

Figure 1, left: Germantown Employment Area Sector Plan  
 Figure 2, above: Parking lots and large blocks within the Sector Plan area

## APPENDIX 4: GERMANTOWN HOUSING REPORT

### Research & Technology Center (RTC), 2008

#### **Germantown 2009 and Beyond – Housing to create a Vibrant, Sustainable, Mixed-Use Corridor City**

Planning and development over the last 40 years have changed Germantown from a farming community to a developing corridor city with housing, employment, and a town center. Future development will create a more vibrant, high-density, mixed-use urban center, fully integrating residential uses into the retail, office, and commercial uses in the town center using a variety of housing types.

Germantown is a working community, with housing affordable to the workforce. In addition to integrating residential uses into the town center, future development must provide affordable housing for new workers as well as residents aging in place.

#### **Housing Recommendations**

- Add residential uses on top or among office and commercial uses in the Town Center.
- Build transit-oriented workforce housing—reduce the costs associated with getting to work. While

the Town Center is key to the future vitality of Germantown, workforce housing can also be placed along the new transit corridor or near the MARC station.

- Accommodate the anticipated large increase in the number of residents and workers 55 years of age and older, who wish to age in place.
- Preserve existing subsidized rentals and MPDUs (sale and rental).
- Encourage employers to participate in State and County purchase assistance programs, such as the House Keys for Employees program, which provides State matching funds for employer contributions for down-payment and closing-cost assistance.

#### **The Study Area**

The study area for this update to the 1989 Germantown Master Plan comprises 2,450 acres of the 11,000-acre Germantown planning area. Shown in light red on Figure 1, it contains the Town Center, two employment areas, and all or part of the areas known as Milestone, Neelsville, Montgomery College, and Middlebrook.

There is very little residential development within the study area, due to past reliance on the Euclidean zoning.

Adding commercial uses that incorporates residential under mixed-use zoning will greatly increase the vitality of this corridor city, while offering convenient living opportunities for a variety of household types.

Figure 2 illustrates the vast amounts of parking and large-block commercial development within the study area, as well as the distribution of most residential uses to areas outside the commercial and office areas. There is opportunity for additional mixed-use development within the study area.

The Germantown population is younger than that of the overall County, with an average age of 32 years in Germantown compared to 36.9 years for the County as revealed by the 2005 Census Update Survey for the entire planning area. Over 72 percent of Germantown residents are younger than 45 years of age, compared to just over 61 percent of the County population. Less than five percent of Germantown residents are older than



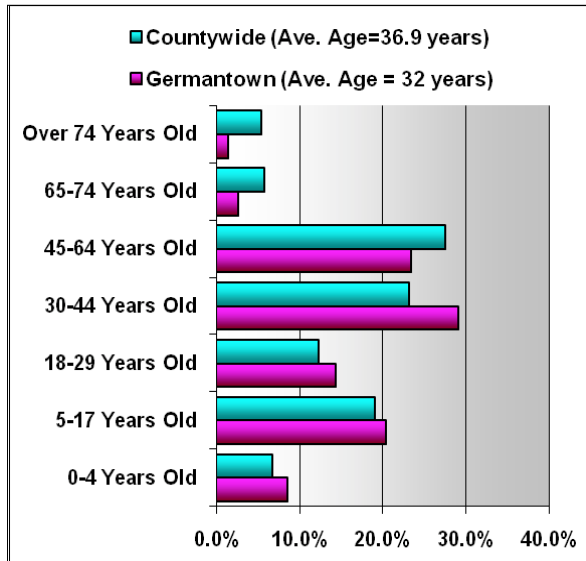


Figure 3: Age Distribution

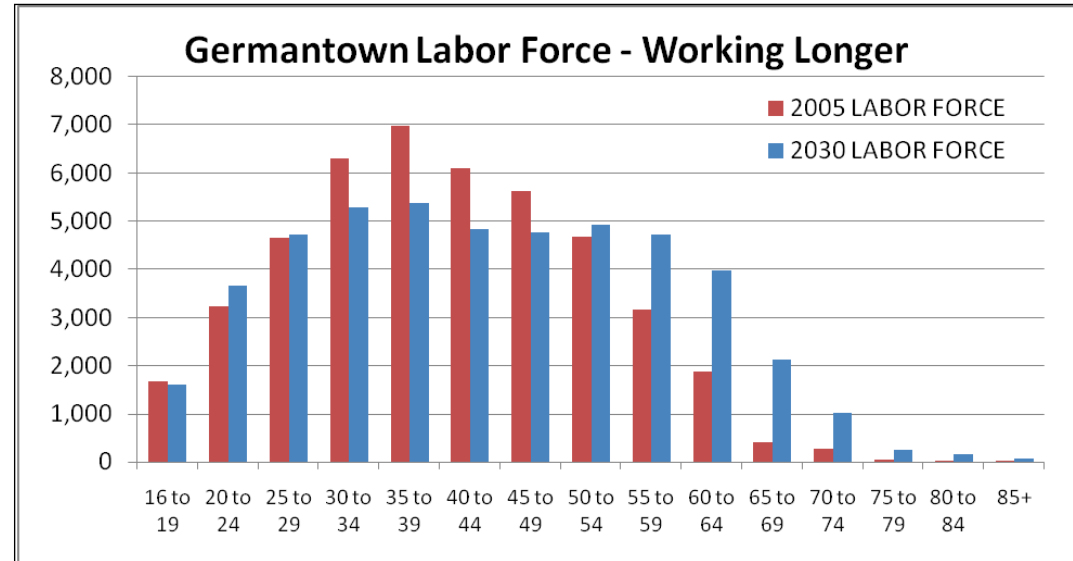


Figure 4: Germantown Labor Force Profile

Figure 5: Structure types

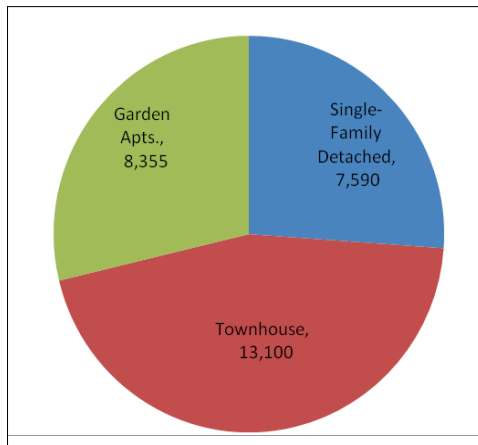


Figure 6: Planned, approved and existing housing types

Mix of Housing Types in Germantown	SFD	SFA	MF	Total
1974 Master Plan + Existing + Approved Dwelling Units	5,775	17,183	9,053	32,011
Percent of Total Units	18.0%	53.7%	28.3%	
Existing + Approved Dwelling Units (January 1, 1987)	3,545	9,843	5,811	19,199
Percent of Total Units	18.5%	51.3%	30.3%	
1989 Master Plan + Existing + Approved Dwelling Units	10,735	11,258	14,790	36,783
Percent of Total Units	29.2%	30.6%	40.2%	
Existing + Approved Dwelling Units (April 2006)	8,026	13,618	10,214	31,858
Percent of Total Units	25.2%	42.7%	32.1%	
Change from 1987 Existing + Approved Dwelling Units	4,481	3,775	4,403	12,659

65 years of age, compared to more than 10 percent of the residents, countywide (Figure 3).

Forecasts and surveys indicate that the population in Germantown will age, but the elongation of the workforce curve shown in Figure 4 indicates that many more residents will be staying in the workforce during their 50s, 60s and 70s as compared to past generations. As discussed later in the “Workforce Housing” section of this report, the expectation of a prolonged work life is consistent with the findings in the 55+ Housing Preference Survey, which indicated that many workers do not plan to retire early, if at all.<sup>4</sup>

Townhouses account for most of the housing in Germantown, followed by garden apartments and single-family detached homes. About 80 percent are homeowners, compared to 77 percent for the County. By structure type, nearly 99 percent of households in single-family detached homes own the homes, as do 92 percent of households in townhouses, and 43 percent of households in garden apartments/condominiums.

There are some distinct differences between households living in different structure types, according to the 2005 Census Update Survey for

the Germantown Master Planning Area (see Appendix 2).

- Households in single-family detached homes are larger with 3.48 persons per household, compared to 2.82 for households in townhouses, and 1.95 for households in garden apartments/condominiums.
- One-person households occupy nearly 40 percent of garden apartments/condos, but only 21 percent of townhouses, and only 6 percent of single-family detached homes. Married couples occupy over 87 percent of single-family detached homes, compared to about 63 percent of townhouses, and 34 percent of garden apartments/condos.
- Two-person households occupy over 38 percent of garden apartments/condos, but only 28 percent of townhouses and 19 percent of single-family detached homes.
- All age groups can be found in each of the housing structure types:

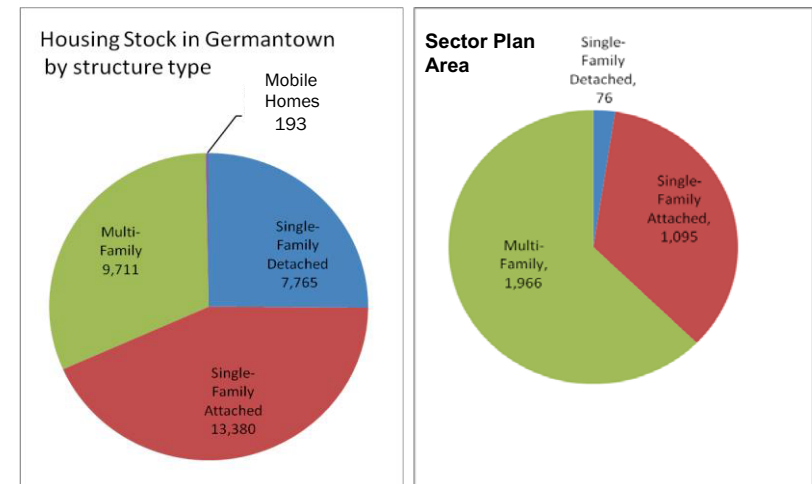


Figure 7: Planned housing types – comparing Germantown to the Sector Plan area

- The median age of nearly 47 years of age for heads of households living in single-family homes is about four years older than the median age heads of households in townhouses (43.4) or gardens (43.3).
- Overall, however, the median age for persons in Germantown living in single-family detached homes is 31.9 years of age and 31.5 for those living in townhouses. The median age for those living in garden apartments/condos is only slightly higher, at 33.5 years of age.
- The portion of those persons 18-29 years of age is highest in garden apartments/condos and lowest in single-family detached homes.

<sup>4</sup>RTC, M-NCPPC. 55+ HOUSING PREFERENCE SURVEY (2006). [http://www.mc-m-nccppc.org/housing/studies/housing%20\\_55.pdf](http://www.mc-m-nccppc.org/housing/studies/housing%20_55.pdf)

Figure 8: Planned, approved and existing housing types

Policy Area	Village Name	TAZ	Single-Family Detached	Single-Family Attached	Multi-Family (Garden Apts/Condos)	Mobile Home	Totals by TAZ
Town Center	Town Center	282	1	193	362	0	556
		283	2	22	484	0	508
		284	0	0	0	0	0
Germantown West	Employment Corridor (West)	248	0	0	0	0	0
		249	0	0	0	0	0
		250	0	410	28	0	438
	Kingsview Village	252	596	1,630	6	0	2,232
		253	1,703	478	106	0	2,287
	Churchill Village	251	826	2,177	2,389	0	5,392
	Clopper Village	255	374	2,193	222	0	2,789
	Gunnerys Lake Village	256	846	1,016	1,749	0	3,611
		254	358	2,296	2,269	0	4,923
Germantown East	Employment Corridor (East)	286	2	84	524	0	610
		287	71	0	0	0	71
		288	0	386	568	0	954
	Middlebrook Village	285	342	464	204	0	1,010
		292	725	1,851	403	193	3,172
	Neelsville Village	289	639	0	0	0	639
		290	65	121	397	0	583
		291	1,215	59	0	0	1,274
Totals by structure type:			7,765	13,380	9,711	193	31,049

Figure 9: Residential units in the pipeline for Germantown

Policy Area	Approved Units				Remaining Units in Pipeline by Type			
	Detached Single Family	Attached Single Family	Multi-family (Garden Apts. & Condos)	Total	Detached Single Family	Attached Single Family	Multi-family (Garden)	Total
Germantown East	5	192	0	197	1	147	0	
Germantown West	1162	217	491	1870	221	168	179	568
Germantown Town Center	0	0	0	0	0	0	0	0
Germantown Area Total	1167	409	91	2067	222	315	179	716

- The median income of households is starkly different. The 2004 median household income is \$116,560 for single-family detached homes, \$75,495 for townhouses, and for garden apartments/condos, \$48,765. This difference in income is partially explained by the difference in the number of workers in each household.

### Existing Housing Stock

The 1989 plan called for an eventual build-out of 36,783 residential units—approximately 15 percent more units than the 1974 plan, and it proposed a different mix of unit types:

- It increased multifamily housing to over 40 percent.
- It increased single-family detached units to 29.2 percent, and
- It reduced single-family attached units to fewer than 31 percent.

By 2006, Germantown’s existing and approved housing stock included nearly 32,000 units comprising:

- 32 percent multifamily
- Nearly 43 percent single-family attached
- Over 25 percent single-family detached.

Until 1970, there were just a few hundred homes in the Germantown area and by the end of the first half of 2007, the number of housing units in

Germantown increased to nearly 31,000 housing units.

On average, about 836 units have been built each year since 1970. This pace of residential development has created some problems:

- A tendency to identify more with one’s subdivision than with “Germantown.”
- Difficulty in establishing an overall Germantown community identity.
- All the houses, infrastructure, and public amenities in the same neighborhood are aging, and possibly deteriorating, at the same time.

As shown on Figure 8, more than two-thirds of the housing stock in Germantown is single-family detached and attached housing, while one-third is multi-family housing. As of April 2006, the percentage of single-family detached units increased to over 25 percent, just short of the 1989 Master Plan goal of 29 percent. Although townhouses remain the predominant type of housing unit, the proportion of townhouses has been reduced from nearly 54 percent to less than 43 percent of the housing stock. This mix of housing provides choices to a range of household types.

The Sector Plan area combines the Town Center and the East and West Employment Corridors. This area contains approximately 10 percent (about 3,140 units) of the housing stock in the entire

Germantown Master Planning Area. Most of the units in the Plan area are multifamily units, followed by townhouses, and then detached units.

The only housing type not represented in Germantown is high-rise multifamily. This type would be very appropriate in the Town Center. and would round-out the unit mix in the study area. Furthermore, because high-rise multi-family structures are elevated, these units will provide accessible living quarters for a broad mix of ages, capacities, and incomes—especially when partnered with public transportation and a walkable mix of retail, employment, and educational and recreational opportunities.

Units that have been approved but are not yet built are included in the development pipeline; 716 units remain in the pipeline for future completion in the study area. The Germantown Town Center has no units in the construction pipeline. Most of the new units to be constructed will be multifamily units.

### Housing Prices

The median prices for homes in the Germantown planning area are typically lower than for comparable homes elsewhere in the County, largely due to the age and size of the housing stock. Germantown has experienced slight decreases in median sales prices among all

structure types during the period between 2005 and the first half of 2007, except for the median sales price of existing single-family attached homes (townhouses and plexes), which increased from \$323,000 in 2005 to \$333,000 in the first half of 2007. The cost of a single-family detached home in Germantown had a median sales price of \$769,125 in 2005 and \$664,575 in the first half of 2007. The median sales prices for new single-family attached homes in Germantown in 2005 was very low, because it included sales of moderately-priced dwelling units.

Germantown is a location of “naturally occurring” workforce housing. That is to say, households earning workforce incomes<sup>5</sup> can afford the median priced single-family home or condominium in Germantown.

- In the Germantown planning area during the first half of 2007, purchase of a new single-family detached home at the median price (\$664,575) required an annual household income of more than \$167,000 and purchasing an existing single-family detached home at the median price (\$545,000) required an annual household income of more than \$137,300.
- An annual household income of less than \$84,000 could afford the median-priced existing

single-family attached home (townhouses and plexes).

- A median-priced (about \$255,000) new condominium during the same period would have been affordable to a household earning about \$64,200. At slightly more than \$263,900, the median sales price of existing condominiums requires a household income of about \$66,500.
- In the Germantown planning area, the median sales price of existing condominiums has been slightly higher than the median price of new condos since 2006. This indicates that the existing condominiums are a desired housing option for workforce families.

Figure 10: Home sales by structure type

Median Sales Prices	2005		2006		1st Half of 2007	
	Germantown	County	Germantown	County	Germantown	County
New single family detached	\$769,125	\$775,218	\$806,850	\$881,600	\$664,575	\$1,159,695
Existing single family detached	\$580,000	\$530,000	\$610,000	\$552,500	\$545,000	\$557,875
New single family attached	\$138,696	\$499,375	\$450,000	\$526,680		\$491,353
Existing single family attached	\$323,000	\$340,000	\$337,000	\$356,750	\$333,000	\$365,000
New Condos		\$353,645	\$254,900	\$391,900	\$254,900	\$429,500
Existing Condos	\$265,000	\$279,900	\$267,550	\$296,595	\$263,902	\$295,000

<sup>5</sup> Montgomery County defines workforce incomes as those between 80 percent and 120 percent of Washington DC Metro’s Area Median Income (AMI). The Washington Metro AMI was \$94,500 for a 4-person household in Fiscal Year (FY) 2007 (HUD, 2007).

		2005 Median Sales Price	#Units	2006 Median Sales Price	# Units	First Half of 2007 Median Sales Price	Units	Approx. HH Income req'd. in 2007
New & Used Single Family Detached & Attached Homes	Germantown	\$350,000	2,094	\$355,000	1,507	\$350,000	626	\$88,200
	Countywide	\$460,003	16,731	\$485,000	12,490	\$489,900	5,228	\$123,455
New & Used Condos - Combined	Germantown	\$265,000	816	\$265,000	840	\$263,900	387	\$66,503
	Countywide	\$280,900	6,029	\$302,950	4,750	\$307,500	2,404	\$77,490
New Single Family Detached Homes	Germantown	\$769,125	75	\$806,850	30	\$664,575	2	\$167,473
	North Bethesda	\$1,175,000	5	\$1,272,100	10	\$1,295,500	4	\$326,466
	Wheaton	\$737,424	16	\$1,020,000	17	\$885,000	7	\$223,020
	Silver Spring	\$939,463	2					
	Takoma Park	\$538,500	2	\$1,055,000	2	\$650,000	1	\$163,800
	Countywide	\$775,218	751	\$881,600	520	\$1,159,695	157	\$292,243
Existing Single Family Detached Homes	Germantown	\$580,000	512	\$610,000	363	\$545,000	155	\$137,340
	North Bethesda	\$620,000	332	\$591,250	266	\$619,500	126	\$156,114
	Wheaton	\$419,000	1,411	\$450,000	1,072	\$448,000	421	\$112,896
	Silver Spring	\$535,000	275	\$540,000	245	\$575,000	99	\$144,900
	Takoma Park	\$415,500	340	\$450,000	276	\$465,000	103	\$117,180
	Countywide	\$530,000	9,757	\$552,500	7,497	\$557,875	3,234	\$140,585
New Single Family Attached Homes	Germantown	\$138,696	19	\$450,000	4			
	North Bethesda	\$648,041	9					
	Wheaton	\$539,920	35	\$609,465	3			
	Silver Spring					\$854,805	10	\$215,411
	Takoma Park							
	Countywide	\$499,375	507	\$526,680	92	\$491,353	107	\$123,821
Existing Single Family Attached Homes	Germantown	\$323,000	1,488	\$337,000	1,110	\$333,000	469	\$83,916
	North Bethesda	\$645,750	100	\$630,000	59	\$622,500	50	\$156,870
	Wheaton	\$339,950	216	\$385,200	172	\$427,000	79	\$107,604
	Silver Spring	\$520,750	18	\$550,000	21	\$579,700	12	\$146,084
	Takoma Park	\$290,500	26	\$320,000	34	\$340,000	9	\$85,680
	Countywide	\$340,000	5,716	\$356,750	4,134	\$365,000	1,730	\$91,980
New Condos	Germantown			\$254,900	94	\$254,900	17	\$64,235
	North Bethesda					\$440,000	153	\$110,880
	Wheaton							
	Silver Spring	\$284,886	33	\$350,450	136	\$334,033	63	\$84,176
	Takoma Park	\$269,000	4	\$241,750	2			
	Countywide	\$353,645	340	\$377,378	500	\$429,500	348	\$108,234
Existing Condos	Germantown	\$265,000	816	\$267,550	746	\$263,902	370	\$66,503
	North Bethesda	\$329,900	1,060	\$334,950	558	\$332,950	274	\$83,903
	Wheaton	\$260,000	180	\$270,000	143	\$287,500	50	\$72,450
	Silver Spring	\$272,500	116	\$320,985	287	\$329,950	186	\$83,147
	Takoma Park	\$205,500	52	\$239,500	24	\$241,400	30	\$60,833
	Countywide	\$279,900	5,689	\$296,595	4,250	\$295,000	2,056	\$74,340

Figure 11: Incomes required for median-priced homes



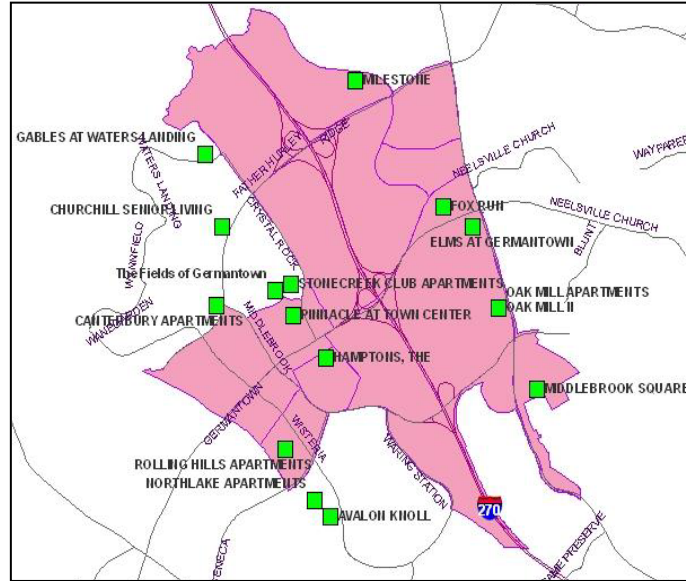
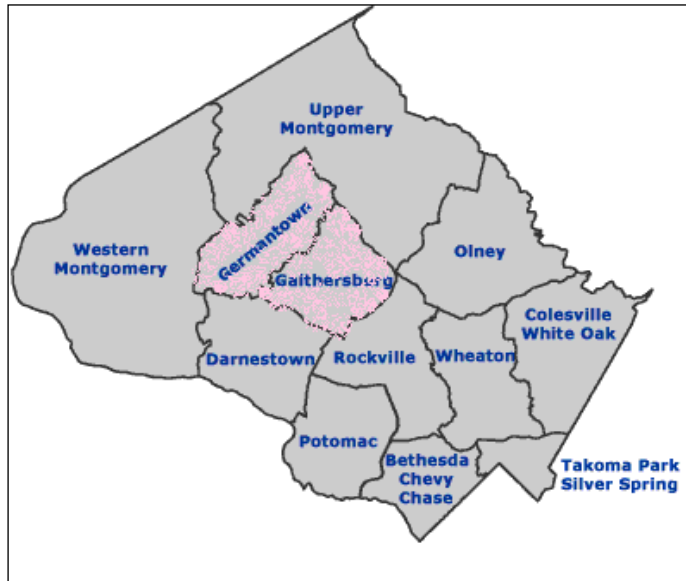


Figure 12, far left: Rental market areas

Figure 13, left: Location of rental properties and group homes

Figure 14, below: Rental properties within Sector Plan area

Name	Type	Year built	1-Bedroom Units			2-Bedroom Units			3-Bedroom Units		
			Number	Low Rent	High Rent	Number	Low Rent	High Rent	Number	Low Rent	High Rent
The Hamptons	Garden	1980	496	\$915	\$915	272	\$1,140	\$1,220	0	NA	NA
Middlebrook Square	Towns	1973	0	NA	NA	75	BMR	BMR	0	NA	NA
Oak Mill II	Garden	2001	48	\$860	\$1,140	75	\$1,140	\$1,395	0	NA	NA
Pinnacle at Town Center	Garden	2001	76	\$1,170	\$1,400	176	\$1,380	\$1,810	31	\$1,700	\$1,755
Fox Run	Garden	1991	56	\$1,129	\$1,149	118	\$1,299	\$1,319	0	\$0	\$0
Elms at Germantown	Garden	2005	42	\$1,225	\$1,445	207	\$1,340	\$1,780	11	\$1,660	\$1,940
Milestone	Garden	1998	252	\$1,115	\$1,200	264	\$1,300	\$1,400	60	\$1,575	\$1,595
Rolling Hills Apartments	Garden	1985	0	NA	NA	440	\$1,100	\$1,200	0	NA	NA
Oak Mill Apartments	Garden	2001	68	\$860	\$1,140	140	\$1,140	\$1,395	0	NA	NA
Totals			1,038			1,692			102		

## Rentals

The Montgomery County Department of Housing and Community Affairs (DHCA) licenses rental apartments and conducts annual surveys to determine rental vacancy rates and turnover rents for the various market areas and produces the annual DHCA Rental Apartment Vacancy Report. The study area is within the larger Germantown-Gaithersburg Market area.

### Rental Supply

Nine rental complexes are within the Sector Plan area providing a total of 2,832 units: 1,038 one-bedroom units, 1,692 two-bedroom units, and 102 three-bedroom units. In the Rental Properties table, Figure 14, the rent ranges are given for the apartments in the study area. Only Middlebrook Square's exact rents are unknown, because all 75 are subsidized and are referred to only as below-market-rent units.<sup>6</sup>

On average, Germantown rents are more affordable than Countywide, primarily due to the age of the units. Approximately 45 percent of the properties were built before 1981. Age is also an indication that these same units may be ripe for substantial rehabilitation or redevelopment. While

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<sup>6</sup>For the purpose of this report, the units in Middlebrook Square are assumed to have two bedrooms.

the below-market-rent units in Middlebrook can be targeted for protection, the units in the Hamptons are more vulnerable to pressure for higher rents, condo conversion, or other redevelopment schemes.<sup>7</sup>

While the Housing Opportunities Commission (HOC) has the right of first refusal for any multifamily property built before 1981, there is no guarantee that the HOC will be able to purchase units when they become available. For this reason, a policy of no net loss of affordable units is needed to ensure that the Germantown planning area maintains a stock of affordable rental units for the years to come.

### Turnover Rents

"Turnover rents" are the rents charged to new tenants after an apartment has been vacated and rerented (turned over). The average turnover rents in the Germantown market area are lower than the countywide turnover rents for apartments with the same number of bedrooms. This has been true since 2000.

The industry standard is a 3.5 percent rent increase annually. Even small increases over that

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<sup>7</sup> The "year built" data in Figure 3 should be considered to be approximate, because the date information sometimes reflects the date of substantial rehabilitation or modification, instead of the date of the original building construction.

amount translate into significant rent increases. For example, the average turnover rate for efficiency apartments in Germantown increased at an annual rate of approximately four percent, which increased the monthly rent from \$644 in 2000 to \$844 in 2007. The Department of Housing and Community Affairs (DHCA) sets rent increase "guidance," only.

### Income Needed

In 2007, the average turnover rents in the Germantown market area remained relatively affordable to moderate income households.<sup>8</sup> For example a three-bedroom apartment in this area rented for an average of \$1,429, monthly, which is affordable to households earning approximately \$56,200, annually. During the same period, a 4-bedroom apartment rented for an average of \$1,566, which is affordable to a household earning approximately \$62,640 annually. Many rents include utilities, but when the rents do not include utilities, housing costs may be too expensive for these income levels. Figure 16 shows the impact on affordability, with and without utilities.

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<sup>8</sup> Generally, an apartment is considered affordable if the cost of monthly rent and utilities, annualized, do not exceed 30 percent of the (gross) annual household income. (HUD, <http://www.hud.gov/offices/cpd/affordablehousing/>)

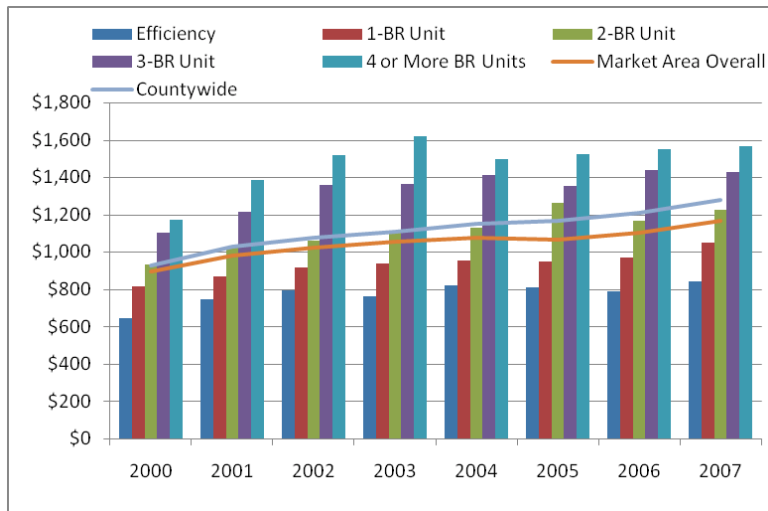


Figure 15: Germantown turnover market rents

Number of Bedrooms (BR) in Unit	Rent	Approximate Income Needed if Rent includes Utilities	Approximate Income Needed if Utilities are Extra
Efficiency	\$844	\$33,760	\$36,461
1-BR	\$1,051	\$42,040	\$45,403
2-BR	\$1,224	\$48,960	\$52,877
3-BR	\$1,429	\$57,160	\$61,733
4 or More BRs	\$1,566	\$62,640	\$67,651

Figure 16: Minimum income required for rents to be affordable in Germantown

Household Size	Maximum Income
1	\$43,000
2	\$49,000
3	\$55,500
4	\$61,500
5	\$66,500

Figure 17: MPDU income limits for renters, 2007

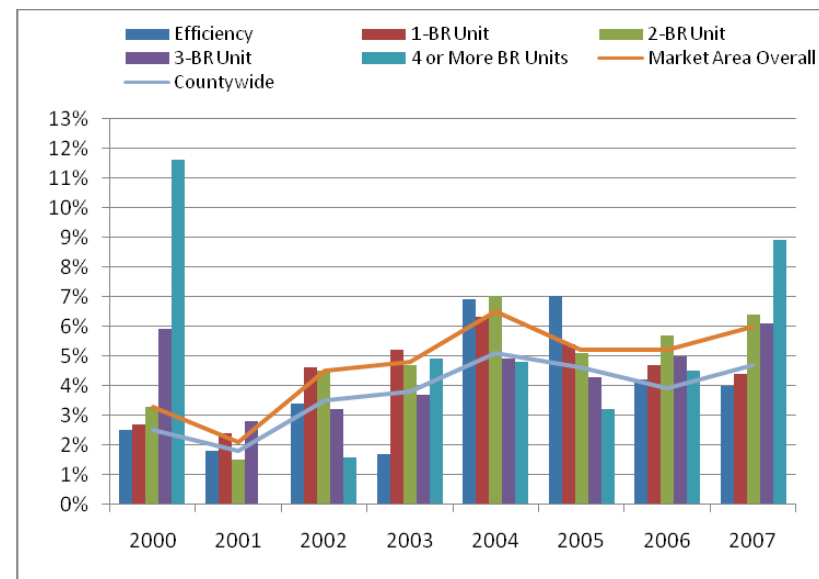


Figure 18: Germantown-Gaithersburg Market area vacancy rates 2000 to 2007

The “incomes needed” from Figure 16 are within the income ranges of the MPDU program, shown in Figure 17. Additionally, in 2007, to qualify for MPDU rental units, a household’s income must be at least \$30,000, annually, and the maximum incomes are based on numbers of persons in the household.

### **Vacancy and Turnover Rates**

Vacancy rates are the percentage of time out of a given year that an apartment did not bring in rent. Generally, a 5-percent vacancy rate indicates a relatively tight rental market. Countywide, the vacancy rate remained tight (4.7 percent) in 2007 (DHCA 2007 5). The Germantown-Gaithersburg market area had a higher vacancy rate than the County (6.0 percent and 4.7 percent, respectively). Over a third of apartments in Germantown “turned over” in 2006 to 2007.

DHCA reported that the Germantown – Gaithersburg market area had the highest turnover rate in the County, with 35.7 percent of the rental units changing tenants from April 1, 2006, through March 31, 2007. The County turnover rate during the same period was 31.2 percent.

Of the various unit sizes (numbers of bedrooms), the 2007 Germantown market area was tight for

efficiency apartments and one-bedroom apartments, but was relatively loose for three- and four-bedroom apartments. This indicates that one-bedroom units and efficiencies are in demand, and that one- and two-person households are attracted to rentals in Germantown. On the other hand, three and four-bedroom units in Germantown had relatively high vacancy rates at 6.1 percent and 8.9 percent, respectively.

One of the factors affecting the vacancy rates for the large apartments is the high amount of rent being charged for those units. Households that need three or four bedrooms may not want to spend as much or more on rent than they would on a mortgage. Another factor affecting the vacancy rates for large units is the much larger demand for smaller units in the Germantown area. In other words, the market for smaller units does not offer any “spillover” demand for larger units. If a household is in the market for a one- or two-bedroom unit, it is unlikely that it would be willing to pay for a three- or four-bedroom unit, just because it was vacant.

### **Senior Housing**

#### **Existing Situation**

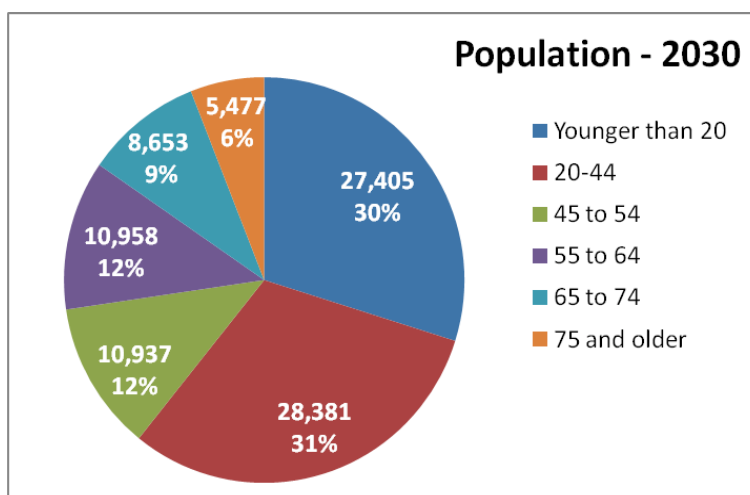
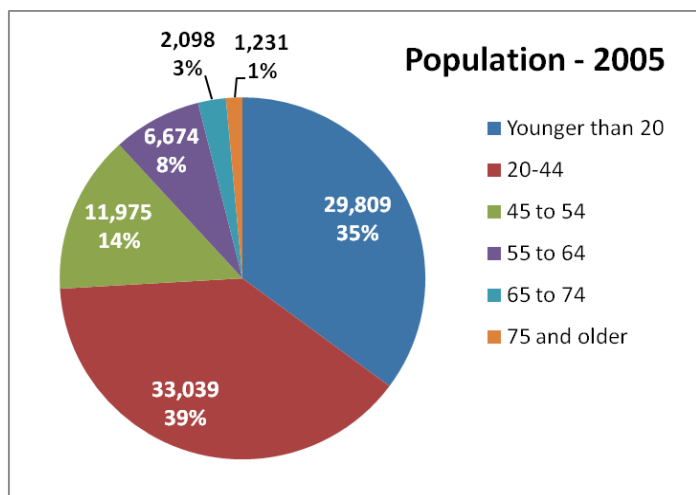
Churchill Village and Clopper Mill Village provide

senior housing<sup>9</sup> rental units, while all units at Kings Crossing are for-sale age-restricted MPDU condos. The senior housing projects consist of two rental facilities that provide a total of 223 independent living units and four group homes that provide a total of 24 assisted-living beds. Currently, there are no senior living facilities for sale or for rent within the study area proper. One project however is approved but not built.

Senior-living ownership opportunities in Germantown include 110 age-restricted MPDU condominiums in the Kings Crossing facility, where one-, two-, and three-bedroom garden condominiums range in price from \$149,900 to \$169,900. Assuming that homeowners put at least ten percent down, the annual household income needed to afford a senior condominium at King’s Crossing is between \$40,000 and \$50,000. Properties that offer independent living opportunities are subject to the MPDU ordinance, and all three of the independent living facilities listed in Figure 23 meet or exceed the MPDU requirement.

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<sup>9</sup> Senior housing is a term that covers housing that is age-restricted and serves those persons either 55 or 62 years of age and older. Age-restricted independent living properties, often called "Active Adult Communities," serve households with at least one adult over 55 years of age. Many other senior housing facilities serve only those over 62 years of age. See Appendix A for a glossary of senior housing terms.



Facility Name	Type	Number of Units/Beds	
		Rental	Ownership
Churchill Senior Living	Independent Living	121	
	Independent Living *	133	
	Assisted Living *	46	
New Covenant Village**	Independent Living	88	
Willow Manor at Clopper's Mill	Independent Living	102	
Foreman's Place	Assisted Living	4	
Warm Heart Family Assisted Living	Assisted Living	5	
Golden Age Retirement Home	Assisted Living	7	
R & W Eldercare Services	Assisted Living	8	
King's Crossing	Independent Living - MPDU		110
<b>Totals</b>		<b>514</b>	<b>110</b>

\*Approved July 17, 2008; unbuilt  
 \*\*2007/2008 construction, now being leased

Figure 19, above: Germantown population, 2005 and 2030

Figure 20, left: Senior housing in Germantown



## Senior Housing Definitions

Active Adult Communities	These age-restricted communities comprise a variety of housing types, including a sizable number of single-family units, for healthy and mobile residents over the age of 55. They include recreational facilities, such as swimming pools, tennis courts, a clubhouse or golf courses, though some may feature business centers.
Aging in place	Older residents remain in the same non-age-restricted homes and communities of their younger-adult years and rely on services delivered to the home, if required. Such services may include Meals on Wheels, help with housekeeping and shopping, home health aides, visiting nurses, and similar supportive options.
Assisted living	Designed for adults who need help with the basic activities of daily living, such as bathing, dressing, and mobility. Most facilities offer three meals per day, assistance with personal care, and a variety of activities.
Continuing Care Retirement Community (CCRC)	CCRCs offer more than one level of care with the expectation that residents will move freely from one level to another as their needs change. CCRCs facilitate moves between levels of care if space is available at another level. (See “Life Care,” below.)
Group home	A residence for up to 15 people designated as disabled or senior. Residents typically have rooms rather than full dwelling units and receive care similar to assisted living.
Household	A household may consist of a single person or two or more persons sharing living quarters.
Independent living facilities	Designed for healthy older adults, independent living communities vary in the amount of service offered, with some providing primarily maintenance, lawn care, security, some social or wellness programs, and transportation. Most buildings are constructed to accommodate physical disabilities.
Life Care	is a term used interchangeably with CCRC. In life care, residents are guaranteed the ability to move from one level of care to another as necessary, often with little change in financial arrangements. (See “CCRC”, above.)
Naturally Occurring Retirement Community (NORC)	In the U.S. Department of Health and Human Service’s 2004 report, <i>Supportive Services Programs in Naturally Occurring Retirement Communities</i> , NORCs are defined as communities or buildings not designed specifically for older people, but which naturally “evolved in such a way that a large proportion of residents are older.”
Nursing home	A facility that offers skilled nursing care. Residents have “beds” rather than apartments. There are fewer private rooms than in other forms of housing. Nursing homes are rarely age-restricted, although a large percentage of residents are 65 and older

The 2005 population of the Germantown area included about 10,000 residents 55 years of age or older—only about 11 percent of the population. By 2030, the forecast is for over 25,000 residents 55 years of age and older, and that will be about 27 percent of the population. The number of persons 65 years of age and older will swell from 3,329 in 2005 to 14,130 in 2030. The number of persons 75 years of age and older will increase to about 4.5 times its 2005 level, from 1,231 in 2005 to 5,477 in 2030. The vast majority want to stay in their own homes, according to recent studies.

Naturally occurring retirement communities (NORCs) evolve when clusters of seniors stay at home and age in place. Staff analysis revealed that 495 properties have been in the same ownership for 20 years or longer. Three relatively large clusters of such properties appear outside the study area: Churchill, Gunners Lake Village, and Fox Chapel. One cluster appears within the study area in Meadowbrook Estates.

## Research Findings

The 55+ Housing Preference Survey (2005)<sup>10</sup> revealed that a “majority of Montgomery County

<sup>10</sup> [http://www.mcparkandplanning.org/housing/studies/housing%20\\_55.pdf](http://www.mcparkandplanning.org/housing/studies/housing%20_55.pdf). The survey, conducted by REDA, International, was conducted in 2004, and published in 2005. The telephone survey was designed to determine the housing

residents age 55 and over plan to remain in their current residence for the rest of their lives.” Another important finding was that most of the residents 55 years of age or older who are working do not plan to retire. The Senior Housing Update (2006)<sup>11</sup> inventoried the existing supply of senior housing and compared the supply by type. Since 2000, there has been a countywide increase in independent-living units, while there has been a net loss of affordable assisted-living units.

To allow Germantown’s aging residents to stay as independent as they wish for as long as possible, they will need assisted-living options, such as the following:

- Ensure that all new multifamily housing construction offers first-floor at-grade ingress and egress, together with other accessibility features.
- Decentralize supportive services. Visiting nurses, grocery and pharmacy home deliveries, etc., are another example of community supportive services that can

needs and wants of those 55 and older in Montgomery County. Over 16,000 random telephone calls yielded over 1,200 completed interviews. The over 200 variables in the survey have been compiled into a database by Research & Technology Center staff to be used in planning and policy analysis.

<sup>11</sup> <http://www.mcparkandplanning.org/research/documents/SeniorHousing-Final.pdf>.

enable residents to stay in their own homes as they age.

- Provide assisted-living facilities and nursing homes. Currently there are only 24 assisted-living beds in four different facilities in or near the study area (Figure 20).
- Ensure that new residential construction includes efficiencies and 1- and 2-bedroom rental units with elevators, sited within walkable mixed-use community, with services to ensure that workers of varying ages and abilities can live independently as long as possible.

## Moderately Priced Dwelling Units (MPDUs)

Since the MPDU program began in earnest in 1976, over 12,400 MPDUs have been produced, with over one-fourth of them built in Germantown. MPDUs constructed before 1995 have expired, unless the County, HOC, or another not-for-profit housing provider purchased the units and kept them affordable. <sup>12</sup> MPDUs tend to remain relatively affordable after the control period expires, largely because these units are typically smaller than market-rate units. Since 1983,

<sup>12</sup> Many of the MPDUs built in Germantown have expired, because the control periods were very short (10 years or less) for the first 25 years of the program. In 2001, the 10 year control period was modified to reset if an MPDU was sold within the control period. It was not until April 1, 2005, that the 30-year and 99-year control periods went into effect for ownership and rental MPDUs, respectively.

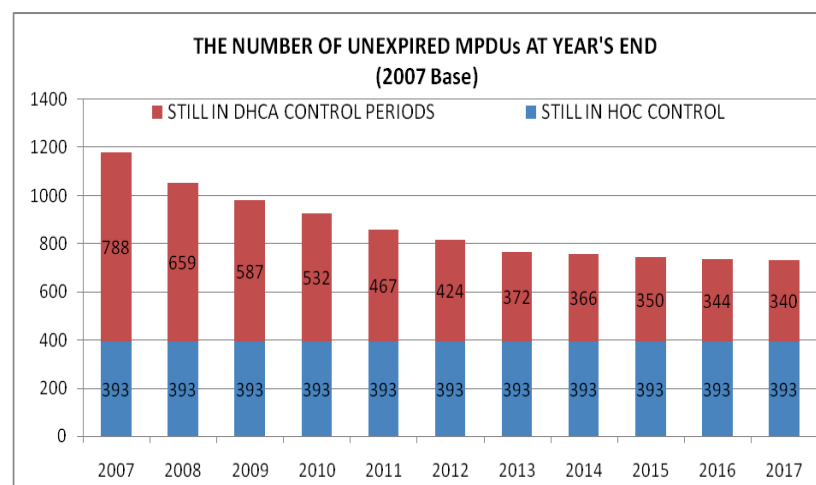
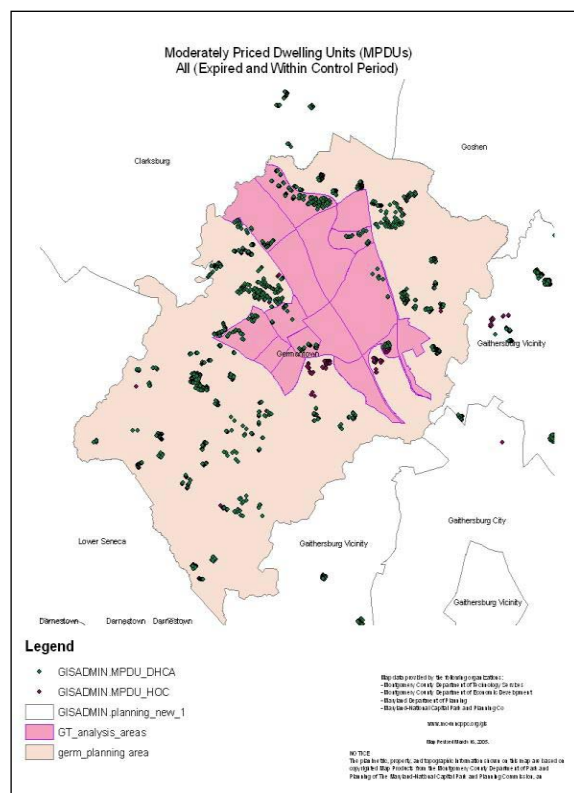


Figure 22, above left: MPDUs built since 1985 in Germantown

Figure 23, above: Expiration profile of MPDUs

Figure 24, below left: HOC MPDUs in Germantown by structure type

Figure 25, below: MPDU income limits, March 2008

Structure Type	1	2	3	4	5	Totals
Single-Family Detached			5	37	1	43
Townhouse	6	53	195	24		278
Garden Apartment	3	53	11			67
High Rise		5				5
<b>Totals</b>	<b>9</b>	<b>111</b>	<b>211</b>	<b>61</b>	<b>1</b>	<b>393</b>
	<b>2.3%</b>	<b>28.2%</b>	<b>53.7%</b>	<b>15.5%</b>	<b>0.3%</b>	

Household Size	Maximum Income	
	MPDU Rentals	MPDUs For Sale
1	\$45,000	\$48,500
2	\$51,500	\$55,500
3	\$58,000	\$62,500
4	\$64,500	\$69,500
5	\$69,500	\$75,000

approximately 1,100 MPDUs have expired in the Germantown area. At the end of 2007, there were still 1,181 MPDUs in control periods: 788 MPDUs in DHCA control periods and 393 permanently controlled by HOC.

About 54 percent of HOC's MPDUs are 3-bedroom units, about 28 percent are 2-bedroom units, about 16 percent are 4-bedroom units or larger, and the remainder are 1-bedroom units. This mix generally reflects the market-rate mix, as well as the MPDUs in DHCA control periods.

The income limits for the MPDU program are now reset annually by the County Executive. MPDU sales prices and rents are not to exceed 30 percent of the annual income of eligible households.

### **Workforce Housing**

Germantown may have the most affordable workforce housing within Montgomery County, and preserving and increasing affordable workforce housing will be key to Germantown's future. In addition to its affordability, a primary assumption behind the concept of workforce housing in Montgomery County is that it can help households save money by reducing dependence on personal automobiles through proximity to transit or one's employer.

In Germantown, affordable workforce housing should be in the Town Center for many reasons, including the fruition of a vision for the community that spans four decades. However, any site in the study area that offers easy access to public transit, employment opportunities, and community services should be considered for workforce housing.

Because the workforce includes a wide spectrum of ages, abilities, and household types, units should be accessible. In the past only buildings with more than four stories were required to have elevators, but for housing to meet the needs of workers of all ages and abilities, elevators become critically important, regardless of the number of floors.

### **Home Purchase Assistance**

In addition to the MPDU and Workforce Housing Programs, Montgomery County offers households the opportunity to participate in a variety of financial programs to assist with housing affordability. Special attention is given to the "House Keys for Employees" program, in which The Maryland Department of Housing and Community Development offers a dollar-for-dollar match for an employer's contribution for down-payment or closing-cost assistance to eligible

employees. Employers in Germantown should be urged to participate in such programs.

RENTAL PROGRAMS	HOUSEHOLD INCOME LEVELS SERVED	2008 AMI FOR WASHINGTON DC METRO
		\$99,000
HOME-Funded Rental Housing	At a minimum: 20% HOME units – HHs up to 50% AMI	\$49,500
	70% HOME units – HHs up to 60% AMI	\$59,400
	10% HOME units – HHs up to 80% AMI	\$79,200
Tenant Based Rental Assistance	At a minimum: 90% HOME units – HHs up to 60% AMI	\$89,100
	10% HOME units – HHs up to 80% AMI	\$79,200
Public Housing	HHs up to 50% AMI	\$49,500
Housing Choice Vouchers	At a minimum: 75% vouchers – HHs up to 30% AMI	\$29,700
	25% vouchers – HHs up to 50% AMI	\$49,500
<b>Home Ownership Programs</b>	<b>Household Income Levels Served</b>	
American Dream Down Payment	Households up to 80% AMI	\$79,200
HOC Closing Cost Assistance	1 and 2 person HHs may earn up to 100% AMI	\$99,000
	3+ person HHs may earn up to 115% AMI	\$113,850
HOC Mortgage Purchase Program	1 and 2 person HHs may earn up to 100% AMI	\$99,000
	3+ person HHs may earn up to 115% AMI	\$113,850
Moderately-Priced Dwelling Units	Households up to approximately 60% of AMI	\$59,400
Low-Income Housing Tax Credits	At a minimum: 20% units – HHs up to 50% AMI, or	\$49,500
	40% units – HHs up to 60% AMI	\$59,400
CDBG-Funded Homeowner Rehab	Households up to 80% AMI	\$79,200
House Keys for Employees <sup>13</sup>	\$5,000 from state and \$5,000 from participating employer. <sup>14</sup> 1 or 2 person HHs up to \$94,500; 3+ HH up to \$108,675. Other limits apply.	\$94,500 to \$108,675

<sup>13</sup> Maryland's *House Keys for Employees* program is administered by More House for Less and the State Department of Housing and Community Development (DHCD). Through the program, the State DHCD will match contributions dollar-for-dollar, up to \$5,000, toward down payment and

closing costs from participating employers. The match is in the form of a zero percent deferred loan, which is repayable upon sale or transfer of the home or at the time of payoff or refinancing.

<sup>14</sup> Maryland Department of Housing and Community Development (DHCD). [www.morehouse4less.com](http://www.morehouse4less.com).