

Minutes of the Affordable Housing Council (AHC)
Tuesday, May 8, 2018
2:30 pm to 4:00 pm
Citizen Service Division Building – Main Conference Room
401 Sagner Avenue, Frederick, MD 21701

MINUES of MEETING

First Call to Order: Chairman Bruce Zavos called the meeting to order at 2:35PM. A quorum was not established until approximately 2:50PM.

Pre-Quorum General Discussion: While awaiting the establishment of a quorum, a general discussion led by Mr. Zavos was held. During this time Mr. Zavos recognized AHC members for bringing attention to affordable housing vis-à-vis the broad constituent turnout at the April 17, 2018 public hearing portion of the Budget review process. Mr. Zavos also urged the AHC's continuing efforts in that regard.

Mr. Zavos also noted that none of the County Council Members seemed to refute the need for additional Housing Investment Fund (HIF) investments, as evidenced by the support generated to place 1.5% of the County's recordation taxes into the fund to support Deferred Loan Program (DLP) housing transactions.

Ms. Jessica Fitzwater, stated the infusion of 1.5% of recordation taxes would generate approximately \$520,000 and augment HIF income derived from infusions of Moderately Priced Dwelling Unit (MPDU) fees. Ms. Fitzwater noted the 1.5% infusion stemmed from a policy decision by the County Executive rather than legislative action by the County Council. Ms. Fitzwater also indicated there may be support on the County Council to take legislative action to make the infusion permanent, and would work with her colleagues in that regard.

Mr. Zavos lauded the efforts of the County Executive and encouraged Ms. Fitzwater to pursue legislative permanency of the action.

Mr. Zavos also stated that he was researching additional means of providing stable sources of HIF funding¹, and by way of example, outlined the possibility of leveraging a portion of real estate construction fees and hotel taxes to encourage the development of affordable housing. Mr. Zavos requested DHCD staff to provide a DLP pipeline update².

Second Call to Order: At approximately 2:50PM, Mr. Zavos called the meeting to order.

Members Present: Bruce Zavos, Chair; Mark Long, Secretary; Diane Bill; Jason Wiley; Malcolm Furgol; Mary Ellen Mitchell; Kellye Murphy; and Shirley McDonald.

¹ On May 9th, DHCD provided the AHC with excerpts from a previously transmitted November 2, 2017 Working White which identified the means by which other jurisdictions funded similar HIF or Housing Production Trust Funds. Copy attached.

² On May 9th, DHCD provided the AHC with a copy of the DLP pipeline report. Also on May 9th, DHCD provided the AHC with a copy of its planned testimony in support of the May 15th PILOT resolution for Orchard Park Residential, LLC. Copies attached.

Members Absent: Kimberly Ashkenazi, Vice Chair; Jay Mason; Kandy Joseph-Alexander; Angie Liddiard; and Marva Younger.

Public Officials/Staff Liaisons Present: Jessica Fitzwater, County Council; Derek Shackelford, City Alderman; Robin Inskip, FC-Finance Department; Dial Keju, Department of Planning; Nelson, DHCD; and Milton Bailey, Director, DHCD.

Guests Present: James Baker, United Way of Frederick; Jimmy Trout; Eric Soter, Roberts Consulting; Kara Norman, Downtown Frederick Partnership; and Teresa Wyatt.

Order of Business:

1. Approval of Minutes: Minutes from the April 10th meeting were approved at approximately 2:52PM.
2. Approval of Agenda: The agenda was approved at approximately 2:53PM.
3. Introduction of Persons Attending Meeting. Introductions were made at approximately 2:54PM.
4. Public Comments: Ms. Jessica Fitzwater indicated there is a proposed amendment to remove the department's budget request for a rental housing specialist from the budget, but it may not have the four (4) County Council votes needed to pass.
5. Update on Housing Fair 3:30PM — Ms. Sarah Nelson and Mr. Bailey provided updates on the planning and execution status of the Housing Fair. Sponsor, Vendor, Presenter, Workshop and graphics of AHC Housing Fair merchandise are attached.
6. Bill 18-13 at approximately 3:35PM Mr. Mark Long led a discussion on the subject Bill to determine whether the AHC should provide comments as it may impact the cost of housing development. This Bill applies *only* to developments approved between July 2011 and July 2016 that were allowed to pay the School Construction Fee, when the developments failed to have adequate school capacity for the entire length of the school capacity period.

The Bill was introduced on April 3, 2018. A public hearing was held on May 1, 2018 at 7:00PM. The Bill states: "The County Council of Frederick County, Maryland, finds it necessary and appropriate to provide for an Annual Adjustment to the School Construction Fees in accordance with Section 1- 20-62(G) of the Frederick County Code (School Construction Fee Option), including: (1) adjusting School Construction Fees based on the original formula used to create the fees; (2) adjusting School Construction Fees based on the most recent data from the State of Maryland School Construction Cost Index; and (3) amending the Division of Planning and Permitting Fee Schedule to reflect the updated and adjusted School Construction Fee. School construction fees due to the county shall be determined by using the chart below. The school construction fees shall be calculated by multiplying the appropriate school construction fee component(s) (based on the proposed development's failure to meet public school adequacy at the elementary,

middle or high school level) by the number of residential units of each type.” Please see Bill attached.

7. Messaging Committee—Mr. Hugh Gordon, via email, requested the AHC to consider identifying volunteer opportunities for Ms. Christine Bowie, a resident at the Weinberg House and one of the speakers at the County Council public hearing on the department’s budget. Mr. Bailey offered to have Ms. Bowie host the reception table at the Housing Fair. Mr. Zavos indicate the AHC would also look into other possible volunteer opportunities for Ms. Bowie.
8. Staff Liaison Report 3:40PM —Councilperson Jessica Fitzwater reported on Bill 18-13 and stated that a vote on the measure by the County Council is expected to occur during the week of May 14th. Ms. Fitzwater also provided an update and led a discussion on the status of the County’s Budget Hearings, which are still ongoing. Ms. Fitzwater indicated that Mr. Zavos’ PILOT letter was delivered to the County Executive, and that she would request the County Executive to assign staff to perform a deeper analysis into the PILOT policy.
9. Staff Liaison Report 3:50PM—Alderman Derek Shackelford reported the City was also holding budget hearings, and that his Alderman colleagues would be meeting with the Mayor in a series of workshops to discuss specific budget items.
10. Staff Liaison Report 3:55PM— Ms. Sarah Nelson, DHCD Housing and Community Development Manager stated that on May 15th the department was submitting a PILOT resolution on behalf of Orchard Park Residential, LLC. Ms. Nelson also stated that on June 5th the department would submit a resolution the County Council requesting authorization to seek Community Development Block Grant (CDBG) funding for the emergency rehabilitation program.

Mr. Zavos encouraged AHC members to attend both hearings and to provide supporting statements.

Mr. Malcolm Furgol discussed the United Way ALICE (Asset, Limited, Income Constrained, Employed) data reveal for Frederick County. The reveal is to take place on May 17, 2018 at the National Press Building in Washington, D.C.

11. Resolution to Recommend the Reappointment of Certain AHC Members for Another Two-year Term— Mr. Mark Long, AHC Secretary, called for the subject resolution to approve the reappointment to the AHC Board of Ms. Kimberly Ashkenazi, Mr. Malcolm Furgol, Ms. Marva Younger and himself. The resolution was approved unanimously. The Board will consider the application of Mr. Vincent Rogers at its June 12th meeting.
12. Adjournment: The AHC meeting was adjourned at approximately 4:05PM.
13. The next AHC Meeting will be held at 2:30PM, on June 12, 2018, Citizens Services Division, 401 Sagner Avenue, in the Main Conference room.