ADVISORY COMMITTEE MEETING
RENTAL HOUSING STUDY

September 28, 2015

Presented by:
Kyle Talente, Vice President & Principal
RKG Associates, Inc.
- Project Context Discussion
- Overview of Study
- Boundary Discussion
- Discussion of Policy Documents
- Next Steps
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.
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
PART 1 – EXISTING CONDITIONS

- Community Outreach Efforts
  - Committee Meetings
  - Stakeholder Interviews
  - Focus Groups
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
PART 3 – RECOMMENDATIONS

- **Stakeholder Feedback**
  - Elected leadership
  - Implementation partners

- **Recommended Approaches**
  - Narrow Choices
  - Refine and Prioritize
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.
Which goals and objectives from the housing element/housing policy have the greatest priority for Montgomery County’s rental market?
“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

Affordable rent rate = 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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