Montgomery Planning

Attainable Housing Strategies

Planning Board Recommendations

2024

Attainable Housing Strategies Report

Contents

Executive Summary

In March 2021, the Montgomery County Council requested that the Montgomery County Planning Board consider zoning reforms to allow opportunities for more diverse housing types in the county; to provide opportunities for public input; and to send recommended zoning modifications to the Council. Subsequently, through the Attainable Housing Strategies initiative (AHS), the Montgomery County Planning Department (Montgomery Planning) studied, reviewed, and refined various housing policy options. This report represents the culmination of this effort by Montgomery Planning, providing the findings of the analyses and presenting the recommendations of the Planning Board, which have also been informed by an extensive stakeholder feedback effort.

As requested by the Council, the report identifies zoning reforms that will allow and encourage the creation of a more diverse range of housing typologies across the county. The recommendations in this report should be viewed as a menu of options for the Council to consider, which can be implemented by introducing and adopting relevant zoning or subdivision text amendments that address all or portions of the recommendations.

Planning Staff conducted a total of 11 AHS work sessions with the Planning Board, which resulted in the following recommendations.

AHS Goals and Scales

- **AHS Initiative Goals:** While the overarching purpose of the AHS initiative is to increase the diversity of housing options across 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.
- **Attainable Housing Definition**: The Planning Board supports a definition of attainable housing that includes a focus on providing more diverse housing options that allow more neighborhoods to be attainable to more households. Attainability is the ability of households of various incomes and sizes to obtain housing that is suitable for their needs and affordable to them. Attainable housing includes diverse housing types beyond single-family detached units. These housing types tend to be smaller and more affordable than the typical new detached home in that neighborhood.
- **Attainable Housing Scales**: The Planning Board recognizes three scales of attainable housing – small, medium, and large. With the three scales come three distinct sets of housing typologies, achieved through different recommendations and implementation tools, each with its own geographic focus.

Small Scale Attainable Housing Recommendations

- **Applicable Residential Zones for Small Scale Attainable Housing**: Small scale attainable housing includes house-scaled duplexes and multiplexes (triplexes and quadplexes). The

Planning Board recommends allowing, by-right with pattern book conformance, small scale attainable housing as follows:
    - duplexes everywhere in the R-40, R-60, R-90, and R-200 zones;
    - triplexes everywhere in the R-40, R-60, and R-90 zones, and in the R-200 zone within a Priority Housing District; and
    - quadplexes in the R-40, R-60, R-90, and R-200 zones within the Priority Housing District.
- **Pattern Book**: The Planning Board recommends creating a Planning Board-approved pattern book, to which conformance will be mandatory for the creation of new small scale attainable housing, whether through new construction or renovations to existing structures. The pattern book will be developed separately from the zoning recommendations through a process that will provide additional opportunities for community and stakeholder input. Work on the pattern book will proceed concurrently with the drafting of any zoning and subdivision text amendments based on direction from the Montgomery County Council. The Planning Board advised Planning Staff to work with the Montgomery County Department of Permitting Services to design a process for the implementation of the pattern book.
- **Priority Housing District**: The Planning Board recommends establishing the Priority Housing District, in which quadplexes would be allowed and parking requirements would be reduced. The Board recommends defining the Priority Housing District using a straight-line buffer of one mile from Metrorail's Red Line, the Purple Line light rail, and MARC rail stations,[1] plus 500 feet from a *Thrive Montgomery 2050* identified Growth Corridor.
- **Development Standards**: The Planning Board recommends a series of development standards for small scale attainable housing that generally follows the development standards for detached houses. The Board further recommends that:
    - Substandard-sized lots that currently allow single-family detached homes should not have restrictions placed on them prohibiting duplexes, triplexes, or quadplexes.
    - The development standards will act to put limits on building size, but, more importantly, the pattern book should be utilized to establish design standards that ensure compatibility and feasibility.

Medium Scale Attainable Housing Recommendations

- **Attainable Housing Optional Method (AHOM) for Medium Scale Attainable Housing**: The Planning Board supports creating the AHOM and middle density attainable housing. The intent of the AHOM is to allow greater density and development flexibility in exchange for attainability.
    - **AHOM Geographic Applicability**: Properties zoned R-90 or R-60 that are within 500 feet of an identified Growth Corridor in *Thrive Montgomery 2050*, properties recommended for AHOM in a master plan, or properties recommended for a Residential Floating Zone through a Master Plan are eligible for the AHOM.
    - **Maximum Average Unit Size**: The most practical means of ensuring attainability is to establish a maximum average unit size across all unit types within a development project. The Planning Board recommended 1,500 SF as the maximum average unit size, not including any attached garages.

[1] This station buffer is consistent with the reduced parking requirements currently allowed for Accessory Dwelling Units.

- **Density in the AHOM**: The Planning Board agreed to a gross 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.

Large Scale Attainable Housing Recommendation

- **Corridor-Focused Master Plans**: The Planning Board recommends using the master plan process to rezone properties along the county's primary growth corridors for higher intensity, large scale attainable housing development.
- **Corridor Zones:** The Planning Board supports creating new form-based zones that can be utilized along the Growth Corridors either through a master plan recommendation or a floating zone application.

Additional Recommendations

- **Moderately Priced Dwelling Units (MPDU) and Cluster Optional Methods of Development**: The Planning Board recommends updating the existing MPDU and Cluster Optional Methods of Development to allow triplex and quadplex buildings. Correspondingly, the Board recommends a series of applicable development standards that largely mimic the optional method standards for detached houses.
- **Standard Method of Development in Other Zones**: 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.
- **Parking**: The Planning Board recommends reducing minimum off-street vehicle parking requirements for Attainable Housing units along with other potential modifications to vehicle parking.
- **Subdivision**: The Planning Board recommends creating a new type of Minor Subdivision to allow for the subdivision of existing platted lots for duplex and multiplex building types under the standard method (small scale) of development, and a new Administrative Subdivision for creating lots for 19 or fewer dwelling units as either standard method (small scale) or smaller AHOM developments (medium scale).
- **Administrative Site Plans**: The Planning Board recommends creating an Administrative Site Plan process for AHOM (medium scale) developments of 19 or fewer dwellings.
- **Other Codes and Policies**: The Planning Board has compiled a list of other areas of county code and county policy that should be revisited to maximize the effectiveness of attainable housing including driveway standards, tree canopy, stormwater, addressing, and Fire and Rescue.
- **Catalyst Policies and Programs**: The Planning Board recommends that the county explore several additional policies and programs to encourage the production of attainable housing. These policies include ones that would assist existing homeowners who wish to convert their homes to a duplex, triplex or quadplex, and other community-level incentive programs. The Board recommends that these ideas be studied through multi-agency efforts after implementing any zoning reform.

Introduction

On March 4, 2021, the Montgomery County Council directed the Montgomery County Planning Board to review and analyze housing options in the county (see Appendix A). In order to explore these housing options and to provide a comprehensive overview of housing options in the county, Montgomery Planning launched the Attainable Housing Strategies (AHS) initiative, a study aimed at evaluating and refining various proposals to spur the development of more diverse types of housing, including Missing Middle Housing in Montgomery County.

This report provides an overview of the Planning Board's recommendations. While the report will discuss the entirety of the Planning Board's recommendations, given the depth and complexity of the recommendations, the recommendations section should be viewed as providing a menu of options from which the County Council can choose elements to pursue.

Initiative Timeline

The Attainable Housing Strategies initiative planned its major milestones and activities around gathering feedback from the community and other stakeholders with the goal of reaching as many members of the community as possible. During Montgomery Planning's initial work in 2021, the process included seven work sessions with the Planning Board, four community meetings, three sets of virtual office hours, an external advisory team (Housing Equity Advisory Team) that provided initial feedback and guidance on the preliminary recommendations, and a social media day focused on housing.

Major Engagement Events and Project Milestones	
March 24, 2021	HEAT Meeting #1
March 29, 2021	Community Meeting #1
April 9, 2021	Virtual Office Hours
April 14, 2021	HEAT Meeting #2
April 21, 2021	Community Meeting #2
April 27, 2021	Virtual Office Hours
April 28, 2021	HEAT Meeting #3
May 1, 2021	#MyMoCoHome Kickoff
May 13, 2021	Planning Board Update Briefing
May 19, 2021	HEAT Meeting #4
June 2, 2021	Community Meeting #3
June 3, 2021	Virtual Office Hours
June 14, 2021	Social Media Day
June 24, 2021	Planning Board Briefing and Public Comments
July 8, 2021	Planning Board Work Session #1
July 22, 2021	Planning Board Work Session #2
September 9, 2021	Planning Board Work Session #3
October 7, 2021	Planning Board Work Session #4
November 4, 2021	Planning Board Work Session #5

December 9, 2021	Planning Board Work Session #6
December 13, 2021	Community Meeting #4
February 24, 2022	Planning Board Panel Discussion

Table 1 Major Engagement and Project Milestones

In 2024, Montgomery Planning held an additional public listening session in March, followed by a series of five additional work sessions with the Planning Board to finalize this AHS report.

March 21, 2024	Listening Session
April 11, 2024	Planning Board Work Session #7
April 25, 2024	Planning Board Work Session #8
May 16, 2024	Planning Board Work Session #9
May 30, 2024	Planning Board Work Session #10
June 13, 2024	Planning Board Work Session #11

Table 2 2024 Planning Board Work Sessions

Research and Analysis

In support of the AHS initiative, Planning Staff conducted research and analysis to inform and support the AHS recommendations. This research included:

- Missing Middle Market Study and AHS refinement (Appendix C)
- Changes in Attainability (Goals section and Appendix G)
- Feasibility of Requiring an Affordability Component (Appendix C)
- Gentrification and Displacement Analysis (Appendix C)
- Catalyst Policies and Programs Research (Additional Recommendations section)
- Review of Other Jurisdictions (Appendix D)
- Attainable Housing Typologies Modeling (Appendix F)

Concurrent and Related Efforts

The Attainable Housing Strategies initiative is part of an ongoing, extensive, multi-year effort by the county and Planning Department to address the housing supply crisis in Montgomery County. This includes several studies listed below, as well as master plans, bills, and zoning text amendments that were targeted in their evaluation and application to specific housing elements.

Montgomery Planning Housing Studies

The work on the AHS initiative has also been influenced by other recent housing initiatives within the county and studies conducted by Montgomery Planning.

- Montgomery Planning Housing Studies:
  - Rental Housing Study (2017)
  - Housing for Older Adults Study (2018)
  - Missing Middle Housing Study (2018)
  - Housing Needs Assessment (2020)
  - Preservation of Affordable Housing Study (2020)
  - Residential Development Capacity Analysis (2021)
  - Neighborhood Change (2022)
  - Innovative Housing Toolkit (2024)
  - Income Change (2024)
  - Local Housing Targets (2024)
- Updates to the county's requirements for MPDU production (2018)
- Adoption of ZTA 19-01 modifying the rules and standards pertaining to Accessory Dwelling Units (2019)
- Establishment and county concurrence with regional housing targets (2019)
- Growth and Infrastructure Policy (2020 and 2024)
- Council creation of a PILOT program for housing on WMATA sites (2020)
- Increased funding for the Housing Opportunities Commission Production Fund (2021)
- Affordable Housing By-Right PILOT (2021)
- Rent Stabilization (2023)
- Expanded Right of First Refusal (2023)
- Passage of recent Zoning Text Amendments that aimed to streamline the production of housing and affordable housing:
  - ZTA 22-08 CR Zones, MPDUs
  - ZTA 23-02 Mixed Income Housing Community
  - ZTA 23-10 Parking, Queuing, and Loading – Calculation of Required Parking
  - ZTA 24-01 Household Living – Civic and Institutional uses
- Adopted Master Plans with a focus on Missing Middle Housing:
  - *Veirs Mill Corridor Master Plan* (2018)
  - *Forest Glen Montgomery Hills Sector Plan* (2019)
  - *Silver Spring Downtown and Adjacent Communities Plan* (2022)
- Current work program Master Plans with a partial or full focus on corridor planning for more housing:
  - *University Boulevard Corridor Plan*

    - *Eastern Silver Spring Communities Plan*
    - *Georgia Avenue Corridor Master Plan* (FY 25)
- Other plans and planning studies looking to increase housing capacity in areas previously planned for predominantly office and employment uses:
    - *Great Seneca Plan: Connecting Life and Sciences*
    - *Germantown Employment Area Study*
    - *Clarksburg Gateway Sector Plan*

Thrive Montgomery 2050

In 2022, the County council approved *Thrive Montgomery 2050* (Thrive), the county's most comprehensive update to the General Plan in more than 50 years. As a General Plan, *Thrive Montgomery 2050* is a long-range policy framework that does not change zoning but rather establishes the county's vision for the future that relies on future zoning text amendments, sectional map amendments, bills, and policy changes to implement its vision. *Thrive Montgomery 2050* aims to promote diversity of housing types and more housing choice. Attainable Housing Strategies represents one of the county's first opportunities to implement housing policies in *Thrive Montgomery 2050*.

Before Thrive's adoption, there were concerns raised about conducting the AHS initiative prior to the adoption of *Thrive Montgomery 2050*. While the adoption of *Thrive Montgomery 2050* adoption was not a prerequisite for consideration of zoning reform, the previous Planning Board agreed that the framework established by the new General Plan should be adopted prior to the Council taking action on the significant recommendations in this report. While much of the work on Attainable Housing Strategies was completed in 2021, the previous Planning Board and County Council agreed to put the initiative on hold until the adoption of Thrive.

Similarly, when Councilmember Will Jawando introduced Zoning Text Amendment (ZTA) 20-07 in December 2020 to allow certain new types of housing near Metrorail stations, the Planning Board recommended a more comprehensive review of policy options through a Thrive Montgomery lens. The County Council agreed with this approach.

ZTA 20-07

Through Attainable Housing Strategies, the Planning Board has considered zoning reforms that would allow greater opportunities for more diverse housing types in the county. The board considered concepts in ZTA 20-07, which was introduced in December 2020 by Councilmember Will Jawando to allow certain new housing types in the R-60 zone near Metrorail stations, as well as a draft ZTA circulated by Councilmember Hans Riemer in early 2021 that would allow certain new housing types along the county's Bus Rapid Transit corridors.

Definition of Attainable Housing and Scale

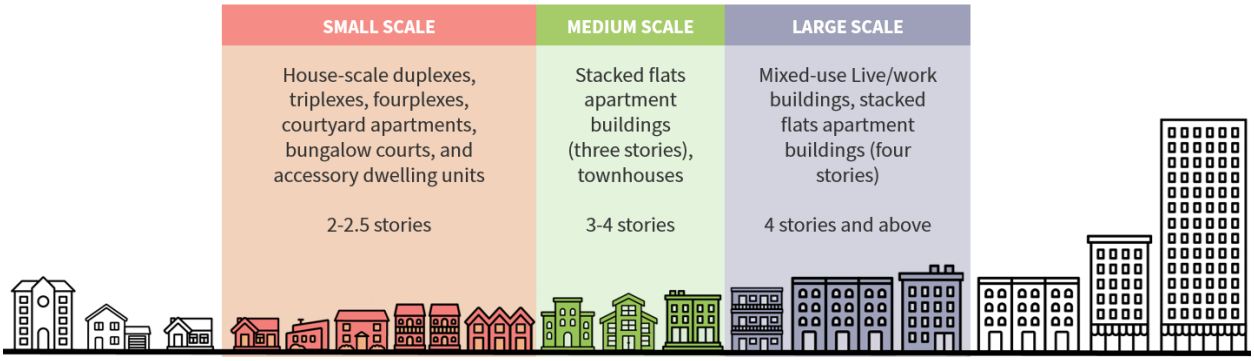

Figure 1 Attainable Housing Scales and Typologies

"Attainable housing" is a broad umbrella term that encapsulates both house-scale Missing Middle, as well as larger-scale housing products that will provide more housing choice along Montgomery County's transit corridors.

A critical element of attainable housing is the existence of housing units at a variety of scales. Figure 1 depicts three distinct scales on a spectrum:

- **Small scale**: 2- to 2.5-story duplexes (structures with two dwelling units), triplexes (three dwelling units), quadplexes (four dwelling units),[2] and accessory dwelling units
- **Medium scale**: 3- to 4-story stacked flats, small apartment buildings, and small townhouses
- **Large scale**: 4 or more story mixed-use live/work buildings, stacked flats, and small apartment buildings

On either end of the attainable housing spectrum, you find structures that are similar to those just beyond the spectrum. For small scale, these include traditional Missing Middle types, which are house-scale and include housing products like duplexes and other structures that are similar in scale to the single-family homes to the left. Likewise, on the right, the large scale looks very similar to some structures that are outside the attainable housing spectrum. The difference being that those outside the spectrum are large four-story and above townhouses, whereas those classified as large scale attainable housing types are stacked flats, with two-or-three units in each column.

Locationally, these scales fit in different neighborhood contexts in Montgomery County. The small scale housing typologies, which are envisioned as house-scale, are ideal for the interior of single-family neighborhoods at heights of 2-2.5 stories. The medium scale housing typology is envisioned to play an important initial role in transforming the county's transit corridors, at up to 3-4 stories in height. The large scale housing typologies represent the ultimate vision of transit corridors, but will be undertaken as part of comprehensive corridor plans and may require new approaches to zoning.

[2] Throughout this report the term multiplex is used to collectively refer to triplexes and quadplexes.

Using the recommended scales helps explain the roles and the different contexts for the various housing types within the attainable housing spectrum and allows for solutions that are not simply "one-size-fits-all." With these three distinct scales of attainable housing come three corresponding sets of recommendations that regulate different aspects of attainable housing, and provide a detailed strategy for how and where the recommendations will be implemented.

Market conditions vary throughout the county, and as currently defined for this effort and for *Thrive Montgomery 2050*, attainable housing is geographically-sensitive market-rate housing that is generally more affordable due to its smaller size, making it difficult to have a single target income range for the entire county. Thus, attainable housing is less about housing for a particular income range, and more about integrating the types and sizes of housing that would be affordable to more households within the context of each individual neighborhood.

The term attainable housing also presents a departure from using the term "missing middle" housing, as was used in previous planning initiatives. Missing Middle housing is 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 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.

The Planning Board recognizes that attainability is a new concept for both Montgomery Planning and the housing policy world. Attainability is used in recognition that our housing needs go beyond a sole focus on affordability but also include, type of housing, location of housing, size of housing, and tenure. **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. These types tend to be smaller and more affordable than the typical new detached home in that neighborhood.**

Using the term "attainable housing" makes sense in this context of providing types of housing beyond house-scale Missing Middle housing and diversifying residential building types while increasing housing choice. While the term "attainable housing" is new to both Montgomery Planning and the community, education, and consistent term usage will support increased awareness and understanding of the term. Planning Staff has already created a website with FAQ and an explainer in English and Spanish to educate the community on the topic and will continually work to develop materials to educate the community on the definition and use of the term.

Goals

While the overarching purpose of the AHS initiative is to increase the diversity of housing options across more of Montgomery County, three main goals emerged for the initiative based on Montgomery Planning's previous work, a study of current planning best practices, and conversations with stakeholders:

- 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.

Increasing Equitable Access to Housing

At the root of the AHS initiative is an effort to make communities more equitable and more inclusive by countering the historically exclusionary aspects of zoning. Zoning determines what can be built where and consequently limits housing options in certain neighborhoods. Limiting housing options also limits who has access, especially economic access, to different neighborhoods, which has led to neighborhoods that are homogeneous racially, ethnically, and economically.

Discriminatory lending practices and restrictive covenants have also led to deep disparities in wealth and homeownership. Making homeownership more attainable – with more equitable, mixed-income neighborhoods – is one way that the county can work to reverse existing historical inequities.

Montgomery Planning recognizes and acknowledges the role that its plans and policies have played in creating and perpetuating racial inequity in Montgomery County. The department has a long history of land-use decisions that created exclusionary neighborhoods and formed barriers to resources and opportunities for people of color and other disadvantaged persons. Given how deeply entrenched exclusionary development patterns are in suburban counties like Montgomery County, countering these spatial patterns is not an easy task. Critical to this effort is reassessing the county's longstanding development pattern of exclusively single-family neighborhoods. Revisiting land use and zoning is also integral to implementing the county's 2019 Racial Equity and Social Justice Law and Montgomery Planning's Equity in Planning effort.

Improving Affordability of Housing

Housing has become less affordable in all parts of Montgomery County. In 2023, the average detached home sales price was $968,522 – an increase of three percent from the 2022 average. This was not a outlier, as year-to-date in 2024 (January through April) the average detached home sales price has increased by approximately $50,000 to over $1,000,000.[3]

[3] Source: MRIS/Bright MLS

While the COVID-19 pandemic has highlighted the growing demand for housing in Montgomery County, the decline in housing affordability has been occurring for decades. In all zip codes in Montgomery County, home prices have increased above the rate of inflation and outpaced income growth since the mid-1990s. Using a few basic assumptions,[4] Planning Staff found that the typical house value in neighborhoods all across the county and the estimated incomes required to afford these homes has risen dramatically in the last 25 years. Neighborhoods that were once considered relatively affordable are now only affordable to households earning well above the median income.

Table 3 demonstrates the change in affordability from 1996 to 2019 for four county zip codes. Appendix G provides the same data for all county zip code. It shows what the value of the typical 1996 home in the zip code would have been in 2019 had home values simply increased at the rate of inflation. It then shows how much income a household in 2019 would have needed to earn in order to comfortably afford that 1996 typical home – both as a percent of **county median income (CMI)** and in dollars. The table also shows the approximate percent of county households in 2019 that earned that much income. The table then shows, for each of those zip codes, what the actual typical home value was in 2019 and the corresponding income levels needed to afford those typical homes and what percent of county households earned at least that amount of income. For example, in Silver Spring (20910) if house values had increased at the pace of inflation from 1996 to 2019, households earning 61 percent of the CMI could comfortably afford the typical home in the zip code. Seventy-one percent of county households in 2019 would have earned enough to afford that typical 20910 home. Instead, in 2019, households had to earn 107 percent of the CMI to afford the typical home in that neighborhood. Less than half – approximately 47 percent – of county households earned enough in 2019 to afford the typical home in the 20910 zip code.

	Inflation-only home value 1996 to 2019				Actual home values in 2019			
	Typical Home Value	Affordable to Households Earning		Approx. % of County Households Earning This Income	Typical Home Value	Affordable to Households Earning		Approx. % of County Households Earning This Income
Silver Spring (20910)	$359,871	61% of CMI	$67,152	71%	$630,354	107% of CMI	$117,625	47%
N. Bethesda (20852)	$414,069	70% of CMI	$77,266	66%	$647,064	109% of CMI	$120,743	46%
Bethesda (20817)	$665,267	112% of CMI	$124,140	45%	$1,011,842	171% of CMI	$188,811	27%
Chevy Chase (20815)	$747,078	126% of CMI	$139,406	40%	$1,243,894	210% of CMI	$232,112	<20%*

* Data for incomes earned within the top quintile of earners (which began at $218,291) cannot be interpolated.

Table 3 Changes in attainability between 1996 and 2019 for select zip codes. (Sources: Zillow, U.S. Census American Community Survey 1-year Estimates (2019), Montgomery Planning)

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

Inflation-Only Housing Unaffordability Index 1996-2019

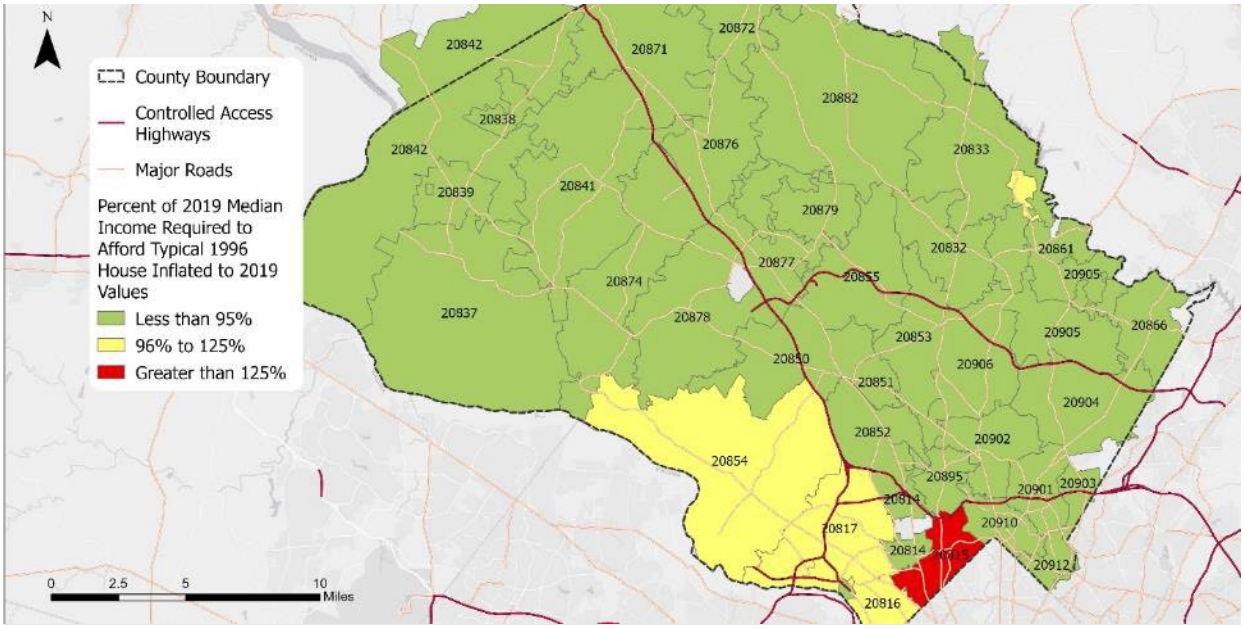

Figure 2 Ratio of countywide 2019 median income to income required to afford the typical valued typically valued house in each zip code if home values had increased from 1996 to 2019 at just the pace of inflation.

Actual Housing Attainability in 2019

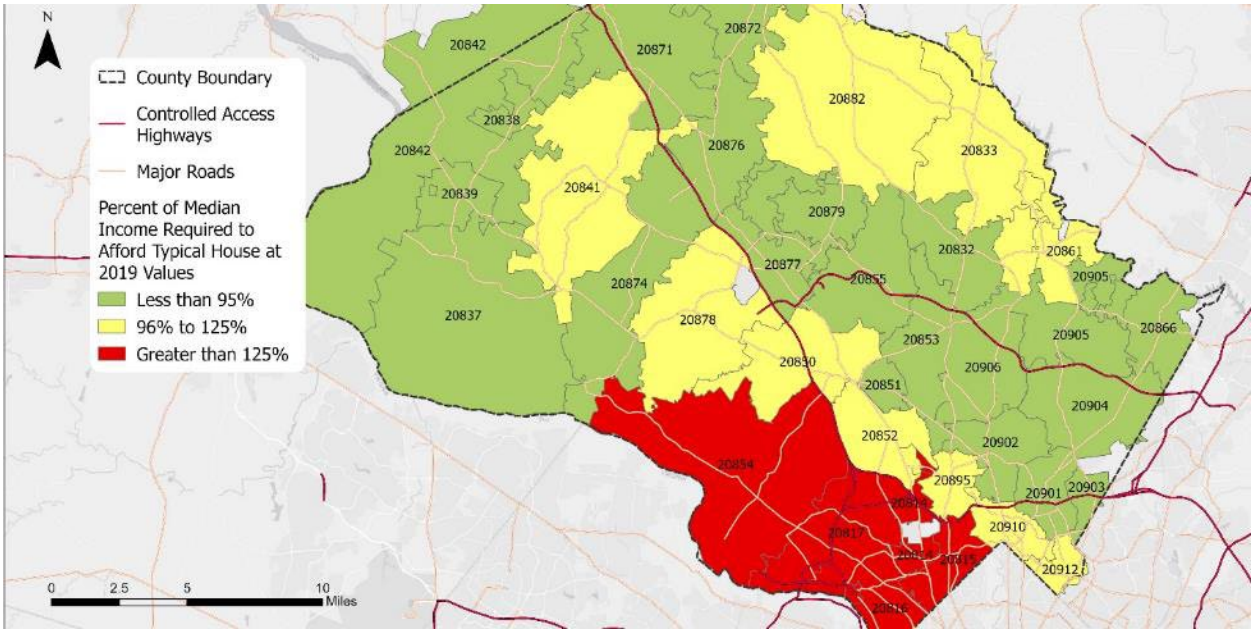

Figure 3 Ratio of countywide median income to income required to afford the typical valued home in each zip code in 2019.

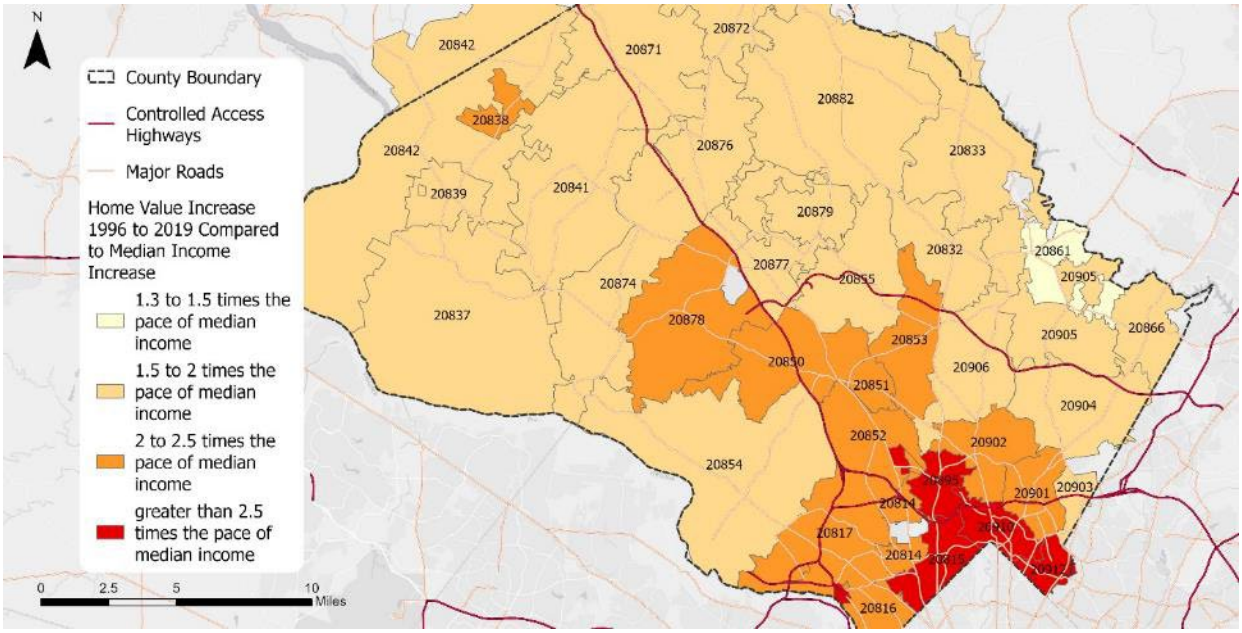

Figure 4 Housing Unaffordability Ratio

These trends provide tremendous benefits to current landowners who increase their wealth as home values surge, while also representing a correspondingly growing barrier for potential future homeowners.

Montgomery County's single-family neighborhoods are becoming less and less attainable to households without high incomes or the privilege of generational wealth. Maintaining the status quo will only exacerbate these trends.

If the trends are not addressed, the disparities between those who can and cannot afford to buy a home in the county will continue to grow. Given the historical inequities associated with homeownership, those disparities will continue to segregate Montgomery County communities along racial, ethnic, and economic lines. Therefore, these trends highlight the scale of the housing crisis in Montgomery County, and the overwhelming need to enact the Attainable Housing Strategies recommendations. Equally important is implementing the wide-ranging policies of *Thrive Montgomery 2050* that address many other aspects of housing, including increasing housing production generally, producing more income-restricted affordable housing, and pursuing housing preservation tactics.

Recommendations

Small Scale Attainable Housing

For small scale attainable housing, the Planning Board recommends zoning modifications that would allow duplexes, triplexes, and quadplexes to be developed by-right under the standard method of development in zones that predominantly consist of single-family detached houses.

Geographic Applicability

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-40, R-60, R-90, and R-200 zoning blocks across the county;[5]
- triplexes in all R-40, R-60, and R-90 zoning blocks across the county, and in R-200 within the Priority Housing District (see below); and
- quadplexes in the R-40, R-60, R-90, and R-200 zoning blocks within the Priority Housing District.

In all the above cases, the Planning Board recommends allowing the given housing type by-right, with conformance to a Planning Board-approved pattern book that will provide clear and objective form-based standards.

The Planning Board recommends permitting duplexes throughout the R-200-zoned areas and but to limit triplexes and quadplexes to just the Priority Housing District areas of R-200 zones.

Table 4 identifies the average lot sizes for each of the zones under consideration. Although the R-200 zone requires a minimum lot size of 20,000 SF, the average lot size is 19,000 SF because the current optional methods of development allow lots as small as 6,000 SF for a detached home in the R-200 zone. In fact, over 70 percent of R-200 lots today are below the standard minimum.

[5] Duplexes are an existing permitted use in the R-40 zone.

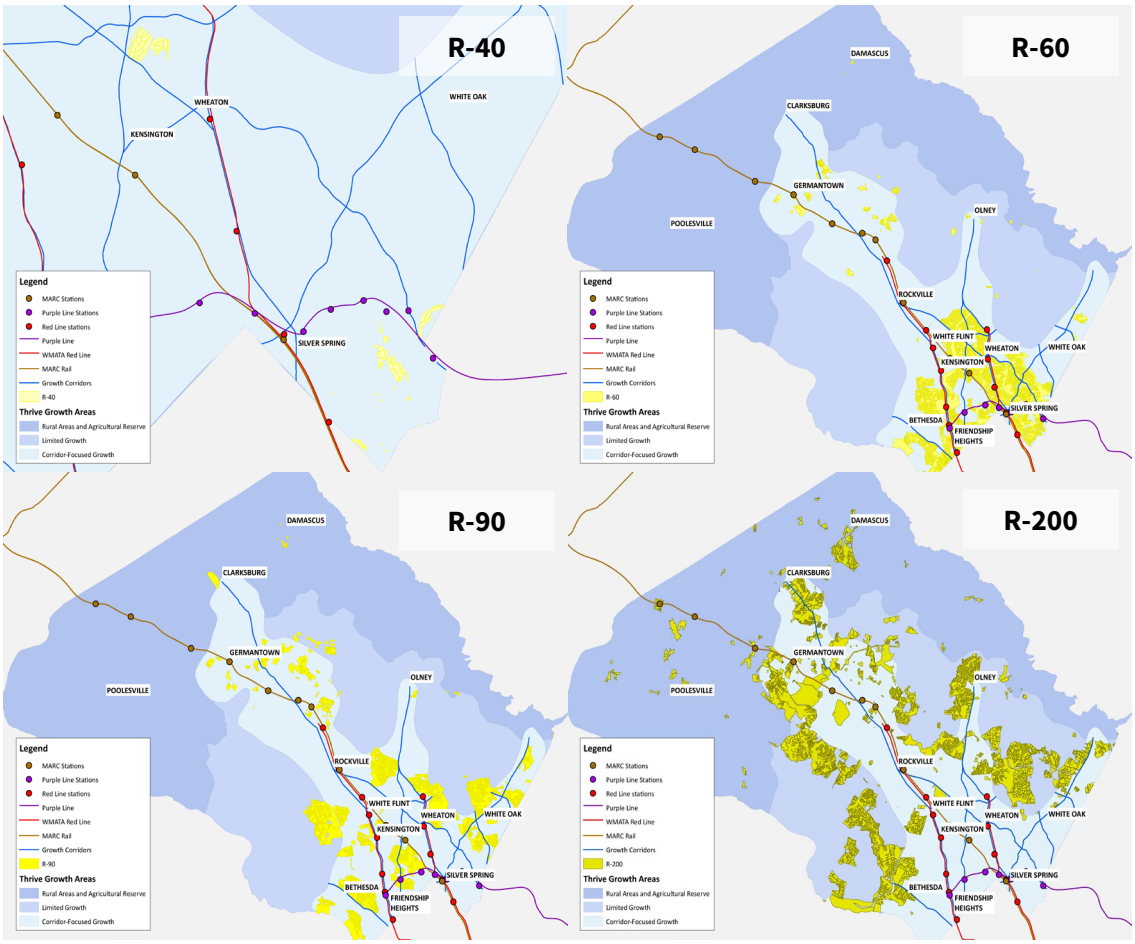

Figure 5 Maps showing the location of properties zoned R-40, R-60, R-90 and R-200 relative to the growth tiers identified in Thrive Montgomery 2050

Undersized Lots

Planning Staff evaluated all of the residential lot sizes in the R-60, R-90, and R-200 zones to determine how many sub-standard (undersized) lots exist in the Residential Detached Zones, and in particular, the R-60 zone where the lot sizes are generally the smallest. Based on SDAT data, the following histograms shows the distribution of lot sizes. Minimum lot sizes are 6,000 SF in R-60, 9,000 SF in R-90, and 20,000 SF in R-200. In the following graphs, the bars shown in green represent the number of sub-standard lots in the R-60, R-90, and R-200 zones, whereas blue represents lots sizes that meet or surpass the minimum lot area.

Zone	Average Lot Size	Minimum Lot Area	Number of Undersized Lots	Percent Undersized	Average Undersized Lot Size
R-60	8,000 sf	6,000 sf	10,623	18%	5,400 sf
R-90	12,000 sf	9,000 sf	6,352	21%	7,700 sf
R-200	19,000 sf	20,000 sf	32,149	72%	12,600 sf
Total			49,304	37%	

Table 4 Lot Area by Zone Analysis

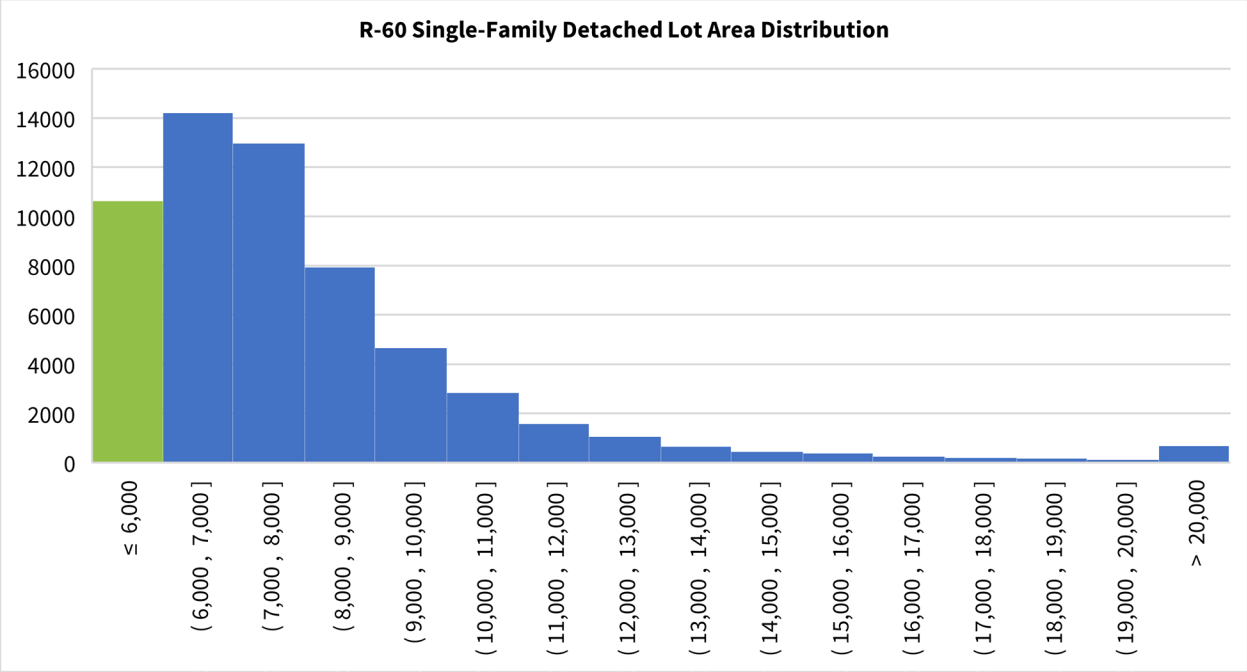

Figure 6 R-60 Lot Area Distribution

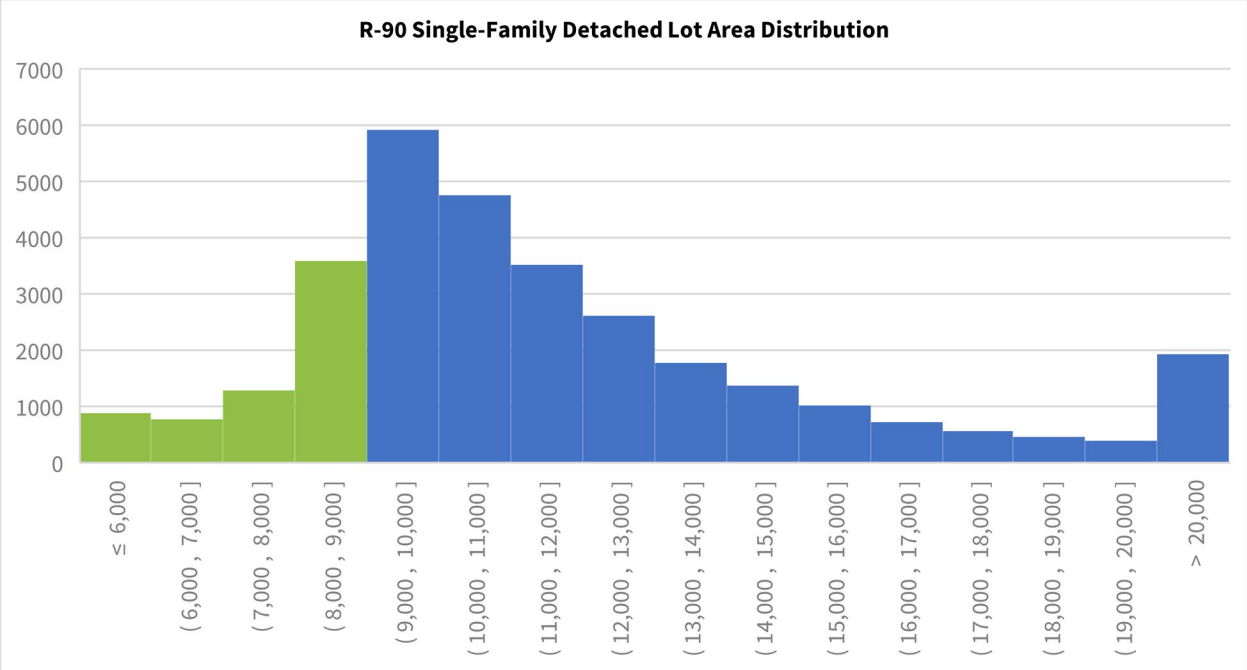

Figure 7 R-90 Lot Area Distribution

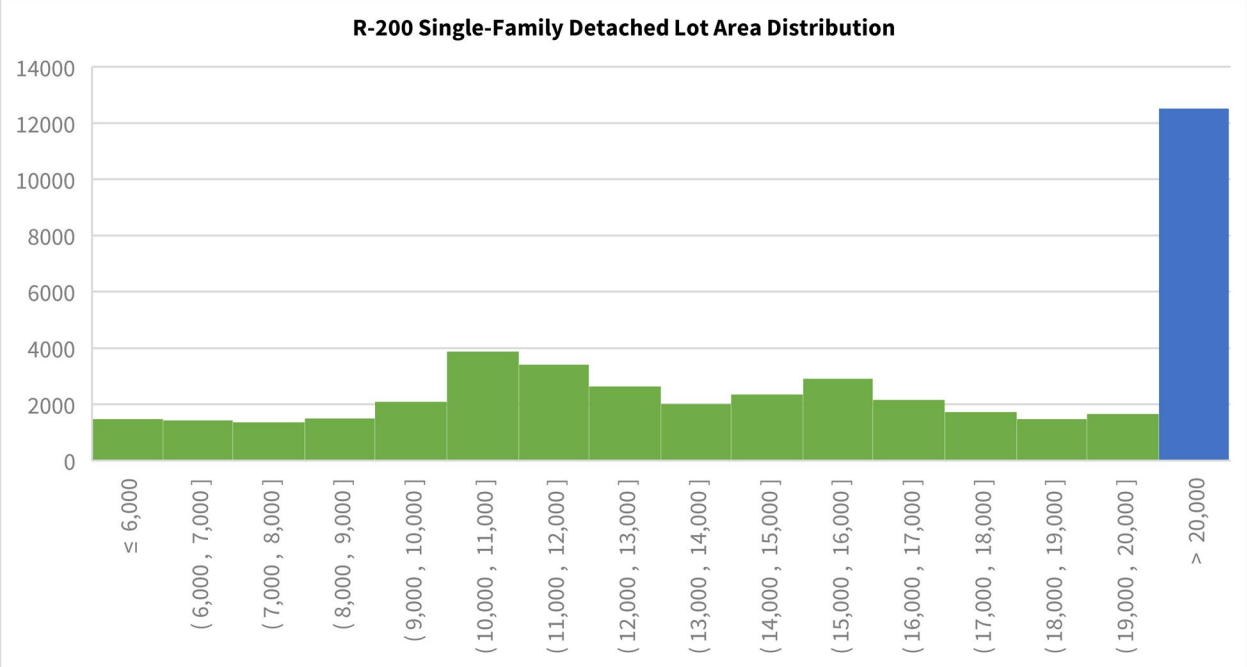

Figure 8 R-200 Lot Area Distribution

As shown in Table 4, there are approximately 49,000 undersized lots throughout the R-60, R-90, R-200 zones, this represents only 37% of the total. Furthermore, the majority of the undersized lots are located in the R-200 zone, where the optional method of development is the predominant type of development and allows lot areas as low as 6,000 SF. While most are substandard, they are still large enough to accommodate duplexes, triplex, and quadplexes, as shown in Figure 9.

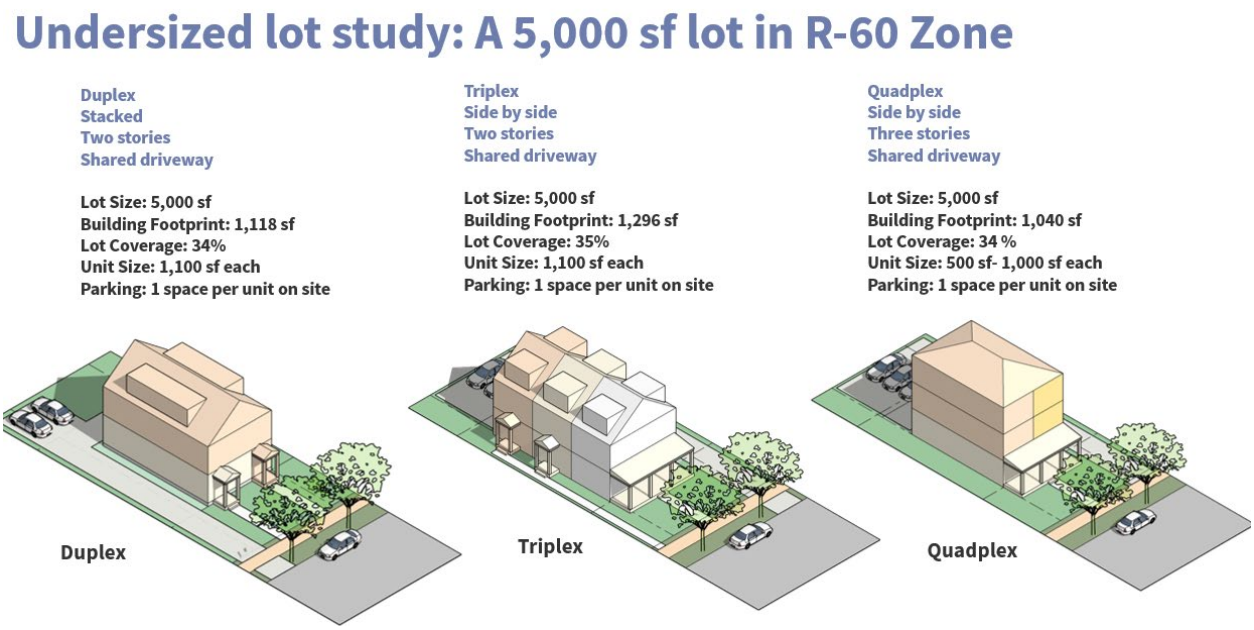

Figure 9 Undersized Lot Study

Priority Housing District

The Planning Board recommends establishing the Priority Housing District, as the part of the county in which quadplexes would be allowed and parking requirements would be reduced. Additionally, in the R-200 zone, triplexes would also be permitted. The Board recommends defining the Priority Housing District using a straight-line buffer of one mile from Red Line, Purple Line, and MARC rail stations,[6] plus 500 feet from a Growth Corridor identified in *Thrive Montgomery 2050*.

[6] This station buffer is consistent with the reduced parking requirements currently allowed for Accessory Dwelling Units.

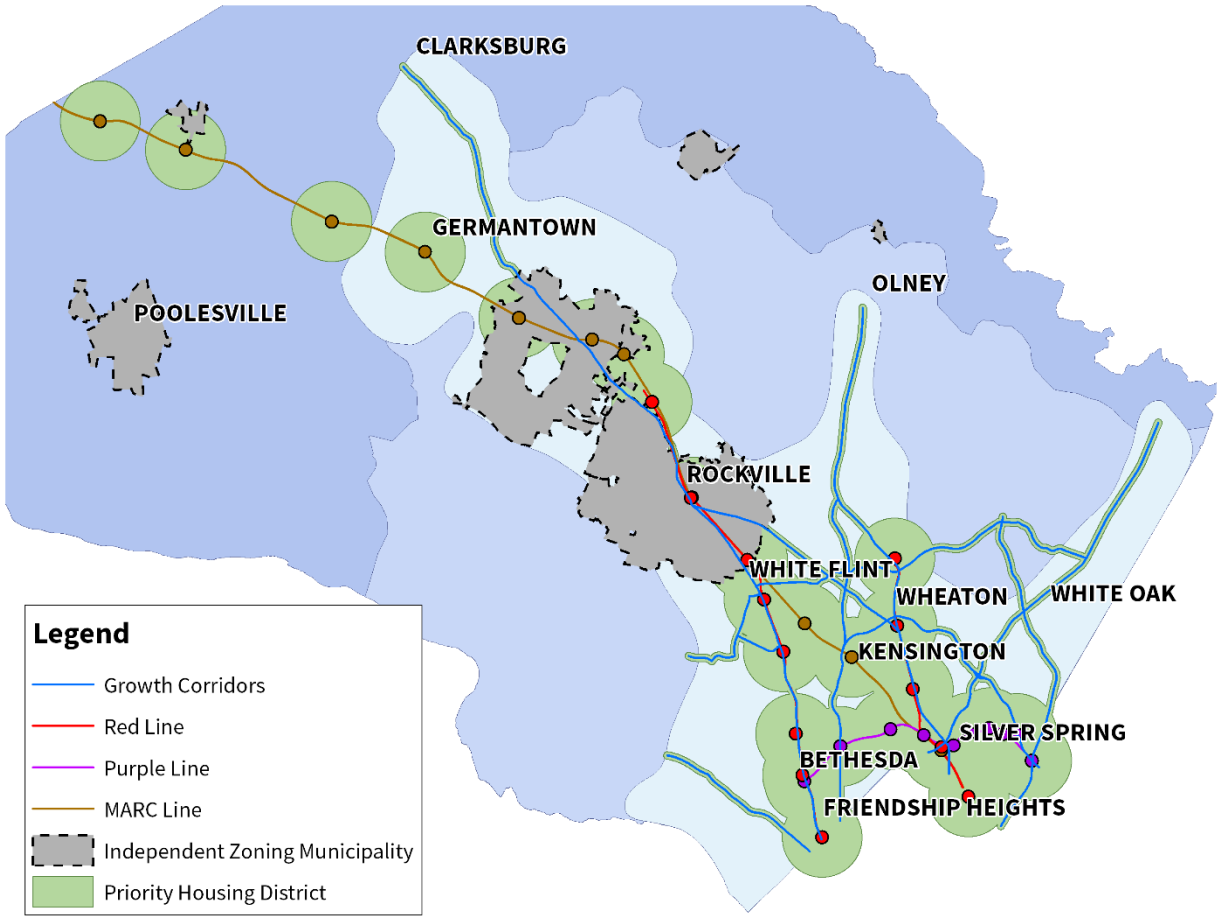

Figure 10 Map of the Priority Housing District

Building Types and Use Standards

Every built use is defined by two components within the zoning ordinance: the actual use itself, which is discussed through the use standards under Section 3 of the zoning ordinance; and the building type the use is within, which is detailed under Sections 4.1.3 to 4.1.6.

Building Types

Building types describe the physical form of the building within which a use can exist. The zoning code identifies allowed building types based on the underlying zone. Sections 4.1.3 and 4.1.4 describe the building types allowed within various Agricultural, Rural Residential, and Residential zones. Sections 4.1.5 and 4.1.6 discuss the building types allowed by Commercial/Residential, Employment, and Industrial zones. The Planning Board recommends adding a new building type in Sections 4.1.3 and 4.1.4 for three-unit (triplex) and four-unit (quadplex) living called a "multiplex" and making follow-up modifications to the definitions for the townhouse and apartment building types to avoid any overlap with the multiplex building type.

Section 4.1.3, Building Types in the Agricultural, Rural Residential, and Residential Zones, currently allows and defines the following building types:

- **Detached House or a Building for a Cultural Institution, Religious Assembly, Public Use, or Conditional Use allowed in the zone:** A detached house is a building containing one dwelling unit that may contain ancillary nonresidential uses, such as a Home Occupation or Family Day Care. A Building for a Cultural Institution, Religious Assembly, Public Use, or a Conditional Use allowed in the zone is a building that accommodates only a Cultural Institution, Religious Assembly, Public Use, or an approved conditional use allowed in the applicable zone under Article 59-3, Uses and Use Standards. This building type includes buildings used for agriculture associated with Farming.
- **Duplex:** A duplex is a building containing two principal dwelling units that may contain ancillary nonresidential uses, such as a Home Occupation or Family Day Care.
- **Townhouse:** A townhouse is a building containing three or more dwelling units where each dwelling unit is separated vertically by a party wall. A townhouse may contain ancillary nonresidential uses, such as a Home Occupation or Family Day Care.
- **Apartment Building:** An apartment building is a building containing three or more dwelling units vertically and horizontally arranged. An apartment may contain up to 10 percent of the gross floor area as Retail/Service Establishment uses, otherwise it is a multi-use building.

The Planning Board recommends that a new type, called a **multiplex**, be established as follows:

- **Multiplex:** A multiplex is a building containing three or four principal dwelling units where each dwelling unit has discrete access and is fully separate from the other units. Multiplexes may have the units arranged horizontally, vertically, or a combination of the two. A multiplex may contain ancillary nonresidential uses, such as a Home Occupation or Family Day Care. A three-unit multiplex is also known as a triplex, and a four-unit multiplex is also known as a quadplex. A building is not a multiplex if it otherwise meets the definition of a townhouse.

The Planning Board finds it more straightforward to create one new building type to cover both the triplex and quadplex development rather than to create two unique building types. Other portions of the zoning ordinance, such as the use standards, can distinguish where triplexes and quadplexes are each appropriate. The definition of multiplex specifies that buildings that otherwise meet the definition of a townhouse (four or more units linearly arranged) is a townhouse and not a multiplex. The multiplex building type would also be utilized in the recommended Attainable Housing Optional Method (see the Medium Scale Attainable Housing recommendations section), and in updates to the existing MPDU and Cluster optional methods (see the Additional Recommendations section). In addition to creating the new multiplex building type, the Board recommends amendments to the definitions of the townhouse and apartment building types:

- **Townhouse:** A townhouse is a building containing ~~3~~ 5 or more dwelling units where each dwelling unit is separated vertically by a party wall. A townhouse may contain ancillary nonresidential uses, such as a Home Occupation or Family Day Care.
- **Apartment Building:** An apartment building is a building containing ~~4~~ 5 or more dwelling units vertically and horizontally arranged. An apartment may contain up to 10 percent of the gross floor area as Retail/Service Establishment uses, otherwise it is a multi-use building. An apartment building with 19 or fewer dwellings is also known as a small apartment building.

The amended definition for townhouse is to provide clarity that any three or four-unit attached structure would be a multiplex building, regardless of how the units are arranged. These distinctions

become important because this study recommends multiplex buildings by-right under the standard method of development in certain residential zones, but not townhouses.

The change in the apartment building type definition is to clarify that buildings with fewer than five units would be considered a multiplex. Also defining apartment buildings with 19 or fewer units as a small apartment building is important because small apartments are allowed as a building type within the new Attainable Housing optional method in the Planning Board's medium scale attainable housing recommendations.

Use Standards – Defined

The other component within the zoning ordinance that contributes to defining a use is the applicable set of use standards. The specific use standards that would be amended for the small scale attainable housing are under Section 3.3.1 Household Living. The existing use standards under Household Living include:

- **Single-Unit Living.** Single-Unit Living means one dwelling unit contained in a detached house building type.
- **Two-Unit Living.** Two-Unit Living means two dwelling units contained in a duplex building type.
- **Townhouse Living.** Townhouse Living means 3 or more dwelling units in a townhouse building type.
- **Multi-Unit Living.** Multi-Unit Living means dwelling units in an apartment or multi use building type. Multi-Unit Living includes ancillary offices to manage, service, and maintain the development.

The Planning Board recommends modifying the definitions under Section 3.3.1, Household Living for Townhouse living to 4 or more dwelling units in a townhouse building type and adding the multiplex building type to the definition of multi-unit living:

- **Townhouse Living.** Townhouse Living means ~~3~~ 5 or more dwelling units in a townhouse building type.
- **Multi-Unit Living.** Multi-Unit Living means dwelling units in a multiplex, apartment or multi use building type. Multi-Unit Living includes ancillary offices to manage, service, and maintain the development.

The modification to the definition of Townhouse Living use is straightforward and consistent with the building type change making a townhouse five or more units rather than three or more. The modification to the Multi-Unit Living use is to clarify that a multiplex would be included under the definition of Multi-Unit Living. The Planning Board recommends including multiplexes as multi-unit living because from a technical standpoint there is no clear distinction in use as it is a residential dwelling unit that is attached to other dwelling units in a form that does not meet the townhouse definition. This is true regardless of whether there are three or 300 units in a building. What makes the multiplex unique is the scale and form of the building type itself which is defined separately.

Use Standards – Limited Uses

Within the use standards Section 3.3.1 Household Living is a set of specific standards that apply if the use is identified in the use table (Section 3.1.6) as either a limited use or a conditional use. To

implement duplexes and multiplexes under standard method development in the R-40, R-60, R-90, and R-200 zones, as applicable, changes are recommended to the limited-use standards for the two-unit living and the multi-unit living limited-use standards.

Two-Unit Living

The Planning Board recommends adding new limited-use standards for two-unit living to permit it by-right in the R-60, R-90 and R-200 zones with conformance to a pattern book. The existing limited-use standards for Two-Unit Living within these zones limited the use to only the optional methods of development. The only requirement of the updated limited use standards is that two-unit living be permitted by-right, with new construction requiring conformance to a Planning Board-approved pattern book. The modified text to implement this change in the zoning code can be found in Section 3.3.1.C in Appendix H.

Multi-Unit Living

The Planning Board recommends adding new limited-use standards for Multi-Unit Living to allow it by-right anywhere in the R-90, R-60 and R-40 zones, if built as a multiplex building type with three units, or within the Priority Housing District with up to four units and conforming to the Planning Board-approved pattern book. Multi-Unit living would also be allowed as a limited use in the R-200 zone, for up to four units in a multiplex building type if within the Priority Housing District. Other Residential zones outside of the R-200, R-90, R-60 and R-40 zones, new use standards should limit the application of multi-unit living to the multiplex building type under an optional method of development. As a result, Multi-Unit Living would be allowed as a limited use across most residential zones.

Rules for All Zones

The Planning Board recommends modifying the rules for the Agricultural, Rural Residential, and Residential Detached zones to clarify that only one principal structure for a detached house, duplex, or multiplex building may be built per lot. Under Section 4.1, Rules for All Zones, is subsection 4.1.2, Compliance Required, which generally sets the overarching zoning rules that require land alterations to follow the zoning and that all new buildings must be located on a recorded lot unless exempt. Subsection C limits the lots in Agricultural-, Rural Residential- and Residential Detached-zoned land to one detached house. The Board is recommending expanding this to include duplex or multiplex buildings consistent with the changes recommended through the AHS initiative. The recommended changes to this section of the code can be found in Appendix H.

Changes to Elements of the Standards Tables

While each unique zone's standards table details are specific to that zone, there are many elements that are being recommended for change that apply to multiple or all zones. The following sections will highlight the major changes to the format of the standards tables for the standard method of development within the residential zones, starting from the top of the table and working to the bottom.

Building Types

The Planning Board recommends modifying the building types in the standard method of development standards tables to include columns for duplex and multiplex buildings in the R-200,

R-90, R-60 and R-40 zones. The building types that are being added or modified to the standards tables are discussed in more detail below.

Duplex: In certain zones, particularly in the R-40 zone (and in the Townhouse, Multi-Unit, and CR zones), the duplex is currently described as two unique building types; Duplex – Side, or a Duplex – Over. However, in other residential zones the duplex does not have those qualifiers. The intent appears to imply that an "over," or "stacked" duplex would be situated on a lot twice the size of the horizontal duplex, ensuring that stacking was not a way to increase density. Due to changes the Planning Board is recommending to the development standards table in how minimum lot and tract sizes are measured, it recommends that there only be one set of duplex standards, without side and over qualifiers, in any zone where duplex is allowed.

Multiplex: In any zone where the multiplex is proposed, the multiplex building would be added to the corresponding development standards table. Regardless of whether the multiplex is a triplex or a quadplex, the development standards across all multiplex buildings would be the same.

Figure 11 demonstrates how the standard method development standards tables would be updated for the R-200, R-90 and R-60 zones to include new columns for duplex and multiplex building types.

Site and Lot

The development standards tables in the zoning ordinance are broken down into multiple sub-sections grouped together by similar types of standards. Within the R-40, R-60, R-90 and R-200 zones, the first section is currently called "1. Lot and Density" but the Planning Board recommends that it be renamed "1. Site and Lot." Within the Site and Lot section, certain development standards would be added, and others removed. In addition to renaming the first section, the Board also recommends appropriate standards for the duplex and multiplex building types, which can be found in the zoning modifications in Appendix H. The Planning Board's recommendations pertaining to the content and structure of the development standards tables for the R-40, R-60, R-90, and R-200 zones are shown in Figure 11.

	Detached House or a Building for a Cultural Institution, Religious Assembly, Public Use, or a Conditional Use allowed in the zone	**Duplex**	**Multiplex**
1. ~~Lot and Density~~ Building Site and Lot			
Building Site			
Building Site Area (Min)			
~~Site Area (Max)~~			
Building Site width at front building line			

Lot (min)			
~~**Lot area per unit**~~			
~~**Lot width at front building line**~~			
Lot width at front lot line			
Frontage on street or open space			
~~**Density**~~			
~~Density (Units/Acre)~~			
Coverage (max)			
~~Lot~~ Building site			
Specification for Building Site and Lot ~~and Density~~			

Figure 11 Proposed updates to standards tables

Building Site Standards

As shown in Figure 11, the Planning Board recommends modifying the Lot and Density standards to instead be Building Site and Lot standards. These standards would apply to all building types. A Building Site is all the land associated with any one duplex or multiplex building type and may include one or multiple lots within it. Only one building would be allowed per Building Site. The Building Site standards include setting minimum Building site area equal to the current minimum size required for a lot for a detached house in the underlying zone and minimum Building Site width at front Building site line standard also equal to the current minimum lot width at front Building line. These new site standards are necessary to enable duplex and multiplex buildings to be built either as condo/co-op style with one commonly owned structure and lot, or as individual ownership with subdivided lots for each unit. Individual lots for units within a duplex or multiplex building can be created at whatever size is practical for each dwelling within the Building Site area. The standards for Building Site area and Building Site width at front building line help with duplex and multiplex compatibility retaining existing building placement patterns.

Density Standards

The Planning Board recommends removing density as a development standard within the R-40, R-60, R-90 and R-200 zones. The density rows only served as a quick way to gauge how many units per acre were allowed, based on the minimum lot size for the detached dwelling. Allowing duplexes and multiplexes also allows an increase in the actual density on a units/acre measure, making the metric less useful. Development standards such as building height, setbacks, and lot coverage provide a more practical way to regulate development within the different zones, as these standards are what ultimately regulate the built form of the neighborhoods.

Specifications for Site and Lot

The Planning Board recommends adding a new specification for site and lot that provides flexibility for existing undersized lots to still pursue house-scale attainable housing. At the end of most sections within the standards tables is a "Specifications" section, which includes footnotes on how to interpret the table or special standards that may be applied. There are some existing specifications that will remain unchanged; however, two new specifications are recommended to address the creation of duplex and multiplex buildings on existing substandard sized lots or parcels, and to allow for the creation of lots without frontage, so long as the lot is for a duplex or multiplex building and the Building Site has frontage.

The following new specifications are recommended:

a. Building Site-area minimum for duplex and multiplex building types may be smaller than required if the project is on an existing residential lot eligible for a building permit under Section 7.7.1.D.1..
b. Lots for individual dwelling units in a duplex or multiplex building may be approved without frontage if the Building Site has adequate frontage for access and the plats reflect an ingress/egress and utility easement in a way to ensure every lot has access to a public or private street.

The first specification would allow existing substandard sized lots (now Building Sites) within the R-40, R-60, R-90 and R-200 zones to accommodate and potentially subdivide for house-scale attainable housing, if the substandard sized Building Site is otherwise eligible for a detached house under today's standards.

The second specification is necessary for allowing certain lots for duplex and multiplex buildings to not require frontage on a road or open space. This recommendation is in conjunction with an amendment proposed later to Chapter 50 the Subdivision Code which would allow certain lots without frontage if the Building Site the lot is contained within has frontage, and the plat records an ingress/egress and utility easement providing each lot with necessary access to a road or open space.

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. This is defined as a new building, the demolition, and reconstruction of more than 50 percent of the floor area of an existing building, or the addition of more than 50 percent of the floor area to an existing building. The pattern book would apply to the new construction of standard method duplexes in the R-200, R-90, and R-60 zones and new construction of standard method multiplexes in the R-90, R-60, and R-40 zones. Adaptive reuse projects will not be required to conform to the standards in the pattern book, given the unique site conditions and building constraints typically involved with conversions and additions to existing

structures. Also, duplexes are already a permitted use within the R-40 zone, therefore the Board does not recommend applying the pattern book to duplexes there.

A primary goal of the pattern book is to facilitate the construction of duplexes, triplexes, and quadplexes that maintain a house-scale size and form. The pattern book will graphically illustrate the development standards for the underlying residential zones and provide multiple options for building placement and orientation, massing, frontage design, and parking layout based on a variety of lot configurations and sizes (narrow, deep, large etc.).

The form-based standards within the pattern book will ensure that duplexes, triplexes, and quadplexes contribute positively to the public realm and create safe and attractive streetscapes that are not overwhelmed by parking or that unintentionally look like small apartment buildings. The pattern book will also ensure elements like porches, stoops, and lead walks are included to create neighborly homes that encourage social interaction and do not lead to isolating community dynamics. Finally, the pattern book will help eliminate arbitrary terms such as “character” and “compatibility” from the evaluation criteria for these duplex and multiplex building types and will rather focus on specific standards that achieve these more ambiguous goals.

The pattern book will not dictate or restrict architectural styles, design choices, building materials, or colors. These creative choices will be the purview of the architect and/or homeowner. **The pattern book will provide clear regulatory guidance with some conceptual options but will not create cumbersome mandates related to design**. Thus, while allowing ample creative freedom the pattern book will provide clear guidance to the architects and/or homeowners to construct house scale duplex and multiplex building types regardless of the size of the lot.

Below is an illustration showing the development of a triplex on a typical lot found in many of the county’s neighborhoods. The first image shows the regulated buildable area, and the second image shows the “box” that can be built on the lot while adhering to typical regulatory requirements such as setbacks, lot coverage, and height. As demonstrated, the building envelope can create vastly different and potentially suboptimal results without form-based-standards. The third image shows how the addition of some minimal form-based guidance can create vastly superior outcomes.

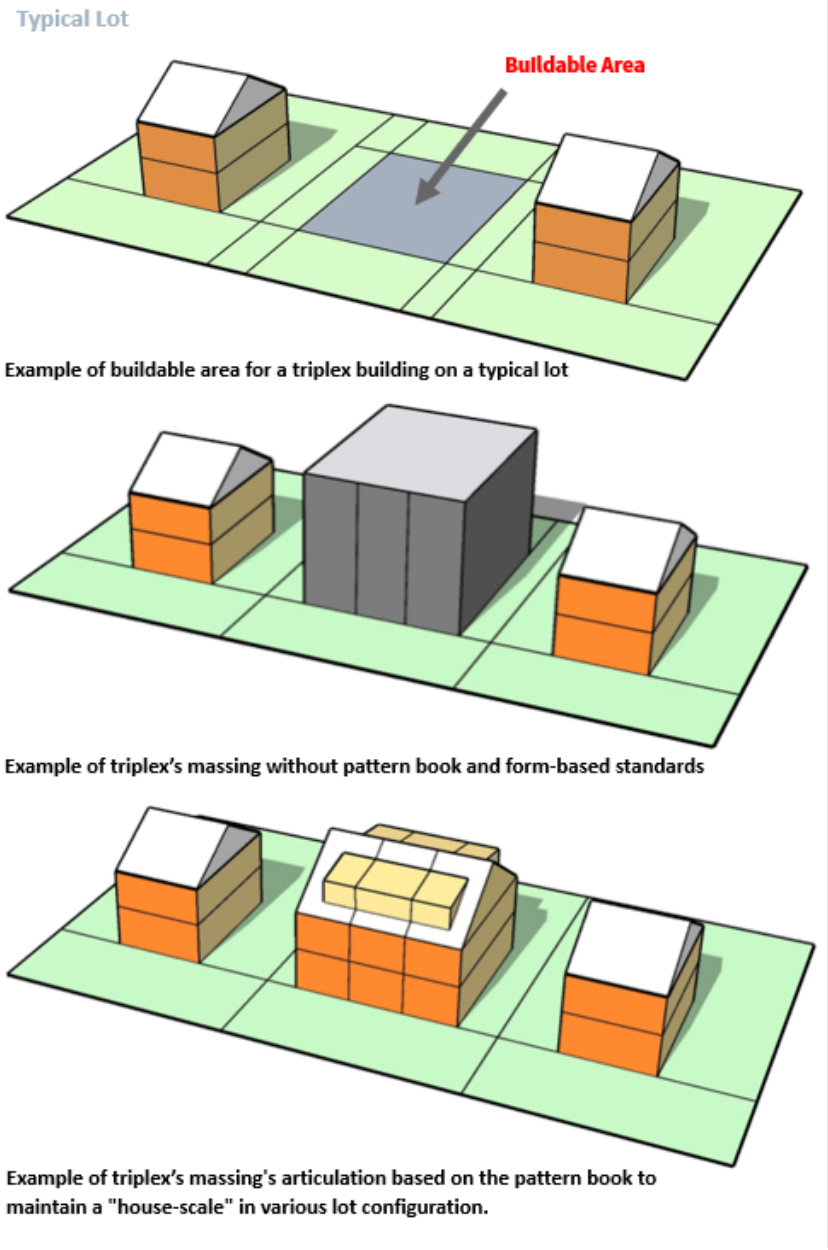

Figure 12 Images showing the value of form-based guidance provided by a pattern book for the development of triplexes on a typical lot.

The Planning Board believes that the development of house-scale attainable housing depends on five form-based standards, namely:

1. **Building Placement** – Placement of the main building and other structures on the lot, within the buildable area permitted by the zoning, setback, and/or development standards.
2. **Massing** – The size, scale, and shape of buildings on a lot, within the "box" created by the zoning standards and height restrictions. Guidance ensures buildings maintain a house-like scale and avoid large blank walls and monotonous design.

3. **Frontage Design** – Pertains to the space between the face of the building and the street. Frontage design standards ensure landscaped front yards with pedestrian-friendly entrances and help create safe and attractive streetscapes for walking and social interaction.
4. **On-Site Parking Layout** – Options for sustainable parking designs that are environmentally friendly and ensure that asphalt, car ports, and garages don't dominate the site.
5. **Neighborly House Details** – Guidance on the design and placement of elements such as porches, stoops, bay windows, balconies, sunrooms, decks etc. that provide "eyes on the street" and encourage interaction among neighbors while maintaining a residential aesthetic.

The pattern book will provide clear and objective form-based standards for duplexes, triplexes, and quadplexes with respect to each of the categories listed above. The pattern book will focus on massing and urban design standards for various building types in different horizontal and vertical configurations. Additionally, the pattern book will include multiple plan layouts for architects, homeowners, and homebuilders.

The pattern book will also provide an overview of the regulatory process, which will include details about development applications, permitting steps, and links to relevant forms. Additional guidance and information for other development related issues such as environmental considerations, safety, and off-site parking may be included in an appendix.

During the development of the Board-approved pattern book, Montgomery Planning and the Department of Permitting Services will partner to create a review process to ensure applicable development projects conform.

Completing an initial draft of the Pattern Book is estimated to take around four to six months focused on Planning Staff initial design work and inter-agency coordination, following which Planning Staff will begin to solicit public input, and make necessary revisions. The Planning Board notes that while the entire Pattern Book process may take up to a year, it could begin concurrently with the preparation of any Zoning and Subdivision text amendments. These text amendments could take six months or more to prepare and work through the legislative process, such that the delay in completing the pattern book would be substantially offset by the amount of time to complete the ZTA and SRA.

Medium Scale Attainable Housing

For medium scale attainable housing, the Planning Board recommends zoning modifications that would create a new optional method of development that would facilitate the construction of small apartment buildings and other attainable housing types along major transportation corridors.

Attainable Housing Optional Method

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. In addition to allowing duplexes, triplexes,

and quadplexes, the AHOM would be used to construct stacked flats, small townhouses, and small apartment buildings along Thrive-designated Growth Corridors.

Optional method of development is not a concept new to the AHS initiative. There are two existing types of optional methods: MPDU and Cluster development. Under the optional methods, 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. In the case of the MPDU optional method, providing additional MPDUs beyond the code-required minimum allows for a sliding scale of increased density, and the ability to provide duplexes and townhomes in zones that otherwise only allow detached houses. Under the Cluster optional method, an applicant will cluster development to minimize environmental disturbance and provide more open space in exchange for smaller lots and new housing types.

The new optional method of development would require a minimum site size and work much the same way as the existing MPDU and cluster optional methods. The attainable housing optional method would require projects to include units that are size limited[7] as a means of ensuring the development is more price attainable than it may otherwise have been. Lot sizes, setbacks, coverage and building heights would be similar to those allowed by the MPDU optional method today.

To incentivize the use of the AHOM, the eligible base density would be set higher than the underlying zone and further density bonus would be offered for projects that provide an average unit size smaller than the established average unit size (max) standard. Setting an average unit size maximum is the Planning Board's recommended way of achieving the goal of producing attainable housing. To maximize flexibility allowing some units large enough for families, the average unit size maximum would be calculated across all unit types provided in a project.

Definition and Applicability

The Planning Board recommends that the definition and description of the AHOM, which would be located under Section 4.4.2.C of the zoning ordinance, read as follows:

> **C. Optional Method Attainable Housing Development**
>
> The Attainable Housing method of development provides an optional method of development that supports the creation of a variety of dwelling unit types. The focus is to limit the size of new dwelling units to promote sizes and prices that are lower than what existing new developments generally provide. Optional Method Attainable Housing Development allows flexibility in lot layout and variety in residential building types. Density is increased above the underlying zoning in a sliding scale that incentivizes the creation of price attainable housing options. The Attainable Housing Optional Method of Development also provides a transition from more intensive land uses or density to less dense areas near existing and proposed transit infrastructure. An applicant's use of this method of development, and site plan approval for portions of such development, are subject to approval by the Planning Board.

The Planning Board recommends allowing the AHOM in the R-90 and R-60 zones on properties:

[7] Size limited by gross floor area, not by number of bedrooms.

- Within 500 feet of a *Thrive Montgomery 2050* Growth Corridor,
- recommended for the AHOM in a master plan, or
- recommended for a residential floating zone in a master plan.

The Planning Board is not recommending allowing the AHOM in the R-200 zone because much of the R-200 zone is located outside of the corridor-focused growth area identified by *Thrive Montgomery 2050* and is instead located in the limited growth area. The R-40 zone was initially considered for AHOM eligibility, however there are very few pockets of R-40 zoning in the county and only about two blocks in length where the zoning aligns with the location requirements, making the addition of standards not practical.

- 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 Board believes the AHOM should apply to sites within the R-90 and R-60 zones that are within 500 feet of one of the Thrive identified Growth Corridors.

Planning Staff created an interactive web map of AHOM options to illustrate the Growth Corridors and the parcels that would fall within a 500 foot buffer. These parcels should not be seen as an exclusive geography of where the AHOM may be eligible, since properties may be identified as eligible for the AHOM through a master plan.

Standards of Review

The standards of review recommended by the Planning Board for the AHOM are nearly identical to the other optional methods, and are shown below:

1. **Development Approval Procedure**
   a. Site plan
   Approval of a site plan application under Section 7.3.4 is required.
2. **Attainable Housing Development Across Different Zones**
   Optional method Attainable Housing Development may occur across different zones under the following limitations:
   a. The differently zoned areas must be contiguous;
   b. Uses and building types are governed by the zone;
   c. The site requirements in the optional method tables apply; density and open space must be calculated as if each area were developed individually; and
   d. The allowed number of units and required common open space may be located in any zone.
3. **Usable Area**
   Density is calculated based on gross tract area.
4. **Dedicated Land**
   Land dedicated to public use for a school or park site may be included in the calculation of the density of development if development of the remaining land satisfies Section 4.4.2.B and the optional method Missing Middle Development standards.

Elements of the Standards Tables

The Planning Board recommends basing the development standards tables for the Attainable Housing optional method off similar standards currently applicable to the MPDU optional method, with a few exceptions explained below.

Building Types

The MPDU optional method allows detached houses, duplexes and townhouses. The Planning Board recommends allowing these same building types under the AHOM along with multiplexes and small apartments. The Board believes there is a place in AHOM developments for small apartment buildings with 19 or fewer units. While small apartment buildings are larger than house-scale, they still are not close to the massing seen in modern apartments and are appropriate for locating adjacent to our major corridors where the AHOM is allowed. This is also why the AHOM is considered a medium scale type of attainable housing and why the optional method is limited to only along the major corridors.

Site Standards

The first section of the AHOM development standards table pertains to site standards. The Planning Board recommends that the section includes the same standards categories as the MPDU optional method (maximum density, minimum open space, and maximum site coverage).

Maximum Density

Density as a development standard is recommended to be kept as part of the AHOM. For the standard method of development, the Board agreed to remove density from the standards table in favor of maintaining other development standards, however the Board recommends using a density measure for the optional method standards to remain consistent with how the other optional methods are treated. The shortcomings of not being able to effectively measure density within a community that has scattered property owners converting single detached properties into duplex or multiplex buildings do not exist in a development application with multiple structures and site plan review.

The recommended base densities for the AHOM vary based on the underlying zone and are based on gross tract area:

- **R-90 zone**: 10 units/acre
- **R-60 zone**: 13 units/acre

The origin of these numbers is the existing density (rounded up to a whole number) that is allowed in the standard method of development for the Townhouse Low Density (TLD) and Townhouse Medium Density (TMD) zones respectively. The Townhouse Zones were used as a reference for a couple reasons. First, the Townhouse Zones already are the closest existing zones that have allowed building types and lot sizes that capture the vision of attainable housing (although their presence in the county is limited and there are no provisions to ensure the resulting units are actually attainable). Second, consultation Planning Staff had with Opticos Design and other literature review suggested targeting development densities in the low teens of units/acre as the ideal target measure for the desired attainable housing. Last, the Board considered the density achieved by existing townhouse developments in or near the corridors eligible for the AHOM to understand what is being achieved today using townhouse zones or mixed-use zones. This may look like a large increase in density from what is available today in these residential zones, however being an optional method of development,

there is a policy benefit tied to this density – smaller more attainable housing units, which will be discussed more in the "Dwelling Unit Size" section below. While the densities of 10 and 13 units an acre do not seem dense when thinking about attached dwellings, it is important to note that density for many developments, including that proposed with AHOM, is based on the gross tract area, and includes any areas of current, or previous dedication. This will allow many AHOM projects to claim density from a portion of the right-of-way adjacent to the site, raising the 'net' density of the tract between 30 and 50%.

The AHS recommendations include a density bonus provision, similar in concept to the density bonuses available for the MPDU optional method of development. The Board recommends an increase in density when a project's average dwelling unit size is lower than the maximum allowed average unit size. The Board recommends a straight line of a two-percent density increase for each one-percent decrease in average unit size. This bonus quickly increases the underlying density to over 14 units per acre in the R-90 zone and over 20 units per acre in the R-60 zone with just a 20 percent decrease in average unit size.

Open Space

The type of open space recommended for certain AHOM projects is common open space, which is consistent with the type of open space in other residential-only optional methods of development. The provision for open space recommended by the Board is that projects with 10 or more dwelling units provide at least 10 percent common open space, however projects with less than 10 dwelling units do not need to provide open space. Most smaller scale residential projects do not require open space under the current zoning code because they typically do not require site plan review. As defined, any project utilizing the AHOM would require a site plan, so a provision to exclude the projects with less than 10 dwellings from open space requirements is intended to reduce the burden on the smallest of projects that may only cover a small area.

Site Coverage

Site coverage maximums are recommended, with allowed coverage maximums varying by building type with less coverage for detached houses and duplex buildings and more coverage in the multiplex, townhouse, and apartment building types. The coverage amounts are also varied based on the underlying zone, with the R-90 zone having slightly less coverage maximums than the R-60 zone. The recommended coverage amounts roughly follow the coverage limits under the MPDU Optional Method that exists today.

Dwelling Unit Standards

The Planning Board recommends adding a new development standard for Dwelling Units that would only be applicable to AHOM development. This section of the standards table would capture the average unit size standard. The intent behind creating a standard for average unit size is that limiting unit size is one of the few mechanisms the zoning code can employ that would ensure attainable housing types are more affordable than typical new single-family homes. One of the main goals of the AHS initiative is to make more housing more attainable to more people. The market is currently doing a fairly good job at creating townhouses and apartments for high income earners, usually by locating units in transit- and amenity-rich areas or by creating very large unit sizes. The Board hopes creating the AHOM enables more units that are of a smaller size and are more accessible to moderate income

earners to be built along the corridors that connect these transit and amenity rich areas. The Board is recommending 1,500 SF as the maximum average unit size for any project that utilizes the AHOM. When considering unit size, The Board wants to ensure that attached garages are not counted toward a dwelling unit's size.

There are two recommended specifications for dwelling unit size. The first is a straightforward clarification on how to read the Average Unit Size Standard:

a. Average dwelling unit size is measured as the average unit size across all dwellings within the optional method development. Individual units may be larger or smaller.

The Board considered establishing a separate unit size maximum for each type of dwelling, but that proved to be overly complicated and increased the risk that the standards chosen today may become outdated quickly. Ultimately the Board recommends the average unit size be calculated across all units within an AHOM project regardless of the type of unit. Measuring the unit size as an average is intended to allow for the construction of some larger multi-bedroom products and townhouses that can be balanced with smaller dwelling units.

Lot Standards

The third section of development standards recommended for the AHOM standards table relates to minimum lot dimensions. Consistent with other standards sections, the Board is proposing the AHOM closely follow the MPDU optional method regarding the standards for lot dimensions. A minimum lot size is recommended for each of the building unit types, expressed as a per-unit metric, intended to provide flexibility for buildings such as duplexes and multiplexes to either subdivide the land providing the minimum lot size or greater for each dwelling, or to have each building type on a single lot, sized large enough to still meet the standard. This is consistent with using the per-unit approach to similar standards in the standard method of development.

Placement, Height, and Form Standards

The remaining three sections of standards recommended for the AHOM include Placement (principal building setbacks and accessory structure setbacks), Height (principal building height and accessory structure height), and Form (massing). The Planning Board recommends largely pulling these standards directly from the MPDU optional method of development where building types overlap and setting appropriate standards for the multiplex and apartment building types.

Large Scale Attainable Housing

For large scale attainable housing, the Planning Board has both short term and long term recommendations to increase housing production in a larger way. In the short term, the Board recommends using the master plan process to identify opportunities to rezone properties along the Growth Corridors for higher intensity residential development. The Board also recommends revisions to the Floating Zones section of the code in Section 4.9 to incentivize applicants to rezone properties along the corridors. In the longer term, the Board supports creating new form based zones that can be used along the Growth Corridors (see Figure 13) to achieve the desired density and urban form with less need to rely on site plans and design guidelines.

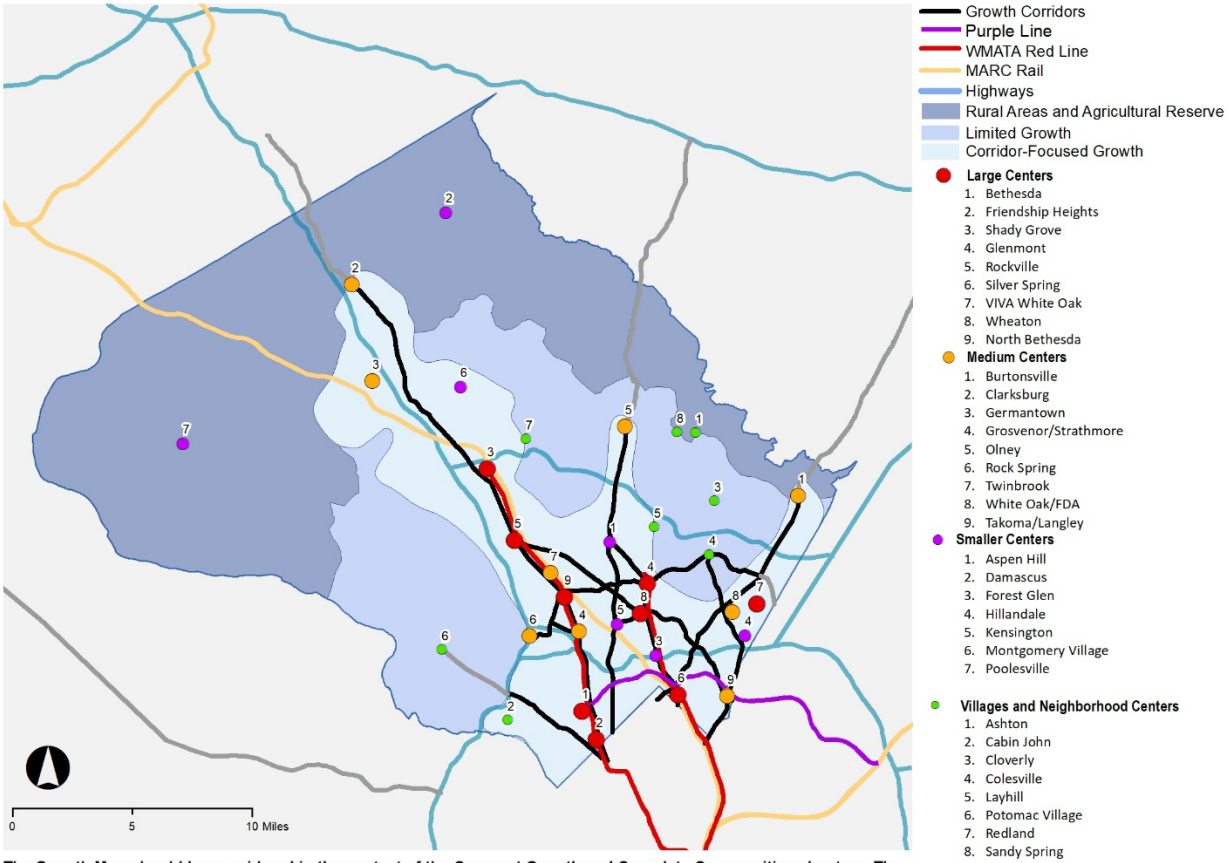

Figure 13: Growth Corridors Designated in Thrive Montgomery 2050

Large scale attainable housing development includes four or more story mixed-use live/work buildings, stacked flats, and small apartment buildings. Given the larger impact and scale of these attainable housing types, this scale of housing is most appropriate to be implemented after the full analysis and public engagement of either a local master plan process or a Local Map Amendment (LMA) process.

Master Planning Process

The master plan process reflects a vision for a particular area that is developed by the Montgomery Planning in consultation with community members through public meetings and outreach efforts, and often results in recommendations to rezone particular parcels.

Such an approach has been conducted in recent master plans to pursue large scale attainable housing, specifically in the *Veirs Mill Corridor Master Plan* and the *Forest/Glen Montgomery Hills Sector Plan,* and is under consideration with current plans including the *University Boulevard Corridor Plan* These efforts include the use of the CRN zone along with specific design recommendations. The CRN is the least dense zone in the Commercial/Residential family of zones and can be used in a master plan to align with the typical large scale attainable housing product desired along Growth Corridors. Design guidelines and potentially overlay zones will accompany any zoning changes along Growth

Corridors to ensure the scale and form of the development is both sensitive to the existing communities while also creating a dense, walkable street environment along the corridors themselves.

Local Map Amendment (LMA) Process

Outside of Master Plans, there may be times when an applicant pursues large scale attainable housing through a Local Map Amendment. A Local Map Amendment is a rezoning requested for a particular parcel of land by the property owner or contract purchaser and must be approved by the County Council. The Planning Board supports the use of the existing LMA process to achieve large scale attainable housing, although recommends some modifications to make the process more lucrative to attainable housing developments.

To request a Floating Zone through a LMA, applicants must meet a certain number of criteria, generally based on proximity to transit, infrastructure, or community facilities, or demonstrate how the project would benefit the environment. The Board recommends adding new criteria allowing Floating Zones be requested because they will produce either affordable, or attainable housing along a Growth Corridor. The other challenge is the limits on how much additional density an applicant may request. Currently, the maximum density eligible to an R-60 or R-90 zoned property is equal to or less than recommended by the AHOM process. Because LMAs undergo a high level of scrutiny and review, the Board recommends increasing the amount of residential density available to projects adjacent to the Growth Corridors that meet the affordable or attainable housing criteria discussed above. When requesting a floating CR zone, to utilize all of the allowed density some level of commercial must be provided. The Board recommends allowing full use of the mapped density for residential only projects.

New Corridor Zones

The master plan and LMA processes described above are how larger scale attainable housing projects could move forward currently with minor code modifications, however, the Board recommends in the mid-term that a new class of form based zones be established that can be implemented along the Growth Corridors or other areas where attainable housing is desired. The county's current Euclidian zones are land use based, where the biggest organizing factor is on uses allowed, followed by general development standards for height, setbacks, and other elements. To control building form takes a protracted site plan review process, or an overlay zone to further limit how development can occur. **Form based zones focus more directly on the form and design of the built environment and less on restricting uses, and are better suited to urban infill developments. The Board and the Council should work together in the future to create these form based zones that can then be recommended by master plans or LMAs.**

Additional Recommendations

MPDU and Cluster Optional Methods of Development

The Planning Board recommends making modifications to the existing MPDU and Cluster optional methods of development in all Rural Residential, Residential, Commercial/Residential, and Employment Zones to include multiplex as an allowed building type. There are two primary reasons for this:

- to accommodate existing and future three and four-unit buildings that were built as townhouses before the recommended definition change making townhouses five or more units, and
- to generally provide more flexibility to applicants to provide attainable types of housing in places where duplex and townhouse development is already allowed.

Table 5 illustrates each of the zones that currently have Cluster, MPDU or both optional methods available to them.

	Ag	Rural Residential			Residential															Commercial/ Residential			Employment			
					Residential Detached							Residential Townhouse			Residential Multi-Unit											
	AR	R	RC	RNC	RE-2	RE-2C	RE-1	R-200	R-90	R-60	R-40	TLD	TMD	THD	R-30	R-20	R-10	CRN	CRT	CR	GR	NR	LSC	EOF
Cluster						*	*	*	X	X														
MPDU				X		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X

Table 5 Applicability of the MPDU and Cluster optional methods of development based on where townhouses are currently allowed.

***** Denotes Cluster optional method of development where townhouses are currently not allowed.

X Denotes optional method development where townhouses are allowed.

There are no recommended changes to the development standards categories for any of the optional methods for any of these zones. The only change is adding multiplex as an allowed building type and creating appropriate standards for multiplex buildings. The Planning Board's recommended standards for the multiplex building type can be found in the zoning modifications provided in Attachment G.

As shown in Table 3, the exceptions are in the RE-2C, RE-1, and R-200 zones under the Cluster option. This optional method does not currently allow duplex or townhouse building types in these zones, however, the Planning Board is proposing to add multiplex to the optional method for these zones.

For the MPDU optional method in the RNC, RE-2C and RE-1 zones, the Board does recommend a few modifications to the multi-unit living use standards in order to accommodate multiplexes. These proposed limited-use standards clarify that in these three zones, multi-unit living is intended only to allow the multiplex building type and can only apply to MPDU optional method projects with public water and sewer service. The multi-unit household living would also only apply as a multiplex building type in the three townhouse zones. Multi-unit living in apartments is already allowed in the Residential Multi-Unit, Commercial/Residential, and Employment Zones.

These new limited use standards clarify that in the RNC, RE-2C, and RE-1 zones, Multi-Unit living is intended only to allow for the multiplex building type and can only apply to MPDU optional method projects with public water and sewer service. The Multi-Unit household living would also only apply as a multiplex building type in the three townhouse zones. Multi-Unit living in apartments is already allowed in the Residential Multi-Unit, Commercial/Residential, and Employment Zones.

Standard Method of Development in Other Zones

The Planning Board recommends adding the multiplex building type to the standard method of development in the Residential Townhome, Residential Multi-Unit, Commercial/Residential and Employment zones. These are all zones where duplex and townhouse building types are currently allowed by-right, so the Board believes it is consistent and appropriate to also include the multiplex building type. Specifically, this includes the TLD, TMD, THD, R-30, R-20, R-10, CRN, CRT, CR, GR, NR, LSC, and EOF zones. Because the duplex and townhouse building types are already allowed, the Planning Board does not recommend using the pattern book for multiplex buildings in these zones.

The standard method development standards tables for each of these zones currently distinguishes between duplex-side and duplex-over. Through its modified definition of duplex and clarity of creating standards on a per-unit basis, the Planning Board recommends consolidating these into one duplex building type in these standards tables.

Finally, to allow the addition of multiplex in the C/R and Employment zones, the Planning Board recommends adding multiplex as a defined term and making minor text modifications to the duplex, townhouse, and apartment building types in Section 4.1.5 of the zoning code. These changes are identical to the ones recommended earlier for the Agricultural, Rural Residential, and Residential zones.

Administrative Site Plan Reviews

As part of the recommendations for the AHOM, those developments are recommended for site plan approval. This ensures a public process for reviewing and approving the applications and allows technical staff from multiple agencies to ensure the added density will fit on the Residential Detached zoned sites. However, many of the AHOM projects are likely to be small, creating fewer than 20 units, which is often a threshold in determining if a project is required to be reviewed by a site plan in other optional methods of development. The Board's recommendation is to allow for an administrative (Director) level approval of site plans that create fewer than 20 dwelling units as a way to shorten the overall review process and to reduce unnecessary hearings for applicants. Rather than create a new plan type, the existing provisions for site plan review under Section 7.3.4. should be updated to establish this process with an intent on expediting the review and approval process. Like with other administrative reviews, if valid concern is raised by the community on a particular application, the item would be taken to a public hearing before the full Planning Board.

Subdivision

Most of the reforms the Planning Board has recommended in this report have pertained to zoning changes that would make it feasible to build attainable housing in residential zones largely characterized by single-family homes. The Board has also identified opportunities for clarification and streamlining Chapter 50, the county's subdivision code, which are worth exploring. These changes could be prepared through a subdivision regulation amendment (SRA) that would complement any zoning text amendments resulting from the AHS initiative.

Types of Subdivisions

To understand the existing process an attainable housing unit would need to follow, it is important to first review how the code defines Subdivision:

The division or assemblage of a lot, tract, or parcel of land into one or more lots or parcels or other divisions for the purpose, whether immediate or future, of sale or development. The definition of subdivision does not include a bona fide division of exclusively agricultural land not for development purposes. A resubdivision is a subdivision.

A subdivision can be as small as one existing parcel or tract of land being officially recorded and platted and can be as large as many hundreds (or more) new lots, roads, and open spaces for greenfield development. Given the wide range of scales, and involved complexities, Chapter 50 has established three separate processes for subdivisions: Preliminary Plans, Administrative Subdivision Plans, and Minor Subdivisions.

Preliminary Plans

A Preliminary Plan is the most comprehensive type of subdivision and is also considered the de-facto means of performing a subdivision in Montgomery County. If an applicant does not qualify to use one of the other two processes, they would follow the Preliminary Plan process. Preliminary Plans have a code-mandated 120-day review period measured from the date of plan acceptance to the date of the Planning Board hearing. Only the Planning Board may render a decision on a Preliminary Plan. A Preliminary Plan must make all the required findings outlined in Chapter 50 and must obtain approvals from the various outside government agencies prior to being approved by the Board.

Administrative Subdivision Plans

The Administrative Subdivision Plan is a streamlined review process available to certain applicants depending on their specific land uses or situations. These plans mandate an approval within 90 days of the date the application is accepted. Administrative Subdivision Plans may have the decision rendered by the planning director or the Planning Board. Administrative Subdivisions make the same technical findings as a Preliminary Plan, but the review is generally less complicated, and the likelihood of unusual circumstances is reduced. Outside agency approvals are requested but may be deferred until the time of record plat. The planning director is permitted to decide on most Administrative Subdivision Plans, but the Board may also render the decision if there are findings that need to be made that only the Board can make, opposition to the plan has been received from the community, or the situation is unusual enough that the director deems the Board to be the more appropriate deciding body. Examples of allowed Administrative Subdivision Plans include existing places of worship, up to five lots for detached houses in the AR zone, up to three lots for detached houses in a residential zone, consolidating existing lots or parts of lots in non-residential zones, or lots associated with a Signature Business Headquarters.

Minor Subdivisions

A Minor Subdivision is the least intensive process of subdividing in Montgomery County, and generally allows an applicant to directly file an application for a record plat if they can meet certain criteria based on the specific use. The uses that may be eligible for Minor Subdivision currently include minor lot line adjustments, converting an existing platted outlot into a buildable lot, consolidating two or more lots into one lot, subdividing commercial property to reflect ownership, plat of corrections, pre-1958 parcels, creating lots from parts of lots, and platting property with existing houses in the R-90 or R-60 zones. As these uses imply, most Minor Subdivisions involve land already platted in some way or

are so small and unique that there is no perceived benefit from pursuing a more detailed subdivision review.

As Chapter 50 is written now, there are no provisions under the Administrative Subdivision Plan or the Minor Subdivision section that would pertain to creating lots for duplex or multiplex buildings, but there are processes that allow for creating lots for detached dwellings. Due to the size and potential complexities of a subdivision associated with the Attainable Housing optional method of development, the Board has focused their efforts on whether alternative review procedures may be appropriate in some or all situations of creating small scale attainable housing as part of the standard method in the R-200 R-90, R-60 or R-40 zones.

New Administrative or Minor Subdivision Procedures

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. To mirror the proposed administrative site plan process for attainable housing, the Board recommends creating a new type of Administrative Subdivision Plan for the creation of lots for up to 19 dwelling units in duplex or multiplex building types in the R-200, R-90, R-60, or R-40 zones. The Administrative Subdivision Plan would still make all the same findings as a full Preliminary Plan but may be approved by the director instead of the Board and does not need to have final outside agency approvals until the submission of record plat(s). The final details of the applicable conditions have not been finalized, but the Planning Board would recommend similar requirements as exist for the *Subdivision for creation of certain residential lots in Section 50.6.1.C*.

The Board is also recommending a new Minor Subdivision process that would apply to certain applications for subdivision for attainable housing. In situations where the recommended subdivision is limited in size to only one pre-recorded lot, the Board believes a Minor Subdivision process could be appropriate. In these situations, the existing lot (subdivision tract area) has already been platted and deemed appropriate for a detached house. There is little review benefit to filing formal plans to the Planning Department and having other agencies conduct preliminary reviews since any possible issues such as stormwater, utility hookups, confirmation of forest conservation qualification or exemption, and easement recordation can and do get resolved now through record plats or building permits. A detailed list of required materials, approvals and documents from an applicant and outside agencies can be established as requirements of a new Minor Subdivision.

Lots without frontage

Discussed briefly in the development standards for small scale housing, the Board is recommending updating the necessary codes to allow for the creation of lots without frontage for certain attainable housing developments. Increasing opportunities for home ownership is a major outcome the Board hopes comes from attainable housing, and that requires the ability to create lots for fee simple ownership. On attainable housing Building Sites, the most efficient way to lay out a structure may be to have some units facing the street and others to the rear. These rear unit(s) may be on separate lot(s) from the front unit. To achieve frontage for each lot, it would create a 25-foot wide pipestem lot configuration, which would in many situations preclude fitting the attainable housing building on the Building Site. Currently, Chapter 50 makes it difficult to approve lots without frontage, and can only do it with Planning Board approval. The Board recommends amending Chapter 50 to allow the Board

by way of a Minor Subdivision plat, or the Planning Director by way of an Administrative Subdivision, to approve lots without frontage, if for standard method development of a duplex or multiplex building, an ingress/egress and utility easement is reflected on the final plats, and the Building Site has frontage.

Parking

The Planning Board recommends reducing minimum parking requirements for attainable housing types within the R-200, R-90, R-60 and R-40 zones under both the standard and optional methods of development, with the deepest reduction in parking requirements for attainable housing within the Priority Housing District.

As part of the AHS, a review of the parking requirements under Section 6.2 was conducted. One of the areas of focus was on the required minimum parking that is appropriate for attainable housing dwellings, and whether that should vary based on the dwelling type, or the location of the housing. Part of what informed the Board's recommendations included the work done in 2018 on Accessory Dwelling Units where the council agreed to reduce parking requirements within a mile of transit or where adequate on-street parking was available. In addition, the priority of facilitating more intensive attainable housing (quadplexes) and generally reducing overall parking near existing and planned transit through the Priority Housing District was considered.

A review of professional literature on parking in various other jurisdictions suggests that parking requirements contribute to the high cost of housing. In "The Trouble with Minimum Parking Requirements,"[8] Donald Shoup argues that minimum parking requirements increase the supply and reduce the price – but not the cost – of parking. They bundle the cost of parking spaces into the cost of development, and thereby increase the prices of all the goods and services sold at the sites that offer free parking. In the planning field there is a growing shift toward strategies that recognize that parking requirements negatively impact the affordability of housing too. Building parking is expensive and that cost is usually carried over to the tenant or homeowner. A recent American Planning Association[9] article noted that various studies indicate that surface parking lot spaces cost upwards of $5,000 each, while above-ground parking garages average around $25,000 per space and below-ground garages average around $35,000 per space. That can translate into higher rent and higher housing costs.

Adjustments to Vehicle Parking

Section 6.2.3.I of the zoning code allows adjustments to vehicle parking based on certain situations. Subsection 2, Special Uses, includes existing adjustments for Restricted Housing Types and religious assembly. The Board is recommending a new section be added for attainable housing. This section, similar to the Restricted Housing Types, would offer an adjustment factor that can be applied toward the baseline minimum required parking to reduce the overall off-site parking requirements.

The recommended parking reductions are as follows:

- No parking reduction is proposed for duplexes and multiplexes in the R-40, R-60, R-90, and R-200 zones under the following circumstances:

[8] Source: http://shoup.bol.ucla.edu/Trouble.pdf

[9] Source: https://www.planning.org/planning/2018/oct/peopleoverparking/

    - In the R-200 zone, a standard method duplex development where on-street parking is not available.
    - In the R-90, R-60, and R-40 zones, a standard method duplex or multiplex development located outside the PHD, where on-street parking is not available.

- A parking reduction of 50% for duplexes and multiplexes in the R-40, R-60, R-90, and R-200 zones under the following circumstances:
    - In the R-200 zone, a standard method duplex development where on-street parking is available[10].
    - In the R-90, R-60, and R-40 zones, a standard method duplex or multiplex development located outside the PHD, where on-street parking is available.
    - In the R-200, R-90, R-60, and R-40 zones, a standard method duplex or multiplex development is located inside the PHD, where on-street parking is not available.

- A parking reduction of 75% for duplexes and multiplexes in the R-40, R-60, R-90, and R-200 zones under the following circumstances:
    - In the R-90, R-60, R-40, and R-200 zones a standard method duplex or multiplex development is located inside the PHD, where on-street parking is available.

The following table 6 shows the same recommendations another way.

	Outside Priority Housing District		Inside Priority Housing District	
Zone	No Street Parking	Yes Street Parking	No Street Parking	Yes Street Parking
R-200	0	50%	50%	75%
R-90	0	50%	50%	75%
R-60	0	50%	50%	75%
R-40	0	50%	50%	75%

Table 6 percent parking reductions recommended by zone and location.

These recommendations would allow modest parking reductions for attainable housing in most circumstances, except for the few where a site is outside of a priority housing district and there is no on-street parking on the block. The greatest reductions would occur within the Priority Housing District which is closest to planned and future transit where there is on-street parking available.

While the Planning Board is supportive of reducing parking minimums and has recommended the above strategy, the Board is also supportive of working with the Council on other options to modify parking requirements. These include:

[10] For the purposes of the Attainable Housing Strategies report, parking reductions apply to streets with on-street parking on one or both sides of the street.

1. Basing the amount of required off-street parking on the width of street frontage available.
2. Allowing the required parking to be based on overall parking, which includes both on- and off-site, instead of just what is required on-site.
3. Using the existing multifamily parking minimums for attainable housing types, which ties parking to the number of bedrooms.
4. Allowing tandem parking, which would allow two parking spaces that are a configured like a single spot, one in front of the other. This means that the car in the front spot has to move in order to allow the back spot to move out of the space.
5. Modify the provisions of Section 6.2.3.A.5. that allows on-street parking to count toward required parking. Currently only retail/service or restaurant uses can take credit for on-street parking that was created as part of a development application. If attainable housing developments are able to add street parking where none existed before that should also count toward required parking.

The Planning Board also wants to recognize that its recommendation for a reduction in parking minimums is exactly that – a reduction in parking *minimums*. The Planning Board is not recommending parking maximums, or even recommending additional parking minimums beyond those approved by the Council as part of ZTA 23-10. There are times the market will dictate more parking than the minimum. **The Planning Board received a lot of correspondence out of concern for parking and took this concern seriously, but ultimately one of the goals of this initiative is to make housing more attainable, and reducing parking requirements has the potential to help achieve that goal.**

Exemptions from Preliminary and Site Plan Conditions

One issue that the county will need to address to implement the attainable housing recommendations is what happens to residential lots that were created as part of a Preliminary Plan or Site Plan that contain specific conditions of approval limiting density and allowed building types. Typical conditions of approval will specify the number of lots, the total number of dwellings, and the building types. This would prohibit any existing lots or parcels created by such a plan from subdividing for new lots within its Building Site, or from constructing duplex or multiplex building types. The Board recommends modifying Chapters 50 and 59 to permit small scale attainable housing regardless of conditions of approval limiting density or housing types. This would specifically target the creation of lots for the construction of duplexes or multiplexes under standard method development within the Residential Detached zones.

Other Code and Policy Considerations

While the focus of the Attainable Housing Report is on modifications to zoning and subdivision code, Montgomery Planning has identified other sections of the county code and policies that may warrant further examination to maximize the effectiveness of the attainable housing recommendations.

Residential Driveway Standards

Current driveway standards for residential projects require a 10 to 20-foot-wide driveway with an additional 5-foot-wide flared apron at each end. **To minimize imperviousness and conflicts with driveway aprons extending beyond side lot lines, the county should consider establishing width maximums for attainable housing of 10 feet and reducing or eliminating the driveway apron**

flare, which would allow the driveway to abut the side property line providing more room for the primary structure.

Street Trees and Tree Canopy

Tree canopy loss, both on lot and in right-of-way, is a major concern raised by residents and Planning Board alike. In the public right-of-way, major species tree standards require 50-foot on center placement to maximize soil volume. However, these rules can greatly reduce the number of trees along a street and decrease the likelihood that trees will create a continuous canopy. Similar concerns have been raised about the provision in Chapter 55 (the tree canopy law) of the county code that prohibits property owners from receiving a credit for on-site tree canopy unless they have a minimum 400 square feet of open space. This requirement has compelled a lot of applicants who trigger the law to pay the off-site fee rather than replace trees on site. Efforts should be undertaken to explore ways to reduce tree spacing in the right-of-way and to reduce the open area requirements on private lots to lessen the canopy loss resulting from attainable housing.

Fire and Rescue Standards

In 2019 the county adopted "Fire Access Performance-Based Design Guidelines" to help minimize the impacts fire access has on new community design. Planning Staff are concerned that multiplex building types may be classified as commercial construction, which carry much stricter fire access requirements than are enforced on detached houses, potentially limiting building and door placement. Efforts should be undertaken to specifically evaluate the multiplex building type to consider context sensitive fire access solutions.

Stormwater Management

Stormwater management provisions exist for small lots (under 15,000 square feet) that address lot-to-lot drainage for residential lots for one-family and two-family properties. The current code is silent on protections for three and four unit multiplex buildings and Planning Staff recommends updating the code to require control of water runoff from small building sites including detached, duplex, and multiplex building types.

Addressing

Montgomery Planning is charged with assigning addresses to properties within the county and will need to assess how properties without frontage and duplexes and triplexes will be assigned.

Catalyst Policies and Programs

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.

Formulating and implementing these policies and program will require a countywide effort and robust interagency coordination. It is also important to have private entities such as community organizations and non-profits deeply involved with implementation.

Owner Occupied Conversions

These catalyst policies would, if adopted and implemented, incentivize and assist existing homeowners who wish to convert their homes to duplexes or multiplexes.

Property Tax Refunds

One option is to provide a property tax refund as an incentive to convert an existing single-family home to create small scale attainable housing. If a property owner converts their single-family home to a multiplex or adds multiple units on their single-family zoned lot, their property taxes for the unit that they occupy would be refunded by a factor associated with units added, for up to 10 years, as long as the original owner occupies the unit.

- If the converted property is a duplex, the property tax refund on the owner-occupied unit would be 50 percent of the taxes paid, for a triplex the refund would be 66 percent of the taxes paid, and for a quadplex or apartment the refund would be 75 percent of the taxes paid.
- In cases where it is required to temporarily transfer the deed of the house to a developer, a signed affidavit from the homeowner and developer may be used as evidence of owner occupancy where repurchase may be required (repurchase within 365 days of deed transfer). This will also apply to cases where developers have carried out a lot consolidation.
- Additionally, 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.

Conversion Assistance Toolkit

The Board believes that there may be some initial hesitancy on part of homeowners who wish to convert their single-family homes or their single-family zoned lots, since any process that requires regulatory input can be daunting. One way to address this concern is to create a countywide multiagency team to develop an "Attainable Housing Conversion Assistance Toolkit" as a part of a new effort, which could 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 resources, where homeowners can invite bids using a simple step-by-step guide while protecting themselves financially and legally
- Guidance on how to access current incentive and grant programs

Owner Occupied Conversion Loan Fund

The Board believes that it is important to address financial barriers that some homeowners may have while pursuing a conversion to the multiplex type. To that end, the Board recommends exploring the establishment of a loan fund with a one-time capitalization of $5,000,000. Potential guidelines for the loan may be as follows:

- The loan would be issued directly to the owner of any single-family home or single-family zoned lot for a period of five years. The first year of the loan would be interest-free and the county may set an interest rate adjusted to the Federal Reserve Prime Rate or Montgomery County Municipal Bond Rate for the subsequent four years.

- To access the loan the homeowner would have to submit an affidavit that specifies that they intend to convert their single-family home to a multiplex or to build a multiplex on a single-family zoned lot.
- The conversion must be completed within 365 days of loan disbursement, or the loan will have to be repaid in full.
- The loan can be capped at $25,000 and disbursed on a first-come, first served basis.

The purpose of this loan is to ensure that the homeowners or landowners have access to credit for any initial activities associated with the conversion, which traditional lending mechanisms may not fund. These activities may include consultations with architects, contractors, or legal professionals as homeowners or landowners pursue a conversion to a multiplex. Additionally, a project of this scale may require a substantial time commitment for a homeowner and access to credit may alleviate some of the concerns associated with this time commitment. Other municipalities are also exploring similar programs to address their housing needs, for instance Charleston's Department of Housing and Community Development intends to provide grants for the creation of housing by single-family homeowners.

Community-level Incentive Programs

The Board 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 could be linked to census tracts, transportation analysis zones (TAZ), or some other set of established local boundaries. While the Planning Board is supportive of community-level incentives, they did want to note the importance of equity in incentive programs. It is likely that the communities with most attainable housing typologies will be the affluent communities where the ongoing teardown/rebuild process now occur, and there should be some consideration of equity to ensure that all the benefits of the incentive programs do not just narrowly apply to the affluent neighborhoods in the county.

Improvement Grant Program

One potential program is a grant program accessible to all homeowners (single-family, apartments, and multiplex) in the three neighborhoods with the highest number of attainable housing types built. To that end, the Board recommends exploring the establishment of an annual grant fund of $5,000,000. Each individual grant could be capped at $10,000. Potential eligible activities for which homeowners could use the grant dollars are as follows:

- Stormwater Mitigation
    - Rain barrels
    - Converting impervious surfaces to pervious surfaces (such as driveways, lead-walks, etc.)
    - Bioswales
    - Gutter upgrades
- Fire safety Improvements
    - Smoke alarms/fire extinguishers
    - Sprinkler system installations
- Energy Efficiency Upgrades
    - Installation of solar panels

- Solar water heaters
- Energy efficient fixtures and appliances

This list of eligible activities is not comprehensive and will require additional scrutiny and input from partner agencies, however; it does align with the county's environmental goals and other key initiatives.

Other Topics

Collection of Impact Taxes and the Applicable Rates

Development impact taxes[11] are set by the Montgomery County Council and assessed on new residential and commercial buildings and additions to commercial buildings to help fund the improvements necessary to increase transportation or public school systems capacity. The residential impact tax rates charged are generally based on two factors – geographic location and housing type.

Currently, impact taxes are not paid on a replacement home, as long as construction on the new home begins within four years of the demolition of the original home. This is because when a single dwelling unit replaces another single dwelling unit, the net housing impact is zero. As attainable housing types will, on net, increase the number of housing dwelling units on a property, they will be assessed an impact tax.

The current rate of impact taxes for attainable housing typologies is under consideration in the 2024 – 2028 Growth and Infrastructure Policy. While it is important for these units to pay impact taxes to help mitigate their impact on transportation and schools infrastructure, minimizing impact taxes could help accelerate the production of attainable housing typologies.

The Planning Board and County Council have not yet formulated a recommendation on whether stacked flats (the most similar housing typology to AHS types) should be considered attached or multifamily low-rise for the purposes of impact tax rates. Currently, the multifamily low-rise impact taxes are significantly lower than the single-family attached impact tax rates. However, the Growth and Infrastructure Policy must be adopted by November 15th, so the applicable rate is likely to be settled before the effective date of AHS policy changes.

Role of HOAs

Another theme in correspondence has to do with the role of homeowners' associations (HOAs) and covenants in restricting the development of multi-unit development. Many HOAs have restrictions against renting property or having more than one unit on a property. Covenants between a homeowner and an HOA are private binding documents. Just as with other private contracts, the courts enforce the contracts when asked to do so by one of the parties involved. The county does not enforce private covenants.[12]

While HOAs cannot override zoning, they can generally have more restrictive conditions and limit having more than one unit on a property.

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[11] Transportation and School Impact Taxes, effective July 1, 2023: https://www.montgomerycountymd.gov/DPS/Resources/Files/Fees/Impact-Taxes-Handout-7-1-2023.pdf

[12] The role of HOAs and municipalities was also a discussion point during the debate over Accessory Dwelling Units in ZTA 19-01, and much of the information in this staff report is summarized from that report: https://www.montgomerycountymd.gov/council/Resources/Files/agenda/col/2019/20190709/20190709_3.pdf

While the Planning Board understands the current role of HOAs in making conditions more restrictive, the Board would like to explore options to relieve these restrictive covenants and wants to explore legal mechanisms to remove these exclusionary covenants given their impact on limiting attainable housing typologies. An HOA's ability to contract in exclusionary language, outside the participatory process of the County Council and the Planning Board, is even more exclusionary than single-family zoning.

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, other municipalities without their own zoning authority may:

- Regulate only the construction, repair, or remodeling of single-family residential houses or buildings on land zoned for single-family residential use as it relates to:
    - residential parking;
    - the location of structures, including setback requirements;
    - the dimensions of structures, including height, bulk, massing, and design; and
    - lot coverage, including impervious surfaces

Within the scope of this provision, a municipality may have more restrictive conditions under any of these topics. For example, the Town of Chevy Chase generally has more restrictive setbacks and height requirements than required in the county's zoning code.[13]

Governor's Housing Package

In early 2024, the Maryland General Assembly passed HB 0538, the Housing Expansion and Affordability Act of 2024. One aspect of the bill would provide a density bonus for developments near rail transit and certain formally owned state properties as long as those developments include a share of income-restricted affordable housing.

While the Planning Department is working with our state and local partners to understand what implementation of the Governor's Housing Package looks like, one aspect of the bill is potentially related to AHS. In Section 7-503 of the bill, where the bill discusses what constitutes a qualified project, it states "In accordance with this subsection a local jurisdiction shall allow the density of a qualified project to exceed the density otherwise authorized in a district or zone, in an area zoned for multifamily residential use, a qualified project … may consist of mixed-use." At this time, the Planning Department is still investigating the implications of this for AHS, and if, by updating the standards of many of the Residential Detached zones (R-40, R-60, R-90, and R-200) to allow multi-unit living as limited use in those zones, would those zones now be considered "an area zoned for multifamily residential use."

[13] Source: https://www.townofchevychase.org/DocumentCenter/View/203/Land-Use-Handbook?bidId=#page=38

Relatedly, Planning Staff is still looking into what “may consist of mixed-use” entails and if “may consist of mixed-use” means that if the applicable zones are now considered areas zoned for multifamily residential use, does the Zoning Ordinance need to be updated to allow mixed-use in these zones too? Or does it mean, that if local zoning allows mixed-use, a qualified project can consist of mixed-use, but requires no update of our Zoning Ordinance?

Conclusion

The Planning Board recommends making changes to the Zoning Ordinance and other policies to allow the development of small, medium, and large scale attainable housing in order to provide more diverse types of housing in Montgomery County at price points that allow more neighborhoods to be attainable to more households. Attainability is the ability of households of various incomes and sizes to obtain housing that is suitable for their needs and affordable to them. The Attainable Housing Strategies initiative is one part of a coordinated, multi-agency, multi-partner initiative aimed at building more types of housing in Montgomery County.

The next steps for this initiative would be to present the Planning Board's recommendations to the County Council. The Council may then choose to introduce a zoning text amendment and other policies changes to implement the Board's recommendations. While the Planning Board believes these zoning changes are important steps in addressing the housing crisis and meeting the county's equity goals, the Board also recognizes that making zoning changes is not enough. There are other pieces – from financing, permitting, and subdivision – that need to work hand-in-hand with the zoning changes. The Board and Planning Staff stand ready to work alongside partner agencies to meet the challenge of building attainable housing.

Appendix A: County Council Letter

MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

Casey Anderson, Chair
Montgomery County Planning Board
Gwen Wright, Director
Montgomery County Planning Department
2425 Reedie 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,

Tom Hucker
Council President

Hans Riemer
Chair
Planning, Housing and Economic Development Committee

Appendix B: Engagement

Engaging the community is one of the main tenets of Montgomery Planning's interdisciplinary work. The department's goal is to build mutual trust and respect with communities, organizations, businesses, and individuals through an open, transparent, and equitable process. As a result, community members can achieve a high degree of confidence in the process and know that their voices will be heard, and their contributions will have an impact. Montgomery Planning works to address concerns, deficiencies, and opportunities in their communities.

Developing community engagement tools is an important part of guiding public education on attainable housing as well as building awareness about it and garnering support. Planning Staff used several tools with the aim of reaching the largest audience possible with special attention paid to coordinating with other ongoing initiatives to remove redundancy and to create consistent, comprehensive messaging about attainable housing.

The Attainable Housing Strategies initiative included a strategic communications plan to help guide Planning Staff on how to engage the community to interact with the effort, provide feedback and be involved with the process. This included understanding audiences and implementing key tactics. All of this was achieved despite no additional funding to specifically support community engagement for the initiative.

- **Project Webpage:** A project website was created to provide transparency, accessibility and information to users wanting to engage with AHS-related content. The webpage includes easy ways to contact Planning Staff, submit feedback, and request meetings. It also includes links to presentations and recordings of community engagement and advisory team meetings.
- **Housing Equity Advisory Team (HEAT):** As part of the AHS initiative, a group of external stakeholders was convened to assess various aspects of AHS. The HEAT consisted of stakeholders that approach AHS from a range of industries and perspectives. It included developers (both for-profit and nonprofit), a realtor, civic activists, housing advocates, an economist, and a representative from the banking industry. While the HEAT was not asked to come to a consensus or to make recommendations directly to the Planning Board, the members helped form Planning Staff's recommendations by providing an understanding of their different perspectives and knowledge about housing policy.
    - The HEAT met four times in March, April, and May in 2021, for two hours each meeting. To date, below are the view counts on each of the HEAT meeting recordings:

Date	View Count
March 24, 2021	58
April 14, 2021	52
April 28, 2021	39
May 19, 2021	40

Table 6 HEAT Meetings

- **Public Meetings:** Planning Staff hosted three public meetings held over Microsoft Teams to share the project scope and completed project milestones, conduct small group discussions in breakout rooms, and answer questions from community members. Below are the participation counts for the community meetings:

Date	Registered	Attendance
March 29, 2021	71	35
April 21, 2021	60	35
June 2, 2021	170	85
December 13, 2021		

Table 7 Participation Counts for Meetings

* This meeting included breakout sessions that were each recorded and posted, thus the range of views.

- **Stakeholder Conversations:** Planning Staff has held other targeted stakeholder meetings with a presentation and/or Q&A session.
    - Montgomery Mayors (April 6, 2021)
    - Montgomery County Civic Federation (April 12, 2021)
    - Edgemoor Community Association (April 26, 2021)
    - Bethesda Implementation Advisory Committee (May 7, 2021)
    - Kensington Heights Civic Association (May 25, 2021)
    - Park Hills Civic Association (May 26, 2021)
    - Neighborhood Coalition (June 7, 2021)
    - Citizen's Coordinating Committee on Friendship Heights (June 16, 2021)
    - NAIOP (July 13, 2021)
    - COG Housing Directors Advisory Committee (July 21, 2021)
    - Bethesda Implementation Advisory Committee (October 1, 2021)
    - Maplewood Civic Association (October 13, 2021)
    - East Bethesda Civic Association (October 27, 2021)
    - Montgomery For All (February 24, 2024)
    - Civic Federation (April 8, 2024)
    - East Bethesda Civic Association (April 10, 2024)
    - Affordable Housing Conference of Montgomery County (May 10, 2024)
    - Maplewood Civic Association (May 15, 2024)
    - Edgemoor Citizens Association (June 6, 2024)
    - Town of Chevy Chase (June 13, 2024)
    - Chevy Chase Village (July 8, 2024)

- **Office Hours:** Planning Staff held three recurring virtual "office hours," offering community members personalized opportunities to provide their feedback and ask questions about the AHS initiative.

Housing eLetter: As part of AHS, a housing eLetter was created to help share project updates and milestones. As of November 15, the eLetter had 392 subscribers.

Date Sent	Open Rate	Click Rate
March 26, 2021	65%	21%
April 2, 2021	68%	31%
April 16, 2021	74%	40%
April 28, 2021	63%	26%

May 7, 2021	65%	41%
May 18, 2021	56%	30%
May 27, 2021	65%	35%
June 8, 2021	56%	16%
June 11, 2021	55%	5%
June 21, 2021	54%	9%
June 29, 2021	61%	11%
July 2, 2021	56%	10%
July 16, 2021	52%	6%
September 3, 2021	48%	10%
October 13, 2021	66%	4%
November 2, 2021	53%	10%
November 12, 2021	55%	8%
November 22, 2021	68%	4%
February 14, 2022	69%	9%
February 17, 2022	65%	5%
March 1, 2022	57%	5%
February 8, 2024	63%	11%
February 23, 2024	62%	7%
March 22, 2024	65%	7%
April 23, 2024	60%	5%
May 15, 2024	54%	5%
26 Newsletters	61% Average	14% Average

Table 8 eLetters

- **Educational Materials**: An explainer was created that helps clarify key terms and content. The materials were also translated into Spanish.

- **Social media campaign**: Similar to the "Housing Day" hosted previously on Twitter for *Thrive Montgomery 2050*, there was a planned social media campaign related to the initiative on June 14 to raise awareness and garner feedback on staff recommendations.
    - While there was some engagement on Facebook, most action occurred on Twitter (most of it overwhelmingly positive):
        - 39,990 organic impressions on #HousingDay (meaning the number of times people saw Montgomery Planning's tweets organically throughout the day in their Twitter feed). To put this in perspective, Montgomery Planning had 92,200 organic impressions total over the previous 28 days.
        - 156 likes (compared to 303 total over the previous 28 days)
        - 46 retweets without comments (compared to 116 total over the previous 28 days)
        - 44 link clicks (compared to 210 total over the previous 28 days)
        - 50 replies (compared to 57 total over the previous 28 days)
        - 2.4 percent engagement rate (compared to a 1.3 percent engagement rate on average for the previous 28 days) – this is the ratio of the number of engagements to the number of impressions; engagement includes any way someone interacts with a Tweet, including but not limited to, retweets, clicks, and likes
    - On Facebook:

- Three new followers
- 623 people (up 332 percent from the previous day)
- 292 engagements with Montgomery Planning posts (up 3,144 percent from the previous day)
- 26 link clicks
- 20 comments (this includes comments on shared posts that Montgomery Planning may not be able to see)
- 10 shares
- 75 reactions

- **#MyMoCoHome:** The #MyMoCoHome campaign crowdsourced stories from people throughout Montgomery County about their search for and struggles with finding appropriately sized and priced housing for themselves and their families. #MyMoCoHome stories will be used to inform the Attainable Housing Strategies initiative. Montgomery Planning has a lot of data and planning best practices but wanted to better understand the human element of Montgomery County residents as many struggle with finding appropriate housing in an expensive market like Montgomery County.

Earned Media Engagement: Throughout its work developing Attainable Housing Strategies recommendations, the department has distributed press releases to keep the media informed about the initiative's progress and the various opportunities for the community and other stakeholders to provide input at public meetings. Press releases provide media outlets with the information reporters and editors need to publish stories, so community members have the chance to be aware of what's going on in their communities and learn how they can get involved. Each press release has been posted on the department's website and on its social media platforms.

Below is a comprehensive chronological list of distributed and published press releases related to Attainable Housing Strategies:

February 5, 2021: Montgomery Planning Board votes to send comments to County Council on Missing Middle Housing Zoning Text Amendment

March 15, 2021: Montgomery Planning announces launch of Attainable Housing Strategies initiative to help address Montgomery County's housing crisis

March 30, 2021: Montgomery Planning Board and Planning Department announced April 2021 online events

May 7, 2021: Planning Board to receive update on Attainable Housing Strategies initiative on May 13

May 27, 2021: Community meeting scheduled for June 2 on Attainable Housing Strategies initiative

May 28, 2021: Montgomery Planning Board and Planning Department announce June 2021 online events

June 11, 2021: Montgomery Planning to hold "Housing Day" on June 14 on social media as part of National Homeownership Month

June 21, 2021: Community invited to provide comments at June 24 Planning Board meeting on preliminary recommendations for the Attainable Housing Strategies initiative

June 28, 2021: Montgomery County Planning Board and Planning Department announce July 2021 online events

July 2, 2021: Attainable Housing Strategies Planning Board work sessions scheduled for July 8 and July 22

September 1, 2021: Montgomery County Planning Board and Planning Department announce September 2021 online events

September 7, 2021: Montgomery County Planning Board to hold four additional Attainable Housing Strategies initiative work sessions this fall focused on zoning changes and development standards

October 1, 2021: Montgomery County Planning Board and Planning Department announce October 2021 online events

October 13, 2021: Montgomery County Planning Board held its fourth Attainable Housing Strategies initiative work session on a new optional method of development

November 12, 2021: Community invited to learn about the Montgomery County Planning Board's Attainable Housing Strategies recommendations during virtual meeting on December 13

November 22, 2021: Montgomery County Planning Board schedules sixth Attainable Housing Strategies work session for December 9, 2021

December 1, 2021: Montgomery County Planning Board and Planning Department announced December 2021 events

December 9, 2021: Community invited to attend virtual event on the Montgomery County Planning Board's Attainable Housing Strategies recommendations on December 13, 2021

February 17, 2022: Former Minneapolis City Council President Lisa Bender added as panelist to "Lessons learned: A conversation on expanding housing types from across the country" virtual event on Feb. 24

February 23, 2024: Montgomery County Planning Board to hold public listening sessions on Attainable Housing Strategies initiative

Appendix C: Stakeholder Concerns

Summary of Stakeholder Concerns

While many people have expressed support for the AHS initiative and recommendations, several key themes have emerged that highlight the community's concerns related to the project. Some of these concerns require further collaborative efforts with other agencies and development partners to address in future action. Below is a summary of the concerns raised by community members, and the Planning Board's responses.

Initiative scope**:** The Planning Board heard several concerns related to the scope of the initiative. Concerns ranged from no support to the initiative, to asking for modifications to the scope (i.e., just allowing duplexes), to support for the intent and approach but serious concerns over parking in areas with narrow streets and limited on-site parking already. Others felt the scope should be limited to a pilot area initially. While the Planning Board agrees that the scope is comprehensive, the nature of the report and recommendations allow the Council to pick and choose certain elements to pursue, should they want to narrow the scope.

Demands on infrastructure**:** The Planning Board heard concerns about the increased demands on existing infrastructure, like schools, roads, and water and sewer. The Planning Board believes the demands on infrastructure can be addressed through existing policies. The Planning Board also believes that impacts of schools for the house-scaled products will be de minimis. However, these and the larger scale products recommended along corridors are all subject to existing impact taxes and any applicable Utilization Premium Payments to mitigate impacts on crowded schools. Demands on other infrastructure can be addressed through the 2024 Growth and Infrastructure Policy, where Planning Staff is contemplating a focus on water and sewer.

Compatibility concerns: The Planning Board heard concerns about the compatibility between existing single-family detached structures and the new attainable housing typologies. The Planning Board believes the pattern book can serve as a key tool to encourage the physical compatibility of these structures. The Planning Board's recommendations would allow the creation of duplexes, triplexes, and quadplexes by-right only if they follow the contents of a Planning Board-approved pattern book, which when completed, will give guidance on building massing, placement, height, door placement, parking, and other building features. Furthermore, the Planning Board recommends establishing zoning development standards (setbacks, height, lot size, etc.) for structures with these new housing types that are consistent with the existing standards for single-family detached homes.

Architectural covenants: There were also questions about architectural covenants, which can limit the type of housing allowed. Architectural covenants are legally binding and there are limited legislative options to change architectural covenants. Planning Staff plans to assess the extent to which architectural covenants and deed restrictions apply through Montgomery Planning's new Redlining and Segregation Mapping project.

Geographic context: The Planning Board acknowledges that relative attainability and sales price vary by neighborhood, but this is part of the distinction between attainability and affordability. Allowing

more housing options will make neighborhoods more attainable to more households than they are today.

Actual attainability: The Board also heard concerns — especially in response to the Silver Spring Downtown and Adjacent Communities market study — that these units are not going to actually be attainable. Due to the high cost of land and high cost of construction new attainable housing may be more expensive than existing single-family detached units. However, attainable units would be smaller and accordingly less expensive than the new replacement homes being built throughout the county. If no action is taken, over time the currently attainable properties in the existing housing stock will be slowly transformed by-right under the existing zoning code and development standards into larger custom homes that are less affordable than existing and new attainable housing.

The Board believes there are good reasons to undertake this project beyond the price point of the units. At the root of the AHS initiative is an effort to make the county's communities more equitable and more inclusive by countering the historical exclusionary aspects of zoning.

Parking concerns: The Planning Board believes that it is important to create policies today that promote the desired future of tomorrow. As envisioned in Thrive, the county's future is expected to be more multimodal and connected. The Board used guidance from Thrive and best practices from transportation literature, which prioritized decreased motor vehicle parking per unit of development and adoption of policies that reflect the economic and environmental costs of driving alone. The Board believes that reduced parking minimums are appropriate for walkable communities with access to services, amenities, and multiple modes of transportation. Creating housing with reduced parking in these areas will attract households with less of a reliance on personal automobiles.

Recommendations not bold enough**:** While a lot of concerns voiced were focused on mitigating impacts of the recommendations, many people expressed concern that the recommendations are not bold enough. Many felt that given the exclusionary aspects of single-family zoning, Planning Staff recommendations should more aggressively address the exclusionary history of single-family zoning (e.g., by applying the recommendations everywhere). The Board believes that its recommendations are among the boldest being pursued across the country. Furthermore, the Board believes that additional bolder changes can and should be pursued through the master plan process, using tools like rezoning to increase density and housing diversity.

Tight timeline for the project: The Attainable Housing Strategies initiative comes on the heels of years of studies and other efforts, including *Thrive Montgomery 2050* launched in 2019, pointing us in this direction.

Should the Council decide to take action on a new ZTA to implement the Attainable Housing Strategies recommendations, the Planning Board and County Council would each hold a formal public hearing to receive testimony. There will also be work sessions before any changes are implemented.

Tackling the effort during the pandemic: If anything, the pandemic has exacerbated the need for the county to take action on housing issues. There is a growing demand for homeownership in this county, and it is being met with a severe lack of supply. This is driving up the cost of housing on both

the ownership and rental sides everywhere across the county. Those not fortunate enough to currently own property in the county are finding it less and less likely that they will ever be able to do so. The county can't wait to take action on this, and the waning pandemic is certainly no reason to ignore the county's housing woes.

Alignment of AHS to *Thrive Montgomery 2050*: There have been multiple inquiries about how the Attainable Housing Strategy relates to *Thrive Montgomery 2050* and that there seems to be misalignment with the goals set out in Thrive and the push for Attainable Housing through a Thrive lens. Further, there seems to be concern in the fact that Thrive has not yet been adopted by Council, but that there have already been blocks sectioned off for rezoning through the AHS. AHS will not be taken up by the County Council until *Thrive Montgomery 2050* is adopted. If necessary, appropriate changes will be made to the AHS recommendations to align with changes made by the County Council to *Thrive Montgomery 2050*.

ZTA seen as a way to circumvent Master Plan and Sector Plan process: The Zoning Modifications is often referred to as a "one size fits all" and "blanket approach" to change zoning without having to go through the normal Master Plan and/or Sector Plan process. This is perceived to be a less comprehensive and detailed process and will result in actions taken (such as zoning changes) that are not well thought out, that haven't had enough community involvement, and that will favor developers' agenda rather than the residents living there.

Staff believes that the AHS process is comprehensive – and builds upon years of work regarding Missing Middle housing, and now attainable housing.

Gentrification and displacement: There were many concerns raised that the cost of the attainable housing units is too expensive and will result in gentrification. The rationale behind this concern is that because the new build of structures like townhouses, duplexes, and triplexes are initially more expensive, they will push out existing residents and incentivize developers to exercise the by-right option in neighborhoods that are organically affordable, which will price out some of the older stock of housing.

The recommendations from AHS will not force anyone to sell their house. AHS simply expands the options available to property owners who might already be inclined to sell their property to a developer or to redevelop it themselves. Currently, properties that are ripe for redevelopment can only be replaced with new single-family detached homes, which are much larger and more expensive than both existing homes and the proposed attainable housing type units. Under existing rules, these replacement single-family homes do more to exclude households from residential neighborhoods than any of the proposed new housing types ever will. The existing by-right replacement home process is transforming more and more neighborhoods and AHS aims to make a competitive alternative to that existing process.

Planning Staff also completed further analysis on the topic below.

Confusion between affordable housing and attainable housing: There has been confusion expressed around the language of attainable housing and how this relates to affordable housing. Many mentioned that earlier versions of the housing element in *Thrive Montgomery 2050* were framed using

"affordable housing" language and that this has changed to "attainable housing," which many feel will not be affordable to low-wage or middle-wage earners. Often, many made the point that they support the development of affordable housing but not the development of attainable housing.

The Planning Board disagrees with the assertion. The language in *Thrive Montgomery 2050* has always been around both affordable and attainable housing. There is a recognition in Thrive that both more income-restricted housing and market-rate housing are needed. Furthermore, Montgomery County neighborhoods need more housing affordable to a range of incomes, not just those on the lowest and highest ends.

Inclusion of R-200 Zone: The Planning Board's recommendations would allow duplexes in the R-200 zone. Some people have argued that the R-200 zone should be excluded, given that the zone is mostly includes larger lots located upcounty. It's also an equity issue, to ensure more places around the county, including larger lot zones are allowed to participate in making neighborhoods across the county more inclusive and attainable.

Buffer Distances: Several people believe that the buffer distances used to create the Priority Housing District are arbitrary and random – and either smaller buffers or pedestrian network walksheds should be used as a more realistic option. The Planning Board felt that it was consistent to align the buffer distances with previous guidance from the Accessory Dwelling Unit parking requirements, which included 1-mile straightline buffers.

Naval Support Activity (NSA) Bethesda: Naval Support Activity (NSA) Bethesda considers increased residential density near their installation fence line an encroachment issue that can impact the ability to meet mission requirements. The installation is surrounded by properties zoned R-60 and R-90, and an NSA representative has indicated that an increase in residential density along the installation fence line can lead to changes in installation activity that can degrade the ability to meet mission requirements. While the Planning Board did not exempt any properties, the Council may wish to exempt properties along the installation fence line if they wish.

Check-Ins: The Planning Board expressed a desire to have an AHS "check-in" at regular intervals with the first initial check-in at two years with the Planning Board, but formal reports potentially every 4 years. The ultimate elements of the 'check-ins' will be decided when the final scope of AHS is decided upon the adoption of a ZTA by the County Council.

Affordability

The Planning Board does not believe it is economically feasible for small scale, infill housing types to cover the high subsidy required to make units affordable to low- and moderate-income households.

First, let's highlight existing county affordable programs and how they fit into the development process in Montgomery County. The most well-known affordable housing program in the county is the Moderately Priced Dwelling Unit program. Implemented in 1974, Montgomery County's landmark inclusionary zoning program, the Moderately Priced Dwelling Unit Ordinance is believed to be the country's first mandatory, inclusionary zoning law that allowed an optional bonus density to help offset the cost of constructing units. The program requires that 12.5 percent to 15 percent of units in

developments to be set aside as affordable to households earning between 65 percent and 70 percent of Area Median Income.[14] The MPDU requirement is only triggered in developments with 20 units or more, in recognition of the high cost of providing MPDU units and the need to have a sizeable share of market-rate units to help cover the costs of providing these subsidized MPDU units.

If there are any Attainable Housing developments with 20 units or more (which is only possible for certain medium scale or large scale developments and not small scale/house-scale attainable housing types), the MPDU requirement would still apply.

Furthermore, changes made in 2018 require housing developments with 11 to 19 units to make a payment to the Housing Initiative Fund (HIF) at one-half (0.5) percent of the purchase price of the unit, paid at settlement. The HIF is administered by the county's Department of Housing and Community Affairs. HIF funding is used to provide loans to support production of new affordable housing, acquisition and preservation of existing affordable housing, and subsidies to make housing affordable to very low-, low-, and moderate-income tenants. Funding is also used to support homeownership programs. The fund receives revenue from a variety of other sources including taxes, proceeds from bonds, and loan repayments.

There is also a Workforce Housing Unit (WFHU) Program in Montgomery County. The Workforce Housing program is a voluntary affordable housing program, and not required like the MPDU program. WFHU are often required as a condition of development agreements related to the use of county owned land. The goals of Workforce Housing are to promote the construction of housing that will be affordable to households with incomes at or below 120 percent of AMI,[15] as well as increase the availability of housing in the county for public employees and other workers whose income cannot support the high cost of housing located close to their workplace.

The Planning Board's recommendations for Attainable Housing, specifically having 1,500 as the average unit size for applications that utilize the AHOM, will enable the creation of more units that are of a smaller size and are more accessible to moderate income earners to be built along the corridors that connect these transit and amenity rich areas.

Relatedly, making sweeping zoning changes that could help increase housing production could also have a downward impact on rents and sales prices. In Austin, TX, rent prices have dropped over 9% due to a building boom that dramatically increased the housing supply in the city. The city has also drastically cut the minimum lot size – from 5,750 SF to only 1,800 SF.

There are also state and federal affordable housing programs that operate outside county code that have a limited role in development review. Perhaps the most well-known program is the Low-Income Housing Tax Credit, which is the national leader for developing affordable housing. Administered by state housing finance agencies, LIHTC provides funding for the development costs of low-income rental housing. LIHTC typically serves households at 40-60 percent of AMI, but recent changes allow

[14] The maximum household income is $97,500 for a household of three to qualify for a MPDU. https://montgomerycountymd.gov/DHCA/housing/singlefamily/mpdu/programsales.html#Are

[15] The maximum household income is $167,000 for a household of three to qualify for a WFHU. https://www.montgomerycountymd.gov/DHCA/housing/singlefamily/workforce/

for income up to 80 percent of AMI, so long as the average income/rent limit in the project remains at 60 percent or less of AMI. In Maryland, the building must remain in compliance and is subject to covenant to enforce compliance for a minimum of 40 years. Given the size of small scale attainable housing projects, it is unlikely that these types of projects would apply for competitive nine percent LIHTC.

Feasibility of Requiring an Affordability Component

Recently, Planning Staff worked with Habitat for Humanity on a post for Montgomery Planning's Third Place blog on an affordable duplex homeownership project on Garland Avenue in Takoma Park. The blog highlights how it is not economically feasible to require small attainable housing projects to dedicate affordable units:

> *Habitat estimates that the cost to renovate and sell the Garland Ave property as a single-family home would be about $800,000 and that the property would appraise for around $870,000. Habitat serves families earning less than 80 percent of Area Median Income and ensures that families do not pay more than 30 percent of their gross household income on housing. Habitat does this by subsidizing the difference between the cost to renovate the home and what would be an affordable price for the families we serve. Obviously, $800,000 is not affordable. Habitat calculates that a sales price of closer to $300,000 is affordable when considering mortgage payments, property taxes, and homeowners' insurance. If left as a single-family home, the subsidy would need to be $500,000 to make up the difference. However, because the property's zoning allows us to create a duplex, we can make the dream of owning a home in Takoma Park realistic for not only one, but for two homebuyers with this single project.*
>
> *Habitat's total budget for the duplex conversion is $950,000 or $475,000 per unit. With two units, the subsidy drops from $500,000 to $175,000 per unit or $350,000 total. That makes a huge difference when it comes to fundraising to fill the gap.*

First, by creating another unit, Habitat was able to lower the cost of the subsidy and spread it across two units to help fill the fundraising gap to make the units a reality, highlighting the impact of building more and smaller units. Second, the subsidy needed to make this affordable to the families that Habitat serves is still high - $175,000 per unit. While not a perfect comparison, the average per-unit cost of procuring an MPDU utilizing a loan for the Housing Initiative Fund in 2019 was approximately $49,000.

The Planning Board believes that this subsidy gap is too large for the market-rate sector to be able to build these types of units without financial assistance from the county and it would be infeasible to require a mandatory affordability component.

Gentrification and Displacement

There have been neighborhood concerns that new construction associated with AHS will lead to gentrification. Staff examined the potential of small scale attainable housing and middle and large scale attainable housing to cause gentrification separately due to the differing review process and

applicable geography. Staff found that the potential for all scales of attainable housing to generate gentrification is small.

Gentrification is defined by the Urban Displacement Program at UC Berkeley as "a process of neighborhood change that includes economic change in a historically disinvested neighborhood —by means of real estate investment and new higher-income residents moving in — as well as demographic change — not only in terms of income level, but also in terms of changes in the education level or racial make-up of residents."[16] The Merriam-Webster dictionary defines gentrification as "a process in which a poor area (as of a city) experiences an influx of middle-class or wealthy people who renovate and rebuild homes and businesses and which often results in an increase in property values and the displacement of earlier, usually poorer residents."[17] Both definitions emphasize changing demographics at a neighborhood-scale within lower income areas or a neighborhood in which policies actively prevented investment and led to a concentration of poverty and a dearth of opportunity. The Urban Displacement Program's website further explains the context of gentrification with an emphasis on racial segregation and the intentional economic isolation of people of color.

Small scale attainable housing is unlikely to cause gentrification because it is most likely to be built in neighborhoods that are neither lower income nor have ever been historically disinvested. Under certain conditions, the recommendations for small scale attainable housing would allow duplexes and triplexes by-right in certain residential zones and quadplexes in select areas near transit.

To better understand where builders might construct small scale attainable housing and whether this might cause gentrification, Planning Staff modeled the feasibility of replacing properties in the 30th to 70th percentile of value with a 3,000-square-foot duplex (1,500 square feet for each unit) in each transportation analysis zone (TAZ) in the county. The model uses the same process and data on value of the new unit and cost of construction as the Missing Middle Market Study presented to the Planning Board on March 4, 2021. In slight contrast, the Missing Middle Market Study evaluated the financial feasibility of replacing properties of *average value* (the 100th percentile of value) within each TAZ with new Missing Middle housing typologies.

To examine the potential of gentrification Planning Staff updated the model to analyze the feasibility of replacing properties that are 55 percent of the average value in each TAZ. Average value was calculated using all arms-length sales of single-family properties in each TAZ from 2018 through 2020. 55 percent was chosen as the weighted midpoint of the homes selling within the 30th to 70th percentiles of value; Montgomery Planning's investigation of the replacement home market, presented to the Planning Board on June 24, 2021, revealed that builders target homes that sell between the 30th and 70th percentile of value for replacement homes. Staff modeled the feasibility of a 3,000 SF duplex as this matches the 1,500 SF average unit size cap discussed at the AHS work-session with the Planning Board on October 7, 2021.

The following map shows the results of this financial modeling, demonstrating that the duplexes, the development typology most easily fit onto an existing single-family parcel, is most likely to occur in

[16] Source: https://www.urbandisplacement.org/gentrification-explained
[17] Source: https://www.merriam-webster.com/dictionary/gentrification

the same neighborhoods where the majority of replacement homes were built since 2010. Neighborhoods shown in yellow are where the profit from development of the duplex is expected to generate 75 to 125 percent of the cost of a home at the 55th percentile of value, indicating the builder may be able to find one of these lower-cost properties at a price that enables development to proceed. Neighborhoods in green are where the expected profit exceeds 125 percent of the value of a property at the 55th percentile of local area value, indicating that efforts to acquire the lower-cost properties to build attainable housing would be likely there. Areas in red do not generate enough profit to cover 75 percent of the value of a home in the 55th percentile of value, indicating a builder is unlikely to find a sufficiently low-cost property for a duplex project. Within the areas in grey the anticipated revenue from the new units does not cover the cost of constructing the duplex, indicating that new duplex development replacing homes at the 55th percentile of value is not feasible in these areas at this time. Importantly, the green and yellow areas overlap substantially with the location of the vast majority of replacement homes built since 2010.

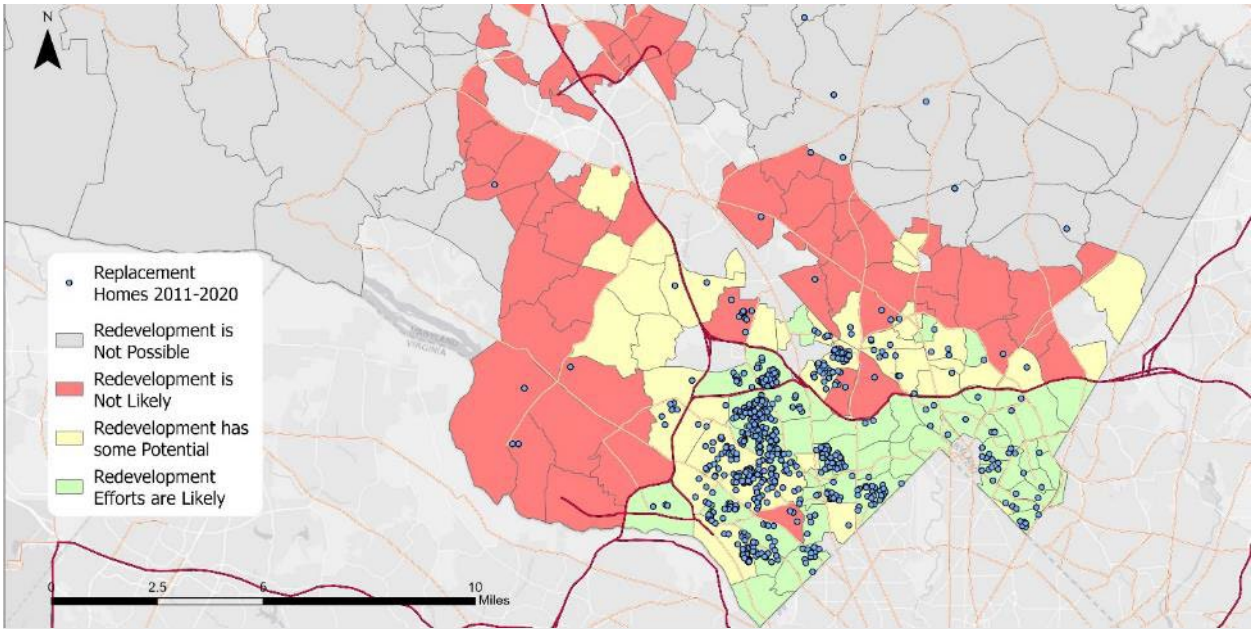


Figure 14 Feasibility of a 3,000 SF Duplex Redevelopment of Single-Family Homes at the 55th Percentile of TAZ average sales value and Location of Replacement Homes Built 2011-2020. (Source: Montgomery County Planning, Research & Strategic Projects)

While there is a broad geography in which builders could feasibly replace homes at the 55th percentile of average value with attainable housing, the supply of those lower cost homes is very limited. Montgomery Planning's investigation of the replacement home market, presented to the Planning Board on June 24, 2021, found that just 10 percent of the approximately 20,000 arms-length sales of single-family homes in the years 2018 to 2020 were between the 30th and 70th percentile of value. This limited supply of properties within the price range required to profitably develop attainable housing will correspondingly limit the impact of the small scale attainable housing permitted by-right to existing single-family neighborhoods.

The finding that small scale attainable housing will likely occur in the same neighborhoods as replacement homes indicates that adoption of the AHS recommendations is unlikely to cause

gentrification. This is because the neighborhoods where replacement homes are being built and where we would expect small scale attainable housing generally:

- had a higher proportion of households identifying as White alone, non-Hispanic or Latino in 2010 than the rest of the county;
- saw the proportion of White-alone households decline at a slower pace from 2010 to 2020 than the rest of the county;
- had higher median income in 2010 than the rest of the county;
- had median income increase at a faster or similar rate as the rest of the county between 2010 and 2020; and,
- had average or higher than average levels of owner occupancy of the units within one- to four-unit properties.

The following series of maps shows the above five points, indicating that small scale AHS is most likely to occur in areas that are neither lower income nor historically disinvested.

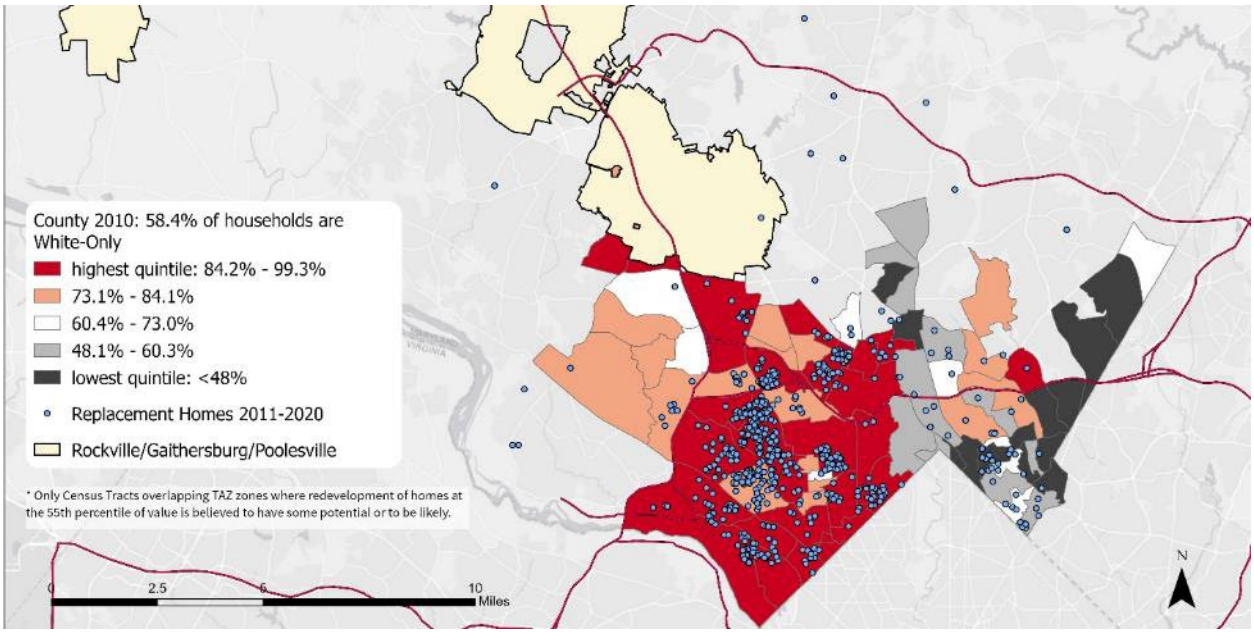


Figure 15 Proportion of the Population Identifying as White Only in 2010 by Census Tracts where Redevelopment of Homes at the 55th Percentile of Value has Potential or is Likely. (Source: Census 5-year ACS data, Montgomery County Planning, Research & Strategic Projects)

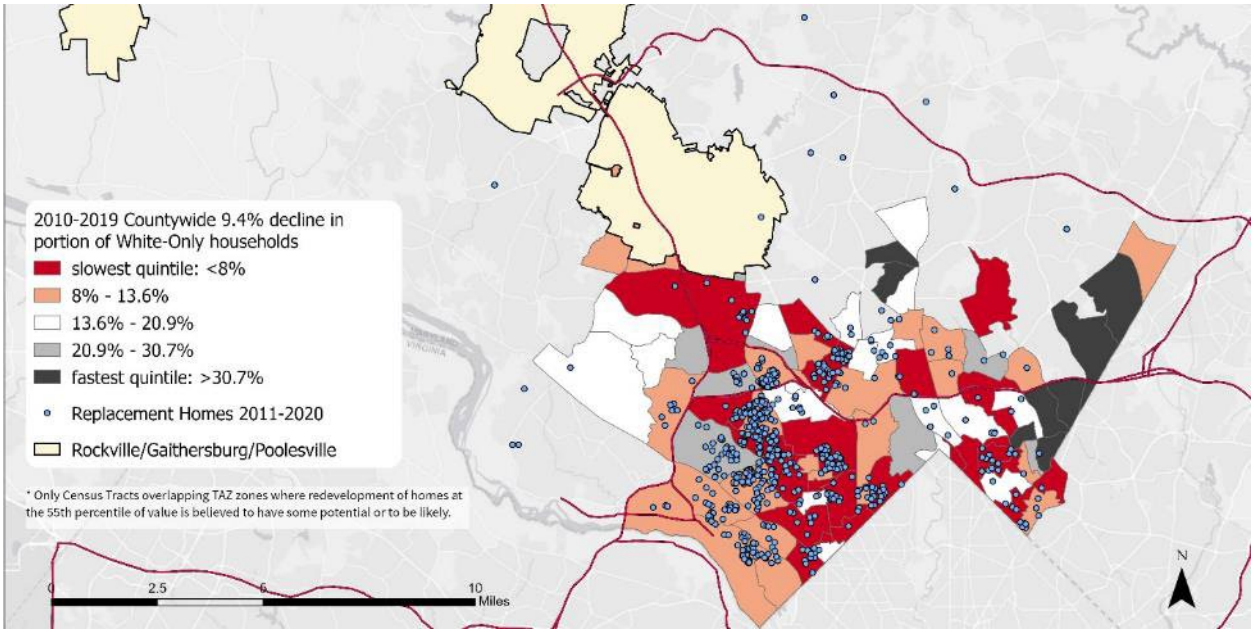


Figure 16 Decline in the Proportion of the Population Identifying as White Only from 2010 to 2019 by Census Tracts where Redevelopment of Homes at the 55th Percentile of Value has Potential or is Likely. (Source: Census 5-year ACS data, Montgomery County Planning)

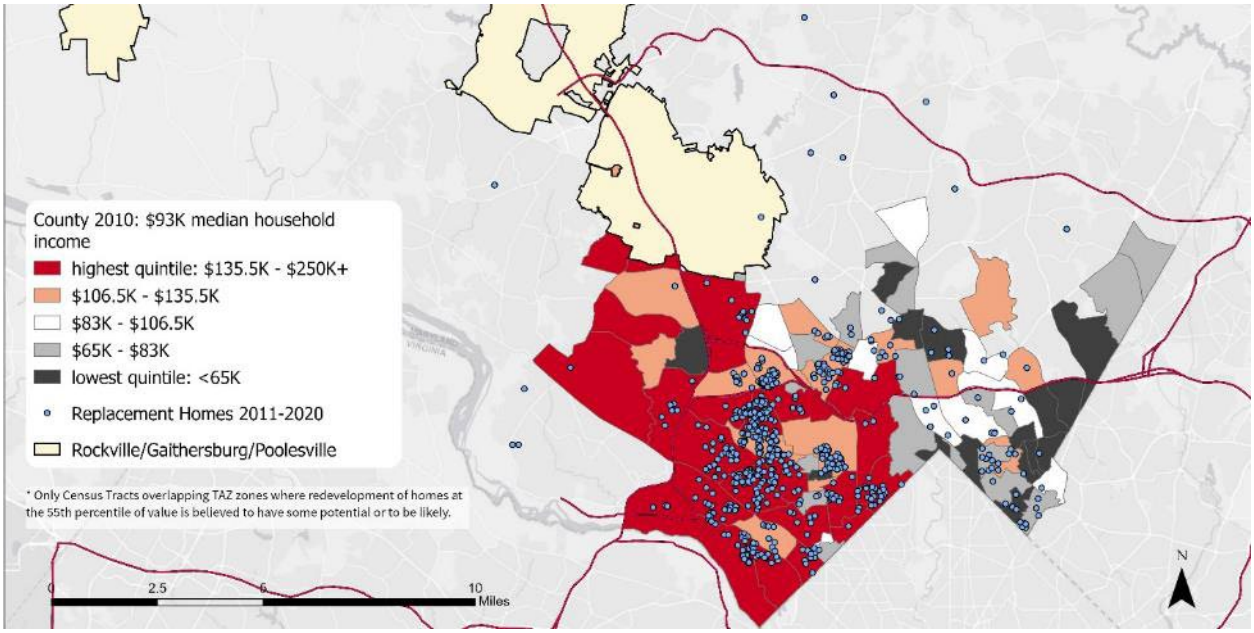


Figure 17 Median Household Income in 2010 by Census Tracts where Redevelopment of Homes at the 55th Percentile of Value has Potential or is Likely. Source: Census 5-year ACS data, Montgomery County Planning, Research & Strategic Projects

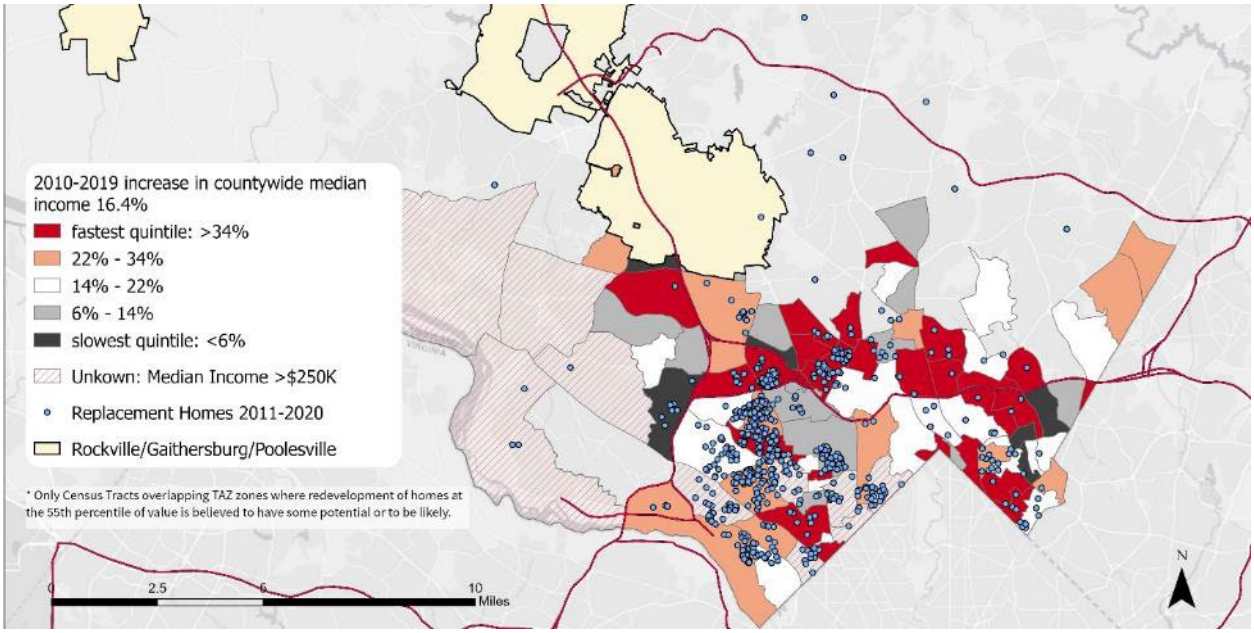


Figure 18 Change in Household Median Income 2010-2019 by Census Tracts where Redevelopment of Homes at the 55th Percentile of Value has Potential or is Likely. (Source: Census 5-year ACS data, Montgomery County Planning, Research & Strategic Projects)

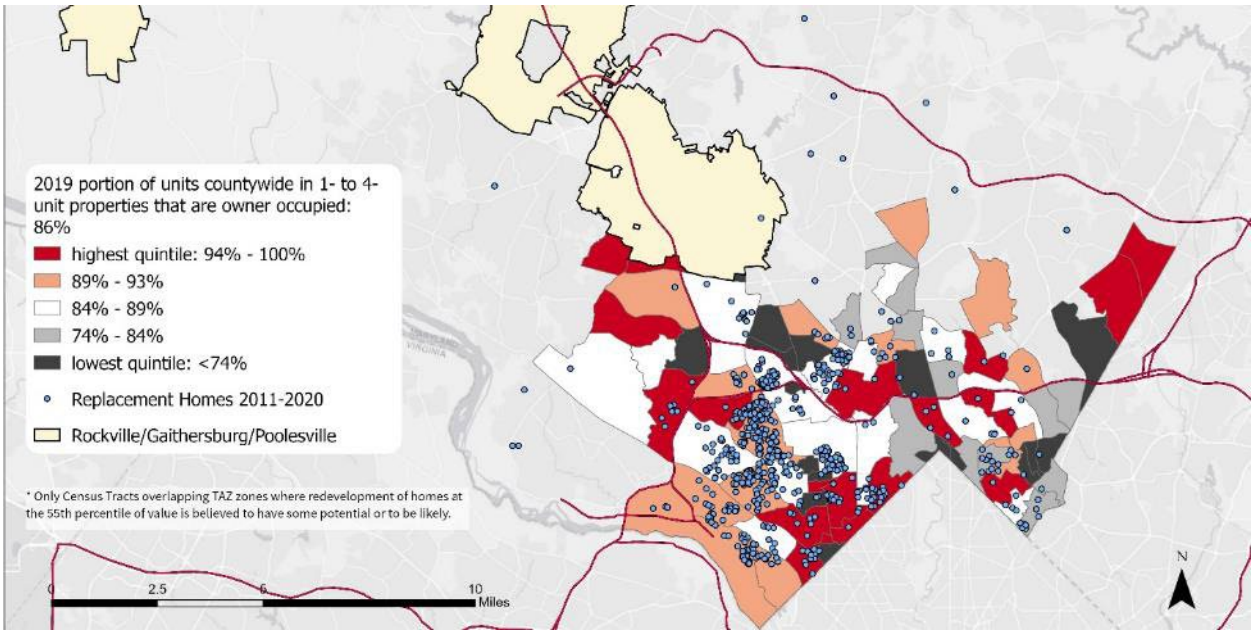


Figure 19 Proportion of Units in 1- to 4-Unit Properties That Are Owner-Occupied in 2019, by Census Tracts where Redevelopment of Homes at the 55th Percentile of Value has Potential or is Likely. (Source: Census 5-year ACS data, Montgomery County Planning)

Staff also found that medium and large scale attainable housing are unlikely to cause gentrification for several reasons:

- there are only a small number of properties eligible for AHOM development in any neighborhood, making this type of development unlikely to generate neighborhood level demographic change;
- Eligible properties are not a source of lower-cost housing;
- A large proportion of properties abutting corridors are owner occupied, and thus there are few renters that development might displace.

Due to the small number of AHOM eligible properties compared to the entire stock of R-60 and R-90 homes, the development of medium and large scale attainable housing is unlikely to perceptibly change the demographics of an entire neighborhood. There are approximately 2,380 R-60 and R-90 properties directly abutting the corridors, 2.6 percent of the approximately 89,000 R-60 and R-90 properties in the county. Within the TAZs with properties eligible for AHOM, such properties make up four percent of all properties with single-family homes. A portion of the neighborhood south of Randolph Road between Lindell Street and Georgia Avenue has the highest proportion of properties eligible for AHOM at 19 percent.

R-60 and R-90 properties fronting the defined corridors are not a source of lower cost housing and thus middle and large scale attainable development is unlikely to remove a key source of relatively affordable homes. Planning Staff evaluated the assessed value and sales from 2018 to 2020 of single-family homes in TAZs with properties eligible for AHOM and found little difference in value between properties fronting the corridors eligible for AHOM and properties with no frontage. The average assessed value of properties with corridor frontage was lower than the neighborhood average by 14 percent. However, 27 of the 75 TAZs with AHOM eligible properties had the average assessed value of properties fronting the corridor exceeding the neighborhood average. Recent sales data from 2018 through 2020 produced a similar finding, with the average price of homes on the corridors sold in those years exceeding the neighborhood average sales price by 28 percent. 59 TAZs with AHOM eligible properties had the average sale price of homes fronting the corridor exceeding the neighborhood average, while in only 16 TAZs was the average sale price lower.

Lastly, existing homes fronting the defined corridors are not a key source of rental units thus few occupants could be displaced by development: approximately 2,000 of the 2,380 properties are owner occupied (84 percent), just somewhat lower than the proportion of all single-family properties (of any zone) in Montgomery County that are owner occupied (92 percent).

The Planning Department has completed related initiatives on Neighborhood Change and Income Change that are also pertinent to the discussion of gentrification and displacement.

Neighborhood Change

The Neighborhood Change in the Washington DC Region study found that census tracts that added the most housing in Montgomery County between 2000 and 2019 saw inclusive growth, meaning increases in both higher- and lower-income residents. In contrast, tracts that added little housing saw displacement of low-income people or poverty concentration. Finally, in adding housing to

neighborhoods was statistically correlated with increases rather than decreases of Black and Hispanic residents."

Income change

A three-part blog called "Repositioning Montgomery County for Prosperity"[18] finds that from 2005 to 2022, Montgomery County has lost more middle-income residents than any other jurisdiction in the Washington DC region, and its share of middle-income population has decreased faster than all but two of the 50 largest counties in the US. This research suggests that the lack of additional attainable housing options is forcing middle-income residents to look for housing in other places in the region and the nation.

Property Assessment and Taxes

Planning Staff spoke with a representative of the State Department of Assessment and Taxation (SDAT) on September 13, 2021, to fully understand the role of zoning on property assessments. Included in this report is a copy of the letter we received from SDAT regarding the potential zoning changes. Attachment 2 also includes a copy of the letter.

> *SDAT is responsible for assessing the value of property within the State of Maryland. Local county governments and municipalities then set their tax rates and apply it to our assessment valuations to generate property tax bills. Montgomery County is divided into three reassessment groups and currently reassesses each group on a three-year cycle, and SDAT analyzes market sales data during a reassessment cycle to determine the property's value change. We use verified sales for comparable properties of a similar use, type, and style that are in a comparable neighborhood or market area to determine the assessed values of properties. SDAT also reassesses properties out of cycle when they have had a use change or recent new construction resulting in an increase in assessment adding over $100,000 in value.*
>
> *If a property were to be redeveloped by plat and subdivide lots or were to change in use to create a multi-family unit on the parcel, the immediate change would only directly impact that particular parcel. However, if properties are acquired at lower or higher purchase prices over time and the comparable sales warrant a decrease or increase in the assessed value of those similar properties upon the next reassessment cycle, it may indirectly impact the assessments for similar properties in that market area. Property that is reassessed and is owner occupied and eligible for any applicable Homestead Tax Credits or Homeowners Tax Credits may continue to receive those credits.*
>
> *In sum, the zoning code changes proposed by Montgomery County that are under consideration allowing for multiple living units or more development potential in single-family zones may or may not result in changed assessed value for properties subject to that change. SDAT can only*

[18] The three "Repositioning Montgomery for Prosperity" blogs are:
Part 1: Montgomery County's Income Shifts
Part 2: Montgomery County's Income Shifts in Regional and National Contexts
Part 3: Abundant Housing for Inclusive Growth
The full research brief is Navigating Income Shifts in Montgomery County: Towards Shared Prosperity

follow the market trends after they occur. Local governments may offset any change in assessment by the implementation of their local property tax rates.

Similarly, based on conversations with Montgomery County's Office of Management and Budget, the tax rates applied by the county to the assessed values of residential properties are based on the actual use, not the potential use as allowed by zoning.

Adequate Public Facilities

Our analysis indicates that the amount of attainable housing built will have a limited and moderate impact on our housing supply and existing infrastructure. In addition, the Planning Board does not see the recommendations in AHS having a unique impact on public facilities that would require mitigation outside of our normal processes.

We currently have mechanisms to mitigate impact of new development through infrastructure impact fees for schools and transportation and through our Adequate Public Facilities Ordinance, the Growth and Infrastructure Policy. The purpose of the Growth and Infrastructure Policy (formerly Subdivision Staging Policy) is to establish a process that can give guidance on matters concerning land use development, growth management, and related issues. It includes guidelines for the Planning Board and other agencies in administering laws and regulations that affect the adequacy and timing of public facilities needed to support growth and development and is to be adopted by the Council every four years.

For schools, each residential development application (including attainable housing types) is evaluated to forecast its demand for schools facilities and to determine if and how the applicant will mitigate inadequacies. Should there be inadequacies, mitigation is required in the form of Utilization Premium Payments (UPP). Utilization Premium Payments (UPP) are fees charged to new residential units when a school serving the project is projected to be inadequate, or the additional demand from the development is found to trigger certain adequacy thresholds. The fee is calculated by applying the appropriate UPP factor, outlined in the School Adequacy Analysis report, to the undiscounted and unexempt school impact tax rate applicable to the project. Attainable housing typologies would be subject to UPP fees should they trigger one, along with impact taxes.

For transportation, all projects that generate 50 or more net new peak hour person trips are subject to the Growth and Infrastructure LATR requirements, which are detailed in the LATR Guidelines. It is unlikely that any of the small scale or medium scale housing typologies would generate 50 or more net new peak hour person trips to be subject to the LATR requirements.

Market Feasibility

To support the development of the recommendations, Montgomery Planning evaluated the market feasibility of constructing the attainable housing typologies proposed within established single-family neighborhoods. The following analysis builds upon and refines the findings from the market study for

Missing Middle Housing that the Planning Staff presented in support of the Silver Spring Downtown and Adjacent Communities Plan.

Replacement home builders are the only developers redeveloping existing single-family homes.

Replacement homes are the purchase of an existing house by a builder, the demolition of that existing house, and the construction of a replacement home that is then sold at a profit. Replacement homes are substantially larger and more expensive than the prior home that was demolished. Montgomery Planning identified 683 replacement homes built since the year 2011. The original homes averaged 1,500 gross square feet, while the replacement home averaged 3,730 gross square feet.[19] Builders bought the properties for an average of $640,000, and then sold the subsequent replacement homes for an average of $1,635,000. This product is currently the primary redevelopment occurring within established single-family neighborhoods in Montgomery County. In order for multi-unit attainable housing to be feasible, it must be financially competitive with the replacement home industry.

The replacement home industry targets the lower cost and most attainable properties in high demand neighborhoods and converts them into the highest cost properties.

In each neighborhood the existing homes that are most attainable are ripe for replacement and there is an active industry replacing them. Under the current zoning and in the current market conditions the only option is to replace them with large single-family homes that are expensive and not attainable.

The replacement home industry centers on Chevy Chase, Bethesda, Kensington, and Silver Spring/Takoma Park (see below map).

[19] Calculations of gross square footage are taken from State Department of Assessments and Taxation (SDAT) data. SDAT does not include finished basements in the calculation of gross square footage while popular websites advertising home sales do. As a result replacement homes showcased on sites like Redfin and Zillow advertise substantially higher total square footage.

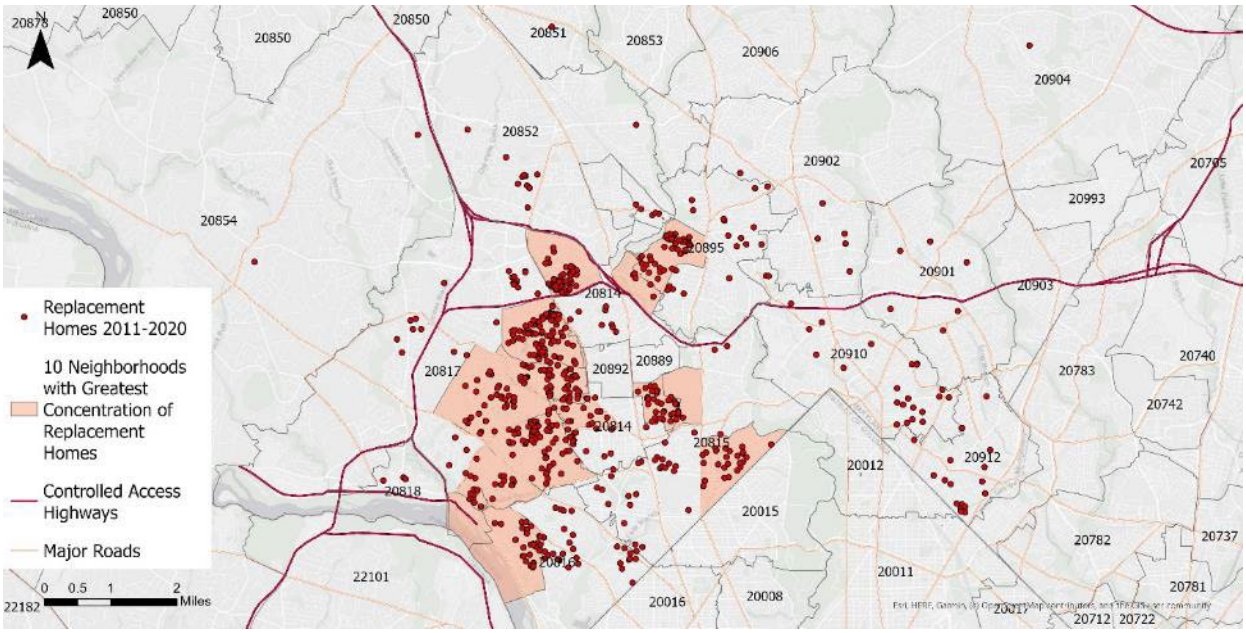


Figure 20 Map centered on Bethesda and Silver Spring showing identified new replacement homes built between 2011 and 2020 with the ten neighborhoods with the greatest concentration of such homes highlighted on the map.

The industry targets homes that are between 30 and 70 percent of the average sales price within a neighborhood and converts them into homes selling for more than 130 percent of the average price. Just 10 percent of all single-family properties within neighborhoods where replacement homes were built between 2017 and 2019 sold for between 30 and 70 percent of average sales price; just 13 percent of homes sold for greater than 130 percent of the average price. Replacement home builders were able to acquire 20 percent, or 169 of the 848 properties that sold in the 30 to 70 percent of average value range. This trend is shown graphically on the following chart.

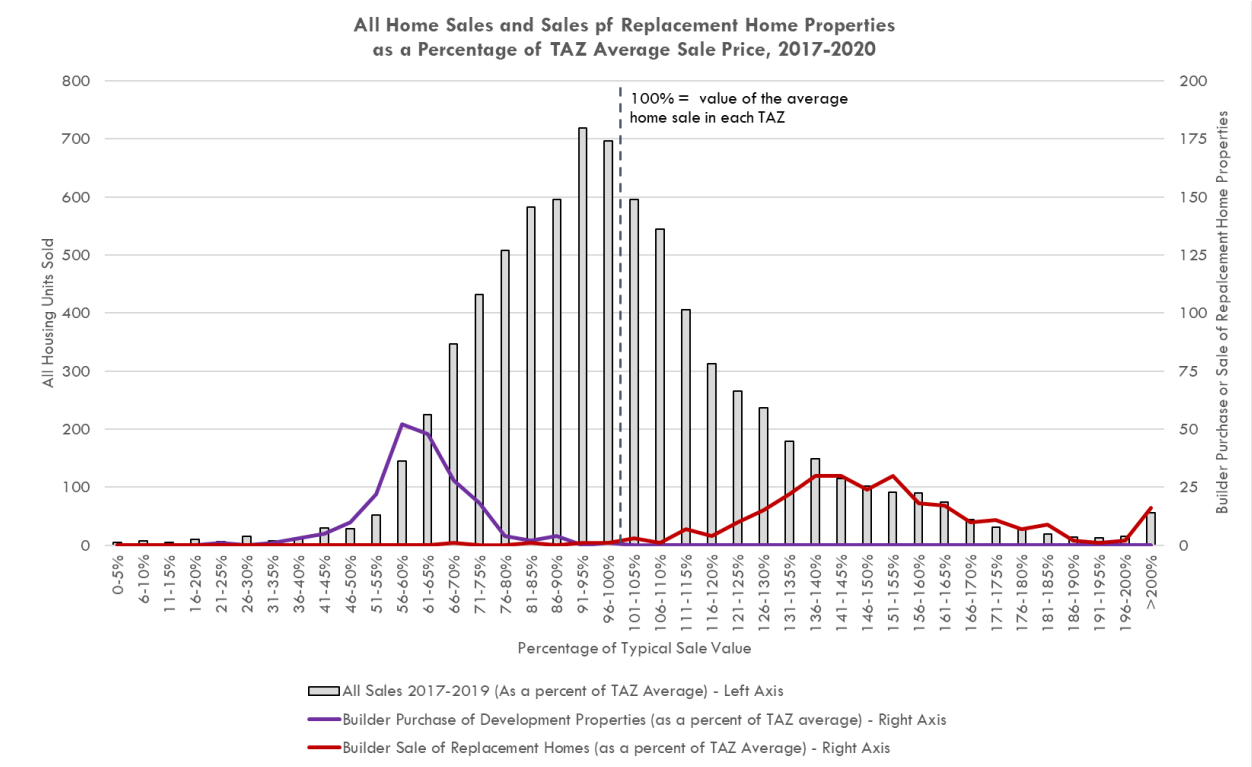


Figure 21 Chart of all single-family home sales as a percent of neighborhood average sales value in neighborhoods (TAZ zones) where new replacement homes were built between 2017 and 2019 (left axis). Builder purchase of properties for development and builder sales as a percent of average home value in each TAX (right axis).

Within the 10 neighborhoods with the greatest concentration of replacement homes built since 2010, this trend is even more pronounced: replacement home builders acquired 35 percent or 121 of 349 properties that sold for between 30 and 70 percent of average sales price from 2017 to 2019. New replacement homes accounted for 42 percent or 153 of 367 properties that sold for greater than 130 percent of the average sales price in these neighborhoods between 2017 and 2019.

These data indicate that while the replacement home industry is relatively small in comparison to the entire number of housing units in Montgomery County, it is resulting in a significant and meaningful loss of the most attainable single-family properties.

Attainable housing development is feasible; growth will be incremental

The Montgomery County Planning Department finds that the production of attainable housing will be incremental, with what is likely a small number of units built each year. This finding aligns with the Missing Middle market study presented to the Planning Board on March 4 which found that development of smaller and/or less dense multi-unit properties would be *unlikely* to generate enough value to justify the purchase and redevelopment of homes of *average* value in many neighborhoods.

Some critics of attainable housing have seized on this finding to claim that it would be *impossible* to build such development and that therefore the effort is not worthwhile. However, *unlikely* is not the same as *impossible*.

More importantly, Planning Staff's subsequent analysis of the replacement home industry highlights that the industry does not target *average* value homes, but rather the few homes of substantially reduced value. The Missing Middle market study (March 2021) did find that house-sized attainable housing would generate enough value to potentially purchase and redevelop properties in the 30 to 70 percent of average value range, meaning that some level of development would be feasible. However, as is noted above, there are not many properties that sell within this price range which means that attainable housing development, while feasible, will be incremental and a small portion of the county's housing supply.

Small increases in housing supply will not solve Montgomery County's housing crisis but are nonetheless important and necessary:

- Even one attainable unit built is a step in the right direction and is needed as part of Montgomery County's larger strategy to address the housing crisis;
- The development of attainable homes will be incremental, so efforts started today will build over time;
- Enabling development of smaller and more attainable units is essential from an equity perspective and to enable more people to access Montgomery County's highest-opportunity neighborhoods.

The impact of incremental attainable housing to the mix of housing types and infrastructure would be manageable

A benefit of incremental development is that the impact to the existing character and infrastructure of established single-family neighborhoods would be manageable. Montgomery Planning forecasts that the market for house-scale attainable housing will be a small portion of the existing market for replacement homes. It is impossible to estimate or model in advance the precise size of the attainable housing market because no builder in the region has redeveloped existing single-family homes into duplexes, triplexes, or quadplexes in many decades. As high-level benchmarks, Planning Staff considered a scenario in which 5 percent of replacement homes instead became multi-unit attainable housing properties, and a more ambitious scenario in which multi-unit attainable housing properties were 30 percent of the replacement home market. These modest scenarios align with input from members of the HEAT involved in real estate sales and development who stated that while this effort is important, they did not believe that many attainable properties would be built in the initial years after passage of the policy.

Examining closely one neighborhood with a notable concentration of replacement homes demonstrates the limited impact to the mix of housing types and infrastructure of allowing the development of multi-unit attainable properties. The neighborhood highlighted below is a portion of TAZ 679 in Kensington. While other neighborhoods in Bethesda and Chevy Chase are better known as the center of the replacement home market, TAZ 679 has one of the most dense concentrations of replacement homes built since 2011: there are 27 replacement homes in the 8 to 10 blocks shown on

the below map and 50 built in the entire TAZ. The following graphic shows the replacement homes built since the year 2011, the price the builder received for the replacement home, and the cost they paid for the old house (in parentheses). Statistics for the replacement home industry and housing market for this neighborhood are shown to the right of the map.

Figure 22 Map of a portion of the Kensington neighborhood showing the new replacement homes built between 2011 and 2020, the price those homes sold for, and the price the builder originally acquired the property at (in parentheses). Statistics of the housing market and custom home market in this TAZX are on the right of the graphic.

If five percent of replacement homes built over 10 years had instead become multi-unit attainable housing properties, it would have resulted in one or two properties converting to multiple units in the entire 10-block area shown. At 30 percent it would result in eight properties converting, which is still less than one multi-unit attainable property per block over a 10-year period. Within the map in Figure 23, the stars symbolizing attainable multi-unit properties have been placed randomly over replacement homes to give a sense of the potential scale.

Figure 23 Map of a portion of the Kensington neighborhood showing a hypothetical scenario in which five percent of the 27 replacement homes built between 2011 and 2020 — 1 to 2 properties — were instead multi-unit attainable housing properties, and a scenario in which 30 percent (8 properties) were instead multi unit attainable housing.[20]

[20] Montgomery Planning presented a different version of this graphic at the third AHS community meeting on June 2, 2021 that included data from 2000 to 2021. As Planning Staff detailed at the meeting and on those slides, that presentation was missing data from 2002 to 2004, 2014, and 2016 which depressed the total number of identified new replacement homes. Planning Staff was able to fix the data error for 2014 and 2016 and decided to adjust the time period of analysis to 2011 to 2020. This resulted in a slight adjustment to the number of new replacement homes and as a result the number of multi-unit attainable housing properties in the five percent and 30 percent scenarios.

Appendix D: Other Jurisdictions

Montgomery Planning held a virtual event during the Montgomery County Planning Board's February 24, 2021 meeting featuring an esteemed panel of housing experts. Called "Lessons learned: A conversation on expanding housing types from across the country," it featured former Minneapolis City Council President Lisa Bender, HUD's Regina C. Gray, DevNW (Oregon) Real Estate Director Erin Dey, and Arlington County, VA, Planning Supervisor Kellie Brown.

The Planning Board used this event to examine how states such as Oregon, cities like Minneapolis, MN, and, more locally, Virginia's Arlington County are navigating creating new housing types and increasing housing choice. The Planning Board engaged in a discussion with the panel to see how the panelists' experiences and best practices could be applied to Montgomery County and the Attainable Housing Strategies (AHS) initiative.

Regina C. Gray from the U.S. Department of Housing and Urban Development explained that land use zoning practices can create barriers in the market and price out potential homeowners and renters. Zoning policies can constrain the housing supply, artificially raise prices and reduce affordability, and place limits on diversity. She discussed how most of the residential land in the United States has been zoned for detached single-family homes.

Kellie Brown, Comprehensive Planning Section Supervisor for Arlington County, VA, says that her county is also facing a lack of diverse housing options due to single-family zoning. Since the fall of 2020, Brown has been part of the Missing Middle Housing Study. Through this study, Arlington County is looking at a range of housing types in the middle between single-family detached houses and mid-

to-high-rise apartment buildings, such as smaller houses with lower associated costs, three-bedroom units, and starter homes.

Erin Dey, a Real Estate Director at DevNW, a community-based economic development corporation located in Western Oregon supported this idea. “Wages are not increasing at the same rate as housing costs,” said Dey. “The lack of housing diversity and housing typologies is a key player in keeping people from owning a home… expanding housing typologies is key.”

During the panel event, former Minneapolis City Council President Lisa Bender discussed how Minneapolis’s comprehensive approach to housing policy was adopted in 2018 as part of the city’s master plan, Minneapolis 2040. Through this plan, the city legalized triplexes citywide, created inclusionary zoning requirements for market rate projects, eliminated parking minimums citywide, and added renter protections. The city implemented a series of policy changes to make housing more attainable for residents.

The panelists illustrated throughout the event that there is not one single answer to any community’s housing issues. When the Minneapolis City Council was reviewing its housing situation, there were not enough homes for the city’s growing population. The city also lacked a variety of housing options for immigrants and seniors who wanted to age in place and were experiencing growing racial disparities in housing. Additionally, there was a lot of pressure placed on renters in a city where 52% of households were renters. The city is combatting these ideas through multiple tools and policies, as no one solution can tackle all of these problems.

Reforms in Other Jurisdictions

In 2018, Minneapolis made headlines as the first jurisdiction in the country to expand housing options through the approval of its 2040 Comprehensive Plan, which included changes to zoning to allow up to three units on all residential properties in the city. Since then, states, counties, and cities across the Country have followed suit, using a variety of strategies to expand housing options for residents. This is a policy that is changing and expanding rapidly. The jurisdictions noted below are not exhaustive of all jurisdictions considering or implementing these types of changes, but instead highlights that this is a growing phenomenon across the country.

Specific planning approaches and zoning patterns vary across jurisdictions, however, there are meaningful commonalities in the assessment of the status quo, its challenges, and strategies to address said challenges.

Table 9 and Table 10 below presents some strategies used by jurisdictions across the country:

Jurisdiction		**Strategies**
City/County	**State**	**Housing/Zoning/Development Processes**

California Statewide Effort	CA	-Statewide ADU laws went into effect prohibiting setting a minimum lot size for ADUs, and making it easier to build two houses on one lot
City of Sacramento	CA	**Allow for:** -duplexes, triplexes, and fourplexes on all residentially zoned land -higher lot coverage (75 percent or more) for missing middle products -denser missing middle through rezoning over 25 units/acre -residential development in commercial zones (attached and by right) -ADUs in all residential zones (with reduced parking minimums) **Other Actions**: -Maximum floor area/height in-lieu of units/acre to regulate intensity. -Minimize single family zoning in transit rich corridors -Zone transit rich neighborhoods for multi-family housing and mixed-use development -Maximize by-right opportunities, minimize discretionary review opportunities -Waive owner-occupancy requirements -Relax setback requirements to ensure that even small, skinny, and irregular lots can build ADUs. -Adopt ADU-specific setbacks across all zones that standardize a reasonable setback (like 5ft) for ADUs. -Coordinate with outside agencies to align standards -Eliminate impact fees for affordable housing development -Vary fees by type and location
City/County	**State**	**Housing/Zoning/Development Processes**
City of Charlotte	NC	**Allow for:** -duplex, and triplex housing units in most single-family zoning districts - single-family, duplex, and triplex housing units, as well as small footprint homes and accessory dwelling units (ADUs) in select areas - fourplexes on all lots fronting arterials where single-family detached dwellings are permitted when key city priorities are advanced and benefits to the public are provided such as affordable and/or workforce housing - single-family attached and small scale multifamily housing developments (15 units or less) near transit services and along arterials in lower density, predominantly residential areas **Other Actions:** -Create a regulatory environment that incentivizes/requires affordable mixed-income housing in certain neighborhoods

		-Unified Development Ordinance: a regulatory tool that consolidates and updates regulations and standards such as subdivision, zoning, tree, roads, floodplains, erosion, stormwater, and access codes -Use a design manual to guide transitions between levels of intensity -Remove regulatory barriers including rezoning, and make it easier to build more innovative housing (tiny, 3d printed, modular) - intersect analysis with a map of vulnerability to displacement, showing how adversely inaction affects communities of color and lower income communities
City/County	**State**	**Housing/Zoning/Development Processes**
City of Portland	OR	**Allow for:** -nonprofit housing organizations to develop below-market housing more easily throughout the city - 'missing middle' housing in all neighborhoods -a scaled approach which ties the size of building to the number of homes. -two ADUs per lot and greater flexibility for mobility devices **Other Actions:** -removed on-site parking requirements from more than 60 percent of the city's residential land -imposed single-family home size constraints especially in case of one-for-one redevelopments -focusses on anti-displacement strategies as an integral component of housing reform, strategies include: Tenant protections, preserving affordability, projects with public benefits, incorporate displacement analysis into decision making, and reform of workforce development investments

Table 9 Strategies for expanding housing options in different jurisdictions.

Jurisdiction	Duplexes	Triplexes	Quadplexes	Cottage Clusters	Changes To Setbacks or Height	Lot Divisions or Lot Size Changes	Increase Density Downtown/ Transit	Parking Minimum Changes	Expanded Residential Zones	Simplified Development Process	ADUs
Grand Rapids, MI	X*	X*	X*						X	X	X
Minneapolis, MN	X	X					X	X	X		X
Oregon	X	X	X	X		X		X		X	X
Durham, NC*	X	X	X		X	X					X
Portland, OR	X	X	X	X	X	X				X	X
Charlotte, NC	X	X	X*								X
California	X									X	X
Charlottesville, VA	X	X*	X*					X			
Maine	X	X	X			X		X			X
Decatur, GA	X	X	X			X		X			X
Arlington, VA	X	X	X				X	X			
Washington State	X	X	X		X*		X				X
Boise, ID	X	X	X	X				X	X	X	X
Alexandria, VA	X	X	X					X			
Austin, TX	X	X			X			X			X
Montgomery County (proposed)	X	X	X*			X	X	X			X

Table 10 Different elements of housing types expansion by jurisdictions

Appendix E: Letter from SDAT

Maryland
DEPARTMENT OF
ASSESSMENTS AND TAXATION

Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Michael L. Higgs, Jr., Director

October 19, 2021

To Whom It May Concern:

Recently, the Montgomery County Real Property office for the Maryland Department of Assessments and Taxation (SDAT) has been questioned about the potential impact on assessment values related to proposed zoning code changes for land use in Montgomery County. However, SDAT cannot make assumptions or predictions regarding assessment outcomes related to of any kind of zoning code changes being considered by the Montgomery County Planning Department.

SDAT is responsible for assessing the value of property within the State of Maryland. Local County Governments and Municipalities then set their tax rates and apply it to our assessment valuations to generate property tax bills. Montgomery County is divided into three reassessment groups and currently reassesses each group on a three-year cycle, and SDAT analyzes market sales data during a reassessment cycle to determine the property's value change. We use verified sales for comparable properties of a similar use, type, and style that are in a comparable neighborhood or market area to determine the assessed values of properties. SDAT also reassesses properties out of cycle when they have had a use change or recent new construction resulting in an increase in assessment adding over $100,000 in value.

If a property were to be redeveloped by plat and subdivide lots, or were to change in use to create a multi-family unit on the parcel, the immediate change would only directly impact that particular parcel. However, if properties are acquired at lower or higher purchase prices over time and the comparable sales warrant a decrease or increase in the assessed value of those similar properties upon the next reassessment cycle, it may indirectly impact the assessments for similar properties in that market area. Property that is reassessed and is owner occupied and eligible for any applicable Homestead Tax Credits or Homeowners Tax Credits may continue to receive those credits.

In sum, the zoning code changes proposed by Montgomery County that are under consideration allowing for multiple living units or more development potential in single-family zones may or may not result in changed assessed value for properties subject to that change. SDAT can only follow the market trends after they occur. Local governments may offset any change in assessment by the implementation of their local property tax rates.

Montgomery County Office of Assessments
30 West Gude Drive, Suite 400, Rockville, MD 20850
Email: sdat.mont@maryland.gov
240-314-4510 (Phone) 1-800-552-7724 (MD Relay) 301-424-3864 (Fax) 410-314-4530 (Commercial)

Maryland
DEPARTMENT OF
ASSESSMENTS AND TAXATION

Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Michael L. Higgs, Jr., Director

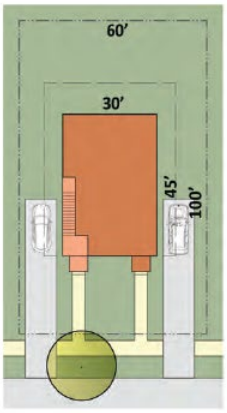
I hope this information is useful for the Montgomery County Department of Planning. Please do not hesitate to contact me should your team have additional questions or concerns.

Regards,

Ava McIntyre-Garvey
Supervisor of Assessments
Montgomery County

Montgomery County Office of Assessments
30 West Gude Drive, Suite 400, Rockville, MD 20850
Email: sdat.mont@maryland.gov
240-314-4510 (Phone) 1-800-552-7724 (MD Relay) 301-424-3864 (Fax) 410-314-4530 (Commercial)

Appendix F: Attainable Housing Typologies Modeling



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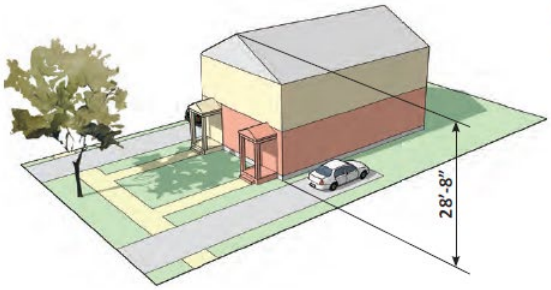
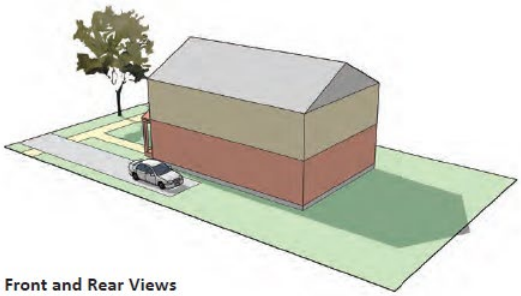
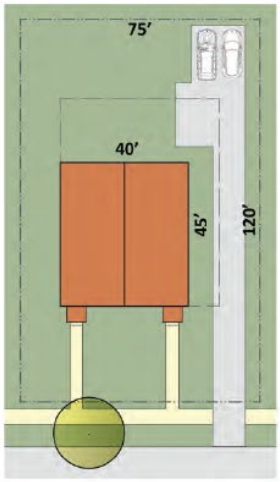




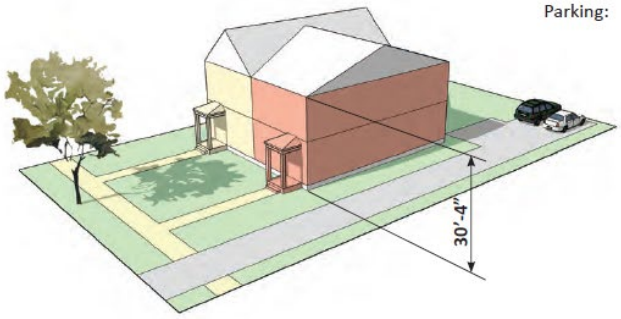
Front and Rear Views

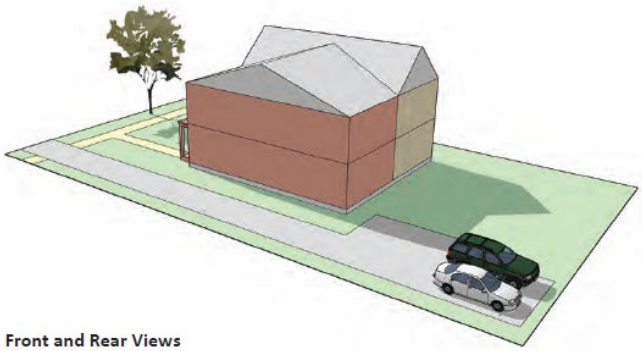
Duplex (Stacked Flats)

Lot Size:	6,000 sf
Building Footprint:	1,350 sf
Lot Coverage:	22.5%
Unit Size:	1,225 sf each
Parking:	I.0 space per unit



Site Plan

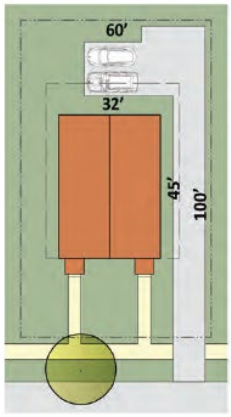




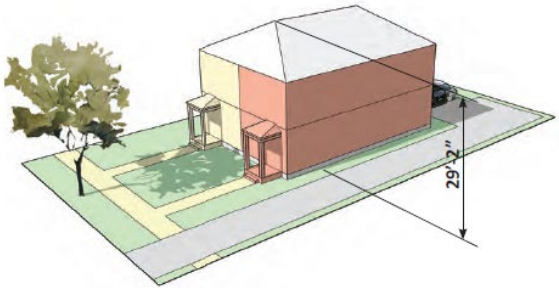
Front and Rear Views

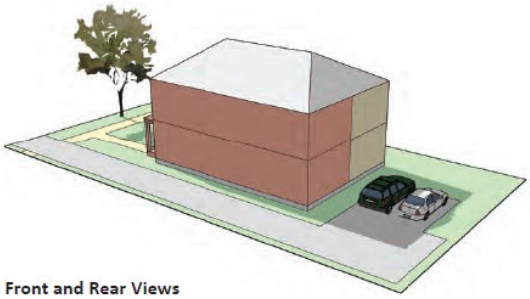
Duplex (Side by Side)

Lot Size:	9,000 sf
Building Footprint:	1,800 sf
Lot Coverage:	20%
Unit Size:	1,800 sf each
Parking:	1.0 space per unit



Site Plan

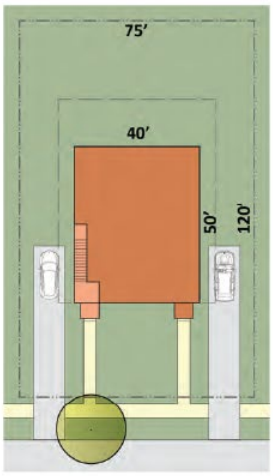




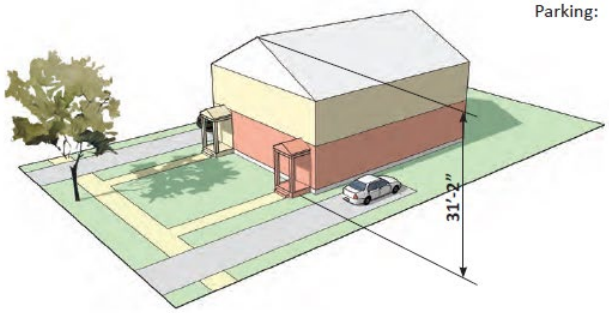
Front and Rear Views

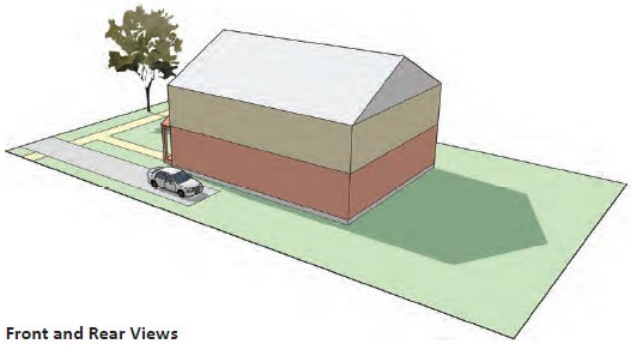
Duplex (Side by Side)

Lot Size:	6,000 sf
Building Footprint:	1,440 sf
Lot Coverage:	24%
Unit Size:	1,440 sf each
Parking:	I.0 space per unit



Site Plan

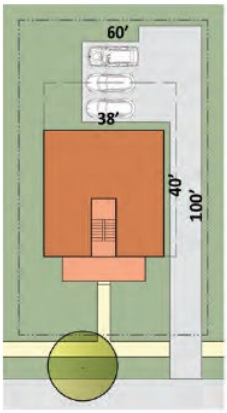




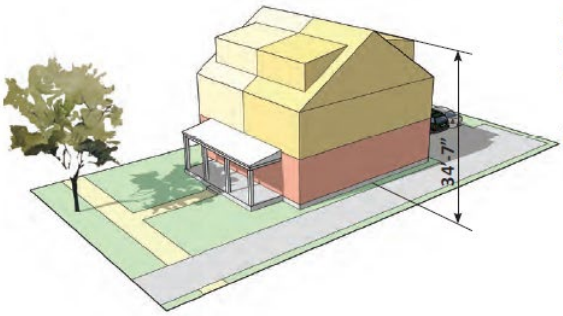
Front and Rear Views

Duplex (Stacked Flats)

Lot Size:	9,000 sf
Building Footprint:	2,000 sf
Lot Coverage:	22.22%
Unit Size:	1,874 sf each
Parking:	1.0 space per unit

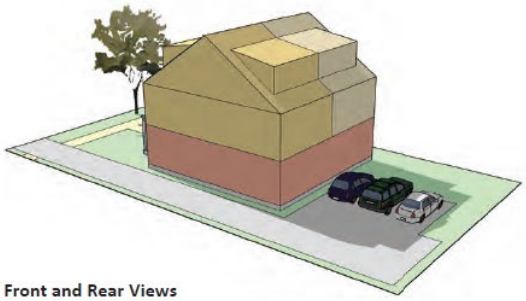


Site Plan

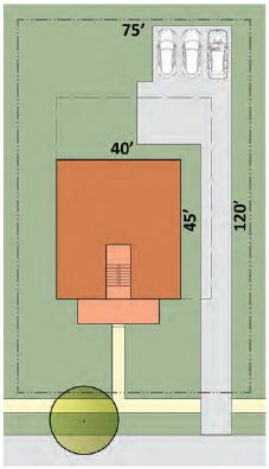


Triplex (Flat Below/ Side by Side Above)

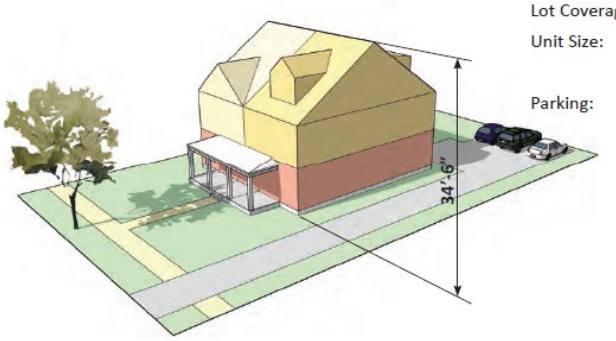
Lot Size:	6,000 sf
Building Footprint:	1,520 sf
Lot Coverage:	25.33%
Unit Size:	1,374 sf (1st fl.)
	1,265 sf (2nd/3rd fl.)
Parking:	I.0 space per unit

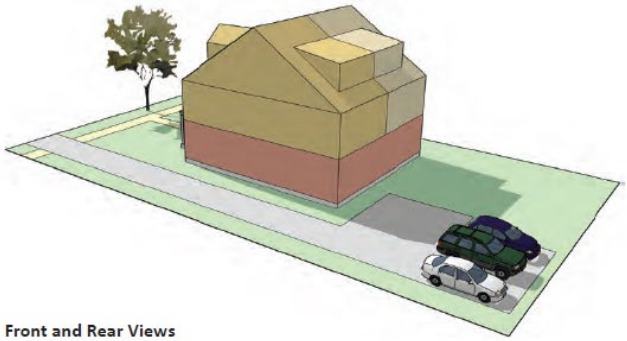


Front and Rear Views



Site Plan

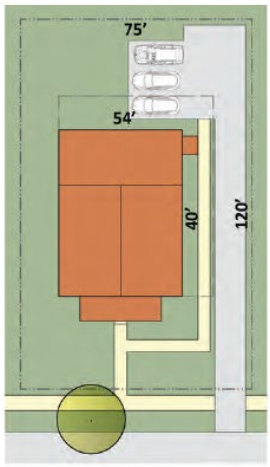




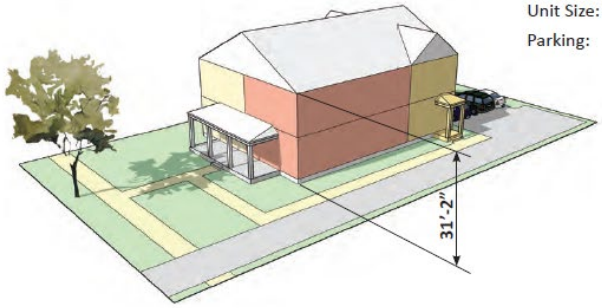
Front and Rear Views

Triplex (Flat Below/ Side by Side Above)

Lot Size:	9,000 sf
Building Footprint:	1,800 sf
Lot Coverage:	20%
Unit Size:	1,660 sf (1st fl.)
	1,540 sf (2nd/3rd fl.)
Parking:	1.0 space per unit



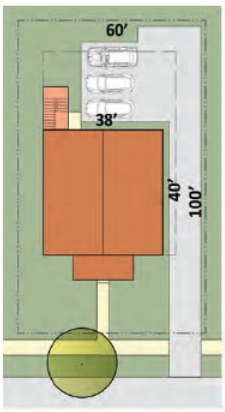
Site Plan



Front and Rear Views

Triplex (Side by Side on Front/ Unit in Back)

Lot Size:	9,000 sf
Building Footprint:	2,160 sf
Lot Coverage:	24%
Unit Size:	1,400 sf each
Parking:	1.0 space per unit

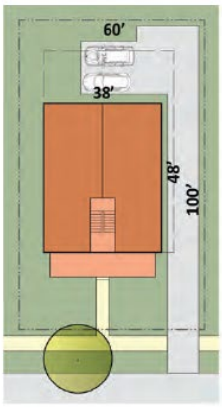


Site Plan

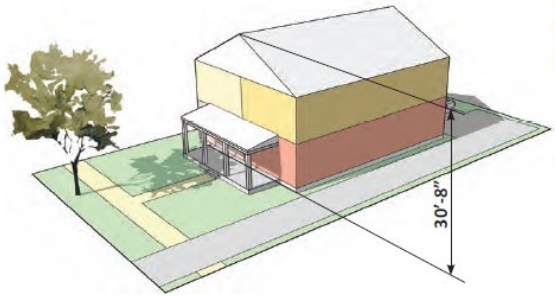
Quadplex (External Staircase)

Lot Size:	6,000 sf
Building Footprint:	1,596 sf
Lot Coverage:	26.6%
Unit Size:	760 sf each (1st fl.)
	665 sf each (2nd fl.)
Parking:	0.75 space per unit

Front and Rear Views



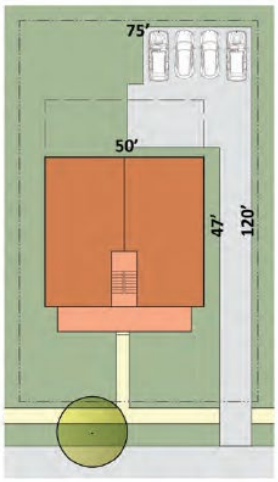
Site Plan



Front and Rear Views

Quadplex (Internal Staircase)

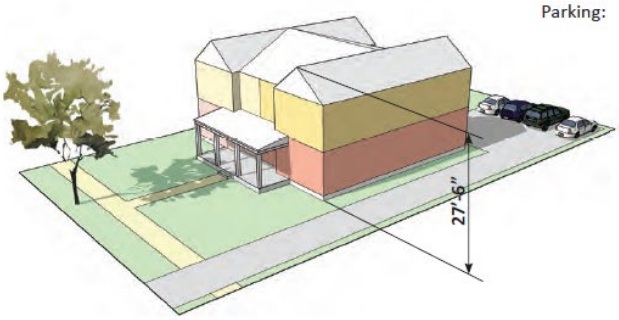
Lot Size:	6,000 sf
Building Footprint:	1,824 sf
Lot Coverage:	30.4%
Unit Size:	842 sf each
Parking:	0.50 space per unit



Site Plan

Quadplex (Internal Staircase)

Lot Size:	9,000 sf
Building Footprint:	2,350 sf
Lot Coverage:	26.11%
Unit Size:	1,105 sf each
Parking:	1.0 space per unit



Front and Rear Views

Appendix G: Change in Attainability by Zip Code (1996-2019)

		Typical 1996 Homes				Typical 2019 Homes				Percentage Point Change in % of Households Affordable To		Ratio of Households that Could Afford the 2019 Home Relative to the 2016 Home	
Zip Code	Description	Home Value (inflated to 2019 dollars)	Affordable to (% of CMI)	Affordable to (Income)	Affordable to (% of County Households)	Home Value	Affordable to (% of CMI)	Affordable to (Income)	Affordable to (% of County Households)	Change	Change Rank (1 = changed the least)	Ratio	Ratio Rank (1 = maintained the most attainability)
20812	Glen Echo	$489,202	83%	$91,286	59%	$973,226	165%	$181,605	29%	-30%	44	49%	44
20814	Bethesda	$552,430	93%	$103,084	54%	$905,647	153%	$168,995	32%	-22%	41	59%	41
20815	Chevy Chase*	$747,078	126%	$139,406	40%	$1,243,894	210%	$232,112	20%	-20%	38	50%	43
20816	Bethesda	$697,011	118%	$130,063	43%	$1,054,480	178%	$196,767	25%	-18%	34	58%	42
20817	Bethesda	$665,267	112%	$124,140	45%	$1,011,842	171%	$188,811	27%	-18%	35	60%	40
20818	Cabin John	$659,061	111%	$122,982	45%	$986,335	167%	$184,051	28%	-17%	33	62%	39
20832	Olney	$364,639	62%	$68,042	70%	$523,371	88%	$97,662	56%	-14%	27	79%	27
20833	Brookeville	$459,471	78%	$85,738	61%	$595,502	101%	$111,121	50%	-11%	17	82%	23
20837	Poolesville	$383,052	65%	$71,478	69%	$502,177	85%	$93,707	58%	-11%	19	84%	19
20838	Barnesville	$362,882	61%	$67,714	70%	$522,155	88%	$97,435	56%	-15%	28	79%	28
20839	Beallsville	$380,745	64%	$71,047	69%	$500,295	85%	$93,356	58%	-11%	17	84%	18
20841	Boyds	$454,773	77%	$84,861	62%	$636,201	108%	$118,716	47%	-15%	29	76%	30
20842	Dickerson	$394,357	67%	$73,588	68%	$517,213	87%	$96,513	56%	-11%	20	83%	20
20850	Rockville	$403,330	68%	$75,262	67%	$630,289	107%	$117,613	47%	-19%	36	71%	33
20851	Rockville	$261,579	44%	$48,811	80%	$411,444	70%	$76,776	66%	-14%	25	83%	21
20852	North Bethesda	$414,069	70%	$77,266	66%	$647,064	109%	$120,743	46%	-20%	37	70%	34
20853	Olney	$333,718	56%	$62,272	73%	$487,595	82%	$90,986	59%	-14%	26	80%	26
20854	Potomac	$706,776	119%	$131,885	42%	$935,966	158%	$174,652	30%	-12%	22	72%	32
20855	Derwood	$385,948	65%	$72,018	68%	$524,635	89%	$97,898	56%	-13%	23	82%	24
20860	Sandy Spring	$496,982	84%	$92,737	58%	$613,207	104%	$114,425	49%	-9%	10	84%	17
20861	Ashton	$508,940	86%	$94,969	57%	$615,760	104%	$114,902	49%	-8%	7	85%	13
20862	Brinklow	$608,526	103%	$113,552	49%	$696,918	118%	$130,046	43%	-6%	2	87%	10
20866	Burtonsville	$286,768	48%	$53,511	77%	$366,289	62%	$68,350	70%	-7%	5	91%	3
20868	Spencerville	$450,933	76%	$84,145	62%	$535,251	90%	$99,878	55%	-7%	4	89%	6
20871	Clarksburg	$383,386	65%	$71,540	69%	$488,692	83%	$91,191	59%	-10%	14	86%	12
20872	Damascus	$312,165	53%	$58,250	75%	$406,659	69%	$75,883	66%	-9%	9	89%	7
20874	Germantown	$262,528	44%	$48,988	80%	$339,557	57%	$63,362	73%	-7%	3	91%	2
20876	Germantown	$299,631	51%	$55,912	76%	$393,727	67%	$73,470	68%	-9%	8	89%	5
20877	Gaithersburg	$281,829	48%	$52,590	78%	$389,604	66%	$72,701	68%	-10%	13	87%	9
20878	Gaithersburg	$411,772	70%	$76,837	66%	$603,147	102%	$112,548	50%	-16%	31	75%	31
20879	Gaithersburg	$276,106	47%	$51,522	78%	$355,640	60%	$66,363	71%	-7%	6	91%	4
20880	Washington Grove	$325,276	55%	$60,697	74%	$463,551	78%	$86,499	61%	-13%	24	82%	22
20882	Damascus	$450,897	76%	$84,138	62%	$567,887	96%	$105,968	52%	-10%	12	84%	16
20886	Montgomery Village	$243,017	41%	$45,347	81%	$306,764	52%	$57,243	76%	-5%	1	93%	1
20895	Kensington	$382,644	65%	$71,402	69%	$636,921	108%	$118,850	47%	-22%	40	68%	35
20896	Garrett Park	$529,686	90%	$98,840	55%	$826,461	140%	$154,219	35%	-20%	39	64%	38
20901	Silver Spring	$300,140	51%	$56,006	76%	$475,832	80%	$88,791	60%	-16%	31	78%	29
20902	Silver Spring	$279,498	47%	$52,155	78%	$441,230	75%	$82,334	63%	-15%	30	81%	25
20903	Silver Spring	$286,347	48%	$53,433	77%	$411,922	70%	$76,865	66%	-12%	21	85%	14
20904	Silver Spring	$351,330	59%	$65,559	71%	$457,142	77%	$85,303	61%	-10%	16	86%	11
20905	Silver Spring	$404,532	68%	$75,486	67%	$512,463	87%	$95,626	57%	-10%	14	85%	15
20906	Silver Spring	$302,284	51%	$56,406	76%	$406,807	69%	$75,911	66%	-10%	11	87%	8
20910	Silver Spring	$359,871	61%	$67,152	71%	$630,354	107%	$117,625	47%	-23%	42	67%	37
20912	Takoma Park	$311,917	53%	$58,204	75%	$593,718	100%	$110,788	50%	-25%	43	67%	36