



MWCOG Resolution: Meeting the Region’s Current and Future Housing Needs



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Description

Paul DesJardin, Director of Community Planning Services at the Metropolitan Washington Council of Governments (COG), will provide a briefing on the three regional housing targets adopted via resolution by officials from the District of Columbia, Maryland, and Virginia to collaboratively address the area’s production and affordability challenges.

This collective action, outlined in the resolution approved by the COG Board of Directors on September 11, 2019, is the culmination of a year-long effort by local planning and housing directors and COG to determine: 1) how much additional housing is needed to address the area’s current shortage and whether the region could produce more; 2) where the new housing should be located to optimize and balance its proximity to jobs; and 3) how much new housing should cost to ensure it is priced for those who need it.

Background/Overview

According to COG’s Cooperative Forecasts, employment growth currently outpaces housing growth in the region. This situation affects the area’s affordability, potentially undercutting its appeal to new companies and talent and necessitating commuting into the region for work, straining the transportation system.

In early 2018, The National Capital Region Transportation Planning Board (TPB) noted the need to provide a sufficient supply of housing to reduce strains on the transportation system caused by workers commuting to jobs in the region from communities located beyond its boundaries.

Recent analysis done by the TPB determined that additional housing in the region would significantly improve transportation system performance, particularly if those units were strategically located in Activity Centers and near High-Capacity Transit Stations.

These challenges have also been documented in research by many other leading experts, including the Urban Institute, George Mason University’s Center for Regional Analysis, Enterprise Community Partners, the Housing Leaders Group of Greater Washington, and the 2030 Group.

As part of the initiative, local housing and planning directors have worked together with COG to determine what it would take to increase housing by at least 75,000 units beyond what is currently forecasted by 2030, to address the region's shortfall. They have focused on the amount, accessibility, and affordability of additional units needed.

- **Amount** – How much new housing should be added in the region and by when?
 - At least 320,000 housing units should be added in the region between 2020 and 2030. This is an additional 75,000 units beyond the units already forecasted in this period.
- **Accessibility** – How much of the additional housing should be located in Activity Centers and near High-Capacity Transit Stations?
 - The COG Board proposes 75 percent of new units go to Activity Centers and near High Capacity Transit.
 - The 2010 Region Forward goal was to accommodate 50 percent of projected new housing in Activity Centers. The COG Board adopted 75 percent as a new target, as local Planning Directors determined zoning capacity already exists to add 75,000 more housing units in Activity Centers and near High Capacity Transit Stations.
- **Affordability** – At what price should housing be added to accommodate the type of household growth anticipated?
 - Urban Institute¹ analysis points to a need for a greater emphasis on low- and middle-income housing.
 - High Cost Bands (Monthly Housing Cost of \$2,500 to \$3,500, Above 150 percent Area Median Income [AMI]) – 22 percent of New Units
 - Middle Cost Bands (Monthly Housing Cost of \$1,300 to \$2,499, 80-150 percent AMI) – 40 percent of New Units
 - Low Cost Bands (Monthly Housing Cost of \$0 to \$1,299, 0-80 percent AMI) – 38 percent of New Units
 - To form a regional target on affordability, COG staff and the planning and housing directors weighed these local-level affordability targets and the Urban Institute’s report and consulted with officials from across the region. The resulting target—where at least 75 percent of new housing is affordable to low and middle-income households—is considered compatible with these efforts and would be a significant regional achievement.

While the Montgomery County Planning Board does not have planning and zoning authority over the municipalities of Rockville and Gaithersburg, Montgomery County’s forecast does include both the municipalities of Gaithersburg and Rockville. Montgomery County’s forecasted household growth from 2020 to 2030 is 31,000 households, which is ~~10~~ 13 percent of the regionwide growth expected during the same period. Of the anticipated household growth of 31,000 households from 2020 to 2030:

- Montgomery County (excluding Gaithersburg and Rockville) has an anticipated growth of 23,000 households (10 percent of the total regional household growth forecast from 2020 to 2030);
- The city of Rockville has an anticipated growth of 5,000 households (2 percent of the total regional household growth forecast from 2020 to 2030); and
- The city of Gaithersburg has an anticipated growth of 3,000 households (1 percent of the total regional household growth forecast).

¹ “Meeting the Washington Region’s Future Housing Needs.” The Urban Institute.
<https://www.urban.org/research/publication/meeting-washington-regions-future-housing-needs>

At the recommendation of the region's Planning Directors, COG staff proposed distributing the needed 75,000 additional housing units based on each jurisdiction's share (percentage) of forecasted household growth between 2020 and 2030. Montgomery County's share of the additional 75,000 housing units needed regionally from 2020 to 2030 is ~~7,000~~ 10,000. The 10,000 additional housing units needed for the county includes the jurisdictions of Rockville and Gaithersburg. Of the 10,000 household units, Montgomery County, excluding Rockville and Gaithersburg, would have a share of 7-8,000 units, 1,000 units would be allocated to the city of Rockville, another 1,000 units would be allocated to the city of Gaithersburg.

Timeline

- Early 2018: TPB endorses Long-Range Plan Task Force initiatives, including bringing jobs and housing closer to together.
- July 2018: COG analysis identifies regional housing shortfall; COG Board members discuss housing need at leadership retreat.
- September 2018: COG Board unanimously adopts resolution acknowledging housing shortage; directs Planning Directors and Housing Directors to assess what it would take to close the gap.
- January 2019: COG Board endorses work plan to better understand the amount, accessibility (location), and the affordability of needed housing.
- July 2019: COG Board nears agreement on regional housing targets.
- September 2019: COG Board adopts resolution to collaboratively address the area's housing production and affordability challenges.

A report providing an overview of the initiative and resulting resolution is attached and available online. <https://www.mwcog.org/documents/2019/09/10/the-future-of-housing-in-greater-washington/>