

# **MONTGOMERY COUNTY IN THE 21ST CENTURY**

## ***A FRAMEWORK FOR PLANNING IN A MATURING COUNTY***

### **I. INTRODUCTION**

Montgomery County's long-term commitment to principled land use planning and growth management has been key to attracting and retaining residents, businesses, and workers. Adherence to the “Wedges and Corridors” concept, which has been strongly backed by political leadership, has enabled the County to avoid the consequences of unrestrained development, unacceptable losses of parkland and farmland, and fragmented suburbs. The result has been a stable and desirable market environment that offers a broad range of choice.

In the future, Montgomery County must remain committed to sustainable development that balances economic and environmental concerns and serves the needs of a changing population. Montgomery County has within its reach the tools and opportunities--to vitalize its centers, to improve the form and function of its major travel routes, and to sustain its unique open space character.

As Montgomery County matures, the planning focus will continue to evolve. The outward expansion of infrastructure is no longer a priority. In fact, the County's fiscal capacity for expanding infrastructure and acquiring land is limited. Instead, Montgomery County is focused on reinvestment and redevelopment of its existing residential and business communities.

Exciting new opportunities are emerging. Community-scaled redevelopment and infill development associated with multi-modal transportation initiatives will provide a new dimension for innovative and imaginative planning that will create livable and inspiring places to live and work for future generations.

Montgomery County has a unique opportunity to grow in the future in a way that supports Smart Growth objectives and uses less of the earth's nonrenewable resources.

However, a general anxiety exists about the impact of new development on existing residential and business communities, as well as the increasing pressure to intensify development in the Agricultural Reserve. Concerns have emerged about new development and sprawl and its impact on traffic, aesthetics, school capacity, the environment, and economic vitality.

At the same time, there is recognition that within just one generation, Montgomery County's character has changed dramatically from a suburban

bedroom community to that of a more urban employment center; an employment center often characterized as Maryland's "Economic Engine."

As the economic energy of the County continues to grow, the supply of developable land continues to diminish, the need for more affordable workforce housing intensifies, some neighborhood commercial centers languish, and many major travel routes have become areas of disinvestment and neglect. At the same time, a body of government regulations oriented toward limiting the negative impacts of suburban expansion constrains development in many areas already identified for growth.

In response to these contemporary economic, land use, environmental and community issues, the Department of Park and Planning recommends a strategy that will best capture the county's future development potential through a *more focused* pattern of sustainable growth.

*The Department proposes to pursue a strategy that seeks to focus opportunities for continued economic growth within existing centers and along major transportation routes, while protecting and supporting the County's Agricultural Reserve by committing resources to meeting the needs of the rural areas of the county. These efforts will help to reduce pressure to expand the development envelope.*

The proposed strategy is well aligned with adopted county land use policies and is in conformance with the "Wedges and Corridors" concept. In addition, the County Council's "Strategic Plan for Our Community's Quality of Life and Economic Development" and the policy guidance expressed in the Planning Board's "Transportation Policy Report" recognize the development, economic, and community benefits of such an approach.

## II. PLANNING FRAMEWORK IN A MATURING COUNTY

***A Maturing County...*** *There are many signals that Montgomery County is maturing. The County is approaching build-out, its rate of growth is slowing, and its population is aging along with its infrastructure and buildings. However, the county will continue to experience major demographic and economic changes. (Attachment #1: Montgomery County, A Maturing County.)*

A "maturing" community is one that is older, yes, but the word "mature" implies more than just age. A *person* matures physically in the first two decades, but even as his or her rate of physical growth slows, the person continues to change both inside and out. In a similar way, as a maturing *county* approaches build-out, its rate of growth slows but it continues to experience major changes.

As a result, a maturing county's planning focus turns from managing outward expansion and the overall pace of growth toward maintaining and enriching the quality of life within the development envelope. While at all stages, there is a great deal of interest on the quality and suitability of proposed development projects, in a maturing county, the importance of each remaining developable or redevelopable parcel is magnified.

While in the past, the focus has been on managing the transition from rural to suburban, in the future the emphasis will be on making a careful transition from auto-oriented suburban to pedestrian-oriented, transit friendly urban.

Some planners and economists have coined a term "post-suburban" to describe the issues facing the maturing suburb. "Post-suburban" issues include:

- What does it mean for a suburb to become more "urban?"
- How can the maturing process be managed to maintain economic vitality and quality of life?
- In what ways are suburbs vulnerable to decline and how can this be avoided or reversed?
- How do we confront continued growth pressures on rural areas?

Some common themes among "post-suburban" discussions include: an emphasis on creating places that are a delight to experience, the critical role of continued reinvestment, and the many benefits of delivering services that people want in places where they can easily access them.

***Redevelopment Opportunities...*** *In a maturing county, a greater proportion of future growth and change will occur as redevelopment or infill.*

A maturing County means that a greater proportion of future growth and change will occur as *redevelopment*, the reconstruction or replacement of buildings on developed parcels with new buildings; or *infill*, the construction of new buildings among existing buildings, either on vacant parcels or on the un-built portion of already-developed parcels.

Directing growth inward and, to some extent, upward, is essential to maintaining vital communities and reducing sprawl pressure. Every community benefits from regular reinvestment, whether it occurs privately and incrementally, or as part of a major redevelopment effort with public and private entities in partnership.

Communities where almost everything was built at the same time will also be "due" for a substantial amount of reinvestment at more or less the same time. This can be a critical moment in the life of the community since each landowner looks to see if the others will reinvest. If reinvestments do occur, over time the individual reinvestments will become staggered so that only a fraction of the area will require reinvestment at any one time.

The typical redevelopment opportunity is an under-performing property. “Under-performing” in this case may not necessarily mean “unsuccessful.” It may mean that while the current use has some value, there are other uses that would provide even greater value. Synergy occurs when redevelopment opportunities can provide increased value both for the landowner and the neighboring community.

Redevelopment opportunities may involve obsolete land uses or obsolete building types. A drive-in movie theater is a good example of a land use that became obsolete; more recently mobile-home parks have become part of Montgomery County’s past. “Obsolete” is in the eye of the beholder, but can include:

- Older grocery stores and drug stores can be too small to be used for today’s larger supermarkets and drug stores. Sometimes these stores can be adapted for different retail uses but often redevelopment is necessary to provide the types of space required by the current tenant mix.
- Older office buildings were often built with smaller floorplates that are no longer as marketable as larger sizes. Further, these buildings require substantial retrofitting to accommodate the latest technologies. Sometimes there is insufficient space between floors to accommodate additional wiring, etc.
- Residential development surrounding older commercial centers and strung out along the frontages of the high-traffic roadways that connect centers. Sometimes these involve a series of identical, relatively small homes, such as those built immediately after World War II. These homes are less competitive in the housing market because of their small size and proximity to traffic and noise.

Other redevelopment opportunities involve land uses or buildings that are not obsolete, but are a less-intensive use than what is planned and what the market will build.

***Strategic Land Use Linkages...*** Centers, major travel routes, and open space are three elements that have historically defined the county's pattern of development. All planning, in the past and into the future, relates to their form and function.

As Montgomery County continues to mature it faces a future built on trends begun decades ago. The historic framework of the county's development pattern remains the best guide for development in the future. Montgomery County has the most to gain by building on proven strengths—the land use characteristics that make Montgomery County unique.

Early travel and development, as one moved northward from Washington, DC., was shaped by Montgomery County's topography and stream valleys. Travel, trade, and development followed wide north-south paths along Colesville Road, Georgia Avenue, Connecticut Avenue, Rockville Pike, Frederick Road, and River Road; and east-west paths along Norbeck Road, Western Avenue, East-West Highway, Randolph Road, Montrose Road, and University Boulevard.

These travel routes created a web of intersecting crossroads that spawned vibrant centers of activity. These early centers provided services to the evolving rural, then suburban, communities.

Early on, a center was defined most often by a post office, church, schoolhouse, and local tavern. Then the center evolved to include a grocery store, drug store, gasoline station, sometimes a neighborhood theater, and residential development along many road frontages near trolleys and railroads. As time passed and lifestyles continued to change, a broader spectrum of services were provided by centers. Centers evolved to include restaurants, dry cleaners, child-care, and entertainment.

By the late 1960's, a pattern of concentrated centers, linked by transportation routes, and separated by open spaces was firmly established and articulated in the General Plan, "On Wedges and Corridors."

Our centers, major travel routes, and open spaces have become the focal points that define Montgomery County; they are the places that create and sustain a sense of community for county residents and workers.

***The Long View...*** *Montgomery County's aging centers can be reinvented to support the growth of a lively mix of uses. Aging commercial and residential frontage, located along some major travel routes, can be reshaped to capture new economic and community benefit. Parks and open spaces can be creatively used to define the character and livability within these newly reinvented and reshaped communities.*

The most practical and cost effective locations for future growth are in areas where infrastructure is in place in existing centers and along existing major travel routes. When existing centers and travel routes accommodate additional development, the diffusion of development across the county's supply of open land becomes less likely.

*Strong centers* are essential to the continuing vitality of the county and the livability of our neighborhoods. Reinvestment and redevelopment is to be encouraged to reverse obsolescence and deterioration of many existing centers. If nurtured by necessary infrastructure and quality design, many centers can support mixed-use, neighborhood commercial and residential regrowth.

*Major travel routes* present opportunities for improved functioning and additional development, particularly residential and some mixed use, in selected areas where infrastructure is in place. These areas require thoughtful planning and intergovernmental coordination to address development, multi-modal transportation access, and the avoidance of sprawl.

The County's *open space system* gives character and contrast to developed areas, creates linkages, protects sensitive environmental and cultural areas, and provides recreation. Its elements are the result of strong public support and numerous public and private actions taken over the years. Coordinated efforts by all county agencies, municipalities, and the private sector will be needed to safeguard and enhance Montgomery County open space resources in the future.

***Community Benefit...*** *a more focused planning process aimed at directing growth inward, and to some extent, upward, is essential to maintaining vital communities, providing continued economic growth, and supporting the overall well being of the County.*

A redevelopment strategy will help to: a) make jobs, housing, and parks more accessible to the population most in need of them, b) conserve land and watershed resources, c) consume less natural resources, d) reduce commuting distances, e) promote higher levels of design, and f) spare the public and private sectors the cost of adding roads, sewers, and other infrastructure.

A more focused planning process can help assure the market feasibility of planned development. Attention to more geographically specific centers will permit greater opportunities for discussion and exploration of current market realities, redevelopment goals, and the market feasibility of a variety of land use options. These efforts will help the County to address the current jobs/housing imbalance in the County's major sub-areas. (*See Attachment #2: Addressing the Jobs and Housing Imbalance*)

A balance of jobs and housing is intended to meet two goals: to provide an adequate number of employment opportunities for County residents, and 2) to minimize the distance a worker has to travel to his or her job.

Balancing jobs and housing can have other benefits. A mix of uses in an area creates vitality throughout the day and weekend. Having housing nearby provides additional customers for retail businesses that could not survive on the patronage of *9 to 5 workers* alone.

A balanced mix of jobs and housing can also have fiscal benefits for the County, as it diversifies both revenues and expenditures because different land uses are

subject to different market conditions and make different demands on public services and infrastructure.

**Goals...** *Capture projected growth within existing centers and along major transportation routes. Provide meaningful incentives to encourage reinvestment and redevelopment.*

- Development will be channeled, whenever possible, to existing, aging centers where infrastructure can support growth, public transportation can be provided efficiently, neighborhoods can be strengthened, and redevelopment can enhance economic vitality.
- Planning will focus on enhancing the appropriate functions of some major transportation routes, by reshaping already developed areas into efficient and attractive multi-use places and by making road and transit improvements that will control roadway congestion and ease vehicular and pedestrian movement.
- A range of housing types will be encouraged that are affordable to renters and homebuyers.
- The use of parks will be further enhanced by improving public access and by taking into account the need for recreation close to population centers and the interests of the county's changing population.
- Reinvestment will be nurtured with the use of County resources and public/private partnerships to improve infrastructure, housing, and other programs that attract and support business enterprise and neighborhood livability.
- Renewed attention to site and project design will preserve and enhance the distinct character of centers and reinforce residents sense of place.
- New urban environmental regulations and development standards will be created to encourage the redevelopment potential of these areas. Incentives for the construction of "green buildings" will be developed, as well.
- New regulatory approaches will be designed to provide flexibility and incentives to achieve redevelopment goals.
- Continue to protect the Agricultural Reserve. Develop initiatives to enhance the economic viability of the County's agricultural economy.

### III. PROPOSED PROGRAM DEVELOPMENT

***Translation into Reality...*** *The planning principles and goals will help Montgomery County anticipate and respond to the changing conditions of a maturing county.*

The Department is well positioned to support this new planning focus. The Department's key land use, transportation, environmental, park planning, regulatory, and Research Center resources can be quickly redeployed to conduct the research, analysis, and planning needed to develop effective planning approaches to sustain the vitality of existing centers, the functionality of major travel routes, and the viability of agricultural and rural open spaces.

With a willingness to innovate, the Department will work with the political leadership and the many constituencies that, singly or jointly, can move the development principles forward to fruition- civic and business interests, key employers, representatives from educational and banking institutions, and the non-profit community are all valued stakeholders.

#### **Work Program Activities in a Maturing County**

##### **1. Research & Technology Center**

The underlying trends that are compelling the Department to offer a new focus for planning the Montgomery County of the 21<sup>st</sup> century are not entirely new. As a result, the Research & Technology Center has already begun to shift its emphasis to conducting research that:

- Take into account market realities when analyzing proposed policies, plans, and regulations;
- Understand the dynamics of redevelopment as related to but distinct from those of developing vacant land;
- Advance the County's commitment to supplying housing to households in all income ranges;
- Measure, and then grapple with the implications of, the County's approach to build-out of the development envelope; and
- Explore the rapid and significant demographic shifts that are creating a much more diverse population, even as overall growth decelerates.

*Mature Commercial Center Study*--This effort, now underway, encapsulates many of the desired attributes of the new planning policy. The study focuses on understanding the conditions and possibilities of older commercial centers and developing and implementing tools to transform them into lively mixed-use centers that provide new housing opportunities and a desired blend of jobs, services, and amenities. Interim products, such as detailed profiles of



the market areas served by each center, will have a useful life beyond the study. These analyses will undoubtedly suggest new directions for discussion, research, and planning.

*Master Plan Support* -- The Research & Technology Center provides demographic, economic, and residential/non-residential market analysis in support of master plans and sector plans. The issues confronted by sector plans – and therefore analyzed by researchers – have been increasingly urban in nature. Examples include: how much additional density is required to encourage redevelopment of an underutilized but financially successful property? Do existing land uses serve a critical function, or should redevelopment be encouraged? How would urban land uses meet the needs of Montgomery County residents and workers?

*Housing Policy* -- The Research & Technology Center will continue to help find new ways to address one of the County's greatest challenges, affordable housing. The feasibility of providing MPDUs in high-rise development projects is an example of the type of question that will increasingly be asked. Importantly, we will have to continue research and self-education to be certain that we are asking relevant questions and understand the implications of the information we collect.

*Capacity Analyses* -- The amount and type of land available for development and redevelopment clearly sets the parameters for planning the County's future. The most recent capacity analysis conducted by the Research & Technology Center, the Residential Capacity Estimate, underscores the need to focus attention on redevelopment as a critical element of the County's growth strategy. As of July 2003, the County's capacity for future residential development is 75,00 units, of which 60 percent are multi-family. This represents between 20 and 25 years of growth. The findings and implications are discussed in an accompanying report: "Current Plans Allow 75,000 More Housing Units." (See Attachment #3)

Together with market forecasts, capacity analyses offer context for the role each new plan plays in achieving certain land use goals, such as jobs/housing balance.

*Demographic Information and Analysis* -- The demographics of a maturing County add opportunities and challenges for research and analysis. The fact that in-migration from other countries is a major source of new residents compels demographers and planners to pursue greater understanding of, and outreach to, groups and individuals of different languages and cultures. Collecting and assessing information about a diverse population becomes more complex but is essential.

*Economic Analysis* -- Development and redevelopment trends are critical components of the County's economy, both as an indicator of current economic shifts as well as a driver of future economic health. Continued economic analysis by the Research & Technology Center with our partners in County government, area universities, and the private sector, will ensure that planning objectives and economic development goals work in concert. (See *Attachment #4: Planning Aspects of the County's Strategic Economic Development Goals*)

## **2. Community-Based Planning**

The Master Plan Program is being reshaped to meet the needs of a mature Montgomery County in the 21<sup>st</sup> century. The new planning process will serve the needs of a mature Montgomery County in a manner that continues the tradition of excellence in land use planning. A strong community outreach and participation process will continue to be a hallmark of this planning program. Parks and open spaces will be creatively used to define the character and livability within these newly reinvented and reshaped communities and along roadway frontages.

The Community-Based Planning Division has already begun to shift its emphasis and resources to pursue a strategy that seeks to focus opportunities for continued growth within existing centers and along major transportation routes, while protecting and supporting the County's Agricultural Reserve.

Implementation of this program strategy and project goals will require some realignment of Departmental policy and Divisional resources. Future planning efforts will focus on the following three areas:

***Planning the Major Travel Routes and Transportation Corridors***--The character and functionality of many *major travel routes* should be improved. Aging residential and commercial frontage could be reshaped to capture new economic and community benefit. The *transportation corridors* also represent an opportunity to provide housing in areas accessible to transit where rail and bus service is frequent. The initial major travel routes to review could include MD 355, University Boulevard and Georgia Avenue. Planning should also focus on two important transportation corridors- the future Purple Line and the Corridor Cities Transitway.

- ***MD 355***--Planning for MD 355 from Germantown to North Bethesda will be a significant element of the master plan program. This important effort is intended to provide a renewed focus and an improved sense of place for these corridor cities. The character, mix of uses, function, amount of development, and pedestrian and traffic issues of the development along the MD 355 will be a primary focus.

This effort will support and enhance, not detract from the stable, existing residential neighborhoods. The highly organized and effective community groups have already expressed the desire to focus on the transportation corridors as the link to the employment centers. The planning for the MD 355 will also provide a vital link to the on going planning for the Shady Grove and Twinbrook Metro Station areas.

- **Georgia Avenue** -- The purpose of this important planning effort is intended to significantly improve the character and function of Georgia Avenue, from Montgomery Hills to Glenmont. The planning effort could begin with a community forum to explore and assess the planning options along this major travel route. This planning effort provides a unique opportunity to examine the transportation and development options for the centers located along Georgia Avenue (Glenmont, Wheaton CDB, and Montgomery Hills). Extensive public outreach and participation would be a significant element of this planning effort.

The need for transportation capacity, the timing of infrastructure improvements with development along the entire roadway, the variety of environmental concerns within an entire watershed, and the character of this road would also be addressed.

- **University Boulevard** -- This planning effort is intended to improve the character and function of University Boulevard from Kensington to Langley Park. This project initiative will be similar in scope and scale to the Georgia Avenue effort.

**Planning for Centers and Neighborhoods** -- Montgomery County's older centers can be reinvented to support the growth of a lively mix of uses. The delivery of active, mixed-use, mixed income, and sustainable communities will be a major focus of this planning effort. Planning for older centers and neighborhoods will spur reinvestment and redevelopment in the County.

Planning comprehensively for our older centers and neighborhoods has already begun with the Mature Commercial Center Study, initiated in the Research Center. This Study will provide community-based planners with an understanding of the planning, regulatory, and economic conditions needed to transform older commercial centers into successful mixed-use centers that provide housing and a desired blend of jobs, services, and amenities. An inventory and physical assessment of all commercial centers in the County is nearing completion. Detailed profiles of the market areas served by each center will also be prepared. Completion of the Study is imminent.

A new planning approach has been developed to: a) comprehensively assess the inventory and current conditions and b) identify specific opportunity areas that present the best possibility for successful redevelopment of our aging

commercial centers and major travel routes. On-going master plan initiatives, which usually include study of some aging centers and/or travel routes, will continue to completion, on current schedule.

Design will be an important element throughout this redevelopment effort. A renewed attention to site and project design will provide a range of options that could be used to help preserve and enhance the distinct character of centers and neighborhoods, reinforce sense of place, address compatibility issues, and spur continued reinvestment. A "Design Options for Centers and Neighborhoods" brochure will be prepared for use by the civic and development communities.

### Proposed Planning Approach

#### Phase One

1. Complete Inventory and Physical Assessment of all, 103, commercial centers.
2. Invite the Urban Land Institute to provide a national perspective. Identify national trends, economic feasibility, and unique conditions needed to reshape older commercial centers and aging frontage along major travel routes. Identify successful prototype projects and designs.
3. Assess the redevelopment potential of the County's aging centers and major travel routes.
  - a. Identify opportunity areas with potential for growth through redevelopment mixed use-development, infill, and transportation enhancements.
4. Convene a Countywide Forum. Invite civic, business, educational, banking, and development leadership to participate.
  - a. Identify opportunity areas with the greatest potential for successful redevelopment; those areas that can offer competitive advantages to the existing residential and business communities.
5. Select specific areas for additional planning. Identify capacity issues to determine feasibility of successful completion.
  - a. Assess infrastructure conditions, including park and recreational needs Identify improvements needed to support redevelopment.
  - b. Recognize emerging residential, retail, and commerce trends and strategic business clusters and market areas.

Phase Two

6. Prepare a Concept Plan for each selected area with the community. Identify key issues. Present to the Planning Board.
7. Select appropriate planning approach to deliver land-use and zoning recommendations- master plan amendment, special study area, special project area and/ or regulatory techniques.

Phase Three

8. Initiate detailed planning for selected areas. Heighten emphasis on presentation of visual characteristics to better determine compatibility and market feasibility
9. Convene a series of Community Forums and Workshops involving a broad spectrum of community and business interests. Initiate plan making.
10. Create a Development Program, for each area, that provides the necessary conditions and incentives to spur reinvestment and redevelopment. Identify a development focus for each area that can build on existing strength and competitive advantages of each unique area. Identify competitive advantage of living and/or locating in redeveloped areas.
11. Finalize recommendations at a Community Forum.
12. Develop an Implementation Strategy. Revise or amend, as needed- the Zoning Ordinance, Subdivision Regulations, environmental and transportation regulations, standards, and guidelines. Initiate revision to 1992 Recreational and Open Space Guidelines.
13. Prepare an Infrastructure Implementation Study for each area.
14. Review recommendations with the Planning Board and County Council.

***Planning for the Agricultural Reserve*** -- Efforts to strengthen the agricultural and rural open space program will continue to be an important focus of the planning program. Agricultural preservation efforts will focus on ways to make agriculture economically viable in the Agricultural Reserve. Viable agricultural activity will keep the land in productive use and deter residential conversion. These efforts will include- working with other agencies to expand and strengthen the economic opportunities for agricultural producers, evaluating the regulatory

environment for agriculturally related uses, improving the tracking system for TDR sending and receiving areas, improving the balance between sending and receiving areas, and addressing the concerns of subdivisions in the Agricultural Reserve.

As Montgomery County matures and the region grows, the Agricultural Reserve will become increasingly important to the County's overall quality of life by: a) providing agricultural products and food supply close to metropolitan markets, b) protecting the environment-serving as a "clean air shed" to help cleanse the atmosphere, as well as a mechanism to help protect the quality and quantity of water resources because of the minimum amount of paved area, c) preserving our agrarian heritage and agricultural landscape which is as instructive as a museum, and d) providing a viable land-use alternative to add to the diversity of life styles and land-use options available to the residents of the County.

### **3. Countywide Planning**

As the County continues to mature and refocus its planning process to capture growth within the existing development envelope and promote redevelopment, the Department will need to anticipate the impact of this development.

To accomplish this, the Department must 1) learn from existing redevelopment success stories, 2) identify needed changes to procedure involving the application of park, environmental and transportation policy, and 3) adopt guidelines and regulations that lead to successful outcomes.

- *Park Issues*--The use of parks and open spaces to enhance the functionality of redeveloped areas will be further examined in the master plan program by improving public access and by taking into account the need for recreation close to population centers and the interests of the County's changing population.
- *Environmental Issues*--The existing regulatory structure will be reviewed to allow and encourage sustainable redevelopment to take advantage of the growth potential within the existing development envelope. The suburban "greenfield" mindset will confront the reality of urban development. Incentives and rules that make redevelopment more feasible and desirable for builders and residents alike will be developed.

Incentives for the construction of "green buildings" will be developed. The Department wants to help create the demand and capacity for builders and suppliers to construct "green buildings" which consume fewer natural resources.

To help create the demand, the Department will proactively promote opportunities to educate residents, lending institutions, and builders. A

recognition program will be established, to recognize and reward exceptional green projects.

- *Transportation Issues*--Activity centers and travel routes will benefit from the improved access that would promote investment and bring people and their jobs within convenient reach of each other. Better coordination and links among cars, buses, and bikeways are required to encourage inter-modal, efficient travel.
- *Review of County Road Codes*--Already in progress- is a review of County road codes to ensure that pedestrian needs and right of ways rational for the intended function of the road are incorporated into consideration of design specifications for roadways.
- *Transportation Forecasting Model Documentation*--The Department needs to document Transportation Forecasting Model results-which indicate less congestion when more housing is located near jobs. The Council of Government's (COG) recent work has confirmed the Department's findings that congestion can be reduced, on a relative basis, when housing opportunities are near jobs. The Department will distill this important work and report the results to our citizens and County decision makers.
- *Trip Generation and Mode Share Assessment*--The Department will continue its research efforts regarding - trip generation and mode share of "smart growth" development. Changes to *Local Area Transportation Review* may be warranted, if development next to transit has different characteristics. Research is warranted for both a literature search and a survey of existing development.
- *Review of Roadway Operational Issues*--As major roadways are becoming the front door for many residents, the issues of traffic speed, parking restrictions and access points become critical to communities and the quality of life for residents. Coordination with DPW&T and the State Highway Administration will be an essential part of refocusing the planning process on redevelopment.

#### **4. Development Review**

In order for projects to receive approval, Development Review Staff regularly address a myriad of competing public policies- they must be able to show that proposed developments are compatible with the surrounding area, don't overburden transportation infrastructure, preserve important environmental features, and provide sufficient public use space and recreational amenities to enhance the quality of life for Montgomery County's citizens.

As the planning focus changes to one of redevelopment and infill, policies and standards more fitting to an urban milieu need to be devised. Some of the areas that need to be addressed include:

*Recreational Guidelines*--In 1992, recreational guidelines were put forth that developed a point system that could be used to determine how much recreational space should be required for a residential project and how this requirement could be met. For each project, recreational demand points are assigned based on the ages of the projected residents, with a different amount of points for the different age groups. For example, 3 – 10 year olds would require more recreation points than 50 – 60 year olds. Likewise, supply points are assigned to the different recreational facilities that a developer might proffer, such as a playground. In order for a project to be approved, the supply points must at least equal the demand points.

In greenfield developments, this is not particularly onerous, as a developer can set aside land for a playground, provide the necessary equipment, build a bike path, and so forth. In a more densely populated area, the task becomes more difficult. Therefore, different types of recreational facilities need to be given consideration. For example, in a high-rise apartment building, a pool on the roof might suffice. An exercise facility provided on site is another possibility. Retrofitting existing urban parks, even if not immediately adjacent to the proposed development, should be acceptable. If the full demand cannot be met, waivers may be sought. If waivers become the norm, it means that the recreational guidelines will need to be revised.

*Mix of Uses*--Euclidian zoning developed in the twenties and still frequently used today, often calls for the complete separation of uses. Industrial uses were intentionally distanced from residential areas to ensure that the noxious smells and loud noise generated by such industrial uses did not impact the residential living environment.

Today, the manufacturing economy has, in large part, been supplanted by a service and knowledge based economy, minimizing greatly the need to keep uses apart. Moreover, permitting residential uses to be located in underutilized office and commercial buildings offers many advantages under the new planning framework. Locating residents near their places of work can significantly reduce strains on the transportation infrastructure. Commercial uses that were unable to survive on 9 – 5-office traffic alone could receive a boost if residential growth is allowed to expand in areas where none was permitted before.

Development Review staff will work to create incentives to promote such mixed-use development. Live-work units should be encouraged where



possible. Parking standards might well be reevaluated, and where possible, uses should be encouraged to share parking, i.e. the spaces that office and commercial need in the day can be reused by residents in the evening. This would reduce overall infrastructure costs and reduce the total acreage needed by a project.

*Environmental considerations*--Redevelopment or infill projects further burden existing utilities and may exacerbate drainage, existing storm water management facilities, tree save areas and so forth. In order to facilitate this increasing density, staff will need to work with County- wide Planning to develop acceptable methods to protect the environment while permitting such projects to move forward.

Perhaps most importantly will be a public outreach effort designed to help citizens of Montgomery County understand the many advantages of taking a more urban approach to planning. The suburban dream of a single-family house on a large lawn surrounded by a picket fence has been a strong image in the minds of many for more than fifty years. People moved to the suburbs to escape urban problems, and many are still resistant to a more urban form of development even though they are frustrated by traffic, aging commercial centers, empty industrial buildings, and so forth. Since the Development Review Staff works closely with the public as projects move forward, our task will be far easier if the public fully understands why we are moving in this direction.

#### **IV. NEXT STEPS**

***Measuring Success...*** to determine if planning polices are being implemented in a way that achieves their intended outcomes and meets program goals.  
*Outcomes are measured by indicators.*

**Proposed Outcomes and Indicators:** To be developed.

## **Montgomery County: A Maturing County**

### **What is a “Maturing County?”**

As maturing county approaches buildout, its rate of growth slows but it continues to experience major changes.

As a result, a maturing County’s planning focus turns from managing outward expansion and the overall pace of growth toward maintaining and enriching the quality of life within the development envelope. While at all stages, there is a great deal of interest on the quality and suitability of specific development initiatives, as a County matures, the importance of each remaining developable or redevelopable parcel becomes magnified as they become scarcer.

*While in the past, the focus has been on managing the transition from rural to suburban, in the future the emphasis will be on making a careful transition from auto-oriented suburban to pedestrian-oriented urban.*

### ***Fewer Parcels of Vacant Land for Development***

As a County matures, the amount of vacant land planned for growth becomes more scarce. In Montgomery County, this has become true for types of development that are the cornerstone of typically-suburban growth: single-family detached homes and large-scale campus-style office parks.

As of July 2003, the total future residential capacity in Montgomery County is 75,100 dwelling units. The number of existing housing units in July 2003 was 347,600, thus bringing the total of existing and future housing units to 422,700. This means that future residential capacity represents 18 percent of the total of existing and future units, and that 82 percent of the total residential capacity has been built.

The 75,100-unit estimate of residential capacity suggests that, as of July 2003, Montgomery County had the capacity to accommodate between 20 and 25 years of residential development.

A key point is that over 60 percent of the County’s capacity for future residential development is multi-family. This statistic is a strong indicator that the County’s future growth will be more concentrated than in the past.

*Although there is greater availability of vacant land for future non-residential development, the number of large sites suitable for campus-style office parks is quite limited. Most, if not all, of these are covered by an approved preliminary plan. These approvals can accommodate significant numbers of future jobs, but future planning efforts will necessarily be directed toward redevelopment and infill opportunities within the development envelope.*

### **An Aging Population**

One signal that Montgomery County is maturing is the aging of its population. In 1970, the median age of a Montgomery County resident was 29.7 years and about 6 percent of the Montgomery County's population was aged 65 and above. In 2003, the median age was 38 years old and the percentage of residents aged 65 and older was 12 percent. By 2030, the median age will be 39.7 years of age and the percentage of residents aged 65 and over will be 17.3 percent.

Growth in the 75+ age group accounts for 80 percent of the increase in the elderly population since 1997.

As the proportion of older residents increases, the share of the 20-34 age group (down to 17 percent of the population in 2003) continues to shrink. But there is one countervailing trend: the percentage of County residents under 20, now 27.7 percent of the population, has been rising slowly since 1987, when it was 25.9 percent.

Among the consequences of an aging population: as people age, they are less like to change their place of residence. Between 1997 and 2003, the median length of residency lengthened from 5 years to 7 years and the percent of households that have lived in the same house five years prior increased from 50 percent in 1987 to 60 percent in 2003.

As current Montgomery County residents enter the 65+ age cohort, they are likely to have some similarities and some major differences from previous generations. There is reason to expect that they will be, on average, somewhat healthier than their parents at the same age. They will likely show an increased propensity to continue working – either because they enjoy it or because of financial necessity. This “work” may involve participation in a second career that provides rewards that are not primarily monetary.

The recent survey of older County residents, conducted by the Research & Technology Center, provides considerable information about these residents' plans for the next decades of their lives.

## ***Aging Infrastructure***

As a County matures, its focus turns away from expanding the reach of infrastructure into undeveloped areas, and toward reconstruction, rehabilitation, and expansion of systems serving already developed areas.

In many ways this is a greater challenge, because it can be much more difficult to add capacity to infrastructure in a built environment. For example, there is little room to widen roads or add dedicated transit lines through existing neighborhoods. Even maintenance of existing infrastructure can cause service disruptions; for example, the recent rebuilding of bridges on interstates that handle very high volumes of traffic.

Infrastructure that supports residential and non-residential development includes roads, schools, water and sewer, stormwater management facilities, parks and recreation buildings, libraries, police and fire stations, and more.

Infrastructure will have a similar age profile as the rest of the built environment. For example, of the more than 4,000 miles of mainline sewer pipe in Montgomery and Prince George's Counties, over 2,400 miles was built prior to 1970. Most was built during the 1960s.

## ***Aging Buildings***

As a County matures, much of its built environment (homes, offices, shopping centers, etc) ages as well. At various times in a building's life, the owner faces a choice of making a major investment in maintenance (a new roof, for example) or just making minimal repairs until a redevelopment opportunity arises or the building can be sold.

Approximately 80 percent of the County's single-family homes are more than 20 years old; that is, built in 1985 or earlier. About half were built in 1965 or earlier, and about 11 percent built in 1945 or earlier.

Approximately  $\frac{3}{4}$  of the County's shopping centers – about 17 million square feet of retail space – were built prior to 1990. About 11 million square feet of shopping center space – half the County total – was built between 1960 and 1980. About 2.5 million square feet was built before 1960.

Approximately 70 percent of the County's office square footage was built before 1990. About one-third (a bit over 19 million square feet) of the County's office space was built before 1980, with 7 million square feet built before 1970.

## **Redevelopment Opportunities**

A maturing County means that a greater proportion of future growth and change will occur as *redevelopment*, the reconstruction or replacement of buildings on developed parcels with new buildings; or *infill*, the construction of new buildings among existing buildings, either on vacant parcels or on the unbuilt portion of already-developed parcels.

Directing growth inward, and to some extent upward, is essential to maintaining vital communities and reducing sprawl pressure. Every community benefits from regular reinvestment, whether it occurs privately and incrementally, or as part of a major redevelopment effort with public and private entities in partnership.

Locations where a substantial proportion of the development occurred at the same time will also be “due” for a substantial amount of reinvestment at more or less the same time. This can be a critical moment in the life of the area as each landowner looks to see if the others will reinvest. If reinvestments do occur, over time the individual reinvestments will become staggered so that only a fraction of the area will require reinvestment at any one time.

The typical redevelopment opportunity is an under-performing property. “Under-performing” in this case may not necessarily mean “unsuccessful.” It may mean that while the current use has some value, there are other uses that would provide even greater value. Synergy occurs when redevelopment opportunities can provide increased value both for the landowner and the neighboring community.

Redevelopment opportunities may involve obsolete land uses or obsolete building types. A drive-in movie theater is a good example of a land use that became obsolete; more recently mobile-home parks have become part of Montgomery County’s past. Obsolete building types can include:

- Older grocery stores and drug stores can be too small to be used for today’s larger supermarkets and drug stores. Sometimes these stores can be adapted for different retail uses but often redevelopment is necessary to provide the types of space required by the current tenant mix.
- Older office buildings were often built with smaller floorplates that are no longer as marketable as larger sizes. Further, these buildings require substantial retrofitting to accommodate the latest technologies. Sometimes there is insufficient space between floors to accommodate additional wiring, etc.

Other redevelopment opportunities involve land uses or buildings that are not obsolete, but are a less-intensive use than what is planned and what the

market will support. These may be activities that have been pursued at that location for a long time, and the neighborhood surrounding them has become more intensively used. These can include: auto dealerships, motels, warehouses, maintenance yards, and nurseries.

Redevelopment opportunities may also include residential development surrounding older commercial centers and strung out along the frontages of the high-traffic roadways that connect centers. Sometimes these involve a series of identical, relatively small homes, such as those built immediately after World War II. These homes are less competitive in the housing market because of their small size and proximity to traffic and noise.

Surface parking lots may be an underutilized land resource, particularly in areas where land values have reached the point where structured parking is financially feasible. There are approximately 300 acres of surface parking lot on C-1 and C-2 zoned land in Montgomery County; by comparison, the Silver Spring Central Business District is 379 acres.

## **Addressing the Job/Housing Imbalance**

### ***Summary***

A balance of jobs and housing is one of the fundamental planning policies guiding Montgomery County. It is an explicit goal of the General Plan. The benefits of correcting job/housing imbalances was demonstrated by the Transportation Policy Report (TPR) analysis and the balanced “Alternative Land Use Scenario” that came out of TPR is now guiding the adoption of new master plans.

This paper reviews how “jobs/housing balance” has been defined and the benefits of a jobs/housing balance. It also reviews the County’s current and forecast jobs/housing ratios, identifies where and how those ratios are not balanced, and discusses what changes will have to made to balance jobs and housing

### ***What is the “job/housing balance?”***

Jobs and housing units are considered “balanced” when there are roughly as many jobs as workers living in the County. On average, there are about 1.6 workers per household in Montgomery County, and roughly 1 household per housing unit. As a result, a ratio of 1.6 jobs per housing unit is considered “balanced.”

As recently as 1993, the County considered jobs and housing to be balanced when there was a ratio of 1.5 jobs per housing unit. Over the past decade, the County and the region have moved to the current 1.6 jobs-per-housing-unit ratio. This ratio is used by the Metropolitan Washington Council of Governments in its near-term forecasting and by the Center for Regional Analysis at George Mason University in its 2002 study of housing supply and demand in the Washington region.

The 2003 Census Update Survey confirms that there are roughly 1.6 workers per household in Montgomery County. There are:

- 1.5 *employed* workers per household in Montgomery County. This figure includes part-time as well as fulltime workers.
- 1.6 workers per household, including both *employed* workers and those *unemployed and looking for work*.
- The current 1.6 workers-per-household ratio does not include retirees, homemakers, and persons of working age who are not working and not looking for work. These are all potential sources of some additional workers.
- According to the Metropolitan Washington Council of Governments, between 6 and 12 percent of workers hold multiple jobs.

As the last two bullets suggest, there is some elasticity in the number of workers per household. Some people enter and leave the workforce based on economic conditions, personal situation, and other factors. One of the major trends of the baby boom generation was a rapid increase in female workforce participation rates. Older residents may decide to retire later than in the past because they enjoy working or to supplement retirement income.

### ***What are the benefits of a jobs/housing balance?***

A balance of jobs and housing is intended to meet two main goals: to provide an adequate *number* of employment opportunities for County residents, and to minimize the *distance* a worker has to travel to his or her job.

To help minimize the impact of growth on the transportation network, it is beneficial to have housing and jobs located in proximity to each other. One way to do this is to provide a variety of employment opportunities within the County to County residents.

If an insufficient number of jobs are available in the County, resident workers will have to commute outside the County to work. If more jobs are located in the County than are needed by resident workers, then those jobs will be filled by people who live outside the County. Either of these two conditions can increase traffic. Studies have shown that, over time, a balance of housing and jobs results in fewer trips of shorter duration.

Of course, even if jobs and housing are perfectly balanced, some residents will continue to commute to jobs elsewhere in the region, and some jobs located in the County will be filled by people who live outside the County. In 2000, 59 percent of employed Montgomery County residents worked in Montgomery County, while 64 percent of the people who worked in Montgomery County also live here.

A jobs/housing balance can have other benefits. A mix of uses in an area creates vitality throughout the day and weekend. Having housing nearby provides additional customers for retail businesses that could not survive on patronage by workers.

A balance of jobs and housing can also have fiscal benefits for the County. A mix of land uses diversifies the revenue stream, and different land uses make different demands on public services and infrastructure.

### ***Geography of the jobs/housing balance***

Montgomery County can be divided into many different geographical areas. It is not feasible or even desirable to have jobs and housing balanced in every community. One reason for this: jobs tend to occur at higher densities, on average, than housing. The average size of a Montgomery County firm is 14.5 employees while the average household size is 2.7 persons. This means that job



naturally occur at higher densities than housing and it would be impractical to attempt to spread jobs out into lower-density residential areas. A more successful strategy is to create job centers in relatively close proximity to residential areas, and to mix jobs and higher-density housing in urban areas.

To provide jobs for nearby residential areas, some areas of the County will have to have jobs/housing ratios above 1.6. In Montgomery County, areas in and around the Beltway and along the I-270 Corridor should have jobs/housing ratios above 1.6 to provide jobs for the predominately residential suburban and rural areas in the balance of the County.

### ***What is Montgomery County's current and forecast jobs/housing ratio?***

The jobs/housing ratio of a community will change over time. Typically a community begins its rural-to-suburban transformation with the construction of houses. Over time, those houses are joined by retail and other commercial development that provides services to households. Later, a wider variety of jobs comes to the suburbs to take advantage of the resident labor force and suburban other amenities.

Montgomery County's jobs/housing ratio in 2000 was 1.48. The forecast currently under development (Metropolitan Washington Council of Governments Round 7.0) for 2030 is shows a jobs/housing ration countywide of 1.62. In Round 7.0, Montgomery County's share of the region's jobs drops from 16.7% in 2005 to 15.8% in 2030. The County's share of the region's households drops from 18.5% in 2005 to 17.4% in 2030.

In 2000, jobs/housing ratios in subareas of the County were the following: Inside the Beltway: 1.92; Eastern County: 0.80; Georgia Avenue: 0.59; I-270 Corridor: 2.04; and Rural (including Olney): 0.61. The Round 7.0 forecast for these areas has jobs/housing ratios of: Inside the Beltway: 1.79; Eastern County: 1.12; Georgia Avenue: 0.58; I-270 Corridor: 2.25; and Rural (including Olney): 0.55.

### ***Alternative Land Use Scenario – Goals for 2050***

Through the Transportation Policy Report (TPR II) process, an alternative land use scenario was identified and adopted as a goal to guide future land use planning decisions. Key features of the alternative land use are to: increase jobs and housing inside the Beltway (I-495), increase jobs in the Eastern County and in the Georgia Avenue Corridor, decrease housing in the Rural Area, and decrease jobs and increase housing in the I-270 Corridor.

The potential results of implementing the alternative land use, expanding transit, and encouraging transit-oriented development include the following:

- Increase jobs within a ½ mile of rail stations from 40% in 1998 to 60% in 2050

- Increase housing within ½ mile of transit from 12% in 1998 to 33% in 2050
- Reduce cross-county afternoon work trips by 18%
- Increase transit ridership by as much as 45%

Specific jobs/housing ratio goals for 2050 are the following: Inside the Beltway: 1.92; Eastern County: 1.51; Georgia Avenue: 0.78; I-270 Corridor: 1.82; and Rural (including Olney): 0.61. The goal for the Countywide jobs/housing ratio in 2050 is 1.56.

### ***Planning for a jobs/housing balance***

Calculations of the number of future jobs and housing that are represented by a particular master plan tend to look at the theoretical maximum number of jobs and housing units that can be built under the plan: the “development envelope.” In real life, a host of factors can affect how much of the planned development is really built.

At any point in the life of a plan, markets favor lopsided development. That is, what gets built is what’s hot. Currently housing is very marketable, and this means that approved commercial development projects are building out more slowly than in the past. Additionally, developers of commercially-zoned land may be satisfied with constructing projects at well-below planned densities, or if the plan allows it, requesting that housing be built instead.

In past years, the reverse was true. Because there was a strong market for new commercial space, developers tried to maximize the amount of development on many parcels. Master plans under consideration during this period saw landowners trying to have residentially-zoned land changed.

This is a challenge for planners because plans are not meant to simply follow the market. On the other hand, plans are meant to be implemented, and there is little point in adopting plans that are not feasible from a market point of view.

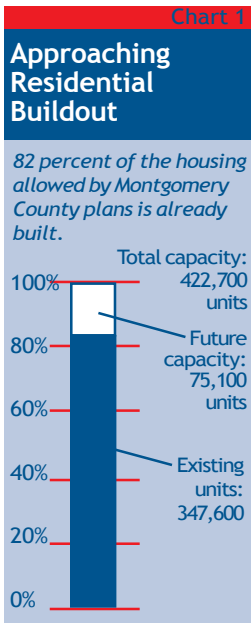
A more focused planning process can help assure the market feasibility of planned development. Attention to more geographically-specific centers will permit greater opportunities for discussion and exploration of current market realities, redevelopment goals, and the market feasibility of a variety of land use options.

# Residential Capacity Estimate

Montgomery County Department of Park & Planning | Research & Technology Center | January 2005

## Current plans allow 75,000 more housing units.

by Matthew Greene, Research Planner



Source: M-NCPPC Research & Technology Center (as of July 2003)



Research & Technology Center

Montgomery County Department of Park & Planning

Maryland-National Capital Park & Planning Commission

8787 Georgia Avenue  
Silver Spring, MD 20910  
301.495.4700

[www.mcfacts.org](http://www.mcfacts.org)

As of July 2003, the total future residential capacity in Montgomery County is 75,100 dwelling units. The number of existing housing units in July 2003 was 347,600, thus bringing the total of existing and future housing units to 422,700. This means that future residential capacity represents 18 percent of the total of existing and future units, and that 82 percent of the total residential capacity has been built.

The 75,100-unit estimate of residential capacity suggests that, as of July 2003, Montgomery County had the capacity to accommodate between 20 and 25 years of residential development.

One of the ways that the County can increase its residential capacity is by finding opportunities for additional housing when master plans are prepared. In the draft Shady Grove Sector Plan, the Planning Board proposes increasing the County's residential capacity by 4,000 - 5,000 units. These additional units would increase the County's housing capacity to almost meet the projected housing demand through 2030.

### Expect Smart Growth

The location and density of future units confirms the Commission's smart growth priorities. More than 85 percent of future units are located within designated Priority Funding Areas (PFAs) and in existing or planned central sewer service areas. Moreover, a full 54 percent are within a ten-minute

### Measuring Residential Capacity

*In recent years, there has been a question underlying many of the land use planning and policy debates in Montgomery County: how many more housing units can be built in the County? Another way of putting it: How close are we to "buildout?"*

*To answer this question, the Montgomery County Department of Park and Planning began a "Residential Capacity Study" over a year ago.*

*The purpose of the Residential Capacity Study is to provide public officials, planners, and the public with the best possible estimate of the amount of housing that can be built in Montgomery County under current conditions. Every effort was taken to make sure that the residential capacity estimate would be realistic, conservative, and objective. This means that the estimate reflects the actual, rather than maximum theoretical, number of housing units developers typically build on residentially-zoned land.*

*There are several benefits to having an accurate, realistic estimate of the development capacity of Montgomery County based on current plans and regulations, current development practices, and taking into account current regulatory and physical development constraints. This estimate will help officials prepare*

*continued page 4*

### Existing and Future Housing Units by Structure Type

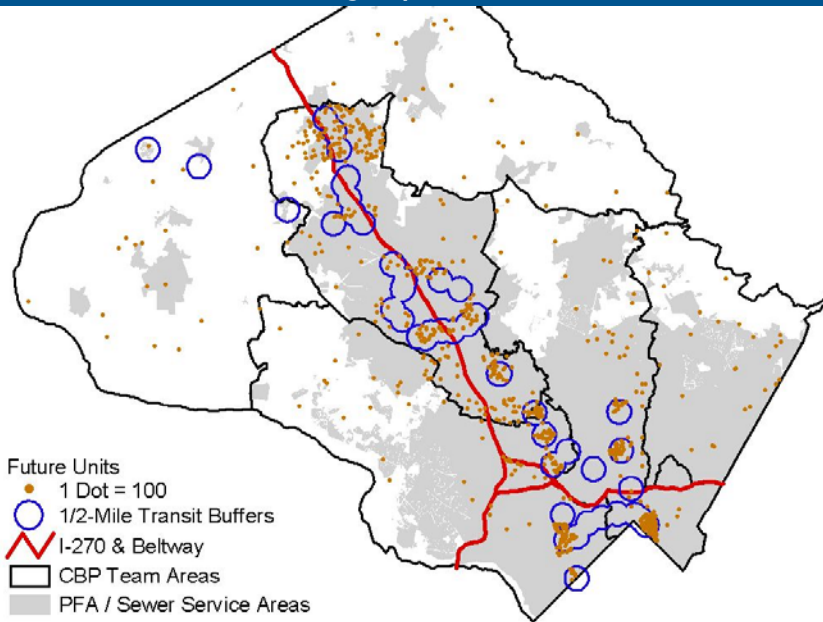
*While the majority of existing units are single-family detached, the majority of future units are multi-family (apartments and condos).*

Structure type	Existing	%	Future	%
SF detached	176,600	51%	20,000	27%
SF attached	65,000	19%	8,300	11%
Multi-family	106,000	30%	46,800	62%
<b>Total</b>	<b>347,600</b>		<b>75,100</b>	

Source: M-NCPPC Research & Technology Center (as of July 2003). SF=single family.

Figure 1

Over half of future housing units are located within a 10-minute walk of an existing or planned transit station.



Corridor and in the Urban Ring. Among Community-Based Planning areas, the I-270 Corridor accounts for fully 43 percent of the County’s residential capacity, with the Cities of Rockville and Gaithersburg, which comprise most of the southern portion of this planning area, accounting for 41% of the I-270 Corridor capacity. The urban areas of Bethesda-Chevy Chase/North Bethesda and Silver Spring/Takoma Park account for 33 percent. Eastern Montgomery County and Potomac each account for only 4 percent of the County’s capacity for future residential development while the Georgia Avenue area will accommodate 10 percent. The Rural Community-Based Planning Area contains about 5 percent of the County’s residential development capacity, as measured in units.

At the CBP Team area level, all but Eastern County and the Rural area have a higher percentage of multi-family in the future than in the present. The Rural area succeeds in remaining rural in character by providing limited development opportunities for a predominantly single-family structure type. The Eastern County area represents only 4% of all future growth opportunities and includes no existing or planned fixed-transit facilities, where a majority of the County’s higher-density housing opportunities lie.

Table 2

**Future Housing Units by Location**

89% of future units are located within designated "priority funding areas" and over half are located within a 10-minute walk of existing or planned transit stations.

Location	Units	%
Inside Priority Funding Areas	66,800	89%
10-minute walk of transit	40,600	54%
Gaithersburg & Rockville	13,200	18%
County Metro station areas*	28,600	38%

\* Bethesda CBD, Friendship Heights CBD, Glenmont, Grosvenor, Silver Spring CBD, Shady Grove, Twinbrook, Wheaton CBD, and White Flint. Source: M-NCPPC Research & Technology Center (as of July 2003).

walk (half-mile radius) of existing MARC and Metro rail stations or proposed stations under the Corridor Cities Transitway and the Georgetown Branch transit projects.

**Capacity by Community-Based Planning Areas**

The Residential Capacity Study shows that the County’s capacity for future housing development is primarily in the I-270

Table 3

**Future Units by Community-Based Planning Area**

Consistent with the County's General Plan, about 75% of future units are located in the urban ring (Bethesda and Silver Spring) or along the I-270 Corridor.

Community-Based Planning Team Area	Units	%
Bethesda, Chevy Chase	7,900	11%
North Bethesda	7,200	10%
Eastern County	2,800	4%
Georgia Avenue	7,900	10%
I-270 Corridor	32,500	43%
Potomac	2,900	4%
Rural	3,900	5%
Silver Spring/Takoma Park	10,000	13%

Source: M-NCPPC Research & Technology Center (as of July 2003).

## The Cities and Metro Station Policy Areas

Together, the Cities of Rockville and Gaithersburg account for 18% of future residential development. Of the remaining 82 percent, about half is located inside the County's Metro Station Policy Areas, which include the four central business districts of Silver Spring, Wheaton, Bethesda, and Friendship Heights.

## Parcels or Plans With Capacity for 20 or More Units

The Residential Capacity Study identified 435 parcels or plans with the capacity for at least 20 housing units. These parcels account for 61,659 housing units, or 82 percent of the residential development capacity in Montgomery County. This is important because the Moderately Priced Dwelling Unit (MPDU) law mandates the provision of MPDUs in developments of 20 or more units.

## Forecast: Capacity for 20-25 Years of Growth

The 75,100-unit estimate of residential capacity suggests that, as of July 2003, Montgomery County had the capacity to accommodate between 20 and 25 years of residential development.

The current forecast shows 420,000 households in Montgomery County by 2030. This is an increase of 80,600 households from July 2003. Household forecasts are prepared by the M-NCPPC Research & Technology Center in cooperation with other metropolitan area localities through the Metropolitan Washington Council of Governments.

This study, therefore, suggests that the July 2003 residential capacity of the County was about 5,500 units lower than the forecast for new households between July 2003 and 2030.

Of course, market forces and government actions over the course of the next few decades will affect the number of years of growth that can be accommodated. These actions can include changes to master plans to

increase allowable densities on developable parcels to policies or market changes that encourage developers to build more of the density already permitted. It is also useful to remember that the assumptions underlying this residential capacity estimate are conservative (see "Measuring Residential Capacity" starting on page 1).

## Comparison to the Region and State

Montgomery County currently has the largest number of households of any locality in the State of Maryland. Additionally, over the next 20 years, Montgomery County will add the largest number of new households of any locality in the state. Currently the County has 16.4 percent of the state's households; by 2025 the percentage will increase slightly to 16.6 percent. Over the 2005-2025 period, Montgomery County will absorb 17 percent of the state's household growth.

Montgomery County's forecast for 2005-2025 shows the number of households increasing by 68,000. The next-highest household growth forecast in the state is Prince George's County, which is forecast to add 52,975 households between 2005 and 2025. The top 5 is rounded out, in order, by Frederick County (33,500), Anne Arundel County (33,000), and Howard County (27,850).

Within the Council of Governments member jurisdictions, Montgomery County is second only to Fairfax County in the total number of current and forecast households. In 2000, Montgomery County had 324,600 households; Fairfax County had 350,700; and the region had 1,711,000. According to the current forecast, Montgomery County will grow by 95,400 households by 2030 – a 29% increase. This is more than Fairfax County in both absolute numbers and rate of growth, but it lags the region's 37% rate of growth for the 2000 – 2030 period. As a result, Montgomery County's share of the region's households will fall from 19% to 18% by 2030.

*The County can increase its residential capacity by finding opportunities for additional housing when master plans are prepared. In the draft Shady Grove Sector Plan, the Planning Board proposes increasing the County's residential capacity by 4,000 - 5,000 units. This would increase the County's housing capacity to almost meet the projected housing demand through 2030.*

**Many of the County's vacant residentially-zoned parcels are covered by an approved or pending preliminary plan. When this is the case, the Residential Capacity study uses the number of units in the approved or pending plan for those parcels.**

**The Four Major Approaches to Estimating Capacity**

The development capacity of a Montgomery County parcel was determined in four main ways:

- 1) By counting the number of units in an approved or pending preliminary plan,
- 2) By applying development capacity guidance in master plans when different from current zoning (“assigned capacity”),
- 3) By applying 12-year historical yields to vacant, non-CBD parcels based on their current zoning (“vacant model”), and
- 4) By applying 15-year historical yields to vacant and redevelopable parcels in the County's Central Business Districts (“CBD model”).

**Approved and Pending Development Plans**

If a parcel is covered by an approved preliminary plan or pending preliminary plan, the Residential Capacity Study counted for that parcel the number and type of units in the approved or pending plan. There were two main reasons for this approach: the preliminary plan is a much better “educated guess” about how much development can take place on a parcel than any model could generate; and second, already approved development is a large part of Montgomery County’s future development.

**Plans and Policies (“Assigned Capacity”)**

Although Montgomery County comprehensively rezones parcels when a new master plan is adopted, there are still many parcels where the current zoning does not accurately reflect the development capacity that is achievable. In some cases the master plan may have restrictions that undercut the density permitted by the current zoning; in others the master plan may recommend a floating zone that would permit higher densities. Capacity for these parcels was determined in a number of ways. One way involved consultations with

community-based planners, environmental planners, and development review staff in order to understand the significance of various plan elements and also other situations affecting specific parcels. This approach accounts for such things as recommended or floating zones or areas where redevelopment or parcel assemblage is advised or likely.

This collaborative process also accounts for certain instances of local knowledge affecting what would otherwise be determined for a given parcel only by its zoning. Examples of this would be a unique environmental feature limiting development on a parcel or the likely application of a special exception,

**Measuring Residential Capacity**

*continued from page 1*

*realistic growth forecasts and will serve as a baseline for measuring the need for; and impact of, changes to current plans, practices, and regulations.*

*Among the uses of the Residential Capacity Study will be: for the preparation of master plans, for the review of housing and other land use policies, and for analysis of proposed zoning changes and development regulations. A primary use will be to help prepare forecasts of future households, which, in turn, are used to determine demand for public facilities – such as schools and transportation – and impacts on the environment.*

*The estimate in this report reflects plans, policies, development regulations and market conditions as of July 2003. This means that the residential capacity estimate does not assume future changes to master plans, future changes to zoning (unless allowed in currently adopted master plans) and does not assume changes to approved and pending preliminary plans of subdivision. Research & Technology Center staff is now updating the study findings to account for events that changed the County’s development capacity since July 2003. In addition, staff is exploring options for streamlining and, to the greatest extent possible, automating the update process.*

age-restricted housing project that would significantly increase a parcel's capacity.

### Vacant Model

The third method used to estimate the development capacity of vacant parcels is called the "vacant model." This method calculates historical "yield factors" – the number of housing units built per acre – for each zone that allows housing to be built. The vacant model then multiplies each vacant parcel's acreage by the yield factor for the parcel's zone.

Almost all of the yield factors used in this Residential Capacity Study are based on the average historical yield on parcels with the same zone for plans approved during the period from 1990 to 2002. Although we use the word "historical," it is important to remember that much of future development is covered by preliminary plans approved between 1990 and 2002.

The yield factors prepared by the Research and Technology Center take into account the availability (or lack) of sewer. The factors also take into account whether the parcel has environmental constraints that would reduce the number of future units. Environmental constraints include stream valley buffers and wetlands, slopes greater than 25%, and slopes greater than 15% where erodible soils are also present. Finally, the Residential Capacity Study adjusts its estimate of future units based on the likely use of transferred development rights (TDRs).

### CBD Model

The final method for estimating residential development capacity is the CBD Model, which estimates capacity of parcels in high-density, mixed-use zones within the Metro Station Policy Areas.

There are two steps in this process. The first step is identifying vacant and "redevelopable" parcels where additional future development is likely to occur. The second step is developing valid "yield factors"

to estimate the residential capacity of these parcels.

A challenge of this part of the process is identifying which parcels are "redevelopable." Researchers reviewed a number of alternative definitions of "redevelopable" and chose the following: a redevelopable parcel is one where the land value is equal to or exceeds the value of the improvement on that land. This is a definition of redevelopable that has been used successfully in the past. Yields factors were applied to these properties and the existing residential portion was netted out.

Development of historical yields for CBD zones was relatively challenging because these are mixed use zones and the allowable density can change depending on whether the developer uses the standard method of development or the optional method of development, or if the developer takes advantage of the density bonus allowed under the moderately-priced dwelling unit ordinance. Researchers reviewed the past history of the use of these zones to determine the most likely, or "average" residential yield for these zones based on fifteen years of approvals.

**The Residential Capacity Study estimates the number of future housing units on vacant parcels by looking at the number of units that have been approved on similar parcels in the past 12 years. Among the factors that are taken into account: zoning, the availability of sewer, and environmental constraints.**

Table 4

### Future Units by Estimation Method

40% of future units are in already-approved or pending preliminary plans. About one-fifth of residential capacity will involve development or redevelopment in the County's Central Business Districts.

Method	Units	%
Approved preliminary plans	23,300	31%
Pending preliminary plans	6,900	9%
Vacant parcels - historical yields of zone	7,500	10%
Vacant/redevelopable parcels - assigned yields	21,600	29%
Central Business District - historical yields	15,800	21%
<b>Total</b>	<b>75,100</b>	<b>100%</b>

Source: M-NCPPC Research & Technology Center (as of July 2003).

# Nearing buildout: implications and opportunities

*The most practical and effective locations for adding new housing capacity are within existing centers and along the major transportation routes that connect them. These locations make jobs and housing more accessible to the population that needs them, conserve land and watershed resources, and reduce the cost of adding roads, sewers, and other infrastructure.*

As Montgomery County approaches buildout of its residentially-zoned land, it faces a future that builds on trends begun decades ago. Throughout its history, much of the County's development occurred on large tracts of vacant land. This development transformed the County from primarily rural to largely suburban in character. More recently, the County has also accommodated growth by permitting urban levels of density, concentrated in areas near high-quality transit: the central business districts of Bethesda, Friendship Heights, and Silver Spring are three examples.

Now that most of the large vacant parcels are developed, Montgomery County's challenge is to continue to accommodate growth while remaining true to the vision of the General Plan. Among the implications and opportunities:

**Growing up, not spreading out:** An extraordinary commitment by Montgomery County has resulted in the preservation of 148,000 acres – 47 percent of the County – as “forever green” open space. As the supply of vacant developable parcels declines, there will be increasing pressure to allow more development in the agricultural reserve. This pressure can be offset by finding opportunities to add housing within already-developed areas.

**Increasingly urban and multi-family:** Builders are already finding and developing infill sites within urban areas of the County. This is a trend that will continue as a greater proportion of residential development will be infill and involve redevelopment of already-developed land. Many of the infill and redevelopment opportunities involve higher densities, so that much of future residential development will be multi-family: apartments and condominiums.

**Meeting the challenge of high home prices:** Supply constraints can exacerbate the upward pressure on housing prices that are already very high in this region. However, because Montgomery County is part of a much larger housing market, and because it would take a very large increase in the supply of housing

sites to have a measurable impact on home prices, public officials have very limited ability to affect the market price of housing. Strategies for improving housing affordability must assume a constrained supply of land for new housing construction. This points again to multi-family housing because it is generally more affordable to the County's workforce. Challenges include: how to make apartments and condominiums more family-friendly, and how to meet the needs of workers who continue to prefer single-family homes.

**Adding new capacity for housing in the future will not be easy, but has many benefits.** As the County looks to infill sites to add housing capacity, it will be challenged by nearby residents to produce plans that both add housing and add to the quality of life of the whole neighborhood. The potential benefits include: replacing aging centers with a revitalized and lively mix of uses; housing that is generally more affordable to the County's workforce; and development that takes advantage of existing infrastructure in the most efficient way.

As it matures, Montgomery County's planning focus is changing. The outward expansion of infrastructure is no longer a priority. Instead, the County must reinvest in its existing residential and business communities. As the County continues to mature, exciting new opportunities are emerging. Community-scaled redevelopment, infill, and multi-modal transportation initiatives will provide a new dimension for innovative and imaginative planning that will create livable and inspiring places to live and work for future generations.

[For More Information](#)

## Residential Capacity Estimate

*Project Manager: Matthew Greene*

The Residential Capacity Estimate is a project of:

The Research & Technology Center  
Montgomery County Department of Park & Planning  
Maryland-National Capital Park & Planning Commission

8787 Georgia Avenue, Silver Spring MD 20910  
voice: 301.495.4700 fax: 301.495.1305

[www.mcfacts.org](http://www.mcfacts.org)



### **Planning Aspects of the County's Strategic Economic Development Goals**

The Montgomery County Council adopted a *Strategic Plan for Our Community's Quality of Life and Economic Development* in 2004. The Strategic Economic Development Plan was developed by the County Executive's Economic Advisory Committee.

The four "vision principles" of the Plan are:

- *"Our community's quality of life and public services are dependent on the ongoing prosperity of the economy—with economic success and a high quality of life mutually reinforcing."* A high quality of life attracts economic vitality, and economic vitality helps pay for the services that provide a high quality of life.
- *"Nurture a supportive business environment."* Although the Plan is referring to the overall business environment, it also mentions the importance of "continuing to identify strategic opportunities that will result in well-paying jobs" for County residents.
- *"Focus strategically on knowledge-based industries"* such as biotechnology, information technology and telecommunications, and professional services.
- *"Promote the development of critical long-term infrastructure through projects with immediate impact and through the commitment of required fiscal resources."* These include diverse housing options, education and training for a skilled workforce, and a more efficient transportation system to support businesses and attract quality workers.

Section II of the Plan contains "Strategic Goals and Action Plans" to help achieve the four vision principles. The first goal—a progressive business climate—is to be supported with a number of actions, including:

- "Continue the emphasis on smart growth objectives, whereby economic vitality is supported through higher density and mixed-use activity centers that are well-served by transportation options that include roadways, high-quality transit and pedestrian facilities."
- "Continue to expand programs that revitalize our town centers and provide strategic redevelopment opportunities."
- "Incorporate the goals of the County's Strategic Plan into County economic, land-use, education and infrastructure policies."
- Enrich the County's stock of commercial and industrial facilities by strategically creating opportunities that will result in high-quality development."

- “Continue to build on past efforts to coordinate land-use reviews and requirements among the County government, Park and Planning, Washington Suburban Sanitary Commission and other governmental and quasi-governmental agencies.”
- “Actively champion the adoption of public policies and land-use legislation and regulations that are vital to the construction of more commercial facilities in the County, including the possibility of increased density in exchange for school and transportation contributions and viewing public objectives such as incubator development as an “amenity” space in the zoning ordinance.

Several of these points specifically underscore the utility of a planning process that is aimed at sustaining the vitality of our centers and the importance that redevelopment plays in the County’s economic future.

The second goal— transportation infrastructure—focuses primarily on adding transportation capacity and finding the financial resources to pay for those additions. Enhancements to transit service and infrastructure are included, as are enhancements to pedestrian and bicycle networks. Less explicitly, the Plan suggests that there are benefits to an efficient land use pattern that enhance accessibility among jobs and workers and takes full advantage of our investments in transportation infrastructure and programs.

The third goal is to “provide leading-edge infrastructure and incentives to promote the expansion and global leadership in biosciences and health care, information technology and telecommunications, and related professional services.” These include initiatives to support start-up companies, including but not limited to: increasing the availability of incubator and lab space, assuring the availability of broadband service, and helping to match local companies with venture capital. This goal is also supported by actions to “promote the expansion of federal research and regulatory agencies in the County” such as accommodating agency space and site requirements during the planning and regulatory process.

The fourth goal—stimulating existing businesses and entrepreneurship—highlights the importance of small businesses to the County’s economy, particularly those headed by minority, female and disabled businesspersons. The actions to support this goal include “programs that support the growth of an ethnically diverse business community that expand on the multiculturalism found in the County.” This goal also informs the planning processes that will result in revitalization by acknowledging that redevelopment can have the effect of displacing existing businesses and that this effect will have to be addressed.

The fifth and sixth goals—marketing and business promotion and workforce development—are not directly related to the land use planning process. However, the seventh and final goal—quality of life—engages the

efforts of the Department of Park and Planning in numerous ways. The goal emphasizes the importance of a diverse supply of housing units sufficient to accommodate our growing population and a diversified workforce. It stresses the importance of the County's cultural, recreational and environmental assets, each of which are supported directly or less directly by the Commission. The Plan also highlights the importance of the County's success in preserving its rural environment, agricultural lands and open space; these "make the County and attractive place to live." The County's "long-term investment in agricultural land and open space has preserved a natural environment that is unique among large metropolitan jurisdictions" and "further investments...will add to the County's quality of life." Specific action steps include:

- *"Provide for variety and choice in housing, to serve citizens through all stages of life, in conformance with the County's General Plan."*
- *"Support the expansion of affordable housing opportunities throughout the County, especially for households at the median income level and below."*
- *"Continue to enhance the County's 32,200-acre award winning park system, replete with lakes, campgrounds, golf courses and equestrian centers."*

The proposed planning focus addresses protection and support of the County's agricultural reserve both directly by committing resources and attention to meeting the needs of the rural areas of the County, and indirectly by pursuing a strategy that seeks to provide opportunities for continued economic growth within the development envelope.