



THE MARYLAND-NATIONAL CAPITAL PARK & PLANNING COMMISSION

MCPB
March 6, 2003
Item #1

MEMORANDUM

TO: Montgomery County Planning Board

VIA: Charles R. Loehr, Director

FROM: Livable Montgomery Housing Team
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SUBJECT: Housing Montgomery: A Menu Of Options For A Dramatic Increase In The Supply Of Housing For Our Workforce

STAFF RECOMMENDATION: Discussion And Approval To Transmit To County Council

I. BACKGROUND AND OVERVIEW

During recent bi-annual meetings, the County Council articulated a heightened concern about housing affordability in Montgomery County and expressed its desire to consider how a broader range of housing options that are affordable to our current and future workforce might be made available. To help ensure that the County's economy will not be constrained by the lack of affordable housing in the future, the County Council asked the Department of Park and Planning to explore this issue through its role in master planning and regulatory process.

The County Council pressed for the completion of several studies that would identify actions that could increase the supply of affordable housing units in the near term, and that would provide greater clarification of the extent to which housing affordability affects our workforce.

In addition, the County Council requested the Department to develop a menu of options that would provide a range of far-reaching alternatives to increase the supply of affordable housing, while also giving serious attention to the need to protect and maintain the existing stock of non-government sponsored affordable housing.

A first-phase response to these requests is included in this packet. It is intended that this will provide a discussion piece for the Planning Board, County Council, County Executive, and other interested parties. It is anticipated that this report will be followed up by a second phase to further evaluate the feasibility and relative merits of the various options outlined in this first phase.

However, work has already begun on a detailed Residential Land Capacity Study which is designed to help the County better estimate the yield of housing based on current zoning and Master Plan guidance. The Capacity Study will be completed in 2004.

In presenting this menu of housing options, the Department recognizes its role as just one of the many entities within the County and the metropolitan region committed to supporting affordable housing, and that success in coping with this problem will only be achieved by a cooperative effort among all involved. The staff of the Department of Park and Planning express their appreciation to all those individuals and agencies who assisted in the compilation of the options.

II. PERSPECTIVES BEHIND THE ISSUE

Over time, Montgomery County has experienced an increase in jobs that has outpaced the production of housing. An undersupply of housing that is affordable to a range of wage earners, especially low- and moderate-income wage earners, has become an unfortunate reality. This problem could worsen as job creation in the low- to moderate-income range continues to outpace residential development that is affordable at these levels.

This shortage of housing is exacerbated by diminishing land supply and increases in home prices and rents. In fact, the relative cost of housing in Montgomery County, as in other rapidly growing parts of the nation, has risen faster than the general rate of inflation and has increased particularly fast in the past five years or more.

There is evidence to suggest that this housing price problem, which is especially troublesome for workers whose wages fall at the low and moderate end of the County's wage scale spectrum, may increase in the years ahead. Workers in this category, holding jobs within the County, are continuing to experience difficulty finding affordable housing that does not carry with it either a dollar cost that puts a heavy strain on their disposable income or a commuting cost that puts a similar strain on their discretionary time.

Increasingly, many moderate-income wage earners who wish to buy homes are forced to “*drive until they qualify*”—moving farther and farther from their jobs in order to find affordable housing within the price range at which they can qualify for a mortgage. This outward pressure for lower-cost housing tends to further burden the region’s transportation infrastructure, and increasing volume and lengths of automobile trips continues to contribute to worsening air pollution. Relief from this situation, by promoting higher housing densities within the maturing County, is made more difficult by the high cost of retrofitting infrastructure for redevelopment, and by reactions to such proposals by existing neighborhood residents who can feel that their quality of life is threatened by the uncertainties associated with such changes, and an underlying concern regarding over concentration of affordable housing in neighborhoods.

In this environment, tensions naturally arise between the County’s business community—which is challenged to remain competitive with regions throughout the country if they must compensate employees with higher wages to reflect higher-cost housing and long commutes—and the neighborhood residential communities—which are challenged to accommodate changes in their communities and higher congestion levels of their existing schools and roadways.

III. STATUS OF THE STUDIES

During the past six months, staff has been working on several studies requested by the County Council that focus on a) highlighting recent planning, regulatory, and administrative activity to address the affordable housing problem; b) expanding understanding of the relationship between affordable housing and Montgomery County’s workforce; and c) providing a range of strategies that have the potential to increase affordable housing in the marketplace in the near term.

Overview Study #1: Recent Affordable Housing Activity in the Department (Attachment #1)

Summary Conclusion:

Recent Departmental initiatives to improve Montgomery County’s housing availability include: 1) a new, interdepartmental process to expedite the review of affordable project applications; 2) inclusion of an affordable housing chapter in every master plan; 3) need assessment for senior housing to better understand and accommodate the County’s requirements; 4) text amendments to facilitate senior housing, such as removing the need for a special exception for this use in multi-family and mixed-use zones; 5) ongoing emphasis in the Zoning Ordinance Rewrite to provide for affordable housing; and 6) changes in the MPDU law to expand the program—for example to include 35 to 50 unit subdivisions—and to increase the feasibility of MPDUs in the burgeoning number of new high-rise buildings.

Supply Study #2: Master Planning and Affordable Housing: Survey and Assessment of Master Plans (Attachment #2)

Summary Conclusion:

Survey of Approved and Adopted Master Plans

Affordable housing has been a significant component of several master plans. Fourteen master plans contain specific language that addresses affordable housing, thirteen master plans identify specific sites, and five master plans contain specific references.

Future Master Plans and Planning for Mixed-use Communities

Concerns for affordable housing must be carefully integrated into the planning process to maintain the integrity and spirit of our master planning process. Community outreach and input must be a hallmark feature of the master plan process. The next series of master plans offer significant opportunities to incorporate affordable housing, while also capturing the on-going momentum of the master plan work program. These master plans will focus on providing opportunities to foster the creation of mixed-use communities that provide a full range of housing, including affordable housing.

Opportunities include:

1. *I-270 Corridor: Shady Grove, Gaithersburg Vicinity, Germantown, and Twinbrook* – two Metro station areas and several mixed-use centers along the corridor cities transitway
2. *North Eastern Headwater Communities: Upper Rock Creek, Olney, and Damascus* – Two town centers and other small centers
3. *Communities of the Urban Ring: Kensington and Westbard* - Augmenting and supporting the supply of existing affordable housing and improving two commercial areas

An important feature of this master plan program is the use of *framework studies* to set overarching policy direction. As an example, a Framework Study for the I-270 Corridor will establish goals for all forms of housing, including affordable housing, for the entire corridor to be implemented by individual master plans within the Corridor and a strategy to protect the existing supply of non-governmental affordable housing.

Implementing Tools for Master Plans

1. *Improved Regulatory Tools are Needed:* Create new Metro station zones, mixed-use zones for town centers, “floating zones” for medium-density affordable housing,

expanded opportunities for live/work spaces, bonus density for affordable housing in CBDs, and a revised road code to accommodate pedestrians.

2. *Create Joint Development Opportunities:* Six WMATA sites and two County-owned sites near Metro stations could include joint development with affordable housing.
3. *Master Planning Process:* Include a Housing Chapter for all master plans, and create an improved minor master plan amendment process to increase opportunities for affordable housing.

Supply Study #3: Development Activity and Affordable Housing: Approved and Pending Development (Attachment #3)

Summary Conclusion:

Development Activity 1976 to 2001:

- 129,184 housing units were produced
- 10,993 Moderately Priced Dwelling Units were included

Pending Projects at Metro Stations:

- 4,972 housing units are pending
- 614 Moderately priced Housing Units are included

Supply Study #4: Assessment of Publicly Owned Land Appropriate for Affordable Housing: A Joint Venture with the Department of Housing and Community Development (Attachment #4)

Summary Conclusion:

The M-NCPPC and the Offices of the County Executive reviewed over forty publicly owned sites and identified several parcels that have a high potential for use as affordable housing. If the Planning Board and County Council wish to pursue utilization of the publicly owned sites for affordable housing, staff will work with the MCPS and Montgomery County to select the best sites. Design/build competitions would be desirable as demonstration projects for some of the sites. Attachment #4 identifies the initial selection of sites.

- Three MCPS sites offer potential for affordable housing (1.75 to 20 acres)
- Five sites owned by Montgomery County were selected (1.25 to 32.61 acres)

Supply Study #5: Assessment of M-NCPPC Park House Policy (Attachment #5)

Summary Conclusion:

Currently, park houses provide a broad range of affordable and special-need housing opportunities for M-NCPPC employees and County residents. This study recommends a new policy that continues to give low- and moderate-income Commission employees first priority to rent these houses, targets other low- and moderate-income households when non-Commission tenants are sought, encourages expanded use of these houses for persons with special needs at the current modest market rents or, under some circumstances, a discounted rent, and establishes a formal process to evaluate houses under consideration for demolition.

Supply Study #6: Relationship of the Comprehensive Zoning Rewrite to Increasing the Supply of Affordable Housing

Summary Conclusion:

While the Comprehensive Zoning Ordinance Rewrite project has been delayed because of staff resource issues, there are a number of changes that should be made to the Zoning Ordinance to address several development concerns as identified in the recent reports prepared for M-NCPPC by Clarion Associates.

There is a critical need to encourage higher-density, mixed-use development, including a variety of housing types, at transit-serviceable locations. We should actively pursue housing opportunities in our urban centers that promote a full range of options for various income levels, particularly affordable housing. While staffing remains an issue, we should devote sufficient resources to address the most pressing issues affecting the County's ability to encourage mixed-use development and the provision of more affordable housing at key urban locations.

Supply Study #7: Assessment of the Special-Need Housing Supply: A Joint Venture with Health and Human Services, the Department of Housing and Community Affairs, Department of Park and Planning, and the Housing Opportunity Commission (Attachment #7)

Summary Conclusion:

The intra-agency work group tasked with responsibility to complete this study is currently drafting its initial report, which will be delivered to the County Council in the spring.

Demand Study #8: Results from the Employer and Organized Labor Focus Groups (Attachment #8)

Summary Conclusion:

A series of Focus Groups confirmed that affordable housing is a growing problem for our moderate-income workers. Representatives of County employers in the private, non-profit, and public sectors and organized labor representatives met at the Park and Planning Department to answer the questions: “How does the cost of housing in Montgomery County affect the workforce?” and “What can the government and business sectors do to help Montgomery County workers live in the County?”

Participants stressed that moderate-wage workers, not just low-wage workers, are caught in the housing squeeze. The rapidly increasing housing costs affect productivity, employee morale, hiring and retaining employees, wages and benefit packages, and lack of diversity in the workplace. Employers reported that workers want to work *and* live here to share the good life that Montgomery County has to offer. Surprisingly, many participants voiced a willingness to live in densely developed neighborhoods, if the housing were affordable, the units were large enough to support family living, and if the neighborhoods were family friendly in terms of safety, good schools, and parks.

Demand Study #9: Workforce Housing Assessment (Attachment #9)

Summary Conclusion:

Montgomery County continues its half-century trend of becoming a regional employment center with employment growing at a faster rate than households. The supply of single-family housing for workers will be constrained relative to demand. As land for housing is used up, more and more workers will be forced to find housing beyond our borders. The net out-migration of nearly 13,000 households to Frederick and Howard counties in the past decade is evidence of this constraint.

Comparative Study #10: Nationwide Assessment of Innovative-Affordable Housing Initiatives in Planning Departments and Agencies

Summary Conclusion:

A preliminary survey of planning departments in other jurisdictions has been completed that illustrates many approaches to deliver affordable housing. Once the Planning Board and County Council select a menu of options, staff will provide a detailed assessment of how those options are treated by other Planning Departments throughout the nation.

The preliminary assessment reveals a) a high level of activity focusing on meeting the housing needs of the workforce and expanding affordable housing options for

moderate-income wage earners; b) the use of a wide variety of incentives to encourage affordable housing, such as expedited regulatory review, fee waivers, tax incentives, infrastructure financing, parking requirement adjustments, and support for higher-density mixed-use, mixed-income development; c) a press toward excellence in site planning and design to better ensure compatibility; d) the use of mediation for targeted planning or regulatory projects; e) greater clarity and flexibility of guidelines; f) support for employer-assisted housing; and g) the initiation of major media and community information campaigns to “put a face on the workforce” and the problem of affordability. Overall, there exists recognition that the existing housing stock, affordable to the low- and middle-income wage earners, is a high-priority resource that deserves protection.

IV. MENU OF OPTIONS TO INCREASE THE SUPPLY OF HOUSING FOR OUR WORKFORCE

The attached menu of options is organized by the following fifteen imperatives that are designed to expand the range of housing options for our workforce:

1. Sustain Prioritization
2. Protect the Existing Supply of Affordable Housing
3. Increase Opportunities for Developing Higher Density Housing
4. Explore Dispute Resolution
5. Promote Community Compatibility Safeguards
6. Encourage Design Excellence
7. Use Parking Requirements to Leverage Affordable Housing
8. Create Regulatory Incentives
9. Continue Refinement of the Moderately Priced Dwelling Unit Program
10. Expedite Review and Permitting Process
11. Support Affordable Housing through the Annual Growth Program
12. Promote Greater Assistance in the Financing of Affordable Housing
13. Engage the Community
14. Encourage Employee Housing Assistance Programs
15. Build a Broad-Based Housing Coalition

MCB:dk

HOUSING MONTGOMERY

*A Menu of Options for a Dramatic Increase
in the Supply of Housing for Our Workforce*

MARCH 2003



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

DEPARTMENT OF PARK AND PLANNING

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Objective #1: Sustain Prioritization for Affordable Housing at the Highest Levels of the Political Agenda

Objective #2: Protect Existing Affordable Neighborhoods

Objective #3: Increase the Opportunities for Developing Higher Density Housing

Objective #4: Explore Dispute Resolution Procedures

Objective #5: Promote Community Compatibility Safeguards

Objective #6: Use Design Excellence to Promote Affordable Housing

Objective #7: Use Parking Requirements to Leverage Affordable Units

Objective #8: Create Regulatory Incentives

Objective #9: Continue Refinement of the Moderately Priced Dwelling Unit Program

Objective #10: Further Expedite the Review and Permitting Process

Objective #11: Support Affordable Housing through the Annual Growth Policy

Objective #12: Promote Greater Assistance in Financing Development of Affordable Housing

Objective #13: Engage the Community

Objective #14: Encourage Employee Housing Assistance Programs

Objective #15: Build a Broad Based Housing Coalition

I. MENU OF OPTIONS FOR A DRAMATIC INCREASE IN THE SUPPLY OF HOUSING FOR OUR WORKFORCE

This menu responds to growing public concern regarding housing affordability and the County Council's call to "press the edge" of creative and strategic thinking to increase the range of options that will expand affordable housing production¹. It looks well beyond existing legislative, political, and statutory boundaries. It provides a broad contextual framework that identifies a universe of unreconciled land use, regulatory, and administrative options to encourage affordable housing. It is not tethered to budget limitations. It is not a consensus driven document. It is a work in progress, designed to foster discussion.

As we continue our deliberations regarding affordable housing, we must remain mindful that the Department of Park and Planning is already fully committed to multiple Countywide strategies that extend well beyond this inventory, and that are necessary to: provide adequate housing to support the full spectrum of job growth, connect that housing to jobs with a variety of transportation options, and enable people to remain in their community when their housing needs change.

The Department is committed to encouraging development and land use patterns that offer a variety of housing choice and affordability. By providing a range of housing choice, in a variety of locations and at different densities, we can offer quality communities designed to fit the way our increasingly diverse population lives, works, and plays.

There are many factors that inhibit the production of affordable housing. Some barriers are symptomatic of normal economic cycles and market preferences, while others are the result of market intervention, which can add costs and constraints to the development process.

Although a major culprit behind the shortage of affordable housing is often perceived as "unnecessary" regulation, the shortage is fueled by a variety of other barriers—such as land availability and cost, financing limitations, and a lack of political constituency.

These barriers point to the need for a variety of approaches that recognize the importance of long-term planning and the significance of housing affordability to the overall well being of the County.

¹ Affordability means that households pay no more than 30% of gross wages to cover housing costs.

Though not an exhaustive inventory, this menu identifies some key factors that are generally recognized as effective in overcoming barriers to the production of affordable housing.

Policy makers must remain vigilant as they chart a future course. They must recognize the necessity to perform a fine balancing act to address the pressing need for affordable housing, while at the same time recognizing the significant public benefit realized through master planning, regulation, growth management, and the preservation of sensitive environmental, cultural, and open space resources. They must remain sensitive to the need for housing choice as one priority among many other important priorities such as education, public safety, and facility infrastructure.

Further increasing the supply of affordable housing is a formidable task—it requires collaboration and new alliances, planning and design creativity, effective outreach, education, and involvement of our business and civic communities, reform of planning, regulatory, and administrative processes and practices, political will, priority setting, and a lot of hard work.

II. THE CHALLENGE

Finding affordable housing is not just a problem for our lower-income wage earners² but also for many thousands of people that provide indispensable service to Montgomery County's economic and social well-being, including our school teachers; public safety personnel such as our fire fighters; medical technicians and nurses; police and security staff; young biomedical researchers and technicians; bank and sales clerks; and a host of service and mid-level office workers.

By recognizing the housing needs of our moderate income workers, we can more fully appreciate the County's multi-faceted affordable housing dilemma and more effectively seek solutions for those who work in Montgomery County and wish to live here to enjoy our exceptional quality of life.

Most recently, the stellar performance of the housing market has benefited many County residents, particularly homeowners. However, rising rents and home prices have far outpaced the income of many of our workers, especially our low and moderate-income workforce.³ Great financial and emotional pressures are placed on many workers, as they search for affordable housing throughout the County and the region.

² The very low and low-income families certainly have the greatest incidence of housing need. This report confirms that need and prerequisite supportive funding.

³ Moderate-income working families include households whose total income fell between 60% and 80% of the median household income, those households with incomes between \$46,263 and \$61,674.

Without affordable housing choices, many workers are forced to “double up”, take a second job, share expenses with relatives, or spend precious family time and money commuting long distances, often on congested highways.

Similarly, the business community is challenged—productivity often suffers when an important part of the company workforce lives far from the office; diversity expectations go unmet because of the difficulty in attracting a diverse workforce to an area with high housing costs; higher wages must be paid to compensate for higher living costs. In the future, existing employers might decide not to expand, and new employers might be discouraged from creating new business opportunities.⁴

The link between affordable housing, our economic well being, and community stability grows stronger each day. Many households have incomes that have not kept pace with rapidly increasing housing costs. We expect that this mismatch between housing costs and incomes will continue for the foreseeable future. This trend is not anticipated to change unless government further expands its intervention into the affordable housing marketplace by way of incentives and/or mandates.

⁴ Employer Focus Group Report

III. THE FACTS REGARDING WORKFORCE HOUSING

Understanding some of the basic dynamics regarding housing supply, demand, affordability, and preference helps to explain the needs of a marketplace that is serving a workforce that is becoming increasingly diverse in terms of age, ethnicity, income, and lifestyle. People need to have real choices—affordable—choices when it comes to where and how they live.

HOUSING COSTS ARE RISING FASTER THAN INCOMES

The prices of single-family detached homes and townhouses have skyrocketed, especially in comparison to household incomes. Since 1991, incomes have increased by 32%, while new housing prices increased by 41% for single-family detached homes and a whopping 82% for townhouses. New townhouses, which were once starter homes for moderate-income families, sold for an average of \$266,155 in 2001. The median income for households in Montgomery County in 2001 was \$77,100, which would give that household a housing purchasing power of about \$231,300. Most households living in the County today could not buy a new townhouse.

Lower mortgage interest rates have offered some relief but prices still outstrip purchasing power.

WAGES ARE NOT KEEPING PACE WITH HOUSING COSTS

Housing in Montgomery County is too expensive for many people who hold jobs here. There is a major gap between what many Montgomery County jobs pay and the cost of most available housing. Further igniting housing demand is the anticipated increase in the number of jobs in Montgomery County. We anticipate that our high-priced housing market will continue to be fueled by the projected creation of an additional 110,000 jobs by 2020. Many of these jobs are expected to be lower- and moderate-paying service and support jobs. The average wage in Montgomery County last year was \$894 per week (or \$46,500 per year)⁵, which is more than an entry-level teacher, or public safety worker would earn. Although most households have more than one worker, it would take a household income of about \$141,000 to purchase the average new single-family house.

Housing for our Workforce relates to housing for households with incomes between 60 and 120% of the median household income. In Montgomery County that would be housing for those households with incomes between \$43,000 and \$86,000. Housing purchasing power would be from

*Median household income: \$77,100**

*Housing purchasing power of that income: \$235,300**

*Median price of a new townhouse: \$266,155**

*Median price of a new single-family detached home in Montgomery County: \$436,298**

*Approximate income needed to purchase average new single family home: \$141,000**

Beginning salary for Fire and Rescue Service Personnel: \$32,539

*Proportion of members of the Montgomery County Career Fire Fighters Association who live outside Montgomery County: 68.7%
2001 figures

⁵ Maryland Department of Labor Licensing and Regulation, Office of Labor Market Analysis and Information, County Industry Series, Second Quarter, 2002

approximately \$150,000 to \$300,000. This group is being squeezed out of the single-family housing market. The production of housing units is not keeping up with the demand, which exacerbates the existing shortage.

In 1999, approximately 15% of owner-occupied households paid more than 35% of their income for housing costs, while almost 27% of rental households paid more than 35% of their income for housing.

THE NUMBER OF MODERATE-INCOME WORKING HOUSEHOLDS, CHALLENGED BY HOUSING AFFORDABILITY, IS GROWING

Moderate-income working households, households with incomes between 60% and 80% of median household income (between \$43,000 and \$61,700), are the backbone of Montgomery County’s workforce. These incomes are too high to qualify for most housing assistance programs but too low to purchase a home. Some do qualify for the Moderately Priced Dwelling Unit Program (MPDU) and for some mortgage subsidy programs.

POTENTIAL HOUSING BUYING POWER

Target Group	Household Income	Affordable Rent	Sales Price
Very low Income	Less than \$30,000	Less than \$800/mo.	
Low Income	\$30,000 - \$46,300	\$800 to \$1,200/mo.	\$90,000 to \$139,000
Workforce Moderate	\$46,300 - \$61,700	\$1,200 to \$1,700/mo.	\$139,000 to \$185,000
Workforce Middle Income	\$61,700 - \$86,000	\$1,700 to \$2,400/mo.	\$185,000 to \$258,000

SHRINKING MIDDLE

Although the number of jobs in the County paying mid-level wages increased between 1990 and 2000, the number of households in the mid-level group declined. Jobs increased from 466,000 to 545,800 with average wages increasing from \$32,450 to \$38,900. However, the Census found fewer families with incomes between \$25,000 and \$75,000 than in 1990. Some moved into higher income categories, *but many left the County for less expensive areas.*

WORKERS CRITICAL TO OUR COUNTY’S WELL-BEING ARE CAUGHT IN THE HOUSING SQUEEZE

Salaries for teachers, police, and public safety workers begin in the low- to mid-\$30,000 range. In focus groups we heard that 1/3 of the newly hired teachers live at home with their families and most teachers live out of the County. The Fire Fighters Association reports that less than one-third of their members live in Montgomery County, with an almost equal number living in Frederick County.⁶

⁶ Government Employers Focus Group Report

HOMEOWNERS ACCOUNT FOR MOST OF THE WORKING HOUSEHOLDS

About 62% of the households reporting incomes between \$35,000 and \$75,000 own their home: an underlying assumption is that it takes more than one working adult to maintain a home, if workers are earning in the low to mid-\$30K range.

Vacancy rate of apartments in Montgomery County in 2002: 3.5%
Average rent in 2002: \$1,076
Approximate income needed to pay average monthly rent: \$38,700
Minimum wage: \$5.15 (\$11,000 annually)

RENTERS ARE ESPECIALLY STRAPPED

Spending a large proportion of household income is more of a problem for low-income renters than other residents. One-half of the renters in the County spend more than 1/4 of their income on rent and more than 37% of the renter households spend more than 1/3 of their income on rent.

LONG WAITING LISTS FOR HOUSING ATTEST TO DEPTH OF NEED

The Housing Opportunities Commission (HOC) and the MPDU office report on their current waiting lists for affordable housing indicate a strong need for this housing. The lists for specific programs include

Housing Choice Vouchers (formerly Section 8 Vouchers)	4,370
Public Housing	5,061
MPDU Program	1,500
TOTAL	10,931

On the Public Housing waiting list, 3,989 applicants are currently County residents, while 1,072 live outside the County.

VACANCY RATES ARE LOW

Montgomery County is experiencing a shortage of affordable housing as indicated by low rental vacancy rates and the fact that many of our employees commute from other jurisdictions. A consequence of this imbalance, between income and affordable housing, is the ever-increasing number of Montgomery County workers who live in other jurisdictions and commute into the County. In 1990, people commuting into Montgomery County daily filled 35.8% of our jobs.

MOST NEW UNITS ARE LARGER AND MORE EXPENSIVE

In 2000, Montgomery County contained approximately 340,000 housing units. Slightly more than half of the units were single-family detached and 18% were townhouses. Recently construction units have tended to be larger and more expensive, continuing to wide the barrier to affordability.

MEANWHILE, THE SUPPLY OF DEVELOPABLE LAND IS SHRINKING

Department staff estimate that 80% of the County's residential development capacity is already built. Of the remaining capacity, more than half, almost 47,000 units, is already in the pipeline of approved development. Almost half of the approved units are multi-family, illustrating the trend toward greater

density in the County's housing stock. This trend means slower growth in the new single-family housing still desired by many households. Many of these households still choose to move farther out to obtain the house they want at a price they can afford.

IN ECONOMIC DOWNTURNS, FINANCIAL VULNERABILITY INCREASES FOR HOUSEHOLDS DEPENDENT UPON TWO INCOMES

The number of households that depend on two incomes to pay for housing is on the rise. A prolonged downturn in the economy that results in job losses would place more pressure on the many households that are already stretching to pay for housing. Moreover, with a growing number of homebuyers making down payments of five percent or less and relying on two incomes to make their monthly mortgage payments, a worsening economy could leave many borrowers at risk of default.⁷

CHANGING DEMOGRAPHICS FUEL HOUSING DEMAND AND HOUSING PREFERENCE

Population and job growth drive housing demand. However, demographics play a significant role in housing preferences and our changing demographics—more foreign-born, more diversity, more elderly, more singles—may change housing demand.

INCREASINGLY SINGLE

Currently about 9% of our population is living alone. We can expect this proportion to increase as the number of elderly persons increases. Many of the individuals living alone are, and will be, elderly women.

CHANGING FAMILIES

Our families are changing. Family size increased slightly between 1990 and 2000 and the number of grandparents raising children and the number of single-parent families increased. Female-headed households with children increased between 1990 and 2000 by 41%.

The Boomers—By 2020, 140,00 people will be over 65, an increase of 51%. Not only do we anticipate that the Boomers will remain active longer, but they may well stay in the workforce longer, according to a recent RESI report. Within the next decade, the average retirement age may increase to 73 years old. Some of these working and aging Boomers may well give up long commutes from distant subdivisions and seek a new lifestyle, higher-density living, closer to restaurants, cultural activity, and entertainment without the children.

The Foreign-born—It is anticipated that new immigrants to Montgomery County will offset the loss in population. The 2000 Census reported that

⁷ *The State of the Nation's Housing, 2001*, Joint Center for Housing Studies of Harvard University

26.7% of our population is foreign-born. Although our foreign-born population includes all level of education and incomes, that population comprises a large proportion of our renters. The 2000 Census reported dramatic increases in household sizes in rental units in some segments of the population in some parts of the County. The foreign-born fuel the demand for American dream single family homes at high end while at the low end, recent immigrants are more likely to be renters, thereby increasing the demand for rental units.⁸

The Echo Boomers—The echo boomers, children of the Boomers, represent the next generation of workers. By 2020, the oldest echo boomers will be in their mid-40's. Anticipating future housing demand is impossible. However, some members of this next generation of workers may well be more accepting of higher-density mixed-use neighborhoods. After all, they grew up believing that living in a building with neighbors surrounding them was the norm—television programs *Frazier*, *Seinfeld*, and *Friends* defined their living standards rather than television programs such as *My Three Sons* and *Leave it to Beaver* which defined the norms of the Baby Boomers. So, too, their music has a very urban sound—Latin and hip hop, and certainly not the Beach Boys.

THE DISCONNECT BETWEEN NEW HOUSING AND NEW JOBS IS BECOMING INCREASINGLY EVIDENT IN OTHER AREAS

In Los Angeles and Orange Counties, California, more than 278,000 new jobs have been created since 1984, but only 78,000 new homes have been built!

⁸ This report assumes that the government will continue to allow substantial immigration because of the positive effect on the nation's workforce. Given the magnitude of the aging population immigrants serve to fortify the workforce by a) increasing the supply of employees, b) increasing the overall number of workers per retire to solidify social security, c) alleviating tight labor market situation which decreases labor costs and prices.

IV. THE BOLD MOVES—A MENU OF OPTIONS DESIGNED TO INCREASE HOUSING SUPPLY AND AFFORDABILITY

The following menu of options provides some techniques to increase supply, while also giving serious attention to the need to protect the existing supply of non-government sponsored affordable housing.

OBJECTIVE #1: SUSTAIN PRIORITIZATION FOR AFFORDABLE HOUSING AT THE HIGHEST LEVELS OF THE POLITICAL AGENDA

Impose discipline and accountability on both public and private stakeholders to increase affordable housing options. Affordable housing happens where there is a determination to make it happen.

OPTION A: Set a goal for a percentage of affordable housing in each master plan prior to beginning the update process.

OPTION B: Require a mandatory *Housing Affordability Impact Statement* for all policies, ordinances, regulations, standards, guidelines, and programs reviewed by the Planning Board and County Council to maintain vigilance over the consequences of actions on affordable housing.

OPTION C: Require a mandatory *Housing Affordability Impact Statement* to accompany master plans and development projects through the plan approval, regulatory and permitting processes, because goals for affordability are often lost as they filter down through the review and approval process.

OPTION D: Pilot a “case management” approach to shepherd affordable housing projects through the planning and development process. Set up a *barriers hotline* to respond to developers who have complaints about the development process for affordable housing

OPTION E: Expand the M-NCPPC *affordable housing database* to track affordable housing supply of both market rate and subsidized units by designated planning area. Maintain and report on an on-going basis. Explore techniques to quantify the existing non-government sponsored housing stock. Accompany database reports with current affordable housing pipeline. *Identify an interagency Affordable Housing Tracking Committee* to monitor and encourage progress.

OPTION F: Formalize an *Affordable Housing Progress and Delivery Report* at all Planning Board Bi-annual Report sessions.

OPTION G: Set up a general information Internet site targeted to the interests and needs of the development community.

OPTION H: Assume a leadership role at COG to focus its membership on the significance of the housing affordability issues. It is a regional problem that should be addressed more effectively at the regional level.

OPTION I: Initiate a report that examines Montgomery County affordability issues in a regional context, using new data derived from the on-going inter-jurisdictional Maryland Department of Transportation Mobility Study for the I-95 Corridor.

OBJECTIVE #2: PROTECT EXISTING AFFORDABLE NEIGHBORHOODS

Protecting and sustaining our existing affordable neighborhoods is the most cost-effective way to maintain a housing stock that is affordable to our workforce. High priority should be placed on supporting neighborhood revitalization, rehabilitation, and other efforts to enhance neighborhood stability and livability.

OPTION A: Identify and quantify the existing stock of non-government sponsored housing affordable to our moderate-income households.

OPTION B: Initiate a comprehensive study to identify incentives and techniques that maintain neighborhood affordability and livability. Include a strategy to maintain neighborhood affordability in all new master plans.

OPTION C: Develop Enterprise Zones similar to those available to commercial areas to facilitate improvement and retention of affordable housing.

OPTION D: Standardize content of the new master plan Housing Chapter to include such elements as:

- a) a Countywide description of existing and projected workforce housing need and countywide goals
- b) numeric affordable housing goal and implementation strategy
- c) an inventory of land available for housing, an assessment the existing supply of housing stock, and a defined strategy to protect the non-governmental affordable housing stock from redevelopment (or a strategy to replace affordable units)

d) identification of creative strategies for adding to or sustaining the affordable housing stock by working with local employers or the Montgomery County Public Schools (MCPS) to encourage the development of employer- assisted housing.

OPTION E: Consider property tax abatements or exemptions for a ten-year timeframe for renter or owner occupied housing preservation and rehabilitation in return for a commitment by the property owner for long-term affordability.

OPTION F: Heighten the emphasis on the provision of public open space and parkland in our mature urban communities and in new development, particularly mixed-use neighborhoods. Update the 1992 Recreational Guidelines that apply to the provision of private recreation facilities in residential subdivisions that are intended to supplement the public park system and be maintained privately.

OBJECTIVE #3: INCREASE THE OPPORTUNITIES FOR DEVELOPING HIGHER DENSITY HOUSING

Look for density in all the right places. As a maturing County, the future of our housing stock will be less determined by supply of land, than by intensity of its use. As density increases, it is critical to achieve compatibility and acceptability by ensuring design excellence through quality site plans, building materials, landscaping, and open space.

OPTION A: Define affordable housing opportunities for our current inventory of surplus, County-owned sites. As Phase II, initiate a Request for Proposal (RFP) for selected County-owned sites to establish *design-build competitions*, as demonstration projects

OPTION B: Initiate joint development of publicly- owned lands to explore opportunities for higher density to facilitate the development of affordable housing in areas near Metro stations.

OPTION C: Expand opportunities for mixed-use development, through the current master plan program. Include areas near Metro stations, transit stops and stations, Marc rail stations, along major transportation corridors and highways, in neighborhoods appropriate for revitalization, and on government owned property.

Expand opportunities by considering housing sites in underutilized commercially or industrially zoned areas and underutilized privately owned parking lots.

Explore the possibility of the internal transfer of development rights (TDRs) within the Rural Density Transfer Zone (RDT) to existing rural villages, within the RDT or to Marc rail station areas.

Encourage higher density to facilitate the development of affordable housing throughout the master plan effort.

OPTION D: Require the provision of affordable housing as part of increases in density, during the development of master plans.

OPTION E: Initiate Housing Framework Studies to provide a policy framework to identify opportunity areas and sites appropriate for mixed-use centers with higher density housing. Begin with the I-270 Corridor and the current master plan work program

As the County matures, greater emphasis will focus on infill development and redevelopment. In addition, housing preferences are likely to change in response to demographic shifts. Consideration should be given to broadening housing choices for families living in higher-density areas. Make multi-family living more appealing in higher density mixed use neighborhoods by providing larger units with facilities for families desiring space (in addition to bedrooms) for children or adults (home occupations, offices, playrooms), and nearby open spaces and parkland. This effort will expand housing choice for those wishing to live in more urban environments, while desiring amenities usually available in suburban locations.

OPTION F: Prepare a *Master Environmental Impact Report* for each transit intensive neighborhood that addresses projected impacts and specific environmental mitigation measures, as well as the need for additional open space and parkland.

Revise the environmental standards to meet the special needs of urban areas that are different than suburban areas

This suggested approach would provide greater certainty through the development process, because individual housing projects that conform to the parameters of the Master Environmental Impact Report would be subject to predictable urban environmental standards.

The shorter and more certain review process will foster additional development, especially for smaller developers of infill sites that may otherwise be deterred from the risk and uncertainty of the development process.

OPTION G: Expand government involvement in the assemblage of land to facilitate redevelopment of selected areas (e.g. the St. Louis experience), where powers of eminent domain are used extensively to move redevelopment projects forward expeditiously.

OBJECTIVE #4: EXPLORE DISPUTE RESOLUTION PROCEDURES

Resolving disputes will become increasingly important. As the County matures and greater emphasis is placed on redevelopment, revitalization, and in-fill development, contentious community debate increases.

Much of the anticipated contentious debate regarding increased density and affordable housing might be resolved earlier and with less cost if there were facilitated negotiation or third party intervention for selected projects.

Groups look to the Planning Board or County Council as a means for stopping projects they don't like. If that doesn't work, litigation becomes the next best option. A zero-sum game is played regularly, civility in public debate evaporates, and intergroup tension often divides neighborhoods. Growing civic responsibility is difficult in this environment. Consensus building is seriously compromised at best, because it takes only one or a few groups to effectively block initiatives.

OPTION A: Analyze the success stories of some jurisdictions that have integrated negotiation into their respective planning and regulatory processes for specially targeted projects. Analyze potential costs and benefits. Explore resources available from the University of Maryland's pilot program involving community development and negotiation techniques, which is funded by a grant from the Fannie Mae Foundation.

OPTION B: Consider using negotiation techniques to establish overarching policy guidelines for such initiatives as infill, redevelopment, and mixed- use, mixed income development.

OBJECTIVE #5: PROMOTE COMMUNITY COMPATIBILITY SAFEGUARDS

Community support is crucial to the successful development of affordable housing

Neighbors of affordable housing are often concerned that the new housing will adversely affect their neighborhood with increased traffic, stress on

schools and other public facilities, changes in neighborhood character, and decreased property values.

Development strategies that include neighborhood involvement in site design, assurances regarding good management, and grounds and building maintenance standards will facilitate success. The overarching objective should be on the excellence of design and management so that affordable housing cannot be distinguished from market rate housing.

OPTION A: Establish *Design Guidelines* to help encourage compatibility with existing conventional neighborhoods and to help guide Planning Board review of site plans, preliminary plans, project plans, and special exceptions.

OPTION B: Develop an *Architectural Elements Manual* for affordable housing to inform builders and the community of compatibility features. Consider using a “menu” format.

OBJECTIVE #6: USE DESIGN EXCELLENCE TO PROMOTE AFFORDABLE HOUSING

OPTION A: Sponsor high profile annual design award recognizing excellence in residential development that achieves exceptional compatibility with the surrounding community.

OPTION B: Invite proposals from developers to be submitted at an annual *Housing Montgomery Design Competition* for opportunity sites selected for priority development by the County.

OBJECTIVE #7: USE REDUCED PARKING REQUIREMENTS TO LEVERAGE NEW AFFORDABLE UNITS

Parking spaces are expensive to build, especially where land values are high. Parking is one of the most important cost considerations in the provision of affordable housing.

The cost of building above-grade parking in an area like White Flint can add \$20,000 or more to the cost of a residential unit. Further north, in more suburban areas like Germantown, minimum-parking requirements can increase the cost of a residential unit by decreasing the amount of land available for residential development and, therefore, decreasing density that can be sold. In suburban areas, surface parking is often viewed as cost effective, but certainly it is not efficient in the use of the land or the amount of additional impervious surface created.

More households can qualify for mortgages to purchase houses without off-street parking than can for units with parking. The high cost of parking increases the cost of development, hides the major expense of owning a vehicle, and works against making home ownership and rents unaffordable to many in the workforce.

Further complexity is added by lending institutions. The requirements for more than the County Code minimum of parking are often placed on a development by lending institutions. If lenders do not think a development will be successful because of inadequate parking, they will not fund a project.

OPTION A: Reduce the minimum parking requirements for a) *transit intensive neighborhoods* where households don't require a car for everyday activities and high value is placed on walkability associated with the compact mingling of people and land use in proximity to transit, and b) for housing that serves populations that have low auto ownership rates, such as seniors.

OPTION B: Amend regulations to encourage developers to market parking separate from the dwelling unit, thereby "unbundling" parking costs from unit costs. This would demonstrate the actual cost to own one or more cars and the benefit derived from purchasing units without the need for parking cars.

By creating a separate market for parking, the cost of parking in the housing transaction is unbundled and the consumer's willingness to either pay or forego the cost of parking is revealed and unit costs can be reduced.

OPTION C: Encourage other steps to reduce parking need further, such as: a) provide County sponsored vouchers to purchase annual Metro passes for unit residents, if located in a transit intensive neighborhood; b) support convenient pay-per-use automobile service such as car-sharing organizations; c) identify possible joint-use opportunities for residential parking with underutilized office and commercial uses; and d) allow on-street parking to substitute for the existing off-street parking requirements.

OPTION D: Convene a *Lenders Workshop* with representatives from lending institutions, developers, non-profits, and government agencies to discuss the relationship between parking requirements and the County's goal of housing affordability.

OPTION E: Permit shared parking in all mixed-use zones. Examine the latest Urban Land Institute shared parking calculations for possible application in the County.

OBJECTIVE #8: CREATE REGULATORY INCENTIVES

Create regulatory incentives to reduce the cost of housing development. Use regulatory reform to reduce barriers without sacrificing community goals or lowering design standards. Selectively modify or streamline regulations to accomplish their goals without inhibiting the production of affordable housing.

The development review process can squeeze out allowable density to a point where actual density is sometimes less than that recommended in the master plan. Further constraining the supply of residential land is community pressure to limit growth, resulting in the down-zoning of some residential neighborhoods.

REGULATORY TOOLS FOR MASTER PLANS

OPTION A: Create “floating zones” for medium density residential development to provide additional sites for affordable housing and elderly housing.

OPTION B: Modify the current urban mixed-use zones (TSM, TSR, and RMX) to encourage development of more residential units and a greater variety of housing types within mixed-use projects by providing for more flexible development standards and other incentives.

OPTION C: Create new mixed-use zones for town centers.

OPTION D: Expand opportunities for live/work spaces in Metro station areas and town centers.

OPTION E: expand opportunities for a density bonus for affordable housing in Metro station areas, including central business districts (CBDs)

OPTION F: Modify the Road Code to significantly improve the accommodations for pedestrians.

OTHER REGULATORY TOOLS

OPTION A: Refine the development approval process to reduce the number of sequential plan reviews, without reducing the quality of projects reviewed.

OPTION B: Explore the opportunity for an overlay district for affordable housing, to be designated in a master plan.

OPTION C Promote and facilitate achieving master plan densities. Make achieving the master plan density a priority throughout the regulatory and permitting process.

OPTION D: Require a special justification statement, in defined urban areas, for any site that produces less than 90% of the zoned density.

OPTION E: Consider allowing increased building setbacks as an offset to increased building heights to accommodate higher residential densities for infill development located within or adjacent to existing neighborhoods developed with predominately one-family detached homes.

OPTION F Provide an incentive to encourage and allow larger “family housing” units in multi-family zones, or mixed-use/CBD zones. Encourage the development of market-rate and affordable, multi-bedroom apartments (rental or ownership, three to four bedrooms). Consider the following incentives: impact fee reduction, count as an amenity, increase the floor-area ratio (FAR) and building height.

OPTION G: Review zoning in older commercial areas creatively to identify ways to provide additional housing, such as housing above street-level retail.

OPTION H: Identify affordable housing as an amenity in mixed-use projects.

OPTION I: Review Zoning Ordinance for open space and green area requirements to better address higher- density urban communities.

OPTION J: Provide extra density bonuses to developers who provide special need housing.

OPTION K: Amend the Zoning Ordinance to facilitate adaptive reuse of existing non-residential buildings to provide housing opportunities.

OPTION L: Increase height limits and densities along neighborhood commercial corridors and major transit routes to encourage development of housing above retail.

OPTION M: Streamline the site plan approval process by increasing the use of an administrative process for certain types of projects.

OPTION N: Expand loft or live/work development beyond the arts districts. Loft units serve a residential purpose and can add to the housing stock.

OPTION O: Eliminate or modify special exception requirements for accessory dwelling units (including granny flats and over-the-garage apartments, and personal living quarters), because they can be an excellent solution to the shortage of affordable housing by producing extra income for homeowners, dispersing the supply of moderate-cost housing more uniformly throughout the community, contributing to the tax base, reducing sprawl by providing more concentrated urban housing opportunities, and providing a means for extended family members to live together in a single site.

OPTION P: Require commercial or lodging projects beyond a threshold size to provide a related percentage of workforces housing.

OPTION Q: Provide incentives for office park developers to provide affordable housing on their sites.

OPTION R: Explore the possibility of using TDRs in mixed-use centers to achieve affordable housing goals.

OPTION S: Require affordable housing as part of commercial projects that exceed a threshold of development or as recommended in a master plan.

OBJECTIVE #9: CONTINUE REFINEMENT OF THE MPDU PROGRAM

Make the best better!

OPTION A: Update the MPDU Ordinance to better apply to high-rise residential projects.

OPTION D: Make the rental portion of all MPDUs affordable for 30 years so that these units will be in the affordable housing stock

OPTION E: Limit MPDU buy-outs to the most critical situations---but the cost should be commensurate with the loss of the unit, not the underlying land value

OPTION F: Explore the possibility of creating/obtaining affordable units in older market rate buildings being remodeled.

OPTION G: Raise the height requirements to achieve additional MPDU density.

OPTION H: Issue a RFP to identify willing sellers of existing condominium complexes and buildings to purchase for affordable housing: lease to a

not-for-profit to manage; develop lease to own program. Explore the use of tax credits as an incentive for building/ unit conversion to affordable housing. Explore the use of tax credits as an incentive for conversion.

OBJECTIVE #10: FURTHER EXPEDITE THE REVIEW AND PERMITTING PROCESS

Streamlined regulatory processing and permitting makes building affordable housing more attractive as a land development option.

Staff of various County departments has been directed to coordinate efforts to assure an expedited development approval process for affordable housing projects. Affordable housing is defined as any project where at least 20% of the units proposed are designated for individuals/families whose incomes are at or below the income level for MPDUs. The new “green tape approval process for affordable housing” will affect the subdivision and site plan review processes, as administered by the Planning Board, and the construction permit processes, as administered by the County departments and WSSC.

OPTION A: Initiate one-year assessment of the new, streamlined review process by a coalition of public and private users to determine what’s working and what’s not.

OBJECTIVE #11: SUPORT AFFORDABLE HOUSING THROUGH THE ANNUAL GROWTH POLICY (AGP)

The Special Ceiling Allocation for Affordable Housing has been part of the Annual Growth Policy since its inception.

The Special Ceiling Allocation (SCA) is intended to help encourage the production of affordable housing by allowing the approval of subdivisions with an added component of affordable housing in areas that are otherwise in development moratorium because of inadequate transportation facilities.

There has been a concern related to the SCA raised in recent years: a concern that persistent moratoria in some parts of the County have led to an over-concentration of affordable housing in those areas. This issue has been resolved by limiting the total number of housing units that can be approved under the provision in any one-policy area. In addition, there appears to be increased interest in the use of the SCA for Affordable Housing due to the expiration of the alternative review procedure that allowed residential approvals in moratorium areas upon payment of a fee.

The on-going AGP reassessment process will look to identify ways in which the AGP's provisions could result in more affordable housing, alternatively it will determine if additional provisions are needed to take into account concentrations of existing affordable housing.

The options that AGP staff recommend evaluating in more detail to encourage the production of more affordable housing include:

OPTION A: Allow development projects using the SCA for Affordable Housing to by-pass both Policy Area Transportation Review and Local Area Transportation Review. Currently, projects only by-pass Policy Area Transportation Review.

OPTION B: Convert some existing staging ceiling to capacity reserved for projects with added components of affordable housing.

OPTION C: Create a fund in the Capital Improvement Program (CIP) that would pay for the transportation infrastructure needed to support affordable housing development.

Option D: Convert jobs staging ceiling to housing; this would make more capacity available for housing.

OPTION E: Eliminate staging ceilings for housing entirely or in a targeted fashion such as for in-fill housing only.

OBJECTIVE #12: PROMOTE GREATER ASSISTANCE IN FINANCING DEVELOPMENT OF AFFORDABLE HOUSING

Reduce the cost of doing business. The waiving, deferral, or reimbursement of front-end development costs can be extremely beneficial to affordable housing development. The reductions of front-end costs ripple through an affordable housing development process and can often make the difference between the project happening or not happening.

How the County finances infrastructure improvements or requires a developer to finance infrastructure affects the timing of project development and the amount of revenue a project must generate to fulfill its financing obligations. By further assisting in the cost of servicing infrastructure, particularly in-fill and redevelopment projects, the government can be key to unlocking an area for residential development.

OPTION A: Waive or defer fee requirements until permanent financing is in place for housing projects that meet certain affordability standards as an incentive to stimulate private sector production of affordable housing. A variety of fee waiver or deferrals might be considered such as permit fees, project plan fees, sewer inspection fees, grading permit fees, etc.

OPTION B: Initiate a *No Fee Zone* to encourage housing affordability development in targeted areas by waiving selected fees.

OPTION C: Foster expansion of State role in affordable housing issues. Expand State pressure to all counties and jurisdictions to take their fair share of affordable housing. State funding for roads, schools, etc. should be structured toward those jurisdictions that are building more affordable housing.

OBJECTIVE #13: ENGAGE THE COMMUNITY

Organized neighborhood opposition to new development reflects the politics of diffused public benefit and perceived concentrated impact in a particular neighborhood. Neighborhood advocacy has succeeded in deterring change at the expense of housing affordability.

Dispelling the myths surrounding affordable housing and increased density is one of the most formidable challenges to expanding affordable housing choice in the County. A strategy must be developed that promotes *Housing Montgomery*—a community in which neighbors see sound development as adding value to their neighborhood.

Continuing to build alliances with the local media to improve coverage of the relationship between affordable housing, the workforce, and economic well being is highly desirable. How the media portrays the challenge of providing affordable housing can help determine whether the public embraces or thwarts affordability in their neighborhoods.

OPTION A: Develop a *Housing Montgomery Community Design and Building Toolkit* that clearly targets the issues of most concern to neighborhoods. Include a Countywide and workforce perspective; information regarding design guidelines and site design requirements, property values, safety, traffic, public service, schools, environment, affordable unit concentration, and park usage.

OPTION B: Explore the feasibility of a public education and outreach *Workforce Housing Campaign* to garner support of housing that is affordable to Montgomery County's workforce. Develop it in conjunction

with the business, non-profit, and civic communities. The Campaign should focus on print and media material designed to dispel myths about housing that is affordable to the County workforce.

OPTION C: Enhance media coverage-sponsor workshops for journalists regarding workforce-housing issues. Support walking tours of neighborhoods for journalists and editors. Encourage the media to give affordable housing a regular voice through op-ed columns and special articles. Meet with editorial boards to broaden their understanding of housing issues. Work with the media to put a face on the moderate-income workforce in need of housing to personalize and expand public understanding.

OPTION D: Produce an affordable housing video to promote facts and dispel myths. Integrate into master plan preparation process. Distribute broadly. Highlight the success stories here and across the country such as: Cascade Court in Seattle, Washington; The Farm in Soquel, California; Lyton Park in St. Paul, Minnesota, The Great House Concept, Fairfax County Virginia.

OBJECTIVE #14: ENCOURAGE EMPLOYEE HOUSING ASSISTANCE PROGRAMS

Montgomery County will only be able to attract and retain a world-class workforce, if the business community understands and addresses housing affordability for their employees. Promote awareness. Promote support. Promote cooperation. Promote assistance programs.

Large employers and institutions have a big impact on the housing needs of Montgomery County.

OPTION A: Convene major employers and affiliated credit unions with experts from mainstream mortgage lending institutions to assist County employers in developing employer-assisted housing programs as part of employee benefit packages. This assistance could take the form of a forgivable loan, down payment and closing cost assistance, employee rental subsidy or employer-built housing. These programs could be: a) company specific (Marriott Corporation), b) industry-based (Bio-tech Housing Consortium), or c) occupation-based (Teachers or Public Safety Housing Initiative).

OPTION B: Spearhead a multi-faceted outreach program targeted to promote employer and organized labor awareness of the relationship

between affordable housing, the workforce, and County economic well being.

OPTION C: Convene a *Workforce Housing Council* to explore workforce affordability issues with the County Council on a regular basis. This group might be comprised of large and small employers and organized labor.

OPTION D: Launch development of a *strategic Countywide workforce housing plan* spearheaded by the Workforce Housing Council.

OPTION E: Prioritize development of *workforce housing information packets* for corporate Human Resource Directors regarding affordable housing facts and options.

OPTION F: Initiate a study to establish a linkage between demand for low- and moderate- income housing and new commercial and office space and the quantity of housing required for jobs created, to clearly demonstrate public and corporate benefit and the boundaries of providing more affordable housing.

OPTION G: Encourage the expansion of the “*Live Where You Work*” Program.

OPTION H: Encourage reactivation of the MCPS mortgage underwriting program for entry- level teachers.

OPTION I: Explore the range of options available through the AFL-CIO Housing Investment Trust Fund for prototype development of employer assisted affordable housing.

OBJECTIVE # 15: BUILD A BROAD BASED HOUSING COALITION

Advocate strategically. The commitment and drive to make affordable housing a reality must come from elected leaders and a broad-base affordable housing coalition, including the business community, organized labor, non-profits, lending institutions, the civic community, and our political leadership.

We must expand affordable housing advocacy to create a broader coalition of support, including organized labor and employers as well as the non-profits, lending institutions, political leadership, and the civic community.

OPTION A: Expand the dialogue with the state delegation to ensure coordination between local affordable housing policies and State funding

decisions. Working with delegation to take a leadership role is proactively addressing the housing affordability problem.

OPTION B: Coordinate housing policies and goals with other government and private entities such as DHCA, HOC, and non-profit housing providers and interest groups, such as the homebuilders, civics, etc. Establish a feedback loop to the County Council.

OPTION C: Convene a high-profile *affordable housing council* that distinguishes itself by reflecting a countywide perspective; this continuous working group might well include small and large employers, the home building industry, and representatives from higher education, organized labor, faith-based and non-profit organizations, lending institutions, and the civic community.

This committee could offer expertise and guidance regarding affordable housing and suggest initiatives for study by the County Council. They can provide important political support –and perhaps valuable mediation service --when elected officials must make tough decisions.