Addressing housing crisis

Nancy Floreen

Commentary

Affordable housing is in crisis in Montgomery County. The median new single-family detached home costs a staggering $563,000. When existing homes are included with new and existing townhouses, the median price still tops $300,000. No wonder so many people are driving to their jobs in the county from Frederick, West Virginia and Pennsylvania, making our traffic nightmare worse and creating havoc in the lives of the commuters.

Sadly, we are in this mess even though the county instituted a cutting-edge affordable housing program 30 years ago. The Moderately Priced Dwelling Unit (MPDU) law was designed to ensure that working families and people on fixed incomes, especially seniors, could find suitable housing in the county. At its heart, the program requires builders to include MPDUs in most new developments. To make this obligation legally permissible, the rules offer incentives to keep MPDU production from becoming a costly responsibility for the builder. However, the standard county development restrictions, escalating land prices, and market demand worked to undercut the program.

The good news is that the MPDU initiative produced more than 11,000 affordable units since 1974. Unfortunately, today only about 4,000 MPDUs are still part of the county program. This isn't close to enough.

Roughly one-third of county households earn less than $50,000 a year, which would make them eligible for an MPDU. That's more than 100,000 families competing for 4,000 affordable homes. Worse, the Washington Regional Network for Livable Communities projects a need for more than 10,000 additional affordable units in the county by 2010. We are nowhere near meeting that housing demand under current rules.

We must do better. That is why I'm proposing a package of adjustments to enhance and strengthen the program. My proposal will invest more money in rehabilitating existing affordable homes, while also encouraging the private sector to produce new units. It includes measures to:

- Preserve the stock of MPDUs for future use by requiring units to remain under a controlled period for 30 years.
- Allow developers to rehab or donate units as an optional replacement for some "amenity space" requirements.
- Encourage affordable housing near transit by giving developers more density in exchange for more MPDU units.
- Change income eligibility limits, differentiating between rental and sale units, and increasing eligibility levels for housing in large lot and transit station zones. Our teachers, firefighters and police officers desperately need housing in the county and right now don't meet MPDU limits. We need a tiered system recognizing that existing housing costs are out of reach for those who make up the core of county residents.

Most significantly, my plan will almost eliminate the county's current practice of allowing developers to "buy out" MPDU requirements. But we can't address the buyouts in a vacuum. I propose we face the root of the problem head on. Buyouts have occurred where MPDU production has been found to be economically unrealistic.

I say, let's eliminate barriers to MPDU construction by providing greater flexibility in the application of our more exacting development standards as required. The result — a pragmatic approach forcing the critical priority of workforce housing into development decisions. Our hard-working families deserve nothing less.

Nancy Floreen, a Democrat from Garrett Park, is a County Council member.