

MINUTES

URBAN GROWTH AREA ADVISORY COMMITTEE September 6, 2007

The Urban Growth Area Advisory Committee held a meeting on Thursday, September 6, 2007 at 9:00 a.m. at the Washington County Administrative Annex, 80 West Baltimore Street, Conference Room 1, Hagerstown, Maryland.

CALL TO ORDER

Chairman Richard Phoebus called the meeting to order at 9:10 a.m.

The following members of the Advisory Committee and Washington County Staff were present:

- Richard Phoebus
- Nancy Allen
- Jeff Cline
- Donovan Corum
- Jerry Ditto
- Ron Leggett
- Hank Livelsberger
- Harry Reynolds
- John Shank
- Steve Goodrich
- Chris Cochrane
- Debra Eckard

MINUTES

Mr. Leggett made a motion to approve the minutes of the August 23, 2007 meeting as presented. Seconded by Mr. Reynolds. Unanimously approved.

OLD BUSINESS

- Subcommittee Updates

- Incentives

Ms. Livelsberger reported that the Incentives Committee will meet with developers and consultants at their next meeting scheduled for September 13, 2007 at 8:00 a.m. at the Washington County Administrative Annex, Conference Room 1. She stated that the following people have been invited to speak: David Lyles, Taylor Oliver, Jerry Cump, Fred Frederick, and Russ Townsley.

- TDR's

Mr. Cline reported that the TDR subcommittee recently met and discussed designated sending and receiving areas, EDU's in comparison to TDR's with transfer availability, and the use of TDR's to prevent sprawl in rural areas. Their next meeting is scheduled for September 18th at 7:00 p.m. at the Williamsport Town Hall.

- **Housing**

Ms. Allen reported that the Housing Subcommittee would be meeting after today's meeting. She noted they will be reviewing the discussions and recommendations of the Excise Tax Task Force.

Mr. Goodrich reported that he has verified public meeting law with the County Attorney's office. The UGA Advisory Committee falls under the public meeting law requirements. Therefore, the committee needs to provide reasonable advanced notice of meeting dates and allow the public to attend. The meeting dates are being published on the BOCC's public calendar available via the County's website. The subcommittees that have been appointed by this committee, are not subject to the public meeting law requirements. Therefore, the meetings do not need to be published nor the public to be in attendance. The subcommittees may, at their discretion, publish their meeting dates on the BOCC's public calendar. Ms. Eckard recommended that the Advisory Committee set their meeting dates one month in advance in order to meet the deadline for submission of dates for the BOCC's public calendar.

- Report on Public Comment Meeting

Mr. Goodrich reported that the August 28th public comment meeting at Williamsport High School was well attended. Approximately 35-45 people attended the meeting with 29 people using the sign-in sheets. Fourteen people spoke during the meeting. Mr. Goodrich summarized that the people who spoke do not want more density within the Urban Growth Area and many want less than what is currently allowed. A few citizens spoke in favor of more density and development within the UGA. Many people stated they are not opposed to growth but they do want the growth near them or they expressed their concern that growth is handled appropriately.

Ms. Livelsberger believes that many of the people want to know how traffic, school, sewer and water issues are going to be addressed. Mr. Goodrich stated that it is very difficult to plan for the future. Washington County's philosophy about the appropriate way to deal with growth is still maturing. Mr. Phoebus expressed his desire that this committee follows the guidelines set forth by the BOCC relative to incentives that encourage development within the UGA rather than outside of it, study affordable/workforce housing issues, and the zoning suitability within the UGA development area if TDR's are approved.

Mr. Goodrich stated that the municipalities need to be involved in this process. Mr. Cline stated he has been updating the Mayors of the municipalities at the MML meetings. Their next meeting is scheduled for September 24th at the Town of Keedysville. Mr. Ditto suggested meeting with the Town representatives during the educational portion of each Advisory Committee meeting. Mr. Goodrich stated that Staff has always planned to have a representative from each municipality with a Growth Area on the Advisory Committee to participate when working on the Growth Areas around each particular Town.

NEW BUSINESS

Workforce/Affordable Housing Issues

Mr. Phoebus introduced Mr. Richard Willson, Executive Director of the Washington County Housing Authority. Mr. Willson began his presentation by stating that he is an advocate for citizens who are in housing distress. He noted that people in housing distress were previously considered as those who made less than half of the median income. As housing costs have increased significantly since 2003, more individuals are struggling with affordable housing issues. The cost of housing in Washington County has forced many to look for more affordable housing in West Virginia and Pennsylvania.

Mr. Willson provided a handout that he prepared to show the changes that have occurred since the Workforce Housing Task Force prepared their report in 2005. He noted that the median income has not changed significantly from 2005 to 2007. The median house sale price was at its peak in October 2005 at \$240,000; the average price in 2006 was \$230,000; and as of July 2007, the median house sale price was \$224,450. He noted that the real estate market has not fallen close to the median house sale prices

of 2001 and 2002 level. The income needed to purchase a home has dropped by approximately \$4,000 since 2005. Mr. Willson stated that there are not a lot of measures of housing affordability for workforce housing. Rental housing is an important first step for young people moving out of their parent's homes. The annual rent increase factor has changed from 4.83% in 2005 to 6% in 2007, which means that rents are increasing and following the trend of the real estate sale market; however, wages are not increasing.

Ms. Allen stated that from a realtor's perspective, there are many people trying to purchase homes but cannot because they do not qualify. In turn, that affects the "move-up" market, those who want to move from their first home into their next house. In addition, there are more homes available for rent because they did not sell. Mr. Willson noted that the rental figures are furnished by HUD.

There was a brief discussion regarding rent versus purchasing. Some homeowners are renting their properties for less than what it costs to pay the mortgage, taxes and maintenance on the home. It is believed that in today's market, it is financially cheaper to rent than to purchase a property because you can rent the property at less than the financial obligation to purchase the property.

Mr. Willson provided an analysis of the median income, median sale price and affordability for all the counties in Maryland. This analysis shows Allegany County has the most affordable housing in Maryland and Talbot County has the least affordable housing in Maryland. Talbot County's median income influences their housing costs. Washington County is ranked 12th out of 23 jurisdictions for affordable housing. Mr. Ditto questioned what other demographics make the difference in affordability of these counties. Mr. Willson believes in part the age of the houses in Allegany County affects their affordability. He also noted that Allegany and Somerset counties are outside the center of the economic whirlwind of the Baltimore/Washington corridor. In summation, development, business, and low wages are believed to be the cause of non-affordable housing throughout the State.

Mr. Willson stated that Montgomery County's Comprehensive Policy is to develop as many jobs as they can but not to house as many people as they can. It is a very intentional plan to provide high paying jobs, but not to furnish housing for all the people who work there. Therefore, the people working in Montgomery County making higher wages are forced to find housing outside of that area and in turn influences the cost of affordable housing in other areas such as Washington County. Mr. Phoebus noted that Washington County now has more people coming into the County to work than leave the County to work in areas such as Montgomery County.

Mr. Willson presented a list of housing projects waiting in the pipelines in Frederick County. In 2005, the Workforce Housing Task Force discussed the endorsement of inclusionary zoning or moderately priced dwelling unit type of ordinances for Washington County. One member of the Task Force noted that Frederick County has this type of ordinance but they have not produced any moderately priced housing. Mr. Willson noted there are approximately 8,000 units in the pipeline and approximately 12.9% of these units are considered moderately priced housing units. Mr. Phoebus asked what is the definition of a "moderately priced dwelling unit". Mr. Willson stated that generally there is a set of rules or guidelines that dictate what the house must include or is determined to be necessary, that the house must fit into the community in which it is built, and can be sold to someone who makes less than 120% of the median income. In some cases, there are restraints put on the dwelling unit that it can only be sold for a certain amount of profit in a specified amount of time.

Mr. Willson noted there are several things that have not changed in the County since 2005. Those include over 3,000 families in our community that need a subsidized dwelling unit, there are no Federal resources except for tax credits, only one approved tax credit project has been approved in Washington County in the last 5 years, and Washington County does not have a strategy for closing the gap. Mr. Willson believes that inclusionary zoning needs to be considered for the County.

Mr. Phoebus asked what the densities are outside the Urban Growth Area. Mr. Goodrich stated that densities outside the Growth Area is 1:5 (1 dwelling unit per 5-acres) in the Agricultural zoning district, 1:20 (1 dwelling unit per 20-acres) in the Environmental Conservation zoning district and 1:30 (1 dwelling unit per 30-acres) in the Preservation zoning district. The Rural Village zoning district, allows one

dwelling unit per acre with a well and septic system and a reduction if public water and sewer service is available. Mr. Phoebus noted that MPDU's outside the UGA would not be practical. Mr. Ditto asked if the MPDU's must be placed in the development where larger and more expensive housing units are being developed. Mr. Willson stated that generally it is required to be placed in the development. The developer can request a waiver to have the units placed on another piece of property; however, that waiver must be approved by the Board of County Commissioners or Town Council, as appropriate. Typically the developer integrates the MPDU's as townhomes, homes without garages, etc.

Mr. Ditto expressed his opinion that the County could make housing more affordable by eliminating the APFO, the excise tax and other miscellaneous charges. Mr. Phoebus noted that in certain areas in the downtown area of Hagerstown, the APFO and excise tax is waived. He also noted that virtually all affordable housing is in the City of Hagerstown and it is all being utilized. Mr. Phoebus expressed his opinion that the County is not doing its part to make housing affordable for its citizens. By putting affordable housing in one area, problems arise because there is no social diversity.

Mr. Phoebus asked if there are other elements that would improve or make housing more affordable in the Urban Growth Area. Mr. Willson stated that the Task Force discussed housing trust funds. The money would come from local government. The Task Force recommended an initial investment of \$5 million. The program would stimulate the private sector to get involved.

Another element recognized by the Task Force was manufactured housing units with design criteria guidelines to assure that the home would blend with the surrounding neighborhood. The laws about treating mobile homes differently than stick built homes have changed. He noted that a "manufactured home" can be placed in many of the zoning districts. The definitions of a "mobile home" and a "manufactured home" need to be addressed. Mr. Willson stated that the "modular home" is built to the building code standards of the district where it is going to be delivered. The "manufactured home" is built to the HUD code. Federal law dictates that no jurisdiction can pass a law that supercedes a Federal law; therefore, any home built according to the HUD code is to be allowed in any jurisdiction.

Mr. Willson reported that the League of Women Voters is working to raise the issue of the Workforce Housing Task Force Recommendations with the Board of County Commissioners. A questionnaire has been given to each member of the BOCC, Mayor and Councils of the municipalities of Washington County and the State Delegation in order to find out their views on the 10 recommendations made by the Task Force. The questionnaire will then be released to the general community to gather their views as well. Ms. Allen stated the League has also delegated a follow-up committee to make sure that the elected officials have received the questionnaire and sent it back.

Mr. Goodrich asked Mr. Willson to explain the housing trust and how it works. Mr. Willson stated that the funds would be appropriated by the Board of County Commissioners. They would adopt a set of guidelines to be followed, appoint a citizen committee to oversee the trust, the committee would open an application process, deadlines for applications, funding rounds, evaluate the proposals received, choose the appropriate applicant as set forth by the BOCC's guidelines. The type of projects that would receive funding would be decided upon the BOCC. All houses would need to be affordable as specified by income levels. The fund could replenish itself by paybacks options or it could be funded by an annual budgetary commitment.

Mr. Willson explained the options of a land trust. A land trust would enable the land not to be part of what is sold. The land would be on a long-term lease. If you take the land out of the equation for rental and home ownership, you keep the housing affordable for duration of time. He stated that Baltimore has the highest homeowner rate of any city in the United States because they have used land trusts.

The issue of affordable housing is not unique to Washington County, but it is a problem nationwide. The problem has developed because housing costs have increased at a much faster rate than salaries.

OTHER BUSINESS

Mr. Phoebus began a discussion regarding other educational issues that the Committee would like to have presented or discussed. One suggestion was the Economic Development Commission to discuss problems and concerns from the business aspect. Another issue would be the concept of TDR's. After a brief discussion, the Committee decided their next educational issue to be discussed would be TDR's. Mr. Ditto suggested having representatives of the municipalities come to the meetings to share their concerns and issues regarding growth and development and their Comprehensive Plans.

NEXT MEETING

The next meeting is scheduled for Thursday, September 20th at 9:00 a.m. at the Washington County Administrative Annex. Meetings through October are scheduled every two weeks. Educational presentations will focus on Economic Development and TDR's.

ADJOURNMENT

Mr. Cline made a motion to adjourn at 11:10 a.m. So ordered.

Respectfully submitted,

Richard Phoebus, Chairman