Affordable Housing Approach
Home to more than 10,000 residents within the Plan boundary and adjacent to two major federal employers
An area with the highest average rents in the County and a need to increase affordable housing options
A truly sustainable Downtown...

- economic competitive + innovative
- social unique + affordable
- environmental greener + connected
Plan Goals

• Affordable Housing.

• Parks and Open Space

• Environmental Innovation

• Economic Competitiveness
Goals

• Preserve existing market-rate affordable housing.

• Produce new units to provide a mix of housing options and increase the provision of Moderately Priced Dwelling Units in exchange for development incentives.

• Reach deeper levels of affordability (below 65% AIM)
Existing Conditions

AVERAGE RENT

$1,916

+20%

Higher than Montgomery County

AVERAGE RENT FOR
NEWLY BUILT

$2,750

+30%

Higher than the area

+40%

Higher than Montgomery County

DOWNTOWN
BETHESDA

DOWNTOWN
BETHESDA
Existing Conditions

Total existing multi-family rental units = 4,669

826 rent-restricted, 3,263 market-rate (65% - 120%).
4,089 market-rate affordable AND rent-restricted.
Existing Conditions

Market-Rate Affordable (not rent restricted)

**MODERATE INCOME HOUSEHOLDS**
100% AMI < Income < 120% AMI
491 units - 10.52%

**LOW-TO-MODERATE INCOME HOUSEHOLDS**
65% AMI < Income < 100% AMI
1,992 units - 42.66%

**LOW INCOME HOUSEHOLDS**
Income < 65% AMI
780 units - 16.71%
Preserve and Produce affordable housing

<table>
<thead>
<tr>
<th>Existing Multi-Family Rental Units</th>
<th>Total Vision Build-out (Units)</th>
<th>Current Rent Restricted</th>
<th>New Rent Restricted (15% MPDU)</th>
<th>Proposed Rent Restricted</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,669</td>
<td>13,125</td>
<td>826</td>
<td>1,269</td>
<td>2,095</td>
</tr>
</tbody>
</table>

Redevelopment will increase the number of Rent-Restricted units near Metro.

**PROS**
- More rent-restricted units overall
- Ensure affordable housing accessible to target income groups
- If affordable housing providers redevelop at higher density, they may provide more rent-restricted units than 15% minimum

**CONS**
- Potential loss of naturally occurring affordable market-rate units with redevelopment
- Proportion of affordable to market-rate may decrease
Recommendations

- Produce a minimum 15% MPDUs for residential development within the High Performance Area in Downtown Bethesda or Bethesda-wide.

- Preserve existing market-rate affordable housing through density averaging and priority sending sites.

- Prioritize 2-3 bedroom MPDUs

- Reach deeper levels of affordability (below 65% AIM)
Implementation

• Identify and prioritize key density averaging sending sites. Implement through the use of an Overlay Zone

*Priority Sending Sites*

• Proposed Public Open Space
• Historic Resources/Landmarks
• Existing Affordable Housing
Implementation Strategy

Incentives:

• Transfer density beyond the existing ¼ mile limit.
• Transfer density to another site without being included in a common sketch plan or site plan.
• Density may be used at more than one receiving site.
• May qualify for public benefits as a major public facility.
Other Tools:

Off-Site MPDUs

- Must be within the Plan boundary
- Applicant to determine location at site plan.
- Pay existing buildings to set aside units as MPDUs with cap of 15%
- Require a higher ratio of off-site units (i.e. 1:1.5)?
- This idea is not fully supported by DHCA (for rental units)
Other Tools:

- Facilitate activity of AHPs in housing development to efficiently increase the yield of affordable units that stay affordable.
- Add a housing payment from non-residential development as an option for public benefit points.
- Redevelop key public facilities to include affordable housing including public parking lots and garages.
- Incentives to reach deeper affordability (below 65%AMI)