

Montgomery County, Maryland

**ADVISORY COMMITTEE
MEETING**
RENTAL HOUSING STUDY

September 28, 2015

Presented by:

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MEETING AGENDA

- **Project Context Discussion**
- **Overview of Study**
- **Boundary Discussion**
- **Discussion of Policy Documents**
- **Next Steps**

OVERVIEW OF STUDY

The rental housing study will take a comprehensive approach to address rental housing issues in Montgomery County, especially those of low and moderate income households in need of rental housing.

OVERVIEW OF STUDY

PART 1 – EXISTING CONDITIONS

■ Data Analysis

- Socioeconomic
- Supply and Demand Equilibrium
- Pricing and Affordability

■ Best Practices Analysis

- Regulatory
- Land Use
- Financial

■ Submarket Assessment

- Areas of specific concern/opportunity
- Broader applicability

OVERVIEW OF STUDY

PART 1 – EXISTING CONDITIONS

- **Community Outreach Efforts**
 - Committee Meetings
 - Stakeholder Interviews
 - Focus Groups

OVERVIEW OF STUDY

PART 2 – REFINEMENT

■ Initial Opportunities/Strategies

- Continued strategies
- Modified strategies
- New strategies

■ Defining Testing Criteria

- Collaborative effort of TAC, SAC, and stakeholders

■ Test Strategies/Applications

- Goals/Priority
- Location/Target Market
- Financial Feasibility
- Cost/Benefit

OVERVIEW OF STUDY

PART 3 – RECOMMENDATIONS

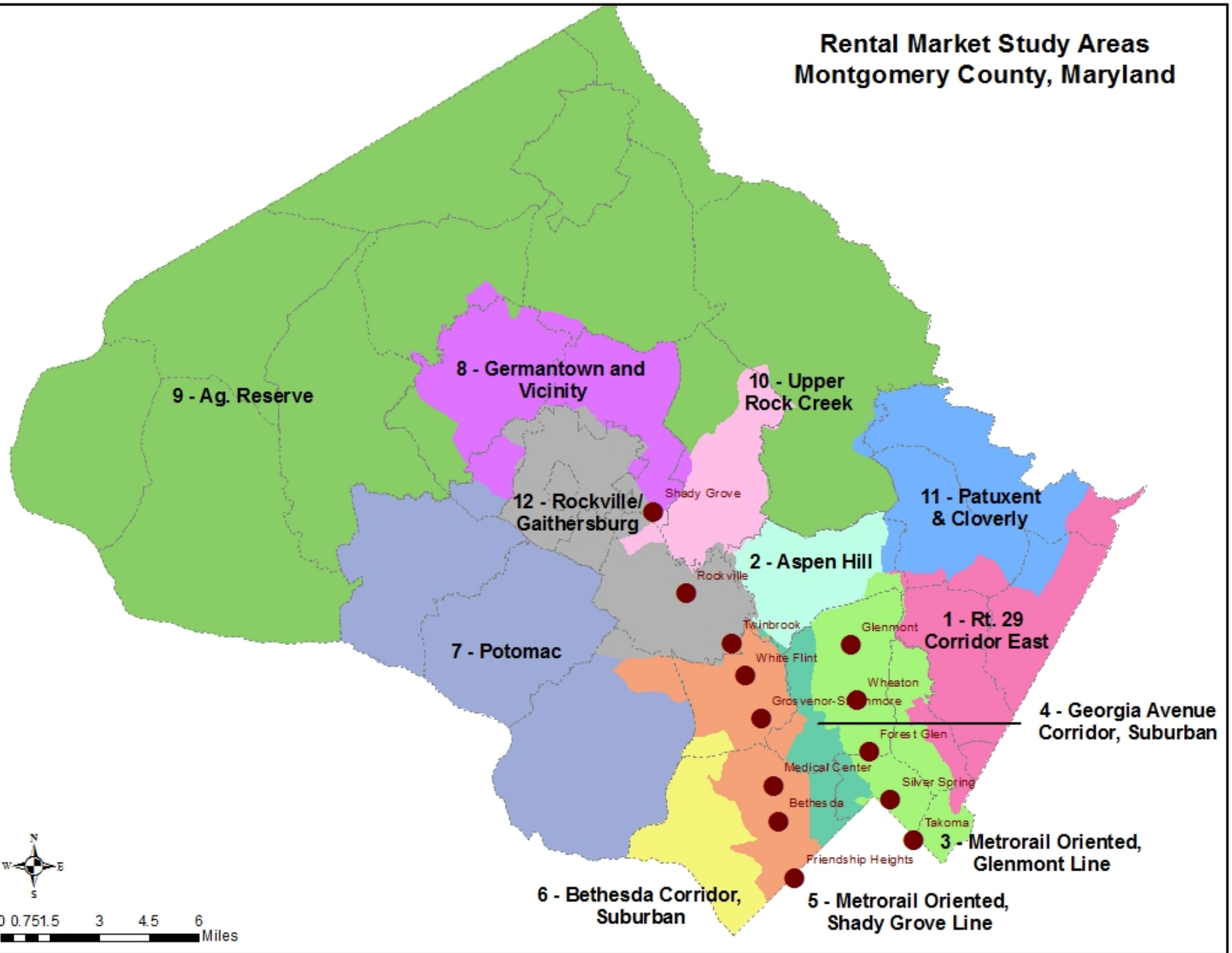
■ Stakeholder Feedback

- Elected leadership
- Implementation partners

■ Recommended Approaches

- Narrow Choices
- Refine and Prioritize

Rental Market Study Areas Montgomery County, Maryland



POLICY DOCUMENTS

- **2001 Housing Policy**
- **2012 Draft Housing Policy**
- **Housing Element (General Plan)**

VISION (2012 DRAFT PLAN)

- **Everyone with a place to call home - no one homeless.**
- **All housing in sound condition, meeting all building maintenance codes.**
- **Adequate living space within each housing unit for its occupants.**
- **Affordable housing for all who live or work in the county, regardless of age or position.**
- **Appropriate housing and services for each stage of life so that people can remain in the community as they grow older.**
- **No discrimination in choosing a place to live, regardless of race, color, religious creed, ancestry, national origin, sex, sexual orientation, marital status, presence of children, age, physical or mental disability, or source of income.**
- **Housing opportunities and supportive services for those who have mobility or sensory impairment, developmental or emotional disabilities, or mental illness.**
- **Safe and sound neighborhoods with community services and well maintained facilities**

GOALS (2012 DRAFT PLAN)

- **Preserve the existing regulated affordable housing stock, striving for no net loss of income-restricted affordable housing.**
- **Increase the number of affordable housing units.**
- **Conserve and care for Montgomery County's residential neighborhoods, and develop and invest in quality communities.**
- **Strive to prevent homelessness and find homes for the homeless.**
- **Support the development of new housing, especially in transit-oriented areas.**

OBJECTIVES (2001 HOUSING PLAN)

Variety and Choice in Housing - Variety and choice in housing of quality design and durable construction in various types of new and existing neighborhoods in conformance with the County's General Plan.

Assistance for Persons With Diverse Housing Needs - Housing for diverse residential needs, including housing for the elderly, persons with disabilities, persons with mental illness, and persons transitioning from homelessness.

Safe, High-Quality Neighborhoods - Neighborhoods in which quality and safety are maintained and enhanced through code enforcement and renewal efforts.

Communities With Affordable Housing - An adequate supply of affordable housing in economically inclusive communities throughout the county for those living or working in Montgomery County, especially for households at the median income level and below.

Housing for All Stages of Life - A sufficient housing supply to serve the county's existing and planned employment and the changing needs of its residents at various stages of life.

Equal Opportunity Housing - Fair housing ordinances to ensure that all residents have an opportunity to purchase, rent, finance, and occupy housing in the county.

Sustainable Communities - Sustainable development and environmental sensitivity in housing, neighborhood design, and redevelopment.

OBJECTIVES (HOUSING ELEMENT)

- **Housing and Neighborhood Connectivity:** Concentrate most new housing near public transportation and provide easy, multi-modal connections to jobs, schools, shopping, recreation, and other leisure activities.
- **Diverse Housing and Neighborhoods:** Create diversity in the type and size of units, neighborhoods, facilities, and programs to accommodate current and future residents.
- **Housing and the Environment:** Provide economically and environmentally sustainable housing and neighborhoods.
- **Housing and Neighborhood Design:** Create more balanced, attractive, and walkable neighborhoods through regulatory reform of private developments and leadership in design of public projects.

DISCUSSION POINT

Which goals and objectives from the housing element/housing policy have the greatest priority for Montgomery County's rental market?

DISCUSSION OF POLICY DOCUMENTS

■ “Affordable” Definition

- Housing where the tenant does not become burdened by cost
- HUD defines cost burdened where households pay more than 30% of gross income
- Income is the driver for affordability

$$\text{Affordable rent rate} = \text{Income} \times 30\% / 12$$

■ Identifying income groups

- Housing element provides foundation for income groups
 - Low income = up to 50% of Area Median Income (AMI)
 - Moderate income = 50% to 80% of AMI
 - Middle income = 80% to 120 % of AMI
- 2015 AMI = \$87,400 (2-person); 2014 County Median = \$97,765
- This analysis will break these categories further

STUDY GROUPINGS

■ Group A

- \$26,200 household income
- Occupations at that income:
 - Building cleaning workers
 - Food preparation workers
 - Grounds/maintenance workers
 - Unskilled construction workers
- \$655 maximum monthly rent

■ Group B

- \$43,700 household income
- Occupations at that income:
 - Bank clerks
 - Carpenters
 - Metal workers (skilled)
 - Secretaries/admin. assistants
- \$1,092 maximum monthly rent

STUDY GROUPINGS

■ Group C

- \$69,920 household income
- Occupations at that income:
 - Primary/secondary teachers
 - Nurse midwives
 - Media/communication workers
 - Masons
- \$1,748 maximum monthly rent

■ Group D

- \$87,400 household income
- Occupations at that income:
 - Dental hygienists
 - Financial advisors
 - Psychologists
 - Wholesale sales representatives
- \$2,185 maximum monthly rent

STUDY GROUPINGS

■ Group E

- \$104,880 household income
- Occupations at that income:
 - Life Scientists
 - Engineers
 - Transportation managers
 - Law enforcement supervisors
- \$2,622 maximum monthly rent

■ Group F

- \$131,100 household income
- Occupations at that income:
 - Plant managers (Ind.)
 - Veterinarians
 - Chemists
 - Lawyers/Judicial law clerks
- \$3,278 maximum monthly rent

DISCUSSION OF POLICY DOCUMENTS

- **Types of Housing**
 - Income controlled
 - At-risk market rate
 - MPDU
 - Workforce
 - Luxury/upscale

DISCUSSION OF POLICY DOCUMENTS

■ Issues Being Addressed

- Existing supply/demand equilibrium
- Projected growth markets
- Housing preservation policies
- Housing production policies

■ Issues **Not** Being Addressed

- Property management
- Landlord-tenant issues
- Code enforcement

NEXT STEPS

- **Bus Tour – Late October**
- **Presentation of Data – Early December**
- **Interviews and Focus Groups**
 - **Recommendations**
 - **Regional Service Centers as a location**

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