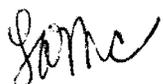


March 4, 2011

MEMORANDUM

TO: Planning, Housing and Economic Development Committee

FROM: Linda McMillan, Senior Legislative Analyst 

SUBJECT: **Housing Element to the General Plan and County Housing Policy**

The PHED Committee met on January 20th to begin its review of the Planning Board's Draft of the Housing Element of the General Plan and to review the County's Housing Policy which was approved in 2001. The Committee also discussed several other housing plans and reports that have been produced since the Housing Policy was approved. At that session, the Committee discussed what the process should be for revising both the Housing Element and the Housing Policy and whether the two documents might be combined into one. The PHED Committee session was followed by an overview briefing to the Council on January 25th.

Because the Housing Element is an update to the General Plan, there are time requirements for Council action or extension of time for consideration. The time for consideration is currently set to expire on March 23, 2011. There is no limit to the number of times the Council can extend time for consideration. That said; the Chair of the PHED Committee believes it would be in the Council's best interest for the PHED Committee to complete work on its recommendations for any amendments to the Planning Board's Draft of the Housing Element and forward these recommendations to the full Council for consideration prior to March 23, 2011. The PHED Committee would also develop a list of issues that are not included in the Housing Element but should be a part of the County's Housing Policy and forward these issues to the Executive and request the Executive send a revised Housing Policy to the Council for consideration and approval. The Executive would not be expected to forward a revised Housing Policy to the Council until after budget sessions are completed.

This packet is set up to help the Committee work through any amendments it may want to recommend to the Planning Board Draft of the Housing Element. A second session is scheduled for March 14th. If the Committee completes its recommendations on March 14th, the Housing

Element could be taken to the Council at its March 22nd session and a further extension would not be required.

1. March 1 Planning Staff Briefing on Census Data/American Community Survey

At its March 1 session, the Council received a briefing from Planning staff on information available to date from the 2010 Census and from the 2009 American Community Survey. An excerpt of slides related to housing is attached at ©33-45. Census data for population by age and housing are not yet available.

2. Planning Board Draft to the Housing Element - context

Council staff suggests the Committee consider the Housing Element in the following context:

- The Housing Element is a long-term policy document. The Goals (©8) state that this Element of the General Plan is meant to cover a 20 year period.
- The Housing Element is a policy for all housing – it is not limited to providing the policy structure for certain types or price levels of housing.
- The Housing Element is not a funding document. This does not suggest that it could not contain policy statements regarding items that require funding but it cannot ensure any level of funding is approved.
- Policies included in the Housing Element may need to be implemented through legislation, regulations, master plans, and/or zoning text amendments for which the specifics are not yet proposed or approved.

3. Issues

A. Definitions

There are several terms used throughout the Draft Housing Element that have multiple definitions. Council staff suggests the Committee discuss these terms and decide whether they want to recommend a specific definition and whether there should be a definition section added to the Housing Element.

Affordable Housing – The Element says that housing is affordable when it costs no more than 30 percent of a household's gross annual income. This definition would not be limited any income level. However, Affordable Housing is more commonly used in the Plan to define moderate or low income housing at about 70% of area median income or below. The current (1993) Housing Element also uses the term affordable housing but also refers to the provision of low, moderate, and median-income housing. The slide at ©41 divides household income into

four categories: low (about 50% of AMI), Moderate (about 70%), middle (about 100%) and upper (about 150%).

- Does the Committee concur that the policy goal of the Housing Element should be based on housing costing 30% of gross income (regardless of income)?
- Does the Committee want to define Affordable Housing as affordable to a household earning 70% of AMI or below – or should the terms moderate and low priced housing be used in place of Affordable Housing?

Workforce Housing - the term Workforce Housing is also used in this document. At the time the Planning Board approved its draft, the County had a mandatory Workforce Housing program that defined Workforce Housing as housing affordable to incomes between 70% and 120% of Area Median Income. Workforce Housing in new construction is now voluntary. The Committee has also previously discussed that adults in most moderate and low income households are working and are part of the workforce.

- Does the Committee want to define Workforce Housing at a certain income range and use this term in the Housing Element?

Senior –At the public hearing, Mr. Freishtat, of Shulman Rogers, requested that the Council include a statement in the Housing Element that, for housing purposes, the definition of a senior adult is a person aged 55 or older. He notes that the County currently has several definitions but that using age 55 would align the County with Federal and State of Maryland policy.

- Does the Committee agree that, for purposes of housing, the definition of senior adult should be aged 55 or older? (If so, Council staff will work to see what the implications might be for other law or documents.)

B. Council Staff Comments on Specific Sections of the Planning Board Draft

1. Challenges and Goals (©6-9)

The overview that is provided on ©6-7 reflects data that has been previously discussed regarding the expected growth in population, the expected need for additional housing units, and the projection that new affordable housing units will not keep pace with need.

Council staff does not suggest any change to the overall tone and message contained in these pages but notes that the paragraph on MPDU and Workforce Housing needs to be updated to correct some information on MPDU requirements and the repeal of the requirement for Workforce Housing. Information on median income and the corresponding affordable mortgage payment should be updated to reflect 2010 data.

Goals (©8-9)

The Planning Board recommends three main goals for the revised Housing Element. The following table shows the new goals and the goal included in the 1993 Approved Housing Element.

GOALS

Planning Board Draft – 2009	1993 Approved General Plan Refinement (Current)
Conservation of the stable neighborhoods and the existing housing stock.	Encourage and maintain a wide choice of housing types and neighborhoods for people of all incomes, ages, lifestyles, and physical capabilities at appropriate densities and locations
Concentrate new housing in mixed-use transit-oriented areas.	
Close the Housing Affordability Gap.	

There was discussion during the Council briefing on whether the term “stable” is the appropriate term for what is envisioned and what the implications are if an existing neighborhood is somehow thought of as not “stable.” **Council staff recommends the goal be amended to “Conservation and care of existing neighborhoods and the existing housing stock.”** The description of this goal is to maintain the quality of existing neighborhoods and homes and to take care when there is infill development or incremental change.

Council staff also suggests that the footnotes be added to ©8 and 9 to show the source of the projections in the gap for affordable housing for households earning \$90,000 or less. Lastly, Park and Planning should be asked to consider whether the recent drop in housing prices changes these projections as the studies were completed in 2008.

2. Strategic Framework (©10)

This section discusses master planning and regulatory framework that is needed to achieve the goals of the Housing Element.

Council staff recommends that a statement on Wedges and Corridors should be inserted before the paragraph on master plans. “On Wedges and Corridors” is only mentioned in the Abstract. The 1993 Housing Element has a “Key Concept” that says in part, “Consistency with the Wedges and Corridors concept is fundamental to the Housing Goal. The Refinement expects all residential development to conform to this pattern...” If the Committee agrees, Council staff will work with Planning Staff to draft an appropriate statement.

Development regulations (©10; 2nd paragraph) – Council staff recommends the paragraph be amended to say, “Development regulation should reflect the goal of providing housing near transit, jobs, and services...” The current wording would have development regulations requiring housing, but the regulations should reflect the planning and zoning that has been approved in master and sector plans.

The County Executive recommends that the sentence that says the Zoning Ordinance should be revised to clarify that affordable housing is a permitted use in all residential zones be deleted because he is not aware that there is any residential zone where affordable housing is not allowed. Council staff agrees with this recommendation.

The third bullet in the strategic framework states, “New revenue sources are needed to maintain the Housing Initiative Fund, and to provide for rental assistance programs. Capital programming must be monitored by the Planning Board and the County Executive to ensure that funding is available for neighborhood stabilization and improvements, such as sidewalks, parks, and other facilities needed for high quality, non-auto mobility.

Council staff is concerned about the second sentence in the above paragraph because the Housing Element is not a funding document and having a statement about ensuring funding cannot guarantee that funds will in fact be there. **Council staff suggests the second sentence be amended to say, “New revenue sources are also needed to fund projects that support communities such as sidewalks, parks, and other facilities needed for high quality, non-auto mobility.”**

The County Executive recommends adding employers to the list of those that identified as entities public agencies should be collaborating with for production and preservation of affordable housing. Council staff agrees with this recommendation.

3. Objectives

The following table provides the four objectives recommended by the Planning Board and the six objectives that are contained in the 1993 Approved Plan.

OBJECTIVES

Planning Board Draft – 2009	1993 Approved General Plan Refinement (Current)
Housing and Neighborhood Connectivity – Concentrate most new housing near public transportation and provide easy, multi-modal connections to jobs schools, shopping, recreation, and other leisure activities.	Promote variety and choice in housing of quality design and durable construction in various types of neighborhoods.
Diverse Housing and Neighborhoods – Create diversity in the type and size of units, neighborhoods, facilities, and programs to accommodate current and future residents.	Promote a sufficient supply of housing to serve the County’s existing and planned employment and the changing needs of its residents at various stages of life.
Housing and the Environment – Provide economically and environmentally sustainable housing and neighborhoods.	Encourage housing near employment centers with adequate access to a wide variety of facilities and services. Support mixed-use communities to further this objective.

Planning Board Draft – 2009	1993 Approved General Plan Refinement (Current)
Housing and Neighborhood Design – Create more balanced, attractive, and walkable neighborhoods through regulatory reform of private developments and leadership in design of public projects.	Encourage an adequate supply of affordable housing throughout the County for those living or working in Montgomery County, especially for households at the median income or below.
	Maintain and enhance the quality and safety of housing and neighborhoods.
	Concentrate the highest density housing in the Urban Ring and the I-270 Corridor, especially in transit station locales.

At the last session, the Committee discussed whether there was enough difference between Objective #1 and Objective #4 as they both discuss balanced, walkable communities near transit. The Committee may want to continue this discussion and hear more from Planning staff about why the Board forwarded them as two separate objectives. The Planning Board’s Objective #4 does reference the need for regulatory reform to achieve these types of communities. However, the Executive has commented that there is not enough emphasis on regulatory reform and has suggested a 5th objective.

Executive’s recommended Objective #5 (©22) – Housing and Land Use, Zoning and Development Approvals – streamline the regulatory process and remove barriers to housing production, especially affordable housing production.

The Executive recommends the following policies for this objective:

- Expedite approval reviews for housing that meets the strategic objectives of affordability, environmental sustainability, and transit serviceability.
- Consolidate sequential review and approval processes into on coordinated, concurrent process.
- Provide incentives, including height and density, to promote appropriately designed and priced housing.
- Allow sectional map amendments that address changing community and market conditions to proceed independently of time consuming master plan and sector plan amendments.
- Ensure that all master plan and sector plan amendments address the need for additional affordable housing in the plan area, and promote specific strategies to meet that need.
- Allow flexibility in meeting site plan requirements commensurate with the provision of affordable housing in excess of minimum requirements.

Does the Committee want to combine the current Objectives #1 and Objective #4 in terms of discussing the characteristics of walkable transit oriented communities and then

replace the current Objective #4 with the Executive's recommendation which would focus on the regulatory process?

4. Policies/Strategies

a) Policies to Implement Objective #1 – Housing and Neighborhood Connectivity (©12)

The Executive recommends that Policy 1.4 be amended to replace the term “County employee” with “public employee.” This would include a broader range of employees as ones who should have access to housing near their job site and the revision may avoid problems with ethics and collective bargaining. (©23) Council staff agrees with this recommendation; however, Council staff also suggests that a policy be added that recommends that **housing should be provided for employees near private and non-profit job sites such as hospitals and research facilities.** This would address the example provided by Planning staff of long drives for nurses and other critical health workers and also addresses the goals of locating housing in the Shady Grove Life Sciences Center area.

The Executive recommends that Policy 1.5 be amended to specify that connectivity improvements should be made to non-motorized vehicular and pedestrian instead of just non-vehicular to emphasize the use of bicycles. Council staff agrees with this recommendation.

b) Policies to Implement Objective #2 – Diverse Housing and Neighborhoods (©13)

Policy 2.2 states, “Make affordable and workforce housing a priority in all parts of the County.” Council staff is concerned about this statement for two reasons: (1) all parts of the county could be interpreted to include agricultural and industrial areas; and, (2) given other policy statements, there has been a higher priority placed on affordable housing in areas near transit. **Council staff suggests that the intent of Policy 2.2 could be combined with Policy 2.3 to say, “Encourage neighborhood diversity with a range of unit sizes, types, occupancy (rental and ownership) and price ranges including those affordable to low and moderate income residents.”**

Policy 2.4 states, “Allow accessory apartments in residential zones by right under appropriate design standards and conditions.” Council staff has two suggestions regarding this policy: (1) the issue of whether something is by right rather than special exception is more appropriate for Objective #4 which references regulatory reform – this is also true for Policy 2.7 which says that licensed adult and child day care facilities should be allowed by right in appropriate high density areas, and (2) support of accessory apartments (by right or special exception) could also be included in Policy 2.2. It would read, **“Encourage neighborhood diversity with a range of unit sizes, types (including accessory apartments), occupancy (rental and ownership) and price ranges including those affordable to low and moderate income residents.”**

This memo will address accessory apartments again in Objective #4 policies.

Policy 2.6 says, “Encourage parking to be provided as a separately priced and purchased amenity in high density areas.” **The Executive has recommended that “encourage” be changed to “allow.”** Separately priced parking is allowed in a parking district but not all “high density” areas. Therefore, if the Housing Element is approved to say “allow” it would imply that zoning changes will be approved to do so. If the Committee agrees that this policy should be implemented then “allow” could be used. **Otherwise, Council staff suggests the sentence read, “Encourage parking to be provided as a separately priced and purchased amenity where allowed.”**

Policy 2.8 says, “Provide tax relief for income-eligible seniors beyond the homeowner’s property tax credit so they can stay in their neighborhood as long as they desire.” This is followed later by Policy 2.13 that says, “Develop programs to help small households and seniors find and occupy housing that is right-sized for their needs, so that oversized home do not become a burden and so the existing housing stock is available for appropriately sized households.” Council staff recommends that language about tax relief not be included in the Housing Element. This does not mean that there would not be a policy to help seniors age-in-place but it might not be with tax relief. Council staff suggests combining these two policies to read, **“Promote efforts to allow seniors to stay in their neighborhoods as long as they desire, including programs to help seniors age-in-place and assistance for seniors and other small households to find and occupy housing that is right-sized for their needs, so that oversized home do not become a burden and so the existing housing stock is available for appropriately sized households.”**

Policy 2.9 is to “create a partnership between Montgomery County and the Housing Opportunities Commission...” **Council staff recommends this policy be deleted as there is a long-standing partnership between HOC and DHCA to do the things that are described.**

Policy 2.10 says, “Encourage housing cooperatives, faith –based organizations, and neighborhood housing groups to use their existing property or to purchase land and buildings for the production of affordable and workforce housing.” **The Executive is recommending adding employers to this group. Council staff agrees with the addition of employers but recommends amending the policy to “encourage housing cooperatives, faith-based organizations, neighborhood housing groups, and employers to partner with the County to produce and preserve affordable and workforce housing.”** Council staff is concerned about a policy that is too specific about use of existing property or the purchase of land given the wide variety of project scenarios that could result.

Policy 2.11 says, “Amend housing policies to encourage projects that mix condominium and rental units, allowing income restricted units to avoid high condominium fees.” The Executive says that he is unaware of any policy that prohibits the mixing of rental and condominium and suggests the issue is high-condominium fees that make units unaffordable to moderate income households (©23). **He recommends the following language, “Encourage developers of mixed-income communities to adopt lower condominium/homeowner**

association fees for income-restricted units.” Council staff agrees with the Executive’s language.

Policy 2.12 says, “Promote full inclusion of all ages, stages of life, and physical abilities by using standard accessibility features in all new or renovated housing.” Council staff does not disagree with the intent of this policy but believes that a definition of “standard accessibility features,” needs to me provided.

c) Policies to Implement Objective #3 – Housing and the Environment (©14)

Policy 3.1 says, Require green and energy efficient design and materials...by increasing the number of buildings and units built or retrofitted for energy efficiency, on-site energy production, and water conservation use. **Council staff is unclear whether the Planning Board meant this to be a requirement or whether the better word would be “Promote.”**

Policy 3.2 says, “Reduce parking requirements for residential units near transit and with parking lot districts to decrease impervious surfaces and carbon emissions.” **The Executive recommends adding the words and increase affordability.** Council staff agrees with this addition.

Policy 3.3 says, “Provide stormwater management fee credits for pervious pavers and other materials and strategies that reduce stormwater runoff...” This is later followed by Policy 3.5 that says, “Provide tax credits for rehabilitating older units so that they are energy efficient and healthy.” **Council staff is again concerned with including language about fee or tax credits in the Housing Element and suggests that “provide incentives” be used instead.** The Executive says that he believes that other behaviors can be encouraged through fee credits and would broaden the policy. He then notes that any initiative that reduces County revenues must be carefully evaluated in these times of fiscal restraint. (©23) The relative benefit of each credit would have to weigh the benefit against the cost to the County.

Policy 3.7 says, “Require preservation of tree canopy and sustainable site design, including native plants and conservation landscaping techniques.” **The Executive suggests substituting the word conservation for preservation and adding, “as well as soil decompaction strategies” to the end of the sentence.** Council staff agrees with the Executive’s suggestion but is again unclear whether the Planning Board meant this as a requirements and, if so, to whom.

d) Policies to Implement Objective #4 – Housing and Neighborhood Design (©15)

As previously noted, this objective discusses regulatory reform and Council staff has suggested that it might be combined with the County Executive’s recommendation for a 5th objective.

Council staff also suggests that if the PHED Committee wants to include language in the Housing Element about whether accessory apartment or adult or child care should be allowed by right that it would be appropriate to include it in this section, but Council staff also suggest that it be a broader statement such as, **“Review whether uses that contribute to diversity in housing and walkable transit oriented communities that are currently provided by special exception could allowed by right if appropriate conditions and standards are in place.”** This would not limit what might be reviewed and speaks to the overall goal of streamlining approval processes when appropriate.

Accessory Apartments – the Council received public hearing testimony objecting to including a policy to allow accessory apartments by right from the Montgomery County Civic Federation, the Hillandale Citizens Association, the Norbeck Meadows Civic Association, Greater Olney Civic Association, and Cherrywood Homeowners Association. The League of Women Voters and Action in Montgomery (AIM) have voiced their support for accessory apartments. Under any circumstances the change from a special exception process would have to be made through a zoning text amendment not just language in the Housing Element. The Board of Appeals has record of 817 approved accessory apartments, along some may not be in use. In the last two years, there have been 27 applications of which one was denied.

5. Other issues:

Should something be included about housing in the rural areas?

The Housing Element is for all housing. The 1993 Housing Element says “Explore the feasibility of rural centers in appropriate locations, such as the Residential Wedge.”

Protection of Existing Neighborhoods

The Planning Board Draft clearly states a goal is conservation of stable neighborhoods and existing housing stock and Policy 2.1 discusses strengthening the stability of established neighborhoods – still there has been some concern expressed about whether the Planning Board Draft does enough to emphasize investment in maintaining neighborhoods. Council staff does not agree that it is the Planning Board’s intent to lessen the importance of protecting existing neighborhoods but notes the following policies from the 1993 Housing Element that were mentioned in some of the testimony received.

1993 Objective#5 – Maintain and enhance the quality and safety of housing and neighborhoods.

Strategies:

- A. Discourage deterioration of housing through well-funded code enforcement, neighborhood improvement programs, and other appropriate techniques.
- B. Ensure that infill development and redevelopment complements existing houses and neighborhoods.

- C. Mix housing with other uses with special care in ways that promote compatibility and concern for residents' need for safety, privacy, and attractive surroundings when introducing new uses into existing housing and neighborhoods.
- D. Provide for appropriate redevelopment of residential property when conditions warrant.
- E. Protect residential neighborhoods by channeling through traffic away from residential streets and discouraging spill-over parking from non-residential areas.
- F. Use special care to plan uses at the edges of high-density centers that are compatible with existing neighborhoods.

Should the Housing Element say anything more specific about rental housing (need for) or tenant needs

The Housing Element Draft does discuss diversity in housing including rental. However, in the recent presentations Planning staff has emphasized the need for the increasing demand for rental housing both because of economic conditions but also because of changing preferences? Does the housing element say enough about rental housing? Is this an issue better left analyzed in a revised Housing Policy?

2009 Planning Board
Proposed Revision to
The Housing Element
of the General Plan

Self-Zoning



MONTGOMERY COUNTY PLANNING BOARD
THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

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OFFICE OF THE CHAIRMAN

July 30, 2009

The Honorable Phil Andrews, President
Montgomery County Council
Stella B. Warner Council Office Building
100 Maryland Avenue
Rockville, Maryland 20850

9/11/09 11:21 AM
COMMUNITY

Dear Mr. Andrews:

I am pleased to transmit to you the Planning Board Draft of the Housing Element of the General Plan.

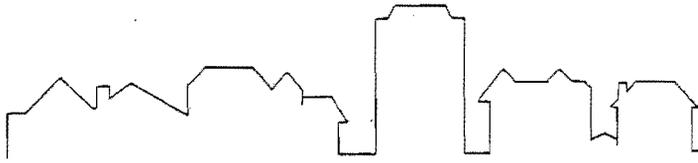
The Planning Board held a public hearing on the draft housing Element on April 23, 2009, and subsequently held two work sessions on June 18 and July 23. The proposed Housing Element addresses the changes in the County's priorities for future community development and preservation. The strategies proposed in the plan move Montgomery County towards a more sustainable future where people of modest means will be able to afford a home in walkable, mixed-used, and diverse communities. It brings the Housing Element of the General Plan in line with current planning frameworks at the county, state, and federal levels. More specifically, the Housing Element meets the requirements of the State of Maryland's 2006 Workforce Housing Grant Program, as required by House Bill 1160.

Should you have any questions about this draft or its supporting studies, please contact Sharon Suarez, the Department's housing coordinator at 301-650-5620 or Sharon.Suarez@mncppc-mc.org, or Khalid Afzal, Acting Manager, Research Team at 301-495-4650.

Sincerely,

Royce Hanson
Chairman

cc: The Honorable Isiah Leggett
Montgomery County Executive



housing

Element of the General Plan



Planning Board Draft • July 2009

montgomery county planning department
The Maryland - National Capital Park and Planning Commission

planning board draft

housing element of the general plan

An Amendment to the Housing Element of the 1993 General Plan Refinement

ABSTRACT

This report contains the text of the Draft Amendment to the Housing Element of the 1993 General Plan Refinement. It amends *The General Plan (On Wedges and Corridors) for the Physical Development of the Maryland-Washington Regional District in Montgomery and Prince George's Counties*, as amended.

The Plan makes recommendations for housing in Montgomery County and identifies the policy objectives, regulatory reforms, and land use strategies needed to accomplish the recommendations. It is meant to satisfy the requirements of the House Bill 1160.

Also available at www.montgomeryplanning.org/community/housing

The Maryland-National Capital Park and Planning Commission

The Maryland-National Capital Park and Planning Commission is a bi-county agency created by the General Assembly of Maryland in 1927. The Commission's geographic authority extends to the great majority of Montgomery and Prince George's Counties; the Maryland-Washington Regional District (M-NCPPC planning jurisdiction) comprises 1,001 square miles, while the Metropolitan District (parks) comprises 919 square miles, in the two counties.

The Commission is charged with preparing, adopting, and amending or extending *The General Plan (On Wedges and Corridors)* for the Physical development of the Maryland-Washington Regional District in Montgomery and Prince George's Counties.

The Commission operates in each county through Planning Boards appointed by the county government. The Boards are responsible for all local plans, zoning amendments, subdivision regulations, and administration of parks.

The Maryland-National Capital Park and Planning Commission encourages the involvement and participation of individuals with disabilities, and its facilities are accessible. For assistance with special needs (e.g., large print materials, listening devices, sign language interpretation, etc.), please contact the Community Outreach and Media Relations Division, 301-495-4600 or TDD 301-495-1331.

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challenges and goals



Housing values in Montgomery County are among the highest in the Washington Metropolitan area. This reflects both strong demand and the County's reputation for the high quality of services, environment, and neighborhoods. While the strength of the housing market has undergirded neighborhood stability and made a Montgomery home a sound investment, it has also produced a chronic shortage of housing that is affordable for much of the County's work force and other moderate and lower income households.



- 91 percent of the County's residential zoning capacity has been reached.
- By 2015, the County will have more than one million residents.
- By 2030, the County will need about 72,000 new housing units.
- Since 1999, rising home values have priced 50,000 existing housing units beyond the financial capacity of moderate-income households.
- The current rate of affordable housing production cannot keep pace with price increases that are removing these units from the market.

Beginning in the 1970s, the County responded to this need with one of the nation's most successful and highly regarded inclusionary housing programs, the Moderately Priced Housing Unit (MPDU) ordinance, which required all new developments above a threshold number to provide a percentage of its units at prices affordable for households with incomes no greater than 60 percent of the area median. In 2005, the MPDU law was amended to lengthen to 99 years the period of time during which an MPDU home must remain available at a below market price when transferred to a new owner or tenant. In 2006, the County required that 10 percent of new market rate housing units built in areas served by Metro transit stations be available to "work force" households with incomes between 80 and 120 percent of the area median.

Neither of these programs, nor an aggressive program to build publicly assisted housing, have been able to meet the need for housing that a large segment of County residents and workers can afford within 30 percent of their annual household income.

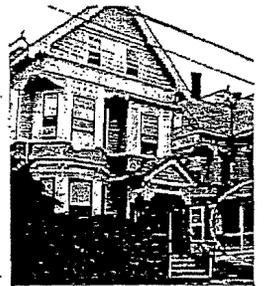


- Affordable housing should cost no more than 30 percent of a household's gross annual income.
- The 2007 median income in Montgomery County for a household of four was \$94,500, which would allow a \$2,363 monthly mortgage payment on a house valued at about \$346,500.

County population is forecast to exceed one million by 2015, and to add 155,000 residents and 72,000 households between 2010 and 2030. Due to declining household size, households will grow faster than the population and many existing households will change their housing requirements. The greatest needs will be for seniors, young households, large families, and people with special needs—disabled residents, homeless individuals, and families. There will be strong and growing demand for rental units.

Aside from licensed multifamily rental apartments, in Montgomery County there are:

- 13,500 registered single-family rental units
- 5,742 registered condo rental units
- 211 registered single-family accessory apartments.



Ninety-one percent of the County's residentially zoned land had been developed or approved for development by 2009. Less than 14,000 acres remain in the development envelope for green field development. It is clear that County housing needs cannot be met by traditional patterns of low-density development that pushed ever outward. As transportation costs grow, the cost of commuting can cancel out any reduction in housing costs, not to mention the effect of increased miles of travel on both air quality and roadway congestion. Moreover, growing concern for the environment and the need to reduce the carbon footprint of development are generating a major shift in both the supply and demand for housing. New housing must be developed by rethinking the future of the County's 106 auto-oriented commercial strips, and its 8,000 acres of surface parking lots (most of them paved before modern stormwater management requirements existed), and by making the most of opportunities for housing near high quality transit service.

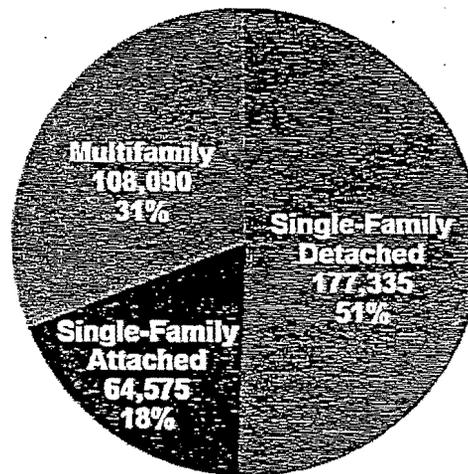
Thus, a combination of forces—a shrinking supply of developable land, higher land costs, rising energy prices, shifts in the County's demographic profile, and environmental constraints—direct us to housing policies that look inward rather than outward to accommodate the housing needs of the next generation for homes and communities that are balanced, convenient, and sustainable.

goals

Conservation of the stable neighborhoods and the existing housing stock.

In the 20-year period covered by this element of the General Plan most County neighborhoods can expect to undergo normal turnover as homes change hands. But these small, incremental changes can, over time, produce significant impacts on the neighborhood as families with children replace empty nesters, renters replace owners, and newcomers need different services and facilities. Maintaining the quality of established neighborhoods is essential to sustaining the quality of their homes. Older neighborhoods of modest single-family and townhomes or garden apartments are especially vulnerable to decline if services are not adapted and maintained, and housing and zoning codes are not enforced. They are also susceptible to tear-down and infill development because they are often well-located in down-County and mid-County areas near employment and shopping centers, services, and public transit routes. These neighborhoods also contain the bulk of affordable and workforce housing in Montgomery County—over 140,000 affordable units in 2009. This is double the number of affordable new units that can reasonably be expected to be added to the housing stock by 2030. Master plans, in particular, must devote special attention to protecting existing neighborhoods.

In 2005, about one-half of our households lived in single-family detached houses.



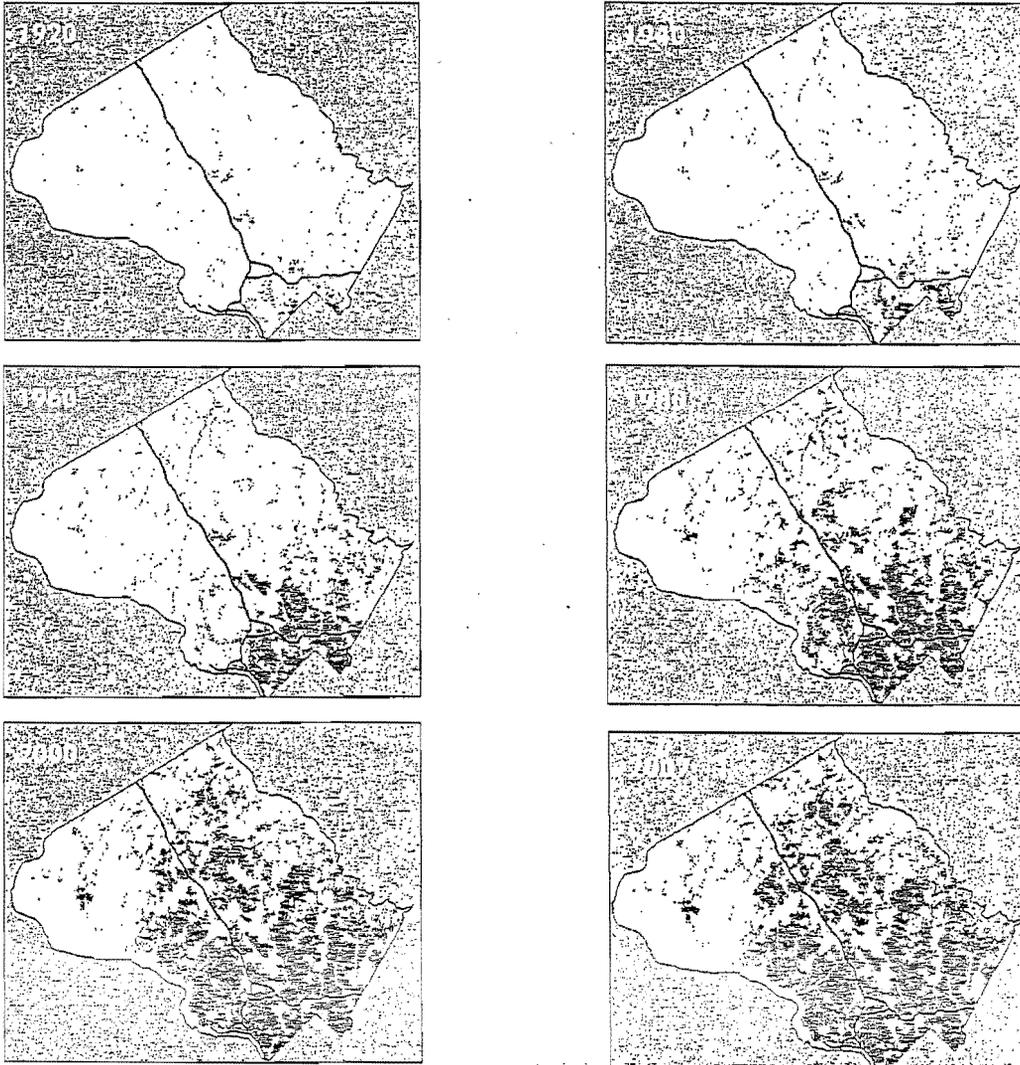
Concentrate new housing in mixed-use, transit-oriented areas.

Large scale housing subdivision is nearing its end in Montgomery County. Most of the new housing that will be built during the years covered by this element of the General Plan will be multifamily buildings in mixed-use centers served by public transportation and in redeveloped commercial strips and malls. Higher densities and smaller units can combine with lower energy and transportation costs to bring the cost of living in the County within affordable ranges for many more residents, whether they are new to the area, acquiring a first home, or changing homes as their needs and circumstances change. Focusing growth in higher density, mixed-use, transit-oriented centers also meets other important planning objectives, including reducing the per capita carbon footprint of new growth, diversifying the housing stock, and creating vibrant pedestrian-oriented communities.

Close the housing affordability gap.

Normal home value appreciation in a strong housing market such as Montgomery's, loss of some units to redevelopment, and loss of others as their period of MPDU price management expires makes closing the gap between the demand and supply of affordable and workforce housing an urgent concern. From 1999 to 2009, rising values alone priced 50,000 units of the existing housing stock beyond the financial capacity of moderate income buyers and renters. Expected rates of new housing production cannot keep pace with price increases that remove existing units from the market. In 2009, the County had a shortage of 43,000 units that were affordable for households earning less than \$90,000 a year (just below the County median), but that number approaches 50,000 when household size is taken into account. In contrast, a surplus of units was available to those with more than \$150,000 in annual household income. If current trends continue, by 2030 it will be difficult for a household with an annual income of \$120,000 (in constant 2009 dollars) to afford a home in much of Montgomery County. By then, the gap in affordable housing is estimated to reach 62,000 units. This Housing Element recommends a series of public policy actions that should be taken to reduce the affordability gap.

Housing Inventory 1920-2007



a strategic framework

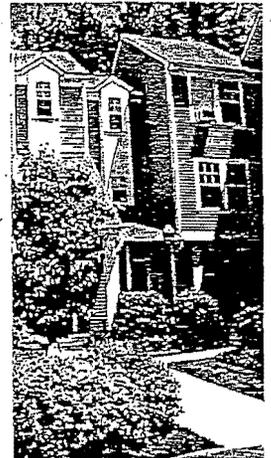


A strategic framework for achieving these goals informs master planning, regulatory reform, public investments and expenditures, and engages the public, private, and independent sectors. It involves the following elements:

- **Master plans** must address existing and future housing needs with particular attention to protecting and enhancing neighborhoods that contain a substantial stock of affordable units and to increasing opportunities for a high jobs-housing ratio including affordable housing in areas served by public transportation.
- **Development regulations** should be revised to require provision of housing near transit, jobs, and services; to provide incentives for producing a wide and diverse range of affordable unit types and sizes; and to reduce regulatory requirements and procedures that discourage production of affordable housing units. The Zoning Ordinance should be revised to clarify that affordable housing is a permitted use in all residential zones. Excessive or unnecessary barriers to provision of affordable and special needs housing, such as parking or special exception requirements, should be removed. The regulatory system should link provision of housing to nonresidential development by encouraging mixed uses or a fee-in-lieu payment to the County's Housing Initiative Fund.
- **New revenue sources** are needed to maintain the Housing Initiative Fund, and to provide for rental assistance programs. Capital programming must be monitored by the Planning Board and the County Executive to ensure that funding is available for neighborhood stabilization and improvements, such as sidewalks, parks, and other facilities needed for high quality, non-auto mobility.
- **Appropriately located surplus public land** should be made available to public and nonprofit agencies for assisted or below market housing. Projects involving the redevelopment of public land or facilities, such as parking facilities, must provide more affordable housing than the minimum requirement.
- **Public agencies should collaborate** with and provide technical assistance and grants to housing cooperatives, faith-based organizations, and neighborhood housing groups to provide for the production and preservation of affordable housing.

Together, these strategies move Montgomery County toward a more sustainable future. The housing stock will be more diverse, more of it will be affordable for people of modest means, and a higher proportion of it will be built in walkable, mixed-use communities that have lower environmental impacts and smaller carbon footprints.

- More than 1,100 people are homeless in Montgomery County, and 56 percent of those are in families.
- The affordability crisis is climbing up the income ladder. By 2030 the shortage of housing is estimated to reach households earning up to \$120,000 per year.
- Energy costs—utilities and transportation—must be included as part of the true cost of housing.
- More senior residents who are aging in place will require community-based services.



objectives

- Concentrate most new housing near public transportation and provide easy, multi-modal connections to jobs, schools, shopping, recreation, and other leisure activities.
- Concentrate most new housing near public transportation and provide easy, multi-modal connections to jobs, schools, shopping, recreation, and other leisure activities.
- Provide economically and environmentally sustainable housing and neighborhoods.
- Create more balanced, attractive, and walkable neighborhoods through regulatory reform of private developments and leadership in design of public projects.

Achieving each objective will require reinforcing current policies and establishing new policies.

The Affordability Index is housing costs divided by household income.





Objective 1:

Housing and Neighborhood Connectivity

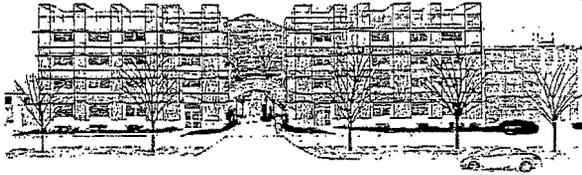
Concentrate most new housing near public transportation and provide easy, multi-modal connections to jobs, schools, shopping, recreation, and other leisure activities.

Policies

- 1.1 Build the majority of new housing in transit-oriented locations.
- 1.2 Increase infill housing opportunities in suburban office parks, shopping centers, and other underused properties.
- 1.3 Coordinate infrastructure investment in existing and new neighborhoods to create a high level of mobility options that connect people to where they live, work, shop, and play.
- 1.4 Provide housing for County employees at or near their job sites, such as at schools, large parks, and other County facilities to reduce housing costs for employees as well as vehicle miles traveled.
- 1.5 As older strip commercial areas and surface parking lots are redeveloped, include housing and improve non-vehicular connectivity through the most direct pedestrian and bike routes between homes, jobs, retail, recreation, schools, and public services.



Transit-oriented communities give people the option to live, work, shop, and play without using a car, reducing the impact of transportation costs on household budgets.



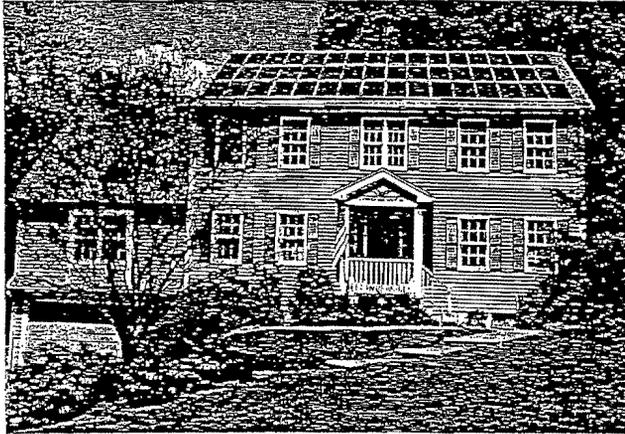
Objective 2:

Diverse Housing and Neighborhoods

Create diversity in the type and size of units, neighborhoods, facilities, and programs to accommodate current and future residents.

Policies

- 2.1 Strengthen the stability of established neighborhoods through targeted programs that improve schools, parks, safety and, new or upgraded pedestrian and bicycling facilities.
- 2.2 Make affordable and workforce housing a priority in all parts of the County.
- 2.3 Encourage neighborhood diversity with a range of unit sizes, types, and occupancy (including rental and ownership options).
- 2.4 Allow accessory apartments in residential zones by-right under appropriate design standards and conditions.
- 2.5 Create mixed-use neighborhoods with local small retail businesses and basic services within walking distance of housing.
- 2.6 Encourage shared parking facilities in high-density, transit-oriented, mixed-use developments to reduce parking and environmental costs in new housing construction. Encourage parking to be provided as a separately priced and purchased amenity in high density areas.
- 2.7 Encourage licensed child and adult daycare facilities in mixed-use developments; allow them by-right in appropriate high-density locations.
- 2.8 Provide tax relief for income-eligible seniors beyond the homeowner's property tax credit so they can afford to stay in their neighborhoods as long as they desire.
- 2.9 Create a partnership between Montgomery County and the Housing Opportunities Commission to acquire vacated properties for affordable and workforce housing, including land donations from banks, grant programs, and other charitable groups.
- 2.10 Encourage housing cooperatives, faith-based organizations, and neighborhood housing groups to use their existing property or to purchase land and buildings for the production and preservation of affordable and workforce housing.
- 2.11 Amend housing policies to encourage projects that mix condominiums and rental units, allowing income restricted units to avoid high condominium fees.
- 2.12 Promote full inclusion of all ages, stages of life, and physical abilities by using standard accessibility features in all new or renovated housing.
- 2.13 Develop programs to help small households and seniors find and occupy housing that is right-sized for their needs, so that oversized homes do not become a burden and so the existing housing stock is available for appropriately sized households.
- 2.14 Enforce housing and zoning codes to prevent overcrowding.



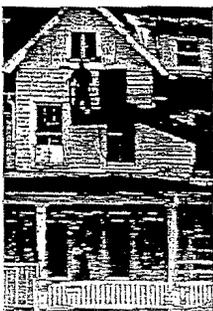
Objective 3:

Housing and the Environment

Provide economically and environmentally sustainable housing and neighborhoods.

Policies

- 3.1 Require green and energy efficient design and materials to reduce operating and maintenance costs for residents and to create more sustainable housing by increasing the number of buildings and units built or retrofitted for energy efficiency, on-site energy production, and water conservation and reuse.
- 3.2 Reduce parking requirements for residential units near transit and within parking lot districts to decrease impervious surfaces and carbon emissions.
- 3.3 Provide stormwater management fee credits for pervious pavers and other materials and strategies that reduce stormwater runoff. These techniques should mitigate the impact of allowable impervious surface rather than increase the footprint of development above what is currently permitted.
- 3.4 Encourage smaller housing units that can serve changing households and reduce energy costs.
- 3.5 Provide tax credits for rehabilitating older housing units so that they are energy-efficient and healthy.
- 3.6 Require best practices in storm water management and grey water strategies, including green roofs, swales, and filtering combined with underground storage tanks for controlled release as well as reuse.
- 3.7 Require preservation of tree canopy and sustainable site design, including native plants and conservation landscaping techniques.
- 3.8 Invest in public infrastructure including transit, water and sewer, and stormwater management to keep neighborhoods healthy.



"A home is not affordable if it is not energy efficient, healthy and durable."

—U.S. Green Building Council



Objective 4.

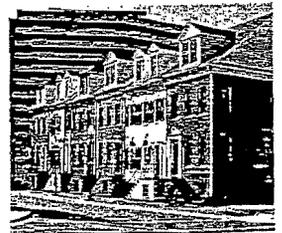
Housing and Neighborhood Design

Create more balanced, attractive, and walkable neighborhoods through regulatory reform of private developments and leadership in design of public projects.

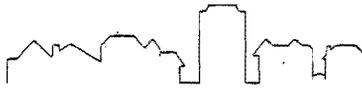
Policies

- 4.1 Plan for transit-oriented neighborhoods that provide a full range of housing opportunities, including the work force employed in the transit corridor.
- 4.2 Facilitate the production of attractive housing and neighborhoods with innovative design of the public realm and architecture, including creative building techniques, materials, and mix of unit types.
- 4.3 Create design guidelines to help define quality public spaces and walkable communities:
- 4.4 Create pedestrian-oriented public spaces to support the needs of a diverse population.
- 4.5 Include affordable and workforce housing in all suitable public building projects in appropriate locations throughout the County.
- 4.6 Provide underused and strategically located surplus public properties for housing, using best design practices to set higher standards and achieve design excellence.
- 4.7 Encourage new and innovative construction techniques and products, such as green technologies and modular components.

One goal of the Planning Department's Zoning Ordinance Rewrite is "promoting infill of appropriate scale and creating neighborhoods of mobility, where sustainable design makes great spaces."



implementation



The recommendations of this report will be implemented through various mechanism and processes by a number of different entities. These recommendations may become a formal part of a master plan or sector plan, and subsequently become the subject of a federal or State program or grant. The improvements may be funded by a mix of local, State, and federal funds, as well as donations from the private sector. The development community may be involved in any or all stages of design and construction.

Residential infill, for example, can take place in existing residential communities, suburban office parks, older commercial strip shopping center, and through residential conversion of non-residential buildings. The County, M-NCPPC, HOC, the development community (profit and not-for-profit developers), State and federal agencies, and utilities would all have varying degrees of involvement and responsibility in achieving infill developments.

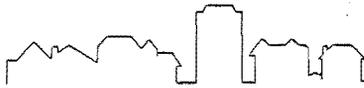
The following chart shows the anticipated coordination linkages in a general way. It identifies only the lead responsibility by different entities even though all would have some level of involvement and role in achieving these recommendations.



According to Section 26-5 (a) of the Montgomery County Code, every dwelling unit must contain at least 150 square feet of habitable floor area for the first occupant and at least 100 square feet of habitable floor area for every additional occupant.

Interagency Coordination	MC	M-NCPPC	HOC	Developer	State	Federal	Utilities	Financial and Insurers
Housing Goals								
1. Conserve stable neighborhoods and existing housing stock	✓	✓						
2. Concentrate new housing in mixed-use, transit-oriented areas.	✓			✓				
3. Close the affordability gap	✓		✓					
Objective 1: Housing and Neighborhood Connectivity								
1.1 Build most new housing in transit-oriented, mixed-used locations.		✓		✓				
1.2 Increase infill housing opportunities...		✓						
1.3 Coordinate infrastructure investment in existing and new neighborhoods...	✓				✓		✓	
1.4 Provide housing for County employees at or near their job sites...	✓							
1.5 As older strip commercial areas and surface parking lots are redeveloped, include housing and improve non-vehicular connectivity...	✓	✓						
Objective 2: Diverse Housing and Neighborhoods								
2.1 Strengthen the stability of established neighborhoods through targeted programs...	✓							
2.2 Make affordable housing a priority in all parts of the County.	✓							
2.3 Encourage neighborhood diversity through a range of unit sizes, types, and occupancy...		✓						
2.4 Allow accessory apartments in residential zones by-right under appropriate design standards and conditions.		✓						
2.5 Create mixed-use neighborhoods with small retail businesses/basic services in walking distance of housing.		✓		✓				
2.6 Encourage shared parking facilities in mixed-use developments ... Allow parking to be provided as a separately priced and purchased amenity.	✓	✓						
2.7 Encourage child and adult day care facilities in mixed-use developments; allow them by-right in appropriate high-density locations.		✓						
2.8 Provide tax relief for income-eligible seniors above and beyond the homeowner's property tax credit program...	✓				✓			
2.9 Create a partnership between Montgomery County and the Housing Opportunities Commission to acquire vacated properties for affordable housing...	✓		✓					
2.10 Encourage housing cooperatives, faith-based organizations, and neighborhood housing groups to use their existing property or to purchase land and buildings for the production and preservation of affordable housing.	✓							✓
2.11 Amend housing policies to encourage housing projects that mix condominiums and rental units...	✓							✓

Interagency Coordination	MC	M-NCPPC	HOC	Developer	State	Federal	Utilities	Financial and Insurers
2.12 Promote full inclusion of all ages, stages of life, and physical abilities by using standard accessibility features in all new or renovated housing.	✓		✓	✓				
2.13 Develop programs to help small households and seniors find and occupy housing that is right-sized for their needs...	✓					✓		
2.14 Enforce housing and zoning codes to prevent overcrowding.	✓	✓						
Objective 3: Housing and the Environment								
3.1 Require green and energy efficient design and materials ... increasing the number of buildings and units built or retrofitted for energy efficiency, onsite energy production, and water conservation and reuse.	✓	✓				✓		
3.2 Reduce parking requirements for residential units near transit and within parking lot districts...	✓							
3.3 Provide storm water management credits for pervious pavers and other materials and strategies that reduce storm water runoff...	✓							
3.4 Encourage smaller housing units/serve changing households/reduce energy costs.				✓				✓
3.5 Provide tax credits for rehabilitation of older housing units so that they are energy-efficient and healthy.	✓				✓	✓		
3.6 Require best practices in stormwater management and grey water strategies, including green roofs, swales, and filtering ...	✓	✓						
3.7 Require sustainable site design...	✓	✓						
3.8 Invest in public infrastructure ...to keep neighborhoods healthy.	✓				✓		✓	
Objective 4: Housing and Neighborhood Design								
4.1 Plan for transit-oriented neighborhoods that provide a full range of housing opportunities...		✓		✓				
4.2 Facilitate the production of attractive housing and neighborhoods with innovative design of the public realm and architecture...		✓		✓				
4.3 Create design guidelines to help define quality public spaces and walkable communities.		✓						
4.4 Create pedestrian-oriented public spaces to support the needs of a diverse population.	✓			✓				
4.5 Include affordable housing in all suitable public building projects...	✓				✓	✓		
4.6 Provide underused and strategically located surplus public properties for housing...	✓							
4.7 Encourage new/innovative construction techniques/products, such as green technologies and modular components.	✓						✓	



Online at www.montgomeryplanning.org/community/housing/index.shtml

March 27, 2008

Review of County's Housing Policies

April 11, 2008

Housing Inventory Slide Show

April 17, 2008

Review of Housing Master Plans, Staff Report
The Housing Goals of the General Plan

May 15, 2008

Legislative Issues, Staff Report
The Affordable Housing Task Force Recommendations
Pro Forma Analysis of MPDU Bonus Density
MPDU Site Bonus Density
MPDU Site Design Guidelines
Affordable Housing Task Force Excerpt

May 29, 2008

Examination of Neighborhood Change, Staff Report
Examination of Neighborhood Change Using Indicators, PowerPoint presentation

June 2, 2008

Housing Supply & Demand, Staff Report
Demographic Analysis
Housing Supply Analysis
Housing Market Trends
Housing Supply & Demand Analysis
Housing Supply & Demand PowerPoint presentation

The website also includes links to the speakers and Powerpoint presentations that were part of the 2007-2008 Excellence in Planning speaker series.

A plan provides comprehensive recommendations for the use of public and private land. Each plan reflects a vision of the future that responds to the unique character of the local community within the context of a countywide perspective.

Together with relevant policies, plans should be referred to by public officials and private individuals when making land use decisions.

The Plan Process

The PUBLIC HEARING DRAFT PLAN is the formal proposal to amend an adopted master plan or sector plan. Its recommendations are not necessarily those of the Planning Board; it is prepared for the purpose of receiving public testimony. The Planning Board holds a public hearing and receives testimony, after which it holds public worksessions to review the testimony and revise the Public Hearing Draft Plan as appropriate. When the Planning Board's changes are made, the document becomes the Planning Board Draft Plan.

The PLANNING BOARD DRAFT PLAN is the Board's recommended Plan and reflects their revisions to the Public Hearing Draft Plan. The Regional District Act requires the Planning Board to transmit a plan to the County Council with copies to the County Executive who must, within sixty days, prepare and transmit a fiscal impact analysis of the Planning Board Draft Plan to the County Council. The County Executive may also forward to the County Council other comments and recommendations.

After receiving the Executive's fiscal impact analysis and comments, the County Council holds a public hearing to receive public testimony. After the hearing record is closed, the Council's Planning, Housing, and Economic Development (PHED) Committee holds public worksessions to review the testimony and makes recommendations to the County Council. The Council holds its own worksessions, then adopts a resolution approving the Planning Board Draft Plan, as revised.

After Council approval the plan is forwarded to the Maryland-National Capital Park and Planning Commission for adoption. Once adopted by the Commission, the plan officially amends the master plans, functional plans, and sector plans cited in the Commission's adoption resolution.

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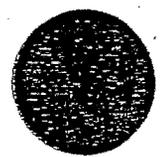
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OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM

September 29, 2009



2009 SEP 30 PM 2:29

RECEIVED
MONTGOMERY COUNTY
COUNCIL

TO: Phil Andrews, President
Montgomery County Council

FROM: Isiah Leggett, County Executive 

SUBJECT: Comments on the Planning Board Draft Housing Element of the General Plan

I have reviewed the Planning Board Draft Housing Element of the General Plan, and commend the Montgomery County Planning Board on a fine effort in drafting this document. As drafted, the Housing Element will give guidance to residential growth as the County approaches buildout. The strong emphasis on redevelopment, transit-oriented and sustainable development, and preservation of the existing housing stock will serve the County well as we transition away from our history of greenfields development.

I am pleased that a number of the issues and objectives identified by my Affordable Housing Task Force are addressed in the draft Housing Element. The Task Force report noted the importance of, and included recommendations on:

- preserving the County's existing affordable housing stock,
- creating new affordable housing, and
- adopting regulatory reform, especially mitigation of the expensive and time consuming development approval process for affordable housing.

In keeping with the Task Force's recommendations, the Housing Element places a commendable priority on preserving and creating affordable housing. However, as noted more fully below, the draft Housing Element is lacking in specific recommendations on implementing regulatory reform.

A great many of the comments I made on the Public Hearing Draft have been taken into account in this final draft. Following are additional policy level comments on the Planning Board Draft Housing Element.

The Element's "strategic framework" on page 10 presents a good overview of the ~~issues that must be addressed to implement the goals outlined in the Element.~~ I support each of the strategies in the framework and commit the Executive Branch to cooperating in their implementation.

I have a concern, however, about the way the Element fails to address the issues listed in the strategic framework's bullet 2, "Development regulations". The Housing Element's Objectives and Policies enumerated on pages 12 through 15 contain very little in the way of implementing activities for the revision of development regulations. Only one issue, parking, is specifically addressed. As we recommended in our comments on the Public Hearing Draft Housing Element, I propose that a new Objective 5, entitled "Housing and Land Use, Zoning and Development Approvals." The purpose of the objective is to streamline the regulatory process and remove barriers to housing production, especially affordable housing production.

I propose that the new objective's Policy Goals be as follows:

- 5.1 Expedite approval reviews for housing that meets strategic objectives of affordability, environmental sustainability, and transit serviceability.
- 5.2 Consolidate sequential review and approval processes into one coordinated, concurrent process.
- 5.3 Provide incentives, including height and density, to promote appropriately designed and priced housing.
- 5.4 Allow sectional map amendments that address changing community and market conditions to proceed independently of time consuming master plan and sector plan amendments.
- 5.5 Ensure that all master plan and sector plan amendments address the need for additional affordable housing in the plan area, and promote specific strategies to meet that need.
- 5.6 Allow flexibility in meeting site plan requirements commensurate with the provision of affordable housing in excess of minimum requirements.

Only by proposing concrete steps in this Element can the County make progress on amending the development approval regulations that can impede residential development, especially the creation of affordable housing. I have already asked my staff to convene a work group to create a timeline and strategy for amendments to the development approval and regulatory process. The group will include stakeholders representing all facets of the issue, including Executive and Legislative Branch staff, Planning Department staff, representatives of the building and development industry, and the community at large. We look forward to working with the Council and Park and Planning on this important effort.

Also in the Development regulations bullet on Page 10, a recommendation appears that the "Zoning Ordinance should be revised to clarify that affordable housing is a permitted use in all residential zones." We are not aware of any zone where affordable housing is not a permitted use; therefore this sentence should be deleted.

Additional comments on the Housing Element include:

- p. 10, bullet 5, line 2: Add employers to the groups that should be collaborated with to produce and preserve affordable housing.
- p. 12, Policy 1.4, line 1: Replace "County" with "public" to include a broader range of employees who should have access to housing near their jobsites. The revised language may avoid problems with ethics and collective bargaining.
- p. 12, Policy 1.5, line 2: Replace "non-vehicular" with "non-motorized vehicular and pedestrian." Bicycles are vehicles whose use will promote community connectivity.
- p. 13, Policy 2.6, line 3: Replace "Encourage" with "Allow."
- p. 13, Policy 2.10, line 1: Add "employers" to the list of groups that should be encouraged to produce and preserve affordable and workforce housing.
- p. 13, Policy 2.11: The County is not aware of any housing policy that restricts projects that mix condominiums and rental units. We believe that the real issue may be high condominium fees which restrict the ability of moderate-income households to afford new housing. I suggest rewording this Policy as follows: "Encourage developers of mixed-income communities to adopt lower condominium/homeowner association fees for the income-restricted units."
- p. 14, Policy 3.2: Add "and promote affordability" to the policy. A reduction in housing costs can be a major effect of uncoupling parking from the purchase of residential units.
- p. 14, Policies 3.3 and 3.5: I believe that other environmentally sustainable behaviors can be encouraged through fee credits – not just stormwater management and residential energy efficiency. This policy should be broadened to incorporate other areas, but must recognize that any initiative that reduced County revenues must be carefully evaluated in these times of fiscal restraint. It will be critically important to weigh the relative benefits of each credit or waiver against its cost to the County so that high benefit to cost initiatives may be given high priority.

Attached is a list of editorial comments on and corrections to the draft Housing Element.

I appreciate the efforts of Planning Board staff who worked closely with Executive Branch staff in the creation of the draft Housing Element. I believe it provides a needed amendment to the County's General Plan as we face the housing and neighborhood needs of the twenty-first century. Executive Branch staff will be available to participate in any worksessions that the Council may schedule on this Element.

IL:sns

Attachment

Editorial Comments and Corrections

- p. 6, ¶ 2, line 3: [~~Housing~~] Dwelling-Unit (MPDU):...
- p. 8, ¶ 2, line 1, New large-scale housing...
- p. 9: Please add quantitative data to "Housing Inventory 1920-2007" maps
- p. 11: delete duplicative bullet 2
- p. 14, Policy 3.7: Reword as follows: "Require [~~preservation~~] conservation of tree canopy and sustainable ... landscaping techniques, as well as soil decompaction strategies. (DEP)"
- p. 17-18, Interagency Coordination table: The table should be revised to reflect the any changes to the wording of the Policies on pages 12-15. In addition:
 - 1.4: add check marks to HOC and Developer columns
 - 2.2: add check to M-NCPPC column
 - 3.4: add check to M-NCPPC column
- p. 17, Objective 1, 1.1: correct spelling of "mixed-use"
- p. 18, Objective 4, 4.5: insert "and workforce" after "affordable"

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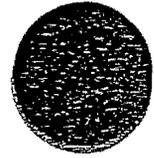
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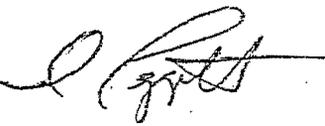
Isiah Leggett
County Executive

MEMORANDUM

September 29, 2009



TO: Phil Andrews, President
Montgomery County Council

FROM: Isiah Leggett, County Executive 

SUBJECT: Fiscal Impact - Planning Board Draft Housing Element of the General Plan

The Executive Branch has reviewed the Planning Board Draft Housing Element of the General Plan. The Housing Element is an amendment to the County's General Plan adopted in 1964, updated in 1970, and refined in 1993.

The Housing Element does not recommend specific capital projects, but rather identifies policy objectives, regulatory reforms, and land use strategies for housing in Montgomery County. For that reason, there is no measurable fiscal impact of the Housing Element.

IL:sns

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MONTGOMERY COUNTY
COUNCIL
2009 SEP 30 PM 2: 29

1992
Housing Element
of the General Plan

HOUSING GOALS

A decent home in a suitable living environment for every American family.

48

—U.S. Housing Act of 1949

SCOPE

The Housing Goal addresses Montgomery County's present and future housing needs. It focuses on housing type, quality, quantity, location, and affordability. Housing for less affluent members of the community is of special concern, but the goal, objectives, and strategies are designed to recognize the housing needs of all current and future County residents, including the full spectrum of ages, incomes, lifestyles, and physical capabilities. Providing housing opportunities for employees of all income levels who work in Montgomery County is of particular concern.

KEY CONCEPTS

Consistency with the Wedges and Corridors concept is fundamental to the Housing Goal. The Refinement expects all residential development to conform to this pattern. It also expects consistency with master plans, recognizing them as an integral part of the General Plan. These constraints especially affect the appropriate locations for and types of affordable housing development and the sites and intensities of multi-family complexes.

CHANGES FROM THE 1969 GENERAL PLAN UPDATE

Since 1969, employment has doubled and a significant portion of the land appropriate for housing has been developed in the County. These two major changes have meant shifts in emphasis in the Housing Goal of the General Plan Refinement. Both the 1964 General Plan and the 1969 General Plan Update

HOUSING

goals, objectives and strategies

focused on "an orderly conversion of undeveloped land to urban use." Both advocated the creation of new towns and the use of clustering to achieve this goal. And both included housing as a major element of such development. Neither, however, emphasized the need for housing to support employment.

With the exceptions of Clarksburg and a few scattered but significant tracts of land in other areas, attention today is turning away from the development of vacant land. The current emphasis is on the maintenance, infill, and redevelopment of land, and appropriate increases in housing densities in the Urban Ring and the I-270 Corridor. This shift leads to increased attention to the attractiveness and compatibility of higher density housing.

The reduced supply of undeveloped land puts great pressure on land prices, leading to increased difficulties in providing affordable housing, even for middle income households. Some geographic areas of the County are especially affected. In addition, high-rise housing development raises unique financial feasibility issues and merits special attention. The General Plan Refinement addresses these issues.

The Refinement looks at the relationship of employment growth and the need for housing in a new way. In fact, the Housing Goal adds a new objective regarding the quantity of housing to serve employment in the County as well as the needs of residents at different stages of their lives. The new objective is designed to be flexible, relating the desirable amount of housing to the needs of residents at different stages of life and to the needs of workers in the County at different wage levels. It does not specify the means of achieving this objective nor does it attach a numerical target to it. Instead, the Refinement, while encouraging a balance between jobs and housing on a County-wide basis, leaves decisions about any changes in the numbers of housing units and/or jobs to master plans and other more local forums.

The General Plan Refinement adds a second new objective to the Housing Goal as well. This objective concerns the land use distribution of housing. It seeks to concentrate the highest density residential uses in the Urban Ring, I-270 Corridor, and especially near transit

stations. Of the Housing objectives, this one most specifically reinforces the Wedges and Corridors concept.

The proposed Housing Goal deletes obsolete language from the 1969 General Plan Update. The 1969 General Plan Update Housing Goal reads as follows: "Stress the present quality and prestigious image of residential development in Montgomery County by further providing for a full range of housing choices, conveniently located in a suitable living environment for all incomes, ages and lifestyles." The General Plan Refinement reflects a consensus that a "prestigious image" is no longer needed as a housing goal for the County. The stock of prestigious housing has greatly increased in the past two decades and will remain as an important County asset without its mention as a prospective goal.

The new goal defines the word "quality" as referring to design and durability of construction. It drops the word "environment," which had been used to mean "neighborhood" or "surroundings" but is now more commonly used to mean "natural resources." Finally, it drops the words "preserve" and "established" from the objective concerning neighborhoods. This language was sometimes read as meaning that there should never be change to existing neighborhoods and that "established" neighborhoods, which many citizens interpret as being the most prestigious ones, should be protected more than others.

The General Plan Refinement adds other new strategies and, occasionally, new concepts to the Housing Goal. These include mixing residential densities in each planning area consistent with master plans, encouraging employer assistance in meeting housing needs, and redeveloping existing properties when identified as appropriate in the master plan.

INTERRELATIONSHIP WITH OTHER GOALS

Land Use

Housing is a major component of the Land Use Goal. Location and intensity cannot be separated from other

housing issues, however, and are included in the Housing Goal as well. The Housing Goal addresses topics such as affordability, quality, and variety, which are not addressed by the Land Use Goal. The Housing Goal also encourages the search for improved methods of financing and staging residential construction, and it addresses the need to protect existing neighborhoods from unwarranted intrusions by encouraging compatible infill development with suitable transitions between areas of higher and lower density. The Land Use Goal addresses specific geographic issues. One of the most important of these is the definition of the Residential Wedge, which is a newly highlighted geographic component of the Wedges and Corridors concept. The Residential Wedge primarily contains one- and two-

acre estate zoning. The Land Use Goal discusses its function as a housing resource for the County.

Economic Activity

Housing and economic activity may be considered as two sides of the same land use coin; each constitutes a major resource for the other. Housing provides the consumers and employees to support economic activity, while economic activity provides the means of support for residential areas. In many cases, high quality housing was the impetus for economic development. The Housing and Economic Activity Goals are thus highly interrelated; each addresses the need for the other. This Refinement

Housing development.



calls for greater integration of housing and economic activities. Insofar as the provision of housing is itself a major economic activity and depends on a stable economic climate, it is discussed in the Economic Activity Goal.

Transportation

Access to a variety of transportation modes to promote efficient travel, especially to work, and to protect the environment is an underlying theme of many of the Housing objectives and strategies. Improved transportation and pedestrian access is one of several important reasons why the Housing Goal stresses the desirability of mixed uses. The Housing Goal encourages housing plans that foster transit serviceability and proximity of affordable housing to transit. It also emphasizes housing in close proximity to employment opportunities. These strategies are generally consistent and complementary to the Transportation Goal.

Environment

The Environment Goal is a source of both support and potential conflict with the Housing Goal. The Environment Goal seeks to protect healthy and attractive surroundings for present and future County residents. The objectives also address the provision of the utilities and water and sewer service needed by local households. At the same time, some of the Environment objectives, such as preservation of trees, wetlands, stream valleys, and biodiversity, can present major constraints to housing construction. Such issues must be resolved through the master plan and development review processes.

Community Identity and Design

The Community Identity and Design Goal complements the Housing Goal. It guides the development of the community framework for housing and encourages lively, livable neighborhoods for County residents. It also encourages the preservation of historic resources, some of which are unique housing resources.



Regionalism

Housing in Montgomery County is part of a regional market. Consequently, planning for residential uses in the County needs to consider the regional context. This is especially true of affordable housing, which is one of the greatest needs of the County and the regional housing market. Montgomery County will continue to cooperate with appropriate agencies to achieve an equitable distribution of affordable housing in the region.

Compliance with Maryland Planning Act of 1992

The Housing Goal is responsive to several of the Maryland Planning Act's visions. Objectives 3, 5, and 6 respond to concentrating development in suitable areas (Vision 1). The Housing Goal encourages economic growth and also proposes that regulatory mechanisms be streamlined (Vision 6). In addition, strategies are included to assure the availability of adequate housing near employment centers (Objective 3), to ensure adequate housing choices and to encourage innovative techniques to reduce the cost of housing, including the examination of regulations and policies and development standards (Strategy 1E).

GOALS, OBJECTIVES & STRATEGIES

Encourage and maintain a wide choice of housing types and neighborhoods for people of all incomes, ages, lifestyles, and physical capabilities at appropriate densities and locations.

OBJECTIVE 1

Promote variety and choice in housing of quality design and durable construction in various types of neighborhoods.

Strategies

- A. Permit increased flexibility in residential development standards to meet a broader range of needs and to foster more creative design.
- B. Expand opportunities for a variety of housing densities within communities to offer more choice to a broader economic range of households.
- C. Encourage the use of new and innovative housing construction techniques, including pre-fabricated components and housing units, to increase the supply and variety of housing types.
- D. Explore the feasibility of rural centers in appropriate locations, such as the Residential Wedge.
- E. Assess the development review process to determine ways to streamline the process and to encourage creative housing design.
- F. Encourage both ownership and rental opportunities for all types of housing.

OBJECTIVE 2

Promote a sufficient supply of housing to serve the County's existing and planned employment and the changing needs of its residents at various stages of life.

Strategies

- A. Provide adequate zoning capacity to meet the current and future housing needs of those who live or work in the County.
- B. Explore ways to improve the economic feasibility of housing development as compared to employment-related buildings.
- C. Phase mixed-use development so that housing is constructed in a timely fashion relative to other uses within the project.
- D. Develop additional techniques to provide housing opportunities to meet the special housing needs of young workers, the elderly, and persons with disabilities.
- E. Encourage employer assistance in meeting housing needs.
- F. Develop new techniques to provide housing, including incentives.

OBJECTIVE 3

Encourage housing near employment centers, with adequate access to a wide variety of facilities and services. Support mixed-use communities to further this objective.

Strategies

- A. Assure the availability of housing near employment centers.
- B. Integrate housing with employment and transportation centers with appropriate community services and facilities, especially in transit stop locations.
- C. Examine County regulations and policies for opportunities for mixed-use development; develop additional options.
- D. Ensure a reasonable distribution of residential and commercial uses in mixed-use zones.
- E. Explore changing development standards to allow the closer integration of employment and housing within mixed-use developments.
- F. Encourage housing plans that foster transit serviceability.

goals, objectives and strategies

- G. Encourage the provision of appropriate indoor and outdoor recreational and community facilities in multi-family and single-family residential development.

OBJECTIVE 4

Encourage an adequate supply of affordable housing throughout the County for those living or working in Montgomery County, especially for households at the median income and below.

Strategies

- A. Encourage the provision of low-, moderate-, and median-income housing to meet existing and anticipated future needs.
- B. Distribute government-assisted housing equitably throughout the County.
- C. Plan affordable housing so that it is reasonably accessible to employment centers, shopping, public transportation, and recreational facilities.
- D. Encourage well-designed subsidized housing that is compatible with surrounding housing.
- E. Assure the provision of low- and moderate-income housing as part of large-scale development through a variety of approaches, including the Moderately Priced Dwelling Unit program.
- F. Preserve existing affordable housing where possible.
- G. Encourage development of affordable housing by the private market.
- H. Designate government-owned land, other than parkland, that meets appropriate housing site selection criteria for future housing development.
- I. Identify County policies that have a burdensome effect on the cost of housing; find alternatives if possible.
- J. Encourage the provision of innovative housing types and approaches, such as single-room occupancy housing and accessory apartments, to meet the needs of lower income single persons and small households.
- K. Develop zoning policies that encourage the provision of affordable housing while protecting the Wedges and Corridors concept.

OBJECTIVE 5

Maintain and enhance the quality and safety of housing and neighborhoods.

Strategies

- A. Discourage deterioration of housing through well-funded code enforcement, neighborhood improvement programs, and other appropriate techniques.
- B. Ensure that infill development and redevelopment complements existing housing and neighborhoods.
- C. Mix housing with other uses with special care in ways that promote compatibility and concern for residents' needs for safety, privacy, and attractive surroundings when introducing new uses into older neighborhoods.
- D. Provide for appropriate redevelopment of residential property when conditions warrant.
- E. Protect residential neighborhoods by channeling through traffic away from residential streets and discouraging spill-over parking from non-residential areas.
- F. Use special care to plan uses at the edges of high-density centers that are compatible with existing neighborhoods.

OBJECTIVE 6

Concentrate the highest density housing in the Urban Ring and the I-270 Corridor, especially in transit station locales.

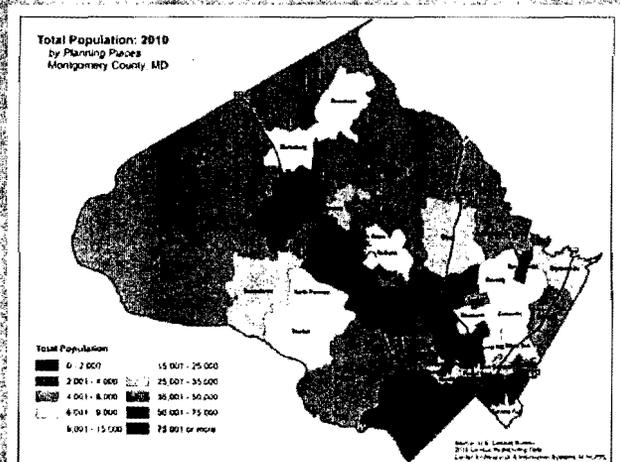
Strategies

- A. Designate appropriate, specific locations in sufficient amounts for higher density housing and mixed-use development in master plans.
- B. Modify County zoning regulations and other policies to improve the feasibility and attractiveness of higher density housing.
- C. Encourage air rights development in areas designated for higher densities.
- D. Encourage development of affordable, higher density housing in the vicinity of transit stations.

MoCo neighbourhoods

PLACES ADDING MOST NEW RESIDENTS SINCE 2000

Planning Place	2000	2010	Change	Percent Change
Germantown	66,440	86,395	19,955	30.0%
Rockville	47,399	61,209	13,810	29.1%
Clarksburg	2,371	13,766	11,395	480.6%
Gaithersburg & Vicinity	60,265	68,841	8,576	14.2%
Wheaton	52,236	57,798	5,562	10.6%
Fairland	29,858	35,242	5,384	18.0%
North Bethesda	38,610	43,828	5,218	13.5%
Bethesda	86,100	90,499	4,399	5.1%
Silver Spring	68,137	71,452	3,315	4.9%
Other	45,468	48,123	2,655	5.8%
MONTGOMERY COUNTY	873,112	971,777	98,665	11.3%



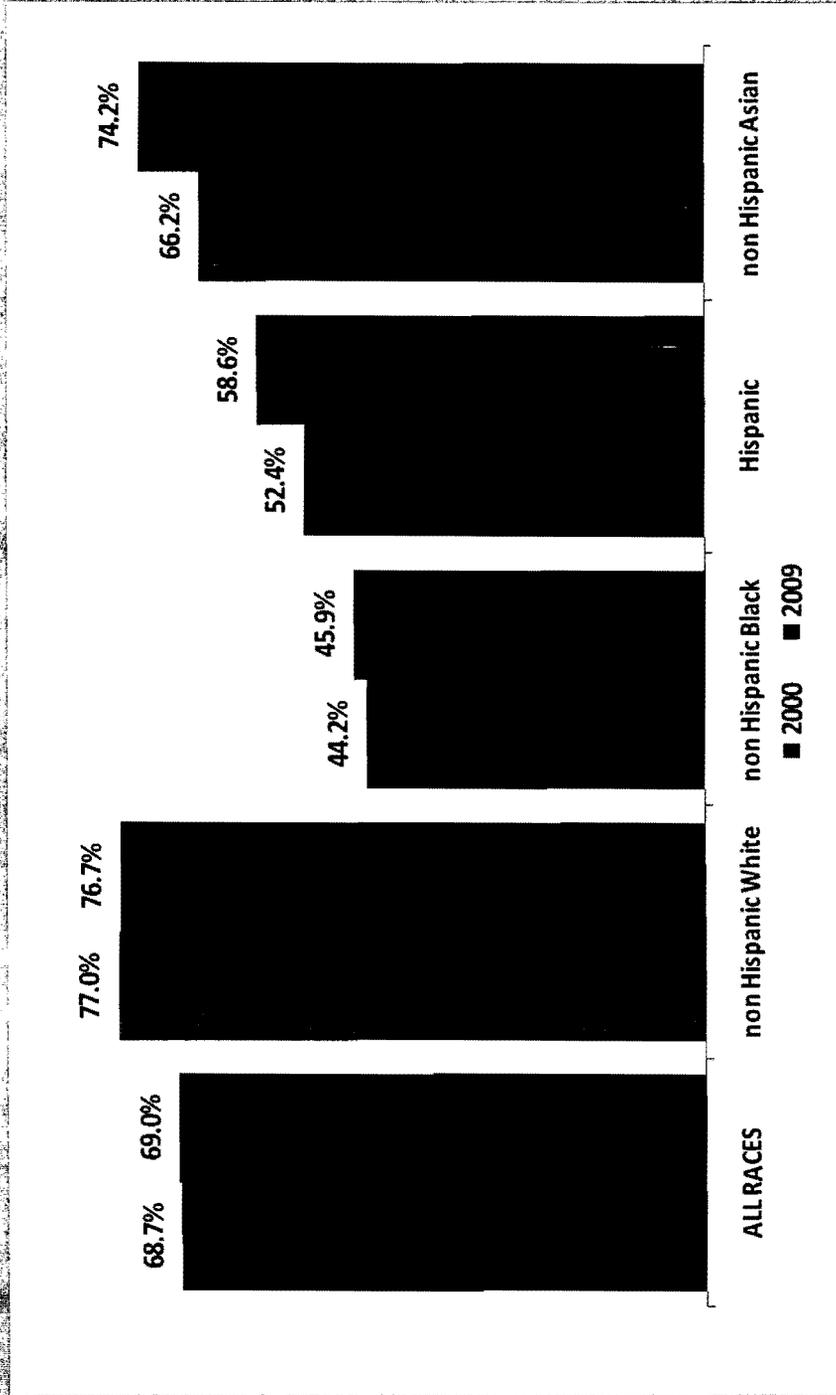
93

growth in housing units

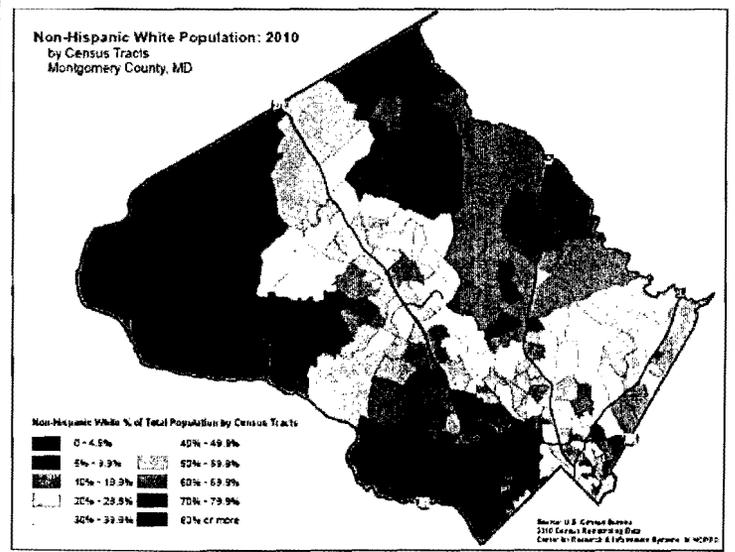
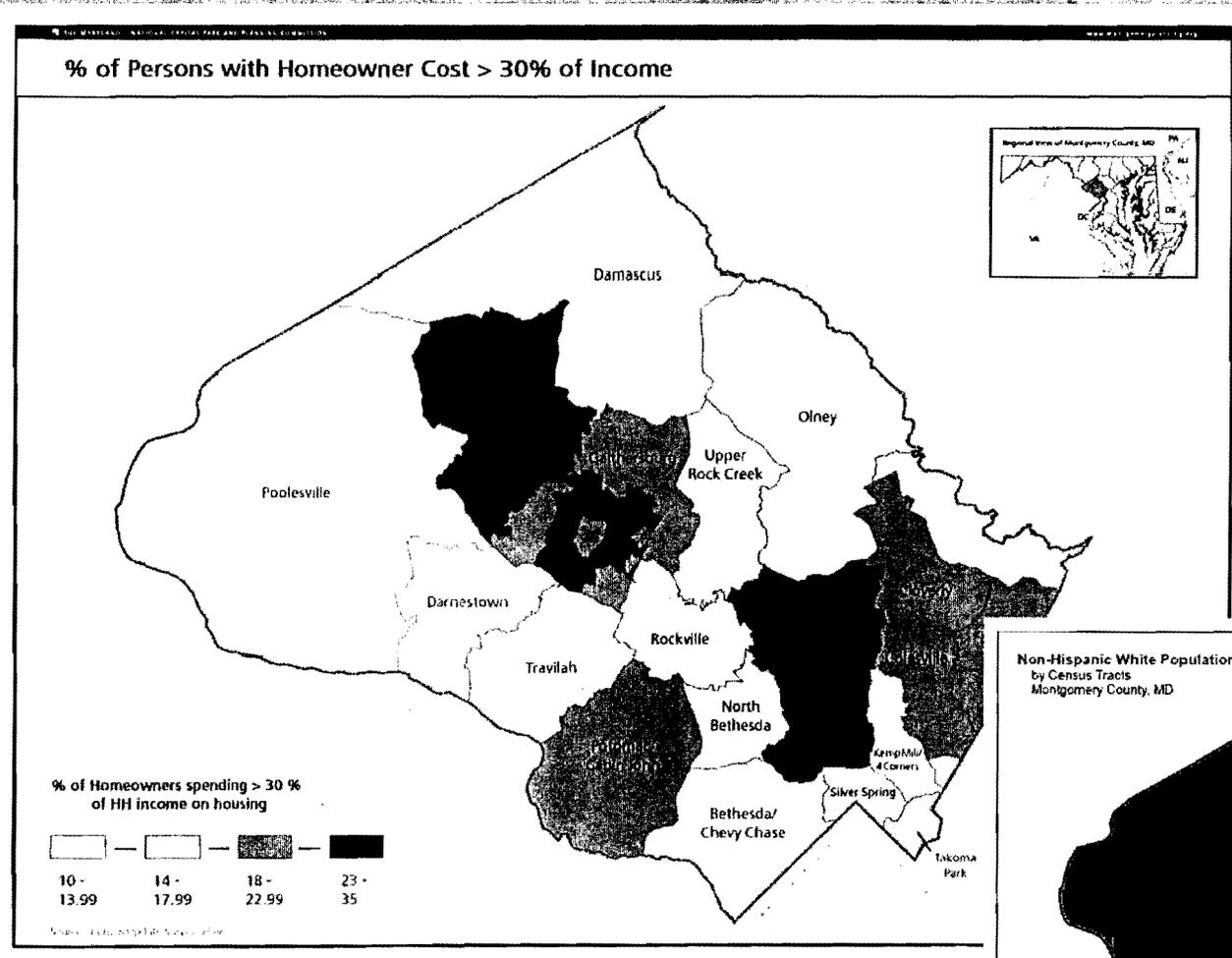
	total number of units	change 2000 – 10	% increase
bethesda	40,839	2,961	7.8 %
germantown	31,807	6,926	27.8 %
silver spring	30,470	2,367	8.4 %
gaithersburg	27,406	3,137	12.9 %
rockville	25,194	7,410	41.7 %

home ownership rates

whites highest ownership
ownership lowest among black / african american



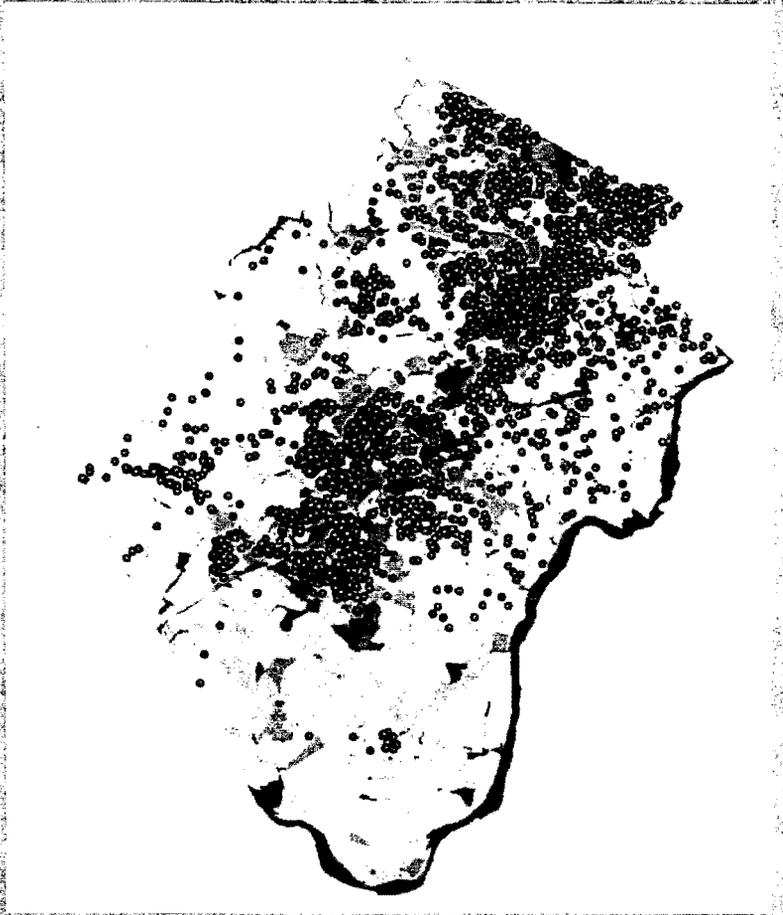
housing costs



foreclosure activity

annual change

	number	% change
2007	1,166	
2008	1,946	67 %
2009	2,838	46 %
2010	<u>2,262</u>	-20 %
total	8,212	



foreclosure auctions

foreclosure rate is greatest in high minority areas

	Number of Auctions	Share of all Occupied Units
All White	14	0.5%
1-25% minority	338	0.4%
25-50% minority	734	0.8%
50-75% minority	1661	1.7%
Over 75% minority	1203	1.6%
	3,950	1.1%

single family only auctions
3rd quarter 07 to 3rd quarter 09

sales – single family & townhouse - 2000 - 2010

over 10 yrs about 1/3 of the housing stock sold
 prices trend lower as minority share increases

	Number of Sales	Avg Sales Price	Share of all Occupied Units
All White	1,113	687,690	38.7%
1-25% minority	25,894	625,750	31.2%
25-50% minority	31,992	497,720	32.9%
50-75% minority	34,564	350,882	34.5%
Over 75% minority	18,879	296,319	25.7%
	112,442		

share of all housing units
 2010 Census & MoCo sales data by census block

sales – multi family – 2000 – 2010

prices trend lower

	Number of Sales	Avg Sales Price	Share of all Occupied Units
All White	3	372,333	0.1%
1-25% minority	5,553	292,484	6.7%
25-50% minority	10,166	242,078	10.4%
50-75% minority	14,693	142,452	14.6%
Over 75% minority	13,925	122,495	19.0%
	44,340		

share of all housing units
2010 Census & MoCo sales data by census block

household income

as income increases, minority share drops

income level	median family income	race & ethnicity			
		hispanic	black	white	asian
low	\$ 51,939	43%	21%	29%	3%
moderate	\$ 70,319	24%	21%	33%	20%
middle	\$106,970	16%	20%	46%	15%
upper	\$154,098	7%	9%	65%	16%

Source: Federal Financial Institutions Examination Council (FFIEC), which includes select data from the American Census Survey (ACS) 2005-2009.

housing turnover / school projections

avg 15,000 sales per year (single family)

1/3 of housing stock turned over in 10 yrs –

impact on the future enrollment

63 % of seniors own their own homes

need census data on population change

information on real estate prices

gen x & y - born post 1980

gen y (77.4 million) > baby boomers (76.2)

88 % want an urban setting

cannot afford dc – close suburban will do

want to walk

seniors population

73 % increase by 2040

increase of 85,129 people

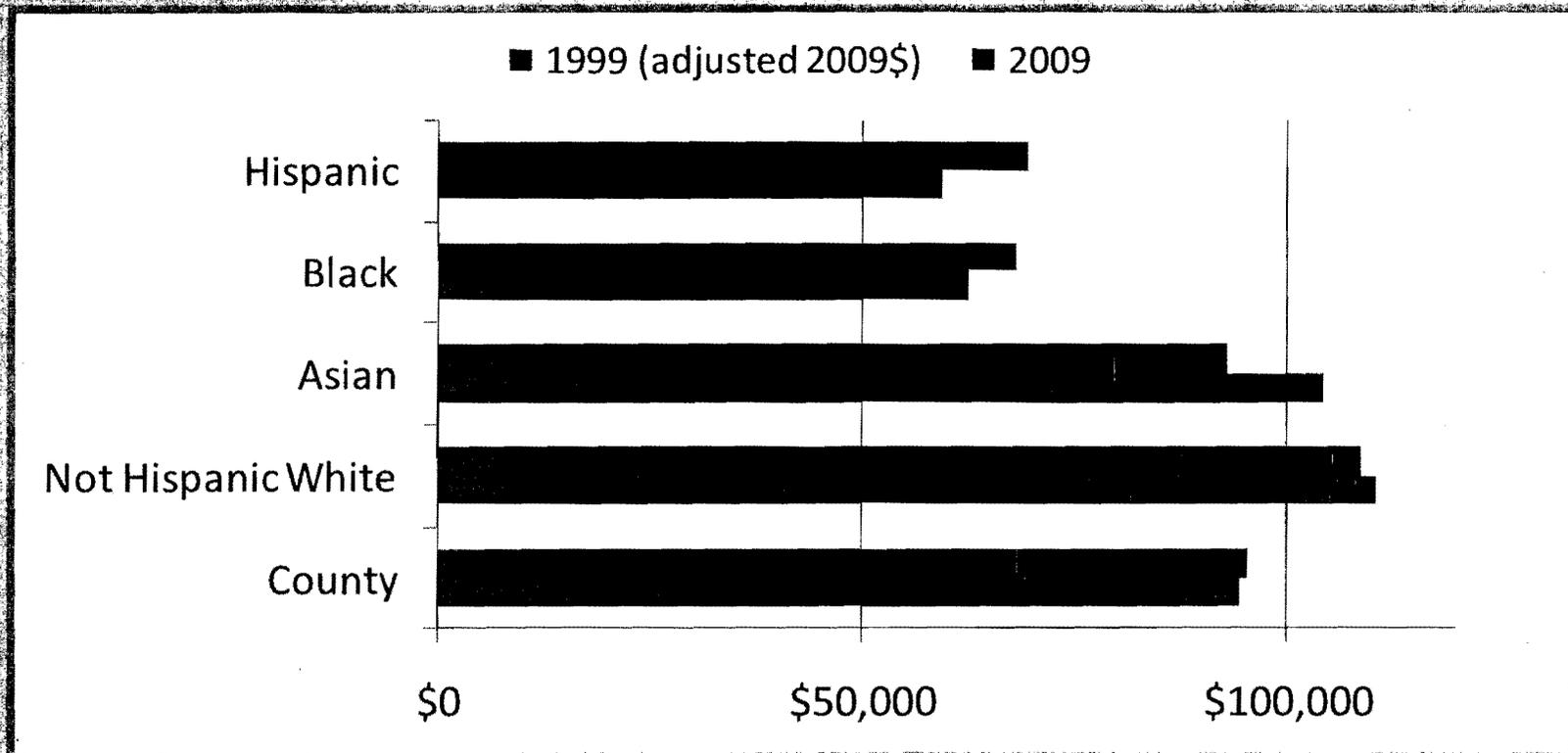
currently - 1 in 8 MoCo residents are over 65



17

household income

same pattern for hispanics & blacks
asians highest minority earners
overall county drop



Source: 2009 American Community Survey 1-year estimates