
Zoning Committee of the Planning Commission (ZOCO)

Meeting Summary

September 23, 2020, 7:00pm

Virtual Microsoft Teams Meeting

Planning Commissioners in attendance:

Daniel Weir (Chair, ZOCO)

Devanshi P. Patel

Stephen Hughes

James Lantelme

James Schroll

Planning Commissioners absent:

Denyse "Nia" Bagley

Elizabeth Morton

Tenley Peterson

Leonardo Sarli

Jane C. Siegel

Sara Steinberger

Elizabeth Gearin

Public Attendees:

Barbara Johnson

John Snyder

Michelle Winters

Staff in attendance:

Matt Mattauszek, Development Master Planner, CPHD – Planning

Nick Rogers, Principal Planner, CPHD – Planning

Akeria Brown, Management Analyst, CPHD – Housing

Melissa Danowski, Development Specialist, Principal, CPHD – Housing

Jennifer Smith, Planning Manager, CPHD – Planning

Ebony Dumas, Associate Planner, CPHD – Planning

Richard Tucker, Housing Master Planner, CPHD – Housing

Columbia Pike Neighborhood Form Based Code: Revisions to Area Median Income (AMI) Requirements for For Sale Affordable Units

ZOCO Chair Daniel Weir opened the meeting at 7:04pm.

Matt Mattauszek presents a timeline overview of the proposed change to the Columbia Pike Neighborhood Form Based Code (N-FBC). He states the Request to Advertise (RTA) was heard by the County Board in June 2020. At this time, County Board asked staff to return to stakeholders, gain more community input, and return in October. Mr. Mattauszek also notes the amendment is separate from the on-going "Missing Middle" Housing Study. Prior to the June RTA, staff met with 4 groups in early 2020. Since the June RTA, staff has conducted one-on-one meetings with representatives from nine additional groups and, to date, has reconvened with three of the four groups from early 2020. Additionally, staff has conducted a

public webinar, met with the Housing Commission and will do so again before going back to the County Board.

Mr. Mattauszek further explains that the proposed amendment is part of the Columbia Pike Initiative Phase 2. The purpose of this 4 year planning effort is to complete the vision for the 2.5 mile Columbia Pike corridor by sustaining a supply of housing to serve a community with a broad mix of incomes. Additionally, the development of the Neighborhoods Form Based Code is a response to the loss of affordable housing due to market conditions and by-right development.

Akeria Brown provides an overview of financing for Affordable Ownership Units. Additionally, she highlights that rental units would not be impacted. The goal of this program is to help more families to become homeowners and implement a sustainable program. Ms. Brown explains the change is necessary because there are many consequences of limiting ownership units at existing 60% Area Median Income (AMI) levels. These challenges include a limited pool of eligible applicants due to the need to meet strict mortgage criteria from lenders. Staff has also seen current owners face difficulty in keeping pace with annual increases in housing costs such as condo fees, utilities, and taxes. Additionally, maintaining the 60% AMI level is inconsistent with adopted policy regarding affordable ownership units as the Affordable Housing Master Plan (AHMP) encourages AMI levels between 80% – 120%. Ms. Brown also highlights the Columbia Pike Neighborhoods Area Plan outlines the retention of existing and the creation of new ownership units available and priced to meet the incomes between 60% – 120% of AMI.

Melissa Danowski discusses recent development trends and challenges. Nineteen projects have delivered 3,400 residential units, and only 150 have been ownership units. She also presents a map of regional maximum AMI limits used by other local governments – none of which are lower than 70%. Staff has also spoken to developers, and they have indicated condominium development tends to be riskier and more expensive than rental developments and they generally do not exceed 150 units. Some sites along Columbia Pike, especially in Eastern Columbia Pike, may have the potential to support much more than 150 units.

Ms. Danowski adds that staff is adding clarifying language to the proposal to address when rental units are converted to ownership. Next steps include presentations to the Housing Commission and Planning Commission prior to the October County Board meeting. Ms. Danowski concludes the staff presentation with direction to the County [website for this study](#).

Commissioner Weir opened the discussion on these items from the Planning Commission, which generated the following questions and comments.

Clarifying Questions:

- What's the status of going to the County Board and if the County Board doesn't act on it,? What happens should this proposal not move forward?
 - Ms. Danowski explained that staff would like to move forward to be responsive if staff receives a condo development application. A variety of public engagement on this topic has occurred, which began in February and included meetings with various stakeholders and organizations as well as a public forum held Sept. 15.
 - If this does not move forward, the threat of displacement will remain, with or without changing the requirements for affordability.
- Are the sale prices listed at 60% - 80% AMI? There's argument that suggests the County shouldn't be in business of subsidizing units.
 - Commissioner suggests having data of condo unit prices growth on Columbia

- Pike as opposed to the county when going before the County Board.
- You mention that condo conversion language is clarifying, can you elaborate on that?
 - Currently, if N-FBC rental units convert to ownership units, there is no clarification on what would happen to rental units that have a remaining affordability term. The additional language is meant to clarify what would happen in that instance. They could continue to rent them or convert them to affordable condo units per N-FBC requirements and approval by the County Board.
 - Have we looked at our neighbors specifically and know that increasing the AMI level is not causing displacement in our region?
 - Neighbors in our region have higher maximum income limit caps, but staff is not sure how they consider the threat of displacement by offering higher income affordable homeownership units.
 - Commissioners discuss the importance of highlighting the price of the unit is 80 – 100%, and the owner purchaser has to qualify for that with their income. This is a clarifying point.
 - The rest of the County home ownership units are allowable up to 80% AMI, except for the six units developed through the N-FBC which are affordable up to 60% AMI. Can you remind me why the difference in the history?
 - To what extent are goals of stabilizing neighborhoods addressed by the proposed change?
 - Is the resale requirements for these units a departure from what we do around the county as a limited equity model?
 - Staff responded this happens across the county. When unit is resold, it's sold to someone at that same income level.

Other Questions and Comments:

- Commissioner states he's talked to developers and they have confirmed that affordable units up to 60% AMI are a big risk and the more risk means more money.
- Commissioners discuss providing the Planning Commission a history of how the N-FBC AMI requirement ended up at 60% and not at 80%. If the rest of the county and surrounding jurisdiction do not cap at 60%, why does the N-FBC?
- Commissioner Hughes explains AWG members have historically been proud of having lower AMI requirements than the rest of the County. At this point, he is not convinced this proposal is the best way to move forward.

Public Comments.

- John Snyder provides perspective as someone who participated in creation of the N-FBC. All potential condo redevelopment projects would have the first step of displacing current residents. Redevelopment might happen anyway, but the most important goal is that the county does not put its foot on scale and tip the scale on any potential displacement. This should not move forward and other ways of affordable housing should be explored.
- Michelle Winters, representing the Affordable Housing Alliance, stated that her organization does not support the current proposal, but there is a nuance. They agree with issues of homeownership programs at 60% AMI that it's very difficult to qualify and maybe rental is more appropriate. However, they also think there are some potential impacts of making this change in this way and is concerned about some things others have expressed – increasing range reduces amount of subsidy that developer has to provide. Developers will get more density, and having AMI levels at 80% - 100% doesn't make them earn it as much. If income goes up, the number of required affordable units must also go up.

- Jim Schulman asks if someone on committee could explain why this amendment as proposed isn't promoting gentrification. Staff provides a slide with racial makeup of current affordable ownership households, and Schulman offers that gentrification is not about race, it is about socio-economics.
- Barbara Johnson asks staff to explain how they arrived at the total of unit price at \$360,000.
 - The price is function of AMI threshold as well the number of people in the household. Staff presents and reviews a slide with Ownership Affordability by AMI.

Commissioner Weir explains he doesn't believe there's been an area of agreement. There remains a lot of concern about displacement and gentrification, how units are priced, about how county policy is or is not consistent with plan or with remainder of county. There is still underlying difference of opinion of what the county should be as regard to affordable housing.

The ZOCO meeting was adjourned at 8:36pm.