

## **Minutes of the Affordable Housing Council**

Tuesday, January 10, 2017

2:30 pm to 4:00 pm

Bernard W. Brown Community Center  
629 N. Market Street, Frederick, Maryland

Meeting was called to order at 2:35 pm.

**Council members present:** Bruce Zavos, Chair; Katie Nash, Vice Chair; Mark Long, Sec; Kandy Joseph- Alexander; Jason Wiley, Mary Ellen Mitchell, Larry Johnson, Kimberly Ashkenazi, Angela Brinkley Morris, Jay Mason

**Public Officials/Staff Liaisons Present:** Jessica Fitzwater, Frederick County Council; Milton Bailey, Director of DHCD.

**Guests:** Angie Liddiard, Housing Authority of Frederick City; Sarah Nelson, Housing Program Manager at DHCD; Karin Tome; Noel Manalo, FCBIA Land Use Council; Eric Soter, Rogers Consulting; Dave Esworthy and Alan Feinberg, East Frederick Rising; Josh Bokee, Frederick City Alderman; Nancy Lavin, Frederick News Post

**Council members absent:** None

### **CONSENT AGENDA:**

The minutes of the January 3, 2017 meeting were approved without changes.

**LIASON REPORTS:** None

### **OLD BUSINESS: Policy Discussion – Moderately Priced Dwelling Unit Payment In Lieu Program. Discuss current County policy and potential changes.**

Prior to the meeting, along with the agenda, two draft proposals for consideration were shared with members of the AHC. One proposal recommended supporting the recommendation of HR&A consultants to raise the PIL to \$5,609 per unit. The other proposal recommended using a 3 tiered method, starting with the \$5,609 figure for a Single Family home, \$3,920 for a Townhome and \$1,300 for a Condo. An article, "The Unintended Consequences of Law", that addressed the implications of imposing various fees on the housing industry, was also dispersed.

Bruce started off discussion by stating the he had researched different areas around the country and there was no consensus for this type of funding mechanism. Went around table and every member of the council, as well as guests and liaisons, shared their thoughts on the MPDU PIL. A variety of thoughts and opinions were expressed: While there was general consensus that the PIL should be raised, at least some amount, there were concerns about the implications of raising it too much, and some thought it should be raised little if any. Concerns were expressed that raising the fee contributed to making all homes more expensive and new home buyers shouldn't be penalized because there is a shortage of affordable housing.

A concern was expressed that using the PIL to fund public initiatives, rather than require builders to build MPDUs within their developments, concentrated poverty. But others stated that wasn't a problem, at least in Frederick County.

Some suggested basing the fee on a sliding scale, such as tying it to square footage, but county staff indicated that the county system isn't currently set up to do that. Others proposed using a 3 tiered system to set the fee and others suggested raising the fee some smaller amount, less than the study's recommendation. But guest and land-use attorney, Noel Manalo, cautioned that the fee should have a "rational nexus" or it could be subject to a court challenge.

After considerable discussion and with this caution in mind, the members of the AHC agreed to essentially support the recommendation of HR&A Consultants as stated in the Affordable Housing Needs Assessment. The recommendation by NR&A gave rationale for the setting the PIL and the formula was a revised version of the formula used when the PIL option was first enacted, so it has precedence.

The motion by Larry Johnson as amended by Bruce Zavos, with second by Katie Nash, stated: "The Affordable Housing Council supports the recommendation of HR&A Consultants as stated in the Affordable Housing Needs Assessment and recommends setting the Payment In Lieu fee at \$5,609 per unit with yearly indexing to the Construction Cost Index."

Motion passed with 6 Ayes, Bruce, Mark, Larry, Angela, Mary Ellen and Katie; and 3 Abstentions, Jason, Kimberly and Kandy. Jay had left the meeting by the time the vote was taken.

There was also some discussion about where the PIL funds were used and it was agreed that this should be further reviewed by the AHC in the near future. There was also recognition that at some time the entire MPDU Ordinance should be reviewed and possibly revised.

Meeting was adjourned at 4:30 pm.

Submitted By Mark Long, AHC Secretary

Next meeting will be the regularly scheduled meeting on February 7.