

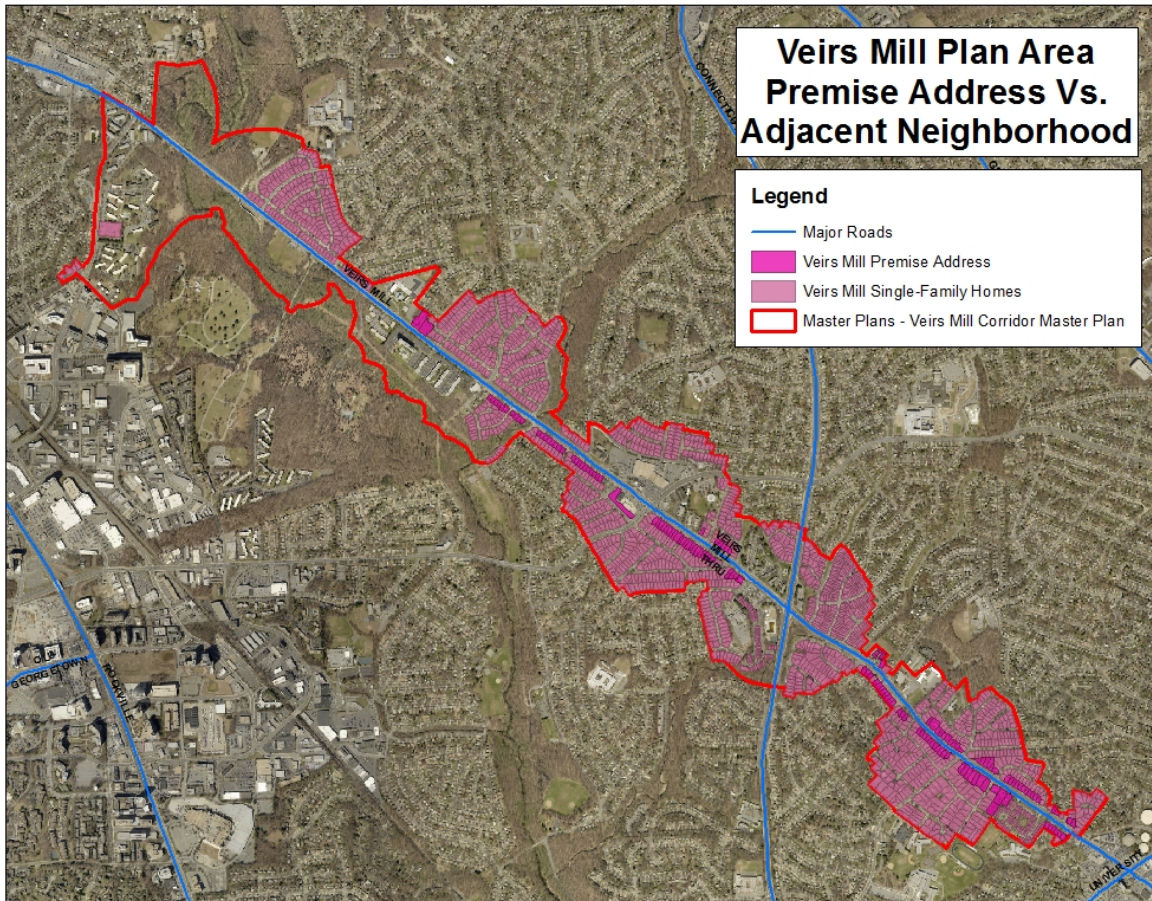


Appendix E: Housing Analysis

Veirs Mill Housing Analysis

Prepared by: Lisa Govoni, Lisa.Govoni@montgomeryplanning.org, Montgomery County Planning Department, Research and Special Projects

Single-family Homes



Value of Homes on Veirs Mill Versus Adjacent Neighborhoods

In the Veirs Mill Corridor Master Plan area, single-family detached homes and attached homes with the premise address of “Veirs Mill Road” have a lower median land assessment, improvement assessment and median sales price, and take longer to sell by about 15 months than houses in adjacent neighborhoods.

For single-family attached and detached homes with a premise address of “Veirs Mill Road,” the median land assessment is \$156,400. This evaluation is \$7,050 lower, or 5 percent lower, than homes without a “Veirs Mill Road” premise address. For the median improvement assessment, homes with a premise address of “Veirs Mill Road” have a median assessment of \$120,500, a value difference of \$16,500 and a percent change of 14 percent.

The median sales price for homes with a premise address of “Veirs Mill Road” is \$222,250, a difference of \$27,750 or 12 percent lower than homes located without a premise address of “Veirs Mill Road.” Homes without a premise address of “Veirs Mill Road” also had a more recent sale date by almost 15 months.

Table 1 – Veirs Mill Vs. Adjacent Neighborhoods Value

	On Veirs Mill	Off Veirs Mill	Value Difference	Percent Change
Median Land Assessment	\$156,400	\$163,450	\$7,050	5%
Median Improvement Assessment	\$120,500	\$137,000	\$16,500	14%
Median Sales Price	\$222,250	\$250,000	\$27,750	12%
Median Sales Date	11/24/2004	2/21/2006		

Source: SDAT

Single-Family Homes Rented

In the Veirs Mill Corridor Master Plan area, rented single-family attached or detached homes represent 17 percent of homes. This percentage is slightly higher than the countywide average of 13 percent of single-family attached or detached homes rented.

Table 2 – Veirs Mill Single Family Homes Rented

	Veirs Mill Plan Area	Montgomery County
Single-Family Homes Rented	17%	13%

Source: SDAT

Gross Floor Area

Gross floor area is the total amount of floor space in a building, including the external walls, and excluding the roof. In the Veirs Mill Corridor Master Plan area, the median gross square footage for a single-family dwelling is 1,128 square feet. The Montgomery County median is 1,767, a difference of 639 square feet, or 36 percent larger.

Table 3 – Gross Floor Area

	Veirs Mill Plan Area	Montgomery County
Median Gross Floor Area	1,128	1,767

Multifamily Homes

The Veirs Mill Corridor Master Plan has five multifamily rental developments, four of which are garden style (low-rise), one of which has both a high-rise and a garden-style facility on the premises. The facilities are on average 47 years old. All facilities in the plan area have vacancy rates under 5 percent.

Table 3 – Veirs Mill Current Conditions

NAME	ADDRESS	CITY	STRUCTURE TYPE	BUILDING AGE	VACANCY
HALPINE HAMLET	5501 Halpine Pl	Rockville	Garden	50	3.0%
HALPINE VIEW	13013 Crookston LA	Rockville	Garden	50	1.8%
PARKWAY WOODS	12933 Twinbrook Pkwy	Rockville	Garden	35	4.2%
ROCK CREEK TERRACE	12630 Veirs Mill Rd	Rockville	Garden/High-Rise	45	3.0%
ROCK CREEK WOODS	13206 Twinbrook Pkwy	Rockville	Garden	49	1.9%
VILLAGE SQUARE WHEATON	12011 Veirs Mill RD	Wheaton	Garden	53	3.7%

Source: 2016 DHCA Rental Housing Survey, 2017 CoStar

Veirs Mill’s multifamily rental housing stock currently contains 1,613 units. More than half (53 percent) of the units in the plan area are 2-bedroom units. Thirty-one percent are 1-bedroom units, 16 percent are 3-bedroom units, 2 percent are efficiencies and 0.4 percent are 4-bedroom units. Due to the age of the structures, none of the units in the plan area are moderately priced dwelling units (MPDUs). Landlords of two facilities note that they accept federal or state subsidies for low-income tenants, but the Montgomery County Department of Housing and Community Affairs (DHCA) does not identify units by subsidy.

Table 4 – Veirs Mill Current Units

NAME	SUBSIDY PROGRAM*	EFFICIENCIES	1-BEDROOMS	2-BEDROOMS	3-BEDROOMS	4-BEDROOMS	TOTAL UNITS
HALPINE HAMLET	OTH		26	41			67
HALPINE VIEW		16	241	250	57		564
PARKWAY WOODS	PH			9	9	6	24
ROCK CREEK TERRACE	S8		138	256	132		526
ROCK CREEK WOODS	OTH OV	18	72	160	19		269
VILLAGE SQUARE WHEATON			30	102	31		163
TOTAL		34 (2%)	507 (31%)	818 (53%)	248 (16%)	6(0.4%)	1613

*The DHCA Rental Housing Survey does not identify the units by subsidy. Facilities are only asked what types of subsidies are accepted.

Source: 2016 DHCA Rental Housing Survey, CoStar

Of the five multifamily buildings within the plan area, all are market-rate affordable, meaning they are generally affordable to households earning at or below 80 percent AMI.^{1 2}

Table 5 – Veirs Mill Affordability Conditions

NAME	EFFICIENCY AVG RENT	AMI	1- BEDROOM AVG RENT	AMI	2- BEDROOM AVG RENT	AMI	3- BEDROOM AVG RENT	AMI	4- BEDROOM AVG RENT	AMI
HALPINE HAMLET			\$1,095	52%	\$1,250	55%				
HALPINE VIEW	\$995	52%	\$1,262	60%	\$1,456.50	65%	\$1,733.50	64%		
PARKWAY WOODS					\$809	36%	\$1,027	38%	\$1,523	53%
ROCK CREEK TERRACE			\$1,069	51%	\$1,211	54%	\$1,601	59%		
ROCK CREEK WOODS	\$1,028.50	54%	1,279	61%	\$1,500	67%	\$ 1,729	63%		
VILLAGE SQUARE WHEATON			\$1,437	69%	\$1,646.50	73%	\$ 1,942	71%		

Source: 2016 DHCA Rental Housing Survey, CoStar

¹ For a detailed breakdown on the Planning Department’s affordability assumptions and affordable housing definitions, see the attached “Appendix-Affordable Rental Housing Methodology.”

² Area median income (AMI) limits are set by the U.S. Department of Housing and Urban Development (HUD) across metropolitan regions to measure housing affordability. These AMI levels are often used to measure target income levels for federal, state and local housing programs and subsidies.

Affordable Housing Methodology

In order to determine affordability, households are first categorized by their income relative to the area median income (AMI). AMI is adjusted for household size. Low-to-moderate income households are those earning up to 65 percent of AMI. The income limits in the table below are based on income requirements for Montgomery County’s moderately priced dwelling unit (MPDU) program and United States Department of Housing and Urban Development (HUD) standards.

Table 1 - 2016 Income Limits

HOUSEHOLD SIZE	65% AMI	80% AMI (MARKET RATE AFFORDABLE)	100% AMI (MEDIAN)	120% AMI
1	49,400	60,800	76,000	91,200
2	56,485	69,520	86,900	104,280
3	63,505	78,160	97,700	177,240
4	70,590	86,880	108,600	130,320
5	76,245	93,840	117,300	140,760

Source: Montgomery County DHCA, HUD

Rather than just counting the number of low-to-moderate income households, the number of rental units affordable to those households are counted to understand the inventory of low-cost housing. Households of different sizes will have different needs with respect to bedrooms. And households of the same size will even have different bedroom needs. For example, two unrelated adults would require two bedrooms, while a married couple typically would need one.

The following table provides the Planning Department’s standard assumptions regarding the distribution of household sizes by number of bedrooms. (Note: HUD typically accepts no more than 2 persons per bedroom for HUD-funded projects, while other programs use a standard of 1.5 persons per bedroom. HUD programs do not allow more bedrooms than persons per unit.)

Table 2 – Household-Size Distribution by Number of Bedrooms

HOUSEHOLD SIZE	NUMBER OF BEDROOMS				
	Efficiency	1	2	3	4
1	100%	30%			
2		70%	10%		
3			60%	20%	
4			30%	50%	40%
5				30%	60%

Income limits by number of bedrooms can be estimated based on the two tables of household income limits and assumptions about the distribution of household sizes by the number of bedrooms. This calculation is a weighted average of household income limits for each bedroom size. For example, for 1-bedroom units occupied by households up to 65 percent of AMI, the maximum weighted income is $.3 \times \$49,400 + .7 \times \$56,485 = \$54,360$.

Table 3 – Income Limits by Number of Bedrooms

# OF BEDROOMS	65% AMI	80% AMI	100% AMI	120% AMI
0	\$48,685	\$60,800	\$76,000	\$91,200
1	\$54,360	\$66,904	\$83,630	\$100,356
2	\$58,578	\$75,568	\$90,120	\$138,144
3	\$70,870	\$84,264	\$109,030	\$142,836
4	\$73,983	\$91,752	\$113,820	\$136,584

“Affordable” housing is defined as costing no more than 25 percent of household income, if utilities are not included, or 30 percent of household income if utilities are included. This definition is similar to the rent requirements for MPDUs set by the County Department of Housing and Community Affairs (DHCA). The maximum affordable rent by number of bedrooms is listed below.

Table 4 – Affordable Limits at 30 Percent of Income

# OF BEDROOMS	65% AMI	80% AMI	100% AMI	120% AMI	FMR
0	\$1,235	\$1,520	\$1,900	\$2,280	\$1,307
1	\$1,359	\$1,673	\$2,091	\$2,509	\$1,402
2	\$1,464	\$1,889	\$2,253	\$3,454	\$1,623
3	\$1,772	\$2,107	\$2,726	\$3,571	\$2,144
4	\$1,850	\$2,294	\$2,846	\$3,415	\$2,726

Table 5 – Affordable Limits at 25 Percent of Income

# OF BEDROOMS	65% AMI	80% AMI	100% AMI	120% AMI
0	\$1,029	\$1,267	\$1,583	\$1,900
1	\$1,132	\$1,394	\$1,742	\$2,091
2	\$1,220	\$1,574	\$1,878	\$2,878
3	\$1,476	\$1,756	\$2,271	\$2,976
4	\$1,541	\$1,912	\$2,371	\$2,846

Affordable Housing Definitions:

Income-Restricted Affordable Housing: A moderately priced dwelling unit (MPDU) or a dwelling unit built under government regulation or binding agreement requiring the unit be affordable to households at or below the income eligibility for the MPDU program.

Income-Restricted Workforce Housing: Chapter 25B of the Montgomery County Code defines housing that is affordable to households at or below 120 percent of area median income (AMI). When a master plan refers to workforce housing as a part of its affordable housing goals or requirements, incomes are limited to 100 percent of AMI.

Market Rate Affordable Housing. Market rate affordable dwelling units are affordable to households earning no more than 80 percent of area median income, adjusted as MPDUs for household and unit size, and must not exceed the median rent for the planning area.

Rent-Restricted Affordable Housing: This term is not currently defined in the County Code or commonly used, but appears to be the best term to describe housing where rent increases will be limited and there is no income test for the tenant. The preservation of market rate affordable housing may require an agreement that both establishes the baseline rent (priced to be affordable at 80 percent of AMI) and rent restrictions (such as requiring that rents increase only according to the Voluntary Rent Guideline.)