Introduction
The main topic of discussion for today’s worksession and approval by the Planning Board is a draft of the revised housing chapter now called Theme #4: Affordable and attainable housing: more of everything (ATTACHMENT 1). It lays out the issues and existing conditions related to housing affordability, the goals and policies Thrive Montgomery 2050 proposes to address these issues, the ways in which these policies will further the key objectives of Thrive Montgomery 2050, and a set of potential measures to monitor the progress of achieving the housing goals of the Plan.

Staff will also present a summary of major themes of the public hearing testimony related to housing and a discussion of the Residential Development Capacity Analysis (RDCA)—an estimate of the potential residential units that may be built in the county under current zoning and certain assumptions and constraints including, among others, applicable market trends, zoning and other regulatory controls and policies that can affect the number of units built upon a property. While this analysis provides an overall estimate of the number of dwelling units permitted under existing zoning, it is not an indication of an individual parcel’s ability, or likelihood, to develop or redevelop. The analysis recognizes that each parcel has unique physical and market conditions that will greatly influence its full development potential under various conditions.

In order to let the Planning Board and the public know in advance of what will be discussed at each worksession, an outline of the revised chapter/theme is published two weeks in advance of the worksession. In addition, staff also publishes any relevant material such as a study or analysis, that will be presented to the Board at an upcoming worksession two weeks in advance of that worksession. Therefore, today’s packet includes an outline of the main topic of discussion for the January 21 worksession—Theme #3: Transportation and communication networks: connecting people, places and ideas. The packet also includes a transportation analysis that analyzed the impacts of trends related to the economy, climate change, demographics, technology, and lifestyle choices on the future transportation network in the county.
Major themes of public testimony related to housing

Almost all commenters agreed that housing affordability is a serious challenge in Montgomery County. Most people also agreed with the Plan’s recommendations to address the issue. Others disagreed with the Plan’s recommendations, questioned the Plan’s assumptions and causes of housing affordability, or stated that there was not enough information in the Plan (such as which neighborhoods will be impacted and by how much) to support its recommendations for increasing housing production. A few commenters questioned the basic premise of the need to accommodate approximately 200,000 people in the next 25-30 years. In their view, we should not try to plan for the projected population growth. Instead, these commenters testified that the county should either stop accommodating any new population growth or limit growth to a smaller, more manageable number out of a concern that the county will not be able to provide infrastructure and other public services to support the projected population growth in an environmentally sustainable manner.

Need for a more aggressive approach

While most of the housing related testimony was supportive of the draft Plan’s goals, policies and actions, many thought the Plan’s recommendations didn’t go far enough to address the housing affordability issue given the ongoing housing crisis and the growing need for attainable and affordable housing. They urged the Plan to take a stronger position on housing to ensure that all neighborhoods are affordable to all income levels, especially low-income households. Some felt that the Plan was too focused on creating market-rate housing or the current Moderately Priced Dwelling Unit (MPDU) program when discussing affordable or income-restricted housing.

Other comments suggesting bolder approaches included allowing small apartment buildings in addition to duplexes, triplex, and quadplexes in new developments in single-family neighborhoods; expanding the financing tools and regulatory mechanisms to create more affordable housing; and addressing the exclusionary history and nature of single-family zoning through more concrete actions to mitigate the current pattern of segregation and concentration of low-income communities in less desirable locations.

Affordable Housing

Affordable housing probably got the biggest share of comments in the testimonies. Apart from a universal agreement on the need for more affordable housing, most comments stated that the draft Plan relies too much on market based strategies to deal with affordable housing issues; that "attainable housing" does not equal "affordable housing"; the current MPDU program and housing subsidies are not enough to deal with the affordable housing crisis; and that affordable housing should include both rental and ownership opportunities. The Plan’s glossary defined both affordable and attainable housing, but there was still confusion about the two terms.

Some comments stressed the importance of retaining current housing at affordable levels, especially preservation and protection of the existing “naturally occurring” affordable housing units within and surrounding the County’s business districts. They believe that the draft Plan focuses on creating new housing without adequately considering retaining naturally occurring affordable housing (including possible upgrades to older housing) and repurposing of non-residential properties.

Other suggestions to address affordable housing included the provision of affordable housing in all parts of the county, while acknowledging that more affordable places in the county may require a car and leave no savings; bolder action on rent stabilization and eviction protections; consideration of affordable housing for low-income people with disabilities; reduction in county imposed costs in
building affordable housing; and support for the faith-based institutions and other non-profits involved in the development of affordable housing.

**Evolution of single-family neighborhoods**

The evolution of single-family neighborhoods and the proposal to rezone single-family neighborhoods near transit got a significant number of comments, both in support and in opposition.

Some of those who supported the housing goals of Thrive Montgomery 2050, especially additional density in single-family areas, urged the Plan to rethink single family zoning not just around transit but to allow and encourage Missing Middle housing in more neighborhoods zoned exclusively for single-family houses throughout the county. They thought that with the limited supply of open, buildable land and the shortage of affordable housing in the county, the county needs to produce more housing for all income levels, rental and for sale, to meet the needs of young professionals, large families, people with disabilities, and older adults with varying needs and lifestyles. Many commenters stressed that the lack of affordable housing was also a major equity issue the county must address.

Those who opposed the Plan’s recommendations to increase density in single-family zones near transit by allowing Missing Middle housing felt that single-family neighborhoods should remain untouched, preserving the physical character of these neighborhoods. Some of them questioned if the goal of the Plan was to eliminate all single-family housing in urban parts of the county or single-family zoning altogether. They think that existing single-family zoning should be retained and not seen as a potential resource for contributing to a more robust supply of housing in the county. Some of this opposition seemed to come from a misunderstanding of the Plan’s recommendations. For example, some commenters think that allowing Missing Middle housing in single-family areas means “allowing small multifamily structure of up to 20 units on a single-family lot”, or that the draft Plan is proposing to eliminate all single-family zoning in the county. Some of the opposition was based on the misconception that the Missing Middle housing types such as townhouses, duplexes or triplexes will be allowed in single-family neighborhoods without any planning for adequate provision of schools, open spaces and other county services, thus completely overwhelming the infrastructure in existing single-family neighborhoods.

**Missing Middle housing**

A large part of the testimony related to housing policies focused on Missing Middle housing. While many supported the Plan’s recommendations to allow Missing Middle housing in single-family neighborhoods near high capacity transit, others thought these building types were not appropriate in existing single-family neighborhoods. Some stated that the introduction of Missing Middle housing in existing neighborhoods around transit will not produce enough units to make a dent in the housing affordability crisis since these units will not create market-rate housing units affordable to a large segment of the population, but they may end up disrupting the character of these neighborhoods. Some commented that there was not enough information about what Missing Middle housing is and how it will impact existing neighborhoods. They asked for more specificity about the different housing types, where they would be permitted, and how would they be compatible with existing homes.

Some commenters supported rezoning single-family neighborhoods along transit corridors to allow Missing Middle housing but also wanted to expand it throughout the county to create more diverse and affordable housing options. They thought that Missing Middle housing was an appropriate mechanism to achieve socioeconomic integration and remove barriers to housing affordability.
Attachments

ATTACHMENT 1 is the draft of Theme # 4—Affordable and attainable housing: more of everything

ATTACHMENT 2 is Residential Development Capacity Analysis

ATTACHMENT 3 is an outline of Theme #3: Transportation and communication networks: connecting people, places and ideas. The full draft of Theme #3 will be discussed with the Planning Board on January 21, 2021.

ATTACHMENT 4 is a transportation analysis to assess the impact of trends related to the economy, climate change, demographics, technology, and lifestyle choices on the county’s future transportation network. The analysis will be presented to the Planning Board on January 21, 2021.

ATTACHMENT 5 is an updated summary table of all testimony received by December 10, 2020. The table also includes staff responses to the comments that pertain to the topics being addressed during this worksession. As we proceed through subsequent worksessions, staff will add its responses to the public comments pertaining to the topic area of each worksession.

The transcript of the November 19, 2020 public hearing can be accessed here.