# LOCAL HOUSING TARGETS PROJECT

Description

Local Housing Targets is a collaborative effort between the County Council's Planning, Housing, and Parks (PHP) Committee and Montgomery Planning to allocate countywide housing targets for 2030, 2040, and 2050 to 22 small areas of the county. Planning Staff will brief the Planning Board on work completed to date on the initiative.

Planning Staff
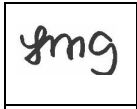
Lisa Govoni, Acting Planning Supervisor, Countywide Planning & Policy, lisa.govoni@montgomeryplanning.org, 301-650-5624

David Anspacher, Acting Chief, Countywide Planning & Policy, david.anspacher@montgomeryplanning.org, 301-495-2191

Summary

- 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.

- Local housing and planning directors worked together with the Metropolitan Washington Council of Governments (MWCOG) to determine that the region needed an additional 75,000 units beyond what was forecasted by 2030 to address the region's housing shortage. They focused on the amount, accessibility, and affordability of additional units needed.

- In 2019, the Montgomery County Council signed on to MWCOG's housing goals through a resolution that called on the county (including the cities of Gaithersburg and Rockville) to increase its share of housing built by 10,000 above the forecasted amount of 31,000 household units.

- Throughout 2023 and 2024, Montgomery Planning, the Planning Board, and the PHP Committee collaborated to develop a methodology to identify an appropriate and achievable way to create local housing targets for each Planning Area.

INFORMATION

Lead Planners

Lisa Govoni
Lisa.Govoni@montgomeryplanning.org,
(301) 650 – 5624

Planning Board Session Date

June 6, 2024

Planning Division

Countywide Planning & Policy

Planning Board Information

Item #7 – Local Housing Targets

TABLE OF CONTENTS

Local Housing Targets is a collaborative effort between the County Council's Planning, Housing, and Parks (PHP) Committee and Montgomery Planning to allocate countywide housing targets for 2030, 2040, and 2050 to 22 small areas of the county. These areas, referred to as Planning Areas, are identified in Figure 1 below. The targets will allow both community members and decision makers to better contextualize and understand the housing shortage at a more local level—and to develop strategies that help the county meet its housing goals, in line with *Thrive Montgomery 2050*.

BACKGROUND

The impetus for the project began in 2018 when 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. Local housing and planning directors worked together with the Metropolitan Washington Council of Governments (MWCOG) to determine that the region needed an additional 75,000 units beyond what was forecast by 2030 to address the region's housing shortage. They focused on the amount, accessibility, and affordability of additional units needed.

In 2019, the Montgomery County Council signed on to MWCOG's housing goals through a resolution that called on the county (including the cities of Gaithersburg and Rockville) to increase its share of housing built by 10,000 above the forecasted amount of 31,000 household units and to locate 75% of these new housing units in Activity Centers or near high-capacity transit.

Figure 1 Map of the 22 Local Housing Target Planning Areas

Throughout 2023 and 2024, Montgomery Planning, the Planning Board, and the PHP Committee collaborated to develop a methodology to identify an appropriate and achievable way to create local housing targets for each Planning Area. The 2030 local housing targets are based on meeting the regional forecast for 2030 of 31,000 new housing units for Montgomery County, as well as an additional 10,000 units to address the region's housing shortage. It subtracts the cities of Rockville and Gaithersburg's share of the countywide target (10,000 housing units), as well as the approximately 9,535 net new units that have been permitted since 2020, leaving 21,465 housing units to be constructed by 2030 to meet the county target. Looking beyond 2030, Round 10.0 of the MWCOG cooperative forecast indicates an additional 26,846 units are needed by 2040 and 16,953 by 2050, excluding the cities of Rockville and Gaithersburg. Overall, 65,264 housing units are required by 2050. Table 1 summarizes how the adjusted countywide housing targets, which are allocated to the Planning Areas, were calculated.

Table 1 Adjusted Housing Targets by Decade

	2030	2040	2050	Total
Forecasted Growth	31,000	33,503	24,300	88,803
Additional Target	10,000	0	0	10,000
Rockville and Gaithersburg Adjustment	-10,000	-6,657	-7,347	-24,004
Countywide Housing Target	**31,000**	**26,846**	**16,953**	**74,799**
Units Already Permitted	-9,535	N/A	N/A	-9,535
Adjusted Countywide Housing Target	**21,465**	**26,846**	**16,953**	**65,264**

FACTORS

Local Housing Targets were developed by allocating the Adjusted Countywide Housing Targets to the 22 Planning Areas based on how well each area scored by weighting the following factors:

- **Thrive Growth Area** –*Thrive Montgomery 2050* identifies three growth contexts in the county: Corridor-Focused Growth, Limited Growth, and Rural Areas and the Agricultural Reserve. Index points were allocated to each Planning Area based on the share of its area that is in a Corridor-Focused Growth area, and to a lesser degree the Limited Growth area.
- **Household Forecast** – MWCOG's Round 10.0 Cooperative Forecast provides household forecasts for 2030, 2040, and 2050 based on an analysis of data from a variety of sources, including local development, population, and economic trends, models of the region's population and economic base, and published state and federal statistical resources. As such, index points were allocated to each Planning Area based on its share of the Round 10.0 household forecast for each decade.
- **Zoned Residential Capacity** – The Residential Development Capacity analysis, developed by Montgomery Planning, estimates the total residential development that may be built in Montgomery County based on existing zoning and master plan recommendations. The analysis, which serves as a baseline estimate of current residential capacity in Montgomery County, also accounts for market trends, zoning rules, and existing policy decisions. For the Local Housing Targets project, the analysis was updated to include recently completed master plans (like the *Silver Spring Downtown and Adjacent Communities Plan*). Index points were assigned based on each Planning Area's share of the overall zoned residential capacity. Those Planning Areas with the highest share of the overall zoned residential capacity received the highest points.
- **Activity Center Density** – This factor relies on the Downtowns and Town Centers identified in the 2023 *Pedestrian Master Plan*, which are based on master plan visions, land use, and zoning. Downtowns are envisioned as Montgomery County's highest intensity areas including central business districts and urban centers. Town Centers are similar to Downtowns but generally feature less intense development and cover a smaller geographic area. Town Centers were subdivided based on their level of intensity into Large, Medium, Small, and Village / Neighborhood Centers, based on guidance in *Thrive Montgomery 2050*. Index points were allocated to each Planning Area by weighting the total land area in each of the five area types

based on the area type. Downtowns received the highest index points and Town Centers – Village / Neighborhood Centers received the fewest points.

- **Premium Factor** – This factor focuses on Planning Areas that have a high share of their area in a Corridor-Focused Growth area but have seen little recent housing growth. Planning Areas that have more than 40 percent of their land in the Corridor-Focused Growth area but have built less than the county's average density of new units since 2013 (excluding the Agricultural Reserve Planning Area) received additional points in the index calculation.
- **Transit Quality** – This factor measures the quality of planned transit service. It tallies the area in each Planning Area within one-half mile of each Metrorail, light rail, and bus rapid transit station and applies a weighted value to each station type, with Metrorail stations receiving the highest index points and bus rapid transit stations receiving the fewest points.
- **Pipeline Contribution** – This factor captures the potential impact of the current unbuilt pipeline to contribute to 2030 housing targets. It reflects the share of the housing pipeline that was built or permitted in the preceding six years.

The weights for each factor and decade are shown in Table 2.

Table 2 Recommended Index Factors for 2030, 2040, and 2050 Housing Targets

Factor	2030	2040	2050
Thrive Growth Area Score	35	25	20
Household Forecast Score	20	15	0
Zoned Residential Capacity Score	35	15	0
Activity Center Density Score	5	20	30
Premium Score	5	0	0
Transit Quality Score	0	25	50
Pipeline Contribution	*	0	0
Total Maximum Value	**100**	**100**	**100**

* Allocated before the index and varies by Planning Area.

Table 3 and Figure 2 show the resulting local housing targets by Planning Area for each decade. Highlights include:

- Planning Areas with high levels of unbuilt development pipeline like Bethesda/Chevy Chase and North Bethesda have the highest local housing targets in 2030.
- However, by 2040 and 2050 increasing emphasis on Activity Center Density and Transit Quality will have largely equalized the distribution of targets throughout our most dense and transit accessible Planning Areas, like Kensington/Wheaton and Silver Spring.

Table 3 Housing Targets by Decade

Planning Area	2030 Units	2040 Units	2050 Units	2030 Share	2040 Share	2050 Share
Agricultural Reserve	114	0	0	1%	0%	0%
Aspen Hill	386	961	559	2%	4%	3%
Bethesda/Chevy Chase	6,053	2,825	1,710	28%	11%	10%
Clarksburg	1,719	847	648	8%	3%	4%
Cloverly	195	504	258	1%	2%	2%
Damascus	88	24	23	0%	0%	0%
Darnestown	79	148	75	0%	1%	0%
Fairland	442	1,593	1,140	2%	6%	7%
Gaithersburg Vicinity	1,562	1,762	1,343	7%	7%	8%
Germantown	1,134	1,610	939	5%	6%	6%
Goshen	96	187	95	0%	1%	1%
Kemp Mill/4 Corners	453	1,193	788	2%	4%	5%
Kensington/Wheaton	1,179	2,840	2,103	5%	11%	12%
North Bethesda	2,401	3,862	2,326	11%	14%	14%
Olney	153	508	336	1%	2%	2%
Patuxent	68	153	99	0%	1%	1%
Potomac	1,184	615	362	6%	2%	2%
Silver Spring	2,119	2,939	1,890	10%	11%	11%
Takoma Park	562	1,538	912	3%	6%	5%
Travilah	276	562	312	1%	2%	2%
Upper Rock Creek	219	602	330	1%	2%	2%
White Oak	986	1,573	706	5%	6%	4%
TOTAL	**21,468**	**26,846**	**16,954**	**100%**	**100%**	**100%**

Figure 2 Cumulative Housing Targets 2030-2050
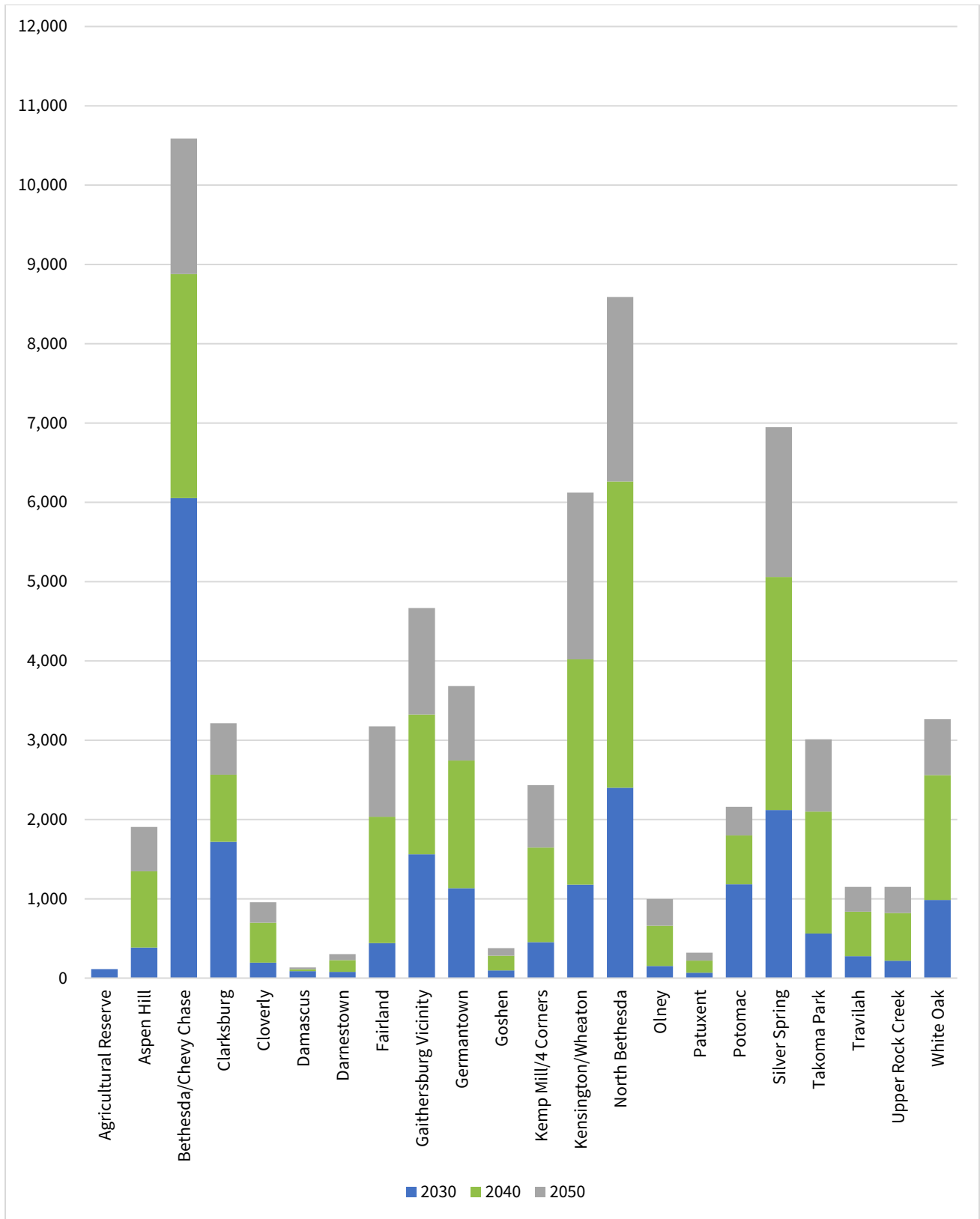
Additionally, Planning staff recommends local targets for income-restricted housing (such as MPDUs or Low-Income Housing Tax Credit units) based on existing rates of such housing in each Planning Area. These affordable housing targets are goals for the Planning Areas but do not represent new or higher affordable housing requirements for individual development projects. Table 4 and Figure 14 illustrate the affordable housing goals.

Table 4 Affordable Housing Goals

If the current share of affordable housing in a Planning Area is...	Then set an affordable housing target at...	Planning Area count
Less than 5%	17.5%	14
At least 5%, but less than 10%	15%	7
10% or great	12.5%	1

These affordable housing goals could be reached by a number of mechanisms beyond mandatory inclusionary zoning requirements, including bonus density, additional height, public benefit points, impact tax waivers, or financial subsidies.

NEXT STEPS

Upon approval of the Local Housing Targets by the County Council, Planning staff will undertake the following steps:

1. Further investigate the reasons projects in the pipeline may be stalled (or only partially completed) to consider strategies and policies to accelerate the construction of unbuilt pipeline units to meet the 2030 Local Housing Targets.
2. Consider how new plans and policies, such as the Growth and Infrastructure Policy, Attainable Housing Strategies Initiative, and the *University Boulevard Corridor Master Plan*, can help to achieve the 2040 and 2050 Local Housing Targets.
3. Work with the community and conduct community engagement on potential strategies to meet the targets.
4. Provide annual updates to the County Council documenting progress in achieving the Local Housing Targets.
5. Review and update the local housing targets every five years to ensure relevant factor data are current and to adjust weightings based on their relevance to shorter-term and longer-term targets.

ATTACHMENTS

Attachment A - Local Housing Targets Memorandum