

Housing Needs Assessment

Proposed Scope of Work

Purpose:

The goals, objectives and policies of the Housing Element update for the General Plan will be based on a Housing Needs Assessment. The Housing Needs Assessment has two objectives: an analysis of current demographic, economic and housing market conditions in the county, as well as a detailed household and housing demand forecast for the county out to 2050. The forecast is a vital part of the Housing Needs Assessment as it aims to understand the characteristics of the County's current and future households.

The forecasting component will build upon Round 9.1 Metropolitan Washington Council of Governments (MWCOCG) cooperative forecasting process. The forecasts for the Housing Needs Assessment should include forecasts for household growth by household income (as a percent of AMI), household size, older adult-headed households, and tenure (renters versus owners). These forecasts are based on an analysis of demographic trends and regional job growth.

The Housing Needs Assessment will create the foundation for policy and goals for the Housing Element of Montgomery County's General Plan by analyzing current housing conditions and affordability, and forecasting future household growth and household characteristics, while identifying the county's housing needs. The Housing Needs Assessment will provide the background necessary to develop a comprehensive housing policy that meets the needs of current and future residents. The Housing Needs Assessment will inform an updated set of housing principles, goals, targets, strategies, and priorities to be adopted via the Housing Element of Montgomery County's General Plan.

Background:

In April 2011, the County Council approved an update to the [Housing Element of the General Plan](#). This document makes general recommendations for housing in Montgomery County and identifies policy objectives needed to accomplish the recommendations.

In October 2012, the Department of Housing and Community Affairs (DHCA) forwarded the [Draft 2012 Housing Policy](#) to the Montgomery County Council for consideration. Montgomery County's Draft 2012 Housing Policy set goals for housing within the county. The Planning, Housing and Economic Development Committee (PHED) of the County Council held several work sessions on the proposed draft during 2013 but did not complete a full review of the document.

Since the approval of the Housing Element in 2011, Montgomery County has undertaken several housing related studies that should inform the Housing Needs Assessment. These studies include:

- The 2017 [Rental Housing Study](#), a comprehensive two-year study aimed at identifying Montgomery County's rental housing issues and needs and offering holistic and sustainable approaches to meeting them.
- The 2018 [Older Adult Housing Study](#), which assessed the current and future demand for senior housing – both the amount and preferred housing types – and recommended ways of preparing to meet growing senior housing needs.

- The 2018 [Missing Middle Housing Study](#), which provided an in-depth analysis of the challenges to building Missing Middle Housing and identified potential ways that Montgomery County can address them through a variety of zoning, policy, and financial incentives.
- The 2020 [Preservation of Affordable Housing Study](#), which seeks to identify challenges, best practices and strategies for the preservation of affordable housing.
- The 2019 [Montgomery County Trends Report: A Look at People, Housing and Jobs Since 1990](#)

The Department has conducted additional studies on changes to the economy and real estate markets that are available on the [Research and Special Projects website](#).

The Montgomery County Planning Department produces long-range forecasts of population, employment and housing for Montgomery County and areas within the County as part of a cooperative process with the Metropolitan Washington Council of Governments (MWCOG). Forecasts are based on analysis of data from a variety of sources, including local development, population and economic trends; models of the Washington, D.C. area population and economic base; and published state and federal statistical resources.

Approach:

The Housing Needs Assessment should include two sections:

- 1.) An analysis of current demographic, economic and housing market conditions and patterns of housing affordability in the County and a description of the current gaps between housing demand and supply.
 - a. Analysis should incorporate a range of data sources including but not limited to:
 - i. Census Bureau data, local data (ex: Department of Housing and Community Rental Facility Survey), MRIS, and CoStar
- 2.) An assessment of the economic and demographic forces that will drive future housing demand in Montgomery County, including detailed forecasts of household growth and housing demand to 2050, and an analysis of the potential implications of a gap between projected demand and anticipated supply in the County. The analysis will look at countywide estimates and not estimates for specific subareas.
 - a. Building upon the household forecast for the periods through 2050, the forecasts for the Housing Needs Assessment should be fixed to the County's forecasts prepared as part of the Round 9.1 Metropolitan Washington Council of Governments (MWCOG) cooperative forecasting process.
 - b. The forecasts for the Housing Needs Assessment should include separate forecasts of household growth by household income (as a percent of AMI), household size, older adult-headed households, and tenure (renters versus owners). These forecasts should be based on assumptions of demographic and employment trends, including future household composition, housing and labor market conditions, and other factors.

Tasks:

1. **Task 1 - Kick off Meeting**
 - a. The consultant will meet with Planning staff to discuss methodology, data sources, and schedule.
 - b. Deliverable: one (1) meeting, to work to review methodology, data sources and schedule.
2. **Task 2 – Housing Needs Assessment**

- a. Deliverables: Housing Needs Assessment Report, which will include a detailed analysis of current demographic, economic and housing market conditions in the county as well as forecasts of household growth by household income (as a percent of AMI), household size, older adult-headed households, and tenure (renters versus owners).
- b. Consultant will develop housing needs assessment. Periodic check-ins will be held as needed to review progress, address questions about data sources, and other issues that arise.
- c. Presentation of draft findings – prior to drafting the complete housing needs assessment report, the consultant will meet with Planning staff to review draft analysis and findings.

Schedule:

1. Kickoff Meeting: Winter (November-December) 2019
2. Middle Point Check-In: Mid/End January 2020
3. Deliverable Report: March 2020
 - a. Deliverable should be in the format of a report with relevant data, appendices, and analysis.