



Montgomery Planning | Countywide Planning & Policy

12/13/2021

# Attainable Housing Strategies

## Planning Board Recommendations





Attainable Housing Strategies

# Agenda

- Overview of the Planning Board's recommendations for Attainable Housing Strategies
- Updates on Next Steps
- Q&A
  
- You can find the link to the **DRAFT** AHS Report on our website:
  - <https://montgomeryplanning.org/planning/housing/attainable-housing-strategies-initiative/>



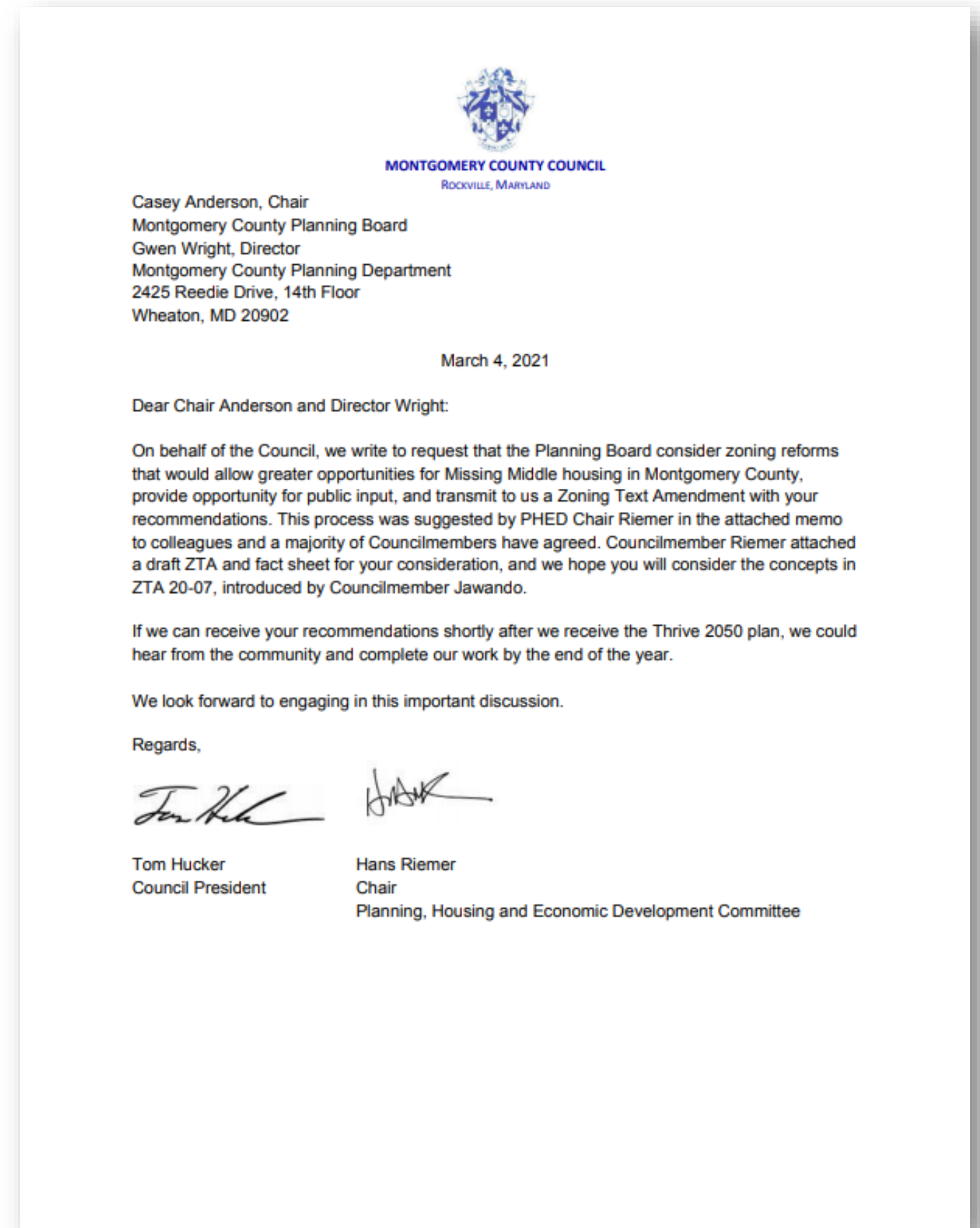
# How to Ask a Question

1. Click on the Q&A box located in the top right corner of the window to participate in a **moderated** Q&A. 
2. From the **Featured** tab, click **Ask a question**. This will move you over to the **My Questions** tab where you can type a question or comment. If you joined anonymously, type your name to let the moderator know who you are. Click the **send icon**  to send your message to the moderator.
3. We expect to receive a lot of questions tonight and will probably not be able to get to all of them tonight.
  1. You can email [Lisa.Govoni@montgomeryplanning.org](mailto:Lisa.Govoni@montgomeryplanning.org) or [Jason.Sartori@montgomeryplanning.org](mailto:Jason.Sartori@montgomeryplanning.org) with your question.
  2. You can ask your question with the name you registered with, and we will email you a response.



# About Attainable Housing Strategies

- Attainable Housing Strategies is an initiative through which the Planning Department is **evaluated and refined various proposals to allow the development of more diverse types of housing**, including [Missing Middle Housing](#), in Montgomery County.
- 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.”



# About Attainable Housing Strategies

- The Attainable Housing Strategies initiative aims to **identify viable options for existing and new residents to find homes at the right sizes, locations, and price points for their needs** and expand homeownership opportunities for the county's diverse populations.
- It also helps Montgomery County grow its housing supply even where space is a concern—a critical consideration as we anticipate population growth in the coming decades.



# 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.



# 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.**

The Council's PHED Committee has completed its review of Thrive Montgomery 2050 and full Council work sessions are expected next 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.



# Attainable Housing Goals

- While the overarching purpose of the AHS initiative is to increase the diversity of housing options across more of Montgomery County, the Planning Board endorses the following specific goals for the initiative:
  - Increase opportunities to meet the county's diverse housing supply needs and obligations, as well as the county's economic development objectives.
  - Unravel the exclusionary aspects of the county's single-family residential zones to diversify the county's communities by diversifying the county's housing stock.
  - Create more opportunities for homeownership for more households in more parts of the county.





# Definition of Attainable Housing

- Attainability is the ability of households of various incomes and sizes to obtain housing that is suitable for their needs and affordable to them.
- Implicit in this idea of attainability is the idea that a range of housing options (type, size, tenure, cost) exists in the local market.
- **Attainable housing includes diverse housing types beyond single-family detached units that tend to be smaller and more affordable than the typical new detached home in that neighborhood.**



# Scales of Attainable Housing



# Small Scale Attainable Housing

- The Planning Board recommends allowing the addition of small-scale attainable housing types (duplexes, triplexes, and quadplexes) within the zoning blocks of R-40, R-60, R-90, and R-200, as follows:
  - Duplexes in all R-60, R-90, and R-200 zoning blocks across the county;
    - Duplexes are an existing permitted use in the R-40 zone
  - Triplexes in all R-40, R-60, and R-90 zoning blocks across the county; and
  - Quadplexes in the R-40, R-60, and R-90 zoning blocks within the Priority Housing District.



## Small Scale

- Duplexes, triplexes, and quadplexes
- Triplexes and quadplexes are also referred to together as a multiplex.

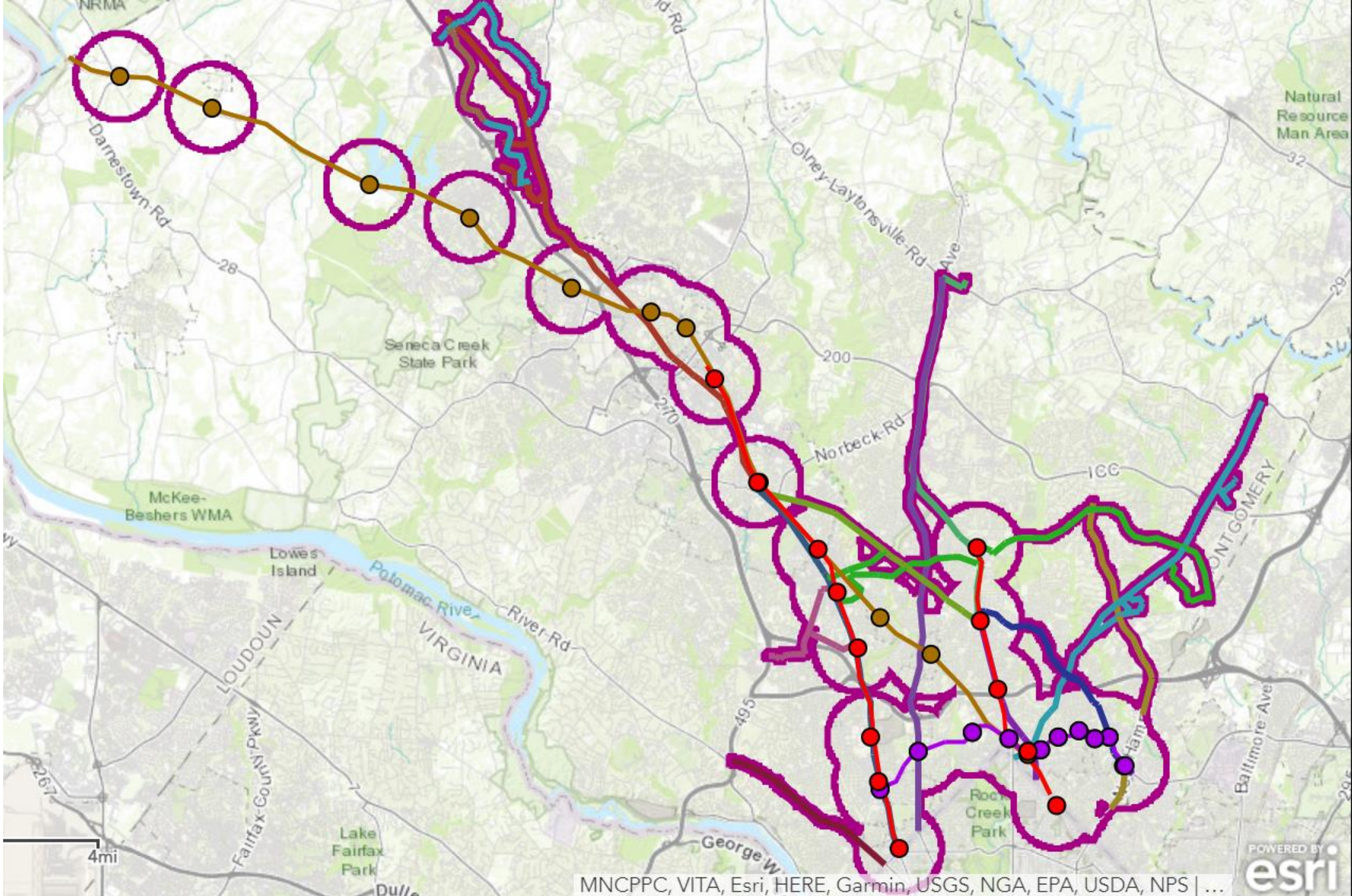


# Priority Housing District


- Planning Board recommends establishing a Priority Housing District
  - The Priority Housing District is defined as within a straight-line buffer of 1-mile from Red line, Purple Line, and MARC rail stations, plus 500 feet from a BRT Corridor, River Road (inside the Beltway) and Connecticut Avenue.
  - Quadplexes would be allowed, and parking requirements would be further reduced



# Priority Housing District



AHS Web map

MNCPPC, VITA, Esri, HERE, Garmin, USGS, NGA, EPA, USDA, NPS | ... 

# Small Scale - Development Standards

- Setbacks (side, front, and rear) and height remain the same as exists today for a detached house.
- Site area maximums – slightly more than two times the minimum lot area for a detached dwelling.
- Substandard sized lots that currently allow single-family detached homes will also allow duplexes, triplexes or quadplexes.
- Today, certain reconstruction projects must meet decreased lot coverage limits. These would continue to only apply to reconstruction of detached dwellings.



# Pattern Book

- The Planning Board recommends requiring that certain new house-scale attainable housing created by-right in the R-40, R-60, R-90 and R-200 zones comply with the elements of a pattern book.
- The pattern book will be a complementary document to the development standards in the zoning ordinance. The Planning Board recommends using a pattern book as part of the building permit process as a tool to ensure clear and objective form-based standards.
- The pattern book would apply to new construction, which follows the same definition used for the applicability of residential infill compatibility in Section 4.4.1.B of the zoning code.



# Pattern Book – Goals

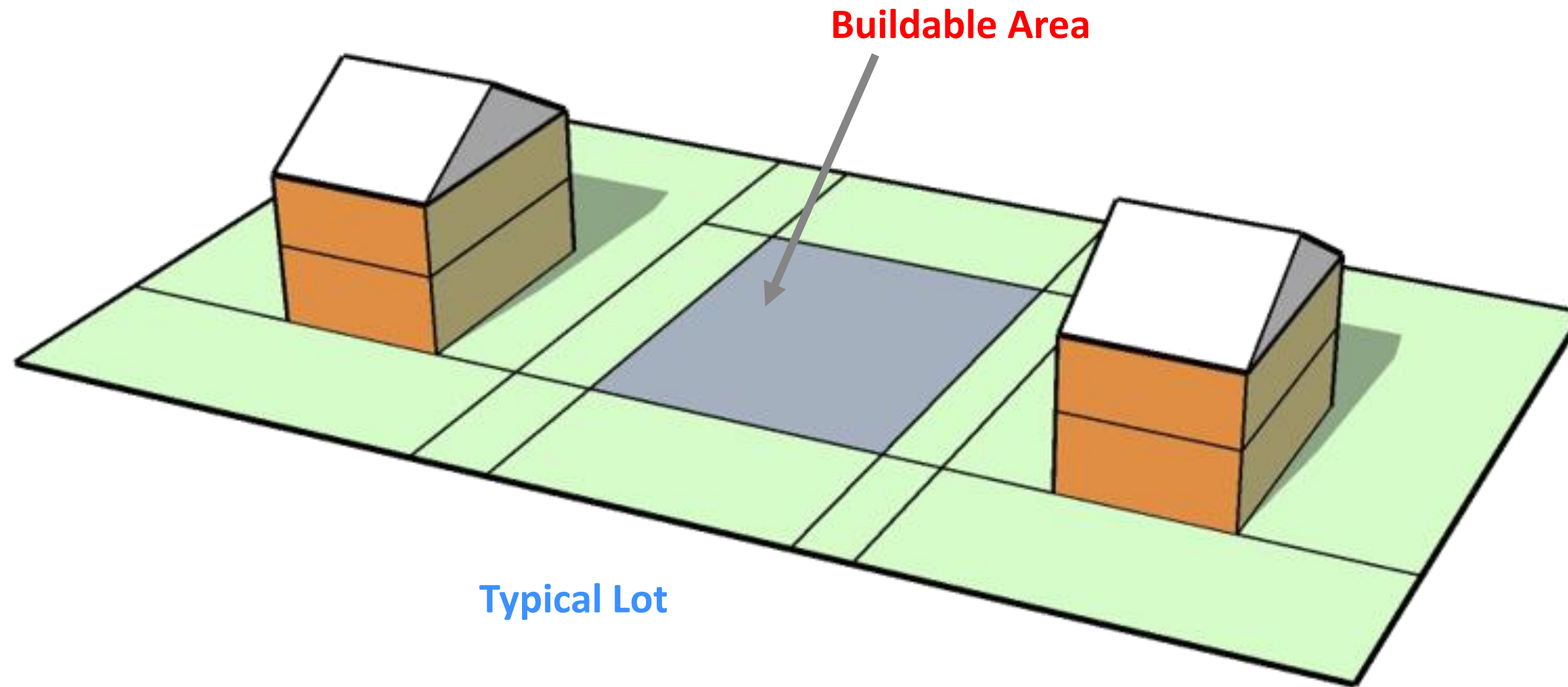
- **Provide clear and objective form-based standards to achieve the following:**
  - Ensure duplexes, triplexes and quadplexes that maintain a “house-scale”
  - Graphically illustrate the development standards to develop on diverse types of lots
  - Ensure parking does not diminish the public realm
  - Ensure elements like porches, stoops, and lead walks are included to create neighborly homes in safe and inclusive communities
  - Remove arbitrary terms such as “character” and “compatibility” from the evaluation criteria





# Pattern Book – Advantages

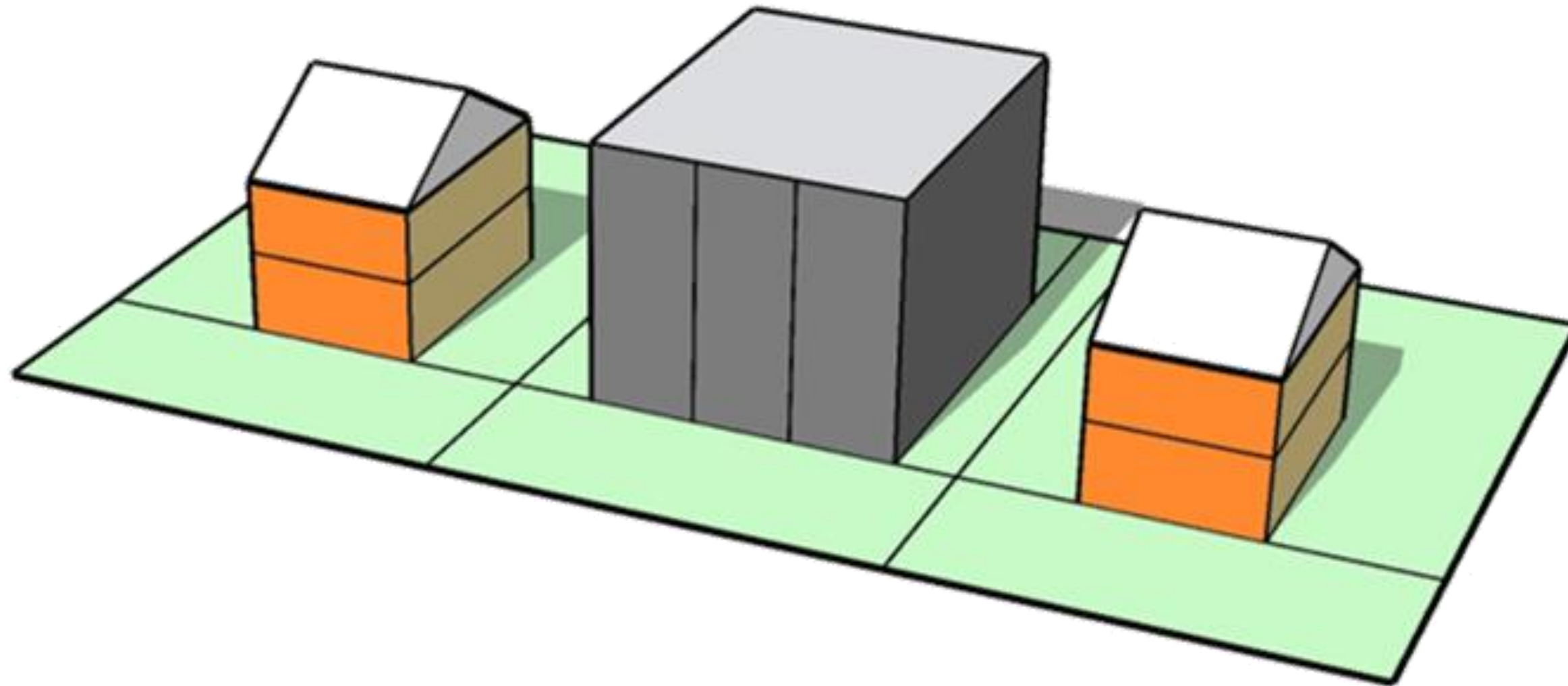
## Form Based Standards



Example of buildable area for a triplex building on a typical lot

# Pattern Book – Advantages

## Form Based Standards

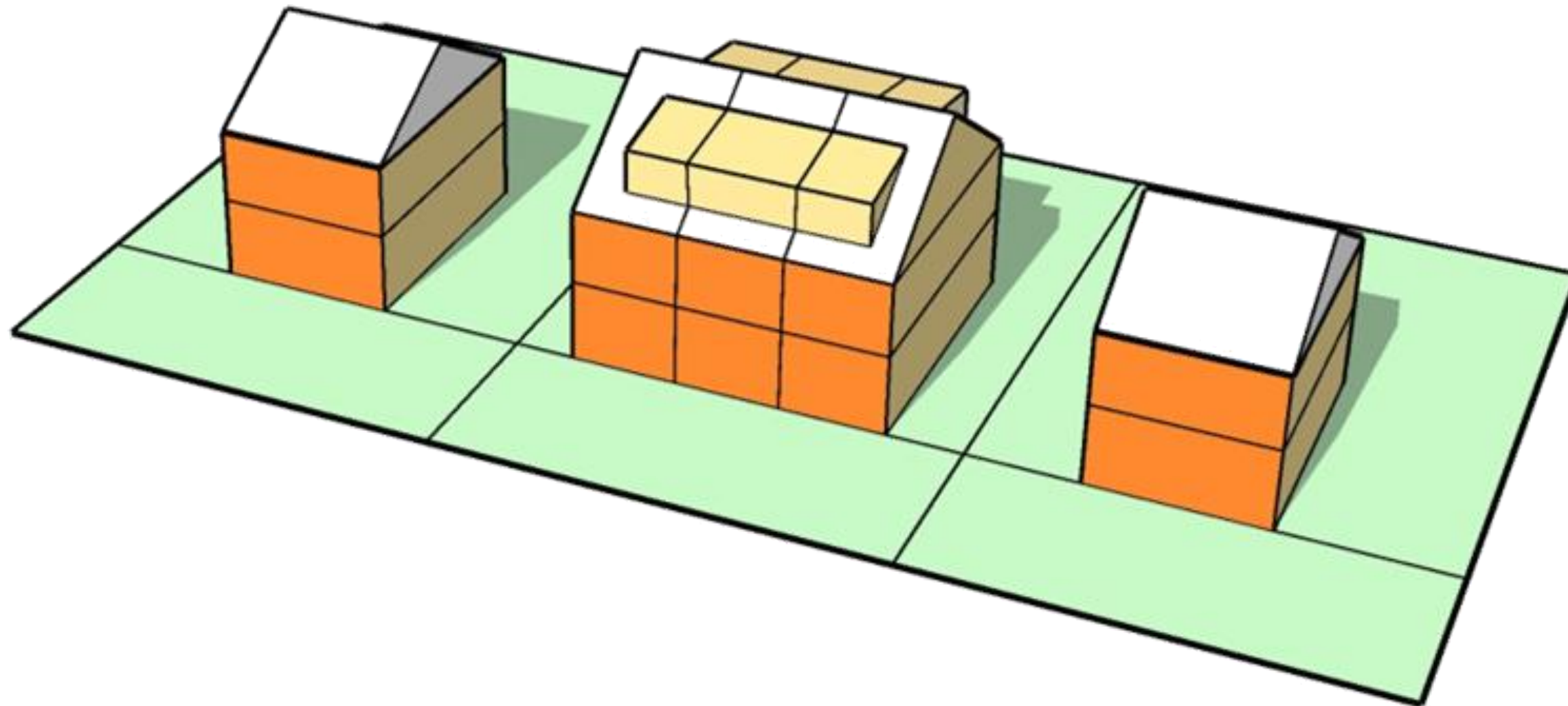


Example of triplex's massing without pattern book and form-based standards



# Pattern Book – Advantages

## Form Based Standards



Example of triplex's massing's articulation based on the pattern book to maintain a "house-scale" in various lot configuration.



# Pattern Book – Advantages

## Maintaining a "House-Scale"



# Pattern Book – Advantages

Putting parking in the right place



# Pattern Book – Advantages

## Building Neighborly Homes



# Medium Scale Attainable Housing

- The Planning Board recommends creating a new optional method of development, called the Attainable Housing optional method (AHOM), to provide opportunities for medium scale attainable housing on certain properties in the R 90 and R 60 zones.
- The Attainable Housing optional method would require projects to include units that are size limited as a means of ensuring the development is more price attainable than it may otherwise have been.
  - The Planning Board recommended 1,500 SF as the maximum average unit size.



## Medium Scale

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



# Optional Methods of Development

- Under existing optional methods of development (MPDU and Cluster), development applications are reviewed under more flexible development standards that often include increased density, reduced setbacks, and more building types in exchange for site plan review by the Planning Board and for providing a pre-defined public benefit.





# Medium Scale Attainable Housing

- The AHOM is intended to allow for higher densities and more diverse building types than is typically allowed in the county's residential zones.
  - The Planning Board agreed to a net density of 10 units/acre for the R-90 zone, and 13 units/acre for the R-60 zone. Additional bonus density would be allowed for AHOM projects with an average unit size below 1,500 SF.



# Medium Scale Attainable Housing

- The Board believes the AHOM should apply to sites within the R-90 and R-60 zones that:
  - Abut a corridor planned for Bus Rapid Transit (BRT) through the 2013 Countywide Transit Corridors Functional Master Plan
  - Are recommended for a floating zone in a Master Plan
  - Are recommended for AHOM in a Master Plan



# Large Scale Attainable Housing

- The Planning Board recommends using the master plan process to identify opportunities to rezone properties along the county's primary growth corridors for higher intensity residential development.
- Potential approach includes the use of the CRN zone



## Large Scale

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



# Subdivision

- The Board believes there are opportunities through the Administrative Subdivision Plans, Minor Subdivisions, or both, to establish a more streamlined process to subdivide property for the purposes of creating attainable housing.
- These changes could be prepared through a future subdivision regulation amendment (SRA) that would complement any zoning text amendments resulting from the AHS initiative.



# Parking

- The Board is recommending that baseline parking minimums for duplexes and multiplexes in the R-40, R-60, R-90 and R-200 zones, may be reduced by multiplying the baseline minimum by an adjustment factor of 0.50 under certain circumstances.
- The Board further recommends that baseline parking minimums be reduced by multiplying the baseline minimum by an adjustment factor of 0.25 under certain circumstances.
- The Board also acknowledges there are additional ways to reduce parking including basing parking on the width of site frontage, or on the number of bedrooms.



# Additional Recommendations

- The Planning Board recommends updating the existing MPDU and Cluster Optional Methods of Development to allow triplex and quadplex buildings.
- The Planning Board recommends allowing triplexes and quadplexes under the standard method of development in the Residential Townhome, Residential Multi-Unit, Commercial/Residential and Employment zones, where duplex and townhouse building types are currently allowed by-right



# Catalyst Policies

- The Board believes certain catalyst policies may assist the development of these attainable housing types.
- The Board has identified several policies for the Council to consider.
- These policies are broadly divided into two types, catalysts for Owners Occupied Conversions and Community-level Incentive Programs.



# Catalyst Policies

- Proposed policies are broadly divided into two types:

## **1. Owner Occupied Conversions**

- Property Tax Refund
- Conversion Assistance Toolkit
- Owner Occupied Conversion Loan Fund

## **2. Community-level Incentive Policies**

- Improvement Grant Program





# Other Related Topics Covered In AHS Report

- Collection of Impact Taxes
  - Planning staff will continue to research the topic to determine the most applicable impact tax rate to use based on observed student generation rates among existing duplexes and structures with three or four units.



# Other Related Topics Covered In AHS Report

- Role of HOAs
  - Many HOAs have restrictions against renting property or having more than one unit on a property.
  - While HOAs cannot override zoning, they can generally have more restrictive conditions and limit having more than one unit on a property.



# Other Related Topics Covered In AHS Report

- Role of Municipalities
  - Municipalities with their own zoning authority (Brookeville, Poolesville, Laytonsville, Rockville, Barnesville, Gaithersburg, and Washington Grove) are not affected by any changes to county zoning.
  - Under Section 20-509 of the State Land Use Article, a municipality may have more restrictive conditions under certain topics (including setback requirements, lot coverage, etc.)



# Appendices of AHS Report

- County Council letter
- Engagement
- Stakeholder Concerns
  - Summary
  - Affordability
  - Gentrification and Displacement
  - Property Assessment and Taxes
  - Trees
- Adequate Public Facilities
- Market feasibility
- Other Jurisdictions Research
- Letter from SDAT
- Attainable Housing Typologies Modeling
- Change in Attainability by Zip Code
- Draft Zoning Modifications



# Zoning Modifications

Staff will tentatively return to the Board in January to present a draft of the zoning modifications that would implement the elements of Attainable Housing discussed by the final report.

- We intend to walk through the zoning modifications at a high level
  - Highlight each section that is changing and reminding the Board why.
  - Walking through some but not all of the standards tables (one example from each type of table), explaining the rationale for the standard values.
  - Being prepared to discuss specifics from any section or standard table as requested.



# Next Steps

- Next work session is currently scheduled for January 27.
  - We will discuss potential Zoning Modifications to implement the recommendations in the report.
  - AHS will be transmitted after the adoption of Thrive Montgomery 2050.
- Planning staff will be organizing a panel with other jurisdictions on the topic of attainable housing sometime in late January/early February.
- <https://montgomeryplanning.org/planning/housing/attainable-housing-strategies-initiative/>

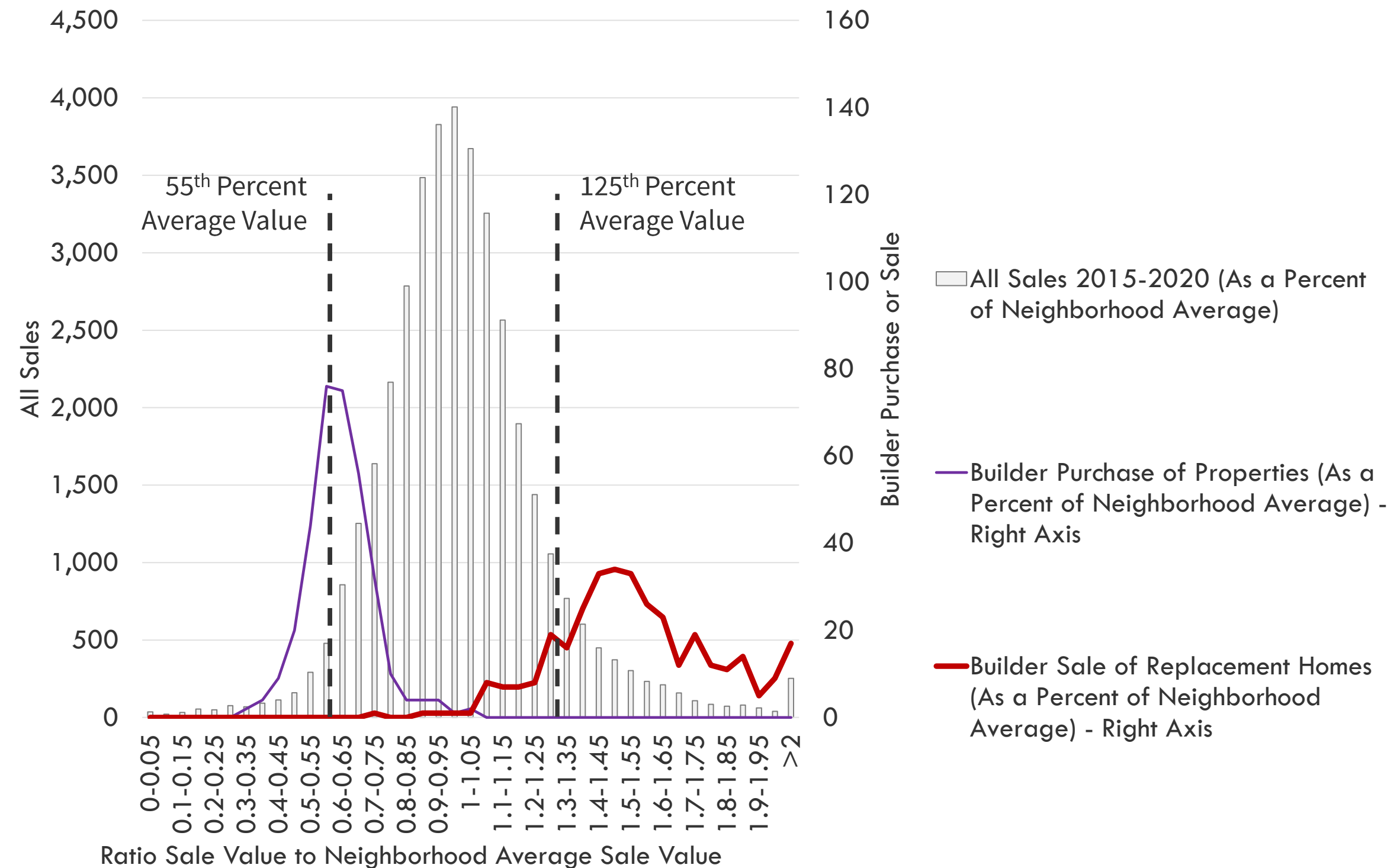
Major Events/Milestones	
March 24	HEAT Meeting #1
March 29	Community Meeting #1
April 9	Virtual Office Hours
April 14	HEAT Meeting #2
April 21	Community Meeting #2
April 27	Virtual Office Hours
April 28	HEAT Meeting #3
May 13	Planning Board Briefing
May 19	HEAT Meeting #4
June 2	Community Meeting #3
June 3	Virtual Office Hours
June 14	#HousingDay on Twitter
June 24	Planning Board Briefing and Public Comments
July 8	Planning Board Work Session #1
July 22	Planning Board Work Session #2
September 9	Planning Board Work Session #3
October 7	Planning Board Work Session #4
November 4	Planning Board Work Session #5
December 9	Planning Board Work Session #6
December 13	Community Meeting #4
January 27	Planning Board Work Session #7





# Replacement Home: Industry Approach

- Most homes in a neighborhood are about average value
- Builders target 10% of lowest cost properties that are between 30<sup>th</sup> & 70<sup>th</sup> percent of average value
- and convert them into the 10% most expensive properties >125<sup>th</sup> percent of average value





# Our neighborhoods have become less attainable and more exclusive

**\$109K**

Median Income in 1996  
(inflated to 2020 dollars)

**\$110K**

Median Income in 2020

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, US Census

Typical 1996 house value (inflated to 2020 dollars) and estimated income required to afford that house

Typical 2020 house value (and estimated income required to afford that house)

**Zip Code 20815  
Chevy Chase**

**\$747K**  
**\$126K**



**\$1.24M**  
**\$232K**

**Zip Code 20812  
Glen Echo**

**\$489K**  
**\$91K**



**\$973K**  
**\$182K**

**Zip Code 20912  
Takoma Park**

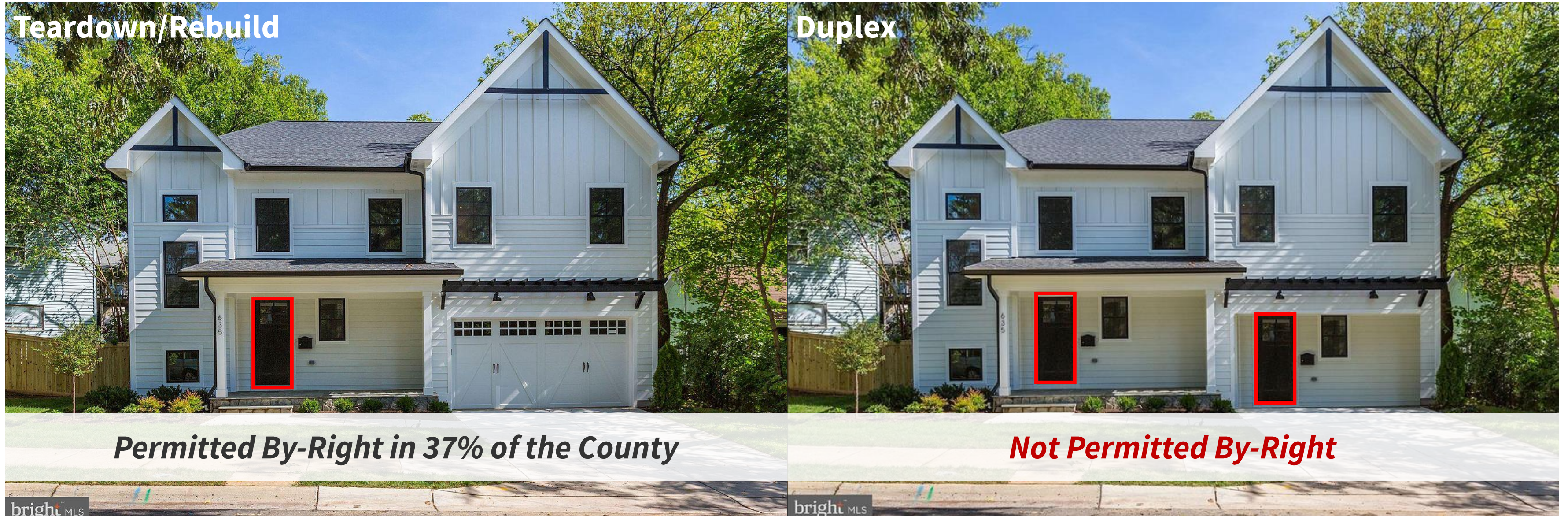
**\$312K**  
**\$58K**



**\$594K**  
**\$111K**



# Detached House vs. Duplex



# Owner Occupied Conversions

## Property Tax Refund

- A refund for a single-family homeowner or vacant lot owner who converts their single-family home to a multiplex or adds multiple units on their single-family zoned lot, for **up to 10 years** if the original owner occupies the unit.
- Refund levels for various property types:
  - **Duplex: 50 percent of the taxes paid**
  - **Triplex: 66 percent of the taxes paid**
  - **Quadplex or Apartment: 75 percent of the taxes paid**
- For other homebuyers of the multiplex houses the same refund structure should apply for the **first five years** of their ownership of the new attainable housing types.



# Owner Occupied Conversions

## Conversion Assistance Toolkit

- A countywide multiagency team shall put together an ‘Attainable Housing Conversion Assistance Toolkit’ as a part of a new work program, which shall have the following information:
  - A detailed list of regulatory requirements and a process guide
  - Contact information for relevant officials
  - Resources for conflict mitigation
  - Guidance on potential bidding resource
  - Guidance on how to access current incentive and grant programs



# Owner Occupied Conversions

## Owner Occupied Conversion Loan Fund

- Staff recommends exploring establishment of a loan fund with a one-time capitalization of \$5,000,000. Potential guidelines for the loan may be as follows:
  - **Eligibility:** Owner of any single-family home or single-family zoned lot
  - **Term:** Five years, with the first year being interest-free and subsequent years the interest rate may be adjusted to the Federal Reserve Prime Rate or Montgomery County Municipal Bond Rate
  - **Conditions:** The conversion must be completed within 365 days of loan disbursement, or the loan will have to be repaid in full.
- The loan shall be capped at \$25,000 and disbursed on a first come first serve basis.



# Community-level Incentive Policies

Staff also recommends exploring certain incentives that would apply to the communities that see a greater degree of growth in attainable housing types. The geographies for these incentive programs shall be linked to the transportation analysis zones (TAZ) in the county.

## TAZ Grant Program

- Staff recommends exploring establishment of an annual grant fund of \$5,000,000.
- Each individual grant shall be capped at \$5,000. Potential eligible activities for which homeowners may use the grant dollars are as follows:
  - Stormwater Mitigation
  - Fire safety Improvements
  - Energy Efficiency upgrades

