, and Joanne W. Hsu, "Disparities in Wealth by Race and Ethnicity in the 2019 Survey of Consumer Finances," FEDS Notes, September 28, 2020, https://www.federalreserve.gov/econres/notes/feds-notes/disparities-in-wealth-by-race-and-ethnicity-in-the-2019-survey-of-consumer-finances-20200928.htm.

receiving rental assistance (such as Section 8 Housing Choice Vouchers) outside the Columbia area, given the lack of apartments available in other neighborhoods. While no census tracts in Howard County meet HUD's definition of concentrated poverty at this time, [4] the lack of rental options does significantly restrict the choice and mobility of voucher holders, which is a core purpose of the federal program.

Despite the challenges embedded in the General Plan and Zoning Ordinance, the County has adopted critical development-focused policies that advance integration. First, the DRRA for Downtown Columbia promotes a mixed-income community with affordable housing developments integrated into the neighborhood and affordable units integrated into market-rate developments. Provisions that a portion of the latter units provide deeper income targeting (in partnership with the Howard County Housing Commission) are relatively forward-thinking and important to ensuring that Columbia provides a wider spectrum of housing choices in each development.

Another existing policy that can be used to advance the goal of integration is Section 128.J.2.c., which authorizes the County to approve up to 12 acres of development in specified non-residential zones over a three-year period for affordable housing produced by the Howard County Housing Commission.

Finally, the County has a longstanding inclusionary housing policy: The Moderate Income Housing Unit ("MIHU") program. This program leverages market-rate development to produce affordable housing units in income-integrated settings.

While the MIHU program itself is strong, restrictions on development inhibit its integrative potential. In general, higher-density forms of housing, such as attached single-family, townhome, and multifamily products, are more conducive to such development, given the ability to amortize the cost of the affordable units, fixed expenses, and land costs over a larger number of units. Single-family zoning can therefore serve as a barrier to on-site MIHUs. A land value analysis conducted by RCLCO indicates that it can be difficult for developers of larger and more expensive detached housing to produce on-site MIHUs without jeopardizing the economic feasibility of their projects. While the MIHU regulation allows for a modest level of form flexibility (developers are allowed to use "multi-plex" structures of three or four units for MIHUs in a single-family detached development), the County does not provide any additional density to make those building types more feasible.

MIHU regulations do allow for developers to pay a fee-in-lieu of on-site units, and the resulting revenues are used to support other critical affordable housing activities (see sidebar below). However, just as zoning barriers make it difficult to produce on-site MIHUs, the lack of zoning for attached or multifamily housing makes it difficult to use fee-in-lieu ("FIL") revenue to subsidize income-restricted housing development in the same (or similar) neighborhoods.

[4] HUD defines a concentrated poverty as a census tract with 40% or more of individual living at or below the poverty line or a poverty rate that is three or more times greater than the metropolitan area, whichever is lower. A neighborhood is considered a racially/ethnically concentrated area of poverty if it meets this standard and has a non-white population of 50% or more. https://hudgis-hud.opendata.arcgis.com/datasets/56de4edea8264fe5a344da9811ef5d6e_0

MIHU Fee-in-Lieu Policy

Allowing fee-in-lieu is a common practice in jurisdictions with inclusionary housing programs similar to MIHU (approximately 2/3 of all programs, according to a recent study), and resources can be targeted to provide housing types that are generally not produced through market-based inclusionary programs (including family-sized units, deeply affordable units, and/or those targeted to households with special needs. [5] Fee calculations vary considerably across the country, including per unit flat fees, charges per square foot, and the "affordability gap"[6] (the difference in cost between a market-rate benchmark and an affordable unit, the method used in Howard County).

While many jurisdictions attempt to set fee-in-lieu levels at the cost of producing an affordable unit, that generally implies the cost of the local subsidy (i.e., gap financing) as opposed to total development costs. The RCLCO land value analysis suggests that setting fee-in-lieu at total development costs for an affordable unit would preclude economic viability of most projects.

Fee-in-lieu examples from other jurisdictions include:

- The City of Chapel Hill, NC, requires a payment of $85,000 per affordable unit that would otherwise have had to be produced on-site, while offering offsetting incentives to developers.
- Montgomery County, MD, allows "alternative payments" for projects of 11-19 units equal to 0.5% of the purchase price of each home in the development. A back of the envelope estimate of what three recent developments might pay produces a range of $47,500 (11-unit townhome development in Silver Spring) to $137,000 (17-unit single-family development in Bethesda) per project.

Role of County housing programs in shaping racial and socioeconomic inclusion in Howard County

Whereas development policies outside of Columbia have generally served as barriers to integration, Howard County has made a considerable effort to advance integration through the structure and administration of its housing programs.

First, Howard County was an early-adopter of a local fair housing ordinance that expands protections against discrimination to include source-of-income (i.e., an otherwise qualified tenant cannot legally be turned away because the household receives rental assistance or other forms of public subsidy). Several practitioners spoke positively of the aggressiveness with which the County enforces federal, state, and local fair housing laws to prevent discrimination. The County participates in the Analysis-of-Impediments ("AI") to Fair Housing for the Baltimore metropolitan region, which is considered a best practice for advancing intra-regional housing choice and opportunity and breaking down exclusionary housing barrier, which can be found at both the jurisdictional and neighborhood levels. A portion of County's Housing and Urban Development ("HUD") block grant resources support the regional AI Coordinator to

[5] Aaron Shroyer, "Determining In-Lieu Fees in Inclusionary Zoning Policies" (Washington, DC: Urban Institute, May 18, 2020), https://www.urban.org/research/publication/determining-lieu-fees-inclusionary-zoning-policies.
[6] Aaron Shroyer, "Determining In-Lieu Fees in Inclusionary Zoning Policies" (Washington, DC: Urban Institute, May 18, 2020), https://www.urban.org/research/publication/determining-lieu-fees-inclusionary-zoning-policies.

implement recommendations for advancing fair housing in cooperation with Baltimore City, City of Annapolis, Anne Arundel County, Baltimore County, and Harford County.

Howard County Housing Commission activities also play a role in advancing inclusion. The Commission is the local housing authority, though it does not manage or produce “traditional” public housing as funded and regulated under HUD Section 9. Commission developments are often mixed-income, which supports integration and helps avoid concentrations of poverty.

The Commission is also the administrator of Howard County’s allocation of both project-based and Section 8 Housing Choice Vouchers. The Commission and County participate in both the Baltimore Project-Based Voucher and Housing Mobility Programs, which expand the region-wide housing choices for recipients of federal rental subsidies.

In terms of intra-county housing choice, the Commission has recently adopted the best practice of using small area fair market rents to determine eligible units and payment standards under the Section 8 program. This practice should allow voucher holders to access rental units in higher-cost neighborhoods in which the prevailing rent levels exceed the previous, county-wide payment standard. While current land use patterns still lead to a large number of voucher holders living in the Columbia area, the small area fair market rent policy will be an important tool if development policies enable more multifamily development over a larger portion of the County. In addition, the County has used federal Community Development Block Grant resources to support the nonprofit Columbia Housing Center, which provides affirmative marketing services to recruit landlords to participate in the Section 8 program and lease units to recipients of rental assistance, with the goal of reducing residential segregation patterns within Columbia.

Guidance for Future Policy

Moving forward, the most effective action the County can take to support integration is to embed the commitment to integration that exists in housing programs into the development policy framework. There will continue to be a limit to the integrative potential of housing programs if the General Plan and Zoning Ordinance are working at cross-purposes to this goal by limiting the number and diversity of housing options. Specific options for improving development policies are addressed in more detail in other sections (*Challenge: housing supply has not kept up with demand* and *Challenge: New development today is less diverse*).

When approaching larger-scale, neighborhood, or multi-site redevelopment, the Columbia redevelopment model can serve as a roadmap for promoting integration. Although there is some practitioner disagreement on whether the total number of affordable units required was appropriate, the negotiation resulted in a robust suite of tools and approaches that are likely to provide a range of integrated, affordable options (see prior discussion). Moving forward, similar planning efforts should consider two additional opportunities to enhance integration and equity:

- Investigate opportunities to incorporate affordable homeownership units or developments into the broader plan. In the context of revitalizing or redeveloping neighborhoods, enhancing ownership for lower-income households and historically marginalized communities could ensure broader sharing of the wealth-creation opportunities stemming from public planning efforts.
- Promote diversity in retail spaces, businesses, and cultural institutions. Creating welcoming neighborhoods to people from all walks of life requires more than just affordability. Mixed-use,

village concept, and/or "traditional neighborhood" development efforts are built on the premise that residents will be able to meet a greater proportion of their needs within the community. Retail and business programming that predominantly serves the higher-end of the mixed-income population limits the promise of these neighborhoods. Affirmative efforts to create a more diverse mixed-use environment include proactive outreach, inclusion, and recruitment of businesses starting at the onset of the planning process, more diversity and flexibility in the size and structure of retail spaces, and other tactical innovations that reduce barriers to entry for small businesses (for example, allowing "pop-ups," intentional food truck/kiosk space, etc.).

As important as such planning efforts can be, a significant amount of development will occur outside the framework of an Official Area Plan (see definition, Page 7 of Appendix A). One issue that was raised repeatedly during the outreach process was the relationship between housing and transportation access. While there was broad consensus among practitioners that transportation access mattered, there was considerable disagreement on the extent to which multi-modal transportation access should be a pre-requisite for new development. Given the relative lack of public transportation options and mixed-use, walkable neighborhoods in Howard County, using such factors as a binding constraint for new development would likely have the effect of reinforcing existing patterns of segregation. Furthermore, many lower-income households have occupations without fixed places of work (for example, workers in the construction and home repair industry, home health aides, etc.) that require automobile access regardless of the quality of transit options. Moving forward, a balanced approach that expands housing opportunities to a wider range of household contexts would do the following:

- Expand housing options for those who cannot drive (or would choose not to if other options existed) by facilitating more development—and especially the development of accessible housing units—in areas that provide better transit/non-single car occupancy options and/or walkable mixed-use neighborhoods.
- Make strategic improvements to transit service and pedestrian/bicycle pathways to improve scope and accessibility of these options.
- Allow development in other neighborhoods for individuals who will continue to need or use automobiles, but incentivize—or require—neighborhood and infrastructure features that could facilitate future improvements to walkability and transit access, such as accessible sidewalks, street grids and pedestrian pathways that facilitate connections to nearby retail, etc.

If new development is facilitated, the MIHU program will be able to produce more affordable units in income-integrated settings. The most effective approach for increasing the inclusive potential of MIHU (particularly in the contexts that currently result in fee-in-lieu payments) would be to provide the necessary density, as well as form and regulatory (parking, height, setbacks, etc.) flexibility, to make on-site units economically feasible. Without such incentives and allowances, the elimination of fee-in-lieu payments as an option for developers is unlikely to promote integration, as the RCLCO land value analysis suggests that there are instances in which new development will otherwise be economically infeasible. As such, the preservation of fee-in-lieu as an option is important to ensure that such development is able to proceed, and that a further undersupply of housing is not unintentionally created.

The County is also well placed to attract outside capital for affordable housing investment. The State of Maryland's allocation procedures LIHTC (the primary federal funding source for affordable rental housing development and preservation) provide incentives for “family housing in communities of opportunity.” Howard County’s strong economy and good schools give mission-driven developers a competitive advantage for these resources. A proactive strategy that encourages more multifamily development across the County and provides local “gap” resources for affordable development could leverage external resources to support inclusive housing opportunities. One potential targeted policy option to encourage such development would be to enhance the land use flexibilities under *Section 128.J.2.C* to increase the 12-acre cap, apply the policy to more eligible zoning categories (including low-density residential neighborhoods), and/or expand the flexibility to a wider-range of mission-oriented developers (such as nonprofits focused on permanent stewardship of LIHTC developments). These three policy options are complementary. While the first two options could be pursued independently, expanding the pool of eligible developers would create difficulties for prioritization, planning, and administration if not accompanied by an expansion of the 12-acre cap.

Expanding housing opportunities in a wider range of neighborhoods is a necessary first step for encouraging greater integration, but not sufficient by itself to change the current dynamics at-scale. The County’s successful existing landlord engagement efforts could be expanded upon. Mobility programs could also be improved by enhancing introductory education to better inform residents about County and neighborhood services, institutions (faith communities, public facilities, community/civic associations), and events. This type of engagement can better link residents to other supports that can enhance quality of life, as well as provide an opportunity to enhance inclusion in all aspects of community life beyond housing.

More effective, ongoing community engagement is necessary if Howard County is to be successful in adopting a range of policy changes that advance inclusion. There was considerable concern among practitioners that local discussions of policy change (in multiple sectors) are often dominated by groups that only represent a portion of the broader community. Limited participation is a problem in general and is especially detrimental when specific groups are underrepresented. Lower-income households, persons with disabilities, and those with limited English proficiency may struggle to participate in public input processes. Prior to the COVID-19 pandemic, those with childcare responsibilities or work hours that conflicted with public meetings faced barriers to participate. As the pandemic has shifted engagement online, those with limited technological proficiency or without reliable access to a computer and high-quality internet service may similarly struggle. There is no one-size-fits-all approach to engagement, but intentionality is critical to capturing a wider range of perspectives.

To illustrate the importance of representative engagement, practitioners with experience in providing services to residents of neighborhoods with higher levels of poverty raised a number of concerns during the outreach process, including issues of segregation, lack of access to other neighborhoods, and housing quality issues.[7] In discussing potential solutions, these practitioners highlighted that, while some lower-income households would welcome or prefer the opportunity to move to other neighborhoods if affordable options were available, others felt a connection to their current neighborhoods and were concerned about housing quality and involuntary displacement. This outreach elevated the importance of utilizing a broader policy toolkit that balances mobility improvements with

[7] These conversations supplemented direct outreach to individual households in these communities (see summary, Appendix F). Conversations with service providers provide a complementary perspective on the needs of the households they serve but should not be viewed as a replacement for direct outreach.

interventions to support existing residents hoping to remain in the community they call home, rather than an either/or approach.

Additional Policy Considerations and National Examples

Specific examples/best practices for improving development policies and increasing housing stock diversity can be found in the *Challenge: housing supply has not kept up with demand* and *Challenge: New development today is less diverse* sections.

Creating effective community engagement structures is a universal and evolving challenge that no individual jurisdiction has fully solved. However, individual success stories are important. Practitioners engaged in the outreach process for the aforementioned Minneapolis 2040 Plan built support using a racial justice lens, emphasizing the role that land use policy can play in both creating and reducing disparities.[8] When Arlington County, VA, was debating passage of its Affordable Housing Master Plan,[9] local advocates helped organize a group named Mi Voz Cuenta ("My Voice Counts"), which directly built participation among lower-income households that were concerned the debates about the impact of the plan on poverty levels and schools excluded and stigmatized the lower income households living in those communities.[10] A 2019 report from Urban Land Institute ("ULI") Washington highlights the challenges associated with building durable, effective community engagement structures as well as recommendations action moving forward.[11] Critical steps included:

- Meeting communities "where they are" (pop-up events, small group meetings, mobile workshops);
- Leveraging digital engagement tools;
- Providing multilingual and accessible public information and translations;
- Gathering information on broader community needs and "vision," outside the framework of any specific policy, proposal or development; and
- Shifting the primary locus of engagement to broader planning/"vision development" efforts, instead of on a development-by-development basis

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[8] Kathleen McCormick, "Rezoning History: Influential Minneapolis Policy Shift Links Affordability, Equity," LIncoln Institute of Land Policy (blog), January 16, 2020, https://www.lincolninst.edu/publications/articles/2020-01-rezoning-history-minneapolis-policy-shift-links-affordability-equity.

[9] A member of the consultant team (Michael A. Spotts) was officially involved in the development of this plan in a volunteer capacity.

[10] "New Arlington Advocacy Group Angered over 'Rhetoric' during Housing Debate," InsideNova, September 22, 2015, https://www.insidenova.com/news/arlington/new-arlington-advocacy-group-angered-over-rhetoric-during-housing-debate/article_31980bd2-6142-11e5-acdc-8f7e923ff47f.html.

[11] Eric Feldman, Deana Rhodeside, and Michael A. Spotts, "Increasing Housing Supply and Attainability – Improving Rules & Engagement to Build More Housing" (Washington, DC: Urban Land Institute - Washington, May 2019), https://washington.uli.org/release-increasing-housing-supply-and-attainability-improving-rules-engagement-to-build-more-housing/.

Challenge: New development today is less diverse than the housing inventory overall. In recent years, new development has shifted in favor of rental apartments, and—at the same time—the for-sale market has largely stopped building smaller, attainably priced for-sale housing.

Examples of Relevant Policies: *General Plan, Zoning Regulations Official Area Plans (including Columbia Downtown plan and Developer Rights and Responsibilities Agreement); Moderate Income Housing Unit (MIHU) program)*

Baseline Analysis and Practitioner Feedback

The diversity of the housing stock is closely related to the issues discussed in the previous two sections. In short, the lack of diversity in new housing is a result of current zoning policies, as well as the locations in which developable land and school capacity still exist. Ancillary requirements, such as those related to parking and setbacks, can create de facto bans on certain housing types, even in areas where they are otherwise allowed. Coupled with limitations on the allowable number, location, and types of housing units, unmet demand at higher price points crowds out the ability of the market to respond to demand for housing types that could better serve lower- and middle-income households. In most cases, developers will choose to pursue higher-end development when there is clear demand, particularly when lower-cost housing proposals cannot proceed "by-right." Affordability challenges may worsen moving forward absent policy change, given that many of the units that constitute the more diverse housing stock—such as attached single-family homes and smaller-scale multifamily ones—are aging. The combination of high land values and current zoning policies make it challenging to maintain the affordability of housing when it is rehabilitated or redeveloped.

Practitioners that were engaged as part of this research believe the market can support more diverse housing typologies if allowed on a by-right, or more streamlined, basis. There was a general consensus among practitioners that more diverse housing typologies in a wider range of areas are necessary to promote integration and to support the creation of targeted affordable housing throughout the County. More diverse housing stock can better enable aging in place for older adults and integrated living opportunities for persons with disabilities. A recent analysis of AARP Livability Index data from the Harvard Joint Center for Housing Studies and AARP Public Policy Institute found that the most "livable" neighborhoods for seniors offered the most diverse set of housing options, with a mix of single-family and multifamily and ownership and rental options. Despite the fact that these neighborhoods tended to be less affordable on average, older adults earning less than $30,000 per year were slightly overrepresented, perhaps a result of the presence of rental housing options. However, low-income adults in such neighborhoods were also more likely to face cost burdens, underscoring the importance of balancing housing supply strategies with targeted income and housing supports.[12]

[12] Jennifer Molinsky and Whitney Airgood-Obrycki, "Housing and Livable Neighborhoods," Housing Perspectives (from the Harvard Joint Center for Housing Studies) (blog), February 10, 2021, https://www.jchs.harvard.edu/blog/housing-and-livable-neighborhoods.

Guidance for Future Policy

Approaches to housing stock diversification should be considered at two levels: (1) countywide and (2) in individual neighborhoods. In the aggregate, the County should strive to amend development policies to produce more diverse housing types. While the County should not preclude development that predominantly offers a specific in-demand housing type (for example, a subdivision of single-family attached homes), it should also work to reduce barriers to housing supply diversification at the neighborhood level. The latter approach could advance integration and inclusion by gradually expanding the number of neighborhoods that include a range of housing types—and, by extension, price points—that can be produced on a by-right or streamlined basis. While a more diverse housing stock is beneficial in general, this analysis did not identify specific housing types that should be prioritized over others. To ensure viability in a range of development contexts, flexibility in form should be complemented with flexibility in other zoning provisions (parking, setbacks, height, etc.).

These policy changes should be addressed in the context of transportation issues discussed in the prior section. To enhance mobility options and incrementally divert some transportation demand from highways, the County should consider expanding the number of mixed-use neighborhoods—or residential neighborhoods with easy walkability to retail centers and/or community facilities—by expanding the locations in which neighborhood-serving retail can be developed and making tactical improvements to pedestrian and bicycle infrastructure. Such efforts should be done in a manner that improves accessibility for individuals with mobility challenges. Practitioners emphasized that mixed-use neighborhoods need not rely on mixed-use buildings nor be at the highest density levels. While mixed-use buildings should be allowed, several interviewees noted that ground-floor retail requirements are not viable in all neighborhood contexts. Small retail-only buildings (for example, a corner store or coffee shop) can serve the same purpose of providing walkable destinations or "third spaces."

Additional Policy Considerations and National Examples

Both the aforementioned Minneapolis 2040 Plan and Portland Residential Infill Project allow a wider range of building types to proceed by-right and provide some degree of flexibility to enable such development. Portland's policy also allows for increases in allowable density (up to six units on a lot) if one-half of the units are affordable to households earning up to 60% of area median income.[13]

Jurisdictions have also sought to achieve greater affordability by pairing housing type flexibility with targeted supports and subsidies. The City of Los Angeles has established an ADU Accelerator Program, which offers a package of benefits to homeowners (tenant referrals, case management, rental payments) who commit to rent an ADU to an older adult in need of housing.[14] Other pilots in Los Angeles and elsewhere have provided a wide range of incentives (fee waivers, expedited permitting, low-cost financing, etc.) for providing ADU access to formerly homeless individuals and recipients of rental assistance.

[13] City of Portland, OR, "About the Residential Infill Project," Portland.gov, 2020, https://www.portland.gov/bps/rip/about-project.

[14] City of Los Angeles, CA, "LA ADU Accelerator Program," accessed February 26, 2021, https://adu.lacity.org/.

Challenge: Howard County lacks a cohesive strategy for prioritization, policy/program design, and resource allocation.

Examples of Relevant Policies: *HUD-required Consolidated Plan and Annual Action Plans, The Path Home: Five Year Plan to End Homelessness, Annual/monthly MIHU reports, Department of Planning and Zoning Development Monitoring System and Report*

Baseline Analysis and Practitioner Feedback

Successfully addressing housing challenges requires a shared vision and goals among County leadership, in addition to a commitment to support the necessary actions to achieve that vision, an effective and coordinated strategy to prioritize resources and adopt critical—and sometimes contentious—policy changes, and high-capacity and adequately-resourced staff to engage in policy development and program administration.

Of these three factors, reviews of policies, administrative practices, and practitioner interviews support the assertion that existing County staff are highly knowledgeable and broadly effective in administering the current suite of County policies and programs. This statement applies in particular to the three primary Howard County departments—Housing and Community Development ("HCD"), Planning and Zoning ("DPZ"), and Community Resources and Services ("CRS")— that oversee the bulk of policies and programs affecting local housing issues. Similarly, the Howard County Housing Commission can be considered "high-capacity," given its success in developing and preserving mixed-income affordable housing, reasonably strong access to capital (through its bonding authority), and its stewardship of HUD resources[15]

Furthermore, there is a strong ecosystem of private partners—including, but not limited to, nonprofits, mission-driven developers and property owners, and service providers—that implement housing and social service activities on behalf of the County. Notably, these nonprofits take on a larger role in administering social service programs than is seen in some other jurisdictions, which often administer case management, housing placement, homeless services, and/or other supports for vulnerable households directly. While there was some sentiment on the margins among a small number of practitioner interviewees that the County would be better-served by bringing some of these services in-house, most practitioners supported the current model, and there was broad consensus that the nonprofits themselves were highly effective (additional discussion of this issue to follow below).

There is some precedent for County action in most policy/programmatic areas common in the "toolkit" for a comprehensive approach to housing. Howard County administers programs that address expanding homeownership, supporting homeowner repairs, assisting vulnerable renters, and producing affordable housing units (see policy inventory for details of each). There is also precedent for innovative thinking and practice for addressing unmet needs, with notable examples including the Downtown Columbia affordability strategy, a targeted "cluster" approach to homeowner rehabilitation, the Live

[15] Examples of effective administration include the adoption of widely recognized best practices such as small area fair market rents in the administration of rental assistance programs, as well as continued participation in regional mobility programs.

Where You Work Program, support for acquisition through the Bridges Alliance program, and landlord outreach programs.

However, several of these examples are not part of a permanent policy structure, and others lack the scale and/or focus of examples commonly found in jurisdictions of comparable size/capacity and facing similar affordability challenges (see table). While addressing the gaps and/or scaling up requires concerted effort, prior precedents demonstrate a pathway to success, and should have the effect of lessening learning curves.

Critical Tools	Relevant Howard County Precedent
Housing trust fund with dedicated revenue source that provides ongoing and predictable gap funding program for affordable housing development in a predictable manner.	Community Renewal Fund, Downtown Columbia Housing Trust Fund, episodic allocation of MIHU fee-in-lieu funds for gap financing.
Defined strategy/tools to preserve existing affordable rental housing.	Howard County Housing Commission and other mission-driven developers have acquired/preserved rental units. Recently-adopted "right-of-first-refusal" policy.
Proactive area planning to leverage land use policies/incentives to preserve/expand affordability.	Downtown Columbia plan and Developer Rights and Responsibilities Agreement
Facility co-location and/or public land activation strategy	Housing Commission mixed-use, mixed-income developments as part of Downtown Columbia plan Roger Carter Community Center and Leola Dorsey Community Resource Center co-located developments.

Addressing critical housing needs is unlikely to be accomplished through the existing land use and funding paradigm. A critical first step to changing that paradigm is to enhance coordination in strategy development, policymaking and resource prioritization/allocation decisions. While each relevant County agency coordinates to some extent (for example, each participated in the Housing Opportunities Master Plan development process), there lacks a unified, measurable vision for success, and certain policies (notably, development policies that limit housing development) work at cross purposes with the general goal of expanding housing opportunities.

Although housing programs do receive funding from a dedicated portion of the transfer tax and MIHU fee-in-lieu revenues, Howard County has not traditionally allocated direct budgetary resources. As such, federal funds—including the HOME Investment Partnership Program, Community Development Block Grant, and Commission-administered rental assistance programs—are critical to the County's strategy. Therefore, most "big picture" planning occurs within the framework of HUD-mandated plans, including the Consolidated Plan, the Annual Plan, the regional Analysis of Impediments to Fair Housing, and the strategic plan to end homelessness. These activities are supplemented by more targeted reports focused on departmental activities, such as reporting on MIHU development, revenues, and outcomes by DHCD, as well as the Development Monitoring System of DPZ.

These planning and reporting processes are important from the perspective of compliance and promoting the wise stewardship of resources. However, they are not an adequate replacement for a more comprehensive process that links the various plans and initiatives into a cohesive strategy, reconciles competing goals and interests, and prioritizes resources and policies accordingly.

Planning and coordination has an added layer of complexity in Howard County given the nonprofit service delivery model. Coordination between the County and nonprofits was seen by practitioners as effective overall. In terms of administrative and "back office" issues, nonprofits do have some access to shared resources from the County and the Association of Community Services.

In terms of funding and resources for administration and program implementation, there were differences of opinion among practitioners regarding whether there should be more direct County support for nonprofit partners. Nonprofits currently receive Community Service Partnership Grants and other forms of funding tied to program implementation/service provision, which they supplement with organization-by-organization fundraising efforts. Some practitioners believed that this independent fundraising was an important feature for maximizing the impact of County resources, while others advocated for a shift toward more direct County financial support. This debate centered on the tradeoff between the opportunities for leverage in the nonprofit model and the need for integration of systems and close coordination when administering programs that address homelessness or provide services for potentially vulnerable populations. A core tradeoff when emphasizing the need for non-County resources is that donors (foundations, philanthropies, private individuals, etc.) have their own objectives for the use of funds. These priorities may overlap but not perfectly align with the specific needs present in the County or the preferred programmatic approach being coordinated across the nonprofit sector. Even when there is strong alignment from a programmatic perspective, it is often difficult to identify resources for the administrative and organizational capacity necessary to raise resources and implement programs. Small donor solicitation efforts can play a role in filling this gap, but each event/effort creates the risk of "donor fatigue." In a competitive environment with a broad range of donors, there is no guarantee that the highest-priority needs will draw the most resources.

Guidance for Future Policy

The broader Housing Opportunities Master Plan effort is an acknowledgment of the need for a more strategic countywide approach to housing and represents a critical first step. This plan should serve as a foundation for establishing ongoing, cross-departmental systems to inform policy design and resource allocation moving forward. Creating these systems is critical to moving from high-level goals and objectives (i.e., produce 300 affordable homes/year) to specific targets and actions (i.e., the percentage of those units produced through financial subsidy vs. MIHU, and aligning budgetary resources accordingly). Creating formal systems for ongoing planning is also necessary to adjust to market shifts and changes in housing needs over time. "Big picture" strategic planning and evaluation should be complemented with regular, structured reviews to ensure that policies and practices are well-calibrated and meeting their specific purpose. To illustrate, the County should have a regular timeline and approach for evaluating MIHU policy characteristics—such as fee-in-lieu levels, affordability requirements, and resale formulas for homeownership units—to ensure that they are in-line with housing needs and are economically realistic given market realities. Implementing this full range of activities is likely to require additional departmental staff.

Moving forward, there are also opportunities to better coordinate with private sector, philanthropic entities, and anchor institutions to address housing needs, particularly in the context of the nonprofit service provision model. Service needs are likely to remain elevated for some time, even if the direct effects of the current COVID-19 pandemic dissipate. Likewise, nonprofit service providers will continue to face challenges (and potentially direct costs related to testing, personal protective equipment, etc.). As such, additional direct support for nonprofit capacity is likely warranted.

On a structural level, there is more that the County can do to maximize the opportunities created by the nonprofit service delivery model to leverage third party resources while minimizing some of the costs associated with a more fragmented system. The County could play a stronger role as a “public face” or champion for nonprofits, help coordinate fundraising strategies, and assist in building relationships with larger institutions, such as health departments and hospital systems. Another potential approach is to facilitate a combined fundraising campaign to complement individual organizational efforts, in which each nonprofit participates and leverages its connections and donor network, but the resulting resources are pooled, prioritized by need, and distributed accordingly.

Additional Policy Considerations and National Examples

Since 2003, Arlington County, VA, has released annual goals and targets for affordable housing. Since the passage of the County’s Affordable Housing Master Plan in 2015, this evaluation process and publication has taken the form of an Annual Report, which includes also includes an online citizen summary and list of 61 indicators identified in a Monitoring and Evaluation Plan.[16] Indicators include basic housing stock characteristics (i.e., number of units affordable at various income levels), housing needs data (i.e., cost burden levels for renters and homeowners), outcomes of County programs (i.e., units preserved and created), as well as data on accessibility, sustainability, and poverty.

[16] Arlington County, VA. “Housing: Annual Reports,” 2021, https://housing.arlingtonva.us/plans-reports/annual-reports/.

Challenge: Existing resources are not sufficient to meet current and future capacity and demands (e.g., schools, transportation, etc.) while also dedicating funds to housing goals.

Examples of Relevant Policies: *Transfer tax, MIHU fees-in-lieu, Payments-in-lieu-of-taxes (PILOTS), contributions to Downtown Columbia Community Housing Fund, Howard County Housing Commission bonding authority*

Baseline Analysis and Practitioner Feedback

As discussed in the prior section, the County has utilized a number of funding mechanisms that are typical in similar jurisdictions across the United States. The resources currently used by the County are generally episodic (MIHU Fee-in-Lieu revenue, see table), insufficient to address critical needs (proceeds of portion of transfer tax, federal pass-through funds, Section 8 Housing Choice Vouchers), or both. Unlike many other jurisdictions, Howard County does not complement these resources with consistent, annual direct County budgetary support.

Recent MIHU Fee-in-Lieu Revenues[17]	
Calendar Year	**Total**
2015	$520,314.90
2016	$904,848.75
2017	$1,236,595.68
2018	$3,220,326.68
2019	$3,508,587.14
Five Year Total	**$9,390,673.15**
Average/Year	**$1,878,134.63**

Given the unmet housing needs detailed in Appendix C, resources need to be scaled up if Howard County is to meaningfully expand housing choice. That being said, it is difficult to estimate the specific amount of funding that would be necessary to address these needs, as the cost to accomplish that goal is path dependent on the specific policy changes adopted and the details of those policies. To illustrate, the Housing Opportunities Master Plan sets the goal of creating a minimum of 300 units of housing affordable to households at 60% of AMI per year. Two core approaches to meeting that goal are MIHU production and supporting LIHTC development through County subsidy (generally via a Trust Fund). If the County were to adopt a suite of policy changes that maximized the production of the MIHU program (such as rezoning to allow more multifamily development to proceed and providing density bonuses for exceeding MIHU minimum unit and affordability standards), the amount of "gap resources" that would be necessary to support LIHTC production would be substantially lower than if the majority of the 300-unit goal would need to be produced through such development. Even within the latter approach, per unit costs may vary substantially based on factors such as the type of project (new construction, acquisition/rehabilitation), construction type (high-rise, mid-rise, small multifamily, single-family), and intended beneficiaries (age-restricted, family-sized units).[18]

Additional resources are also needed for households-based supports. Federal programs provide the bulk of resources for programs addressing homelessness or providing rental assistance (including Section 8 Housing Choice Vouchers) to individual and families. However, these programs are underfunded and

[17] Source: Howard County Department of Housing and Community Development data.

[18] Estimates of gap needs per unit can therefore vary widely, from around $30,000 per unit to nearly $100,000 per unit based on examples from other Jurisdictions. Assuming an average portfolio cost of approximately $40,000 per unit, 300 units of new construction or preservation annually would cost approximately $12 million.

serve less than a quarter of eligible households nationwide.[19] Locally, the Howard County Housing Commission receives funding sufficient to provide rental assistance to approximately 800 to 850 households, but there are substantial waiting lists for assistance.

The market research and practitioner interviews also identified substantial needs for County funds beyond housing production and household-based rental assistance. Notably, additional support is necessary to address homeowner repairs, particularly in the context of accessibility improvements and aging in place. The County also provides resources and support for emergency assistance, which is augmented by charitable contributions and other sources. Even prior to the COVID-19 pandemic, these resources were insufficient to fully meet the needs of all eligible households.

Guidance for Future Policy

While the total amount of new resources necessary to improve housing opportunities will vary by specific approach, there are several considerations for how those revenues are raised and allocated that could lead to a more efficient and cost-effective housing delivery and support system.

First, changes to development policies and the MIHU program that maximize production would create more units that do not require a direct financial outlay from the County. These changes would therefore enable the County to focus its resources on households that the market and/or MIHUs do not reach.

When identifying new—or expanding existing—resources for housing, focusing on sustainable and predictable funding sources over one-time or highly variable ones can create greater impact, allowing the County to plan a "pipeline" of future activities more effectively. Direct allocations from the County budget should complement these resources, and the County can use them to "scale up" quickly in response to time-sensitive opportunities, such as the opportunity to purchase a rental property at risk of loss from the affordable stock. Scaling up resources would lead to an increase in the number of projects that need to be vetted and may require increases in staff capacity with expertise in financial management, lending, development underwriting.

Beyond direct financial support, other critical resources to support housing include land assets and in-kind support to nonprofit partners. The County can also explore other opportunities to attract outside capital, whether through philanthropic investment, community benefits agreements (for example, if a major employer decides to locate or facility is built in Howard County), or social impact bonds. The County can catalyze such investment by spearheading engagement and/or commissioning feasibility studies for various innovative funding models.

Additional Policy Considerations and National Examples

A local housing trust fund that has consistent revenues and provides reliable gap resources for affordable housing production is a foundational element of a comprehensive housing policy strategy. According to research from the Community Change Housing Trust Fund Project,[20] more than 740 local housing trust funds operated in the United States in 2020, including regional examples from both the

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[19] Frederick J. Eggers, "Characteristics of HUD-Assisted Renters and Their Units in 2017" (Washington, DC: US Department of Housing and Urban Development, March 2020), https://www.huduser.gov/portal/publications/HUD-Assisted-Renters-2017.html.

[20] Community Change, "Housing Trust Fund Project: State and Local Housing Trust Funds 2020," https://housingtrustfundproject.org/housing-trust-funds/.

Baltimore[21] and Washington, D.C.,[22] metropolitan areas. Among these regional examples (which include Howard County's Community Renewal Fund) there is a wide range of scale and effectiveness. Importantly, there are two particularly strong examples that establish an effective precedent: Montgomery County's Housing Initiative Fund ("HIF") and Arlington County's Affordable Housing Investment Fund ("AHIF"). Both funds incorporate a number of best practices for financing capital investments in affordable housing: Sufficient scale to create a consistent production "pipeline," a mix of dedicated and annually allocated revenue sources, alignment with the primary sources of production capital (especially the respective states' LIHTC allocation criteria and procedures), and resources that "revolve back" into the fund as developers repay the flexible, low-interest loans over time.

Since 1988, Montgomery County has administered the HIF, which provides loans to developers and property owners for the construction and preservation of affordable and special needs rental housing, rental assistance, homeless funding, neighborhood development, and some homeownership activities (including down payment assistance). The HIF is capitalized through a range of sources, including general revenues, proceeds from County taxable limited obligation bonds, shared profits/alternative payments from the County's inclusionary housing policy, condominium conversion taxes, a portion of proceeds from the sale of County land, and a portion of recordation taxes. These various funding sources totaled $63.3 million in Fiscal Year 2019. HIF resources are generally provided as gap resources, with a leverage ratio of $4.6 for every $1 of County resources over the last 10 years. [23]

Also created in 1988, Arlington County's AHIF has supported the considerable majority of income-restricted rental units developed or preserved in the County since its inception. In Fiscal Year 2019, the fund totaled $27.8 million from a mix of sources. These sources included a general fund contribution (45%), loan repayments (37%), developer contributions (inclusionary housing fee-in-lieu; 9%); dedicated recordation fees (5%); and federal funds (4%). The $18 million allocated in that fiscal year leveraged an additional $131 million from non-County sources.[24]

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[21] City of Baltimore Affordable Housing Trust Fund. In addition, Howard County's Community Renewal Fund meets the project's definition of a local housing trust fund.

[22] District of Columbia Housing Production Trust Fund; Maryland: Montgomery County Housing Initiative Fund; Virginia: City of Alexandria Housing Opportunities Fund/Housing Trust Fund, Arlington County Affordable Housing Investment Fund, Fairfax County Housing Trust Fund/Flexibility Fund. In addition, Loudoun County administers an Affordable Multi-Family Housing Loan Program that serves the same purpose.

[23] HR&A Advisors, LSA, and Neighborhood Fundamentals, LLC, "Montgomery County Preservation Study" (Montgomery County, MD: Maryland - National Capital Park and Planning Commission, December 2020), https://montgomeryplanning.org/planning/housing/preservation-of-affordable-housing/.

[24] Arlington County, VA. "Housing: Annual Reports," 2019, https://housing.arlingtonva.us/plans-reports/annual-reports/.

Challenge: It continues to be difficult to supply housing for diverse populations, with significant needs going forward.

***Examples of Relevant Policies:** MIHU/LIHU/DIHU programs, Bridges to Housing Stability property acquisition, Bridges Alliance, Housing Commission leasing partnerships with service providers, Section 8 Housing Choice Vouchers and Rental Contracts, HOPWA, Mainstream Voucher Program, HUD Family Self-Sufficiency Program, Senior Assisted Living Group Home Subsidy Program, Rental Assistance for Special Populations, Money Follows the Person BRIDGE, Community Action Council Housing and Energy Assistance, Baltimore Housing Mobility Program, Baltimore Regional Project-Based Voucher Program, Housing Connections, Landlord-Tenant Assistance programs, Senior Tax Credit, Tax Deferral Program for Elderly or Disabled Homeowners, Aging in Place Tax Credit, Livable Home Tax Credit, Reinvest, Renovate, Restore, Renew Howard County, Community Service Partnership Grants, Continuum of Care programs, Down payment assistance, Settlement Down Payment Loan Program, Homebuyer Education Workshops*

Baseline Analysis and Practitioner Feedback

Prior sections pay considerable attention to the broader needs of the market or affordable housing, generally. However, there are a number of households with housing challenges, barriers, or needs that require specific attention. Current policy reflects many of these households and groups, including those with very or extremely low incomes, older adults, persons with disabilities, adults and children with autism, historical victims of housing discrimination, persons at risk of or experiencing homelessness, formerly incarcerated individuals, and youth aging out of foster care, among others. These groups are all distinct, and face their own unique circumstances and challenges. However, the common thread is that many households with these characteristics may disproportionately struggle to find housing that is both affordable to them and meets their specific needs.

Individuals with very or extremely-low incomes[25] face considerable housing challenges. Market-rate housing is rarely affordable to these households (incomes at these levels do not always support the costs of maintenance/operations of a property), forcing people to pay an unaffordable portion of their income on housing, live in substandard housing, or both. As discussed in the prior section, federal rental assistance falls far short of need. Even those households that are able to lease an affordable housing unit produced through programs such as MIHU and LIHTC may still experience cost burdens. Unlike rental assistance, which bases rents on the difference between the individual tenant's income and a payment standard (known as the Brooke Rule), rents in most MIHU and LIHTC units are below-market, but based on a set standard (generally, 30% of a defined percentage of "Area Median Income," or AMI). Therefore, a household earning 50% of AMI would be cost burdened if they were living in a unit affordable at 60% of AMI.

Housing instability was increasing before the onset of the COVID-19 pandemic. From 2015 to 2019, the annual number of evictions filed and performed increased (see chart). Counting those who move after a

[25] Very low income is defined as 50% of AMI or below. Extremely low income is defined as 30% of AMI or below.

filing, at least 1,000 households had housing disruptions every year between 2015 and 2019. Circumstances were better for homeowners, with foreclosure filings steadily dropping since 2013. [26]

Grassroots Crisis Center manages an emergency hotline for services managed through the Coordinated System of Homeless Services. This hotline is an integrated point-of-contact for "emergency eviction prevention assistance, case management, trauma treatment, support for domestic violence and sexual assault survivors, re-entry (from Corrections) services, and supports for homeless school-age children through the Howard County Public School System." From 2017 to 2019, there were an average of 813 callers eligible for services and 263 referrals to case management from the waiting list each year. [28]

Indicators of Housing Instability[27]			
Year	Eviction Notices	Evictions Performed	Foreclosure Filings
2015	4,546	389	636
2016	4,647	361	503
2017	5,813	452	424
2018	5,340	462	399
2019	6,234	515	364

Housing instability can eventually lead to homelessness. In January 2020, the County released a comprehensive evaluation of programs and services to address homelessness, developed in partnership with the National Alliance to End Homelessness. The table below details the core findings and solutions identified as part of that effort. Several of these themes were echoed in practitioner interviews, with a core challenge that rapid rehousing is inhibited both by a lack of homes to be "rehoused into" and insufficient funding for households once rapid rehousing funds are exhausted.

Findings and Solutions from The Path Home: Howard County's Strategic Plan to End Homelessness[29]	
Critical Concerns	Core Strategies
• **The system has a capacity to only serve one-third of eligible households** • **There is no standardized processes for diverting people from the homeless system** • **The system fails to meet the pace to serve households in a manner of a crisis intervention which leads to waitlists** • **Limited permanent housing resources and subsidy-only vouchers create fully occupied emergency shelters with long-term residents**	• Prevent households from re-entering into homelessness (expand diversion strategies, implement financial and support services, landlord mediation, case management, expanded connections to income/employment supports among other approaches) • Ensure all households have access to immediate, safe, and appropriate shelter (increased street outreach and coordinated discharge)

[26] Laura Salganik, "Self Sufficiency Indicators: Howard County, MD (2019)" (Association of Community Services of Howard County, 2019), https://www.acshoco.org/self-sufficiency-indicators/. Pages 13-14.
[27] Laura Salganik, "Self Sufficiency Indicators: Howard County, MD (2019)" (Association of Community Services of Howard County, 2019), https://www.acshoco.org/self-sufficiency-indicators/. Pages 13-14.
[28] Laura Salganik, "Self Sufficiency Indicators: Howard County, MD (2019)" (Association of Community Services of Howard County, 2019), https://www.acshoco.org/self-sufficiency-indicators/. Page 11.
[29] Howard County Coalition to End Homelessness, "The Path Home: Howard County's Strategic Plan to End Homelessness (The Five-Year Plan 2020-2025)," Howard County, Maryland, January 2020, https://www.howardcountymd.gov/News/ArticleID/1836/News012920.

Findings and Solutions from The Path Home: Howard County's Strategic Plan to End Homelessness[29]	
Critical Concerns	Core Strategies
• **Emergency shelters serve at an overcapacity and wait times can be as long as 1 year** • **Rapid Rehousing, which has been shown to have high success rates of existing households into permanent housing, is extremely limited** • **Racial inequality is reflected in the high proportion of African Americans in the homeless population (58% - higher than national trends) despite only making up 20% of the population in the county** • **Subpopulations in the homeless community are not accessing the care appropriate to their level of need**	• Increase access to permanent housing (expanding housing navigator work, partnering with housing developers to expand set-asides, among others) • Increase collaboration, coordination, and communication between all service providers (build support to make this a whole-community effort; increase resources)

It is too soon to evaluate progress resulting from adoption of The Path Home, particularly given the complications resulting from the COVID-19 pandemic. However, practitioners were confident in the plan and its findings, though there was some concern that there was minimal concerted effort to leverage the plan's release to raise awareness and new resources to implement key provisions. That being said, the recommendations and strategies outlined in the Housing Opportunities Master Plan are complementary to the goals and strategies in The Path Home, and thus represents another opportunity to spur action.

The County does support the nonprofit service provider network in its efforts to partner with landlords to expand housing opportunities for vulnerable households. Such landlord partnership efforts are a critical best practice. For example, Bridges to Housing Stability master leases units and manages the Housing Connections program, through which the organization is a liaison to landlords, helping ensure rent is paid in full and on time and conducting visual inspections for general maintenance.

Not all housing needs are necessarily tied to a lack of income or housing instability. Certain households, especially older adults and persons with disabilities, may face barriers to living in integrated living environments with appropriate supports and services.

Practitioner interviewees highlighted the need for more accessible units. This need applies to both new development and the existing housing stock. There was a concern that new development does not include a sufficient number of Americans with Disabilities Act ("ADA") units to accommodate needs. However, some developers countered that it is sometimes difficult to find tenants for ADA units. This difference could suggest that the rents of new properties are too high for people with disabilities, which is especially problematic because new properties—unlike many existing ones—tend to contain features that these households need, such as elevators.

Housing preferences and needs among older adults vary considerably. Some practitioner interviewees who work with older adults emphasized the importance of enabling older adults to remain in their current homes, while others stressed a preference to downsize into smaller units if such units were available at affordable price points. Similarly, there was a mix of perspectives on preference for general occupancy vs. age-restricted communities. Still, older adults face barriers to both. In non-age restricted settings, barriers cited included infrastructure challenges (such as incomplete sidewalk networks) and the need for accessibility improvements to existing homes. Practitioners emphasized the need for safe places for older adults to walk, as well as destinations to which they are able to walk. For individuals that expressed a preference for age-restricted communities, there were concerns about affordability and availability, including assisted living.

Barriers to improvements identified by the Howard County Age-Friendly Aging in Place Workgroup:

- Methods to assess need are limited (checklists difficult to navigate, on-site occupational therapist assessments are means tested, and capacity is limited)
- Complexity of implementing changes (modification/product selection, regulatory approval)
- Access to safe and dependable modification
- Lack of information about resources. Need for better advertisement through mechanisms older adults are more likely to access.
- Resistance to prevention and age-identified actions
- Waitlist for assisted living funding (sufficient number of beds, insufficient financial subsidy)..
- Lack of awareness among seniors of available tax incentives and programs. Need to have knowledge about modifications needed, need funds to cover upfront costs which are then reimbursed.
- Livable Homes Tax Credit is helpful but overly bureaucratic
- Property tax deferrals are not portable for seniors that move to downsize or find more appropriate housing.
- Existing aging-in-place programs are under-resourced, and not reaching enough of population.

Both informed anecdotes (including the practitioner outreach) and a recent Age-Friendly Survey demonstrate variability in preferences for housing types, as well. While the strongest preference among older adults was to live in single-family detached homes, there was considerable interest in other types, especially condominiums and apartments. Consistent with the common desire to age-in-place, households demonstrated a preference for living in their current type of home.[30]

In addition to a lack of accessible units and a shortage of age-appropriate housing and communities for older adults, practitioners raised concerns about barriers to multigenerational housing and “non-traditional” living situations (for example, roommates in an existing home or the creation of an ADU for a caregiver). In both contexts, regulatory barriers stand in the way of a wider range of housing choices.

The County does administer several program and incentives that support lower-income homeowners making accessibility improvements to their homes. According to practitioners, there is a considerable need for these resources, and for fall prevention efforts specifically. Some general homeowner repair funds cover such activities, and other programs have been designed specifically to support aging in place. While these existing home repair and modification programs are helpful, a common complaint was that they are difficult to navigate. Particularly challenging aspects included: information gaps, cumbersome processes, and/or building code/zoning restrictions (see sidebar for additional barriers to

[30] Charles A. Smith, Ph.D., Age-Friendly Survey – Draft Findings (March 16, 2020).

housing for older adults). In addition, most resources are provided to homeowners, leaving renters with fewer supports and options for seeking accessibility improvements for their home.

Despite being a minority among older adults, renters are disproportionately likely to be cost burdened. Based on 2016-2018 American Community Survey ("ACS") data, RCLCO estimates that there are 4,296 renter households over the age of 65 in Howard County, compared to 21,469 owner households over the age of 65. However, a majority of those older adult renter households are cost-burdened (2,391, or 55.7%), compared with a minority of older adult owner households (4,675, or 21.8%).

Individuals of all ages with disabilities face similar challenges to finding accessible homes and/or making accessibility improvements to existing homes. In addition, practitioners discussed the specialized needs of the relatively large community of children and adults with autism in Howard County. The County has a strong support network and parent advocacy organizations, which has helped shape a high-quality educational experience for children with autism in Howard County public schools. Practitioners raised concerns about the options available to those that want to live independently, as well as potential gaps in caregiving capacity as parents age. The County has expressed preliminary support for an innovative "intentional intergenerational" development model at Patuxent Commons, which works to create a supportive living environment and works with residents to coordinate caregiving and assistance efforts.

Other persons with disabilities live in group care settings. In this context, practitioners believed there was a sufficient number of units available, but subsidy resources to address affordability are lacking. Although group care settings will likely have a considerable role in providing homes to persons with disabilities that need that level of care, the consensus is that the focus should be on providing housing opportunities in the most integrated manner possible, given the individual needs of each person.

Finally, the County has taken steps within its housing programs to expand housing choice for historically marginalized communities and the victims of discrimination. Descriptions of fair housing activities and housing mobility services are included in the *Challenge: Racial and Socioeconomic Integration* section. In addition, the County does take some steps to address gaps in homeownership, such as using HOME formula funds to support down payment assistance, managing the Settlement Down Payment Loan ("SDPL") program, and applying long-term affordability policies to homeownership units produced through the MIHU program.

Guidance for Future Policy

As previously discussed, meeting the diverse needs of the County's population will require a substantial increase in resources. While the County can and should explore options for raising local funds, success requires external funds as well. As such, policy changes and new programs should be designed to be compatible with and competitive for additional federal and state resources (LIHTC, HUD Section 811, Mainstream Vouchers, Weinberg Foundation resources, etc.). The County should also work with partners to advocate for an expansion of HUD rental assistance programs (Section 8 Housing Choice Vouchers, Project-Based Rental Contracts), which are critical to provide stable, affordable housing for very- and extremely-low income households and those with special needs.

To that end, the County should also make coordinated, intentional efforts to ensure that its broader housing policies are aligned with the various goals of existing housing and service delivery programs within the County. This includes aligning an appropriate proportion of eventual trust fund revenues with the most needed housing types identified in The Path Home (for example, to produce permanent supportive housing units.

As previously discussed, increasing the number and diversity of housing units can help address housing needs across the spectrum, ranging from market rate- to low- and moderate-income households, and including special needs and other potentially vulnerable populations as well. Development policies should be adjusted to enable more construction in general, with a focus on the housing types most compatible with serving households with diverse needs (especially income-restricted housing). The County and/or nonprofit partners can also layer in interventions that explicitly connect households with these housing types, similar to the City of Los Angeles ADU Accelerator model cited on Page 18.

Regardless of the specific needs of the individual or group, one uniting theme is that people prefer to live in the most independent housing model and community type that will meet their needs. Living independently will look different both between and within different categories of need. In the context of older adults, some will be able to remain in their homes if accessibility improvements can be made. Others may prefer to move to smaller homes that require less upkeep, or to age-restricted communities with specific suites of amenities. The main takeaway for County practice is that its approach should be flexible and designed to enable the widest range of options. Such an approach should involve supporting accessibility-related modifications to existing homes, requiring or incentivizing more accessible features in new construction, and allowing more diverse housing types to be built, including innovative "intentional intergenerational" models. Aside from changes to development policies, the County can remove barriers (including licensing requirements) to less-traditional housing types and living structures, such as ADUs, and the leasing of individual rooms in larger homes.

Continued independence is about more than the housing unit. Neighborhood conditions also matter, and the County should ensure that improvements are made to physical infrastructure (i.e., sidewalks) and transportation systems to enhance mobility and reduce isolation within the home (for further discussion, see *Challenge: Racial and Socioeconomic Integration* above). Howard County should also continue or expand support for programs and groups that provide resources for people who wish to stay in their communities (e.g., neighborhood associations, churches providing shared ride services and food, etc.).

Finally, County homeownership programs should be structured intentionally to address the historical legacy of discrimination in the homeownership sector, notably redlining and segregation. The County already provides a range of supports for homeownership, including:

- housing counseling;
- rehabilitation supports to protect the investment of existing owners;
- relatively modest down payment and settlement cost assistance programs with short-term affordability restrictions; and
- long-term affordable "shared appreciation" units produced through the MIHU program.

With the exception of supports for existing owners, a barrier to greater impact in the other programs is a lack of inventory that fits within program parameters. Moving forward, the County could provide support for the creation of perpetually affordable homeownership units by nonprofit developers using tools such as community land trusts, cooperatives, and other shared appreciation approaches. More systematically, development and MIHU policy changes are important to addressing the inventory challenge identified and discussed in prior sections. MIHU program regulations should be regularly examined to ensure that the formulas for calculating resale prices strike the appropriate balance between maintaining perpetual affordability (i.e., a limited purchase price for a subsequent income-restricted purchaser; financial flexibility for upkeep and maintenance) and economic mobility (the ability of the lower-income owner to build equity in the property). To enhance the integrative potential of homeownership policy, the County can strengthen its affirmative marketing attempts and expand efforts to prepare lower-income households for homeownership, such as the Family Self-Sufficiency program and other asset building approaches.

Additional Policy Considerations and National Examples

The federal government is the primary funder for rental assistance programs, and it is generally not financially feasible for local governments to fully fill the gap in rental assistance needs for all cost-burdened households. However, there are examples of local governments establishing their own programs to mitigate cost burdens among targeted vulnerable households.

Estimated Costs of a Local Rental Assistance Program*			
Low-End Estimate of potential annual per household costs (based on Arlington Housing Grant illustration)			$7,494
High-end estimate of potential annual per household costs (based on rough estimate of Section 8 program costs)			$12,000
Flat subsidy estimate per household (non-Brooke Rule; households receive $500/month housing subsidy)			$6,000
Howard County Household Needs based on Potential Categories of Eligibility			
Severely cost-burdened renters with incomes at or below 30% AMI			
Households	Low Estimate	High Estimate	Flat Subsidy Estimate
4,253	$31,871,797	$51,036,000	$25,518,000
Severely cost-burdened older adult renter households (65+) with Incomes at or below 30% AMI			
Households	Low Estimate	High Estimate	Flat Subsidy Estimate
607	$4,548,832	$7,284,000	$3,642,000
Severely cost-burdened renter households with at least one member with a disability (all ages) & with incomes at or below 30% AMI			
Households	Low Estimate	High Estimate	Flat Subsidy Estimate
921	$6,901,934	$11,052,000	$5,526,000
Severely cost-burdened older adult renter households (65+) with incomes at or below 60% AMI			
Households	Low Estimate	High Estimate	Flat Subsidy Estimate
1,003	$7,516,438	$12,036,000	$6,018,000
Severely cost-burdened renter households with at least one member with a disability (all ages) & incomes at or below 60% AMI			
Households	Low Estimate	High Estimate	Flat Subsidy Estimate
1,041	$7,801,209	$12,492,000	$6,246,000
*Note: These estimates are "back of the envelope" calculations are not modeled based on Howard County-specific costs and income profiles. The intent of this exercise is to provide a starting point for estimating what a rental assistance program in Howard County could cost, given various scenarios.			

Montgomery County, MD, uses a portion of HIF resources for this purpose, sometimes in the form of rental assistance contracts between the County and property owners to support more deeply targeted units.

Arlington County, VA, has established a Housing Grant program, which is functionally a local version of the Section 8 Housing Choice Voucher program. The program uses a modified version of the "Brooke Rule," which ties the amount of subsidy provided to the income of the subsidy recipient. In recognition of the budgetary impact of the program, the Housing Grant covers the difference between the rent cost and 40% of the households' income (compared to 30% of income under HUD programs that apply the Brooke Rule concept). For fiscal year 2020, Arlington County allocated $9.3 million for the Housing Grant program[31] (rising to $10.1 million for fiscal year 2021), and provided assistance to 1,241 households (in addition to the 1,456 households served through the federal Housing Choice Voucher program).[32]

In designing a local program, Howard County could consider whether it would be beneficial to structure rental assistance as project-based contracts rather than vouchers for all or a portion of the program (which could support integration efforts).

Given the potential expense of such programs, the County would face tradeoffs between cost, the depth of support (how much assistance is provided to each recipient), the breadth of eligibility, and universality (i.e., the number of eligible households that receive funding). Practitioners emphasized the importance of universality, given that a local program would be filling the gaps of non-universal programs such as Section 8. However, if resources are insufficient to adequately fund a broad-based universal program, the County can consider prioritization based on need; for example, the County could limit eligibility to the lowest-income households, older adults, and/or those with disabilities. The County could also consider adjusting the payment standard to provide a shallower subsidy to a broader eligibility group; for example, payments could be based on a flat dollar amount rather than an income-based subsidy calculation. While recipient households still could be cost-burdened under this arrangement, and income-based subsidy calculations are more helpful to most vulnerable households for this reason, flat subsidies can still make a meaningful difference in resource-constrained environments.[33]

The impact of expanded rental assistance will be maximized if paired with landlord outreach efforts. While Howard County's fair housing law protects tenants from discrimination based on source-of-income, proactive efforts can recruit landlords to proactively market to or reserve units for recipients of rental assistance. A recent evaluation of landlord incentive programs from HUD's Office of Inspector General identified a range of incentives that were most popular in recruiting landlord participation and retention, including a mix of non-monetary incentives (direct housing assistance payment deposit,

[31] Arlington County (VA), "FY 2020 Adopted Budget," https://budget.arlingtonva.us/fy-2020-adopted-budget/.
[32] Arlington County (VA), "Affordable Housing Master Plan: 5 Year Report," December 2020, https://housing.arlingtonva.us/plans-reports/annual-reports/.
[33] A recent analysis of the impacts of COVID-19 related relief efforts suggested that the enhanced unemployment benefits (ranging from an extra $300-600 per week over the course of the pandemic) significantly reduced renter burdens. Chris Glynn, "Despite New Aid, 3M+ U.S. Renters Facing COVID-19 Unemployment Bear Extreme Housing Cost Burdens," Zillow Research, January 12, 2021, https://www.zillow.com/research/unemployed-rent-affordability-covid-28639/

online access portals, workshops and outreach activities, landlord liaison, and streamlined inspections) and monetary incentives (new recruitment bonuses, property damage reimbursements, vacancy loss recoupment, higher payment standards or bonuses in high-opportunity areas, and security deposit assistance).[34] Several of these incentives are already in place in Howard County.

[34] Tanya E. Schulze, "Use of Landlord Incentives in the Housing Choice Voucher Program" (Office of the Inspector General; U.S. Department of Housing and Urban Development, January 25, 2021), https://www.hudoig.gov/reports-publications/memorandum/use-landlord-incentives-housing-choice-voucher-program.

Challenge: The COVID-19 pandemic and associated economic disruption is exposing and exacerbating housing insecurity.

Examples of Relevant Policies: *COVID-19 emergency rental assistance (CARES Act, local allocations), County support to nonprofit/Community Action Council eviction prevention efforts*

Baseline Analysis and Practitioner Feedback

The COVID-19 pandemic has broadened severe housing challenges and increased demand for services. Several practitioners suggested that there were considerable influxes of people seeking assistance that had never sought services before. This increased need for social services is not surprising given the breadth and severity of the pandemic, as well as the associated lockdowns and economic disruption.

Despite this increased breadth, the pandemic is likely to have disproportionate impacts on households with pre-existing vulnerabilities. Nationally, the pandemic has had disparate impacts on lower-income, minority, and traditionally disadvantaged populations, and these disparities are tied to pre-existing patterns of segregation, discrimination, and income inequality that have yet to be addressed. Across the United States, households earning less than $50,000 were more likely to lose income during the pandemic and more likely to fall behind on rent,[35] in part due to the fact that high-contact jobs tend to pay lower wages and have been more vulnerable to disruption.[36] These economic disparities overlap with racial and ethnic disparities. Black and Hispanic households disproportionately work in high-contact jobs.[37] A substantially larger share of Black, Hispanic, and Asian renters were behind on rent as of late September 2020 compared to White renter households.[38] Even controlling for income, racial disparities persist; for example, Black and Hispanic households earning more than $75,000 were considerably more likely to be behind on rent or mortgage payments than White households earning more than this amount.[39]

Federal, state, and local interventions have mitigated some of the worst impacts of the crisis. Notably, eviction and foreclosure moratoria have kept people housed during dire circumstances. However, this situation is not sustainable, for households or property owners. Households with significant income disruption may face critical challenges once eviction moratoria expire, particularly if federal, state, and local relief packages fail to address the backlog in unpaid rent and mortgage payments. Property owners that are not receiving rent payments may be unable to invest in the upkeep of their properties and face heightened risks of foreclosure. Nationally, data suggests this risk is most acute in properties both owned by and serving lower-income and minority households.[40]

Specific to Howard County, a mix of federal, state, county, and philanthropic funds have been made available to provide housing relief to those whose incomes have been disrupted by the pandemic, with

[35] Harvard Joint Center for Housing Studies (JCHS), "The State of the Nation's Housing 2020," 2020, https://www.jchs.harvard.edu/state-nations-housing-2020, 1.
[36] JCHS, "State of the Nation's Housing," 19.
[37] Ibid., 19.
[38] Ibid., 1.
[39] Ibid., 35.
[40] Jung Hyun Choi and Caitlin Young, "Owners and Renters of 6.2 Million Units in Small Buildings Are Particularly Vulnerable during the Pandemic," Urban Institute, August 10, 2020, https://www.urban.org/urban-wire/owners-and-renters-62-million-units-small-buildings-are-particularly-vulnerable-during-pandemic.

eligible uses including rents (including past due rents), mortgage payments, and eviction prevention. Consistent with the County's nonprofit service delivery model, the primary housing relief funds are being administered by the Community Action Council, Grassroots, FIRN, and Family & Children's Services. The County has also taken a positive step beyond immediate relief by partnering with MakingChange, Inc. to offer financial counseling, budget preparation, and assistance in contacting creditors.

The County's approach to COVID relief has the benefit of utilizing existing networks. Each of the administering organizations has experience managing similar programs and can build upon existing systems and relationships. The tradeoff to this approach is that the request-for-proposals process for administering funds added a step in the distribution in funds. That being said, the establishment of new programs and systems within the County would have taken additional time as well; as such, it is unclear whether direct County provision of funds would have resulted in any time savings in getting resources to beneficiaries.

Guidance for Future Policy

The County's response to the immediate housing needs resulting from the pandemic should continue to include support for the accrued housing debts (deferred rent and mortgage payments) accumulated by affected households. In many cases, these debts will exceed an amount that can reasonably be repaid by lower-income households. Left unaddressed, these debts can impact the financial viability of existing housing. Given the scale of need, federal and state supports will be critical, and there should be concerted advocacy on that issue. Within the framework of local action, the County should work to facilitate a cooperative approach between property owners, affected households, and service providers to come up with viable solutions that avoid further harm to economic mobility.

Given the scale of disruption, it is likely that some proportion of properties—both ownership and rental—will enter foreclosure, or be put up for sale to mitigate financial harm. The County should consider a preservation strategy and associated resources (see next section) to ensure that units are not permanently lost from the affordable housing stock, including in the context of naturally occurring affordable homes, and to prevent physical deterioration.

The ongoing nature of the pandemic and the evolving structure of the relief framework—which primarily stems from the federal response—prevents a thorough, evidence-based evaluation of the County's response to the crisis at this point in time. However, it is critical that such an evaluation does occur to ensure that resources were allocated, targeted, and administered in an effective manner. Critical considerations could include:

- Which interventions (i.e., cash vs. in-kind assistance) were most successful?
- What delivery mechanisms (i.e., direct household assistance vs. working with housing providers) worked best, and does that mechanism vary based on housing needs?
- Did any critical needs or groups "fall through the cracks?"

These lessons should inform future County action to respond to emergencies, including health emergencies, natural disasters, and large-scale economic crises. Information should inform efforts to improve permanent programs as well as emergency-specific responses. The County should use the information gleaned from the evaluation of COVID-19 program administration to create a roadmap and structure for future responses that can be activated automatically, with bespoke policy development dedicated to the specifics of the crisis at hand. The County may want to consider whether resources for "standby" capacity are warranted, to ensure that County departments and nonprofits are well placed to scale-up quickly. The County could also consider "automatic stabilizers," or programs that come into effect depending on certain criteria, such as local unemployment or foreclosure rates exceeding a predetermined threshold.

Finally, the County should consider approaches to enhancing baseline economic stability so that households are in a better position to weather the next crisis. These approaches should strengthen the safety net for vulnerable households and expand resources that proactively address financial security and economic mobility. In addition, the County should evaluate the extent to which new housing development is resilient to natural disasters, and adjust regulations and incentives accordingly.

Additional Policy Considerations and National Examples

While the body of evidence on local COVID-19 responses is still evolving, the National Low Income Housing Coalition released a January 2021 report that highlights Best Practices for State and Local Rental Assistance Programs.[41] The report stresses the importance of a simple, accessible application process and a targeting of resources to the tenants most in need.

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[41] Kim Johnson and Rebecca Yae, "Best Practices for State and Local Emergency Rental Assistance Programs" (National Low Income Housing Coalition, January 11, 2021), https://nlihc.org/resource/nlihc-releases-report-best-practices-state-and-local-emergency-rental-assistance-programs.

Challenge: A large portion of housing that is available to low- and moderate-income households in Howard County is older and at risk of deterioration and/or redevelopment going forward

Examples of Relevant Policies: *Community Renewal Fund resources and other financial support for rehabilitation programs such as Rebuilding Together; Livable Homes Tax Credit; Aging in the Community Home Modification and Fall Prevention Programs; Reinvest, Renovate, Restore; Renew Howard County; Maryland WholeHome Program; Maryland Housing Rehabilitation Program; Community Action Council Weatherization resources; Prohibition of Howard County participation in housing projects in neighborhoods meeting specific poverty criteria (Section 13.150)*

Baseline Analysis and Practitioner Feedback

Despite the relative affluence of the County, practitioners discussed the need for improvements to both rental and homeownership units. Given the history and evolution of Howard County, much of its older housing stock exists in clusters or specific neighborhoods. In many cases, this housing stock is nearing the end of its useful life and is in need of recapitalization. Neighborhood-level deterioration can be especially problematic, as poor housing quality can impact the values of nearby properties, creating a cycle of disinvestment. When demand is sufficient to warrant redevelopment, those units are often unaffordable to lower-income tenants. If unaddressed, housing quality challenges could result in fewer decent, attainably priced housing units. However, this dynamic also presents an opportunity to create a cohesive strategy for equitable and/or mixed-income redevelopment moving forward.

Practitioners, Task Force Members, and community members discussed the specific challenges faced in lower-income neighborhoods. While the housing quality challenges that face Howard County are not as severe as those challenges that face communities in full economic decline, there are still some clusters of properties in which physical conditions are a problem. Given the lack of affordable housing options throughout the County, many lower-income households live in such neighborhoods, sometimes in crowded conditions. Practitioners reported that many of these households fear displacement due to income disruption or further deterioration of housing conditions. While some of these households would prefer to move to other neighborhoods in Howard County if affordable options were available, others hope for improvements to their existing living situations and neighborhoods. Many households valued their current neighborhoods and the relationships and culture therein, and worried about a lack of cultural acceptance in other neighborhoods. Given these considerations, efforts to expand housing affordability and choice throughout the County should be balanced with revitalization efforts that improve the housing stability of those individuals that prefer to remain in their existing communities.

Several housing quality problems cited by practitioners and other interviewees are already violations of current County building codes and other regulations. Enhanced code enforcement activities are therefore warranted, but there is concern that the current enforcement approach could create further vulnerabilities for certain households. Some households may be reluctant to report violations or seek redress due to fear of retaliation, a lack of other housing options, a lack of trust in official mechanisms, and/or concerns about immigration status. These challenges are common in other jurisdictions, and in such cases are often exacerbated by the well-intentioned reluctance of some code enforcement officers to fully “crack down” on violations if the end result could lead to condemnation of the property and homelessness among tenants.

At present, the County lacks a defined strategy for preserving the quality and/or affordability of its older multifamily housing. Several practitioners and other interviewees discussed the opportunity to improve conditions in neighborhoods with housing quality challenges through substantial renovations or redevelopment. Given market demand and the costs of rehabilitation and redevelopment, there are several, high-level scenarios for how revitalization could occur. Current properties could be rehabilitated or redeveloped as higher-end housing, which would improve housing quality but likely result in involuntary displacement of a portion of the existing lower-income tenants. Conversely, existing units could be rehabilitated as income-restricted or mixed-income housing. This approach would require an outlay of County resources to support ongoing affordability. A third potential approach could be to allow redevelopment at greater densities to allow market-rate redevelopment that replaces a portion of affordable units lost in redevelopment. However, there were concerns among practitioners that the market is not strong enough at this time to support full replacement of the affordable units lost. This approach would also face barriers under current development policies and APFO restrictions. It should be noted that these scenarios are not exhaustive nor mutually exclusive, and policy design could address key challenges (such as replacement units and tenant relocation) to support more equitable outcomes. Among those engaged in this process, there was considerable disagreement about a preferred approach to addressing such properties. As this outreach was focused on practitioners, any conversations on specific strategies and neighborhoods moving forward would need to more fully engage and prioritize the perspectives of existing residents (and lower-income households and other vulnerable populations in particular).

Outside of the context of physical deterioration, there are housing units that may be lost from the stock of affordable housing due to expiring subsidy restrictions. There are ten properties with over 500 rental units with expiring restrictions in the next ten years, putting ongoing affordability at risk if these properties cannot be recapitalized and/or preserved.

Total Expiring Units						
Expiration Range	Number of Units (Latest End Date)	Share of Units	Number of Properties (Latest End Date)	Number of Units (Earliest End Date)	Share of Units	Number of Properties (Latest End Date)
Next 5 Years	217	6%	6	594	17%	8
5-10 Years	318	9%	4	645	18%	8
10-15 Years	330	9%	10	592	17%	12
15-20 Years	536	15%	6	880	25%	10
20-25 Years	279	8%	7	251	7%	7
25-30 Years	296	8%	4	92	3%	2
30+ Years	1,569	44%	13	491	14%	3
Total Expiring Units	**3,545**		**50**	**3,545**		**50**

Interpretation Note: individual properties often receive multiple subsidies, some of which may carry different affordability restrictions. For example, a development that is placed into service in 2020 may receive a capital subsidy that applies a 30-year restriction at 60% of AMI to the entire 100-unit property, along with a five-year rental contract to provide a 10 of units at 30% AMI. In this circumstance, 10 units would have a subsidy expiration date of 2025 (Earliest End Date) and 100 units would have a subsidy expiration date of 2050. In this scenario, if subsidies are not renewed, the 10 deeply affordable units then become affordable at 60% of AMI beginning in 2026.

Not all expiring units are at risk of loss. Properties that are owned by mission-driven entities, such as the Howard County Housing Commission or other nonprofit affordable housing developers, are not often converted to market-rate voluntarily. However, preservation efforts in this context still generally require some level of subsidy to ensure the ongoing physical and financial viability of the property.

Outside of the multifamily sector, the County does provide some resources for property rehabilitation and redevelopment. Some subsidies flow through the Community Renewal Fund in the form of loans and grants, while others take the form of property tax rebates or credits. There are also state resources available for homeowner repairs, rehabilitation of smaller rental properties, and accessibility and aging-in-place improvements. Practitioners cited the effectiveness of Rebuilding Together in providing support for home repairs for low-income households. This programming is supported by a mix of County, philanthropic, and donor resources. Total repair needs across Howard County are difficult to estimate, given the lack of comprehensive data on housing needs and repairs made by individual homeowners. However, there was a general consensus among practitioners that more resources were necessary, particularly when considering the need for accessibility improvements to accommodate aging in place and independent living for persons with disabilities.

The range of County and state supports for rehabilitation are generally effective in serving the goals of the individual programs. However, the fragmented structure and range of tools can create confusion among end users as to the most appropriate resources for a given context. There was also a lack of awareness regarding the availability of programs and resources. Finally, practitioners and interviewees suggested that potential beneficiaries may struggle with various aspects of the repair process, such as contractor vetting/selection, determining cost reasonableness/evaluating estimates, and specific selections related to design, materials, etc. While some programs (including Rebuilding Together) provide more comprehensive services, practitioners cited the need for expanding technical assistance more broadly.

Guidance for Future Policy

Moving forward, the County should take a more systematic approach to addressing housing rehabilitation and preservation needs. In terms of property improvements, more robust code enforcement can be paired with proactive tenant and landlord outreach, with the goal of identifying problems before they deteriorate and linking owners with available rehabilitation resources. This type of outreach and engagement can be especially impactful in the context of single-family homes or condominiums that are operated (legally or otherwise) as rental housing. In such cases, renters often do not have the ability to directly access rehabilitation subsidies, and owners may be locked out of certain programs that focus on owner-occupants. As the County considers its policy approach moving forward, specific attention should be paid to maintaining the quality of this “shadow rental inventory,” which is a critical source of naturally occurring affordable housing.

For multifamily rental housing, the County will need to establish systems for identifying at-risk properties and prioritizing the tools and resources that are most appropriate for the given property. Success will likely require a multifaceted approach that includes supports for acquisition (low-cost, “quick strike” capital), repair/rehabilitation (low cost loans, property tax incentives), and/or equitable redevelopment (density bonuses and zoning flexibility).

When addressing the issue of preservation in lower-income neighborhoods, it is importance to balance the need for improving housing quality, expanding housing choice for lower-income households, and preventing involuntary displacement. There was considerable concern among practitioners about the risk of creating concentrations of poverty, and some advocated for restricting affordable housing investment in areas with comparatively high poverty rates. This is a legitimate concern that requires concerted attention. However, the County should not adopt blanket prohibitions on new affordable housing investment in such areas. Specifically, affordable housing investments that improve poor quality, unhealthy, and/or unstable naturally occurring affordable housing can be a net positive to the community. Such investments can be consistent with a broader strategy for encouraging additional market-rate and mixed-income development in a given neighborhood, and in some cases can make a neighborhood more attractive for those development types (for example, by replacing a blighted building, improving sidewalks/infrastructure, or providing co-located community facilities/amenities). As previously stated, it is critically important to directly engage and empower lower-income and other vulnerable households in policymaking and planning efforts, to ensure that the vision for redevelopment communities encompasses their needs and preferences.

For owner-occupied homes, the County should work to expand resources while streamlining and simplifying the “user interface” for the respective programs. In particular, the County should prioritize additional assistance (both financial and technical) to aid older adults and persons with disabilities in incorporating accessibility improvements to existing housing.

Finally, the County can address community-level housing quality issues by prioritizing a portion of its rehabilitation supports and subsidies for neighborhood-scale improvements, particularly in communities that have historically experienced disinvestment and/or discrimination. Physical deterioration of a property affects nearby properties, and neighborhood-focused approaches to revitalization can have a greater “catalytic effect” than policies without any geographic targeting. Older mobile home communities present another opportunity to enhance housing quality and preserve naturally occurring affordable housing at the neighborhood scale. Howard County can build upon past precedent for “clustered” rehabilitation opportunities, including activities by Rebuilding Together and the initial concept for the RENEW Howard program.

Additional Policy Considerations and National Examples

In response to concerns about housing quality in smaller multifamily rental properties, Montgomery County provided resources to a local nonprofit to administer the Apartment Assistance Program.[42] The program was implemented as a complement to more rigorous code enforcement and provides capacity building support for smaller landlords on issues related to code compliance, fire and life safety, rodent and trash issues, fair housing and other leasing requirements, and reasonable accommodations/modifications for persons with disabilities. The program also serves as a nexus point for County resources to improve and rehabilitate housing (including opportunities to renew or create income-restricted units).

[42] HR&A Advisors, LSA, and Neighborhood Fundamentals, LLC, “Montgomery County Preservation Study” (Montgomery County, MD: Maryland - National Capital Park and Planning Commission, December 2020), https://montgomeryplanning.org/planning/housing/preservation-of-affordable-housing/.

Challenge: The APFO is placing significant limitations on the amount of housing that can be built, and it is potentially accelerating those capacity issues by limiting the ability to increase the tax base.

Examples of Relevant Policies: *General Plan, Zoning Regulations, Adequate Public Facilities Ordinance*

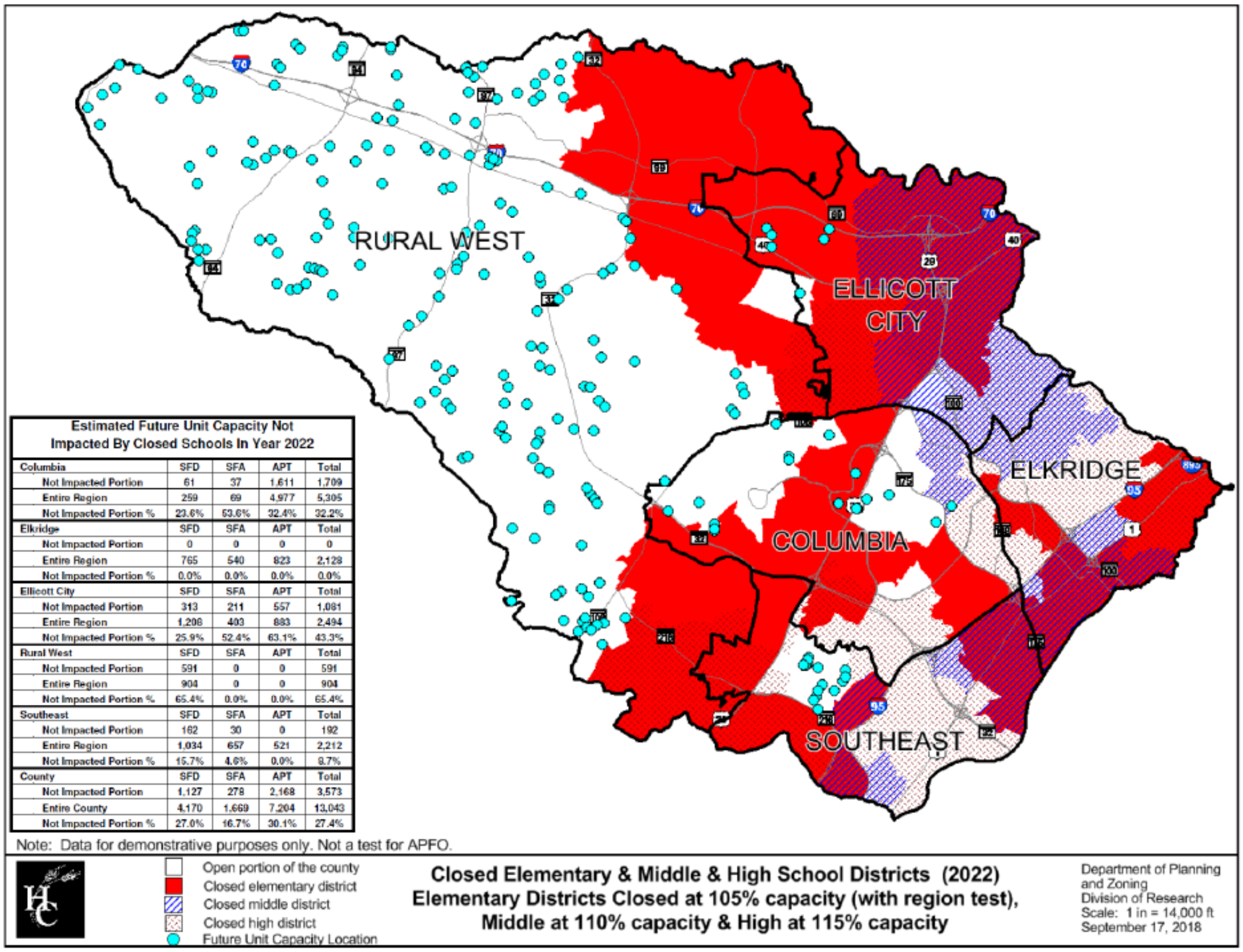
Baseline Analysis and Practitioner Feedback

In addition to the suite of development policies addressed throughout this evaluation, the APFO can impact the amount, type, and location of new housing development. New development proposals are evaluated on the basis of infrastructure and school capacity, and overall development is subject to an 1,850-unit annual cap. The APFO provides a framework that, if adjusted for market conditions and accompanied by strong infrastructure planning, could allow Howard County to balance planning and development with service and infrastructure needs. However, the APFO has the potential to disrupt the balance between housing supply and demand if the County is unable to keep up with the capacity requirements for new development to take place. One study of APFOs and similar growth management tools found that APFOs can have the effect of pushing development away from areas designated for growth in comprehensive plans, creating the mismatch between development and infrastructure availability that such policies are intended to avoid. The study found that APFOs in Howard County, MD; Harford County, MD; and Montgomery County, MD deflected approximately 10% of new home development away from planned infrastructure service areas. [43] There is also research to support the notion that the cumulative effects of these growth management policies includes inflated housing prices.[44]

In practice in Howard County, the annual unit cap has not served as a binding constraint. Instead, a lack of school capacity has served as a critical barrier to development in certain locations. Among those individuals engaged as part of this research, many remain concerned about the ability of the County to provide more housing without putting pressure on existing infrastructure, such as roads and schools. Of community members who express opposition to new development, school capacity is often the largest concern. School capacity is below APFO limits for the County as a whole. The overall school utilization rate is 97% for elementary schools, 100% for middle schools, and 102% for high schools (compared to limits of 105%, 110%, and 115% respectively), and the school system has built an average of one new school per year since APFO was adopted in 1992 to accommodate new growth. However, these aggregate numbers mask the fact that individual schools are over capacity, which triggers APFO moratoria in those districts.

[43] The National Center for Smart Growth. Adequate Public Facilities Ordinances in Maryland: Inappropriate Use, Inconsistent Standards, and Unintended Consequences. University of Maryland, 2006. drum.lib.umd.edu, https://drum.lib.umd.edu/handle/1903/21511.

[44] The National Center for Smart Growth.
Ott, Steven H., and Dustin C. Read. The Effect of Growth Management Strategies: Adequate Public Facilities Ordinances and Impact Fees A Review of Existing Research. Center for Real Estate at UNC Charlotte, Jan. 2006.
Robinson & Cole, LLC, "Growth Management Fact Book (Second Edition)" (National Association of Realtors, 2008), https://www.nar.realtor/smart_growth.nsf/Pages/growth_fact_book?OpenDocument.



Estimated Future Unit Capacity Not Impacted By Closed Schools In Year 2022

Columbia	SFD	SFA	APT	Total
Not Impacted Portion	61	37	1,611	1,709
Entire Region	259	69	4,977	5,305
Not Impacted Portion %	23.6%	53.6%	32.4%	32.2%
Elkridge	**SFD**	**SFA**	**APT**	**Total**
Not Impacted Portion	0	0	0	0
Entire Region	765	540	823	2,128
Not Impacted Portion %	0.0%	0.0%	0.0%	0.0%
Ellicott City	**SFD**	**SFA**	**APT**	**Total**
Not Impacted Portion	313	211	557	1,081
Entire Region	1,208	403	883	2,494
Not Impacted Portion %	25.9%	52.4%	63.1%	43.3%
Rural West	**SFD**	**SFA**	**APT**	**Total**
Not Impacted Portion	591	0	0	591
Entire Region	904	0	0	904
Not Impacted Portion %	65.4%	0.0%	0.0%	65.4%
Southeast	**SFD**	**SFA**	**APT**	**Total**
Not Impacted Portion	162	30	0	192
Entire Region	1,034	657	521	2,212
Not Impacted Portion %	15.7%	4.6%	0.0%	8.7%
County	**SFD**	**SFA**	**APT**	**Total**
Not Impacted Portion	1,127	278	2,168	3,573
Entire County	4,170	1,669	7,204	13,043
Not Impacted Portion %	27.0%	16.7%	30.1%	27.4%

The impact of the APFO on overall housing supply is fundamentally tied to development policies. APFO moratoria are limiting growth in areas where the General Plan and Zoning Ordinance call for more density and development (i.e., within the planned service area). This pushes demand to where development can proceed – specifically in the Rural West. Zoning and infrastructure limits in that portion of the County limit the number of units that can be built (depressing supply) and in limiting development to predominantly large-lot single-family units, skews the development that does occur to the least affordable housing types.

Despite these negative consequences of the APFO, the school capacity issues in the eastern portion of Howard County are real and the influx of students into specific portions of the County requires a substantial amount of new resources. Redistricting has not fixed the issues facing the school system, and the issues of school crowding and income segregation are equity issues for students.

Unfortunately, available information and data suggests that limiting growth in the planned service area may be counterproductive to addressing this resource gap. First, not all new student generation is the result of new development. According to Esri, the average household size in Howard County rose from 2.74 in 2010 to 2.77 in 2020, despite the fact that rental apartments represented a considerable portion of new homes built during this time, and that rental apartments tend to have fewer bedrooms than other types of housing. The turnover of existing units explains a portion of the growth in the student population (i.e., an older adult couple with grown children sells its three-bedroom home to a younger family). In addition, a portion of the school system's capital budget is dedicated to capital expenditures to renovate/update older school buildings, needs which are not attributable to new development.

A recent fiscal impact analysis commissioned by Howard County suggests that APFO moratoria may both reduce housing supply while also working at cross-purposes with the goal of remedying school capacity challenges. The County's Capital Improvement Plan relies in part on sources tied to new development, such as school surcharges, road excise taxes, transfer taxes, and recordation taxes. As such, the study found that new development generates more revenues than expenses, and that limiting development can limit the resources available to address new facility and infrastructure needs.[45]

Development restrictions—including, but not limited to, APFO—have impacts on affordability beyond the macro-level impacts of supply and demand. The delays associated with the overall process will have the greatest impact on smaller developments and those not targeted to the top of the market. These projects, whether income-restricted or modest-cost market-rate, do not have the same capacity to absorb and amortize risk and sunk costs as higher-end projects. The APFO does contain exemptions from school-related moratoria for affordable housing, with separate provisions for senior housing (for which the schools test would not apply) and general occupancy developments. In the latter case, exemptions are not automatic, with a letter from the County Executive and either a PILOT or resolution from both the Executive and County Council required. Several practitioners viewed the process for receiving the exemptions as problematic due to the risk of politicization, delay, and/or denial of the exemption/waiver. Interestingly, several practitioners whose positions focus on housing for vulnerable populations—and who do not engage in new residential development—cited APFO as a major barrier for providing housing for the people they serve. Among this group, there was a broad consensus that housing shortages translate to diminished housing opportunities, even for those that the newer, high-end construction market is not "expected" to serve.

Guidance for Future Policy

APFOs are not rare, but nor are they nationally ubiquitous. That being said, most sizable jurisdictions adopt policies to address growth management. Such policies can take various forms. Some localities use "proffer" systems or discretionary review processes through which there is a more direct tie to the specific infrastructure needs of new development. In others, the capital improvement program is coordinated with but separate from the process for approving individual developments. In states with strong property rights regimes, restrictions could represent a "taking" (at least for by-right development) and therefore could be limited. According to a report from Maryland's Department of Planning, an APFO is not an "appropriate tool to stop growth that is otherwise consistent with local zoning, and it is not a replacement or substitute for a coherent growth management policy based on an adopted comprehensive plan."[46]

Moving forward, the County has a range of options for better balancing housing development with infrastructure and school capacity needs. First, the current paradigm for school funding/capital improvement planning could be adjusted. The Maryland Department of Planning report also discusses

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[45] Urban Analytics, Inc., University of Baltimore, Jacob France Institute, and Artmel & Associates, Inc., "The Fiscal Impact of New Development in Howard County, Maryland Under Two Scenarios: General Plan Without Amended APFO and With Amended APFO 2018-2038," July 10, 2019.
[46] Maryland Department of Planning, "Managing Maryland's Growth: Adequate Public Facilities Ordinances (Models and Guidelines #24)," n.d.

the importance of linking the APFO to funding sources to remedy the constraints on growth approval.[47] While fees imposed on new development are common and often appropriate, overreliance on new development for funding resources can stifle growth (if fees tip projects into economic infeasibility) and deprive the County of revenue to address current needs. As such, any discussion of APFO changes should include opportunities to develop new, broad-based revenue generation mechanisms. APFO policy efforts should also regularly evaluate and consider whether existing standards and thresholds remain appropriate given current evidence and market contexts.[48]

In addition, there are significant opportunities to address housing needs in a manner that helps address infrastructure/school capacity imbalances, independent of APFO provisions. Land- and resource-constrained jurisdictions should maximize the utility of publicly-owned parcels and/or those purchased for facility development. Efforts to do so should include a robust exploration of compatible uses, facility co-location, and the co-location of housing and community facilities. There is precedent for this type of approach in Howard County, with the co-location of facilities and affordable housing in Downtown Columbia and the Roger Carter Community Center development in Ellicott City. In these instances, the approach taken by Howard County is consistent with leading practices and creates a model for future action. In addition, a 2017 report from Enterprise Community Partners highlights a wide range of examples and techniques related to maximizing the potential for publicly owned sites:|Public Benefit from Publicly-Owned Parcels: Effective Practices in Affordable Housing Development.[49]

Additional Policy Considerations and National Examples

Similar to Howard County, Montgomery County has experienced school capacity challenges in certain districts in recent years. The locations most impacted included parts of the County designated for significant growth and well-served by transit (including the core Metrorail system). Given the historical investment of planning and financial resources in these neighborhoods, the County viewed this outcome as counterproductive to the long-term health of the community. In 2020, Montgomery County therefore revisited its Growth and Infrastructure Policy.[50] The revisions limited development moratoria to portions of the County that lacked both school and infrastructure capacity and revisited the fee structure to balance the needs for school/infrastructure funding and development viability. Specifically, Montgomery County eliminated moratoria outside of "Greenfield Impact Areas," lowered the base school taxes, assessed the lowest rates on townhome and multifamily development in desired growth and investment areas, added an additional Utilization Premium Payment where schools were over a capacity threshold, and increased recordation tax on higher-cost homes.

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[47] Maryland Department of Planning, "Managing Maryland's Growth: Adequate Public Facilities Ordinances (Models and Guidelines #24)," n.d.

[48] For example, while housing unit allocation caps do not serve as a binding constraint today, they may be more relevant moving forward. As another example, there is growing debate related to the appropriateness of level of service as the most appropriate measure of street/highway capacity, particularly in the context of mixed-use or multimodal neighborhoods.

[49] Michael A. Spotts, Genevieve Hale-Case, and Ahmad Abu-Khalaf, "Public Benefit from Publicly Owned Parcels: Effective Practices in Affordable Housing Development" (Washington, DC: Enterprise Community Partners, June 5, 2017), http://www.enterprisecommunity.org/resources/public-benefit-publicly-owned-parcels-19782.

[50] Montgomery County (MD) Planning, "Growth and Infrastructure Policy - Montgomery Planning," November 2020, https://montgomeryplanning.org/planning/countywide/growth-and-infrastructure-policy/.

APPENDIX E
SWOT ANALYSIS

STRENGTHS

- Location between Washington and Baltimore is broadly attractive for people living and working across the region
- Howard County is experiencing significant employment growth, with much of that growth requiring a skilled or well-educated workforce
- The quality of life and services in Howard County are relatively high for people who already live here
- Strength of school system drives housing demand
- Howard County has a high homeownership rate, even controlling for income
- Brand new rental housing is often affordable to households in the 80-120% AMI range, even in the most desirable locations
- James Rouse's vision of a diverse, mixed-income community means that there is a broader range of housing in Columbia compared to other parts of Howard County and many of its peer jurisdictions
- Howard County has an engaged community of housing advocates. There is a very active non-profit housing support and advocacy community
- There is already support from organizations and advocates for more inclusive, responsive, and representative housing policies
- County staff and nonprofit practitioners engaged in housing and related service activities are generally recognized as effective.
- The County was an early adopter of several critical housing policies/supports, such as inclusionary zoning (MIHU), fair housing source-of-income protections, mixed-income development through the Housing Commission, and participation in regional housing mobility programs.
- The County also has some experience in administering other policies/supports (gap financing for affordable rental, homeowner rehab supports) that can inform efforts to systematize or scale up to better meet needs.
- Practitioners in Howard County are cognizant of the housing needs associated with diverse populations.
- Howard County is demographically diverse
- Howard County offers a diversity of neighborhood environments, including urban, suburban, and rural/exurban places
- Only a small share of Howard County is densely developed, so there is room for expansion going forward, as well as opportunities for infill and adaptive reuse of older properties.
- The areas in and around Columbia are served by a trail network that allows for safe and convenient pedestrian and bicycle accessibility.

WEAKNESSES

- Housing supply has not kept up with housing demand, particularly in recent years and at attainable price points
- New development today is less diverse than the housing inventory overall. In recent years, new development has shifted in favor of rental apartments, and—at the same time—the for-sale market has largely stopped building smaller, more attainably priced for-sale housing
- Howard County has underbuilt county infrastructure for schools, roads, police, fire, libraries, etc.
- The current strategy to address infrastructure and public facility capacity issues (APFO) is placing significant limitations on the amount of housing that can be built
- The County lacks a defined preservation strategy for older rental housing
- New residents in Columbia and Howard County might not always share Rouse's original vision for the community
- Many community members are resistant to adding additional housing near their homes, especially when the housing is a different type or a lower price point than what is there today
- A significant portion of Howard County lacks affordable housing
- A portion of the older housing stock in some relatively affordable neighborhoods is in need of rehabilitation to maintain ongoing viability.
- High home prices throughout Howard County limit the housing and neighborhood choices for lower-income households and households experiencing poverty
- The way in which Howard County is imagining and planning for future development continues to be rooted in how it has been done in the past (e.g. greenfield development)
- There is little remaining greenfield land to develop
- The high cost of for-sale housing in Howard County impacts households of all economic segments
- Affordability issues have disproportionate impacts on minority populations, older adults, and persons with disabilities.
- There are not enough accessible affordable units and/or housing subsidies to meet the needs of persons with disabilities.
- The processes and programs to make accessibility and/or "aging-in-place" improvements to existing housing are difficult to navigate.
- Howard County lacks a comprehensive public transit system, and the minimal operating hours of the existing RTA service is a problem for households that do not drive
- Suburban housing model is not appealing to younger generations that want to live, work, and play in the same environments
- The County does not provide consistent general budget support for affordable housing activities.
- The County does not have a systematic plan for evaluating housing needs and targeting resources.

OPPORTUNITIES	THREATS
• The market is capable of supplying many of the types and price points of housing that are not being built today, but policy changes may be necessary to realize this opportunity given current limits on development and high land values. • Redevelopment and infill development are only just beginning to occur in Howard County, meaning there are still many opportunities to shape these forms of development. • Current redevelopment projections are predominately limited to sites with existing plans, and do not fully reflect the amount of land area in Howard County that could support more housing • Housing stock is reaching the point where much of it is nearing the end of its useful life and needs to be recapitalized (e.g. older garden-style opportunities, older single-family homes). When this happens, there could be opportunities to add more density in order to address growth patterns and affordability concerns • Howard County is reaching a good time to put in place a program in order to help preserve older, “naturally occurring” affordable housing (60 to 80% AMI), as few of these units have been lost already. This preservation strategy should not preclude new housing from being developed • Prevalence of lower-density housing typologies present opportunities for infill redevelopment and additional density near existing infrastructure. • The APFO provides a framework that, if adjusted for market conditions and accompanied by strong infrastructure planning, could allow Howard County to balance planning and development with service and infrastructure needs • Howard County still has parcels that are not currently planned for agriculture and/or open space that could be opened up to additional development, should policies change or be adapted going forward • There is an opportunity to enhance the Howard County community and quality of life through new development going forward • New development can increase the ability to improve existing or provide additional services by adding to the tax base in Howard County (e.g. more sales and income taxes) • The Downtown Columbia plan envisions a dense environment with a large affordable component (roughly 900 units across five communities), which should increase economic diversity	• Lack of affordability threatens cultural diversity • The makeup of the housing market does not match the diversity of the employment base in Howard County, which may affect its ability to continue to attract workers to fill these important jobs going forward, eventually limiting economic growth. When economic growth slows, it constrains fiscal budgets, leading to increases in taxes and/or reductions in services • If older housing inventory is not adequately maintained or rehabilitated, it could lead to unsafe living conditions and/or losses from the stock of more affordable homes. • Existing resources are not sufficient to meet current and future capacity and demands (schools, transportation, etc.) • The APFO has the potential to disrupt the balance between housing supply and demand even further if Howard County is unable to keep up with the capacity requirements for new development to take place • The APFO is accelerating capacity issues by reducing the ability of the county to increase its tax base • One of the biggest strengths of Howard County—its strong school system—is at risk given overcrowding issues, and the County will likely need additional tax revenue to resolve this issue • Policies and policy proposals in recent years have made development more difficult and have impacted affordability (e.g. raising taxes and fees, curbing development, etc.) • Resistance to new development in Howard County • Given the above resistance, the path of least resistance to additional residential development often involves lower-density forms of housing • Single-issue advocacy, especially around schools, can make it difficult to listen to and learn from each other and encourages polarization • It continues to be difficult to supply housing for diverse populations, with significant needs going forward • The combination of high land values and current policies make it challenging to maintain the affordability of housing when redeveloping it (e.g. “McMansion-ization,” as opposed to densification) • When coupled with entitlement constraints, unmet demand for high-end homes crowds out opportunities to serve the middle of the market • Lack of transit and general mobility opportunities • COVID-19 and other future societal and economic disruptions • Budgetary challenges will likely make it even more difficult to maintain quality of life during and following economic disruptions like COVID-19 • Zoning policies that limit development in certain areas to higher-cost types of housing may entrench economic segregation.

APPENDIX F
COMMUNITY ENGAGEMENT SUMMARY

Housing Opportunities Master Plan
Public Engagement Summary

INTRODUCTION

Few decisions by local government are as personal as addressing our housing needs. That's why public engagement is an especially critical component to ensure that key stakeholders are aware of new initiatives and have an opportunity to provide feedback through an open process. The public engagement strategy of the Howard County Housing Opportunities Master Plan aimed to engage with a broad audience, including people who have unaddressed housing needs or who may be affected by the proposed recommendations.

The COVID-19 pandemic and resulting statewide response began in the early stages of the planning process, necessitating changes to the initial public engagement strategy. While the public engagement strategy of the Housing Opportunities Master Plan initially contemplated in-person public outreach and engagement activities, Howard County later determined that all public engagement would occur virtually to ensure adherence to public health and safety measures during the pandemic.

This primarily virtual engagement strategy used a combination of techniques, including:

- Ongoing coordination with the Housing Opportunities Master Plan Task Force - a team selected by County Executive Calvin Ball, who served in an advisory role throughout the planning process.
- Using the project webpage as the main information hub through routine updates that provided real-time project information for public review, located at howardcountymd.gov/HousingTaskForce.
- Two phases of public engagement:
  - Phase 1: collecting feedback on issues, perspectives, data, and goal-setting in the initial stages of the planning process.
  - Phase 2: collecting feedback on the draft recommendations.
- Each phase of public engagement included an online survey and series of online public meetings to discuss issues and ideas, and to collect feedback.
- In addition, the project team conducted outreach to environmental justice (EJ) communities, through both strategic in-person flier distribution, targeted emails and a series of small group meetings with EJ advocates and interested participants, to ensure broad and diverse perspectives were incorporated. Most of the selected fliering locations were intended to meet people in the limited places they are most likely to go – interfaith centers, grocery stores, money cashing sites, camp and daycare locations, and convenience stores and were translated to Korean and Spanish as appropriate.
- Finally, as part of the effort to assess existing the County program and policies, the project team conducted virtual policy/program evaluation interviews with County staff and practitioners working for public, private, and nonprofit/philanthropic organizations in the local housing and social services sectors.

TASK FORCE COORDINATION

Howard County Executive Calvin Ball appointed the members of the Housing Opportunities Master Plan Task Force in October 2019 by Executive Order 2020-12. The Task Force was comprised of 23 individuals who represented diverse interests and constituencies from across the County. The Task Force also included an additional nine appointed advisors, each of whom represented a different department within the County government or affiliated organization. Together, the Task Force constituted 32 representatives who worked collaboratively through the planning process.

The role of the Task Force was to assist with an inventory and assessment of housing programs as well as with the development of recommendations to improve housing opportunities. The Task Force was divided into three workgroups with the intent of focusing discussions and analyses on more specified topics within smaller group settings. Each workgroup focused on a unique theme: Housing Affordability, Housing Policy, and Housing Markets.

Throughout the development of the Housing Opportunities Master Plan, the Task Force was engaged to provide input as key elements of the process were completed. A number of meetings were held, including (i) formal, facilitated meetings with the entire Task Force and individual workgroups; (ii) informal coordination meetings with Task Force and workgroup chairs; and (iii) informal Task Force facilitated discussions. All formal meetings were open to the public, and the presentation and meeting summaries were thereafter posted online. The schedule and topics for each formal Task Force and workgroup meeting are shown in the table below:

Date	Participants	Meeting Topics Discussed
2/4/2020	Task Force	Introductions, planning process and objectives, and project schedule
3/17/2020	Affordability Workgroup	Preview of market understanding, inventory of housing programs, and goal setting
3/18/2020	Housing Policy Workgroup	
3/23/2020	Housing Markets Workgroup	
5/11/2020	Housing Policy Workgroup	Updates to engagement process, updated inventory and analysis, finalize goals, and analyze strengths, weaknesses, opportunities, and threats
5/13/2020	Affordability Workgroup	
5/14/2020	Housing Markets Workgroup	
7/9/2020	Task Force	Preparations for public engagement, updated inventory and analysis, and gap analysis
9/29/2020	Task Force	Review of public input and initial policy recommendations
10/19/2020	Task Force	Detailed discussion to review and refine specific recommendations
10/20/2020	Task Force	
10/26/2020	Task Force	

Date	Participants	Meeting Topics Discussed
12/10/2020	Task Force	Review of Countywide General Plan process and integration of Housing Opportunities recommendations, and presentation of refined recommendations
March 2021	Task Force	Review of Housing Opportunities recommendations included those within the Countywide General Plan

COMMUNICATION TOOLS

Promotion of public meetings and surveys was conducted through various means to ensure all communities were made aware of opportunities to participate in such events. To facilitate outreach, the County and library system promoted on their websites and through social media accounts, Task Force members shared information with their respective networks, and landlords and property managers distributed information to their residents. Encouragement to complete project surveys and become involved in the process was included on promotional fliers for the series of virtual community meetings and open houses that were held in August, September, and November 2020. These fliers were distributed throughout the County at its libraries and community centers, through shelters, food banks and local food distribution programs, and on the website.

Promotional survey flier, which was made available in English, Spanish, and Korean languages.

Project Website

Throughout the duration of the planning process, Howard County maintained a project webpage at howardcountymd.gov/HousingTaskForce where project information was regularly updated. The following information was provided on the webpage:

- Background information
- A copy of the original Executive Order establishing the Task Force
- A list of Task Force members
- Answers to frequently asked questions
- Public Survey Links
- Survey Summaries results after they were completed
- Task Force meeting information including upcoming meeting dates with links to join via Zoom
- Copies of presentation materials and a downloadable detailed meeting summary
- The virtual presentation from the first series of community meetings
- Draft recommendations for public review

The website served as a central resource for the public to find the most recent and accurate project information. All project communications included a link directing people to the website for up-to-date project information. The website will continue to serve as a resource where the public can access the final recommendations, information about the Housing Opportunities Master Plan background and history, and continued updates as progress is made.

ENVIRONMENTAL JUSTICE OUTREACH

Engaging with stakeholder groups who are traditionally underrepresented in the planning process was an important goal and ensures all people had an opportunity to participate in the planning process. Environmental justice is the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income, with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies. An environmental justice community is an area whose annual median household income is equal to or less than 65 percent of the statewide median or whose population is made up of 25 percent more of minority, foreign born, or limited English language proficiency. During this study, special attention was paid to areas in Howard County where a significant number of environmental justice communities exist, which include North Laurel, Jessup, Guilford, Long Reach, Wilde Lake, Lisbon/Cooksville, Elkridge, and Ellicott City. Fliers were distributed at grocery stores, food banks, community associations, nonprofits, faith institutions, and community centers in English, Spanish, and Korean languages. Additional follow-up emails were provided to environmental justice advocacy groups and organizations within the County to further encourage participation.

The project team invited representatives from more than 50 advocacy groups and organizations to attend two small group meetings, referenced below. Follow-up emails and calls were provided to all invitees. Ten groups and organizations participated, and others committed to review and share the draft recommendations.

- Meeting #1 - Tuesday, December 7, 2020 | 2 – 3 p.m.
- Meeting #2 – Wednesday, December 8, 2020 | 2 – 3 p.m.

As a result of the first two small group discussions, a suggestion from a member of the Chinese American Parent Association (CAPA-HC) resulted in a third meeting focused specifically for the Asian/Asian-American community. Invitations to the meeting were sent in Chinese and Korean. Seventeen community representatives attended the meeting and interpreters were present for Korean and Mandarin in-language services.

Promotional flier in Korean for small group discussion with the Asian community

- Meeting #3 – Tuesday, January 26, 2021 | 12– 1 p.m.

Small group discussion comments and questions centered on:

- The need for racial diversity in housing plans
- Manage "flight" risks in western Howard County as plans to expand housing choice move forward
- Concerns of creating "pockets of poverty"
- Housing options that accommodate aging-in-place
- Consideration of the needs of middle-income residents and the impact of policy changes on taxes
- More transit-accessible neighborhoods
- Access to infrastructure including water and transportation

- Alignment of the Housing Opportunities Master Plan with the General Plan
- Alignment of housing recommendations with school capacity concerns

In addition to the targeted environmental justice outreach, the policy/program evaluation interview process included conversations with organizations with the core mission of serving environmental justice populations (see section below for details).

PUBLIC OUTREACH – PHASE 1

A number of public outreach and engagement activities took place throughout Summer 2020 to collect information of the issues, challenges, opportunities, and needs for housing reform in Howard County. While the meetings were all held virtually because of the ongoing COVID-19 pandemic, the outreach was successful in reaching broad audiences and resulted in well attended meetings. Participants provided valuable feedback that helped lead to comprehensive goals and recommendations.

Public Survey #1

The purpose of the Howard County Housing Opportunities Master Plan Public Survey #1 was to gain a better understanding of Howard County residents' experiences with housing. All answers to the survey were anonymous. The results were used to identify housing needs and craft recommendations for the Housing Opportunities Master Plan.

Public Survey #1 was available from June 16, 2020 to September 28, 2020, and it received 2,312 responses. Advertisement of the survey was published in a variety of public, private, and nonprofit resources and proved crucial to the successful response rate of the survey.

Of the 2,312 respondents, 97 percent live in Howard County and 36 percent also work in the county. Homeowners represented 71 percent of respondents, while 5.5 percent receive housing assistance of some type. When asked about the most important considerations when shopping for a home, the majority of respondents selected home cost and affordability as the most important, followed by low crime rate, home quality, and proximity to quality schools. Elements of these themes were interwoven throughout survey responses.

Analysis of the survey results demonstrated a need for increased affordable housing opportunities, as well as support for a greater amount and diversity of housing. Just 27 percent of respondents believe Howard County has enough reasonably priced housing options, and 61% of respondents agree that many current residents cannot find housing that suitably aligns with their earnings. Moreover, 69 percent of respondents believe there is a need for more variety of housing types to meet different lifestyles and household configurations, and 54 percent believe there is a need for more integration of different housing types within the same communities. This numerical trend was supported by many of the comments that were left throughout the survey, in which respondents noted that affordable options are not spread out equally throughout the County, creating contrasting pockets of poverty and wealth.

Public Discussion Meetings

A series of online public meetings were held to share information and updates about the work to-date, and to gain qualitative feedback regarding individual housing experiences and future housing wants/needs. Approximately 68 people participated in one or several of these meetings. The meetings were held on the below dates/times, and the presentation and meeting summary are posted online:

- Meeting #1 - Tuesday, August 25, 2020 | 11:30 a.m. – 1:30 p.m.
- Meeting #2 – Wednesday, August 26, 2020 | 6 – 8 p.m.
- Meeting #3 – Thursday, September 10, 2020 | 4 – 6 p.m.

COMMENTS AND THEMES FROM PUBLIC OUTREACH – PHASE 1

Input collected from the first public survey and set of public meetings in the Summer 2020 were used to refine project goals and inform the development of recommendations. Common themes from comments received throughout the survey and online public engagement process include:

Affordable Housing

- What some may consider to be "affordable housing" in the County is still not affordable for many people in need. The parameters for what encompasses affordable housing in the County need to be reexamined.
- More affordable housing needs to be built across the County and be built to the same standards as market-rate housing.
- Those who need help finding affordable housing are uncertain how to receive assistance.

Housing Diversity

- Howard County could benefit from housing and resources that are specifically designed for seniors, people with disabilities, non-traditional and multi-generational families, and individuals living with chronic mental illness.
- The County could support greater socioeconomic and racial diversity across the County. Affordable housing units are generally concentrated in a handful of areas, and the lack of integrated affordable housing units across the County inhibits diversity.

Development and Zoning

- Restrictive zoning ordinances can limit the development of new housing, particularly in the case of multifamily housing. Likewise, there are opportunities for providing more housing through increased density, which zoning changes can help facilitate.
- As the County continues to grow, it should encourage the redevelopment of unused or underused properties.
- The County should consider allowing more mixed-use development with a diversity of housing options.
- New growth should involve the creation of supporting infrastructure, such as transportation and utility improvements and increased school capacity, and it should include strategies for natural space preservation. Developers should be accountable for the impacts that developments have on existing communities.

Housing Programs and Assistance

- The value of vouchers is decreasing while rent is increasing, making it difficult for lower-income households to make ends meet or to find housing at all.
- Low- and moderate-income residents require increased assistance.
- The County needs more revenue to provide additional financing, subsidize rent, and to provide aid for people facing eviction.
- The housing program process is cumbersome and needs reassessment of the parameters that allow people to receive assistance, such as considerations of gross income rather than net income, debt burdens, and continued care of children who may no longer qualify as part of the family once they turn 18.
- Stronger incentives can increase the supply of affordable housing and for owners to accept the voucher program.
- The County should regularly evaluate the effectiveness of its existing housing programs.
- Consider building professional group coalitions to develop alternate funding strategies.

Miscellaneous

- The County should consider policies that encourage maintenance and upkeep of older units, particularly in the case of individually owned homes, townhomes, and condominiums that are rented to tenants as part of the "shadow rental market."
- Older communities throughout the County need continual investment. There is a need for programs to incentivize upgrading older housing, not just programs for people who need housing.
- It is important for Howard County to address crime rates. Elevated levels of crime in certain areas can lead to negative perception that detracts from home values.
- The Howard County School Board has an outsized influence over housing policy. Building moratoriums have made housing supply much lower than demand, inflating housing prices.
- The Housing Opportunities Master Plan should address the effects of the COVID-19 pandemic, which has resulted in lower available income and increased eviction threats for many tenants.
- The County should continue to invest in high-quality transportation services such as bike routes and pedestrian infrastructure. Residents rely on these amenities, which are crucial for ensuring mobility, at all stages of life.

PUBLIC OUTREACH – PHASE 2

A second phase of public outreach occurred in November 2020 to collect feedback on the draft recommendations proposed for the Housing Opportunities Master Plan.

Public Survey #2

The purpose of the Housing Opportunities Master Plan Public Survey #2 was to gather feedback on each of the 74 draft recommendations. Public Survey #2 was available between November 6-30, 2020, and it was promoted using the same methods as Public Survey #1. However, Public Survey #2 received a much lower response rate, with just 220 complete responses. Moreover, these responses were not entirely reflective of the community as a whole; for example, 90 percent of respondents to Public Survey #2 were homeowners, compared with 72 percent of respondents to Public Survey #1 and 74 percent of all County residents who responded. One reason for these differences may be that the second public survey was more detailed and more technical than the first public survey and that, given the number of recommendations, it required more time to complete. Another reason may be that people who participated in the original survey felt the recommendations adequately addressed their issues and goals, and were therefore less concerned with completing a lengthy second survey.

Feedback received from the online survey included:

- Nearly 30 percent of respondents did not express support for any of the 74 recommendations. This feedback suggests that some community members believe the County should not address housing opportunities, or that it should prioritize other issues before housing.
- Of those respondents who indicated support for at least one recommendation, the most popular recommendations were those that would have direct positive impacts to people already living in Howard County, such as the creation of tools for existing homeowners in the County.
- On the other hand, the least popular recommendations included those that involved changes to zoning regulations, the creation of more diverse housing options, and the establishment of Adequate Public Facilities Ordinances (APFO) exemptions.
- This input suggests many of the survey respondents were skeptical as to whether more housing, and specifically more affordable housing, is necessary in the County. However, the analysis in the Housing Opportunities Master Plan points to significant unmet needs in the community, a finding with which the Task Force agreed throughout the planning process. Similar sentiments were observed from many of the responses to Public Survey #1, which had participation from a larger and more diverse sample of the population.

Public Open House Meetings

Two online public meetings were held to provide follow-up information and updates about the Housing Opportunities Master Plan Task Force's work to date, and to gain qualitative feedback regarding the proposed recommendations. More than 100 people participated in one or both of these meetings. The meetings were held on the following dates/times, and the presentation and meeting summary are posted online:

- Meeting #1 - Tuesday, November 10, 2020 | 12 – 1 p.m.
- Meeting #2 – Thursday, November 18, 2020 | 7 – 8 p.m.

Feedback received from the online survey and open house meetings had some similarities and differences. Primary themes of the feedback heard during the meetings include:

- Concerns regarding how an increase in housing density and affordable housing may affect established neighborhoods, infrastructure, school enrollment, and school assistance programs.
- Questions about funding mechanisms and tax implications.
- Desire for better accommodations and programs for seniors and people with disabilities.
- Support for programs that promote equity and engagement with diverse communities in the planning process.

POLICY/PROGRAM EVALUATION INTERVIEWS

The consultant team was tasked with evaluating existing County policies and programs to assess whether these interventions are effective in addressing critical housing needs and whether there are any gaps that need to be addressed. Outreach included 29 individual/group interviews and three virtual roundtable discussions with targeted stakeholders, reaching approximately 50 individual practitioners/stakeholders. In addition to County staff and organizations that partner with the County to provide key services, participants included members of the market-rate and affordable housing development community, the Age-Friendly Initiative Housing Workgroup, African American Roundtable, representatives of groups serving individuals and families with disabilities, and the immigrant community, among others. Results from this outreach are summarized in the Overview of Policy Research and Analysis section of the report.

SUMMARY

The public has been involved and their feedback incorporated throughout the development of the Howard County Housing Opportunities Master Plan. Members of the public were able to participate in two online public surveys, five online public meetings, and multiple Task Force meetings. Additionally, advocacy groups and organizations representing environmental justice groups were invited to participate in two online meetings. Between these efforts, thousands of people participated and shared their feedback with the planning team. This public engagement led to an inclusive set of goals and recommendations which address a wide array of housing-related issues in Howard County.


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