



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

MCPB Meeting 2/5/04
Agenda Item #2

February 2, 2004

TO: Montgomery County Planning Board

VIA: Charles R. Loehr, Director

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SUBJECT: Housing Montgomery: Progress, Product, Preview

STAFF RECOMMENDATION: DISCUSSION AND TRANSMITTAL TO COUNTY COUNCIL

OVERVIEW

The purpose of this Update Report is two-fold. The Report: (1) briefly highlights *progress to implement tasks* assigned to the Park and Planning Department in the County Council's Action Plan, and (2) presents recent *project deliverables*.

The Planning Board, County Council, and Executive review of housing initiatives will accelerate throughout the up-coming twelve months. *A preview of program direction, emerging issues, and resultant changes and improvements in the way we plan, regulate, and track housing* will be presented to the Planning Board in March, along with a report exploring the use of park houses for workforce and/or special need housing.

1. PROGRESS

Projects tasked to the Department are on target. The Department is stretching its resources to maintain the momentum necessary to programmatically

coordinate and expedite delivery of the tasks and timelines outlined in the Work Program Chart, included as **Attachment #1**.

2. PRODUCTS

During the past six months, staff has focused its efforts on a range of tasks, as outlined in the Action Plan, to increase the supply, mix, and affordability of housing, improve tracking of housing data and information, and expand community outreach opportunity.

A. MASTER PLAN PROGRAM

The master plan program continues to emphasize the creation of mixed-use communities that include a wide range of housing types to serve the needs of Montgomery County.

All master and sector plans now include a chapter on housing, emphasizing housing affordable to our workforce as well as senior housing. This new chapter identifies opportunities for joint development on publicly owned sites and creative land use and zoning techniques to encourage residential development.

During the past six months, the master plan and sector plan program has expanded housing opportunity in the following areas:

Upper Rock Creek Area Master Plan: The Planning Board Draft of the Upper Rock Creek Area Master Plan was completed. It includes rural neighborhood cluster options to preserve environmentally sensitive areas and increase opportunities for providing a variety of residential lot sizes.

Olney Master Plan: The Staff Draft of the Olney Master Plan was completed. The Plan includes a new transit-oriented neighborhood along Georgia Avenue, and additional housing opportunities in the Olney Town Center.

Shady Grove Sector Plan: The Staff Draft of the Shady Grove Sector Plan was completed. The Sector Plan includes opportunities for providing a mixed-use neighborhood for at least 4000 additional housing units near the Shady Grove Metro Station.

In addition, staff effort is focusing on providing additional housing opportunity in the upcoming Staff Draft of the Gaithersburg Vicinity Master Plan, Damascus Master Plan, and the Twinbrook Sector Plan. A limited sector plan amendment has also been considered for the Woodmont Triangle in Bethesda.

A wide range of zoning efforts to implement the master plans and sectors plans is also underway.

The Olney and Damascus Master Plans will include a series of new Mixed-Use Village Zones to replace the existing single-use commercial zones. These zones will provide opportunities for housing in the town centers of Olney and Damascus.

The zoning changes needed to improve housing opportunity in the Shady Grove and Twinbrook Sector Plans will focus on amendments to the TSM and TSR Zones. This effort, in part, will expand the range of housing types and accompanying amenities through a streamlined review process. The study effort is outlined in the Regulatory Program.

Joint Development Opportunities at Metro Stations and in Parking Districts

During the November housing checkpoint meeting with the Planning, Housing and Economic Development Committee (PHED), staff of Park and Planning and the County Department of Transportation were asked to prepare an inventory of Parking District opportunity areas. Staff expanded the inventory to include Metro Station areas as well. **Attachment #2** presents maps of the Metro station and Parking District areas and summaries of joint development opportunities.

The Community-Based Planning Division completed a review of several joint development projects at Metro stations in Montgomery County. These projects include sites presently owned by Montgomery County, the Maryland Transit Administration (MTA), the Maryland-National Capital Park and Planning Commission (M-NCPPC), and the Washington Metropolitan Transit Authority (WMATA).

During the past six months, over 3,700 housing units, including more than 360 moderately priced dwelling units (MPDUs), were completed or approved on land owned by Montgomery County and the WMATA. More than 4,500 housing units, including over 600 MPDUs, are planned in the near future. The following table summarizes the joint development opportunities at Metro Station and Parking District areas:

Summary of Joint Development Projects at Metro Stations in Montgomery County

Station Name	Completed	Approved	Future	Total Units	Total MPDUs
Shady Grove	-	165	3115	3280	411
Twinbrook	-	1114	-	1114	139
White Flint	-	1350	-	1350	169
Grosvenor	860	-	543	1403	176
Bethesda*	258	-	100	358	45
Silver Spring*	-	-	420+	420+	53+
Wheaton*	-	-	245+	245+	27+
Glenmont	-	-	111+	111+	14+
Totals	1118	2629	4534+	8281+	1034+

*Parking Districts: The Executive staff should prepare RFPs to solicit joint development/housing proposals for Bethesda and Silver Spring.

During the next six months, staff will concentrate joint development efforts on providing a range of housing opportunities in the following areas:

Silver Spring Transit Center – The planning for the joint development with Montgomery County, WMATA and the MTA will continue. A transit station, a hotel, an office building and 250 housing units are presently included.

Shady Grove Sector Plan – Joint development with the Department of Public Works and Transportation (DPWT), the Montgomery County Public Schools (MCPS) and M-NCPPC has been proposed in this pending Sector Plan. Working with each agency to ensure implementation of the housing goals will be a focus of the efforts in the next six months to provide an additional 3200+ dwelling units.

Grosvenor Transit Station Area – Joint development with the WMATA will be the focus of the efforts in this area to provide over 500 additional housing units.

Bethesda Central Business District – Lot 31 is a joint development opportunity on an existing public parking facility. The Bethesda Sector Plan provides a joint development opportunity. The Department of Housing and Community Affairs (DHCA) is presently preparing the request for proposals to include 100 housing units.

B. REGULATORY PROGRAM

An important housing priority, in the County Council's Action Plan, focuses on changes to the central business district (CBD) zones and the transit station (TSR & TSM) zones to promote mixed-use projects and higher density development and redevelopment, while expanding the supply of housing affordable to our workforce in urban areas.

Staff will work with a panel of experts from the Urban Land Institute (ULI) to comprehensively examine existing policies, procedures, and processes to encourage mixed use and higher density projects. A key element of this work effort will focus on the provision of more housing, as well as housing affordable to our workforce.

This effort is an important element of the Comprehensive Zoning Rewrite and will be expedited. A ULI Technical Assistance Workshop is scheduled for February 25, 2004; its recommendations will be presented to the Planning Board in early April.

Staff expects to transmit a package of recommendations and text amendments to the County Council by June 2004. Major topics will include: (a) streamlining the review process and procedures for approving urban projects; (b) the need for public-use space as part of new projects; (c) incentives for new housing, including workforce and family-friendly housing; (d) amenity guidelines; (e) key factors to encourage good urban design for urban projects; (f) live/work housing opportunities; and (g) appropriate urbanized development standards that will enable new development to fit into the planned urban fabric.

Mature Commercial Center Study

This study will focus on older commercial centers located outside the CBDs and transit station areas. Many of these older C-1 and C-2 zoned shopping centers are in need of major renovation, and many are not included in an on-going master plan program.

These centers are transit oriented and are served by Metro and Ride-On buses. They offer excellent opportunities for revitalization with mixed-use development, including housing.

This study effort will begin in Fall 2004.

C. PUBLIC INFORMATION PACKET

The County Council's Housing Action Plan calls for the development of a public information packet and tasks primary responsibility to the Park and

Planning Department. The purpose of the packet is to help build an informed civic and business constituency throughout the county. By expanding the public's broad understanding of current and future housing issues facing the county, we hope to broaden acceptance of housing affordable to our workforce.

The Department recently completed a mock-up public information packet. It is modeled after a highly successful packet produced by Westchester County, New York. The mock-up has been circulated for review to key government officials and housing stakeholders. Production is targeted for April 2004. (Attachment #3, Public Information Packet Mock up).

The Department suggests that 1000 copies of this packet be produced for use by county agencies and other interested groups and individuals. The Department proposes that the cost of production be assumed by three parties—the County Council, County Executive, and Park and Planning.

The Department recognizes the importance of pressing forward with a near-term project to help broaden public understanding of workforce housing issues and to better identify the concerns and needs of our civic, business, organized labor, and banking communities. The Department will develop and initiate a "leadership outreach effort." The public information packet will be integral to this effort.

D. PROPOSED EMPLOYER-ASSISTED WORKFORCE HOUSING PROGRAM IN PARTNERSHIP WITH FANNIE MAE

The Planning Board, County Council, and County Executive are all diligently working to expand the supply, variety, and affordability of our housing stock to enhance the county's well being. We believe this is an opportune time to invite employers to participate with the county to address workforce housing issues. After all, it makes good "bottom line sense" to the business community in terms of employee attraction, retention, and morale.

Housing costs are rising faster than wages for most Montgomery County workers. Furthermore, the current wage and job sector distribution is not anticipated to change in the foreseeable future. Our mid-level professionals to lower paid service employees will experience increasing pressure on family resources, income, and time to find housing that is affordable.

A partnership effort is proposed among government, employers, not-for-profit housing providers, organized labor, lenders, Fannie Mae, and business organizations such as the Chamber of Commerce to help expand housing opportunity in Montgomery County. Attachment #4 provides an overview of the proposed Employer-Assisted Housing Program (EAH).

Jurisdictions similar to Montgomery County have successfully engaged the business community, most often using EAH Programs to expand housing opportunity for their workforces. A nationwide survey of successful EAH partnerships is included in **Attachment #5**.

E. HOUSING AFFORDABILITY IMPACT STATEMENTS

In order to monitor the implications of planning and regulatory decisions regarding the supply and affordability of housing, the Department has implemented a pilot project that requires the preparation of a Housing Affordability Impact Statement for mandatory referrals (including the federal and county capital improvement programs), preliminary plans, and rezoning cases.

The Impact Statement is a simple, one-page form, consistent with other forms already used by the Development Review Division. The applicant will complete it when the project is filed. The Impact Statement will accompany the project to the Planning Board and County Council. If there is a housing issue of significance, a separate housing report will be prepared by the Research and Technology Division. **Attachment #6** includes the Impact Statement Form. A letter will notify the development community and others of this new requirement.

First round Impact Statements will be prepared for the following three projects: Walter Reed Army Medical Center Glen Haven Section, Wheaton; Twinbrook Metro Center TSR Mixed-Use Project; and the National Park Seminary, Silver Spring.

F. NATURALLY OCCURRING HOUSING STOCK AFFORDABLE TO THE WORKFORCE

The County Council expressed a need to better understand the dynamics of the naturally occurring affordable housing stock in Montgomery County. The first building block to better understanding is an examination of the State Department of Assessment and Taxation files for Montgomery County. Assessments represent a general indicator of value, however, sales data, wait lists and various other indices are needed to refine the following preliminary observations:

More than a third (43.6%) of the County's ownership units have a total assessed value of less than \$200,000 including—

- More than 46,000 single-family detached units
- More than 46,000 townhouse units
- More than 17,000 multifamily garden condominiums
- More than 6,300 multifamily high-rise condominiums

Nearly two-thirds of the units with a total assessed value less than \$100,000 are multi-family, garden-style condominiums (10,908 units).

This information is the first step to better understanding and will be used in the master plan program, included in the Planning Area Housing Snapshots, and in the preparation of housing policy.

Included as **Attachment #7** is the summary distribution of the property tax assessments of ownership units, by structure type. The structure types include single-family detached, single-family attached-townhouses (fee simple and condo), and multifamily condos (garden-style and high-rise).

3. PROGRAM PREVIEW

A. COUNTY-OWNED SURPLUS SITES STUDY

Seven properties with “high potential” for housing use in the near term were identified in March 2003. These sites range in size from 1.25 acres to a 32-acre site in Olney.

Three of the “high potential” sites are owned by MCPS. In October 2003, the Executive asked MCPS to declare the three properties as unneeded for school purposes and that these three properties be transferred to the county for the development of affordable housing. The Board of Education will make a decision in the latter part of February.

The disposition process has begun for the four “high potential” sites owned by the county. Total time to for the process to convey the land to the Department of Housing and Community Affairs (DHCA) will be approximately 200 days. Executive staff is now using the research material supplied by Park and Planning to streamline and expedite the disposition process further.

Once DHCA controls the land, they will prepare a general development strategy for the property. Then they will identify individuals or groups to develop the property with affordable housing. The four county-owned sites of “high potential” are targeted for disposition through a request for proposal (RFP) process on April 15, 2003.

Once the sites are identified through an RFP process, developers would have to go through the regulatory process for approval of their plans. This would require either a mandatory referral to the Planning Board, if the county were to seek the approvals, or possibly a special exception, as appropriate.

In addition, the Executive staff will lead a new interagency task force to review additional publicly owned sites as possible candidates for affordable housing.

B. ACCESSORY APARTMENT ZONING TEXT AMENDMENT

The DHCA has taken the lead role in drafting a zoning text amendment to allow accessory apartments as permitted uses, rather than as special exception uses, in residential zones. The text amendment will be submitted to the County Council for introduction in the very near future. The Planning Board will review the text amendment and submit recommendations to the County Council prior to public hearing.

Park and Planning staff believes that accessory apartments represent an acceptable method of providing more housing affordable to our workforce. Making accessory apartments a permitted use will streamline the approval process. However, care must be taken to address the issues of neighborhood compatibility and concentration, as well as enforcement.

Staff will develop a range of guiding principles to facilitate the review of the text amendment, including such issues as: (a) zoning and licensing requirements, (b) numeric criteria to guide the number of accessory apartments in neighborhoods, (c) appearance and ownership guidelines, (d) appeal process, and (e) guidelines for accessory apartments in new subdivisions.

C. RESIDENTIAL CAPACITY STUDY

Previously referred to as the Land for Housing Inventory, the Residential Capacity Study is on track for an April completion. The goal of the **Residential Capacity Study** is to identify and quantify the County's capacity for residential housing development and redevelopment under current zoning.

The quantification of development opportunities at "one point in time" is frequently referred to as *build out* or *holding capacity*. The purpose of the Residential Capacity Study is to provide a state of the art tool for the County's decision-makers, directly and indirectly:

- To support the master planning program.
- To assist policy makers in their implementation of the Montgomery County Housing Policy.
- To inform the decisions of county residents, employers, the private development community, and public service providers, such as Montgomery County Public Schools.

-To help the Department of Park and Planning prepare housing and population forecasts, which in turn provide additional support to policy makers, County staff, residents, and businesses.

D. MPDU ASSESSMENT

The County Council staff is completing its review of the MPDU Ordinance. The report is scheduled for presentation to the County Council on February 10, 2004. During the past five months, staff of the Research and Technology Center have provided extensive support and anticipate additional work subsequent to County Council review.

E. SPECIAL NEEDS HOUSING REPORT

Park and Planning staff is awaiting release of the final report from Health and Human Services (HHS). The GIS maps of various special need housing has been completed.