Montgomery Planning | Countywide Planning and Policy Division
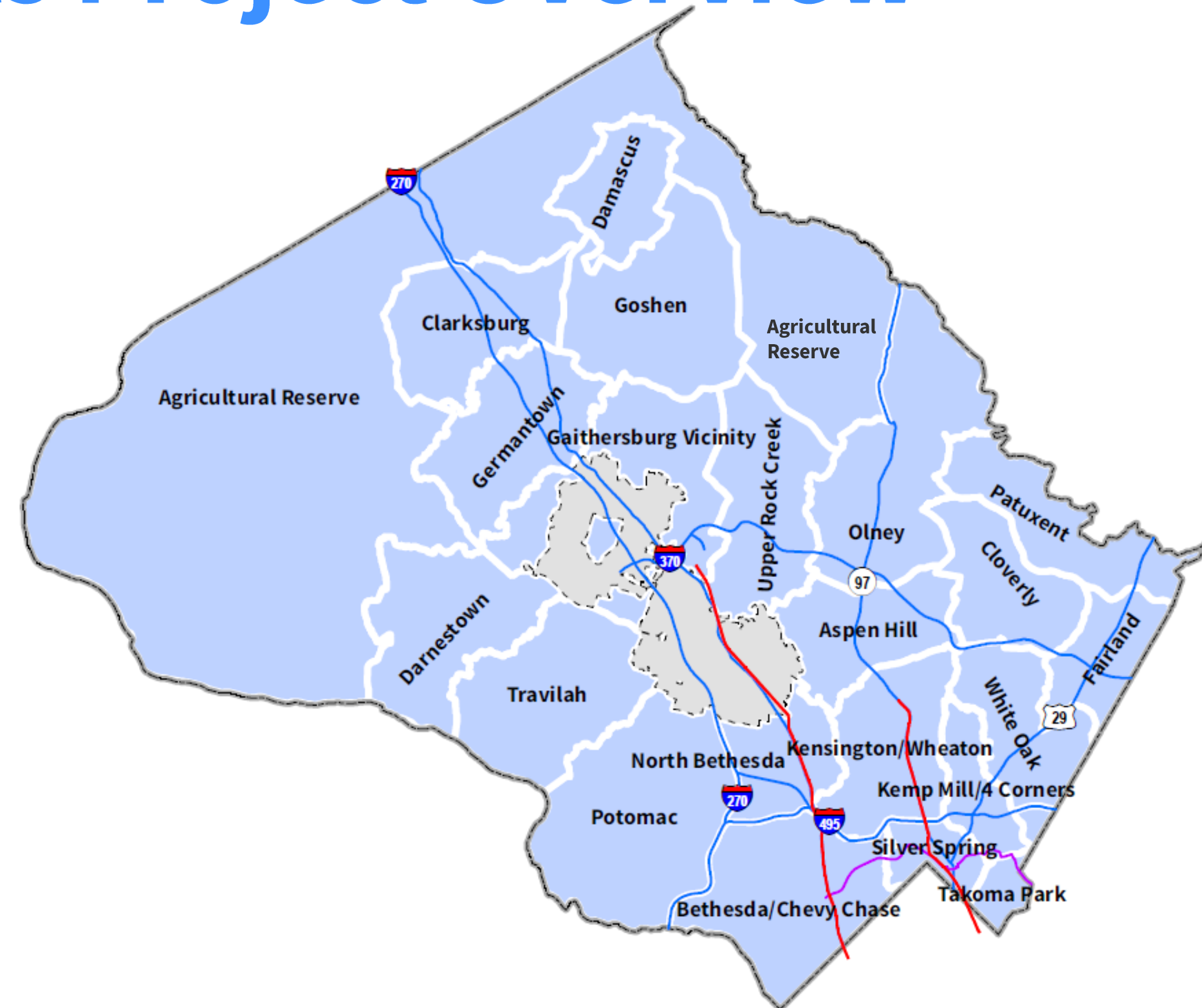
Local Housing Targets Project
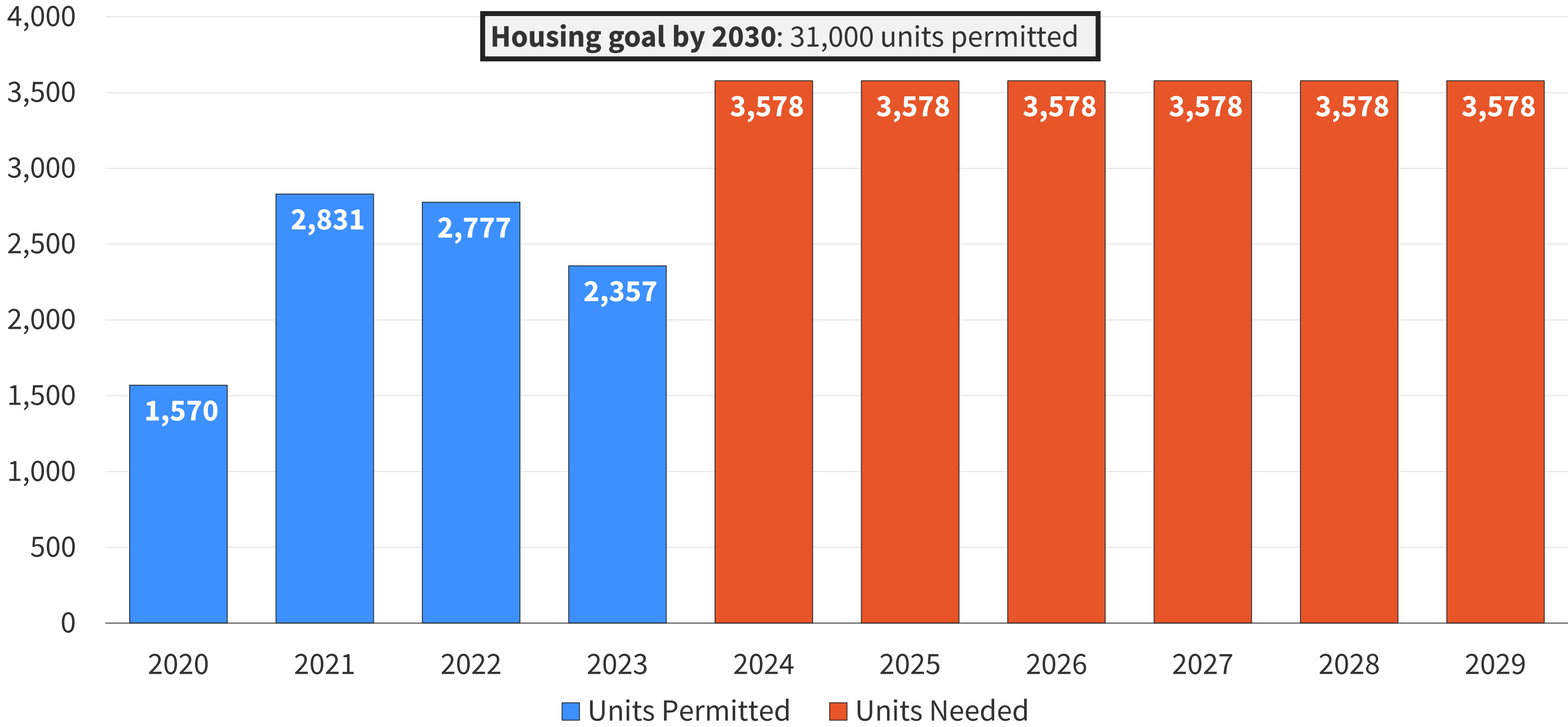
Planning Board Briefing

June 6, 2024

Local Housing Targets Project Overview

- Meet the housing goals (31,000 units by 2030) set out in the 2019 COG resolution by setting realistic and achievable localized housing targets for 22 Planning Areas across the county.

- Grow both the market-rate and affordable housing supply to meet anticipated current and future housing needs.

Countywide Housing Target Progress

Housing goal by 2030: 31,000 units permitted

Legend:
- Units Permitted
- Units Needed

Year	Units
2020	1,570
2021	2,831
2022	2,777
2023	2,357
2024	3,578
2025	3,578
2026	3,578
2027	3,578
2028	3,578
2029	3,578

Local Housing Targets

Building Permits by Planning Area (2020-2023)

Planning Area	Permits
Bethesda/Chevy Chase	2,776
North Bethesda	1,079
Clarksburg	1,033
Gaithersburg Vicinity	993
Silver Spring	687
Germantown	623
White Oak	489
Potomac	473
Kensington/Wheaton	471
Travilah	198
Olney	187
Damascus	168
Agricultural Reserve	135
Kemp Mill/4 Corners	80
Darnestown	41
Cloverly	26
Upper Rock Creek	24
Goshen	15
Fairland	11
Aspen Hill	11
Takoma Park	9
Patuxent	6

Source: Department of Permitting Services

Legend

Building Permits (2020 - 2023)

- 6 - 50
- 51 - 100
- 101 - 500
- 501 - 1,000
- 1,001 - 1,500
- 1,501 - 2,000
- 2,001 - 2,500
- 2,501 - 3,000

Map labels: Damascus, Clarksburg, Goshen, Agricultural Reserve, Germantown, Gaithersburg Vicinity, Upper Rock Creek, Olney, Patuxent, Cloverly, Fairland, Darnestown, Aspen Hill, Travilah, White Oak, North Bethesda, Kensington/Wheaton, Kemp Mill/4 Corners, Potomac, Silver Spring, Takoma Park, Bethesda/Chevy Chase

Local Housing Targets

Building Permit and Target Progress Summary

- 9,535 units permitted from 2020 to 2023
  - 2,865 permits under the target pace of 12,400
  - Need to permit/build 21,465 units by 2030 to meet county goal

- Building permit numbers represent net new units
  - Demolitions with a corresponding building permit were removed

Remaining Countywide Housing Target

	2030
Units for Forecasted Growth	31,000
Additional Target Units	10,000
Adjusted Countywide Housing Unit Target	**41,000**
Rockville and Gaithersburg Units Adjustment	-10,000
Adjusted County Share of Housing Unit Target	**31,000**
Units Already Permitted	-9,535
Remaining Countywide Housing Unit Target	**21,465**

2030
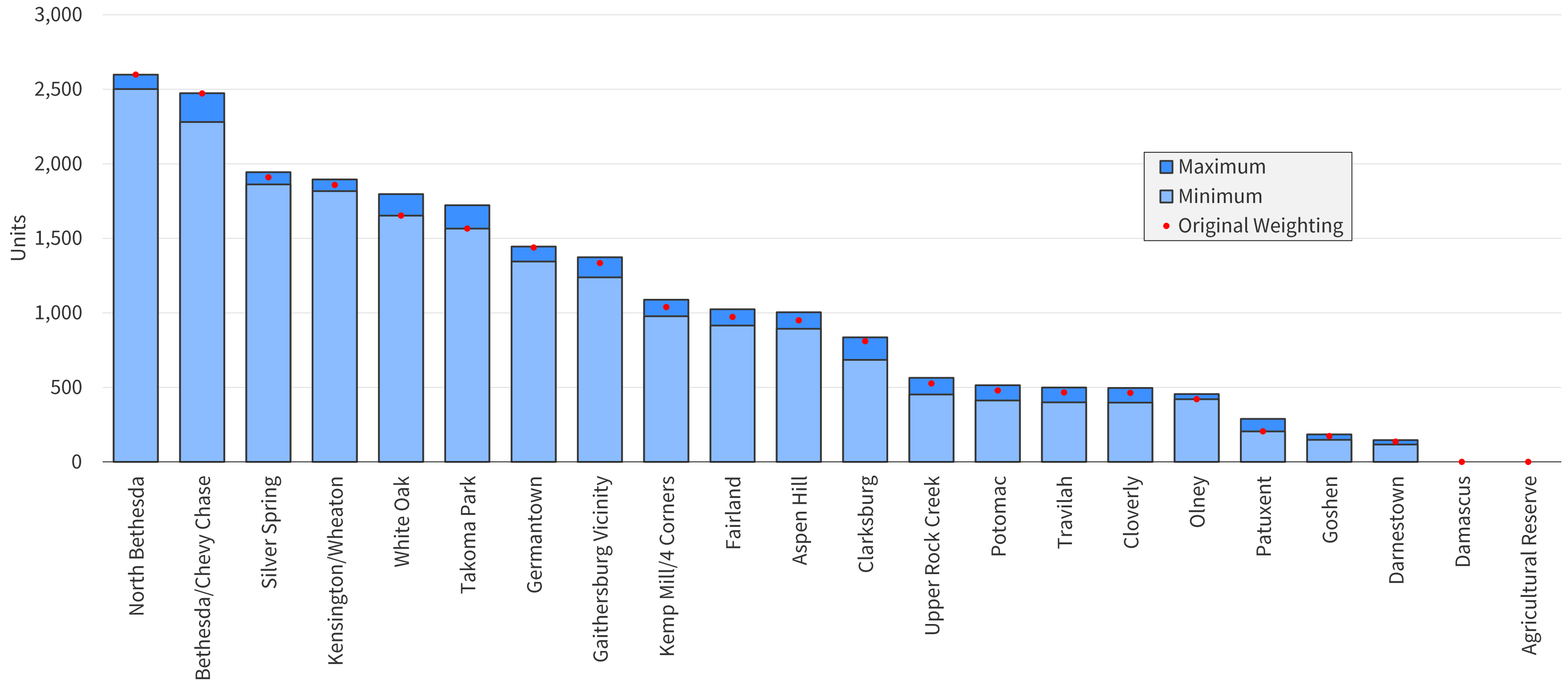# Local Housing Targets

Index Factors

Index Factor
Thrive Montgomery 2050 Growth Area Share of Planning Area located within Corridor Focused Growth & Limited Growth Areas
Household Forecast Share of County Household Forecast from MWCOG Round 10.0
Zoned Residential Capacity Share of Total County Capacity
Activity Center Density Relies on the Downtowns and Town Centers identified in the 2023 Pedestrian Master Plan, which are based on master plan visions, land use, and zoning.
Premium Factor High share in Corridor Focused Growth Area, but little recent housing growth

Weighting Options

Factor	Original	Alternative 1	Alternative 2	Alternative 3
Thrive Growth Area Score	30	30	25 ↓	35 ↑
Household Forecast Score	30	30	30	20 ↓
Zoned Residential Capacity Score	30	30	25 ↓	35 ↑
Activity Center Density Score	5	10 ↑	10 ↑	5
Premium Score	5	5	10 ↑	5
Total Maximum Value	**100**	**105**	**100**	**100**

Weighting Options Results Ranges

Legend:
- Maximum
- Minimum
- Original Weighting

Y-axis: Units (0; 500; 1,000; 1,500; 2,000; 2,500; 3,000)

X-axis categories: North Bethesda, Bethesda/Chevy Chase, Silver Spring, Kensington/Wheaton, White Oak, Takoma Park, Germantown, Gaithersburg Vicinity, Kemp Mill/4 Corners, Fairland, Aspen Hill, Clarksburg, Upper Rock Creek, Potomac, Travilah, Cloverly, Olney, Patuxent, Goshen, Darnestown, Damascus, Agricultural Reserve

Selected Weighting

Factor	Selected Methodology
Thrive Growth Area Score	35
Household Forecast Score	20
Zoned Residential Capacity Score	35
Activity Center Density Score	5
Premium Score	5
Total Maximum Value	**100**

The Development Pipeline

- The pipeline is an inventory of development projects that have currently valid approvals but are not completely built.

- We believe the current unbuilt pipeline represents the county's most significant contributor to whether we achieve our housing targets in the next six years.

- As a result, we recommend modifying our approach to setting the 2030 local targets to capture the potential impact of the current unbuilt pipeline.

Current Unbuilt Pipeline

Location	Value
Takoma Park	6
Olney	8
Upper Rock Creek	13
Cloverly	18
Fairland	22
Aspen Hill	24
Patuxent	44
Darnestown	48
Goshen	53
Travilah	86
Kemp Mill/4 Corners	88
Damascus	107
Agricultural Reserve*	224
White Oak	765
Potomac	1,114
Germantown	1,616
Kensington/Wheaton	1,630
Gaithersburg Vicinity	1,756
Clarksburg	1,798
Silver Spring	4,143
Bethesda/Chevy Chase	6,719
North Bethesda	10,076

Conversion Factor

- We looked at the 2018 pipeline and the current 2024 pipeline to better understand the historical conversion rates of pipeline projects to built projects.

- Rates of converting unbuilt pipeline units to built units varied by Planning Area.

  - North Bethesda had a conversion rate of 15%

  - Potomac, Clarksburg , Travilah and Damascus all had rates over 80%

- Countywide: 51% of the 2018 unbuilt pipeline was built or permitted by 2024.

Conversion Factor

Planning Area	6-year Conversion Rate	Expected 2030 Build
Agricultural Reserve	51%	114
Aspen Hill*	51%	12
Bethesda/Chevy Chase	78%	5,226
Clarksburg	81%	1,458
Cloverly*	51%	9
Damascus	80%	86
Darnestown*	51%	24
Fairland	72%	16
Gaithersburg Vicinity	62%	1,097
Germantown	36%	587
Goshen*	51%	27
Kemp Mill/4 Corners*	51%	45
Kensington/Wheaton	31%	506
North Bethesda	15%	1,464
Olney	76%	6
Patuxent*	51%	22
Potomac	89%	986
Silver Spring	34%	1,429
Takoma Park*	51%	3
Travilah	99%	85
Upper Rock Creek*	51%	7
White Oak*	51%	388
Countywide	45%	13,597

* The countywide pipeline conversion rate was used.

Countywide Housing Target to Allocate

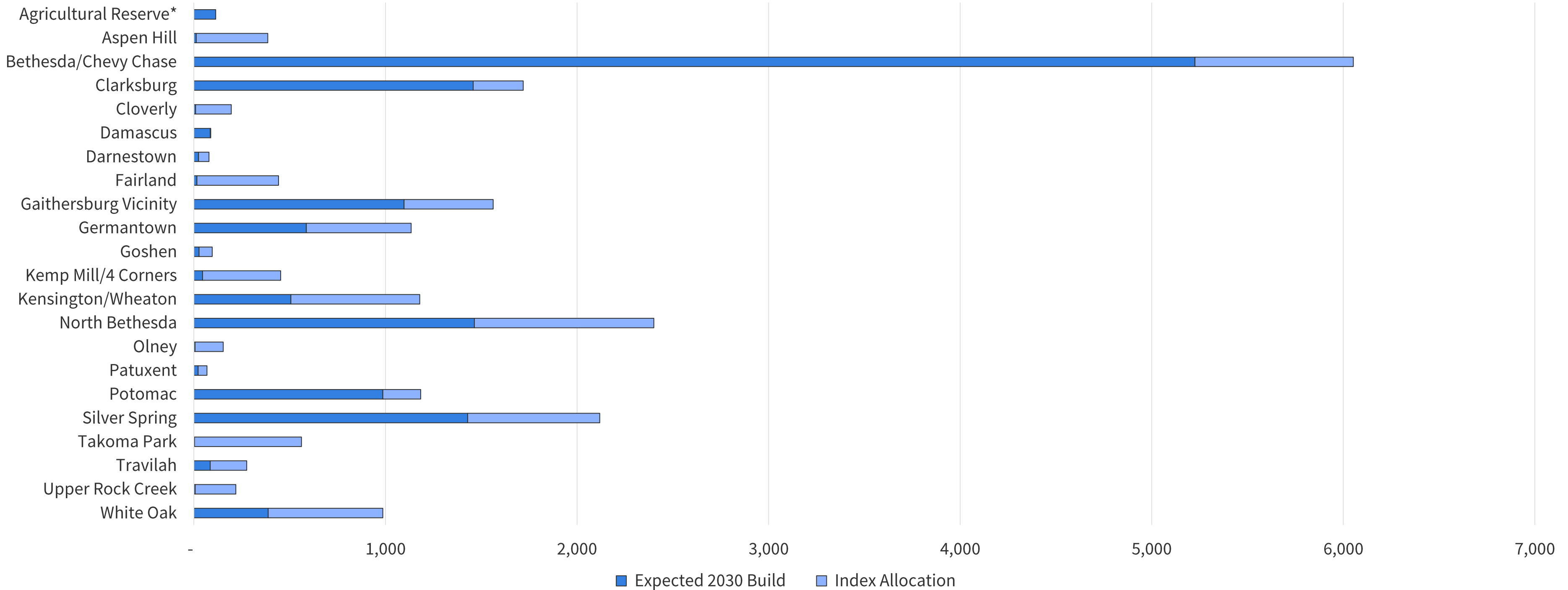|	2030
Forecasted Growth	31,000
Additional Target	10,000
Rockville and Gaithersburg Adjustment	-10,000
Countywide Housing Target	31,000
Units Already Permitted	-9,535
Adjusted Countywide Housing Target	21,465
Anticipated Unbuilt Pipeline Contribution	-13,597
Remaining Target to Allocate to Planning Areas	7,868

Adjusted Housing Targets

Planning Area	Part A: Expected 2030 Build	Part B: Index Allocation	2030 Local Housing Target
Agricultural Reserve	114	0	114
Aspen Hill	12	374	386
Bethesda/Chevy Chase	5,226	827	6,053
Clarksburg	1,458	261	1,719
Cloverly	9	186	195
Damascus	86	2	88
Darnestown	24	55	79
Fairland	16	426	442
Gaithersburg Vicinity	1,097	465	1,562
Germantown	587	547	1,134
Goshen	27	69	96
Kemp Mill/4 Corners	45	408	453
Kensington/Wheaton	506	673	1,179
North Bethesda	1,464	937	2,401
Olney	6	147	153
Patuxent	22	46	68
Potomac	986	198	1,184
Silver Spring	1,429	690	2,119
Takoma Park	3	559	562
Travilah	85	191	276
Upper Rock Creek	7	212	219
White Oak	388	598	986
TOTAL**	**13,597**	**7,871**	**21,468**

* The index allocation portion of the Ag Reserve has been forced to zero.

**The totals for the index allocations and the total targets do not equal 7,868 and 21,465, respectively, due to rounding.

2030 Local Housing Targets

Legend: ■ Expected 2030 Build ■ Index Allocation

2040 and 2050 Local Housing Targets

2040 and 2050 Housing Targets

- The PHP committee also recommended setting housing targets for both 2040 and 2050.

- Since the 2030 targets represent goals only six years in the future, we believe setting targets for 2040 and 2050 will help meet the long-term vision of housing abundance as envisioned by *Thrive Montgomery 2050*.

- The tools and tactics to achieve 2040 and 2050 local housing targets will be different than those needed to achieve the 2030 targets.

2040 and 2050 Housing Targets

- Like the 2030 housing targets, the 2040 and 2050 targets would be based on household growth from the MWCOG Cooperative Forecast, Round 10.0.

- However, unlike the 2030 housing targets, no additional units would be added to the 2040 and 2050 goals.

2040 and 2050 Housing Targets

	2030	2040	2050	Total
Units for Forecasted Growth	31,000	33,503	24,300	88,803
Additional Target Units	10,000	0	0	10,000
Adjusted Countywide Housing Unit Target	**41,000**	**33,503**	**24,300**	**98,803**
Rockville and Gaithersburg Units Adjustment	-10,000	-6,657	-7,347	-24,004
Adjusted County Share of Housing Unit Target	**31,000**	**26,846**	**16,953**	**74,799**
Units Already Permitted	-9,535	N/A	N/A	-9,535
Remaining Countywide Housing Unit Target	**21,465**	**26,846**	**16,953**	**65,264**

Transit Quality Factor

- For the 2040 and 2050 housing targets, we added a transit quality factor.

- *Thrive Montgomery 2050* states that: "Appropriate densities will vary but should be sufficient to support, at a minimum, the efficient provision of transit service along [growth] corridors."

Recommended Index Factors for 2030, 2040, and 2050

Factor	2030	2040	2050
Thrive Growth Area Score	35	25	20
Household Forecast Score	20	15	0
Zoned Residential Capacity Score	35	15	0
Activity Center Density Score	5	20	30
Premium Score	5	0	0
Transit Quality Score	0	25	50
Pipeline Contribution	*	0	0
Total Maximum Value	**100**	**100**	**100**

Allocated before the index and varies by Planning Area.

Housing Targets by Decade

Planning Area	2030 Units	2040 Units	2050 Units	2030 Share	2040 Share	2050 Share
Agricultural Reserve	114	0	0	1%	0%	0%
Aspen Hill	386	961	559	2%	4%	3%
Bethesda/Chevy Chase	6,053	2,825	1,710	28%	11%	10%
Clarksburg	1,719	847	648	8%	3%	4%
Cloverly	195	504	258	1%	2%	2%
Damascus	88	24	23	0%	0%	0%
Darnestown	79	148	75	0%	1%	0%
Fairland	442	1,593	1,140	2%	6%	7%
Gaithersburg Vicinity	1,562	1,762	1,343	7%	7%	8%
Germantown	1,134	1,610	939	5%	6%	6%
Goshen	96	187	95	0%	1%	1%
Kemp Mill/4 Corners	453	1,193	788	2%	4%	5%
Kensington/Wheaton	1,179	2,840	2,103	5%	11%	12%
North Bethesda	2,401	3,862	2,326	11%	14%	14%
Olney	153	508	336	1%	2%	2%
Patuxent	68	153	99	0%	1%	1%
Potomac	1,184	615	362	6%	2%	2%
Silver Spring	2,119	2,939	1,890	10%	11%	11%
Takoma Park	562	1,538	912	3%	6%	5%
Travilah	276	562	312	1%	2%	2%
Upper Rock Creek	219	602	330	1%	2%	2%
White Oak	986	1,573	706	5%	6%	4%
TOTAL	21,468	26,846	16,954	100%	100%	100%

Local Housing Targets

Housing Targets by Decade
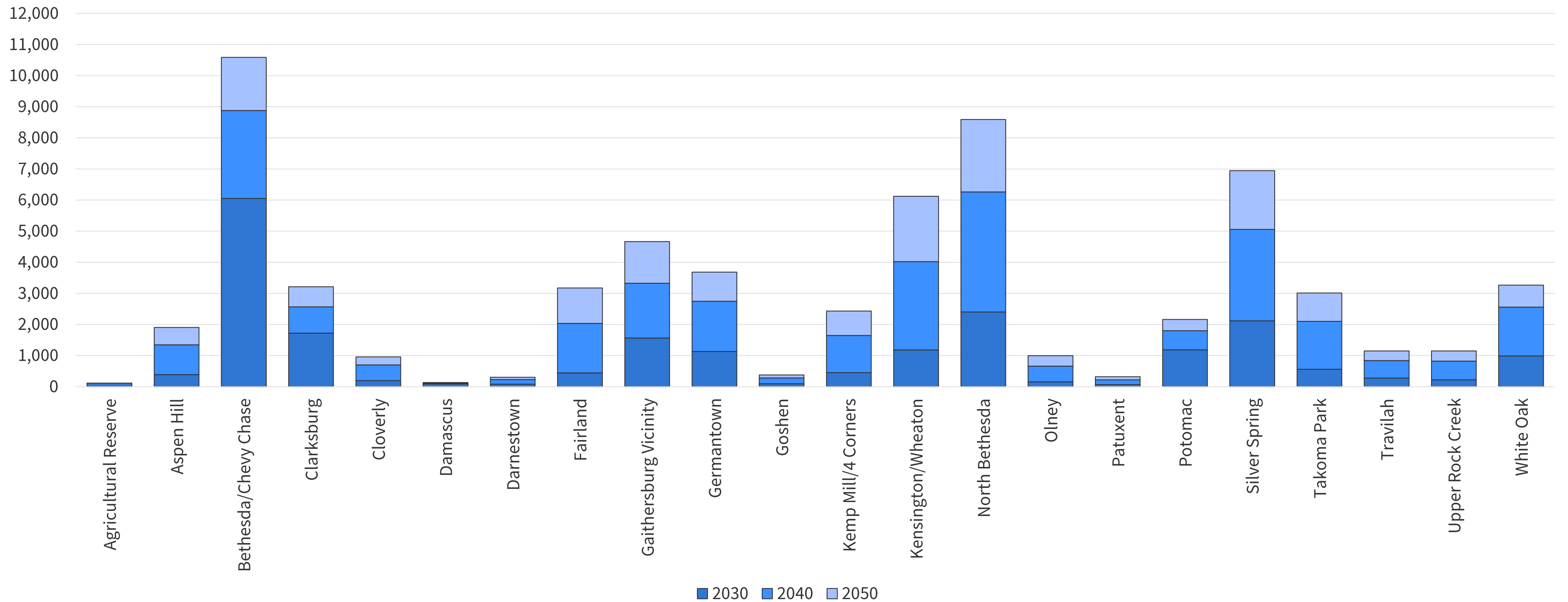
2030 Local Housing Targets
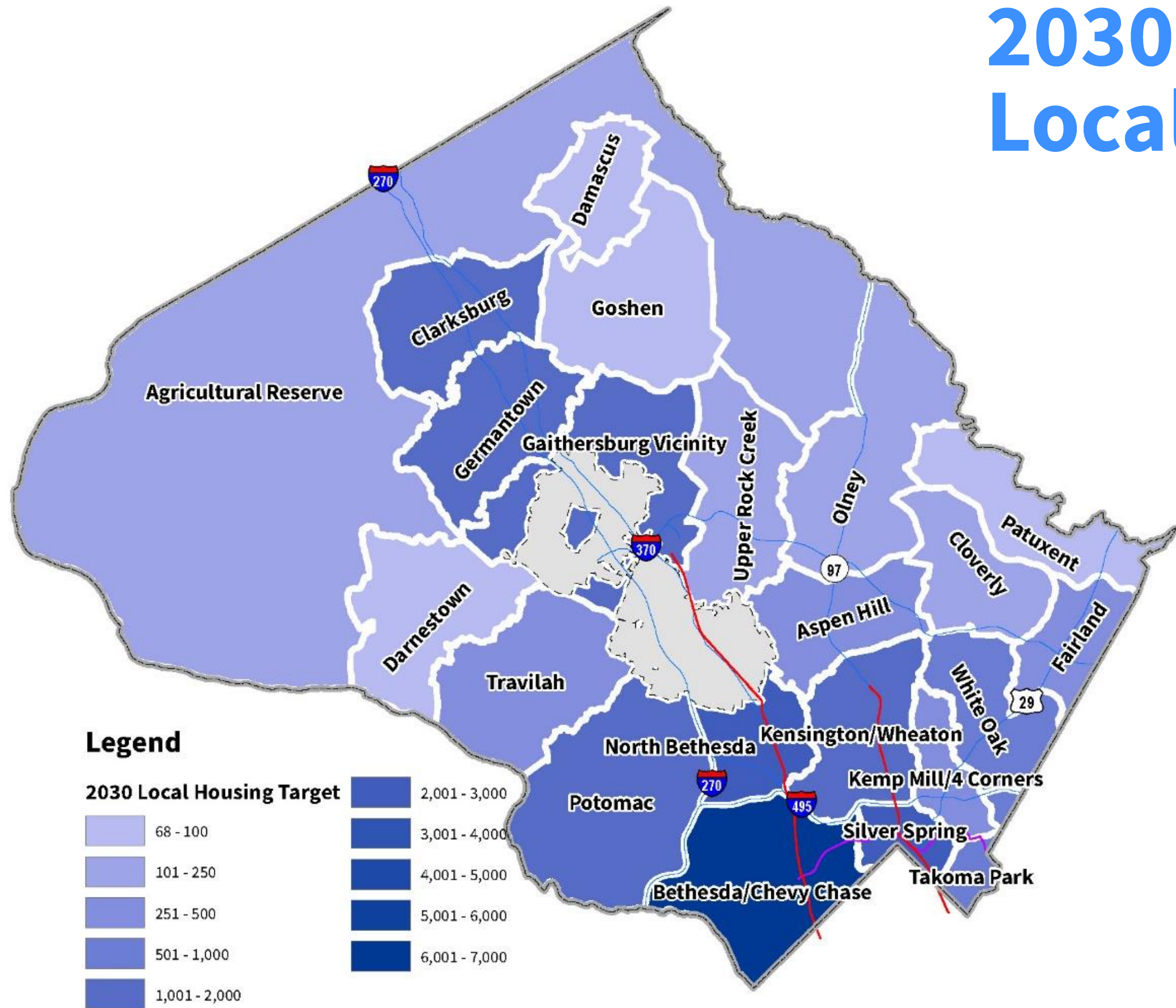
Legend

2030 Local Housing Target

68 - 100		2,001 - 3,000	
101 - 250		3,001 - 4,000	
251 - 500		4,001 - 5,000	
501 - 1,000		5,001 - 6,000	
1,001 - 2,000		6,001 - 7,000	

2040 Local Housing Targets

Legend

2040 Local Housing Targets

0	501 - 1,000
1 - 100	1,001 - 2,000
101 - 250	2,001 - 3,000
251 - 500	3,001 - 4,000

Local Housing Targets

2050
Local Housing Targets

Legend

2050 Local Target

0	251 - 500
1 - 100	501 - 1,000
101 - 250	1,001 - 2,000
	2,001 - 3,000
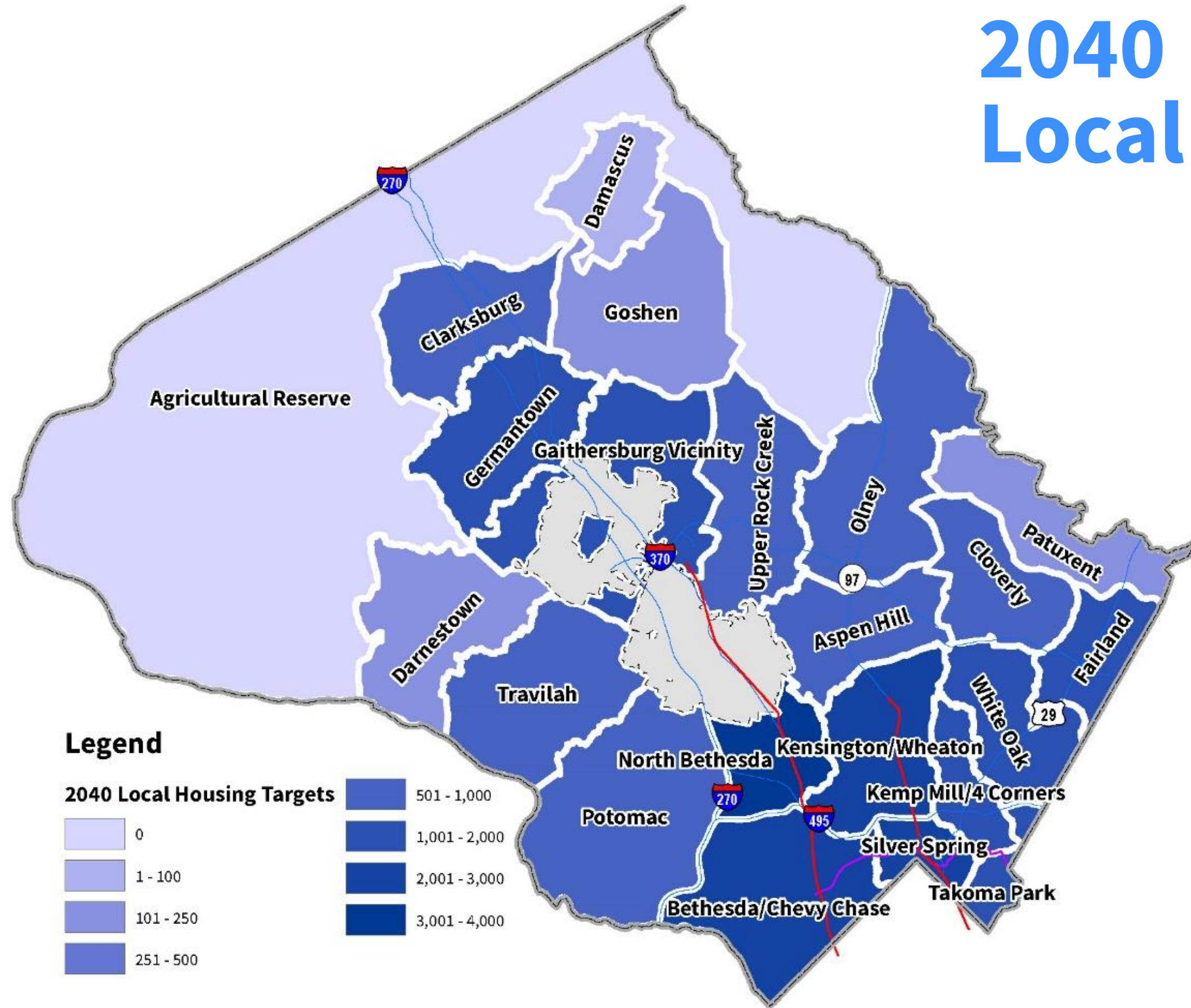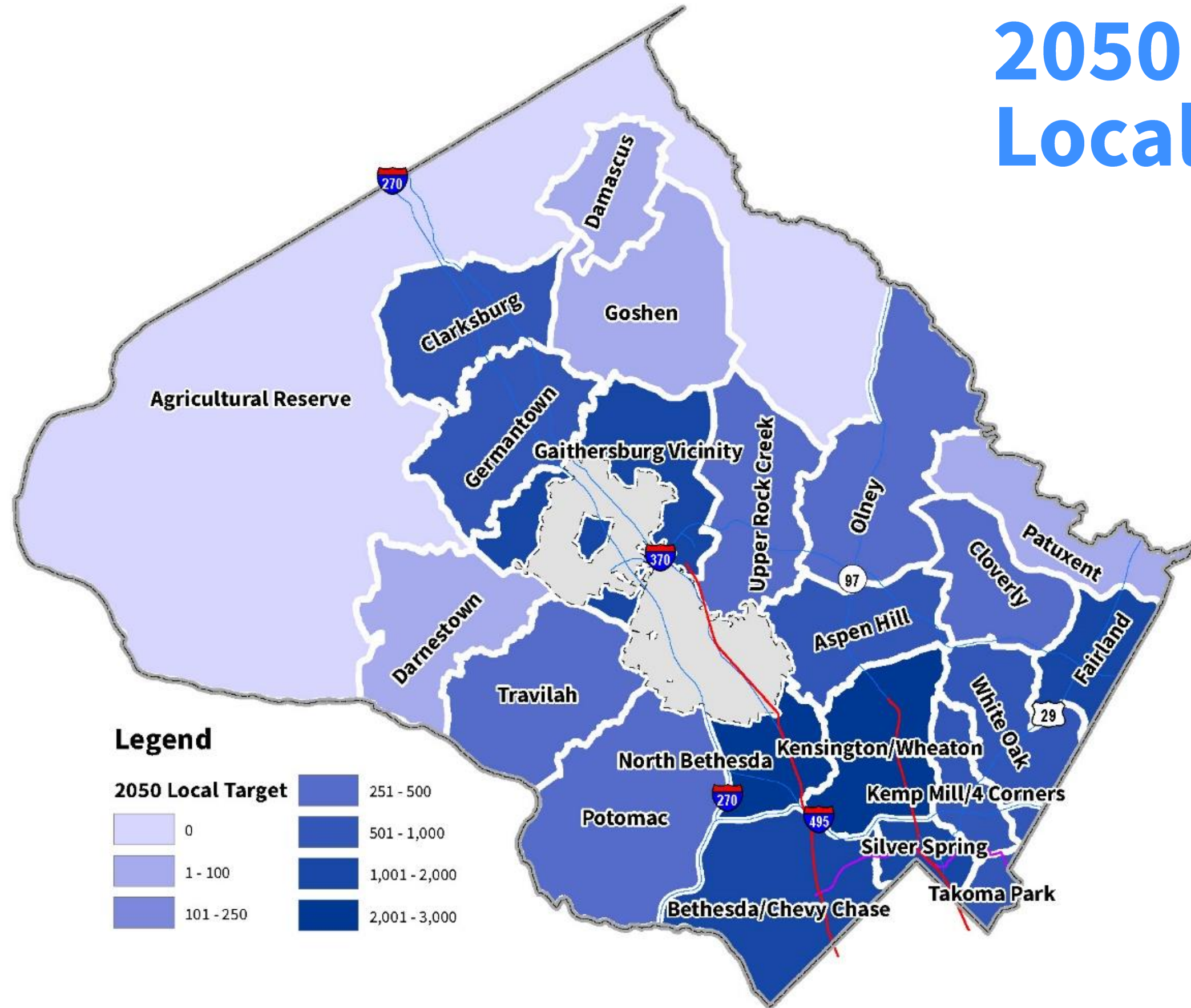
Cumulative Local Housing Targets

Legend

2030 - 2050 Local Housing Targets

|	
114 - 500	5,001 - 6,000
501 - 1,000	6,001 - 7,000
1,001 - 2,000	7,001 - 8,000
2,001 - 3,000	8,001 - 9,000
3,001 - 4,000	9,001 - 10,000
4,001 - 5,000	10,001 - 11,000
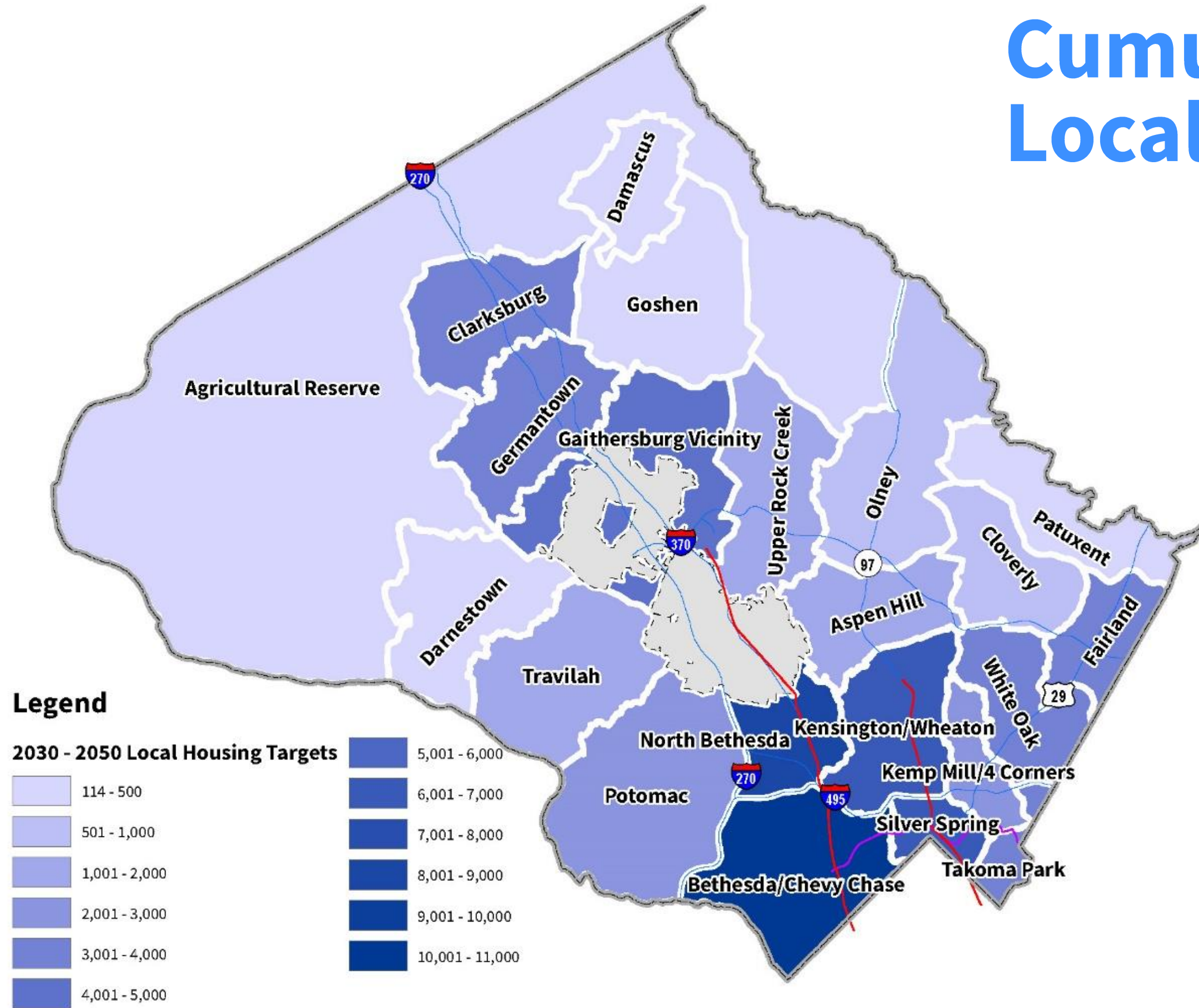
Affordable Housing Goals

- Proposed Affordable Housing goals:

If the current share of affordable housing is…	Then the affordable housing target is…	Planning Area count
Less than 5%	17.5%	14
At least 5%, but less than 10%	15.0%	7
10% or greater	12.5%	1

Legend

Affordable Housing Target

- 12.5%
- 15%
- 17.5%
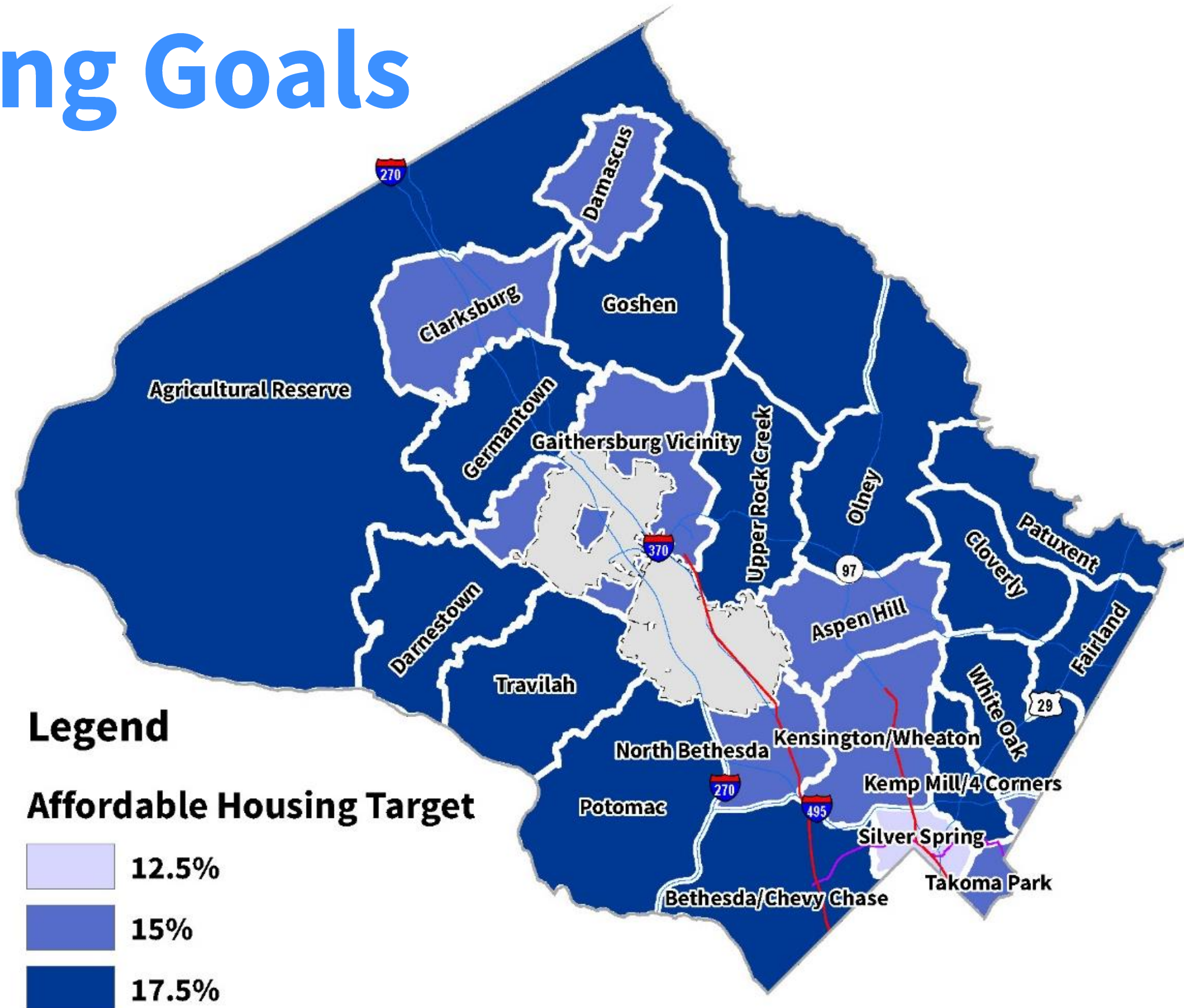
Next Steps

- **Upon approval of the Local Housing Targets by the County Council, Planning staff will undertake the following steps:**

  - Further investigate the reasons projects in the pipeline may be stalled (or only partially completed).

  - Consider how new plans and policies can help to achieve the 2030, 2040, and 2050 Local Housing Targets.

  - Work with the community and conduct community engagement on potential strategies to meet the targets.

  - Provide annual updates to the County Council documenting progress in achieving the Local Housing Targets.

  - Review and update the local housing targets every five years to ensure relevant factor data are current and to adjust weightings based on their relevance to shorter-term and longer-term targets.

Next Steps

- **Council resolution** adopting the local housing targets.

- **Ongoing discussions**, including with community and industry stakeholders, on how to best achieve the local targets.

- **Incorporate local targets** in master planning and policymaking efforts.