

Date; 19 October 2020

Subject: **TAO1-2021 – Transfer of funds to Cultural Center**

The Howard County Citizens Association, HCCA urges a no vote on this transfer of appropriation ordinance.

This is not the best way to spend County dollars and use County credit. We have public infrastructure that faces increasing pressure. We have overcrowded schools with the last count of 234 portables and schools with increasing class sizes, teachers are being asked to take a pay cut, we need money to pay for police body cameras, we need to pay for roads, and we recently almost raised recordation taxes to pay for some of these short falls. The county's debt financing cost is over \$100 million annually and we have \$100s of billions of dollars in issued debt.

Frankly the County has undertaken similar boondoggle projects where benevolent causes such as affordable housing are comingled to make the proposals more acceptable to the public. Unfortunately, the county has little to show for them because the developer reneges on its promise to build affordable housing with little accountability. Consequently, the county's affordable housing suffers every year.

The Downtown Columbia Plan offered Howard Hughes Corporation bonus density in particular 5500 additional units, TIF dollars and an extremely favorable DRRA's with nearly zero affordable housing to date. Why?

This is a risky proposal not the least of which is due to the concerns raised with respect to the operational risks, but also the financing scheme.

This was revealed when County Executive Ball sponsored legislation (CB74-2017) to repeal the Downtown Columbia TIF in 2017, a competing resolution (CR124-2017) to expand the TIF district was proposed by former Councilwoman Mary Kay Sigaty.

County officials at the time said that the TIF was not backed by the guarantee of special tax revenues that can be levied to pay back the bonds, which goes against County policy. According to testimony, it's called a "naked TIF".

While the issues of affordable housing and the arts are confounded and comingled in this particular case, the Housing Commission Executive Director at the time of the proposed "naked" TIF said the affordable housing and Arts Center rely on distinct sources of funding. The affordable housing component relies on tax credits and other financing. It does not rely on the nearly \$55 million bond. The bonds are intended to pay for a 500-space garage- these were the exact words of Councilperson Mary Kay Sigaty at the time.

But, when the proponents conflated the two projects it confused people. This is a typical tactic employed to syphon taxpayer dollars. Commingle projects and funds with benevolent projects or goals to make it politically difficult for people to oppose a bad idea.

The County Executive wants to use [\\$34](#) million from TIF revenue that the County should be using to pay off bonds for the crescent district. This misappropriation is like taking one credit card and paying off another and is a prime example of how County leaders have misappropriated County funds while our infrastructure languishes.

We urge a unanimous no vote.

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HCCA Board of Directors