



Montgomery Planning | Countywide Planning & Policy

06/24/2021

Attainable Housing Strategies

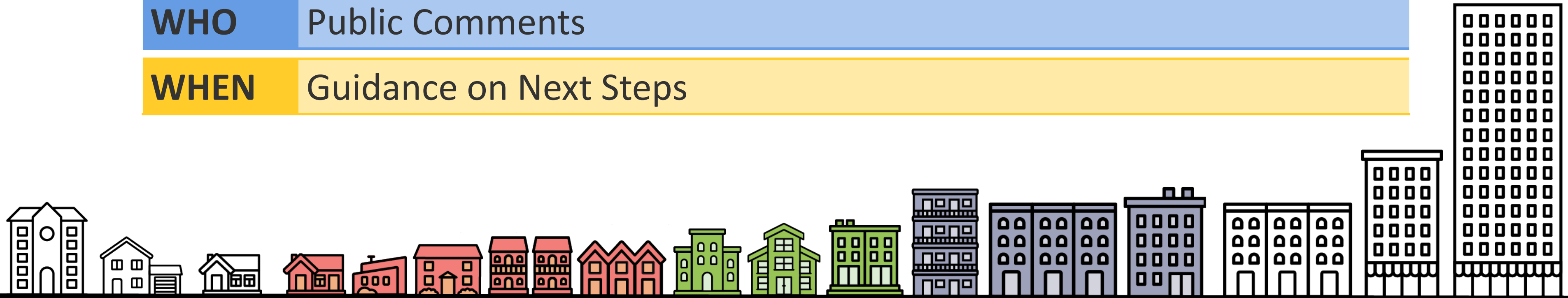
Preliminary Recommendations



Attainable Housing Strategies

Agenda

WHAT	About Today's Agenda Item
	Distinguishing Related Efforts
WHY	The Council's Ask
	The Rationale for Making a Change
HOW	Preliminary Attainable Housing Recommendations
WHO	Public Comments
WHEN	Guidance on Next Steps



About Today's Agenda Item

- Planning staff will present preliminary AHS recommendations
- Planning Board asked to provide initial questions/brief preliminary feedback due to large number of public speakers
- Board will discuss AHS recommendations in depth with staff during July worksessions
- AHS is a study, not a formal plan or introduced zoning action. This is not an official public hearing, but an opportunity for the Planning Board to receive public comments on AHS and staff recommendations



Planning Team

- Lisa Govoni Countywide Planning and Policy
 - Zubin Adrianvala Mid County Planning
 - Ben Berbert Countywide Planning and Policy
 - Todd Fawley-King Research and Strategic Projects
 - Jason Sartori Countywide Planning and Policy
 - Tanya Stern Director's Office
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- Communications Division
 - Silver Spring Downtown and Adjacent Communities Plan team
 - Urban Design team



Concurrent and related efforts

Thrive Montgomery 2050

The Planning Board transmitted its draft of Thrive Montgomery 2050 to the council in Spring 2021.

A General Plan provides long-range policy framework. **It does not change zoning.**

Thrive Montgomery 2050 will have its public hearings at the Council this month.

Attainable Housing Strategies

In March 2021, the County Council asked the Planning Board to consider zoning reforms that “would allow for greater opportunities for Missing Middle housing.”

Silver Spring Downtown & Adjacent Communities Plan

Planning Board expanded the Silver Spring Plan Area to examine the potential for Missing Middle housing in blocks adjacent to Downtown and the Purple Line.

The recommendations from AHS will inform the recommendations on Missing Middle for SSDAC.

ZTA 20-07

Councilmember Jawando introduced Zoning Text Amendment 20-07 in December 2020 to allow Missing Middle types of housing in the R-60 zone.

ZTA 20-07 has had its public hearing, but no further action has been taken.

Zoning Recommendations

The Planning Board will transmit zoning recommendations to the County Council for its consideration and potential introduction as a ZTA to pursue the AHS and Thrive objectives.

Sectional Map Amendment

The master plan process will conclude with the adoption of a sectional map amendment that implements the zoning recommendations in the SSDAC Plan.



Our terms have evolved

Missing Middle Housing

- A term coined by Opticos Design to describe a range of house-scale multi-unit structures that are compatible in scale with detached single-family homes.

Attainable Housing

- Attainable housing offers more diverse types of housing beyond house-scale Missing Middle housing types.
- Attainable housing incorporates building types described as Missing Middle but also adds a focus on households of various incomes being able to obtain housing that is suitable for their needs.



Council Request

- The initiative is the result of a [County Council request](#) for the Planning Board to consider and recommend “zoning reforms that would allow greater opportunities for Missing Middle housing in Montgomery County.”
- Attainable Housing Strategies is the resulting effort, through which Planning has **prepared recommendations to allow the development of more diverse types of housing**, including [Missing Middle Housing](#), in Montgomery County.



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

Casey Anderson, Chair
Montgomery County Planning Board
Gwen Wright, Director
Montgomery County Planning Department
2425 Reedy Drive, 14th Floor
Wheaton, MD 20902

March 4, 2021

Dear Chair Anderson and Director Wright:

On behalf of the Council, we write to request that the Planning Board consider zoning reforms that would allow greater opportunities for Missing Middle housing in Montgomery County, provide opportunity for public input, and transmit to us a Zoning Text Amendment with your recommendations. This process was suggested by PHED Chair Riemer in the attached memo to colleagues and a majority of Councilmembers have agreed. Councilmember Riemer attached a draft ZTA and fact sheet for your consideration, and we hope you will consider the concepts in ZTA 20-07, introduced by Councilmember Jawando.

If we can receive your recommendations shortly after we receive the Thrive 2050 plan, we could hear from the community and complete our work by the end of the year.

We look forward to engaging in this important discussion.

Regards,

A handwritten signature in black ink, appearing to read "Tom Hucker".

Tom Hucker
Council President

A handwritten signature in black ink, appearing to read "Hans Riemer".

Hans Riemer
Chair
Planning, Housing and Economic Development Committee

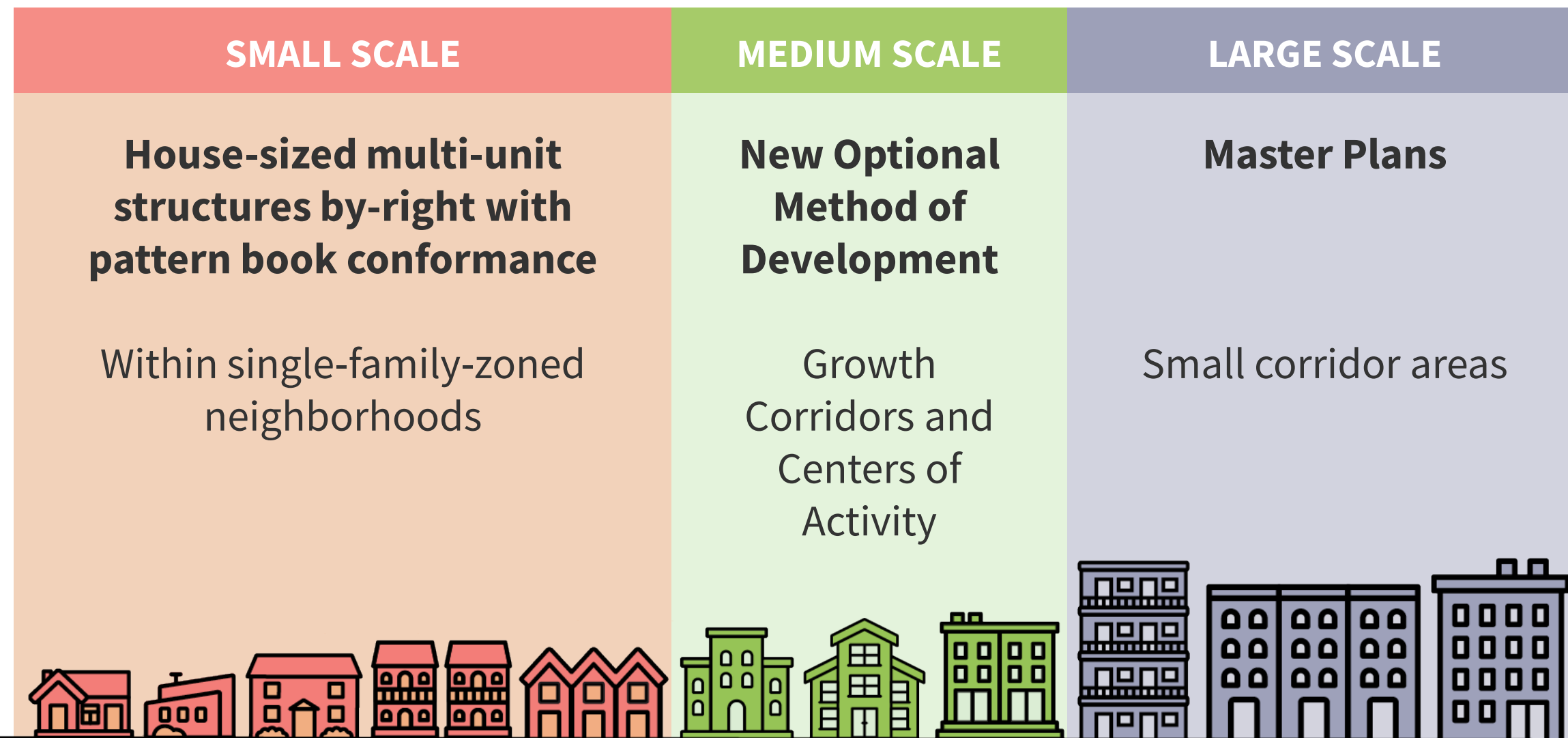


3 Scales Recommended Tools Geographic Targets

SMALL SCALE	MEDIUM SCALE	LARGE SCALE
Duplexes, triplexes, fourplexes, accessory dwelling units 2-2.5 stories	Stacked flats, small apartment buildings (three stories), townhouses 3-4 stories	Mixed-use Live/work buildings, stacked flats, small apartment buildings (four stories) 4-5 stories



3 Scales Recommended Tools Geographic Targets



Attainable Housing Strategies Goals

SMALL SCALE	MEDIUM SCALE	LARGE SCALE
House-sized multi-unit structures by-right with pattern book conformance	New Optional Method of Development	Master Plans
Increase the diversity of housing options in more parts of the county		
Work toward meeting the county's housing supply obligations and needs.		



Hypothetical Example of Replacement Home Impacts



Sample Neighborhood with Active Replacement Home Market



50

Replacement Homes
built/sold from
2011-2020 in TAZ
679

\$815K

Average home sale
2011-2020

\$485K

Avg. value of
properties acquired
by Replacement
home builders

\$1.25M

Average sale price
of Replacement
Homes

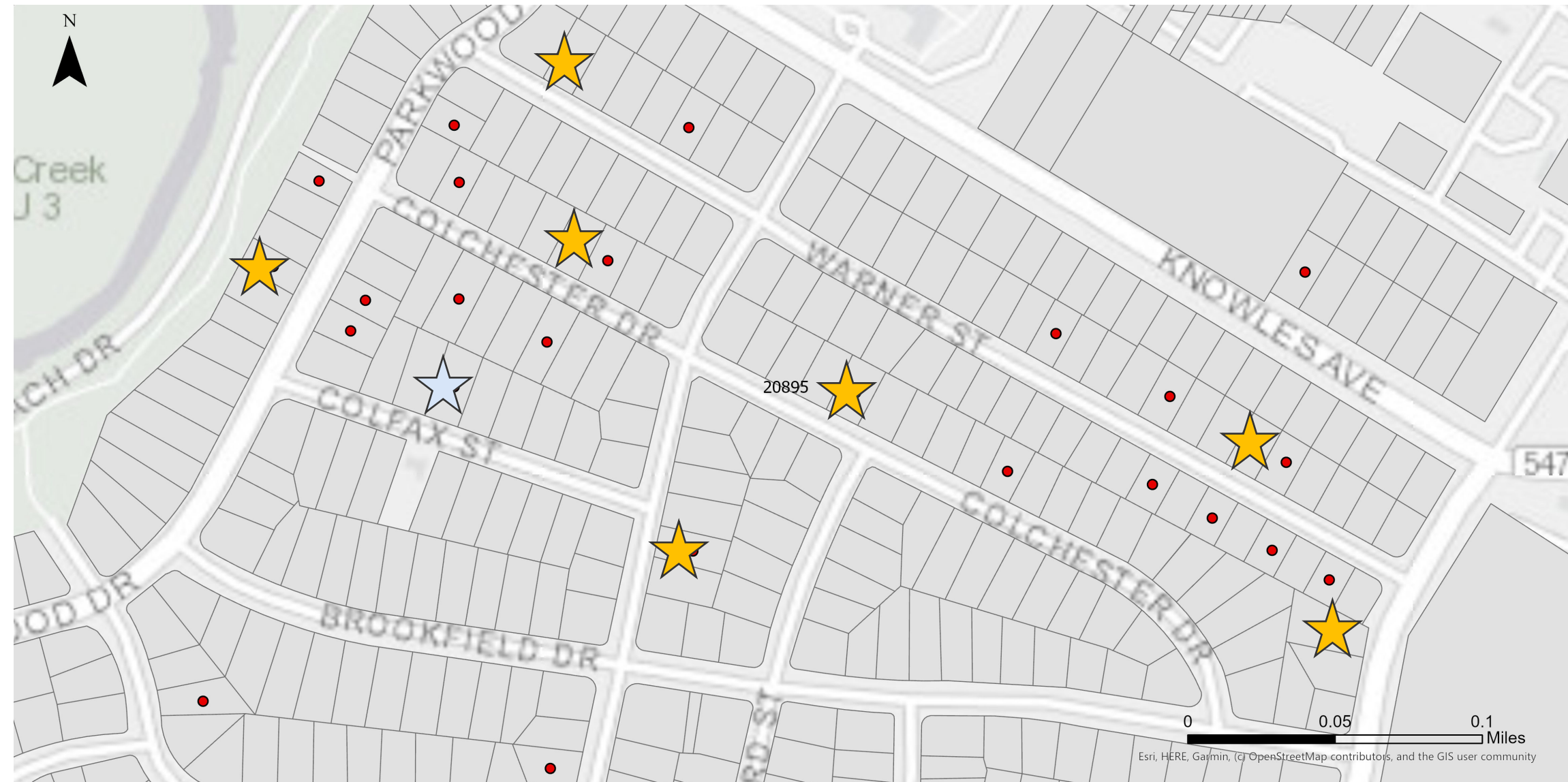


Limited Impact if some of these Homes Were Instead Attainable Housing

- 5% of replacement homes across 10-years were instead multi-unit: 1 to 2 properties
- 30% of replacement homes become multi-unit: 6 to 8 properties


$$5\% \text{ of } 27 = 1 - 2 = \text{★}$$

$$30\% = 8 = \text{★} + \text{★}$$



Attainable Housing Strategies Goals

SMALL SCALE	MEDIUM SCALE	LARGE SCALE
House-sized multi-unit structures by-right with pattern book performance	New Optional Method of Development	Master Plans
Increase the diversity of housing options in more parts of the county		
	Work toward meeting the county’s housing supply obligations and needs.	
Create more opportunities for homeownership for more households in more parts of the county		
Unravel the exclusionary aspects of our single-family zones to diversify our communities by diversifying our housing stock		





But why do this and why now?

- Cost of housing across the county is outpacing inflation and the growth in incomes.
 - Neighborhoods becoming attainable to fewer and fewer households
- A Tale of Two Equities
 - Growing disparity in wealth between those who already own homes and those who want to own homes





Exclusionary Zoning: Its Effect on Racial Discrimination in the Housing Market

JUNE 17, 2021 • ARTICLES

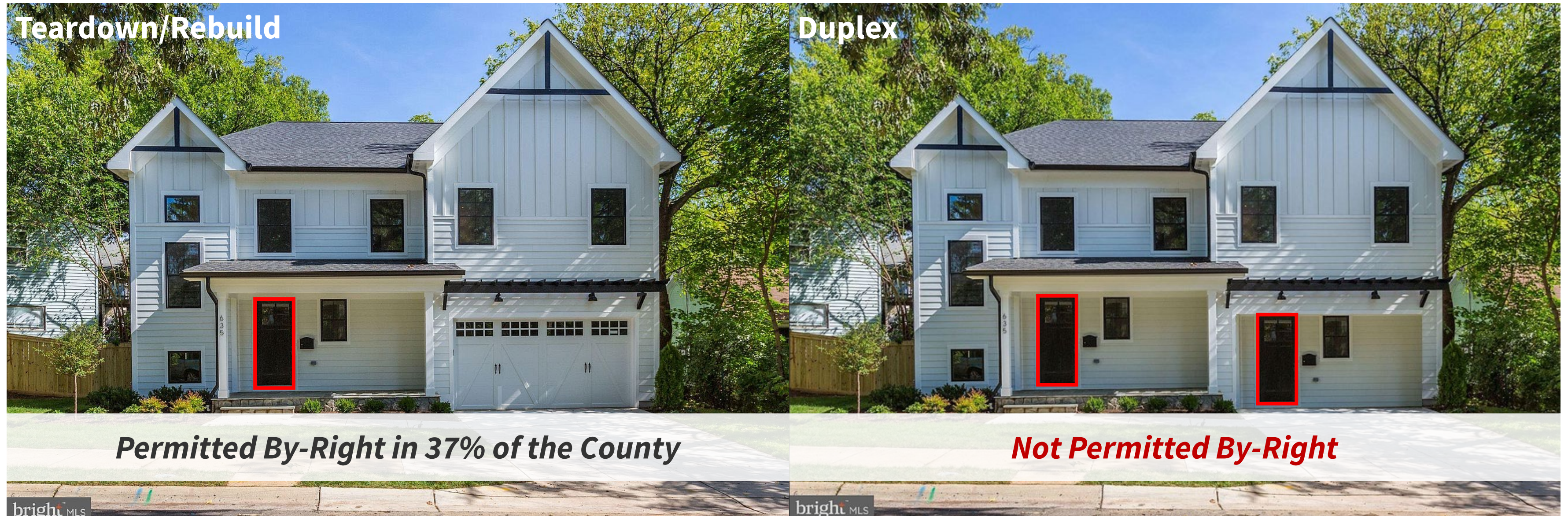
“Exclusionary zoning laws enact barriers to entry that constrain housing supply, which, all else equal, translate into an equilibrium with more expensive housing and fewer homes being built.”

“Research has connected exclusionary zoning to racial segregation, creating greater disparities in measurable outcomes.”

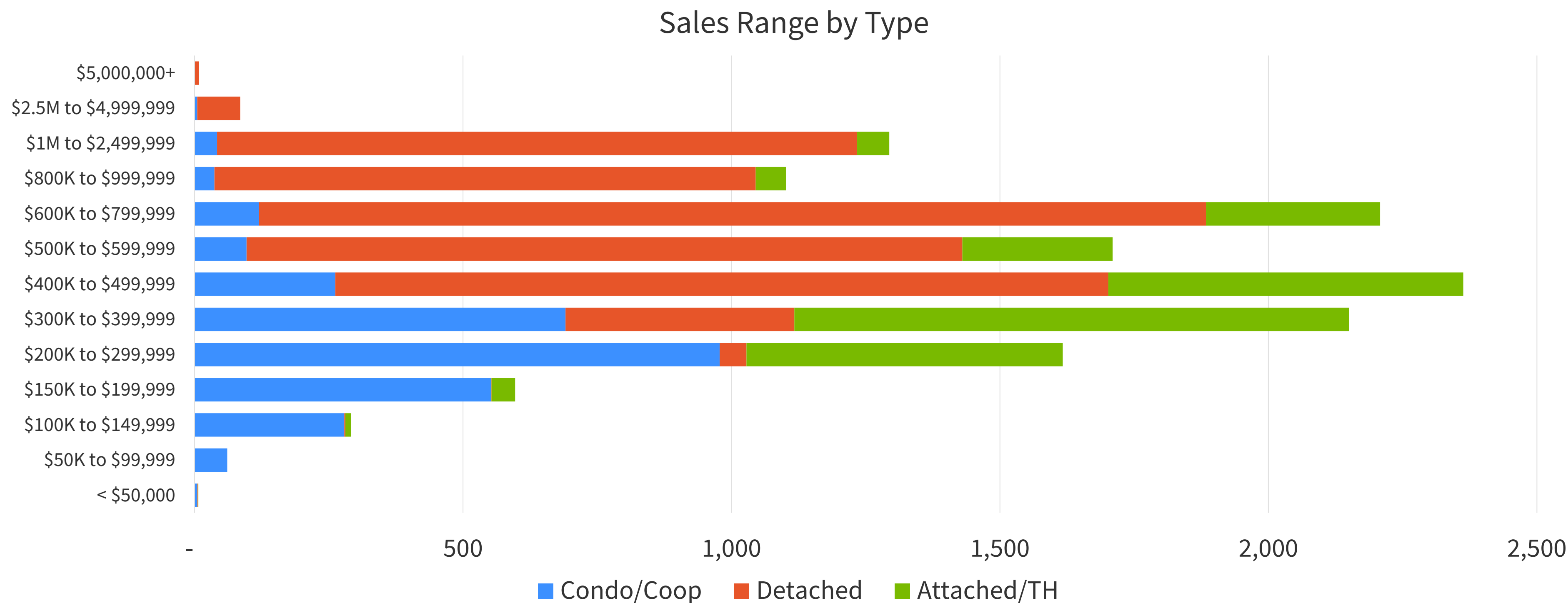
<https://www.whitehouse.gov/cea/blog/2021/06/17/exclusionary-zoning-its-effect-on-racial-discrimination-in-the-housing-market/>



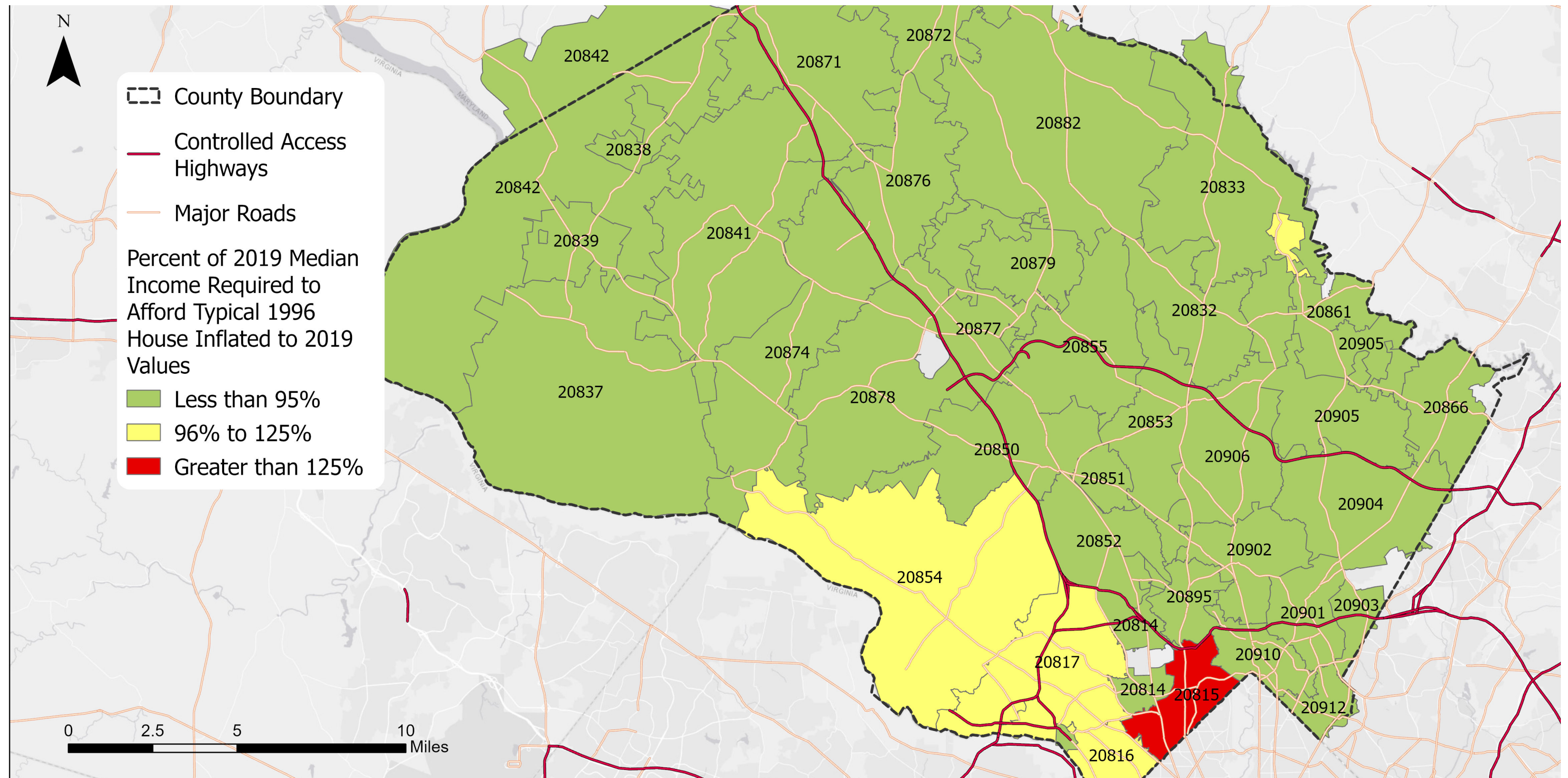
More options, generally same character



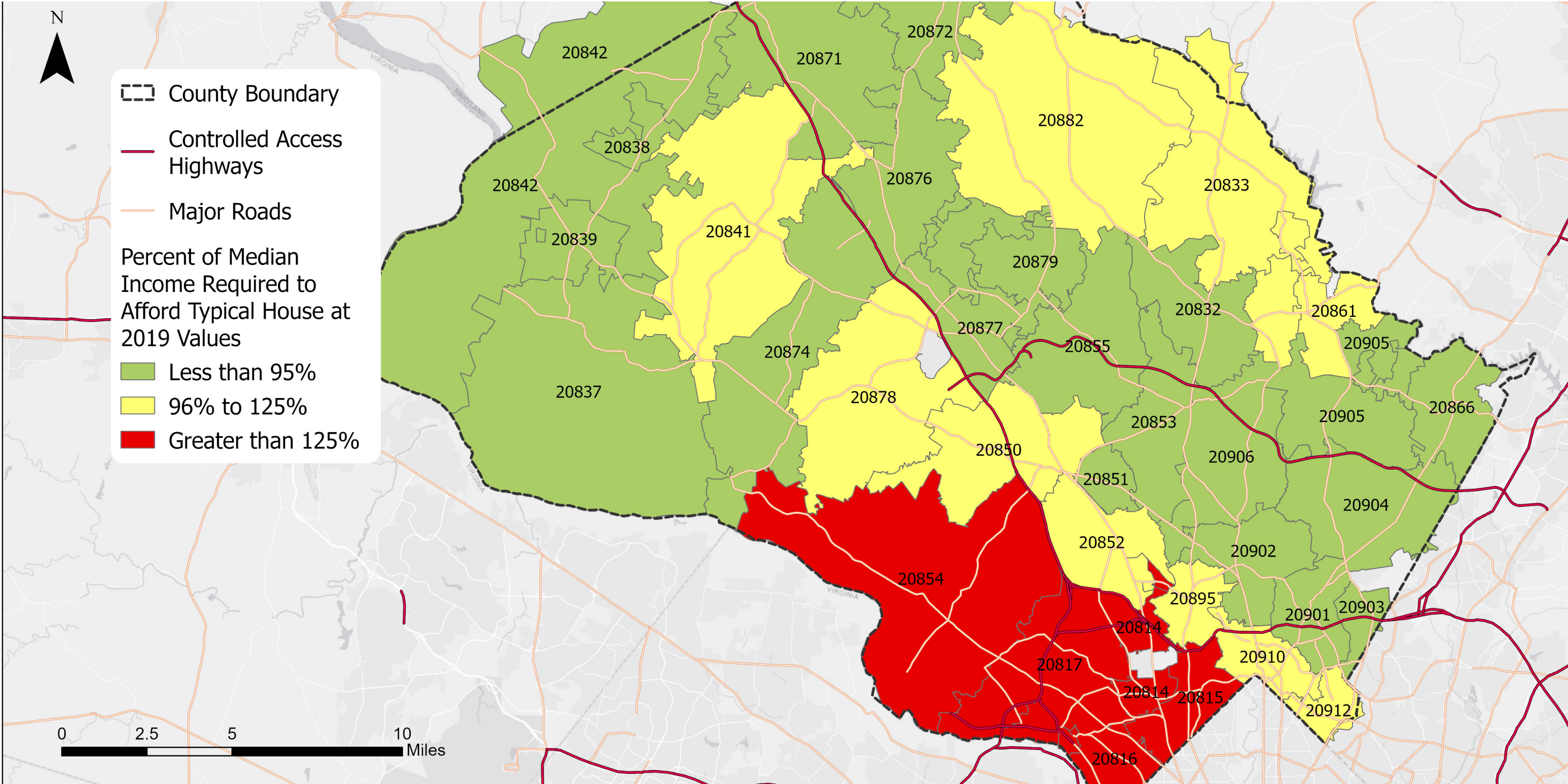
In 2020, the average detached home in Montgomery County was sold for \$775,000 compared to \$370,000 for attached structures



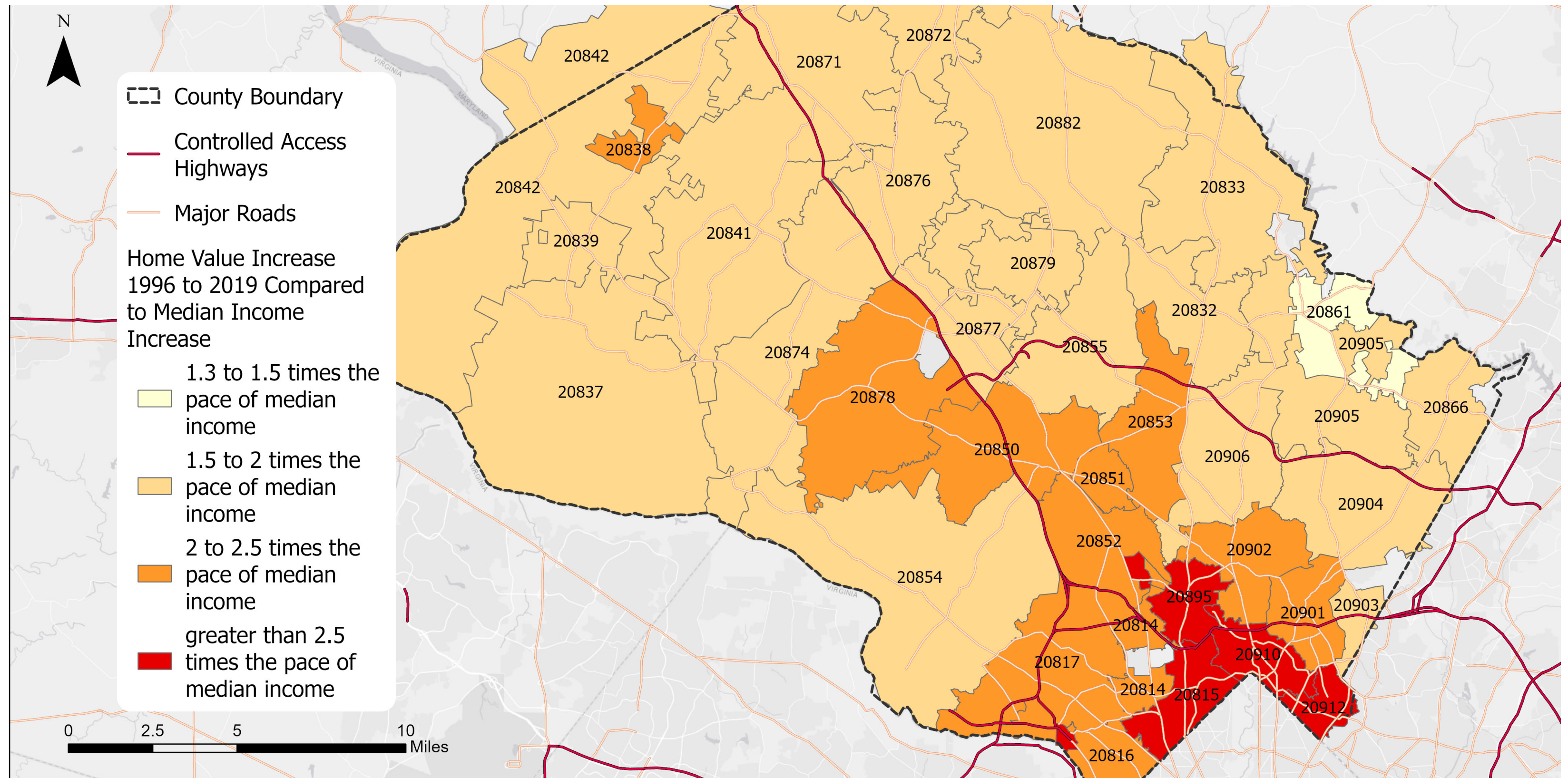
Housing Attainability in 2019 if Home Values Increased at the Rate of Inflation from 1996-2019



Actual Housing Attainability in 2019



Change in Housing Attainability Compared to Median Income from 1996 to 2019



Our Neighborhoods have become less Attainable and more Exclusive

\$108K

Median Income in 1996
(inflated to 2020 dollars)

\$110K

Median Income in 2019

Assumptions: 4% interest rate, 5% down payment, 30-year mortgage, escrow/insurance is 20% of primary principal/interest payment, debt cannot exceed 35% of income, borrower has no additional debt

Sources: Zillow Single-Family ZHVI Value for June 1996 and June 2019, US Census

Typical 1996 house value (inflated to 2019 dollars) and estimated income required to afford that house

Typical 2019 house value (and estimated income required to afford that house)

Zip Code 20817
Bethesda

\$665K
\$125K



\$1.01M
\$190K

Zip Code 20852
North Bethesda

\$415K
\$77K



\$650K
\$120K

Zip Code 20910
Silver Spring

\$360K
\$67K

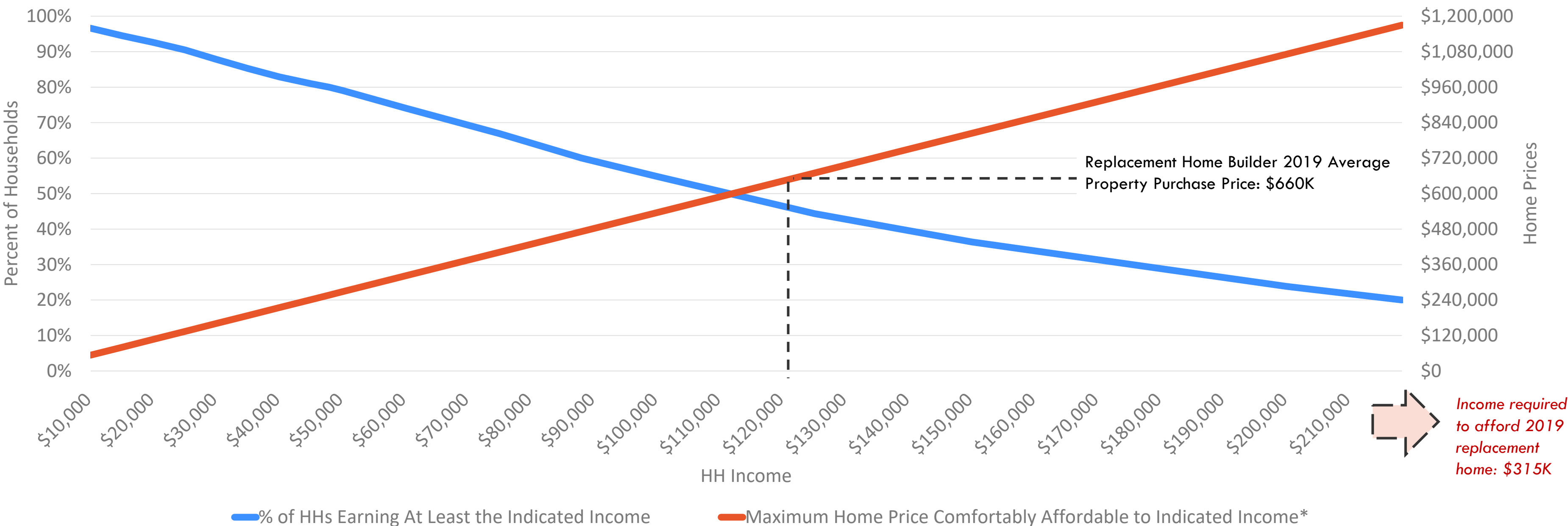


\$630K
\$117K



Who can Afford these?

Affordability and Montgomery County Household Income Shares



* Affordability assumptions: 4% interest rate, 30 year fixed-rate mortgage, 5% down-payment, home buyer has no other debts, maximum mortgage to income ratio of 0.35, escrow 20% of principal payment



Preliminary Montgomery Planning Staff Recommendations



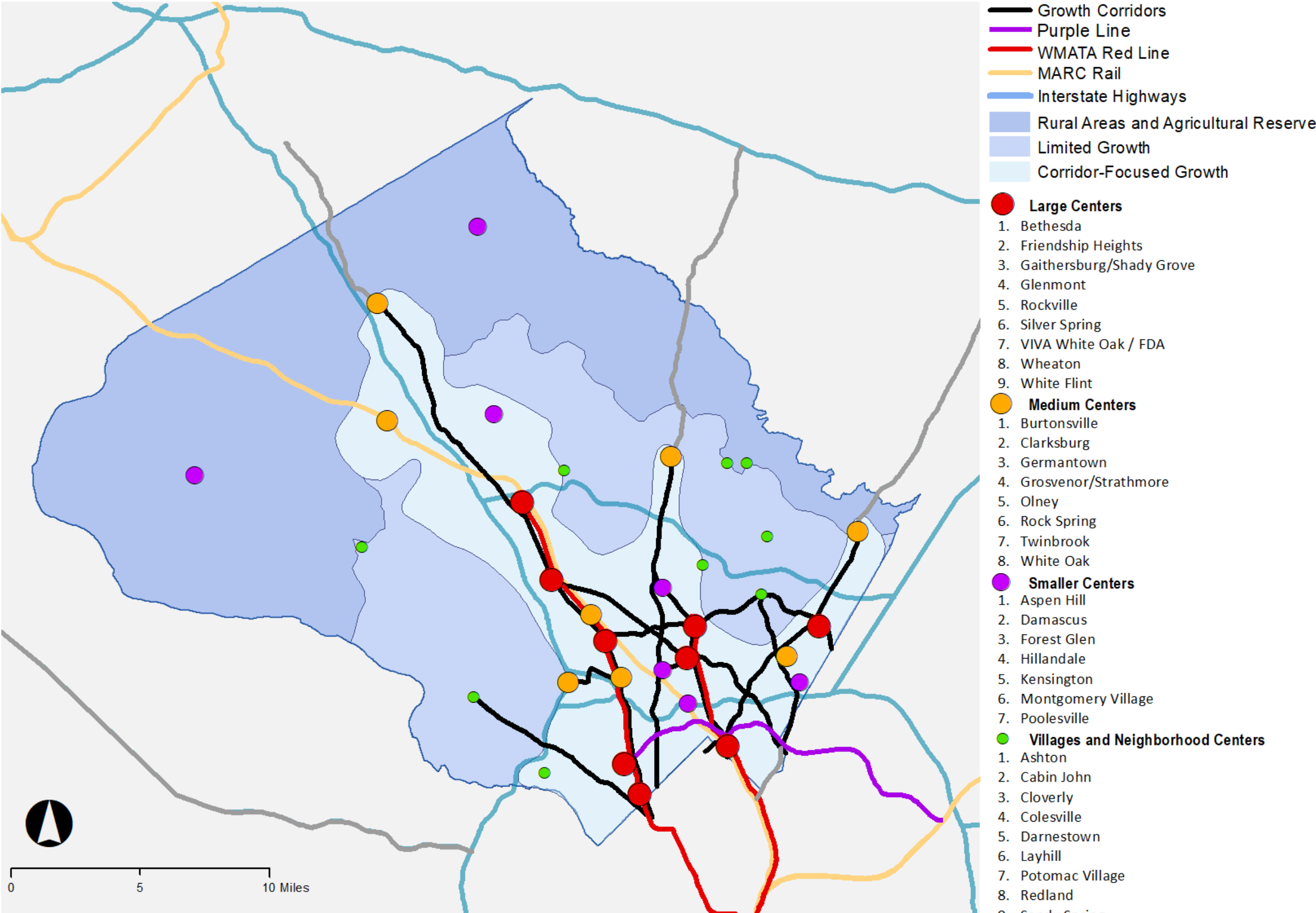
General Recommendations

- All recommendations are targeted to the Corridor-Focused Growth area from the Thrive Montgomery 2050 Growth Map
- In the R-40, R-60, R-90, & R-200 zones, allow **house-scale duplexes and triplexes by-right** and allow quadplexes by-right in areas closer to transit. In all cases, **require conformance with a Planning Board-approved pattern book**, which will give guidance on massing, scale, and design to ensure these housing types blend in among single-family homes.
- Create a **new optional method of development** to encourage consolidation and development of duplexes, cottage courts, townhouses, and small multiplexes and apartments near transit, along our Thrive Growth Corridors, and near the county's centers of activity.
- Support more **corridor-focused master plans** to identify locations ideal for larger scale attainable housing, including townhouses, stacked flats, and apartments along select growth corridors.



Thrive Montgomery 2050 Growth Map

The Thrive Montgomery 2050 Growth diagram illustrates growth concepts and potential centers of activity, but the diagram should be considered in the context of the Compact Growth and Complete Communities chapters. The centers of activity shown are not exhaustive of all existing or potential centers.



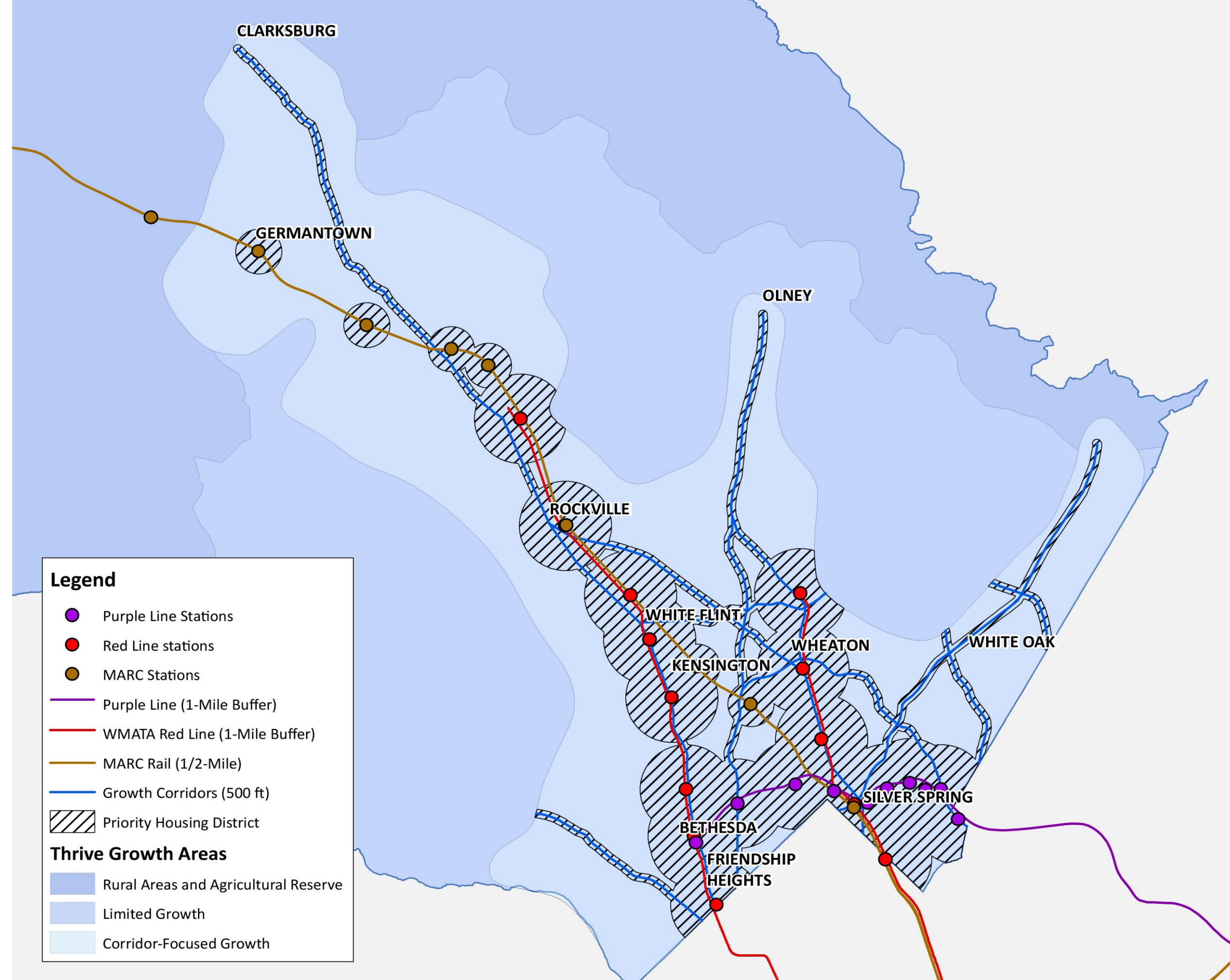
The Thrive Montgomery 2050 Growth Diagram illustrates growth concepts and potential centers of activity, but the diagram should be considered in the context of the Compact Growth and Complete Communities chapters. The centers of activity shown are not exhaustive of all existing or potential centers.



Priority Housing District

Defined Geography:

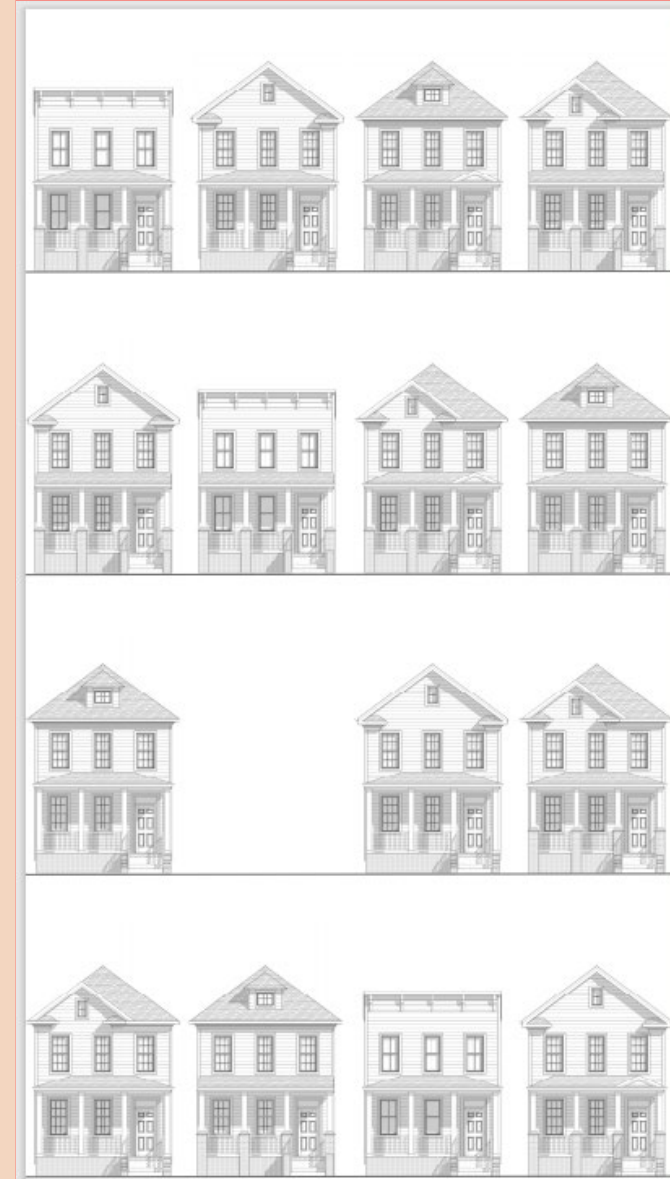
Areas within 1 mile of a Metrorail or a lighttrail station, ½ mile of a MARC station, or 500 feet of a Growth Corridor identified in Thrive Montgomery 2050.



Pattern Book

- A document containing various pre-approved design options for building small scale housing
 - Building massing, placement, height, door placement, parking, building features (porches, etc.)
 - Options tailored based on a range of lot sizes and shapes
 - Designed to keep units '**house scale**'
- Allows the creation of duplexes, triplexes and quadplexes 'by right' **only** if they follow the pattern book.

Example



Traditional Neighborhoods Plan Book
Chapter 1 - Olde Huntersville



Optional Method of Development

Optional methods of development allow flexibility in the project design, in exchange for a public benefit and design review with the Planning Board

- MPDU & Cluster

New “Attainable Housing” optional method

- Properties within the Priority Housing District that have frontage along one of the Thrive Identified Growth Corridors or is adjacent to certain Thrive identified Centers of Activity.
- Increased density and more flexible standards in exchange for a Planning Board Site Plan review, and limits on average unit size to achieve more attainable price points.



Three scales of Attainable Housing



Small Scale

- Duplexes, triplexes, and quadplexes

Medium Scale

- Stacked flats, small apartment buildings, and townhouses (up to three stories)

Large Scale

- Live/work buildings, stacked flats, small apartment buildings, and townhouses (four stories)



Where Attainable Housing would be allowed (within Thrive Corridor-Focused Growth Area)



Small Scale

- Duplexes and triplex allowed by-right (with conformance to pattern book) in R-40, R-60, R-90 & R-200 zones
- Quadplex allowed by-right (with conformance to pattern book) in R-40, R-60 & R-90 in Priority Housing District

Medium Scale

- Along growth corridors and around our larger centers of activity with regulatory review

Large Scale

- Along corridors and within larger centers of activity with regulatory review



Ensuring developments are compatible



Small Scale

- Proposals must conform with a pattern book that defines allowable layout, massing, and scale
- Limit on amount of land that can be consolidated for development

Medium Scale

- Planning Board review and site plan approval with opportunities for community feedback

Large Scale

- Planning Board review and site plan approval with opportunities for community feedback



Attainable Housing development standards



Small Scale

- No change to setbacks, heights, coverages, or building placement
- Reduced parking minimums near transit facilities

Medium Scale

- Attainable housing optional method (AHOM) will identify applicable development standards for medium scale structures, based on existing optional methods of development

Large Scale

- Development standards applicable to existing Commercial/Residential zones as designated through the Master Planning process, including applicable recommendations for compatibility and design



How Attainable Housing would be implemented



Small Scale

- Zoning Text Amendment that makes small scale attainable housing 'permitted' in R-40, R-60, R-90 & R-200 in certain circumstances and in conformance with a pattern book

Medium Scale

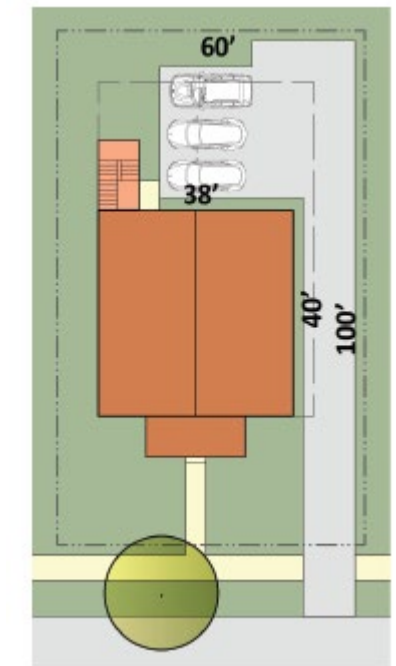
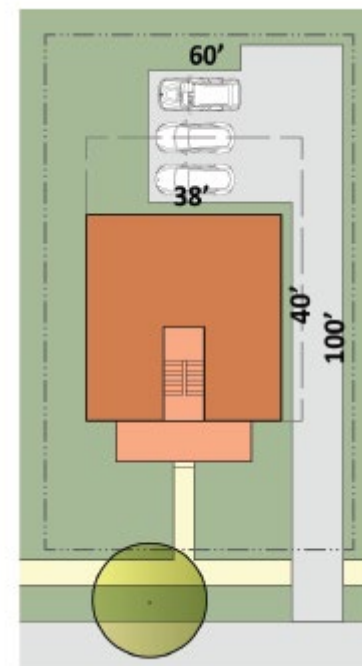
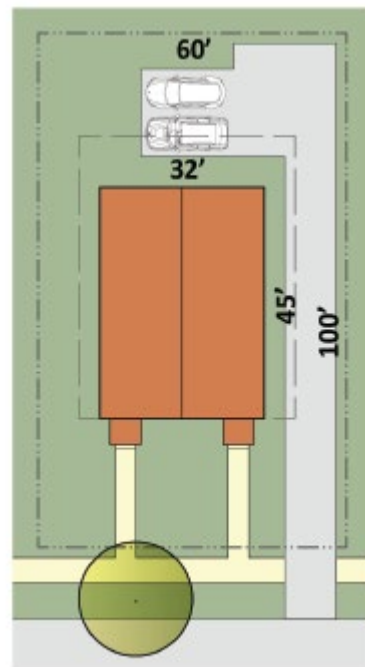
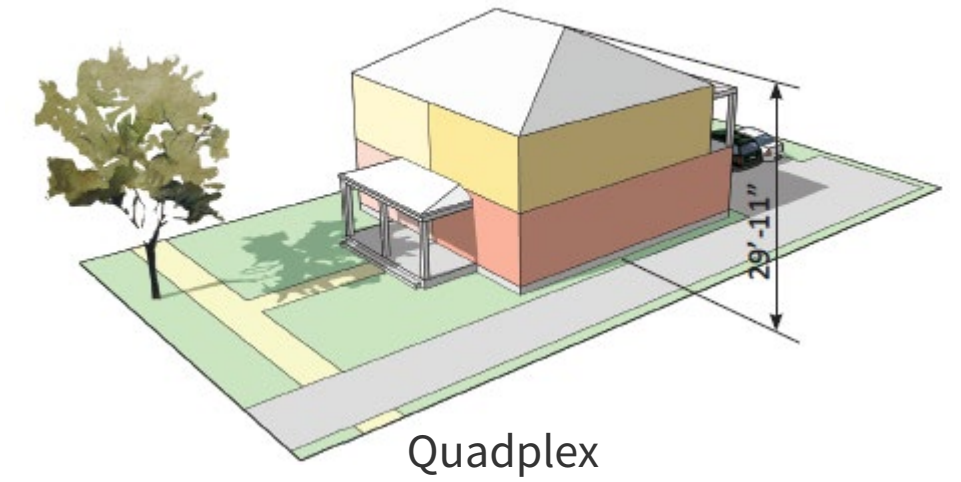
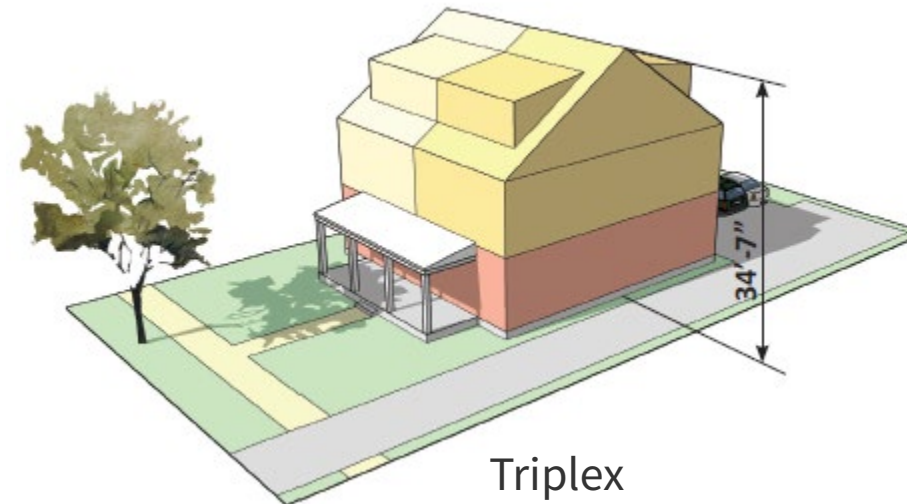
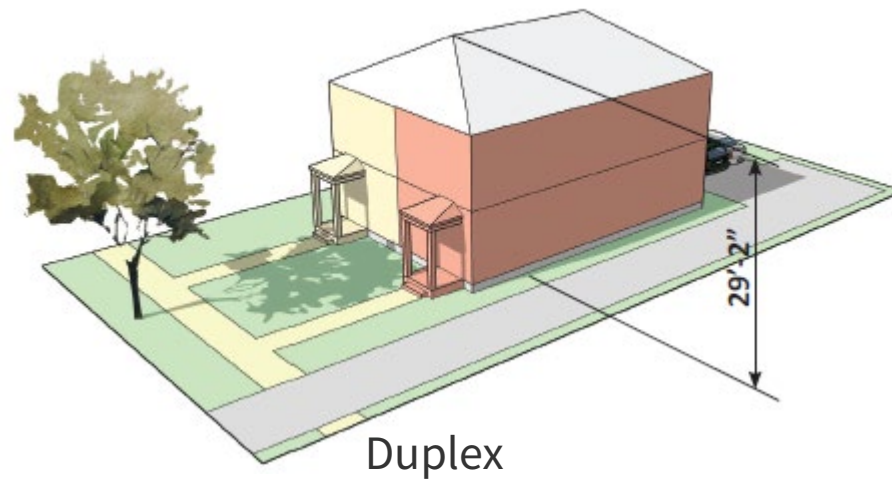
- Zoning Text Amendment creates a new attainable housing optional method (AHOM) of development accessible for properties adjacent to defined growth corridors and larger centers of activity

Large Scale

- Master Plan processes would identify properties along corridors and designate appropriate commercial/residential zoning



Small scale models



Other Code Changes

- Optional Method updates
 - Minor modifications to MPDU and Cluster optional method in existing zones to add a use and appropriate development standards for a multiplex building type
- Definitions
 - Add a building type for multiplex building as 3 or 4 units as one building, arranged vertically or horizontally
 - Modify definition for TH and Apartment to clearly not overlap with a multiplex



Other Code Changes

- Parking Recommendations
 - Set minimum parking for attainable housing units at 1 space per unit as a baseline
 - Applicable to small scale standard method and medium scale optional method
 - Allow a factor of 0.5 to apply to parking within the Priority Housing District
 - Effective rate of 0.5 spaces per unit
 - Parking standards are a minimum, more may be provided



Other Code Changes

- Chapter 50 – Subdivision Code recommendations
 - Create a new type of Minor Subdivision
 - Subdivide an existing lot in the R-40, R-60, R-90 or R-200 if accommodating a small scale attainable housing project



Attainable housing is a long-term goal, and will not happen over night

- We expect the addition of these housing types to be incremental and manageable.
- Mechanisms exist to address infrastructure impact.
 - Contemplating focus on water and sewer and other infrastructure with 2024 update the Growth & Infrastructure Policy.



Catalyst policies and programs

- Staff recommends future consideration of other catalyst policies and programs that will:
 - Encourage and advance the production of attainable housing.
 - Build on the advantages of attainable housing for communities and neighborhoods.
- Potential examples include:
 - Loans and grants for homeowner-led conversions of single-family homes to multiplex type that encourage continued occupancy of existing homeowners.
 - Programs that track and address infrastructure needs of neighborhoods that see meaningful changes.



Community Engagement

- [Project Webpage](#)
- [Housing Equity Advisory Team \(HEAT\)](#)
- Public Meetings
- Stakeholder Conversations
- Office Hours
- [Housing eLetter](#)
- Educational Materials
- Social Media Campaigns
 - [#MyMoCoHome](#)
 - Social Media Day (June 14)



Attainable Housing Strategies

Montgomery County is facing a serious housing shortage. We need 60,000 new housing units by 2040 for current residents and the 200,000 new residents expected over the next 25 years. The county is also mostly built out, with very little land available for new development and we are not building enough housing fast enough to keep up with this growth.

A quarter of households are made up of single people, yet more than a third of the county is still zoned exclusively for single-family houses, which are typically designed for families with children. Tens of thousands of people are living in houses with more bedrooms than residents, even as others struggle to find housing at all.

Montgomery County also has an attainability crisis. This means even when residents can afford to rent or buy a home, there may not be an appropriately sized or priced unit available in their area.

 MONTGOMERYPLANNING.ORG/HOUSING 1



Comments Received Summary

**Demands on infrastructure
(schools, water and sewer, stormwater, etc.)**

Compatibility concerns

Architectural covenants

Differing geographic contexts

Parking/traffic concerns

**Environmental impact
(tree loss, increased impervious surface, etc.)**

Actual attainability

Bold recommendations

Tackling the effort during the pandemic

Tight project timeline

Wait for Thrive Montgomery 2050 adoption

Sacks Neighborhood



#MyMoCoHome

“I was only able to do it with a great job, a modest inheritance, and years of savings with no dependents.”

“Recent owner near downtown Bethesda. Found a home premarket. Even with a sizeable down payment, and comfortable incomes finding a non-condo under 1mil with walking distance to amenities was impossible.”

It ultimately took us two years to find and buy a house. We looked at dozens, if not hundreds, of homes. With our limited budget, we had very few choices, and the homes we could afford either got snapped up in bidding wars or bought by investors and flipped. “

“It’s difficult for us to live here still, even in an actual apartment after she built her credit to rent.”

“My wife and I bought our first home in June 2019. I worried we'd bought at top of the market and resented how much rates rose during the year we lost bid after bid. In retrospect, thank god we were successful then, because that window slammed shut.”

“Having these smaller house opportunities allowed us to participate in home ownership opportunities we wouldn't have had if large single-family homes were the only option.”

“Lucked into house in need of rehab in '16, only because we had secure, good employment. Spent lot of time/\$ upgrading. With COVID cost increases, don't think we could be competitive in market now. “

“Probably not going to be able to move back to MoCo because housing prices are out of control.”

“Every day I wake up amazed that we’re still here. We can both walk to our jobs and are close to our friends and family. Yet I walk my dog around our neighborhood and watch little old houses get knocked down and replaced with \$1.4 million houses and I think about the missed opportunities to build more, and more affordable homes in their place.”



Public Comments



Attainable Housing Strategies Next Steps



Major Events/Milestones	
March 24	HEAT Meeting #1
March 29	Community Meeting #1
April 9	Virtual Office Hours
April 14	HEAT Meeting #2
April 21	Community Meeting #2
April 27	Virtual Office Hours
April 28	HEAT Meeting #3
May 13	Planning Board Briefing
May 19	HEAT Meeting #4
June 2	Community Meeting #3
June 3	Virtual Office Hours
June 14	#HousingDay on Twitter
June 24	Planning Board Briefing and Public Comments
July 8	Planning Board Worksession #1
July 22	Planning Board Worksession #2
Fall/Winter	Potential Council Action

