



June 17, 2016

**To:** Columbia Association (CA) Board of Directors  
**From:** Jane Dembner, AICP, Director of Planning and Community Affairs  
**Through:** Milton Matthews, CA President / CEO  
**Subject:** Downtown Affordable Housing

On the Board's June 23 meeting agenda is an action item related to what if any guidance the Board wants to provide to CA management related to testifying on CA's behalf about proposed Downtown Columbia affordable housing legislation.

We have prepared the following information for your consideration:

- We begin with a brief overview on why affordable housing is appropriate and desirable in Downtown Columbia.
- We then present three salient comparison points related to the two affordable housing proposals that are anticipated to come before the Howard County Council next month and make our recommendation
- We have also attached the handout we prepared for last week's work session on existing subsidized housing in Columbia so that will be available for the public to access. Minor corrections have been made, however the memo is essentially unchanged.
- We have also included the Board-approved "Guiding Principles for the 21st Century Planned Community of Columbia, Maryland" and draw your attention to principle 1.b. on "mix of housing" and principle 4.a. on "Downtown Columbia."

### ***Affordable Housing is Appropriate and Desirable in Downtown Columbia***

Affordable Housing is needed and desirable in close proximity to job centers, transportation, areas with good schools, and community services. These areas in the housing and community development world are termed "opportunity areas" and current best practice and policy encourages government and non-governmental entities to invest in affordable housing in such opportunity areas.

Enterprise Community Partners (ECP) – a national nonprofit organization, based in Columbia, whose mission is to expand opportunity for low- and moderate-income households across the United States – recently released a policy framework to expand opportunity for low and moderate income households. Formerly the Enterprise Foundation, ECP was founded in 1982 by James and Patty Rouse to develop and invest in affordable homes across the country.

ECP's new initiative is called "Invest in Opportunity" and emphasizes solutions to expand housing for low and moderate income households. One of the broad strategies recommended is to "*Ensure broad access to high-opportunity areas.*" The recommendation goes on to state:

*"Certain housing programs, such as Section 8 Housing Choice Vouchers and the Low-Income Housing Tax Credit program, have long track records of success in creating stable and affordable housing options for low-income families. But more must be done to ensure that families who benefit from these programs have access to neighborhoods with good schools, job opportunities, public transit and other resources. At the same time, we need to ensure that local zoning rules, building*

regulations and transportation plans encourage – or at least do not discourage – lower-income families to live in high-opportunity communities.”

### Take Away for the Board

In the Baltimore regional housing plan, which includes Howard County, Howard County and specifically Columbia are rated as the highest opportunity areas in the region. The opportunity analysis rating takes into account six broad categories: education, housing and neighborhood quality, social capital, public health and safety, employment/workforce, and transportation/mobility.

As it redevelops, Downtown Columbia is a crucial location for affordable housing and is in alignment with current best practices related to the location of affordable housing in high opportunity areas. Affordable homes in Downtown Columbia provide the best opportunity, including residents and families, with lower incomes to take advantage of the high level of economic prosperity of the area. Housing initiatives that provide an opportunity for residents with Housing Choice Vouchers or who qualify to live in Low-Income Housing Tax Credit (LIHTC) properties are an important component of ensuring that lower income households have access to Howard County’s prosperity and the opportunities that living in Downtown Columbia provide.

### ***Three Comparison Points on the Proposals***

#### **1. There is Value in a Multi-faceted Approach**

Howard County’s existing Moderate Income Housing Unit (MIHU) program and many similar ordinances around the country have been enacted as one tool to increase the supply of affordable housing. These ordinances either require or encourage the provision of affordable housing in market-rate development, typically by the provision of density bonuses and other incentives. Since Howard County enacted its first MIHU ordinance in 1996 and substantially expanded it in 2007, only 543 rental units have come on line in Howard County, plus 201 for sale units.

Councilwoman Terrasa’s proposal relies solely on an MIHU approach to provide affordable housing downtown. These units only come on line as the private sector decides to build new housing in Downtown Columbia. If the developer finds that it is economically infeasible to build higher density residential development because of the 15% MIHU requirement, they may choose to build fewer, less expensive, lower density units. They will still be required to build the 15% affordable units but this lower density type of development will not in be in accord with the Downtown Columbia Plan or vision. There is also no certainty about if and when these units would be built.

The Joint Recommendations proposal includes a combination of approaches – tax credits, vouchers, and MIHU -- and also involves multiple developers including the Housing Commission and Howard Hughes Corporation. The tax credit units will be maintained as affordable units in perpetuity by covenant: these units will always be affordable. In addition, a phasing requirement is included for the tax credit projects that guarantee those units would largely be built in the early and mid-phases of Downtown Columbia development. The Joint Recommendations also would use a second approach to provide for new units in Downtown Columbia that will be restricted for households using Housing Choice Vouchers; thereby, allowing current voucher holders to move into new units with access to employment and all the other opportunities that downtown offers. Finally, the Joint Recommendations include an MIHU requirement for all residential projects that are not subject to the Development Rights and Responsibilities Agreement (DCRA) with Howard Hughes Corporation. The Planning Board recommended this MIHU requirement to be at 13%.

### Take Away for the Board

Relying exclusively on the MIHU provision employed in Councilwomen Terrasa’s proposal does not take advantage of the federal and other resources and tools available to Howard County and focuses only on one strategy: the one that has yielded few units to date in Howard County.

## **2. More Certain Yield of Affordable Housing Units**

The Joint Recommendations will produce 900 affordable units at various income levels -- from 0 to 80% of area median income. Councilwoman Terrasa's proposal has a maximum yield of 702 units -- 15% of 4,683 units -- (5,500 units minus the 817 units already permitted) at 40% to 80% of area median income.

In Councilwoman Terrasa's proposal, there are alternative compliance options provided for the developer to construct fewer units if they provide deeper subsidies (lower rents). Under one of those options, the number of units could be as low as 9% or 422 units. However, both of these potential yields (high of 702 or low of 422 units) assume that Howard Hughes Corporation will develop at the maximum densities permitted under the Downtown Columbia Plan and associated zoning. To date, this has not been the case. The developer has consistently submitted housing and commercial proposals for much lower densities than permitted. We see examples of this with the Metropolitan and the adjacent residential building currently under construction, and in the proposals to date in the Crescent area. Projects that could have been 15 or 20 stories have been submitted and approved for much lower heights and density levels.

### Take Away for the Board

Bottom line, the MIHU-only approach as proposed by Councilwoman Terrasa, which uses a percentage set-aside for affordable units and does not cover the full spectrum of income levels, will produce fewer units, and does not compare favorably, as far as the number of units produced, with the 900 units proposed in the Joint Recommendations.

There are some who argue that the 200 new units to be built for existing Housing Choice Voucher holders are not really net new affordable units. However, this misses an important distinction that the new units will be just that: newly developed units. And they will be located in Downtown Columbia, the jobs center of the Howard County within walking distance of the county and regional bus systems, the central library and many other services and amenities. Having the opportunity to choose to live in a new apartment as opposed to living in an existing, older apartment building (some approaching or exceeding 40 years old) is surely a benefit to those who will have the opportunity to move up and enjoy the benefits of Downtown Columbia.

## **3. The Planning Board Recommended the Joint Recommendations Affordable Housing Legislation**

Over a multi-week time period, the Planning Board held two meetings to receive testimony and a work session. The Planning Board thoughtfully considered the two legislative proposals related to Downtown Columbia affordable housing. Following these meetings, the Planning Board recommended approval of the Joint Recommendations including changes to the Howard County General Plan and the Downtown Columbia Plan. The Planning Board also recommended approval of Zoning Regulation Amendment 170 (ZRA-170) as amended with the additional recommendation to increase the MIHU requirement from 10 percent to 13 percent. The Planning Board also found the proposed DRRA to be in conformance with the General Plan.

The Planning Board recommended denial of the alternative proposal sponsored by Councilwoman Terrasa.

### Take Away for the Board

The Joint Recommendations were developed jointly over many months through a collaborative effort, as directed in CR-120-2014. Howard Hughes Corporation, the County Administration, the Housing Commission and the Columbia Downtown Housing Corporation worked together to develop and agree on the Joint Recommendations. The Planning Board considered the legislation at length and voted to support the Joint Recommendations. It is reasonable and recommended that the Board support this vetted approach.

## **Recommendation**

CA management recommends the Board support the Joint Recommendations. However, if the Board would rather not take a position, we recommend that you support an approach that yields the most affordable units at a wide range of income levels that leverage a range of tools, resources and approaches to secure affordable housing in Downtown Columbia as we move forward.



June 15, 2016 revised

**To:** Columbia Association Board of Directors  
**From:** Jane Dembner, AICP, Director of Planning and Community Affairs  
**Subject:** **Overview of Existing Subsidized Housing in Columbia and Howard County**

Following the May 26, 2016 Board meeting, Columbia Association planning staff contacted the county administration for information about subsidized housing in Columbia. That information is summarized below and is supplemented with some additional information about the programs referenced.

#### **SECTION 8 VOUCHERS (Tenant Based)**

##### **What is the Section 8 Voucher program?**

Section 8 is a government-funded program that helps low-income households pay the rent on private, market-rate rental units). Voucher holders can search and find a unit (within certain requirements and rent ranges by size of unit). The rent paid by the tenant will be 30% to 40% of the household's adjusted gross income. The difference is paid for by the government and paid directly to the property. *If the tenant moves, the voucher moves with them.*

##### **Section 8 Vouchers in Columbia by Zip Code**

Howard County has provided an accounting of the total number of Section 8 voucher holders that currently reside in the county, sorted by zip code. There are a total of 1,337 voucher holders in the county or 4.8% of the occupied rental housing units in Howard County.

Of the total vouchers in the county, the breakdown in the three predominant Columbia zip codes is as follows: 21044 (West Columbia) 488 vouchers; 21045 (East Columbia) 387 vouchers; and 21046 (South Columbia) 193 vouchers. Together that equals 1,068 in these three zip codes. It also means that 80% of the voucher holders have chosen to live in Columbia.

#### **SUBSIDIZED RENTAL COMMUNITY HOUSING – (Section 8 Project Based & Project Based Rental Assistance Programs)**

##### **What is the Project Based Section 8 housing program?**

Project Based Section 8 housing is a government-funded program that provides rental housing to low-income households in privately-owned and managed rental units. *The subsidy stays with the building;* when the tenant moves out, he/she no longer has the rental assistance. Most units rental cost will be 30% of household adjusted gross income. There may be a variety of housing types available through this program including single-family homes, townhomes, or apartments.

**Properties in Columbia that include Subsidized Units**

There are ten privately-owned properties in Columbia that offer Section 8 project based or rental assistance/subsidized housing to low income households. These include two that are age-restricted senior communities and eight that offer a mix of subsidized and unsubsidized units together. One of the ten (Monarch Mills) is not located in a village but is near Owen Brown on Oakland Mills Road and includes both age-restricted and non-age restricted low income units. Including Monarch Mills, the number of subsidized rental community housing units in Columbia in these ten properties is a total of 1,391 units.

The chart below includes the names of the properties and the number of subsidized units in each. The location in Columbia is also indicated.

Village/Property Name	Subsidized Units	Age Restricted Y/N
Harper's Choice - Harper's House	100	N
Hickory Ridge - Hickory Ridge Place	108	N
Long Reach - Longwood - Shalom Square - Sierra Woods	100 50 160	Y Y N
Oakland Mills - Forest Ridge	108	N
Owen Brown - Chimneys of Cradlerock - Owen Brown Place	40 188	N N
Wilde Lake - Community Homes	300	N
Nearby Columbia - Monarch Mills - Monarch Mills	32 5	N Y

**LIHTC PROJECTS**

**What is the LIHTC program?**

According to the US Department of Housing and Urban Development (HUD), the “Low-Income Housing Tax Credit (LIHTC) is the most important resource for creating affordable housing in the United States today. Created by the Tax Reform Act of 1986, the LIHTC program gives State and local LIHTC-allocating agencies the equivalent of nearly \$8 billion in annual budget authority to issue tax credits for the acquisition, rehabilitation, or new construction of rental housing targeted to lower-income households. The LIHTC database, created by HUD and available to the public since 1997, contains information on 43,092 projects and 2.78 million housing units placed in service between 1987 and 2014. An average of 107,000 units were placed in service annually from 1995 to 2014.” <https://www.huduser.gov/portal/datasets/lihtc.html>, accessed June 9, 2016.

**LIHTC Rent Restricted Properties in Columbia**

There are five properties in or near Columbia that have used the LIHTC program to develop subsidized housing. One of these, Monarch Mills, is outside of a Columbia village but is in close proximity to Owen Brown on Oakland Mills Road.

The properties, the number of subsidized units and their location are as follows:

- Park View in Long Reach (99 units)
- Selborne House of Dorsey Hall (120 units)
- Columbia Commons – Kings Contrivance (50)
- Park View at Columbia – Owen Brown (103)
- Monarch Mills (79)

# Guiding Principles for the 21st Century Planned Community of Columbia, Maryland

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## Introduction

James Rouse established four goals for Columbia. These goals are often cited when the history and framework of Columbia is discussed. The Rouse goals were: ***to build a complete city; to respect the land; to provide for the growth of people; and to make a profit.***

When Wilde Lake was dedicated in 1967, James Rouse remarked that he hoped Columbia would never be finished, that the community would continue to develop and that the residents who would come to call Columbia home would be actively engaged in the process. That has proven to be true and the development and evolution of Columbia is ongoing.

As we look to the future, almost 50 years after Columbia's founding, Columbia Association (CA) acknowledges the continued relevance of those early Rouse goals. Columbia Association has established guiding principles, which we believe to be fundamental to the continued evolution and growth of Columbia as a planned community of choice in the 21st Century.

These principles are organized in five categories that are in alignment with Rouse's goals for Columbia and focus on the characteristics that make Columbia distinctive: Diversity; Stewardship; Land Use and Design; Neighborhoods and Destinations; and Community Facilities and Services.

## Guiding Principles – Managing Columbia’s Growth and Change

*The following guiding principles are a set of values and establish expectations for the planned community of Columbia as it continues to evolve and change.*

### 1. Diversity / Inclusion Principles

- a. **Population Diversity.** Diversity in Columbia’s population in all respects (age, race, ethnicity, religion, economic etc.) is important. Columbia should be a community that is attractive to all generations.
- b. **Mix of Housing Types.** Housing should accommodate households of different sizes, income levels and ages/stages of life including families, singles, couples and older adults.
- c. **Civic Engagement.** Columbia is a place where civic engagement is a core part of community life.

*Relationship to Rouse’s Vision: Rouse built Columbia as an “open community,” one that would be a new model to overcome racial and economic discrimination and segregation. He also incorporated amenities to enhance the lives of Columbians of various ages and stages of life.*

### 2. Stewardship Principles

- a. **Permanent Open Space.** The number of permanent open space acres in Columbia must be retained.
- b. **Environmental Stewardship.** Focus environmental enhancement on natural resource conservation. Reforestation and conservation of tree cover should be emphasized, including the replacement of trees removed on a one-for-one basis.

*Relationship to Rouse’s Vision: The distinctive tight weave of Columbia’s open spaces, residential neighborhoods and other development is a distinguishing feature of the community. These open space resources provide health, recreation, aesthetic and ecological benefits that contribute to Columbia’s quality of life.*

### 3. Land Use and Design Principles

- a. **Land Use Mix.** Residential, shopping, recreational, cultural, and employment choices in Columbia must continue to evolve to meet the desires of its diverse population and changing regional and national economic trends.
- b. **Employment.** Columbia should continue to be Howard County’s employment hub.

- c. **Design and Architectural Excellence.** New buildings and associated civic spaces and public art should create a sense of place and exemplify excellence in design.
- d. **Redevelopment.** Accommodating new residents and jobs in Columbia is important to create the critical mass needed to support desired services, amenities and multi-modal transportation opportunities. Future growth in Columbia will be predominantly through on-going redevelopment, a key component of reinvigorating and enhancing the community.
- e. **New Housing.** The addition of new housing is vital to the viability and attractiveness of Columbia for existing and new residents. Residential options will range from the more urban Downtown Columbia setting to traditional suburban neighborhoods.

*Relationship to Rouse's Vision: Rouse imagined and planned for a "complete city", not just a residential community. The focus on livable neighborhoods in close proximity to a significant amount of employment and shopping areas set it aside from other developments. He also planned for the long-term, understanding that Columbia would continue to grow and evolve over time.*

#### **4. Neighborhood and Destination Principles**

- a. **Downtown Columbia.** The redevelopment of Downtown Columbia as a mixed use and walkable, urban center should reinforce the downtown area as the county's primary location for specialty/destination retail stores, places of employment, higher density multi-family residential properties, and entertainment uses.
- b. **Village Centers.** To maintain the vitality of Columbia's village centers as important local destinations and service and social hubs, village centers within highly competitive environments should be repositioned with alternatives to an anchor grocery store and with the potential addition of residential uses. For the other village centers, incremental change should include enhancements to the mix of retail and food and beverage offerings, and the potential addition of residential uses. It is important to maintain and enhance the village centers as mixed use community focal points that provide places for people to gather and socialize as well as live, shop and access programs and services.
- c. **Corridors.** Both a vision and development guidelines are needed for some of Columbia's commercial/industrial corridors. Without a planned development approach, these areas may present a host of economic, safety, environmental, aesthetic and (re)development challenges.
- d. **Neighborhood Revitalization.** In neighborhoods where the housing stock has outlived its useful life or is in poor condition, existing housing should be enhanced

through rehabilitation where possible. However, when rehabilitation is not possible or feasible, these properties present opportunities for redevelopment and residential infill that can improve the attractiveness and desirability of the neighborhood. Any new residential redevelopment should be designed as an integral part of the community.

- e. **Neighborhood Conservation.** Additions and alterations to existing properties in neighborhoods with positive physical and economic characteristics should be consistent in scale and architectural character with what is already developed.

*Relationship to Rouse's Vision: Rouse envisioned quality neighborhoods organized three or four to a village that would be anchored by a village center comprised of shopping, educational and civic/recreational uses. The nine villages were developed around a Town Center, the commercial core of Columbia.*

## **5. Community Facilities and Services**

- a. **Balanced Transportation System.** Increased connectivity in and around Columbia is important to serve the community's diverse resident and employee populations. Investments in transportation should focus on systems that connect people of all ages with the places and activities they need to reach. Investments should also expand safety for all users, including drivers, transit riders, pedestrians, and cyclists. Columbia's signature pathway system should continue to be enhanced.
- b. **Public Safety.** As Columbia continues to develop and change, it is important that public safety services be responsive to these changes. Public safety is vital to the quality of life in the community.

*Relationship to Rouse's Vision: Rouse placed great emphasis on, and planned for, transportation, public facilities, civic and recreational uses to serve the whole community.*

## **How Will the Principles be Used?**

The guiding principles will be used to guide those involved in shaping the future of Columbia. For instance, they would be used by CA managers who have the responsibility for planning, facilities and natural resources, finance, communications/advocacy or other CA functions related to decisions and investments impacting the Columbia community. They would also be used as CA coordinates and partners with Howard County government or the State of Maryland and as the Howard County government reviews and updates the New Town zoning regulations.