

## MEMORANDUM

October 7, 2021

TO: Planning, Housing, and Economic Development Committee

FROM: Linda McMillan, Senior Legislative Analyst  
Pamela Dunn, Senior Legislative Analyst

SUBJECT: Thrive Montgomery 2050: Chapter 5 – Affordable and Attainable Housing –  
More of Everything

PURPOSE: Worksession to review the Planning Board Draft Thrive Montgomery 2050 Plan

**Councilmembers may wish to bring their copy of the plan to the meeting.**

This is the Planning, Housing, and Economic Development (PHED) Committee's seventh worksession on the Planning Board's Thrive Montgomery 2050 draft plan. The last worksession covered Chapter 3: Design, Arts, and Culture: Investing and Building Community, and Chapter 4: Transportation and Communication Networks: Connecting People, Places, and Ideas. The next worksession on October 13 will review Chapter 6: Parks and Recreation. On October 18, the Committee will hold a final worksession on any remaining or follow up issues as well as the Conclusion and a revised Introduction.

### **Background**

The Committee's review of the introductory section of the plan established that this plan is not a whole scale rewrite of the wedges and corridor plan, but a refinement of the ideas introduced by the wedges and corridor concept - to concentrate growth in downtowns, town centers, and rural villages, and to promote growth along major transportation corridors to maximize the efficient use of land. As noted in the introduction, the policies and practices put forth in this general plan are centered on three overarching objectives: economic health, racial equity and social justice, and environmental resilience. The Planning Board Draft weaves these objectives through each chapter.

As mentioned in the prior staff report, it is useful to know that the first three chapters of the Plan lay out the foundation for the county's growth at three different scales: Compact Growth, which defines growth from a regional & countywide perspective, Complete Communities, which lays out the vision for communities and neighborhoods, and the Design, Arts and Culture chapter which provides guidance at the "ground level" focusing on the design of blocks and buildings.

In addition to understanding the format of the Plan, it is also important to keep in mind the vision for growth which Thrive 2050 is designed to encourage and support. In their briefing to the Committee on July 21, the Planning Department summarized its vision of Montgomery County in 2050 as one which will:

- Maintain a constrained growth area,
- Reintroduce East County growth corridors as key to racial equity and economic competitiveness,
- Place an emphasis on East/West growth corridors with transit,
- Protect the Agricultural Reserve and make it more accessible and relevant to the whole county, and
- Look for new ways of thinking about growth such as Parking Lots to Places, Complete Communities, and 15-Minute Living.

### **Thrive Montgomery 2050 does NOT change zoning**

The Council has received a significant volume of correspondence regarding Thrive 2050, as well as comments at public hearings and a recent town hall. Often it also refers to issues under discussion at the Planning Board regarding the Attainable Housing Strategies Initiative and the potential for re-zoning of single-family homes.

Thrive 2050 is a recommended revision to the General Plan. It is a policy document. It does not change the zoning on any property, nor change current regulations related to land use such as development approvals, transportation infrastructure, or environmental requirements.

### **Background on the Housing Element/Chapter to the General Plan, Select Housing Policy Documents and Studies, and comments on Thrive 2050**

Starting at page 8 of this memo is a summary of evolution of the housing element/housing chapter of the General Plan as well as brief summaries of the 2012 Draft Housing Policy, 2019 Council resolution adopting COG housing goals, the Planning Board's current work on Attainable Housing Strategies, the original housing chapter of Thrive 2050, and the Executive branch comments on Thrive 2050. This is by no means exhaustive of all the housing studies or policy discussions in recent years but is provided as background and context.

It should be noted that themes present in Thrive 2050, adequate supply of housing, diversity of housing types, and transit-oriented and connected communities/neighborhoods are present in these past documents. Thrive 2050 further defines what this might look like in the next 30 years through the discussion of 15-minute living and specific housing types identified in the missing middle spectrum, but these are not completely contrary to the discussions that have occurred and policies that have previously been adopted.

## **2011 Update to the Housing Element of the General Plan**

Unlike the rest of the General Plan, the “Housing Element” of the 1993 Plan was updated in 2011. The reasons for this update will sound familiar: newer census data, changing demographics, and a shrinking supply of land.

The four objectives of the 2011 Housing Element also have themes that carry through to Thrive 2050.

1. **Housing and Neighborhood Connectivity:** Concentrate most new housing near public transportation and provide easy, multi-modal connections to jobs, schools, shopping, recreation, and other leisure activities.
2. **Diverse Housing and Neighborhoods:** Create diversity in the type and size of units, neighborhoods, facilities, and programs to accommodate current and future residents.
3. **Housing and Environment:** Provide economically and environmentally sustainable housing and neighborhoods.
4. **Housing and Neighborhood Design:** Create more balanced, attractive, and walkable neighborhoods through regulatory reform of private developments and leadership in design of public places.

Council staff notes that the Housing Chapter for the General Plan is for ALL Housing. It is not just for market rate housing or affordable housing. This is a reason why it is important that the currently approved Housing Element, as well as any revised housing chapter in the General Plan, consider the diversity of housing needed by all residents.

## **Chapter 5: Housing for All – More of Everything**

As has been provided in previous staff reports for Thrive 2050, a revised version of the chapter is provided at © 1-17 and at © 18 some revisions to definitions that are included in Appendix B – Glossary.<sup>1</sup> These revisions are a result of the ongoing work between Council staff and the Planning Board Chair and Planning Board staff.

Before discussing the Policies and Practices in the Chapter, Council staff notes for the Committee that the title has been revised. The original title was, Affordable and Attainable Housing – More of Everything. As previously noted, the General Plan is about all housing and there has been confusion that Thrive 2050 implements changes related to the Attainable Housing Strategy Initiative – which it does not. The new title Housing for All – More of Everything conveys the goals of providing more housing, diversifying housing types to meet different household needs, and availability of housing that is affordable to people of all incomes.

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<sup>1</sup> There are some corrections that will be to some of the graphs and maps before the plan is finalized. For example, figure 56 shows 9,9000 households with 5 or more people.

The revisions to the Chapter modify language to clarify that policies in Thrive 2050 are for all housing and that housing should be available and affordable to all residents. It has also strengthened the language regarding the environmental advantages of both new construction, such as improved stormwater management, use of clean building materials and technology, energy efficient lighting and appliances, and fixtures that conserve water. It also says preservation and renovation of currently affordable housing can contribute to environmental goals as there are opportunities to rehabilitate them using eco-friendly and modern technology to improve energy efficiency. (©16)

As noted in previous staff reports, the practices under each chapter policy heading indicate the overall Thrive 2050 overarching objective that it supports, Economic Health (EC), Racial Equity and Social Justice (Eq) and Environmental Resilience (Env).

### **Policies and Practices:**

In order to address the county's need to increase the amount and variety of housing, the county will pursue the following policies and practices:

#### **1. Encourage the production of more housing to better match supply with demand**

- Expand opportunities to increase residential density, especially along major corridors and in locations where additional housing can assist in the development of Complete Communities. (Ec, Eq, Env)
- Increase the number of income-restricted affordable housing units, especially for low-income households. (Eq)
- As part of the commitment to the Housing First approach, develop strategies to build deeply affordable housing and provide permanent supportive housing. (Eq)
- Support building codes that reduce costs by accommodating innovative construction methods and materials including modular prefabricated housing and mass timber. (Eq, Env)
- Prioritize use of public land for co-location of housing and other uses, particularly where government agencies design new facilities or dispose of real property. (Eq, Env)
- Increase regulatory flexibility to incentivize residential infill, redevelopment, and repositioning of office parks, shopping malls, and other underutilized properties. (Ec, Eq, Env)
- Provide financial incentives to boost housing production for market rate and affordable housing, especially near transit and in Complete Communities. (Ec, Eq, Env)

**Council staff recommends the Committee support this policy and the associated practices.**

#### **2. Plan for a wide range of housing types and sizes to meet diverse needs**

- Facilitate the development of a variety of housing types in every part of the county but especially in areas near transit, employment, and educational opportunities. (Ec, Eq, Env)
- Support creative housing options including personal living quarters and/or micro units; “missing middle” housing types such as tiny houses, cottages, duplexes, multiplexes, and small apartment buildings; shared housing, co-housing, accessory dwelling units

- (ADUs), social housing and cooperative housing to help meet housing needs and diversify housing options. (Ec, Eq, Env)
- Encourage provision of multi-bedroom units suitable for households with children in multifamily housing. (Eq, Env)
  - Integrate people with disabilities, people transitioning from homelessness, and older adults into housing with appropriate amenities and services sized and designed to accommodate their households. (Eq,)

**Council staff recommends the Committee support this policy and the associated practices.**

In the discussion of Chapter 3, Design, Arts, and Culture, on October 4, the staff report highlighted two practices that were specific to housing:

- Adopt rules for a wider variety of housing types such as tiny houses, cottages, courtyard clusters, duplexes, multiplexes, small apartment buildings; shared housing, co-housing and accessory dwelling units (ADUs). (Eq, Env)
- Amend land-use, design, and zoning regulations, including the Zoning Ordinance and Subdivision Regulations, to remove regulatory barriers and facilitate development of a range of housing types. (Eq, Env)

**Council staff believes that these practices in Chapter 3 are consistent with the narrative, policies, and practices included in Chapter 5 to plan for a wide range of housing. However, they both start with strong action words and if the Committee believe they signal the Council is making a decision that it does not intend to make as a part of this policy document they could be revised to say:**

- Consider [Adopt] proposed rules [for] to allow a wider variety of housing types such as tiny houses, cottages, courtyard clusters, duplexes, multiplexes, small apartment buildings; shared housing, co-housing and accessory dwelling units (ADUs). (Eq, Env)

Consider [Amend] amendments to land-use, design, and zoning regulations, including the Zoning Ordinance and Subdivision Regulations, to remove regulatory barriers and facilitate development of a range of housing types. (Eq, Env)

### **3. Promote racial and economic diversity and equity in housing in every neighborhood**

- Calibrate the applicability of the Moderately Priced Dwelling Unit (MPDU) program and other affordable housing programs to provide price-regulated units appropriate for income levels ranging from deeply affordable to workforce. (Ec, Eq,)
- Develop targeted strategies to minimize gentrification and displacement while promoting integration and avoiding the concentration of poverty. (Eq,)
- Refine regulatory tools and financial incentives with the goal of avoiding a net loss of market rate and income-restricted affordable housing stock without erecting disincentives for the construction of additional units. (Eq,)

- Identify and allocate additional revenue for the Housing Initiative Fund (HIF) and other county programs to meet the needs of low-income households. (Eq.)
- Expand existing programs designed to increase access to homeownership, especially among low-income residents, people of color, and young adults; create new programs and entities such as community land trusts to maintain long term affordable homeownership opportunities. (Eq.)
- Improve collection of data on neighborhood change to monitor and address involuntary displacement, disinvestment, and related phenomena. (Eq.)

**Council staff recommends the Committee support this policy and the associated practices.**

### **Metrics**

The final section of each chapter provides a list of proposed metrics designed to assess the success or failure of the policies put forth in the chapter. Below are the metrics to measure progress in implementing the housing policies listed above. Per the recommendation of the Council's previous analyst for racial equity certain metrics have been revised to specify that the information will be disaggregated by race.

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- Rates of homeownership by race, income, and area
- Number of and proportion of cost-burdened households
- Combined housing and transportation costs
- Rent and mortgage payments as a fraction of the cost of living
- Number of low-income households in a census tract (concentration of poverty)
- Number of low-income households lost in a census tract over a period of time (displacement)
- Racial and income diversity within neighborhoods
- Proportion of housing units proximate to transit routes and job centers
- Number of residential units issued building permits, overall and by area of county
- Number of affordable units by type, overall and by area of county
- Naturally Occurring Affordable Housing preserved, overall and by area of county
- Number of homeless residents
- Proportion of missing middle housing units and units in multifamily buildings
- Range of home prices
- Greenhouse gas emissions from residential buildings and transportation per capita

**Council staff recommends the Committee support these metrics noting that when the Committee discusses the conclusion, there will be further discussion on the implementation of the plan.**

### **Actions**

The actions proposed to implement the Plan's policies and practices are in a separate document titled Actions List of Resources (excerpt at ©19-20). The document notes that it is not an

exhaustive list of all possible actions that will be undertaken to implement the Plan, suggesting the listed actions be updated regularly as new tools and resources become available to respond to changing conditions. It also suggests the actions be organized and prioritized based on level of importance and resources available to implement them, noting that some should be short-term actions that need to be completed in the next five years to jump start plan implementation. While other actions will take place over the medium term (roughly 6 to 15 years) or long-term (16+ years), building on the work done through prior actions.

There are 29 actions associated with the Housing Chapter. Given the time needed to review the Planning Board Draft Plan, Council staff suggests the Committee set up a plan to review the Action List of Resources in detail following the adoption of Thrive 2050.

The Committee is not being asked to review or make recommendations on the Action List of Resources and it would not be adopted with Thrive 2050. Council staff notes that the comments from the Department of Housing and Community Affairs lists several actions from the public hearing document that did not continue in Thrive or may not have been included in the action list. A review of the action list could include revisiting these comments.

### **Discussion Items**

Council staff is supportive of and recommends approval of the revised Chapter 5. The following highlights some questions and concerns that have been raised in correspondence, hearings, or comments from the Executive branch.

1. Thrive 2050 and Attainable Housing should be separated, and residents should have an opportunity to understand Attainable Housing before approving Thrive 2050. In the recent Council town hall, there was a question about how neighborhoods would have an opportunity to comment on zoning changes and confusion that Thrive 2050 implements zoning changes, particularly zoning changes that will allow new types of housing by right.

As the Committee has continued to state and as is stated in this memo, Thrive 2050 does not approve or implement zoning changes. It is understandable given the work currently going on at the Planning Board that people want to clearly understand the process for the Council to make decisions regarding Planning Board recommendations about Attainable Housing. As noted on pages 13-15 of this memo, the Planning Board has not finished its work. However, **the Planning Board was not supportive of connecting the Attainable Housing Strategy recommendations to the Thrive Growth map, given that it is not yet adopted. Instead, the boundary of zoning blocks will be used.** The Council and the Planning Board must continue to be clear that if Thrive 2050 is adopted, it does not approve or enact zoning changes.

The Council would have public hearings and public worksessions as required and as is the Council's practice for any zoning change to ensure residents, communities, and organizations can share their views.

Thrive 2050 has a vision that the County will embrace a variety of housing types. As noted, this is also called for in 2011 Housing Element that encourages a wide choice of housing types and neighborhoods and diversity in type and size of units. Nothing changes about the process for master plans, sector plans, and zoning text amendments to implement any recommendations regarding the Attainable Housing Strategy

2. Restoring “housing as a right” language from the public hearing draft. The Council received a request at the town hall to restore language from the public hearing draft. The public hearing draft says, “In 2050, all Montgomery County residents have a right to affordable and attainable housing. Housing is not only a right, but a value added to the community and a means to meet our economic development, environmental resilience, and equity goals.”

Stating something is a “right” is a bold statement and could be read as coming with certain commitments. The 2012 Draft Housing Policy had the statement, “Everyone has a place to call home – no one is homeless.” This is a similar vision – that there is housing for all, and everyone has a place to call home. A sentence such as this could be added under the heading on ©9, What policies will solve the problem. The narrative in the chapter describes the importance of diverse housing for all types of households and households of all income levels that will create housing for all.

3. Is there a sufficient emphasis on affordable and deeply affordable housing? The Council has received comments about the critical importance of continuing to increase the stock of affordable housing for low-income and very low-income households (who will need deeply affordable housing).

Council staff believes the policies, practices, narrative, and metrics reflect the importance of affordable housing and reference housing types like personal living quarters and micro units, Housing First, and the metrics include monitoring the numbers of homeless in the county and changes in affordable units.

When the Committee and Council review actions there will be further discussion of specific strategies to address these needs.

## **Council Staff Summary of Background Information**

### **Housing Element/Chapter of the 1993 Refinement of the General Plan<sup>2</sup>**

The 1993 General Plan Refinements’ chapter on Housing (also called the Housing Element) shared that under then current plans, the county had “some 20 years of zoned capacity for housing remaining.” It identified housing for less affluent residents as a special concern. The goals, objectives, and strategies were designed to recognize the housing needs of all. It noted that all residential development was to conform with wedges and corridors and be consistent

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<sup>2</sup> <https://montgomeryplanning.org/wp-content/uploads/2017/10/GeneralPlanRefinement1993ocr.pdf>

with master plans. However, it also said, “These constraints especially affect the appropriate location for and types of affordable housing development and the sites and intensities of multifamily complexes.

The 1993 Plan recognized that the county was already “turning away from the development of vacant land” and that the emphasis must be on maintenance, infill, redevelopment, and appropriate increase in density for housing. A new objective was to concentrate the highest density residential in the Urban Ring, 1-270 Corridor and especially near transit and that this reinforces the Wedges and Corridors concept. It dropped the terms *preserved* and *established* from objective regarding neighborhoods since it was sometimes read to meaning there should never be a change to an existing neighborhood. The six objectives in the Plan follow. Each objective had a series of strategies associated with it.

**Objective 1:**

Promote variety and choice in housing of quality design and durable construction in various types of neighborhoods.

**Objective 2:**

Promote a sufficient supply of housing to serve the County’s existing and planned employment and the changing needs of its residents at various stages of life.

**Objective 3:**

Encourage housing near employment centers, with adequate access to a wide variety of facilities and services. Support mixed-use communities to further this objective.

**Objective 4:**

Encourage and adequate supply of affordable housing throughout the County for those living or working in Montgomery County, especially for households at the median income or below.

**Objective 5:**

Maintain and enhance the quality and safety of housing and neighborhoods.

**Objective 6:**

Concentrate the highest density housing in the Urban Ring and the 1-270 Corridor, especially in the vicinity of transit stations.

**2011 Update to the Housing Element<sup>3</sup>**

In 2011, the Council adopted an update to the Housing Element of the General Plan. This was the only part of the 1993 General Plan that the Planning Board transmitted to the Council. The Planning Board in a briefing to the Council, noted that an update was recommended because of a combination of:

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<sup>3</sup> [https://www.montgomeryplanning.org/community/housing/documents/HousingMasterPlan-FINAL\\_web.pdf](https://www.montgomeryplanning.org/community/housing/documents/HousingMasterPlan-FINAL_web.pdf)

- Shrinking supply of developable land – focus on infill
- Shifts in the County’s demographic profile
- Impact of housing diversity - type/cost – on the economic sector
- Higher land costs
- Environmental constraints
- Awareness of the need for sustainable housing
- Rising energy prices
- New Census data

Some of the data underlying the update were:

- The increase in the percent of households that were renters and significantly lower rental vacancy rates.
- A decrease in the percent of single-family detached units and increase in units in building with 20 or more units.
- An increase in the percentage of households without cars.

Interestingly, in 2009 (which was the year used for the Planning Board’s work) median home values had decreased but monthly housing costs to both homeowners and renters was rising. Also considered was information that came from the 2008 “Analysis of the Supply and Demand for Housing” study that showed there was a pent-up demand for larger rental units (three bedroom or more), renters have historically paid a higher percent of income on housing, and there was a shortage of housing units for households earning less than \$90,000 per year and a surplus for households earning more than \$150,000 per year.

The 2011 Update did not change the map included in the 1993 General Plan Refinement that identified the Urban Ring, 1-270 Corridor, Suburban Communities, Residential Wedge, and Agricultural Wedge.

#### **The Approved 2011 Housing Element said:**

The County population was expected to be over 1 million by 2013 and to add 172,000 between 2010 and 2030, which meant the County needed to add 75,500 housing units by 2030. Greatest need will be for seniors, young households, large families, and people with special needs. Because only 4% of land zoned for development remains undeveloped, and because of environmental and transportation concerns, “New housing must be developed by rethinking the future of the County’s auto-oriented commercial strips, and its surface parking lots...and by making the most of opportunities for housing near high-quality transit service.”

#### **The 2011 Housing Element has 3 Goals:**

1. Conserve and care for existing neighborhoods
2. Concentrate new housing in mixed-use, transit-oriented areas

3. Encourage and maintain a wide choice of housing types and neighborhoods for people of all incomes, ages, lifestyles, and physical capabilities at appropriate locations and densities. Implement policies to bridge any housing affordability gaps.

#### **The 2011 Housing Element has 4 Objectives:**

5. **Housing and Neighborhood Connectivity:** Concentrate most new housing near public transportation and provide easy, multi-modal connections to jobs, schools, shopping, recreation, and other leisure activities.
6. **Diverse Housing and Neighborhoods:** Create diversity in the type and size of units, neighborhoods, facilities, and programs to accommodate current and future residents.
7. **Housing and Environment:** Provide economically and environmentally sustainable housing and neighborhoods.
8. **Housing and Neighborhood Design:** Create more balanced, attractive, and walkable neighborhoods through regulatory reform of private developments and leadership in design of public places.

Each objective has a series of policies that will support achieving them.

#### **2012 Draft Housing Policy (not adopted)**

In 2012, the Department of Housing and Community Affairs forwarded the Draft 2012 Housing Policy to the Council.<sup>4</sup> The draft was intended to replace the Housing Policy that was adopted in 2001. While the then-PHED Committee held a public hearing and worksessions, the policy was not debated or acted on by the full Council.

The Draft Housing Policy both built upon information in the 2008 Planning Department study, “Analysis of the Supply & Demand for Housing” and the 2011 Housing Element.

#### **The Draft Housing Policy had the following Vision:**

- Everyone has a place to call home – no one is homeless
- Neighborhoods are safe and sound, with community services and well-maintained facilities
- All housing is in sound condition and meeting all building maintenance codes
- Each housing unit has adequate living space for its occupants
- Affordable housing exists for all who live or work in the County, regardless of age or income
- People receive appropriate housing and services for each stage of life and can remain in the community as they grow older

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<sup>4</sup> Link to Draft Housing Policy:

[https://www.montgomerycountymd.gov/DHCA/Resources/Files/director/housing\\_policy/housingpolicy2012\\_draft.pdf](https://www.montgomerycountymd.gov/DHCA/Resources/Files/director/housing_policy/housingpolicy2012_draft.pdf)

- There is no discrimination in choosing a place to live, regardless of race, color, religious creed, ancestry, national origin, sex, sexual orientation, marital status, presence of children, age, physical or mental disability, or source of income
- Housing opportunities and supportive services are available for those who have mobility or sensory impairments, developmental or emotional disabilities, or mental illness

**The overall Goals of the Draft Housing Policy are that Montgomery County will:**

- Preserve the existing regulated affordable housing stock, striving for no net loss of income-restricted affordable housing
- Increase the number of affordable housing units
- Conserve and care for Montgomery County's residential neighborhoods, and develop and invest in quality communities
- Strive to prevent homelessness and find homes for the homeless
- Support the development of new housing, especially in transit-oriented areas

**The Draft Housing Policy also included these Objectives:**

- **Housing and Neighborhood Connectivity:** Concentrate most new housing near public transportation and provide easy, multi-modal connections to jobs, schools, shopping, recreation and other leisure activities
- **Diverse Housing and Neighborhoods:** Create diversity in the type and size of units, neighborhoods, facilities, and programs to accommodate current and future residents
- **Housing and the Environment:** Provide economically and environmentally sustainable housing and neighborhoods
- **Housing and Neighborhood Design:** Create more balanced, attractive, and walkable neighborhoods through regulatory reform of private developments and leadership in the design of public projects

**2019 - Council of Governments Housing Goals – Resolution 19-284**

On November 5, 2019, the Council adopted Resolution No. 19-284, Resolution to Support Metropolitan Washington Council of Governments' (MWCOG) Regional Housing Targets for Montgomery County.<sup>5</sup> In September 2019, MWCOG released its report, The Future of Housing in Greater Washington, and MWCOG's Board of Directors adopted a resolution supporting three regional housing targets:

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<sup>5</sup> Link to Resolution:

[https://apps.montgomerycountymd.gov/ccllms/DownloadFilePage?FileName=9493\\_1\\_9869\\_Resolution\\_19-284\\_Adopted\\_20191105.pdf](https://apps.montgomerycountymd.gov/ccllms/DownloadFilePage?FileName=9493_1_9869_Resolution_19-284_Adopted_20191105.pdf)

Link to Oct 15, 2019 briefing packet:

[https://www.montgomerycountymd.gov/council/Resources/Files/agenda/col/2019/20191015/20191015\\_3.pdf](https://www.montgomerycountymd.gov/council/Resources/Files/agenda/col/2019/20191015/20191015_3.pdf)

Link to Oct 29 introduction packet:

[https://www.montgomerycountymd.gov/council/Resources/Files/agenda/col/2019/20191029/20191029\\_2A.pdf](https://www.montgomerycountymd.gov/council/Resources/Files/agenda/col/2019/20191029/20191029_2A.pdf)

- (1) At least 320,000 housing units should be added in the region between 2020 and 2030;
- (2) At least 75% of all new housing should be in COG identified Activity Centers or near high-capacity transit;
- (3) At least 75% of new housing should be affordable to low- and middle-income households. (Middle-income is defined as up to 150% of area median income)

In its resolution, the Council stated its support for meeting these targets and committed to finding ways to produce and preserve quality housing for all its residents saying that a sufficient stock of housing is critical to quality of life, health of residents, and the economic development that brings employment opportunities. The Council also said it would monitor data and focus on reducing the number of very-low, low-, and middle-income households that are spending more than 30% of their income on housing.

To meet the MWCOG targets, Montgomery County (Including the cities of Rockville and Gaithersburg) needs to add housing for 41,000 households between 2020 and 2030; this is 10,000 more housing units than the previous MWCOG projections. Montgomery County is a 13% share of the regional household projections.

The Urban Institute's report, Meeting the Washington Region's Future Housing Needs, which was referenced in the MWCOG report, recommended that 38% of new housing be priced between \$0 and \$1,299 per month; 40% at \$1,300 to \$2,499 per month; and 22% at \$2,500 to \$3,500 per month.

### **Attainable Housing Strategies<sup>6</sup>**

The Planning Board is currently holding a series of worksession to develop recommendations on Attainable Housing. In March, the Council directed Montgomery Planning staff to review and analyze housing options in the county. The Planning Board's Attainable Housing Strategies (AHS), is an initiative aimed at evaluating and refining various proposals to spur the development of more diverse types of housing, including Missing Middle Housing in Montgomery County.

Planning staff memos to the Planning Board say, "The term "attainable housing" is a broad umbrella term that encapsulates both house-scale Missing Middle, as well as larger-scale housing product that will assist in densifying Montgomery County's transit corridors."

The July 22, 2021, Planning staff memo to the Planning Board provides these three main goals for Attainable Housing based on the Board's July 8 session:

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<sup>6</sup> The Planning Department has a website with resources for the Attainable Housing Strategies Initiative: <https://montgomeryplanning.org/planning/housing/attainable-housing-strategies-initiative/>

1. Create more opportunities for homeownership for more households in more parts of the county.
2. Unravel the exclusionary aspects of the county's single-family residential zones and help to diversify the county's communities by diversifying the housing stock.
3. Increase opportunities to meeting the county's diverse housing supply needs and obligation, as well as the county's economic development objectives.

Attainable Housing is not income restricted or income targeted affordable housing. The diversity of housing types may be priced as the market allows. However, at its July session, Planning staff was directed to come back with options regarding affordability.

The following reviews decisions the Planning Board has made in sessions leading up to the October 7 worksession.

**Definition and scale:** The Planning Board was supportive of the goals of the initiative following a refinement that added more direct language and included a focus on economic development. The Planning Board also supported a definition of attainable housing that includes a focus on the intent of attainable housing.

**Thrive Growth map:** The Planning Board was not supportive of connecting the AHS recommendations to the Thrive Growth map, given that it is not yet adopted. Instead, the boundary of zoning blocks will be used.

**Applicable Residential Zones:** The Planning Board recommended allowing, by-right, house scale: (1) duplexes in the R-40, R-60, R-90, and R-200 zones; (2) triplexes in the R-40, R-60, and R-90 zones; and (3) quadplexes in the Priority Housing District.

**Priority Housing District:** The Planning Board was supportive of defining the Priority Housing District, in which quadplexes would be allowed and parking requirements would be reduced. The Board defined the Priority Housing District using a straight-line buffer of 1-mile from Red line, Purple Line, and MARC stations, 1 plus 500 ft from a BRT Corridor plus River Road and Connecticut Avenue.

**Attainable Housing Optional Method (AHOM):** The Planning Board was supportive of the idea of the AHOM and middle density attainable housing, but asked staff to come back with options for applicable geography.

**Existing Optional Method:** The Planning Board agreed to update the existing MPDU and Cluster Optional Methods of Development to allow the use of triplex and quadplex buildings.

**Pattern book:** The Planning Board was supportive of creating a Planning Board approved pattern book which will be mandatory for the creation of new attainable housing.

- The Planning Board agreed with staff that the pattern book shall be Planning Board adopted mandatory guidelines that apply to small scale attainable housing typologies, which includes duplexes, triplexes, and quadplexes.
- The pattern book should also include non-binding guidance on other building types such as townhomes and small apartments.
- The planning Board directed staff to engage with the Department of Permitting Services (DPS) to ensure creation of an easy to apply pattern book with minimal room for ambiguity around form standards.

**Data Table:**

- The Planning Board supports staff's direction of including duplexes and multiplexes within the residential zones, with standards table modifications as necessary.
- Substandard lots that currently allow single-family detached homes should not have restrictions placed on them prohibiting duplexes or multiplexes.
- The zoning standard tables should not place a limit on building size, but rather the design requirements of the pattern book should be utilized to help with compatibility.

The Planning Board is currently scheduled to hold sessions on October 7, October 21, and November 4.

**October 7:** (1) Cottage Court Housing as a new housing type; (2) Attainable Housing Optional Method (AHOM) geographic applicability; (3) AHOM development standards; (4) Development standards for new housing products in the existing (MPDU/Cluster) optional methods.

**October 21:** (1) Affordability; (2) Displacement; (3) Trees; (4) Parking; (5) Subdivision; (6) Desired elements of a pattern book; (5) Suggested catalyst policies.

**November 4:** (1) Review of the Attainable Housing Strategies report; (2) Review of any applicable Zoning Text Amendments.

**THRIVE Summary Notes (from McMillan)**

The following are summary notes from Chapter 5, "Affordable & Attainable Housing – More of Everything" (Original title) to provide some context for the summary of the Executive's comments that follow. Following the Executive's comments are staff recommended amendments to Chapter 5 for the PHED Committee's consideration.

Montgomery County and most of the region's jurisdictions have not generated enough new housing – particularly housing that matches the incomes and needs of the workforce.

Building permits have lagged behind the number needed to meet the MWCOG projections for Montgomery County. About 4,000 will be needed each year from 2021 to 2030. The last time this number was reached was 2012.

In 2019, over 50% of renter households were cost-burdened, payment more than 30% of their income for housing. Weak supply drives up the price of both rental and for-sale housing. Homeownership rates have been in decline, especially for adults under the age of 35; from over 45% in 1990 to about 30% in 2019.

The percentage of households consisting of one person increased from 7% in 1960 to 25% in 2018. The percent of the population that is age 65 and older has increased from 5% in 1960 to 15% in 2020. It is projected to be 20% in 2040.

More than 1/3 the county's land area is zoned for single family homes. By some estimates 1/3 of households are "over-housed" meaning they have at least two more bedrooms than number

of household members. The average gross floor area of a new single-family house continues to increase and is now about 3,750 square feet.

The high cost and limited variety of housing exacerbate inequality and segregation by race and class with predominately White residents living in more expensive neighborhoods with better access to jobs, schools, and transportation options leading to disparities in educational attainment, economic opportunity, and health.

Expansion and diversification of the housing stock is critical to meeting future need. To match need, about half of new dwelling need to be multifamily rental and one-quarter for-sale multifamily.<sup>7</sup> Current zoning make this difficult to meet. There will be a particular need for smaller, less expensive housing.

The following goals are included in the chapter (each with a series of strategies):

**(1) Encourage the production of more housing to better match supply with demand.** This calls for increased residential density; an increase in income-restricted housing; a continued commitment to Housing First; building deeply affordable housing; providing permanent supportive housing, reforming regulations to reduce construction costs; prioritizing public land for housing; regulatory flexibility to incentivize infill and repositioning of underutilized properties; and, financial incentives for market rate affordable housing.

**(2) Plan for a wide range of housing types and sizes to meet diverse needs.** This calls for encouraging a variety of housing types in every part of the county but especially near transit, employment, and education; support for creative housing options; encouraging units sized for families with children in multifamily buildings; and, integrating people with disabilities, people exiting homelessness, and older adults with housing with appropriate amenities and services.

**(3) Promote racial and economic diversity and equity in housing in every neighborhood.** This includes calibrating the MPDU and other housing programs to serve income levels from deeply affordable to workforce; target strategies to minimize gentrification and displacements and avoid concentration of poverty; avoid net loss of affordable housing without disincentivizing construction of additional units; expand homeownership especially for low-income households and people of color; create new programs like community land trusts; improve data to monitor involuntary displacement and disinvestment.

The Plan includes metrics related to housing production, cost, the homeless population and an environmental metric, “Greenhouse gas emissions from residential buildings and transportation per capita.”

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<sup>7</sup> Multi-family includes any housing type other than single family detached.

## **Executive Comments on THRIVE**

The County Executive transmitted comments to the Council on June 10, 2021, that includes comments related to the housing recommendations in Thrive Montgomery 2050 (attached © 22-32).<sup>8</sup> In addition, Department of Housing and Community Affairs' (DHCA) Director Nigam forwarded comments on August 9, 2021 (attached © 33-37) and Fire Chief Goldstein forwarded comments on July 11, 2021.

### **Some summary notes from the Executive's comments:**

The Council should separate the Attainable Housing Strategies Initiative from the review and approval of Thrive Montgomery 2050 to avoid confusion and because residents have not had a full opportunity to understand the Attainable Housing Strategies Initiative. The Planning Board should stop work on proposals that would implement Thrive 2050 before the plan has been approved. (The Executive has additional comments about the Attainable Housing Strategies Initiative effort including that all zoning changes to the R-40, R-60, R-90 and R-200 zone only be done through master plans; site plan review for infill development in both single-family neighborhoods and the denser development in the corridors; and retention of compatibility standards.)

The Planning Board draft focuses too much on Missing Middle Housing and 15-minute living which is for cities and isn't suitable for a county encompassing 507 square miles. The county will not solve its economic development, environmental resilience, and equity issues simply by rezoning most of the county's residential zones, these complex issues are best done through small, context sensitive plans.

The Planning Board should have paused the Thrive Montgomery 2050 when it learned through its own studies that the Missing Middle Housing is it proposing is not affordable to the equity groups where racial and income diversity are desired. Thrive Montgomery 2050 must include safeguards against unintended consequences. New housing should be located near high quality transit, with the first priority being housing for those with the greatest need. The Planning Board errs by focusing on housing types as the equity solution rather than the housing cost.

There are multiple, interlocking strategies to achieve equity in housing (integration of neighborhoods by race and income) with priority for those with greatest need, including: preserving naturally occurring affordable housing and discouraging teardowns; establishing a policy of not net loss of market and restricted affordable housing in any redevelopment; adopt rental stabilization policies; modify the Moderately Priced Dwelling Unit (MPDU) program to increase the number and level of affordability of units; strengthen the Planning Board draft

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<sup>8</sup> The Executive also comments on the need to reform the development process, and the need for Thrive Montgomery 2050 to address economic development, environmental resilience, equity, and reaffirm unconditional support for the Agricultural Reserve. They also make recommendations regarding the Transportation and Parks chapters

statement with respect to housing dedicated to special needs populations across all communities including those transitioning from homelessness, those with disabilities, and the elderly; use small area planning; and identify suitable tracts of land (3 to 5 acres) for development throughout the county.

### **DHCA Director Nigam's comments (summary)**

The Planning Board's draft housing chapter does not present land use policy direction to achieve the aspirational goals identified and does not discuss how its recommendations modify the 1993 Refinement including the removal of "Suburban Communities" from the proposed growth map and the policy goal of an appropriate balance of jobs and housing on a county-wide basis.

The Public Hearing Draft's promotion of land use planning elements on preservation and provision of affordable housing, in addition to new market rate housing, should be restored. There should be clear goals and recommendations to support options that future housing addresses the needs of current residents and communities.

DHCA's comments repeat the concerns raised in the Executive's comments regarding the need to preserve naturally occurring affordable housing, policies that require no net loss of affordable housing, Thrive's focus on housing type and general statements on expected affordability, policies to avoid displacement, increasing the number and level of affordability of MPDUs, and statements about housing for special needs populations.

DHCA says that the following policies from the Public Hearing Draft should be included in Thrive Montgomery 2050:

- Increase opportunities for new housing, especially affordable housing using office parks, shopping centers and other underutilized properties.
- Combat the concentration of poverty and segregation with financial and zoning incentives to help spur targeted housing.
- Encourage development of affordable housing by strengthening the capacity of MPDU program.
- Increase the number of permanent affordable housing units.
- Use the master plan process to collaborate with the Department of Health and Human Services to evaluate the needs of individuals and on the homeless spectrum.
- Eliminate racial disparities across the homeless spectrum and address the needs of people with disabilities.
- Pursue financial and zoning opportunities to increase residential density, especially for older adults and people with disabilities, near high-capacity transit.
- Ensure all established residential communities have access to affordable, high-quality transit.

- Build capacity for affordable housing development production with faith-based institutions, employers, private sector and nonprofits through education and technical support on the development review process.
- Provide family-sized housing units in new multi-family housing developments.
- Build or retrofit housing that meets the needs of older adults.
- Preserve market-rate and income restricted affordable housing stock, striving for no net loss of affordable housing in the event of redevelopment.
- Consider and support enhancement of Right of First Refusal and other efforts to aid the Housing Opportunities Commission and other county and nonprofit partners in the purchase of affordable rental buildings.
- Encourage the replacement of larger family sized units in redevelopment, relocation, and right to return process.
- Identify and implement programs to meeting any shortfall of housing for people with disabilities with action suggestion of development zoning incentives and modifying regulatory controls to incorporate accessible design features.
- Use the county's Subdivision Staging Policy to monitor the secondary effects of targeted growth policies, including loss of market-rate affordable housing.
- Commit to the principals of Affirmatively Furthering Fair Housing by pursuing meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity.

**Fire Chief Goldstein's comment related to housing (summary):**

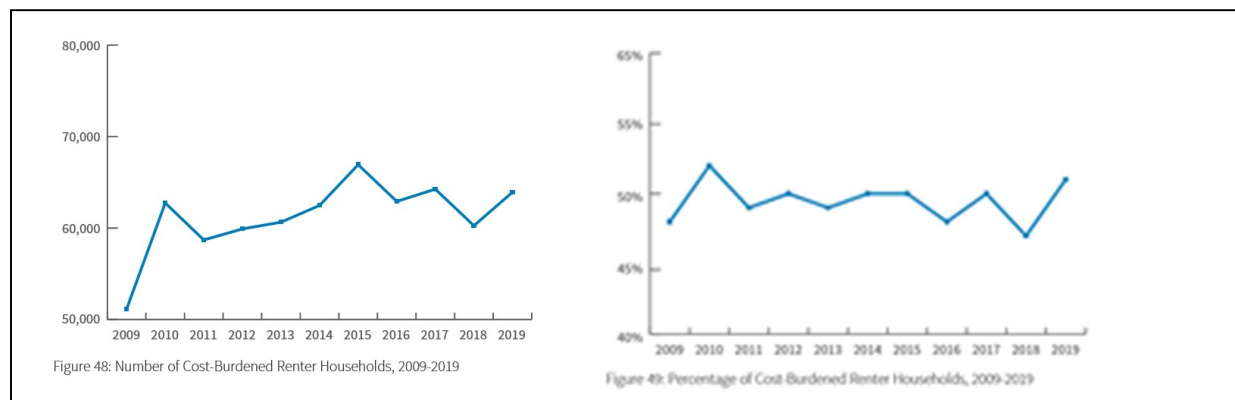
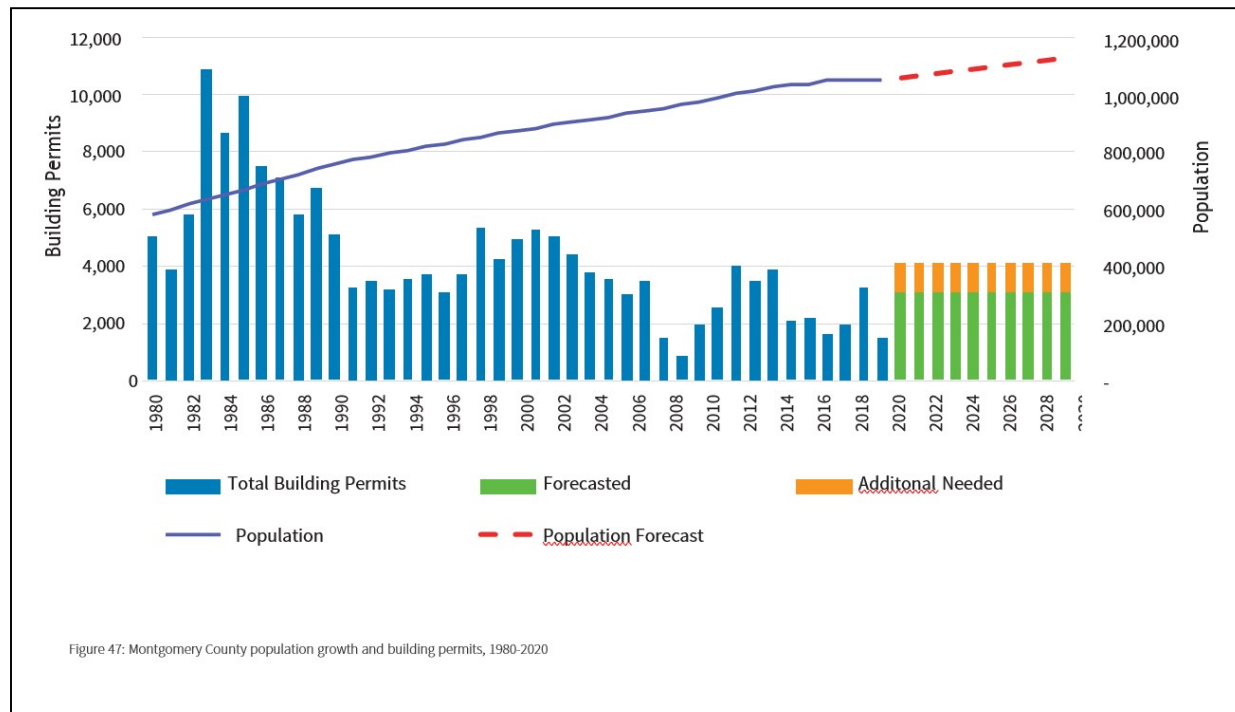
Policy recommendations for housing are important not only to ensure an adequate supply of homes for anticipated growth, but because inadequate and/or substandard housing can be a public health issue, associated with a wide range of chronic and infectious conditions and can affect mental health. This could result in increased service demands for Montgomery County Fire and Rescue Service (MCFRS).

Zoning changes that increase the number of high-rise buildings affect the level of risk and the resources required (hoses, ladders, apparatus, etc.)

## HOUSING FOR ALL — MORE OF EVERYTHING

### Introduction: Housing Lags Population and Job Growth

The Washington region has experienced slow but steady growth in recent decades, even as many parts of the country have struggled to attract residents and economic opportunities. Unfortunately, the region (including Montgomery County and most neighboring jurisdictions) has not generated enough new housing – particularly housing that matches the incomes and needs of the workforce – to match this relatively moderate pace of population and job growth. From 1980 to 2018, the average number of dwellings built each year in Montgomery County has steadily declined, both in absolute terms and relative to the rest of the region. Building permits have lagged well behind the 4,200 a year average that the Metropolitan Washington Council of Governments (MWCOG) has estimated are needed to address inadequate housing production and supply.



## What is the problem we are trying to solve?

While the county's median household income remains relatively high, disproportionate growth in the number of households at the high and low ends of the income spectrum has created a barbell effect, with increasing numbers of low-income renters burdened by housing costs. Economic development strategies that improve incomes and employment options can help to combat this problem, but more attention and resources directed at affordable housing are also necessary. Weak supply raises the price of housing for both renters and those who want to own their home. The number of households spending at least 30 percent of income on housing has continued to grow. Housing price increases have outpaced growth in incomes, leading some people to leave the county in search of more affordable places to live. Homeownership rates have been in decline, especially for adults under the age of 35. The obstacles faced by young workers in finding housing they can afford makes it harder for employers to attract and retain the employees they need, damaging our economic competitiveness.

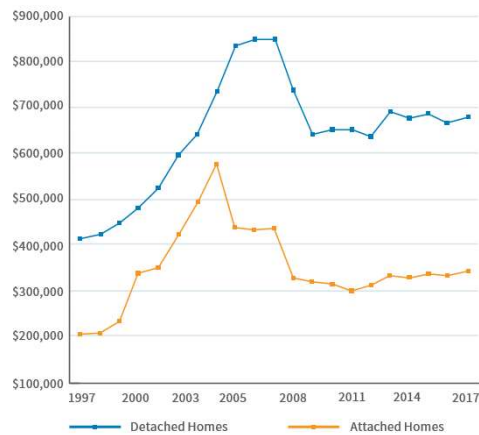


Figure 50: Average Sales Price of Single-Family Homes, 1997-2017

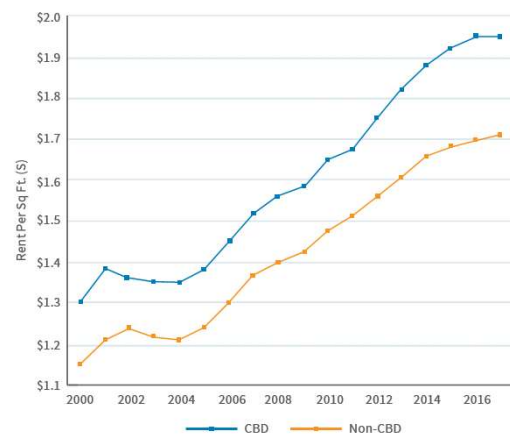
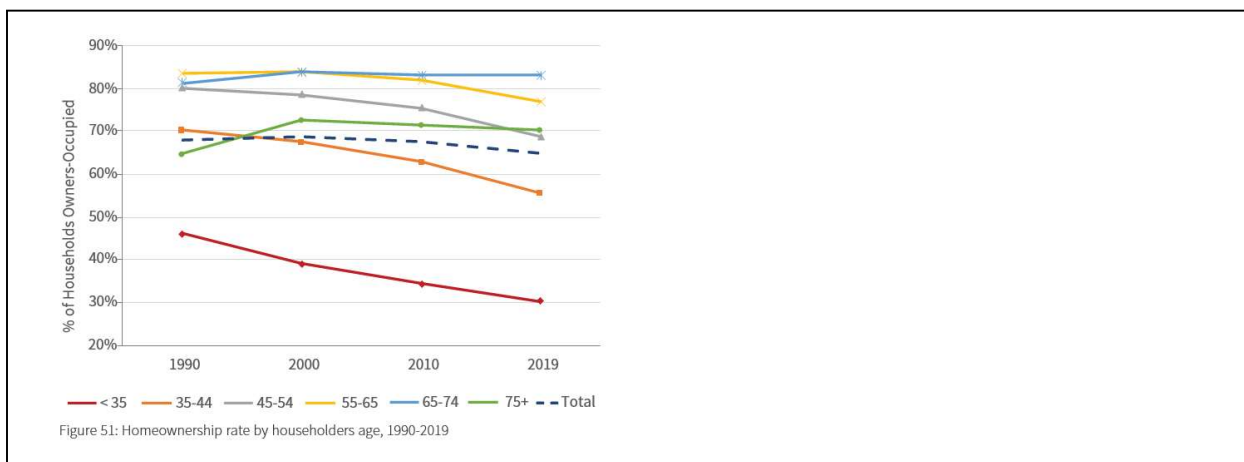


Figure 52: Average Multifamily Residential Rent Per Square Foot, 2000-2016



The county's housing challenges are not limited to the slow pace of new construction. Social and economic changes have opened a growing gap between the living patterns of the early 21st century and the housing stock of earlier generations. The stereotypical family household of the 1950s, consisting of a married couple with children living at home, represents a steadily diminishing share of all households. The percentage of households consisting of one person living alone increased from seven percent in 1960 to 25 percent in 2019, partly as a result of a trend toward deferring marriage and childbirth, and partly because a larger number of older people are divorced or widowed.

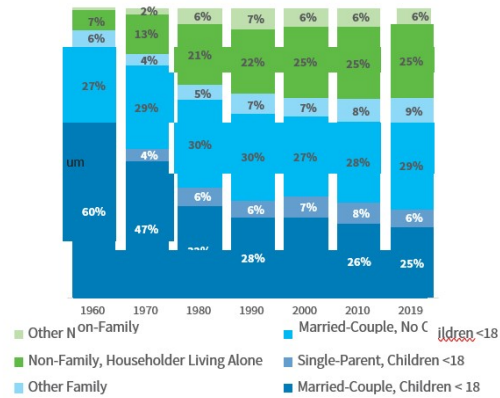


Figure 53: Change in Household Family Types, 1960-2019

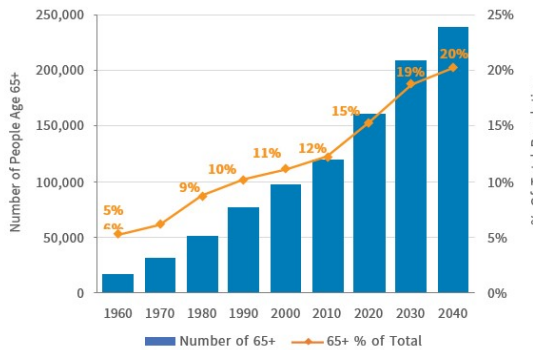


Figure 54: Age 65+ population, 1960-2040

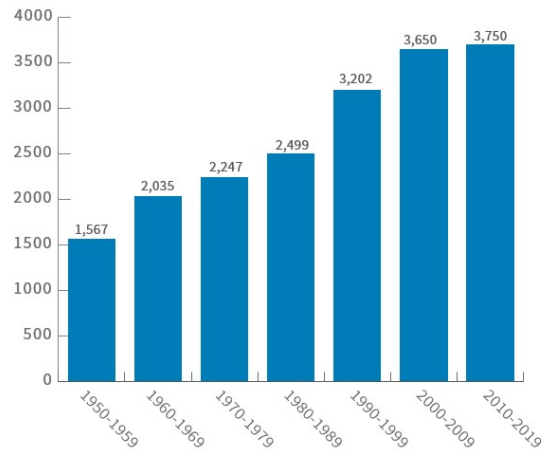
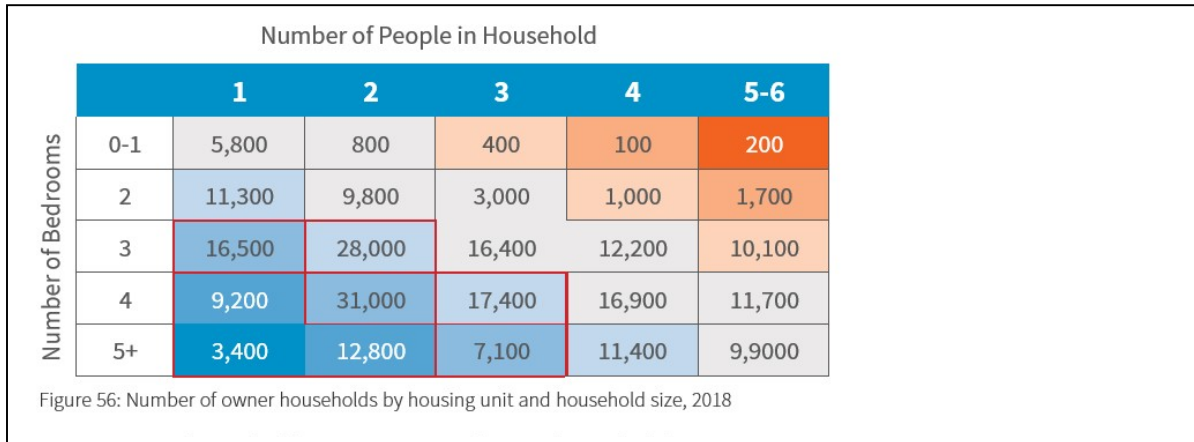


Figure 55: Average gross floor area of a single-family house by year built

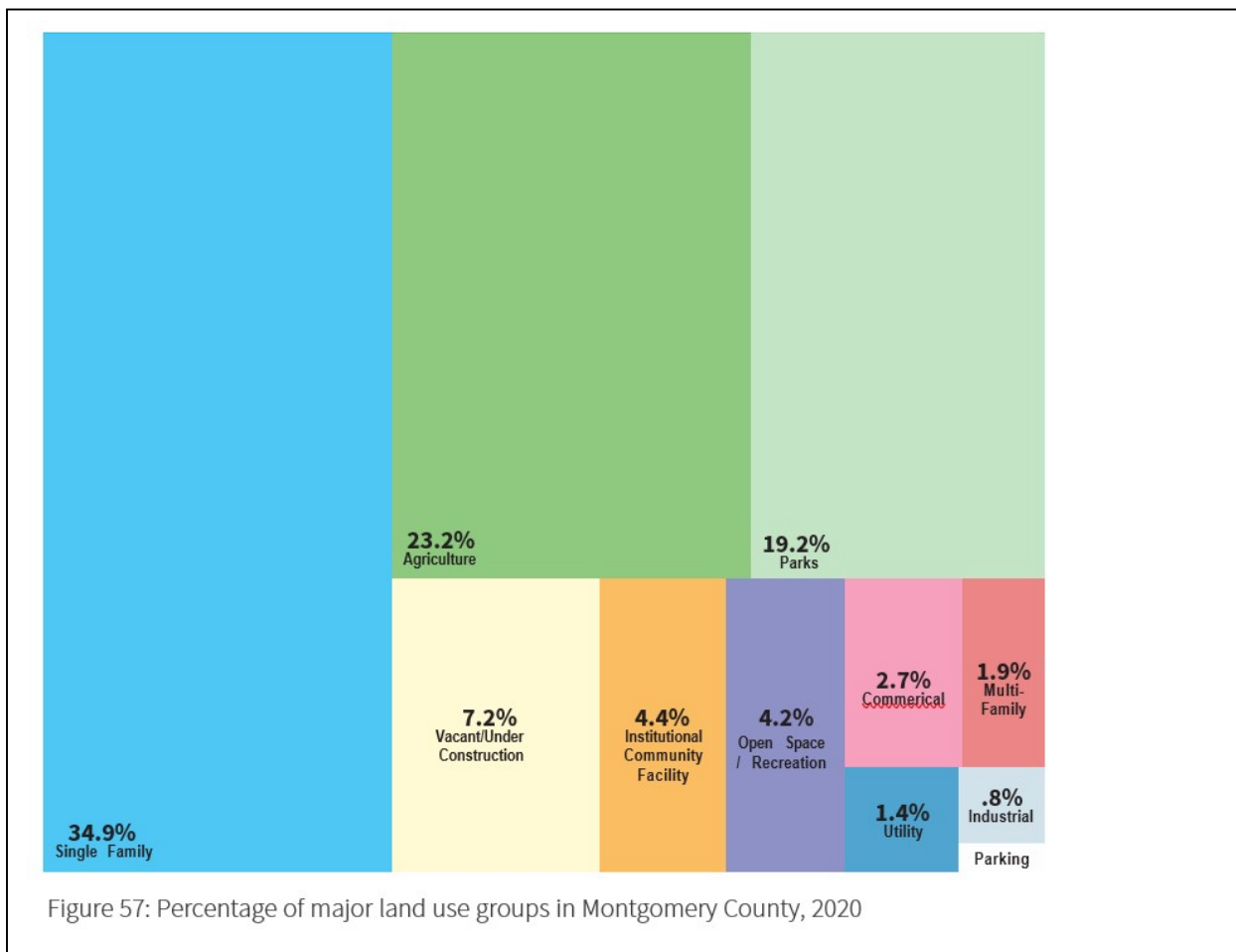
Despite the shrinking size of households, new single-family homes are getting larger, and single-family dwellings make up two-thirds of the county's housing stock. Options to buy a starter home or downsize are limited, and by some estimates, as many as one in three owner households are "over-housed" - that is, they have at least two more bedrooms than residents. Because more than one-third of the county's land area is zoned for single family housing, more than ten times the area zoned for mixed use development, our ability to provide a greater variety of housing units in desirable locations is constrained. This limits the ability of long-time residents to relocate to a different type of home in their neighborhoods.

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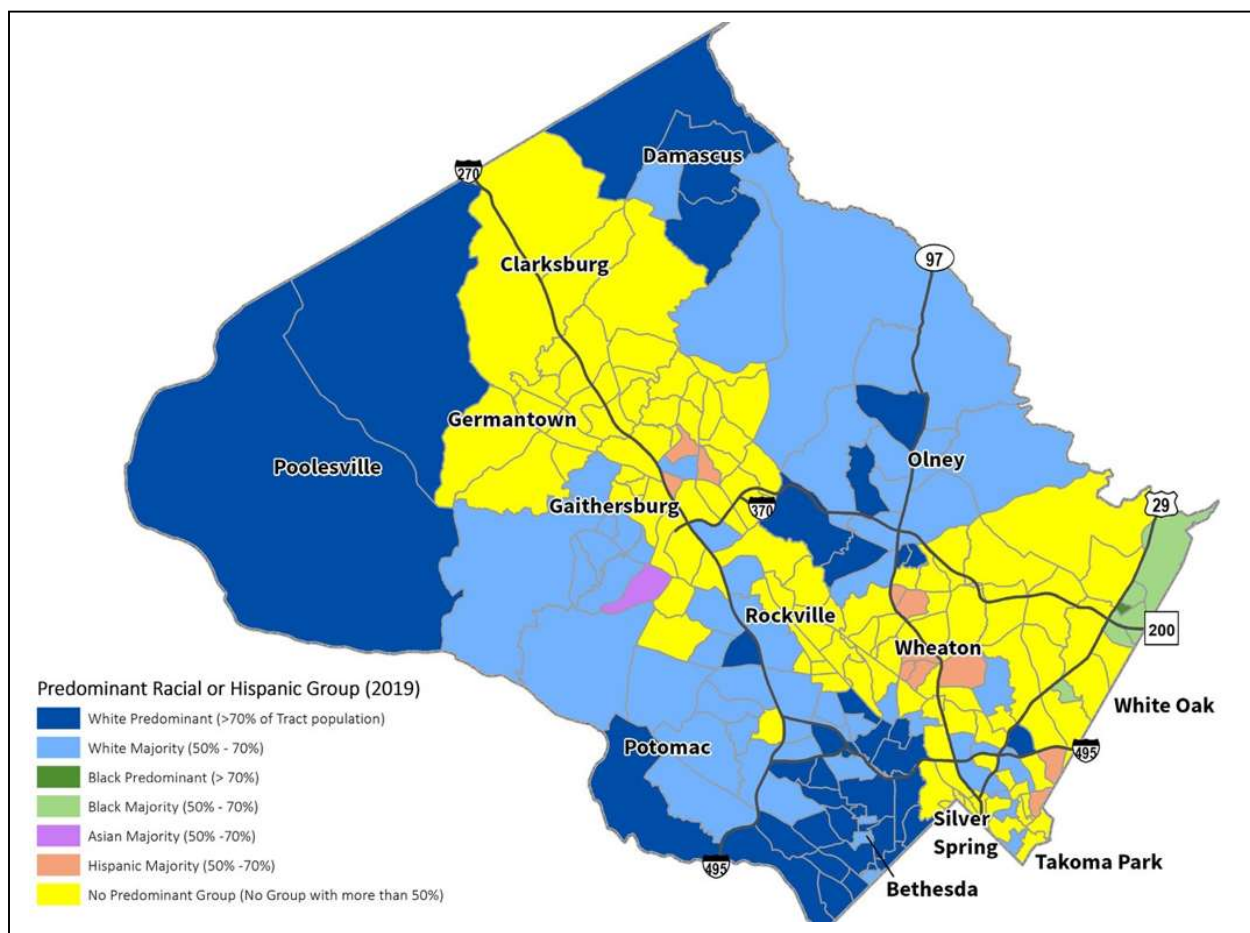


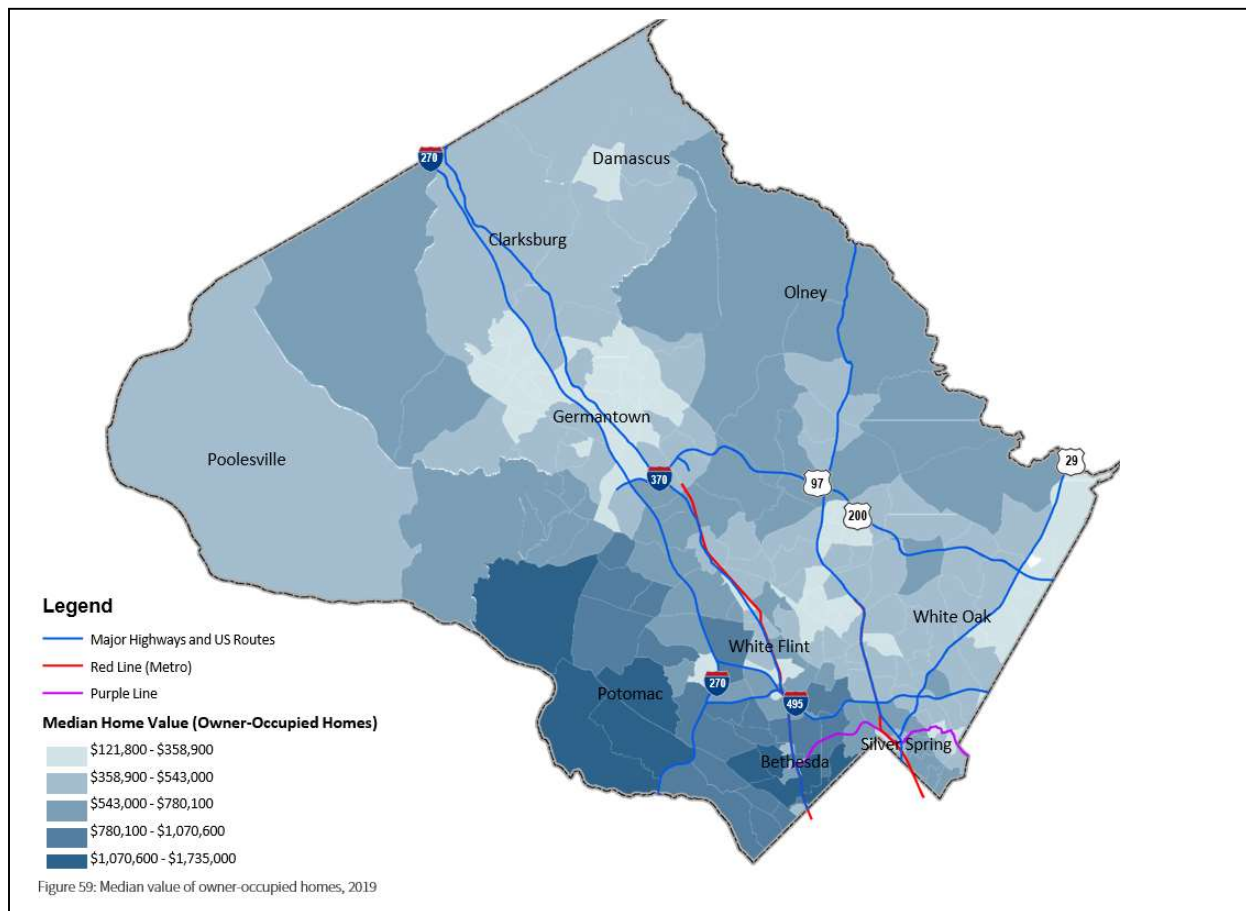
80,000 owner households or 32 percent of owner households, are over-housed, compared to only 3 percent of renters households by the same measure.

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The high cost and limited variety of available housing exacerbate inequality and segregation by race and class. Home prices vary widely in different parts of the county, closely tracking the racial and economic characteristics of neighborhoods, with predominantly white residents living in more expensive neighborhoods with better access to jobs, schools, and transportation options than the African American or Latino residents of less expensive neighborhoods. These inequities reinforce the legacy of racism and both de facto and de jure segregation and continue to influence the geographic distribution of opportunities and resources, leading to inequitable outcomes in educational attainment, economic opportunity, and public health.

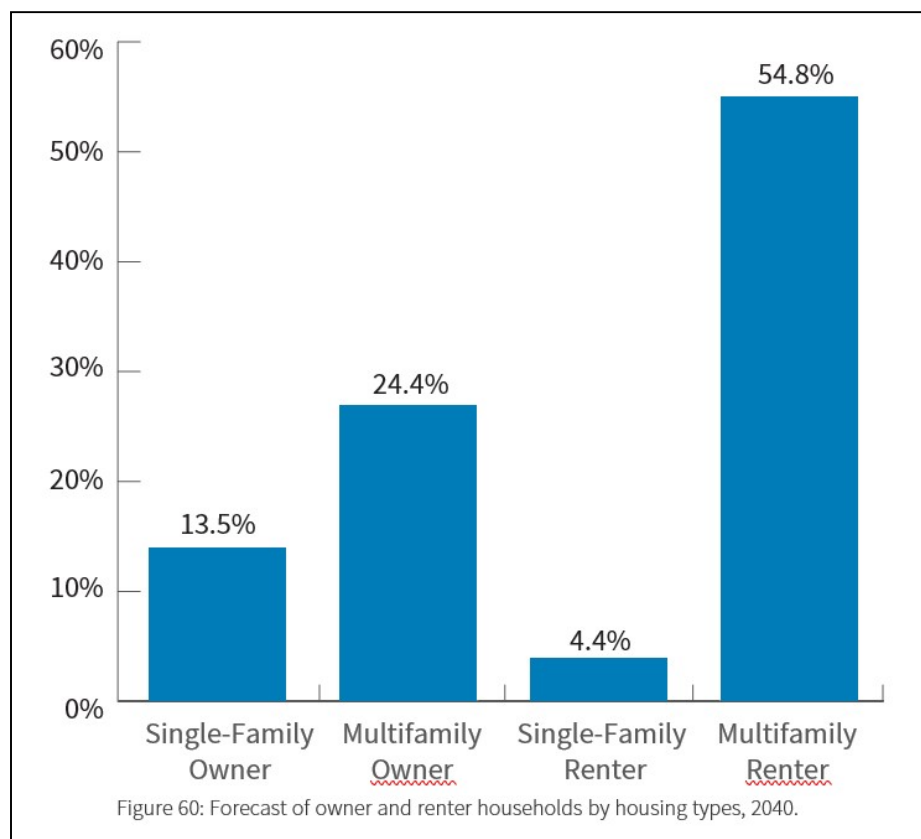


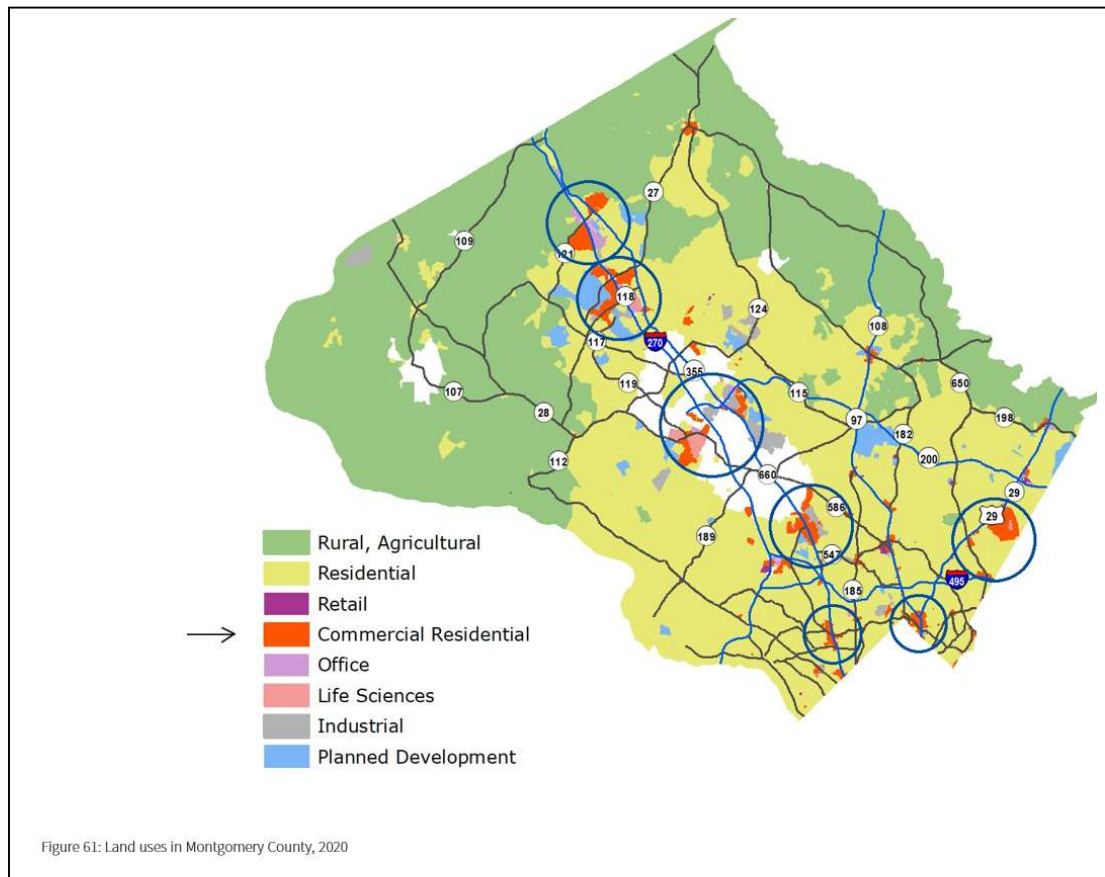


Without more housing in general and an increase in the availability of smaller, less expensive housing in particular, housing will become less affordable to a broad swath of the county's residents. Some will leave the county, either commuting long distances from home to work or departing the region in search of a more affordable place to live. Others will struggle with the burden of paying their rent or mortgage, reducing their standard of living.

Between 2020 and 2040, Montgomery County is expected to need to add 63,031 new households, both working and non-working households, specifically new residents who are seniors or persons with disabilities.

Over the 2020 to 2040 period, forecast assumptions suggest that Montgomery County will need to add the following types of housing units to accommodate the forecasted households.





## What policies will solve the problem?

Montgomery County needs housing at a wide range of prices because the current crisis of housing affordability affects households at all income levels (except the most affluent), not just low-income households. The term affordable housing, generally used for subsidized housing, does not encompass the housing needs of middle-income households that constitute the largest segment of the county's population who are hurt by the rising housing costs and limited supply. In addition, all non-subsidized market rate housing needs attention if Montgomery County is ever going to change the current trajectory of housing affordability.

Expansion and diversification of our housing stock also is an essential step toward reducing racial and socioeconomic inequality. By 2045, people of color are forecast to make up 73 percent of the county's population, with a significant percentage of these residents earning less than \$50,000 a year. Unless economic strategies are successful in reducing the projected percentage of households at low incomes,, about half of all new dwellings will need to be rental units in multifamily buildings (including both apartment and townhome, duplex, triplex, and quadplex units) and more than one quarter will need to be for-sale units in multifamily buildings (including condominiums and other attached and semi-detached building types) in order to match the amount and types of housing to the needs of our residents.

In order to address the county’s need to increase the amount and variety of housing, the county will pursue the following policies and actions:

**Encourage the production of more housing to better match supply with demand**

- Expand opportunities to increase residential density, especially along major corridors and in locations where additional housing can assist in the development of Complete Communities. (Ec, Eq, Env)
- Increase the number of income-restricted affordable housing units, especially for low-income households. (Eq)
- As part of the commitment to the Housing First approach, develop strategies to build deeply affordable housing and provide permanent supportive housing. (Eq)
- Support building code that to reduce costs by accommodating innovative construction methods and materials including modular prefabricated housing and mass timber. (Eq, Env)
- Prioritize use of public land for co-location of housing and other uses, particularly where government agencies design new facilities or dispose of real property. (Eq, Env)
- Increase regulatory flexibility to incentivize residential infill, redevelopment, and repositioning of office parks, shopping malls, and other underutilized properties. (Ec, Eq, Env)
- Provide financial incentives to boost housing production for market rate and affordable housing, especially near transit and in Complete Communities. (Ec, Eq, Env)

**Plan for a wide range of housing types and sizes to meet diverse needs**

- Facilitate the development of a variety of housing types in every part of the county but especially in areas near transit, employment, and educational opportunities. (Ec, Eq, Env)
- Support creative housing options including personal living quarters and/or micro units; “missing middle” housing types such as tiny houses, cottages, duplexes, multiplexes, and small apartment buildings; shared housing, co- housing, accessory dwelling units (ADUs), social housing and cooperative housing to help meet housing needs and diversify housing options. (Ec, Eq, Env)
- Encourage provision of multi-bedroom units suitable for households with children in multifamily housing. (Eq, Env)
- Integrate people with disabilities, people transitioning from homelessness, and older adults into housing with appropriate amenities and services sized and designed to accommodate their households. (Eq)

Figure 62—before and after along Univeristy Boulevard in Langley Park

### **Promote racial and economic diversity and equity in housing in every neighborhood**

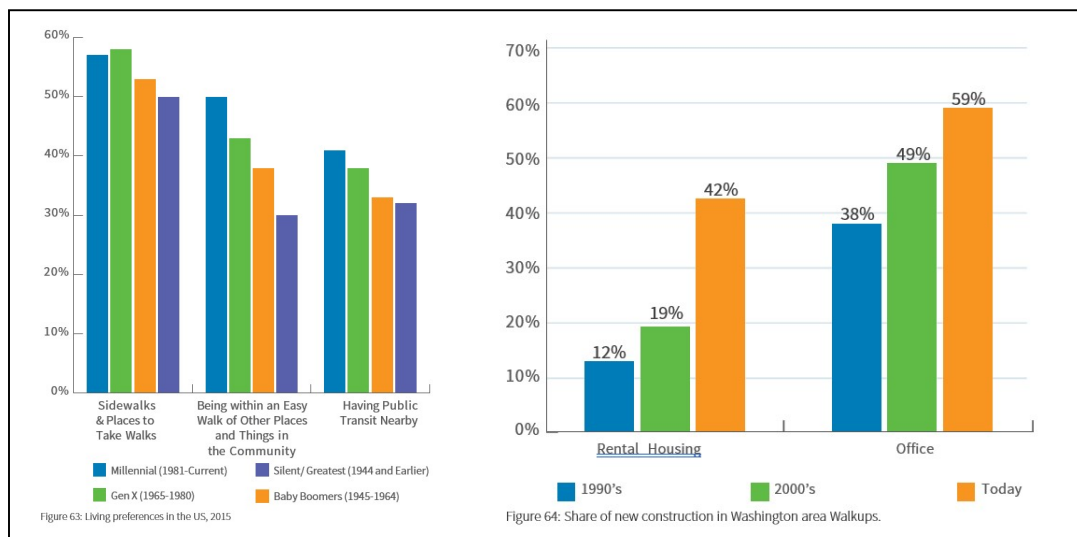
- Calibrate the applicability of the Moderately Priced Dwelling Unit (MPDU) program and other affordable housing programs to provide price-regulated units appropriate for income levels ranging from deeply affordable to workforce. (Ec, Eq,)
- Develop targeted strategies to minimize gentrification and displacement while promoting integration and avoiding the concentration of poverty. (Eq,)
- Refine regulatory tools and financial incentives with the goal of avoiding a net loss of market-rate and income-restricted affordable housing stock without erecting disincentives for the construction of additional units. (Eq,)
- Identify and allocate additional revenue for the Housing Initiative Fund (HIF) and other county programs to meet the needs of low-income households. (Eq,)
- Expand existing programs designed to increase access to homeownership, especially among low-income residents, people of color, and young adults; create new programs and entities such as community land trusts to maintain long term affordable homeownership opportunities. (Eq,)
- Improve collection of data on neighborhood change to monitor and address involuntary displacement, disinvestment, and related phenomena. (Eq,)

### **How these policies will serve the goals of Thrive Montgomery 2050?**

A healthy supply of new housing that is suited to meet the needs of households of different sizes, incomes, needs, and preferences is central to achieving Thrive Montgomery's key objectives:

#### **Housing Supports the Workforce Needed to Grow Our Economy**

First, increasing the supply of new housing near transit, jobs, and amenities will improve the quality of life for everyone in the county while helping to attract and retain the broadly skilled workforce that employers need, making the county more economically competitive. The increased demand for walkable neighborhoods with a mix of uses – especially near transit – is well documented. Housing in “Walkable Urban Places (WalkUPs)”, command prices 71 percent higher per square foot than other locations in the Washington area, reflecting both the desirability and relative shortage of these kinds of places. By concentrating more housing of different sizes and types near high-quality transit corridors, we can provide housing that will help keep the most productive workers in the county, curb escalating prices in the most desirable locations, and improve accessibility of jobs, transportation, and services.



### A Range of Housing Types Priced for a Range of Incomes Is Essential to Integration and Equity

Second, the construction of a wider variety of sizes and types of housing and a focus on affordability and attainability will help diversify the mix of incomes in neighborhoods across the county, improving access to services, amenities, and infrastructure for low- and moderate-income residents, who are disproportionately people of color.

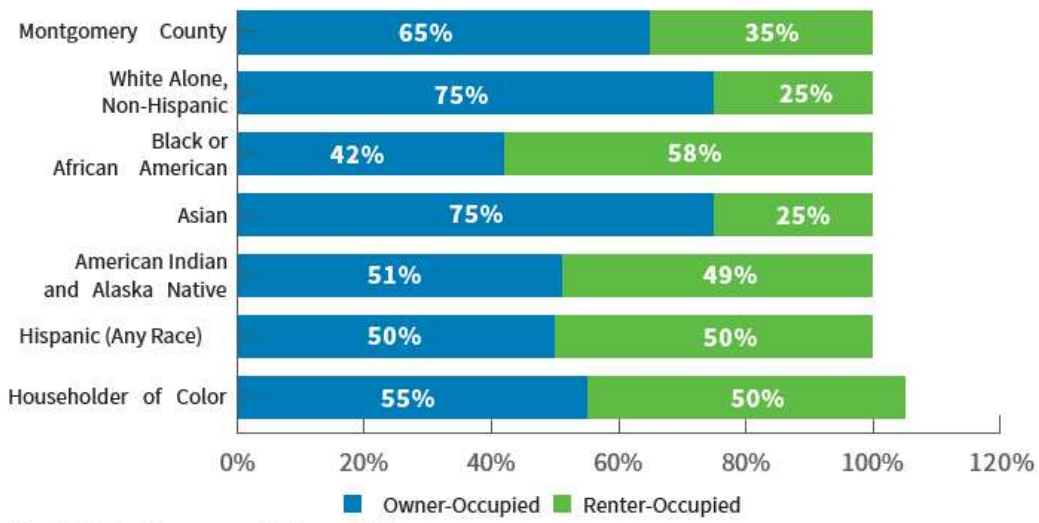


Figure 65: Rate of homeownership by race, 2017

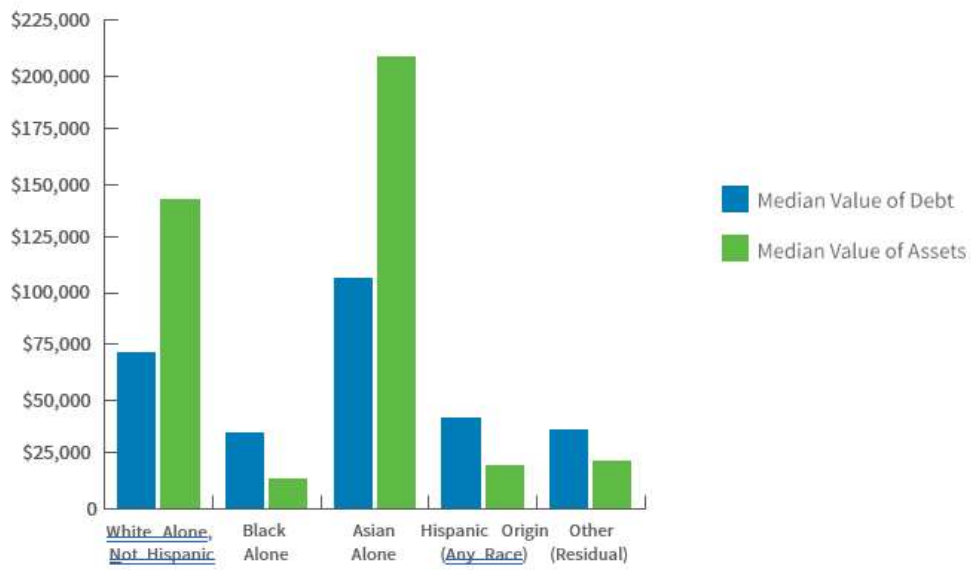
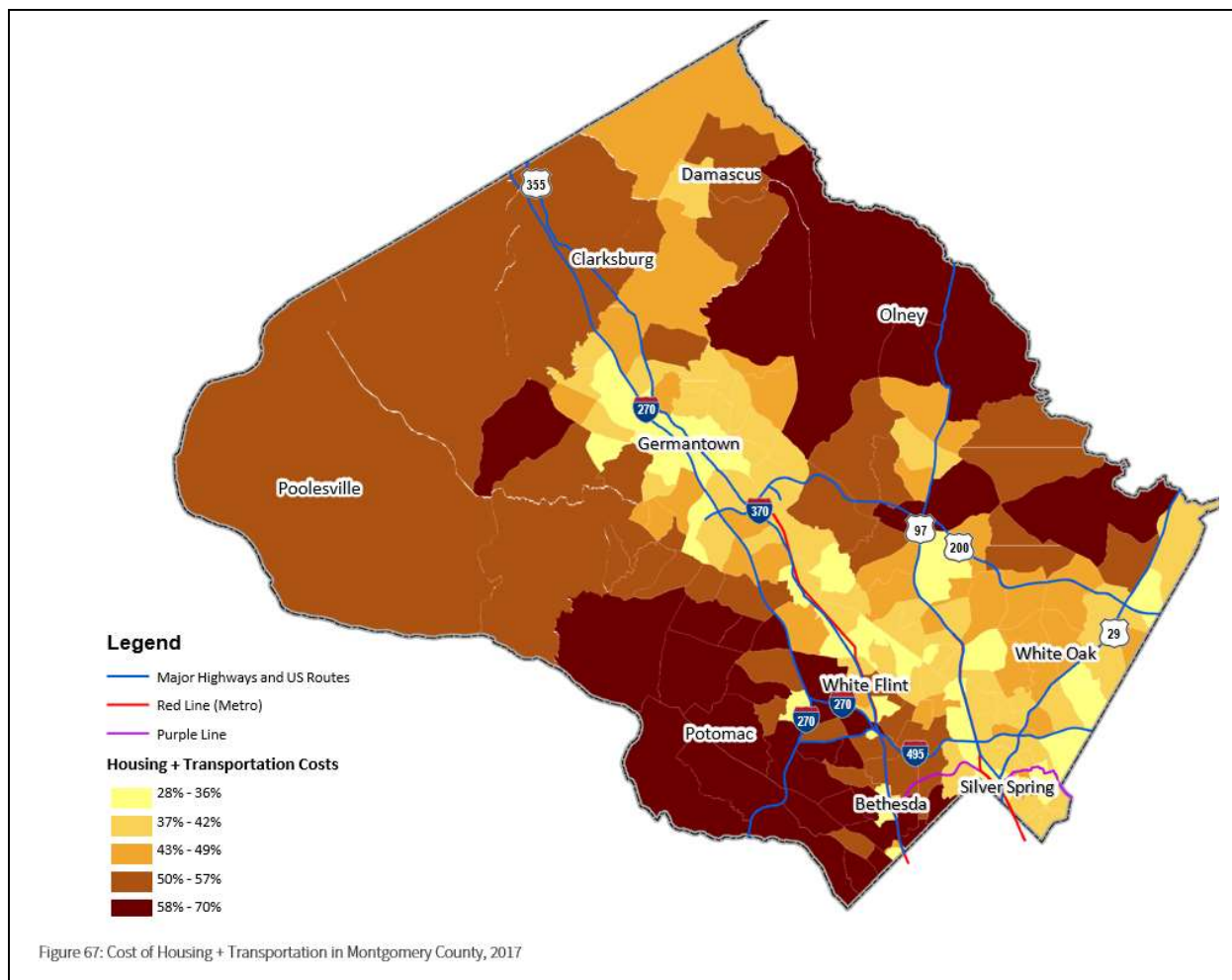


Figure 66: Wealth accumulation and debt by race, 2016



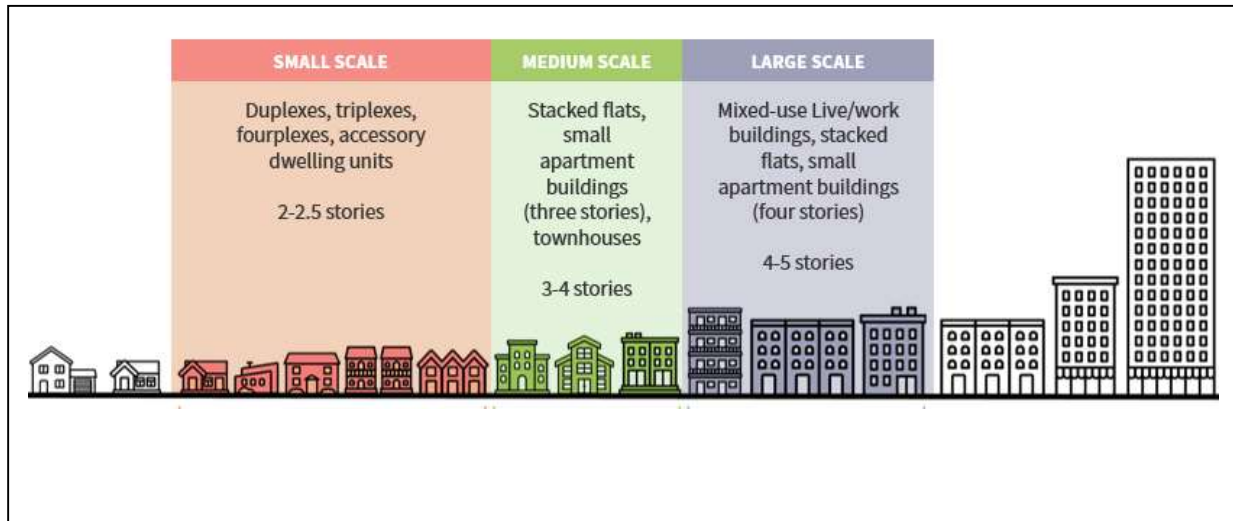
Adding more “Missing Middle” housing types – ranging from low to medium densities such as accessory dwelling units (ADU’s); duplexes; triplexes; quadplexes; live-work units; and clustered housing such as townhouses, courtyard dwellings and smaller apartment buildings to more neighborhoods will provide more choice, enhance intergenerational interaction, promote aging in place, and build social capital.

Missing middle housing will not necessarily be “affordable” in the same sense as price- or income-restricted units that receive public subsidies or are covered by the county’s moderately priced dwelling unit program, but it will fill crucial gaps in the housing market. For first-time buyers who struggle to save enough for a down payment on a large, single-family house, a duplex or tiny house can provide an accessible point of entry to home ownership. For empty nesters who want to downsize but cannot find a smaller, less expensive home in the neighborhood where they raised their family, a small apartment building or a courtyard bungalow could provide a welcome alternative to relocating from the area.

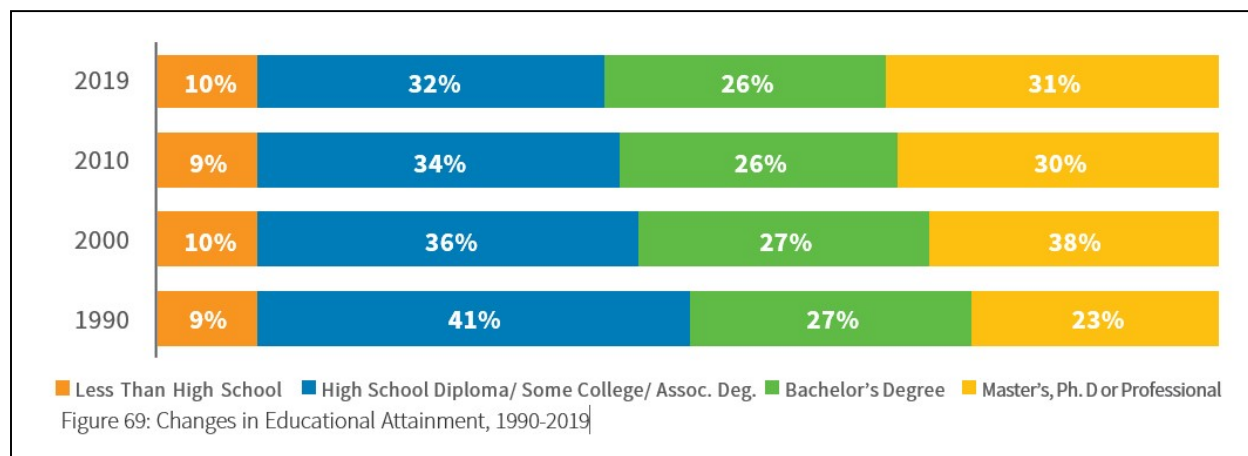
Of course, missing middle housing by its nature is highly likely to be more affordable than single-family detached houses in the same neighborhood because these housing types require less land, employ relatively inexpensive wood frame construction, and are designed for people looking for smaller and

more efficient living spaces. We need less expensive alternatives to single-family detached dwellings because a wider variety of options accessible across the spectrum of incomes, family sizes, and lifestyles will make the housing market function effectively for all of our residents at every stage of their lives.

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Preservation of both naturally-occurring and regulated existing affordable units will minimize gentrification and displacement as these communities see future investments in transit infrastructure, schools, and amenities. Building new affordable housing in existing amenity-rich neighborhoods will expand access to quality education for a wider range of students, leading to more integrated schools and helping close the achievement gap for people of color. Over time, these efforts will minimize de facto segregation based on income between school districts and encourage greater social mobility. Mixed-income housing in communities lagging in investment will help mitigate the concentration of poverty and enhance access to amenities and recreational opportunities for current residents.

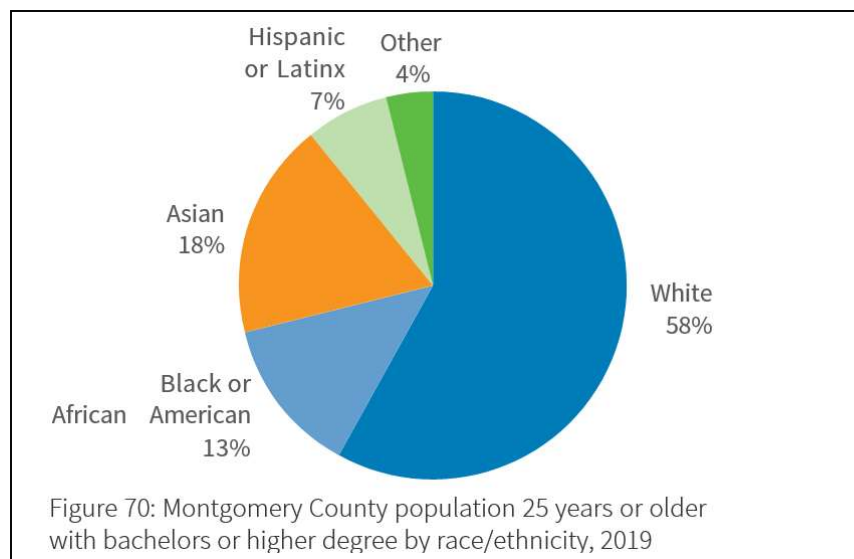


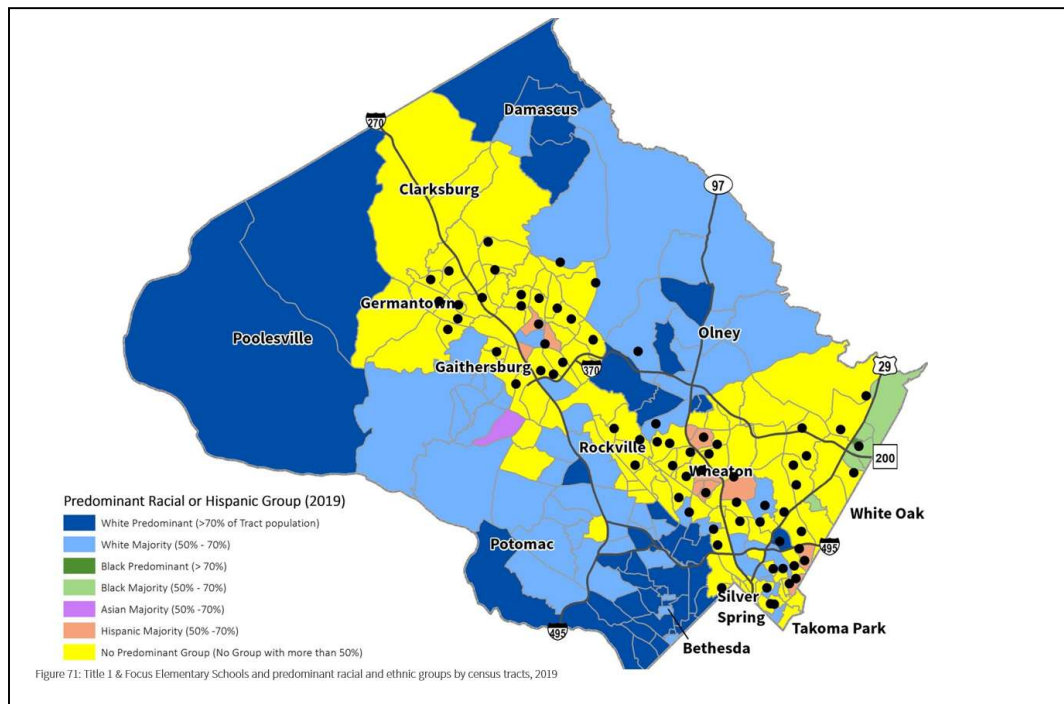
### A Wider Variety of Housing Types Is Crucial to Reducing the Environmental Impact of Growth

Third, a broader range of housing types – particularly the inclusion of multifamily buildings of varying scale depending on their location – will reinforce the benefits of Complete Communities because flexible residential zoning will allow more people to live closer to work, increase the walkability of neighborhoods, and limit the development footprint on the environment. By allowing smaller residences and more multifamily building types, encouraging infill and repurposing, and adding housing near transit and jobs, these recommendations will collectively reduce greenhouse gas emissions and improve other measures of environmental health. New construction can also help mitigate environmental impacts by increased use of stormwater management, use of clean building materials and technology, more energy efficient lighting and appliances, and plumbing fixtures that conserve water.

People working in critical jobs throughout the County, including the service and trades workforce currently live in remote parts or outside of the Montgomery County and drive long distances to reach their place of employment. Creating a wider range of desirable housing options that also increase the stock of affordable housing through infill, redevelopment, and adaptive reuse of existing buildings will reduce vehicle miles traveled while using valuable land more sustainably.

Montgomery County’s naturally occurring affordable housing also have a role in mitigating their environmental impact as they age. These facilities present an opportunity to shepherd in environmentally sustainable practices as they age and are rehabilitated. Rehabilitation offers environmental benefits through adding more eco-friendly and modern features, like newer appliances and HVAC systems.





## How will we evaluate progress?

In assessing proposals related to the supply of housing and measuring the success or failure of the approaches recommended in this plan, relevant measures may include:

- Rates of homeownership by race, income, and area
- Number of and proportion of cost-burdened households disaggregated by race
- Combined housing and transportation costs disaggregated by race
- Rent and mortgage payments as a proportion of household income disaggregated by race
- Number and percent of low-income households in a census tract (concentration of poverty)
- Number and percent of low-income households lost in a census tract over a period of time (displacement)
- Racial and income diversity within neighborhoods
- Proportion of housing units proximate to transit routes and job centers
- Number of residential units issued building permits, overall and by area of county
- Number of affordable units by type, overall and by area of county
- Naturally Occurring Affordable Housing preserved, overall and by area of county
- Number of homeless residents
- Proportion of missing middle housing units and units in multifamily buildings
- Range of home prices by housing type
- Greenhouse gas emissions and energy use from residential buildings and transportation per capita

REVISIONS to Housing related definitions to be updated in the Appendix B - Glossary:

**Housing First:** Housing First is a homeless assistance approach that prioritizes providing permanent housing to people experiencing homelessness, thus ending their homelessness and serving as a platform from which they can pursue personal goals and improve their quality of life. This approach is guided by the belief that people need basic necessities like food and a place to live before attending to anything less critical, such as getting a job, budgeting properly, or attending to substance use issues. Additionally, Housing First is based on the theory that client choice is valuable in housing selection and supportive service participation, and that exercising that choice is likely to make a client more successful in remaining housed and improving their life.”

**Housing Initiative Fund (HIF):** Administered by the County’s Department of Housing and Community Affairs, 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 sources including taxes, proceeds from bonds, and loan repayments.

**Moderately Priced Dwelling Unit (MPDU):** Montgomery County’s inclusionary zoning program that requires a minimum of 12.5-15 percent of new units in a development to be affordable to renters households earning up to 65 percent of area median income for garden-style apartments and up to 70 percent for high-rise apartments and for-sale affordable units for households earning 70% of less of area median income.

**Shared housing:** A housing unit where two or more people live and share rent or mortgage, utilities, and other housing related costs.

#### **Walkable Urban Places (WalkUPs)**

WalkUPS are high-density places, walkable places with multiple modes of transportation and the integration of many different real estate products in once place. A 2019 study by the Center for Real Estate and Urban Analysis, using the Brookings methodology as a guide, defines WalkUPS as urban places with more than 1.4 million square feet of office and/or more than 340,000 square feet of retail in pedestrian friendly walkable environment with a Walk Score® of 70 or greater.

<https://cpb-us-e1.wpmucdn.com/blogs.gwu.edu/dist/a/326/files/2019/06/FTA19.pdf>

## Affordable and Attainable Housing: More of Everything

- H-1. Expand housing options in detached residential areas near high-capacity transit by modifying the zoning code to allow duplexes, triplexes, and quadruplexes, residential types by-right and with smaller lot areas.
- H-2. Look at market-oriented mechanisms to incentivize affordable housing production, including inclusionary zoning requirements, automatic Payment in Lieu of Taxes (PILOTs) or tax abatement requirements.
- H-3. Create and analyze an inventory of available surplus, vacant and underutilized private and public lands for public and private partners to acquire for housing, with special attention to assembling land.
- H-4. Establish incentives to encourage conversion of existing high-vacancy office and retail sites into residential uses through adaptive reuse or redevelopment of the site.
- H-5. Create flexible zoning incentives for conversion of planned and existing office and retail sites to residential uses, including allowing properties to reallocate their non-residential Floor Area Ratio to residential use.
- H-6. Establish a more streamlined process for affordable housing projects, including revisions to the Local Map Amendment, Floating Zone, Conditional Use, and Mandatory Referral processes.
- H-7. Consider using financial tools and zoning incentives to encourage alternative construction types.
- H-8. Provide appropriate financial incentives, such as tax abatements, Payment in Lieu of Taxes (PILOTs), and Tax Increment Financing (TIFs) to increase housing production in targeted locations near high-capacity transit.
- H-9. Consider implementing income averaging for the [Moderately Priced Dwelling Unit program](#) to reach broad levels of affordability.
- H-10. Allow for rent increases in Moderately Priced Dwelling Units to be indexed to increases in Area Median Income to help preserve affordability.
- H-11. Explore changes to the recordation tax to generate additional funding for the Housing Initiative Fund.
- H-12. Create an affordable housing ombudsman to manage projects with an emphasis on coordination across agencies.
- H-13. Review regulations and policies, including impact taxes and zoning, to remove barriers and encourage the production of creative housing options, including multi-generational housing, single room occupancy, shared housing, cooperative housing, and co-housing.
- H-14. Consider fee waivers, financial assistance, and other incentives to increase Accessory Dwelling Unit (ADU) production.

- H-15. Explore the possibility of county-offered low-cost financing or financial assistance to homeowners who are willing to enter their ADU into a deed restriction that restricts the rent.
- H-16. Develop incentives and tools to encourage the development of housing units that meet the needs of families, including larger size three-bedroom (or more) units.
- H-17. Consider exempting first-time homebuyers from county-imposed fees and taxes like the recordation tax.
- H-18. Explore establishing a community land trust to create permanent, affordable homeownership opportunities.
- H-19. Create a Housing Functional Master Plan to provide measurable housing goals and strategies for different market segments in Montgomery County as well as an analysis of affordability gaps and impediments to the housing supply.
- H-20. Explore the county's and the state's ability to make homeowners association (HOA) and condo fees more affordable for residents of affordable units.
- H-21. Work with Prince George's County and the State of Maryland to attain a 9 percent Low Income Housing Tax Credit (LIHTC) set-aside for Montgomery and Prince George's Counties.
- H-22. Enhance implementation of the county's Housing First Initiative, which places people experiencing homelessness into housing as rapidly as possible and provides wraparound services to help them maintain their housing.
- H-23. Explore changes to the zoning code to support the creation of permanent supportive housing units like Single-Room Occupancy (SRO) or Personal Living Quarter (PLQ) units by-right in all residential and mixed-use zones.
- H-24. Develop zoning and financial incentives to designate and build housing for people with disabilities.
- H-25. Create, maintain, update, and analyze a comprehensive inventory of housing properties at-risk for affordability loss by type, location, and risk profile to enhance preservation pipeline management, prioritization, and resource allocation decisions.
- H-26. Consider implementing housing affordability strategy plans for small areas with expiring subsidies or existing market-rate affordable housing that allow for the enhancement and preservation of long-term housing affordability through the provision of additional density and zoning changes.
- H-27. In the case of redevelopment, create strategies to retain naturally occurring affordable housing and existing housing types that are typically not constructed in the marketplace including 3+ bedroom units for families.
- H-28. Create an interactive monitoring database that maps indicators of neighborhood change including gentrification and displacement, and concentration of poverty and segregation.

H-29. Create a “No Net Loss” of Affordable Housing Floating Zone in targeted areas like the Purple Line corridor.




OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich  
County Executive

MEMORANDUM

June 10, 2021

TO: Tom Hucker, Council President

FROM: Marc Elrich, County Executive 

SUBJECT: County Executive's Comments on Thrive Montgomery 2050 amendment to the General Plan

Pursuant to Sec. 33A-7 of the Montgomery County Code, here are my comments on Thrive Montgomery 2050 amendment to the General Plan.<sup>1</sup>

**I. INTRODUCTION— Montgomery County residents are confused and inadequately informed about Thrive Montgomery 2050 and know little, if anything, about the Attainable Housing Strategies Initiative's complicated rezoning proposals that will make sweeping changes to their neighborhoods. I request that the Council separate the two projects and ask the Planning Board to stop work on elaborate rezoning proposals that would implement Thrive Montgomery before the plan has even been approved.**

The Executive objected to the county's moving forward with Thrive Montgomery 2050 during an historic pandemic that overwhelmed government and residents with unceasing concerns about working and schooling while confined to home and experiencing economic hardship, business dislocations, and potential illness, and even death. These have not been circumstances in which our residents have had time to consider the first revision of the General Plan in 28 years, one that will shape the county's future development over the next 30 years.

Similarly, residents certainly are not able to understand and participate simultaneously in esoteric, elaborate rezoning proposals through an expedited, opaque Attainable Housing Strategies Initiative (AHSI) with an insider's group called the Housing Equity Advisory Team (HEAT), as described in detail below. The rezoning proposals are moving ahead even though the Thrive Montgomery 2050 principles that would justify these proposals have not yet been enacted or even considered by the County Council. In

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<sup>1</sup> I am also attaching OMB's request, pursuant to Sec. 33A-7, for an Extension of Time for filing the Financial Impact Statement, as well as updating the Council president that the Executive branch will submit further technical comments from county agencies, prior to the Council's work sessions.

the meantime, hundreds of thousands of county homeowners have absolutely no idea what AHSI is, or what is about to happen to their properties in the next few months.

AHSI has already developed complex proposals to rezone large swaths of the entire county with different densities and housing types, and different rules for certain housing types for different locations. The new zoning proposals were presented for the first time on May 18 to HEAT.<sup>2</sup>

The Planning Department held four meetings with HEAT, and three meetings with the Community. HEAT's fourteen members<sup>3</sup> were selected by the Planning Department to advise Planning on the AHSI. It appears that there was no public process or criteria for the selection. The names of the members are available in the meeting videos and in the PowerPoint for the new zoning proposal. There are no biographies, although the Planning Department and the members have mentioned generally HEAT members' occupations.<sup>4</sup> Videos of the meetings are posted online, and as of Meeting #3, the general public could "attend" the meeting by sending a request to Planning beforehand. Participation was limited to sending in questions. Planning has also included the Chat discussions in most of the videos. Planning posted its written presentations, including the zoning proposal, with the video of the meeting.

The virtual Community meetings were accessed by signing up. Residents were able to speak directly to the Planning Staff and to each other. Planning didn't share its rezoning proposals directly with the community until the June 2<sup>nd</sup> Community meeting.<sup>5</sup> There were, and are, virtual "Office Hours" where residents can ask questions.<sup>6</sup> Unfortunately, attendance at, and viewing of these virtual meetings has not been robust.

The process allowed the HEAT members to have direct access to Planning Staff for the drafting of the zoning proposals and were asked their opinions on important decisions that were part of the Thrive review - for example, whether the new zoning rules would extend a half-mile or one mile from transit. It is

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<sup>2</sup> <https://montgomeryplanning.org/wp-content/uploads/2021/05/HEAT-Meeting-4.pdf>

<sup>3</sup> The members of HEAT are Dave Ager, Liz Brent, Karen Cordry, Amanda Farber, David Flanagan, Tracy Grisez, Ryan Hardy, Bill Kirwin, Gerrit Knapp, Cary Lamari, Jane Lyons, Damon Orobona, Sarah Reddinger, and Xiaochen Zhang.

<sup>4</sup> <https://montgomeryplanning.org/planning/housing/attainable-housing-strategies-initiative/housing-equity-advisory-team/>

Here's how the Planning department described HEAT:

As part of the [Attainable Housing Strategies Initiative](#), we created an external advisory team called the Housing Equity Advisory Team, or HEAT. The HEAT consists of county stakeholders that approach this issue from different perspectives. It includes developers (both for-profit and non-profit), a realtor, civic activists, housing activists, an economist and someone from the banking industry.

<sup>5</sup> By then the proposals had already had some revisions, according to HEAT members.

<sup>6</sup> There is no doubt that Planning staff has worked very hard to reach as many members of the community as possible. In fact, they are continuing to engage in community outreach through meetings and social media. The problem is that the outreach for AHSI only started at the beginning of March. During this time, communities were focused on understanding Thrive with the goal of participating at the County Council's Public Hearings on June 17 and 29. Residents have also been dealing with the unrolling of the vaccinations and the ever-changing school policies with regard to reopening this spring. As a result, AHSI has been under the radar.

important to note that some HEAT members are developers and real estate professionals who may benefit from the changes in the zoning.

In the meantime, there were different community participants at each of the sessions, and they did not receive the zonings proposals until more than two weeks after HEAT members had received them. Thus the process favored developers and supporters of the rezoning who successfully impacted the legislative recommendations. Despite their best efforts, Planning Staff was unable to achieve the broad community outreach that is necessary to allow informed input from a broad group of community stakeholders. The Planning Staff recommendations will be presented to the Planning Board in two weeks—and while Planning Staff continues to pursue other kinds of public outreach, the AHSI has so far accommodated insiders over the general public at a crucial point in the process.

**I request that the Council separate the two projects and ask the Planning Board to stop work on proposals that would implement Thrive Montgomery before the plan has even been approved.**

Once the General Plan is enacted after receiving a full vetting that a thirty-year plan deserves, the AHSI can be considered along with other strategies necessary to move the county forward. The parallel courses of the General Plan and the AHSI are not only confusing but suggest a predetermined outcome before the public has even been able to offer testimony about the Thrive plan. The situation is compounded by the tight and overlapping time frames for review of these two major land use proposals, with the Planning Board's review of the Attainable Housing Strategies Initiative sandwiched between the Council's two public hearing dates on Thrive.

## **II. THRIVE MONTGOMERY SHOULD ADDRESS THE COUNTY'S DYSFUNCTIONAL SYSTEM FOR DEVELOPMENT REVIEW.**

The General Plan, until now referred to as the Wedges and Corridors Plan, is an important document that has guided the county's physical development since 1964.<sup>7</sup> Its goal is to frame the county's built future and to embrace new, achievable concepts—bold ideas—that will better serve the county and the people who live here. These ideas may take a long time to reach fruition, but it is important that they be included: food for thought for our future.

Two bold ideas that came out of Wedges and Corridors and its amendments are the MPDU program—that originated in Montgomery County—and the Agricultural Reserve, which was an idea long before it became a reality. While both the 1964 General Plan and the 1969 Amendment<sup>8</sup> supported the preservation of farmland, the Agricultural Reserve was not created until 1980.<sup>9</sup>

**Thrive Montgomery should continue the tradition of bold, forward-looking ideas by including a recommendation for the county to study merging all functions of the development approval and permitting process under one agency.**

The current system for development review is dysfunctional. The Executive Advisory Group's report, "An Economic Roadmap to Recovery and Long-Term Success", states, "The combination of a unique structure for real estate projects including an independent planning function and a separate County

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<sup>7</sup> <https://montgomeryplanning.org/planning/master-plan-list/general-plans/wedges-corridors-general-plan-1964/>

<sup>8</sup> <https://montgomeryplanning.org/planning/master-plan-list/general-plans/updated-general-plan-1969/>

<sup>9</sup> <https://montgomeryplanning.org/wp-content/uploads/2016/09/PreservationAgricultureRuralOpenSpaceFunctionalMasterPlan1980ocr300.pdf>

permitting process has created inefficiencies and frustrations.”<sup>10</sup> Thrive should recommend that this “unique structure” be re-examined. It is off-putting to developers considering working in the County and to residents who must become mired in the complexities in order to have a voice. Fixing the approval and permitting process is essential. A more normative approval and permitting system will attract more developers, enhance competition, and lead to better community participation.

Thrive does not address these issues. Instead, it recommends adding workarounds to avoid the system entirely. **Planning’s proposal for by-right infill development relies on cookie cutter Pattern books to be used in every circumstance in every part of the county with no community input. It is a clumsy idea for a county of our size and maturity, seemingly intended to circumvent a development approval system badly in need of change.** We should find a better way, by adding reform of the development system to our policy goals for the next 30 years.

### **III. THE GENERAL PLAN MUST INCLUDE SUBSTANTIVE RECOMMENDATIONS FOR ECONOMIC DEVELOPMENT, ENVIRONMENTAL RESILIENCE, AND EQUITY THAT WILL BUILD ON THE COUNTY’S SUCCESSES AND ADDRESS ITS CHALLENGES.**

The Planning Board draft focuses too much on national and international planning trends for Missing Middle Housing (MMH) and 15-minute living which is for cities. While it has been adopted by the Mayor of Paris, it isn’t suitable for a county encompassing 507 square miles. In fact, it glosses over the most pressing land use needs of Montgomery County over the next 30 years.<sup>11</sup> The draft presents many salient facts about the county—the lack of job growth over the last 10 years, the lack of diversity in some parts of the county, and the real harms from climate change that have already begun. But instead of recommending a comprehensive, fine-grained plan with a range of land use options, the Planning Board advocates MMH and Complete Communities as a one-size-fits-all plan for 32 activity centers and 11 corridors throughout the county.

Unfortunately, the county will not solve its economic development, environmental resilience, and Equity issues simply by rezoning most of the county’s residential zones—we tried that by rezoning our commercial areas with CR zones, with little success. Retrofitting with infill housing is very complex. Infill development must address not only the needs of new residents but also the needs of the existing community, environmental impacts, and potential displacement and gentrification. These complex planning issues are best done through small, context-sensitive plans, not through county-wide form based zoning with Pattern books. Washington, D.C.—with many of the same concerns—is beginning to use Small Area Planning (SAP) to achieve its goals.<sup>12</sup> We should, too.

**A. Economic Development: The 1964 Wedges and Corridors Plan states that “Already urbanized areas should be encouraged to develop to their fullest capacity.”<sup>8</sup> The county should affirm this recommendation and prioritize economic development that will bring jobs to our large urban centers like White Flint and Silver Spring.**

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<sup>10</sup> [https://www.montgomerycountymd.gov/OPI/Resources/Files/2020/EAG\\_Roadmap\\_11-2020.pdf](https://www.montgomerycountymd.gov/OPI/Resources/Files/2020/EAG_Roadmap_11-2020.pdf), p. 7.

<sup>11</sup> The draft glosses over the county’s land use needs in two ways: 1) the narrative is much broader than the recommendations; and 2) even where there are recommendations, many of them are vague and generic, almost an aside to the main topic of urbanizing the county through Complete Communities.

<sup>12</sup> [https://www.washingtonpost.com/opinions/local-opinions/mary-cheh-gentrification-dc-comprehensive-plan/2021/03/11/c0f1d58a-802f-11eb-ac37-4383f7709abe\\_story.html](https://www.washingtonpost.com/opinions/local-opinions/mary-cheh-gentrification-dc-comprehensive-plan/2021/03/11/c0f1d58a-802f-11eb-ac37-4383f7709abe_story.html)

These urban centers are the county's economic engine. The county's first priority must be to bring jobs that will lead to the completion and revitalization of our large centers where we have high-quality transit. Thrive's recommendations to spread our limited CIP funds over 32 centers of activity and 11 corridors is contrary to what should be the #1 priority.

That's why I have proposed, and this Council has supported, a pandemic center in White Flint. And this is just a start. Recent reports by the Planning Department confirm this, raising red flags about White Flint<sup>13</sup> and Silver Spring.<sup>14</sup>

**1. Low levels of job growth in Montgomery County are presenting the principal challenge to housing projects moving forward in White Flint.**

The Planning Department's excellent study, *Advancing the Pike District*, paints a picture of what needs to happen in White Flint. It has staging capacity under the White Flint Sector Plan and there are large undeveloped parcels that could develop quickly if market conditions change. The report, however, makes clear that one of the principal reasons that White Flint development is stalled is the lack of job growth that has depressed the formation of new households. "Developers interviewed cited the low levels of job growth, the resulting slow pace of household formation and reduced demand for new apartments in the Pike District, as the principal challenges limiting their ability to advance new projects." p. 11

**2. Silver Spring Downtown, not the Adjacent Communities, needs the county's full attention.**

In preparation for the Silver Spring Downtown and Adjacent Communities Master Plan, Planning Staff with the help of the consultant Partners for Economic Solutions (PES) prepared a market study for the downtown Silver Spring retail and office market. The findings of the study are attention-grabbing:

- a. Office: "Currently, 18 percent of office space in downtown Silver Spring is vacant, sharply up since Discovery Communication's decision to relocate...." At the average pace of absorption between 2010 and 2020, even though 2018 was a very good year, it would take 53 years for office vacancy to decline to 9%.
- b. Retail: "PES estimates that 11% of retail space is vacant and that at the average pace of a absorption from 2017 to 2019 it could take 7 to 8 years for vacancy to fall to a healthier 5 per cent level."

The consultants recommended that the County provide incentives, an active recruitment of tenants, and a focused marketing and management plan. They also predicted that some offices would be converted to residences.

These concerns must be addressed as soon as possible, while also pressing forward with White Oak, Wheaton, and the redevelopment of office parks. Bethesda, too, must have the resources to stay competitive. We must focus on job growth in our large centers with high quality transit and not disperse employment throughout the county.

**B. Environmental Resilience— The absence of *direct* recommendations related to environmental resilience is glaring. A new chapter, drawing on the substantive staff**

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<sup>13</sup> <https://montgomeryplanning.org/planning/communities/midcounty/white-flint/advancing-the-pike-district/>

<sup>14</sup> [https://montgomeryplanning.org/wp-content/uploads/2020/12/Development-Trends-Report\\_FINAL\\_HR.pdf](https://montgomeryplanning.org/wp-content/uploads/2020/12/Development-Trends-Report_FINAL_HR.pdf)

**recommendations in the *Healthy and Sustainable Solutions* chapter in the Public Hearing Draft, along with DEP recommendations, should be included in the General Plan.**

- 1. While environmental issues such as energy efficient buildings, modern/enhanced stormwater management and others are mentioned throughout the draft, they are mostly *implied* as opposed to being *explicit*. Similarly, most of the environmental recommendations are *indirect* and flow from the thrust of the draft - “urbanism,” compact development, infill, complete communities. The Planning Board draft appears to assume that urbanism by itself is sufficient to address our environmental challenges. It is not.**

There may be significant environmental benefits associated with urbanism, such as shorter and fewer vehicle trips, although achieving this result may be more difficult in a large county, as opposed to a city. However, the plan must include actions that are restorative and regenerative as opposed to simply doing less harm by “minimizing the negative externalities associated with the development of land and intensification of its uses...”<sup>15</sup>

The General Plan should include substantive and *direct* actions to require state-of-the-art energy efficiency in new buildings, and modern/enhanced stormwater management--**including recommendations to address the repeated concentration of stormwater management waivers in certain areas of the county.**

The plan should also include substantive and *direct* actions that increase green space, forested area, and tree canopy; support regenerative agriculture; enhance pollination and biodiversity; facilitate distributed energy; battery storage and grid modernization; and better facilitate composting/food waste recovery and other circular economy solutions.

- 2. Montgomery County is already experiencing the impacts from climate change. These will only get worse. The General Plan should include specific recommendations related to enhancing resilience.**

There should be explicit actions to address supply chain and utility service disruptions such as the creation of resilience hubs, innovative food security strategies such as more widespread community gardens and “edible forests” and import-substitution strategies to build greater economic self-sufficiency.

- 3. The county must reaffirm its unconditional support for the Agricultural Reserve and reject the Planning Board’s attempts to weaken the Reserve by no longer supporting farming as the preferred use in the Reserve.**

The Planning Board draft recommends that the county “...manage the areas designated within the footprint [of the Reserve] for a rural pattern of development for the benefit of the entire county.” The draft retreats from the support of farming as the preferred use in the Reserve, instead supporting the economic viability of farming and policies to “facilitate a broad range of outdoor recreation and tourism...” p. 20

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<sup>15</sup> Planning Board draft, p. 132.

The General Plan must reaffirm the county's commitment to the Agricultural Reserve, and to the 1980 Preservation of Agriculture and Rural Open Space, Functional Master Plan as it did in the 1993 General Plan Refinement.<sup>16</sup>

**C. Equity—The Planning Board should have paused the Plan when it learned through its own housing study for the Silver Spring Downtown and Adjacent Communities Master Plan that the MMH housing it was proposing was not affordable to Equity groups in the very locations where racial and income diversity were desired. The high cost and high profits of the new housing<sup>17</sup> raise the specter of displacement and gentrification in Wheaton, Silver Spring, and other communities. Thrive must include safeguards against these unintended consequences, as well as many more housing strategies that right now are no more than a line on a page in the Planning Board draft. At a minimum, these strategies should be given equal weight with market rate housing. Finally, new housing should be located near high-quality transit, with the first priority being housing for those with the greatest need.**

- 1. The Planning Board errs by focusing on the housing type as the Equity solution, rather than the housing cost.**

The Planning Board's type is unmoored from the price—the affordability--of the housing type. This is because the Planning Board draft's recommendations for MMH were made before the Planning Board had any sense of the relative cost of the new housing types, or their feasibility. But now we do.

**The Planning Department's Silver Spring Missing Middle Housing Study found that no MMH types were feasible in downtown Silver Spring except for dense and moderate townhouses that cost \$715,000 and \$855,000, respectively. Similarly, an EYA-built 1500sf triplex on an R-60 lot in the Town of Chevy Chase, would, according to EYA, cost \$875,000!<sup>18</sup>**

Contrast this to the Planning Board draft's graph of median incomes—Blacks and African Americans and Hispanics have a median income ranging from \$72,000-\$76,000.<sup>19</sup> That income is enough to purchase a home costing \$300,000. Clearly, the county must do more than MMH/Attainable Housing in order to assure Equity in housing.

- 2. The Planning Department was supposed to define Attainable Housing through the AHSI, but so far there is no clear definition. This definition is essential, as is an understanding of the levels of income that will be needed to purchase new market rate housing.**

Right now, there is a complete disconnect between the asserted objective and the reality of who could purchase the new housing.

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<sup>16</sup> <https://montgomeryplanning.org/wp-content/uploads/2017/10/GeneralPlanRefinement1993ocr.pdf>, p. 33.

<sup>17</sup> See EYA presentation cited in footnote 19.

<sup>18</sup> <https://drive.google.com/file/d/1FMao-BHI69m21Xla502LgJNWigHYcDhS/view>

<sup>19</sup> <https://montgomeryplanning.org/wp-content/uploads/2021/04/Thrive-Planning-Board-Draft-web.pdf>, p. 14.

3. **Here are multiple, interlocking strategies to make the necessary connections between objectives and costs, and achieve Equity in housing, defined as “the integration of neighborhoods by race and income,”<sup>20</sup> with priority for those with the greatest need:**
  - a. **Preserve Naturally Occurring Affordable Housing (NOAH)** as a stated goal for all Plans, as discussed in the Planning Board Preservation of Affordable Housing Study of 2020<sup>21</sup> and the Planning Board Thrive Public Hearing Draft of October 2020.<sup>22</sup> Without effective preservation, the Study predicts that the county will lose between 7,000 and 11,000 housing of 25,900 existing units by 2030. As part of preservation, **the county should discourage teardowns.**
  - b. **Establish a Policy of No Net Loss of market and restricted affordable housing in any redevelopment — ensuring equal numbers and sizes of affordable units, rather than the Planning Board draft language of “refine regulatory tools and financial incentives...without erecting disincentives for the construction of additional units.”<sup>23</sup>**
    - i. In order to minimize displacement of people of color and lower income households, the General Plan must state a clear policy objective, as was included in the Public Hearing Draft as part of Goal 5.5.
    - ii. Examples of workable approaches include the Halpine View property in the Veirs Mill Corridor Master Plan<sup>24</sup> and Fairfax County’s endorsement of a Preservation and No Net Loss Program in April 2021 for inclusion in its Consolidated Plan.
  - c. **Adopt policies for Rent Stabilization.** This tool of land use planning was recommended in the Affordable Housing Preservation Study, p. 16, and identified as a need in the Planning Board Thrive Public Hearing Draft Goal 5.5, as a way to maintain mixed income communities and minimizing displacement.
  - d. **Modify the MPDU policy to increase the numbers and level of affordability of units.** Increasing the numbers of MPDUs required is consistent with the Public Hearing Draft Goal 5.3 and the Planning Board’s 2020 Housing Needs Assessment. In addition, the Council of Governments (COG) Housing Goals define the County’s need for at least 25% and as much as 50% of new units made affordable at lower income; these goals cannot depend on public subsidy alone. The Planning Board Draft language does not establish a goal of increasing MPDUs, recommending only that the county “calibrate the applicability of the MPDU program ... to provide .... units appropriate for income levels ranging from deeply affordable to workforce.” This is not enough.
  - e. **Revise and strengthen the Planning Board draft’s statement with respect to housing dedicated to special needs populations across all communities, including people**

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<sup>20</sup> Ibid. p.

<sup>21</sup> <https://montgomeryplanning.org/wp-content/uploads/2020/11/200914-Montgomery-County-Preservation-Study.pdf>

<sup>22</sup> <https://montgomeryplanning.org/wp-content/uploads/2020/10/Public-Hearing-Draft-Plan-Thrive-Montgomery-2050-final-10-5.pdf>

<sup>23</sup>

<sup>24</sup> <https://montgomeryplanning.org/wp-content/uploads/2020/01/Veirs-Mill-Corridor-Master-Plan-Approved-and-Adopted-WEB.pdf>, p. 101

**transitioning from homelessness, those with disabilities, and the elderly.** The draft states the goal of integrating these populations into attainable housing; the goal must be to integrate these populations into suitable housing of any kind, including housing for limited incomes.

- f. Use SAP—Small Area Planning**—in our mature communities near transit to assure that we minimize the unintended consequences of new development—displacement and gentrification caused by loss of affordable housing.
- g. Identify suitable tracts of land for development throughout the county**, as was done in the Centers and Boulevards Study, 2006.<sup>25</sup> Identifying larger parcels—3 to 5 acres—would allow excellent planned development with economies of scale.

**IV. Transportation-- The Public Hearing draft's Goal 7.1 recommended that growth be focused on infill development and redevelopment concentrated around rail and BRT, but the Planning Board removed the transit underpinning. The General Plan should return to the Public Hearing draft's recommendation.**

**A. The Planning Board's recommendation to designate communities with limited public transit for urbanization with MMH is a new form of sprawl.**

The Public Hearing draft recommended that Complete Communities with infill development be located around rail and BRT in Goal 7.1. The Planning Board, however, removed the transit element.<sup>26</sup> The current draft recommends MMH and Complete Communities in 32 centers of activity and 11 corridors dispersed throughout the county, including some centers served by only infrequent bus service.<sup>27</sup> By adding remote centers with inadequate transit located in areas not designated for intense growth,<sup>28</sup> the Planning Board encourages more driving with more Vehicle Miles Traveled (VMTs). The General Plan should return to the recommendation for transit in the Public Hearing draft.

**B. The Planning Board draft needs to establish a narrative to explain how the county will transition in the next 30 years from its current level of auto use to biking, rolling, and walking either as independent trips or as a means of getting to transit.**

In these uncertain times, the Transportation chapter envisions that Montgomery County will be able to add infrastructure for biking, rolling, and walking that will encourage the use of transit, thus allowing a reduction of the current number of car lanes and the narrowing of the streets in our centers of activity to increase walkability. I welcome that outcome, but the draft plan simply jumps from the present to the Plan's desired outcome, without explaining interim steps. That needs to be done.

**C. I support the Planning Board draft's recommendation that no more highways be built and would add the recommendation to remove M-83 from the Master Plan of Highways.**

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<sup>25</sup> [http://montgomeryplanning.org/strategic\\_planning/centers/Framework\\_Report\\_Final.pdf](http://montgomeryplanning.org/strategic_planning/centers/Framework_Report_Final.pdf) Executive Staff has not been able to find a copy of the final report, or the list of properties that the report identified.

<sup>26</sup> Comments of Chair Casey Anderson at meeting with Montgomery for All members on March 25, 2021.

Montgomery for All is an organization that supports Thrive, created by Jane Lyons of Coalition for Smarter Growth.

<sup>27</sup> See the list of centers on page 31 of the Planning Board draft.

<sup>28</sup> See the Growth Areas in the schematic map on p. 31 of the Planning Board draft.

**V. Parks—This new chapter<sup>29</sup> recommends that urban parks receive priority without analyzing how this recommendation squares with the 2017 Park, Recreation, and Open Space (PROS) Plan.<sup>30</sup> The General Plan should contain a recommendation that the Planning Board shall develop criteria for balancing the competing park needs in the urban areas and surrounding neighborhoods.**

- A. The Planning Board draft should be revised to include a broader discussion and understanding of general park needs, not just urban parks. That discussion should include a recommendation that Parks establish and follow objective criteria for park selection.**

The Planning Board draft has no discussion of the 2017 PROs Plan and relies on the 2018 Energizing Public Spaces Functional Master Plan (EPS) as the policy basis for its recommendations. The PROS plan establishes a hierarchy of park needs based on resident surveys. In 2017 “residents ranked trails, natural space, wildlife habitat, and nature recreation as the top three (sic) priorities for parks, across a variety of demographic segments.”<sup>31</sup> This, and other PROS findings, need to be rationalized with the Planning Board’s recommendation to prioritize urban parks.

The need for objective criteria for park selection is highlighted by the Planning Board’s recent approval of a dog park in the heavily used Norwood Park. The Board approved the dog park without any analysis of the impact of the dog park on the existing uses: the toddler playground, free play area, and permitted ballfields, even though under Park standards the dog park was too close to the surrounding homes.

- B. The General Plan must clearly convey that the existence and careful stewardship of park land is in no way a substitute for county-wide policies that foster sustainability and environmental resilience throughout the entire county.**

The removal of the chapter on the environment and its recommendations, and then the addition of a long discussion of Parks’ dedication to Environmental Stewardship in the new Parks chapter is confusing.<sup>32</sup> The Parks chapter should be clarified to show that the county understands that its environmental responsibilities go far beyond taking good care of its parks. This is particularly important, because in the 1964 and 1969 Wedges and Corridors plans, before the federal government passed landmark environmental legislation, “environment” was a general word that included conservation, natural resources, and many other concepts.<sup>33</sup> In the 1993 Refinement, the General Plan sets out a new definition of the environment grounded in the federal legislation, and an increased understanding of the environmental context in which land use decisions are made.<sup>34</sup>

- C. Finally, the Planning Board draft should delete its suggestion that “conservation-oriented parks” would be improved if there were better access in the park for bicyclists, walkers and transit users.<sup>35</sup>**

Conservation parks are for the preservation of nature, and access to a conservation park is achieved with natural trails for hiking. It is contrary to principles of conservation to open these parks potentially to bike

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<sup>29</sup> The Public Hearing draft did not have a chapter on Parks.

<sup>30</sup> <https://www.montgomeryparks.org/uploads/2018/06/508-2017.PROS-COMPLETE.pdf>

<sup>31</sup> PROS Plan, p. 6.

<sup>32</sup> Planning Board draft, pgs. 115, 122, 1124

<sup>33</sup> [https://montgomeryplanning.org/community/general\\_plans/wedges\\_corridors/part1-3.pdf](https://montgomeryplanning.org/community/general_plans/wedges_corridors/part1-3.pdf), p. 44

<sup>34</sup> <https://montgomeryplanning.org/planning/master-plan-list/general-plans/general-plan-refinement-goals-and-objectives-1993/> pgs. 66-68

<sup>35</sup> Planning Board draft, p. 115.

trails and pedestrian paths, and as routes for transit users. That is the function of urban parks, like the Western Grove Urban Park, with its hard surface, impervious path that encourages walking to the Friendship Heights Metro.

**VI. The AHSI's zoning proposal must contain clear parameters to assure context sensitive planning, the active participation of the community, and sound planning principles.**

**A. Zoning changes in the R-40, 60, 90, and 200 residential zones may be done only through the master plan process, and any rezoning must be recommended in an approved and adopted master plan.**

**B. Where proposed zoning changes raise issues of gentrification, loss of NOAH, and/or environmental degradation, the master plan process shall include Small Area Planning (SAP).**

**C. Require Site Plan for infill development in both the single-family neighborhoods and the denser development in the corridors.**

**D. Retain compatibility standards.** The concept of compatibility is a foundation of our zoning code, part of the DNA of county planning, and must be retained. Form based zoning may work well for large projects on open land where the planner has control of the relationships between all of units. It is not a substitute for compatibility for infill projects in established neighborhoods, or dense projects along our corridors.

CC: Marlene Michaelson, Executive Director, County Council  
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Natali Fani-Gonzalez, Planning Board Member  
Gerald Cichy, Planning Board Member  
Tina Patterson, Planning Board Member  
Partap Verma, Planning Board Member  
Gwen Wright, Director of Planning

Attachments: Extension Request

## MEMORANDUM

TO: Councilmember Hans Riemer, Chair  
Planning, Housing, and Economic Development Committee

FROM: Aseem K. Nigam, Director  
Department of Housing and Community Affairs

DATE: August 9, 2021

SUBJECT: DHCA Comments on the Housing Element in Thrive 2050 Planning Board Draft

### INTRODUCTION

The Planning Board Draft's Housing Chapter, Affordable & Attainable Housing, More of Everything, fails to present a comprehensive vision of housing through 2050. The Thrive 2050 Planning Board Draft does not present land use policy direction to achieve the aspirational goals identified. DHCA finds that the Public Hearing Draft from October 2020 presents a far more thorough set of directive guidelines to address the range of the county's housing issues, providing multiple, substantive policy recommendations to address the issues. DHCA recommends that the final General Plan restore the Public Hearing Draft recommendations with some modifications and amplifications, as discussed below and in the County Executive's letter to the County Council on June 10, 2021.

Neither Plan, however, discusses how its recommendations modify the 1993 Refinement's recommendations in its housing chapter. It is clear, however, from a comparison of the 1993 Schematic Map of Geographic Components (Fig. 7, p. 22) to the Growth Map in the Planning Board Draft (p. 31) that there are major differences—for example, the removal of the "Suburban Communities" from the proposed Growth Map.

Another example--what happens to the 1993 Refinement's "policy goal to achieve an appropriate balance of jobs and housing on a County-wide basis..., for "a harmonious balance of land uses" (Introduction, p. 5). Neither Plan clearly addresses what changes it is recommending to the current General Plan, and how land uses will be impacted.

### **DHCA RECOMMENDS RESTORING THE PUBLIC HEARING DRAFT POLICY GUIDANCE**

The Planning Board Draft oversimplifies and ignores key options for the role of land use planning in meeting the stated policy objectives. The Planning Board provided a detailed structure in the Public Hearing Draft of October 2020 that promoted land use planning elements related to preservation and provision of affordable housing, in addition to new, market rate housing. The Thrive 2050 general plan must include clear goals and recommendations to support options to ensure that future housing addresses the needs of our current residents and communities.

1. **DHCA recommends that the Planning Board Draft's housing chapter expand its policy focus beyond the assertion that land use policy only needs to address the expansion of market-rate supply. Thrive 2050 needs to provide guidance and promote requirements for integrating neighborhoods with housing that is affordable to new and existing residents, in order to avoid displacement and to allow residents to remain in their communities.**

The Planning Board developed a Thrive 2050 draft, the Public Hearing Draft of October 2020, which provided many more substantive recommendations to address the housing needs of the most vulnerable populations, and to establish a broad, comprehensive housing policy for the future.

The Public Hearing Draft's recommendations provide the appropriate level of specificity to guide county housing policy over the next 30 years. Each of the recommendations below provides structured guidance to support integration of residents of all incomes and abilities in all our communities, through production of the needed increase in total housing and preservation of our existing naturally occurring affordable housing (NOAH).

2. **Public Hearing Draft land use policies for incorporation in Planning Board Draft:**

- **Policy 5.1.2 – Increase opportunities for new housing, especially affordable housing using office parks, shopping centers and other underutilized properties.**
- **Policy 5.3.1 –Combat the concentration of poverty and segregation with financial and zoning incentives to help spur targeted housing.**
- **Policy 5.3.3 Encourage development of affordable housing by strengthening the capacity of MPDU program.**
- **Policy 5.4.2 Increase the number of permanent affordable housing units.**
- **Policy 5.4.3 Use the master plan process to collaborate with Department of Health and Human Services to evaluate the needs of individuals and families on the homeless spectrum.**
- **Policy 5.4.3 Eliminate racial disparities across the homeless spectrum, and address the needs of people with disabilities.**

The Planning Board Draft only mentions these policy objectives as aspirational goals of increasing numbers of income restricted and deeply affordable units, without setting clear expectations with clear strategies to achieve the goals. The general plan should address the full range of residents' housing needs with all policy options, including financial incentives with allocation of additional revenue, expansion of tax abatement availability, and leveraging public land.

3. **DHCA recommends that Thrive 2050 provide policy guidance to specifically address inequality and segregation. The Planning Board Draft limits its guidance to advocating for new housing types, focused on Missing Middle Housing's (MMH) and Attainable Housing's potential to produce smaller units in sufficient numbers and type to serve the broad community's needs. By contrast, the Public Hearing Draft provided policy statements addressing the need to integrate housing opportunities across the county, including:**

- a. **Policy 5.2.1 Pursue financial and zoning opportunities to increase residential density, especially for older adults and people with disabilities, near high-capacity transit.**
- b. **Policy 5.2.2 Ensure all established residential communities have access to affordable, high quality transit.**
- c. **Policy 5.1.4 Build capacity for affordable housing development production with faith-based institutions, employers, private sector and nonprofits through education and technical support on the development review process.**
- d. **Policy 5.1.7 Provide family-size housing units in new multi-family housing developments.**
- e. **Policy 5.1.8 Build or retrofit housing that meets the needs of older adults. Emphasis added.**

The Planning Board Draft relies on diversification of housing stock as the primary housing tool to reduce inequality by creating more units in areas of opportunity at a lower cost. The focus on smaller housing types marginalizes the other housing tools, and assumes that increased density involving smaller market rate housing will address the broad needs of all residents.

The Planning Board Draft prescribes the housing typology and density approach with broad general statements of how smaller units by nature are less expensive to build than larger units but does not address the relative cost versus need of the population to be served. The Planning Board's own studies raise concerns about affordability of Missing Middle Housing, where it identified in the Silver Spring Missing Middle analysis that near transit only two sizes of townhouses were feasible, and those townhouses would cost \$715,000 and \$855,000, respectively. These housing prices need to be evaluated against the range of incomes of residents looking for housing in the county.

4. **DHCA recommends that Thrive Montgomery 2050 establish priorities for the following policy options to address the housing needs of all residents: 1) preserve naturally occurring affordable housing (NOAH); 2) provide guidance to assure that redevelopment allows current residents to remain in their homes; and 3) use regulatory approaches to mitigate displacement as public investments in communities create price pressures.**

The policies outlined in the Public Hearing Draft recommend specific standards related to ensuring availability and of housing to meet the housing needs of our community. The Planning Board Draft only provides generalities, such as calibrate MPDUs to offer affordability across broader income distribution; target strategies to minimize displacement while promoting integration and avoiding concentration of poverty; refine regulatory tools and financial incentives to avoid loss of market-rate and income-restricted housing without disincentives for construction, and allocate additional revenue to HIF.

Thrive 2050 needs to provide guidance to assure that the housing outcomes from redevelopment meet the county's workforce and community needs. The Public Hearing Draft policies referenced below provided a structure for achieving the stated goals of fully-integrated communities. The critical land use policy of no net loss of existing affordable housing stock needs to be articulated as a condition of redevelopment, as opposed to a soft goal balanced against disincentives to redevelopment, to guard against displacement and gentrification.

- a. **Policy 5.5.1 Preserve market-rate and income restricted affordable housing stock, striving for no net loss of affordable housing in the event of redevelopment.**

- b. **Policy 5.5.3 Consider and support enhancement of Right of First Refusal and other efforts to aid the HOC and other county and nonprofit partners in the purchase of affordable rental buildings.**
- c. **Policy 5.5.5 Encourage the replacement of larger family sized units in redevelopment, relocation, and right to return process.**
- d. **Policy 5.5.10 Identify and implement programs to meet any shortfall of housing for people with disabilities, with action suggestion of developing zoning incentives and modifying regulatory controls to incorporate accessible design features.**
- e. **Policy 5.5.12 Use the county's Subdivision Staging Policy to monitor the secondary effects of targeted growth policies, including loss of market-rate affordable housing.**
- f. **Policy 5.6.4 Commit to the principles of Affirmatively Furthering Fair Housing by pursuing meaningful actions ... that overcome patterns of segregation and foster inclusive communities.**

The Thrive 2050 recommendations addressed in this memo reflect the role of land use planning in the County's comprehensive approach to addressing housing affordability and equity. The land use policies are the foundation for the financial investments and incentives provided for development and preservation of restricted affordable housing units. The policies highlighted below reflect recommendations and analysis of housing needs conducted by the Planning Board. These policies should have a prominent role in Thrive Montgomery 2050.

- **Preserve Naturally Occurring Affordable Housing (NOAH)** as a stated goal for all Plans, as discussed in the Planning Board Preservation Study of 2020 and the Public Hearing Draft of October 2020. <https://montgomeryplanning.org/wp-content/uploads/2020/11/200914-Montgomery-County-Preservation-Study.pdf>; <https://montgomeryplanning.org/wp-content/uploads/2020/10/Public-Hearing-Draft-Plan-Thrive-Montgomery-2050-final-10-5.pdf>

*Under current conditions, the Preservation Study predicts that the county will lose between 7000 and 11,000 NOAH units by 2030.*

- **Establish a Policy of No Net Loss of market and restricted affordable housing in any redevelopment — ensuring equal numbers and sizes of affordable units, rather than the Planning Board Draft (p. 101) language of 'refine regulatory tools and financial incentives...without erecting disincentives for the construction of additional units' .**
  - Minimizing displacement of people of color and lower income households requires the General Plan to state a clear policy objective, as was included in the Public Hearing Draft as part of Goal 5.5.
  - Examples of workable approaches include the Veirs Mill Master Plan requirement for no net loss with the Halpine View property <https://montgomeryplanning.org/wp-content/uploads/2020/01/Veirs-Mill-Corridor-Master-Plan-Approved-and-Adopted-WEB.pdf> (p. 102), and Fairfax County's endorsement of a Preservation and No Net Loss Program in April 2021 for inclusion in its Consolidated Plan. <https://www.fairfaxcounty.gov/housing/sites/housing/files/assets/documents/prevention%20task%20force/preservation%20task%20force%20recommendations.pdf> (p. 6.) As part of preservation, the county should regulate teardowns, because the houses that are torn down often qualify as NOAH.

- **Adopt policies for Rent stabilization.** This tool of land use planning was recommended in the Preservation Study above, p. 16, and identified as a need in the Public Hearing Draft Goal 5.5, as a way to maintain mixed income communities and minimize displacement.
- **Modify the MPDU policy to increase the numbers and level of affordability of units.** Increasing the numbers of MPDUs required is consistent with the Public Hearing Draft Goal 5.3 and the Planning Board's 2020 Housing Needs Assessment. <https://montgomeryplanning.org/planning/housing/housing-needs-assessment/> (p. 52) In addition, the Council of Governments Housing Goals define the County's need for at least 25% and as much as 50% of new units made affordable at lower income, which cannot rely on public subsidy alone. The Planning Board Draft language does not establish a goal of increasing MPDUs, recommending only that the county "calibrate the applicability of the MPDU program ... to provide .... units appropriate for income levels ranging from deeply affordable to workforce."
- **Revise and strengthen the Planning Board Draft's statement with respect to housing dedicated to serve special needs populations across all communities, including people transitioning from homelessness, those with disabilities, and the elderly.** The draft states that the goal is to integrate these populations into attainable housing; the goal must be to integrate these populations into suitable housing of any kind, including housing for limited incomes.