

Alan Hyatt email accepted into the record:

I am writing regarding Ordinance 32-17, Moderately Priced Dwelling Unit Amendments, which you introduced to the City Council at the end of May and which is on the Council's agenda for a public hearing tonight. I believe that O-32-17, in its current form, will detrimentally impact projects that are currently under review as part of the City's development application review processes, and that certain provisions in the bill could adversely impact projects going forward.

First, O-32-17 would take effect from the date of passage and it does not contain any "grandfathering" provision to protect projects that have been designed under the existing City requirements. Certain projects are pending at the City pursuant to development applications filed previously that represent months and even years of effort: work with City staff, engineering and architectural fees, financial obligations, etc. To change the rules for these projects abruptly, without exempting them from compliance with brand new regulations, will mean considerable losses for the property owners.

Such actions will also send a message that the City of Annapolis does not value those who proceed in good faith and in accordance with the laws in place in the City. O-32-17 would considerably change the rules after the process is well underway; I believe this would be unfair and would clearly communicate such message to property owners and developers.

Next, it is unclear to me whether O-32-17 intends to disrupt the Department of Planning and Zoning's past interpretation regarding projects for which a fee-in-lieu of developing MPDUs has been approved. In the past, DPZ has supported an interpretation that the provisions of Chapter 20.30 mean that the 20% tolerance at 20.30.160 C. is available for projects where a fee-in-lieu is approved. Under O-32-17, while the provisions of 20.30.160 C. are not the subject of amendment, significant changes are proposed to fee-in-lieu abilities as related to the density bonus at 20.30.160.

I am unsure whether the legislation could result in further restricting application of the tolerance, which was implemented specifically to offset extra expenditures and accommodations that developers must make in complying with the City's MPDU laws.

The bill also seeks to mandate that MPDUs must be "of similar floor area" to market rate units. I believe such language is vague and could present problems in terms of consistent applicability without further guidance expressed in the bill.

I would also question whether the bill is seeking to correct a problem that does not exist: it was my understanding that DPZ already reviews proposed MPDUs for compatibility with other units in the development, and further that practically no project achieves the densities allowable under zoning regulations.

To further constrain projects in this manner could make the provision of housing overall more difficult in the City.

Finally, O-32-17 would increase the fee-in-lieu amount by adding the requirement that developers pay 4% of grading permit costs in addition to 4% of construction costs. This is a considerable fee increase and I am not sure what the increased fees are intended to cover.

The Code provides that the fees go into the City's homeownership assistance trust fund. Code, 20.30.070 C. outlines the categories for which these funds may be expended. I am unaware of the breakdown of percentages between expenditures that directly provide housing opportunities, and those put toward Code, 20.30.070 C. 7.'s "funds for administrative costs." The increased fees could be understandable if funds are needed, for example, for providing "settlement expense, down payment and mortgage write down assistance to eligible persons or households" or providing "funds to match other State or Federal homeownership programs." They might be less well received if they are only needed for the City's own administrative costs.

In short, I believe changes to O-32-17 are needed for the bill to result in a positive impact to Annapolis. I would be happy to work with you toward this goal. Thank you.

Alan