

Public Hearing

MEMORANDUM

November 24, 2009

TO: County Council

FROM: Linda McMillan, Senior Legislative Analyst *lmc*

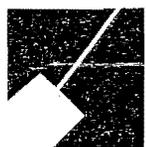
SUBJECT: **Public Hearing:** Planning Board Draft of the Housing Element of the General Plan

At this session, the Council will hold a public hearing on the July 2009 Planning Board Draft of the Housing Element of the General Plan. The Draft Housing Element provides data on the need for new housing units (72,000 units by 2030), affordable housing that costs no more than 30% of a household's income, and the need to concentrate new housing in mixed-use, transit-oriented areas. A summary of the Draft Housing Element's goals and objectives is attached at ©15-16.

The County Executive has provided comments that include specific new objectives regarding streamlining the regulatory process for housing, especially affordable housing, production (©20). The County Executive has also forwarded a fiscal impact statement which concludes that as there are no capital projects specified in the plan, there is no measurable fiscal impact from the Draft Housing Element (©23).

<u>Attached</u>	<u>Circle</u>
Transmittal memo from Planning Board Chair Hanson	1
July 2009 Planning Board Draft of the Housing Element of the General Plan	2-18
September 29, 2009 comments from County Executive Leggett	19-22
Fiscal Impact – Draft Housing Element	23

Let's go



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

9/16/09 11:15 AM
MONTGOMERY COUNTY

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.

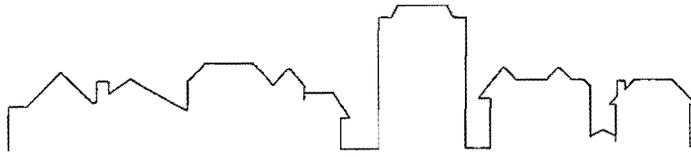
Should you have any questions about this draft or its supporting studies, please contact Sharon Suarez, the Department's housing coordinator at 301-650-5620 or Sharon.Suarez@mncppc-mc.org, or Khalid Afzal, Acting Manager, Research Team at 301-495-4650.

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.

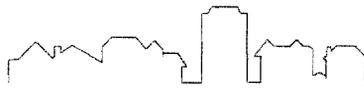
The Maryland-National Capital Park and Planning Commission encourages the involvement and participation of individuals with disabilities, and its facilities are accessible. For assistance with special needs (e.g., large print materials, listening devices, sign language interpretation, etc.), please contact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

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table of contents

♦ Challenges and Goals	6
♦ A Strategic Framework	10
Objective 1. Housing and Neighborhood Connectivity	12
Objective 2. Diverse Housing and Neighborhoods	13
Objective 3. Housing and the Environment	14
Objective 4. Housing and Neighborhood Design	15
♦ Implementation	16
♦ Appendix	19

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.

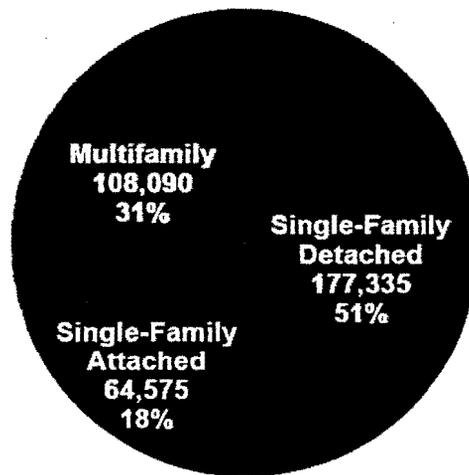
Thus, a combination of forces—a shrinking supply of developable land, higher land costs, rising energy prices, shifts in the County's demographic profile, and environmental constraints—direct us to housing policies that look inward rather than outward to accommodate the housing needs of the next generation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

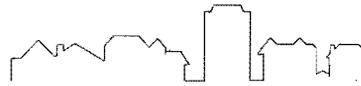
Close the housing affordability gap.

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.



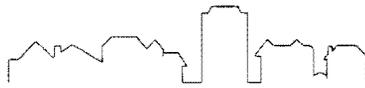
objectives

- 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

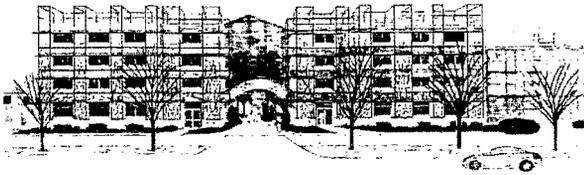
Concentrate most new housing near public transportation and provide easy, multi-modal connections to jobs, schools, shopping, recreation, and other leisure activities.

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.

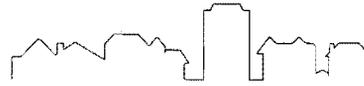
Policies

- 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.

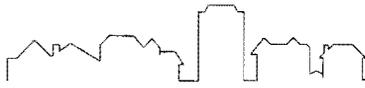


According to Section 26-5 (a) of the Montgomery County Code, every dwelling unit must contain at least 150 square feet of habitable floor area for the first occupant and at least 100 square feet of habitable floor area for every additional occupant.

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.	✓						✓	

appendix



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

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.

HOUSING & CA



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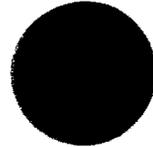
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OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

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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OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

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.

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