




Rental Housing Study Recommendations

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Representatives from RKG Associates and Lisa Sturtevant & Associates, LLC will provide an update on the countywide Rental Housing Study conducted on behalf of the Montgomery County Planning Department and the Montgomery County Department of Housing and Community Affairs. The consultant team’s first presentation to the Planning Board in July provided an overview of the findings from a comprehensive data analysis of rental market trends in Montgomery County. Since then, an analysis of best practices in local and state affordable housing policy, a financial feasibility model, and a cost/benefit assessment have been completed and used to develop a set of recommended tools for further consideration. Today, the consulting team will present an overview of their recommendations.

Overview

Recognizing the importance of rental housing to the future of the County, a comprehensive two-year Rental Housing Study was approved as a joint effort in the FY2015 work programs for the Montgomery County Planning Department and the Montgomery County Department of Housing and Community Affairs (DHCA). An Interdepartmental Technical Advisory Committee between the Department of Housing and Community Affairs and the Planning Department, and an Advisory Group representing a public, private, and non-private organizations have been working closely with the consultant to provide guidance to the study. The purposes of the study are multifaceted with an overarching goal of identifying Montgomery County’s rental housing issues and needs, and offer holistic and sustainable approaches to meeting them. The study consisted of three phases:

- Phase I: Data Collection and Existing Conditions – The project team explored rental needs and trends at the sub-county level for a range of demographic groups. The goal of this work was to get an understanding of the characteristics of different rental market segments and how they vary across the County.
- Phase II: Analysis – The project team explored policies to promote a rental market that addresses local needs by analyzing best practices in rental housing policies at the local and national level. This phase also includes extensive data analysis through the development and application of a financial feasibility model that informs a cost-benefit assessment of different policy considerations.

- Phase III: Recommendations - Using the information from the previous phases, recommendations for policies and new tools that could be used to preserve existing rental housing, produce new rental housing, and generate resources for rental housing in Montgomery County were created.

This presentation presents an overview of Phase III, which outlines recommended tools and policies that could be used to preserve existing rental housing, produce new rental housing, and generate resources in Montgomery County. A set of guiding principles to frame the recommendations includes: (a) a commitment to actively promote policies to expand housing options; (b) encouraging flexibility and predictability as an essential part of a policy or tool; (c) promoting economic integration as a key goal of County policy; (d) an acknowledgement that preservation and production is a balancing act, production is necessary for preservation; and (e) policy should minimize the negative shock to the local market.

Using these guiding principles, the consultant team developed a menu of policies and tools grouped into four categories:

- MPDU Program – These tools propose changes to the MPDU program with the goal of creating more flexibility to respond to changing housing needs and different housing submarket conditions across the County.
- Land Use/Zoning tools – These tools propose changes to land use regulations to further incentivize the production and/or preservation of housing for lower-income households.
- Preservation tools – These tools focus on preserving market-rate affordable units and resident access to market rate affordable units.
- Financial tools – These tools propose new and expanded funding resources to support rental housing in the County.

A final report, with detailed narrative on findings from all stages of the study and expanded details on the recommended policies and tools, is expected to be completed by April 2017.

CM/RR/LG/aj