

Forest Glen – Montgomery Hills Sector Plan Rental Facility Conditions

Prepared by Lisa Govoni (lisa.govoni@montgomeryplanning.org)

Table 1: Rental Facilities in the Forest-Glen Montgomery Hills Sector Plan

Name	Structure Type	Year Built	Age Group	Vacancy	Current Zoning
Fields of Silver Spring	Garden	1948	70:79	0.70%	R-10
Forest Glen Apartments	Garden	1947	70:79	2%	R-10
Belvedere	Garden	1947	70:79	0.90%	R-10

Source: 2017 DHCA Rental Facility Survey, CoStar

There are currently three rental facilities in the Forest-Glen Montgomery Hills Sector Plan. All facilities are garden-style (less than 5 stories) and are over 70 years old. All three facilities share a low vacancy rate (2 percent or below) and are currently zoned R-10.

Table 2: Rental Facilities Average Rent

Name	Studios	Rent Avg Studio	AMI	1-beds	Rent Avg 1-beds	AMI	Number 2-beds	Rent Avg 2-beds	AMI	Units
Fields of Silver Spring	9	\$ 1,035	54%	50	\$ 1,065	51%	162	\$ 1,232	55%	221
Forest Glen Apartments	0			29	\$ 1,024	49%	45	\$ 1,176	52%	74
Belvedere Apartments	0			39	\$ 1,264	60%	54	\$ 1,442	64%	93

Source: 2017 DHCA Rental Facility Survey, CoStar

Income limits calculated at 30 percent of housing cost, due to utilities being included

The three rental facilities are considered market-rate affordable, meaning they are affordable to households earning at or below 80 percent of the Area Median Income.¹ There are 388 rental units in the Forest Glen-Montgomery Hills Sector Plan Area, and while there are no 3-bedroom units, 67 percent of the units are 2-bedroom units (30 percent 1-bed and 2 percent studios). While due to the age of the facilities there are no Moderately Priced Dwelling Units (MPDUs), the Fields of Silver Spring is affordable due to tax credits or other federal subsidies, and the Forest Glen Apartments is owned by an affordable housing provider, Montgomery Housing Partnership.

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 US Department of Housing and Urban Development (HUD) standards.

¹ In 2017, the Area Median Income was \$110,300 for a family of four, the market-rate affordable limits (80 percent AMI) for 2017 was \$88,240 for a family of four.

Table 1 - 2017 Income Limits

HOUSEHOLD SIZE	65% AMI	80% AMI (MARKET RATE AFFORDABLE)	100% AMI (MEDIAN)
1	\$50,180	\$61,760	\$77,200
2	\$57,330	\$70,560	\$88,200
3	\$64,545	\$79,440	\$99,300
4	\$71,695	\$88,240	\$110,300
5	\$77,415	\$95,280	\$119,100

Source: Montgomery County DHCA, HUD

Second, rather than just count the number of households, we count the number of rental units affordable to them to understand the inventory of low-cost housing. We, therefore, need to assume the number of bedrooms that a household of a particular size needs. 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 typically need two bedrooms, while a married couple would need one.

The following table provides the Planning Department’s standard assumptions regarding the distribution of household sizes by number of bedrooms:

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%

Third, based on the previous two tables of household income limits and our assumptions about the distribution of household sizes by the number of bedrooms, we estimate income limits by number of bedroom rooms. This calculation is a weighted average of household-income limits for each bedroom size. For example, for one-bedrooms occupied by households up to 100 percent of AMI, the maximum weighted income is: $.3 \times \$77,200 + .7 \times \$88,200 = \$84,900$.

Table 3 – Income Limits by Number of Bedrooms

# OF BEDROOMS	65% AMI	80% AMI	100% AMI
0	\$50,180	\$61,760	\$77,200
1	\$55,185	\$67,920	\$84,900
2	\$59,514	\$76,776	\$91,560
3	\$71,981	\$85,600	\$110,740
4	\$75,127	\$93,168	\$115,580

Fourth, affordable housing is defined as housing that costs 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 requirement 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
0	\$1,255	\$1,544	\$1,930
1	\$1,380	\$1,698	\$2,123
2	\$1,488	\$1,919	\$2,289
3	\$1,800	\$2,140	\$2,769
4	\$1,878	\$2,329	\$2,890

Table 5 – Affordable Limits at 25 Percent of Income

# OF BEDROOMS	65% AMI	80% AMI	100% AMI
0	\$1,045	\$1,287	\$1,608
1	\$1,150	\$1,415	\$1,769
2	\$1,240	\$1,600	\$1,908
3	\$1,500	\$1,783	\$2,307
4	\$1,565	\$1,941	\$2,408

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: Defined in Chapter 25B as housing that is affordable to households at or below 120% area wide 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% of AMI.

Market Rate Affordable Housing. Market rate affordable dwelling units are affordable to households earning no more than 80% 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: Describes when 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% of AMI) and rent restrictions (such as requiring that rents increase by only the Voluntary Rent Guideline.)

