

More Housing N.O.W.

New Options for Workers

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Mid-County Citizens Advisory Board

Montgomery County has a housing affordability crisis...

- The median sales price of a home across all unit types was \$618,000 by the end of 2024.
 - A couple would need a combined income of at least \$250,000 (or 180% area median income) to afford this home. The area median income for a couple is \$123,800 (Source: Bright/MLS and Montgomery Planning)
- According to the most recent data, the median sales price of homes increased by 11.2% across all unit types last year (Bright/MLS), while wages have only increased by 1.7% (Bureau of Labor Statistics)



And larger, detached homes are the most expensive...

	Condos	Townhomes	Single-Family Detached
2024 Median Sale Price	\$285,550	\$499,998	\$800,806
Min. Req'd Household Income	\$96,382	\$168,765	\$270,297

Source: Bright/MLS

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New Options for Workers

BUILDING MORE WORKFORCE HOUSING

1. Workforce Housing ZTA:

Allow more residential building types through optional method development along corridors with a 15% workforce housing requirement

2. Workforce Housing Opportunity Fund:

New \$4 million countywide fund to incentivize the construction of workforce units

CONVERTING HIGHLY VACANT OFFICES TO HOUSING

3. Office to Housing ZTA:

Create an expedited approval process for projects that convert high-vacancy commercial properties to residential use

4. Office to Housing Property Tax Abatement:

Establish a 25-year payment in lieu of taxes (PILOT) for conversion of high-vacancy commercial properties to housing with affordability requirements

PATHWAYS TO HOMEOWNERSHIP

5. Budget:

Double the County's investment in Homeowner Assistance Program from \$4 million to \$8 million in the FY26 Housing Initiative Fund (HIF)

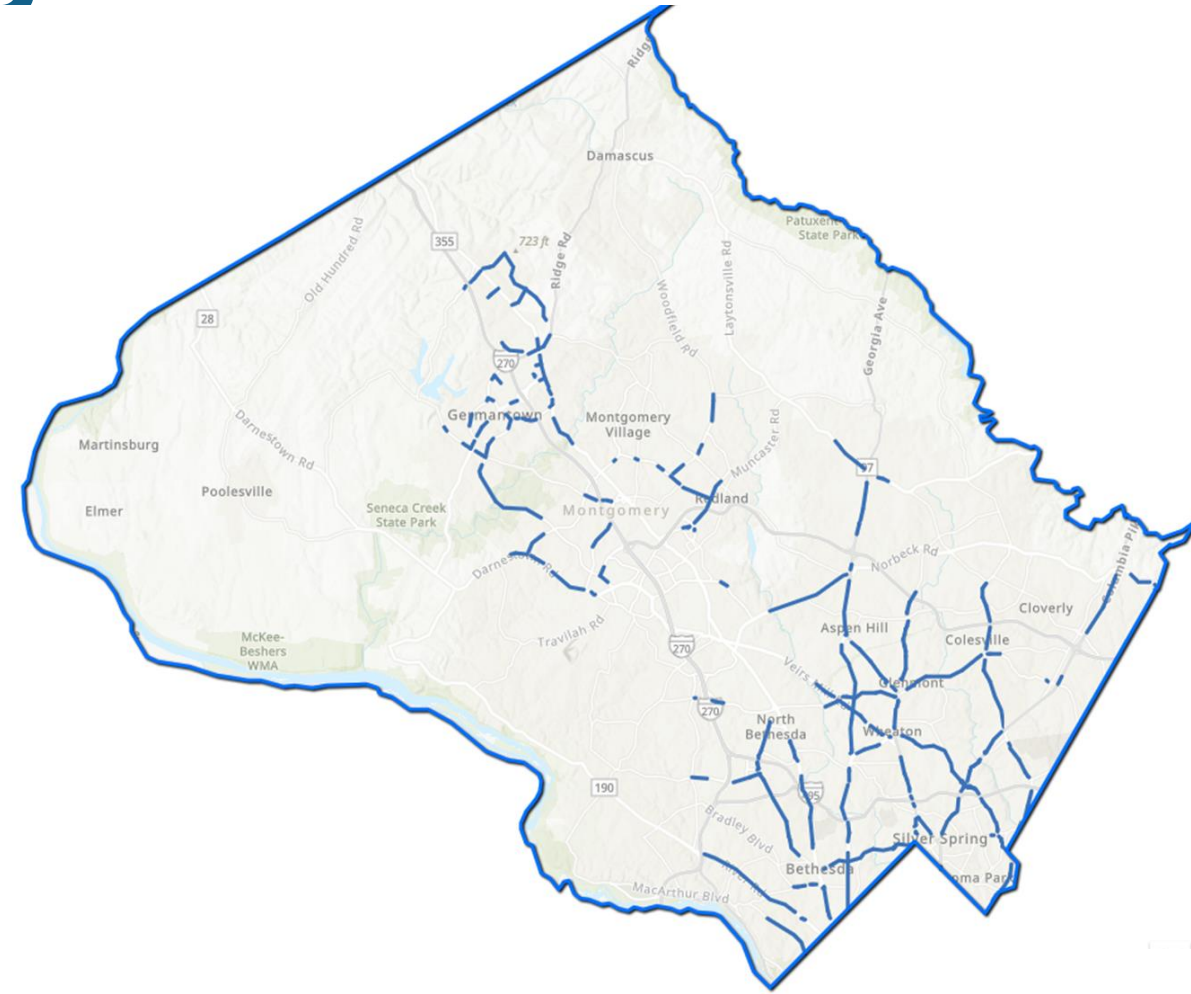


1. Workforce Housing ZTA

Eligible Corridors

Would allow:

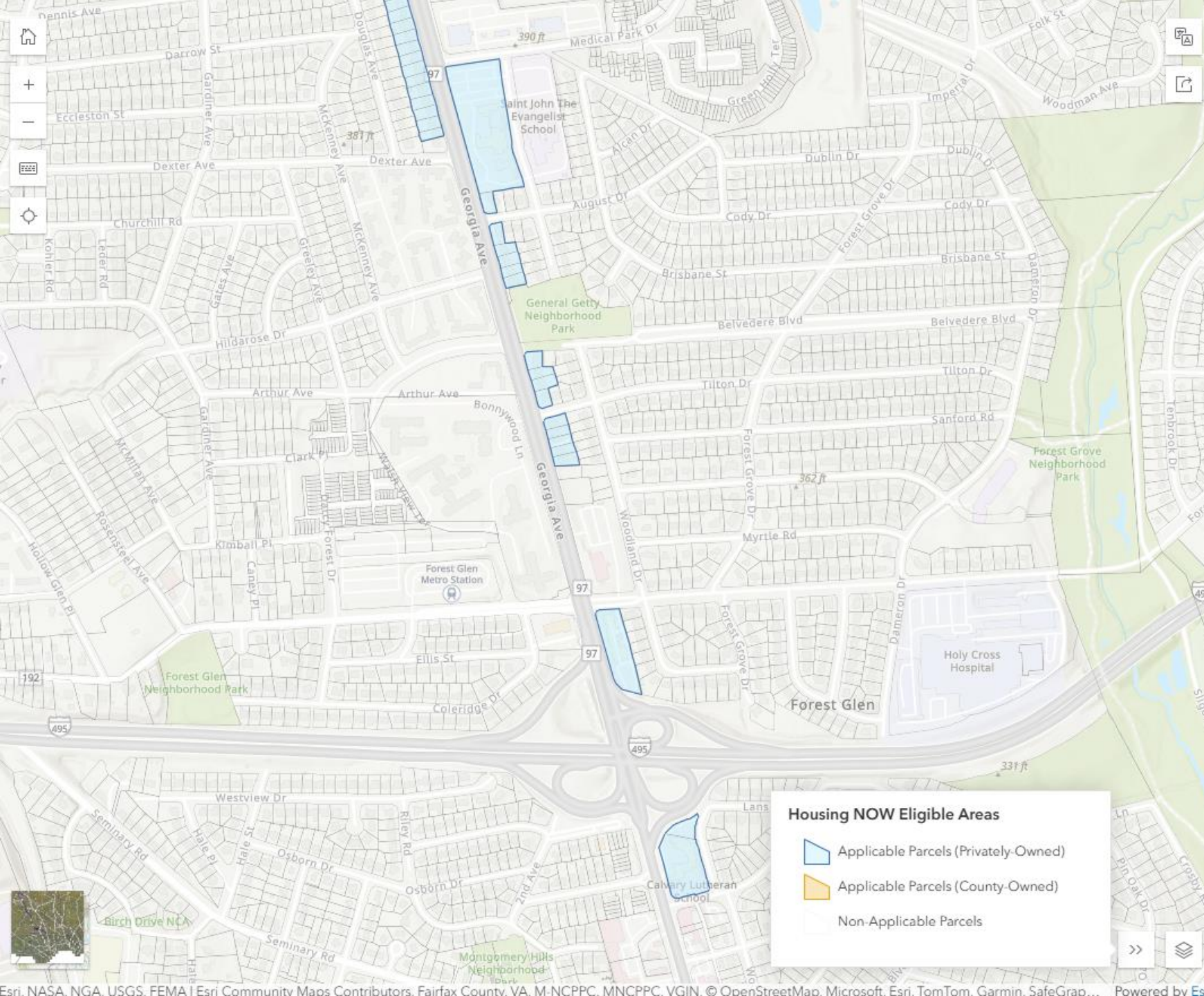
- more residential building types (duplexes, triplexes townhouses and small multi-family buildings)
- through the optional method of development (which requires Planning Board approval)
- along roadways classified as Boulevards, Downtown Boulevards, Downtown Streets, Controlled Major Highways, or Town Center Boulevards that have a master planned right-of-way width greater than 100 feet and 3 or more existing travel lanes
- in the R-200, R-90, R-60, and R-40 zones.



- Would require 15% of units satisfy the definition of workforce housing, with a minimum of 1 workforce housing unit for structures that have 3 or more units
- Eligible lots must front on (have an address on) a designated roadway,
- Development standards are modeled on single family detached house standards for compatibility, and
- Compliance with existing zoning laws and other regulations, such as water and sewer, subdivision, forest conservation, and easements is required.



Interactive Map of Included Parcels



2. Workforce Housing Opportunity Fund

- New countywide fund to incentivize the construction of workforce units
- \$4 million in initial funding
- Eligible projects must provide at least 30% workforce units
- Workforce units must be affordable to 80% AMI (area median income), on average

Converting Highly Vacant Office to Housing

3. Office to Housing ZTA/SRA

- Create an expedited approval process for projects that convert high-vacancy commercial properties to residential use
- Applies to the Commercial-Residential, NR, and EOF zones
- Retail or office building that is at least 50% vacant
- Remove residential restriction on FAR, so that total commercial-residential FAR can be used for residential
- Must pull a building permit within 2 years of approval

4. Office to Housing Tax Abatement (PILOT)

- Establish a payment in lieu of taxes (PILOT) for conversion of high-vacancy commercial properties to residential use
- Retail or office building that is at least 50% vacant
- 100% tax abatement for 25 years for qualifying projects
- Minimum 15% MPDU requirement

5. Pathways to Homeownership

- Double the County's investment in the Homeowner Assistance Program from \$4 million to \$8 million in the FY26 Housing Initiative Fund (HIF)
- This program has been perennially oversubscribed. This year's \$3 million of funding was fully committed by December 2024, not even halfway into the fiscal year.
- Up to \$25,000 may be granted to a first-time buyer thus providing support for up to 160 qualified applicants. Up to \$1.0 million is reserved for County and MCPS employees under the Montgomery Employee Down Payment Assistance Loan (MEDPAL)
- Doubling the fund will make the opportunity to build generational wealth more achievable for more families.

What's next

- Planning Housing and Parks (PHP) Committee Worksessions
 - March 24: Office to Housing Conversion ZTA/SRA
 - March 31: Workforce Housing ZTA
- Government Operations (GO) and Economic Development (ECON) Committee Worksession
 - March 27: Office to Housing PILOT Bill
- Council will consider the pathways to homeownership and workforce housing opportunity fund during its annual budget process in April-May

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