

ATTACHMENT # 1

**Action Plan for Affordable Housing Status
Report**




MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

STEVEN A. SILVERMAN
COUNCILMEMBER

MEMORANDUM

June 17, 2003

To: Interested Parties

From: Councilmember Steven A. Silverman 
Chairman, Planning, Housing, and Economic Development Committee

Subject: Action Plan for Affordable Housing Status Report

The County Council, County Executive Duncan, and the Montgomery County Planning Board under Chairman Berlage have identified affordable housing as a key priority for Montgomery County and have worked together to undertake a series of actions to increase the amount of affordable housing for families in our County and our workforce.

As a follow-up to the County Council's Housing Roundtable held in October 2002, subsequent Councilmember recommendations, and support from the County Executive and Chairman Berlage, in February 2003, the Council's Planning, Housing, and Economic Development Committee approved an Action Plan for Affordable Housing. Below is a staff summary of the current status of each of the items in the Action Plan.

Action Plan New Initiatives

- I. Review increasing zoning densities at transportation and commercial centers, through review of existing zoning, possible creation of an affordable housing overlay zone, consideration of affordable housing as an amenity, evaluation of opportunities to develop housing in commercial zones, use of TDR's, reduction of parking requirements, and other strategies.**

As part of the upcoming Shady Grove, Gaithersburg Area, Twinbrook, and Germantown master plans, Planning staff will recommend a number of land use and zoning techniques to increase the supply of affordable housing. These techniques will be applicable in other parts of the County as well. In addition, some of the measures to increase affordable housing may be implemented as part of the comprehensive review of commercial zones. A more specific timetable will be developed for the July 24, 2003 Planning Board meeting.

Potential recommendations include: a. new mixed use center and mixed use village zones; b. new mixed use zone or amendment for TSR and TSM zones; c. zoning for live/work spaces; d. bonus density for affordable housing in CBD zones and/or increasing project plan incentives to provide affordable housing; e. incentives for provision of "family units" in higher density zones; f. requirement of residential component in certain commercial, industrial, and mixed use projects; g. encouragement of greater variety of residential development as part of commercial, industrial, and mixed use projects; h. establishment of "cottage" housing where smaller size single family housing is permitted/required; i. facilitation of adaptive reuse of existing non-residential buildings to provide housing; j. examination of zoning in older commercial areas (old C-2 centers) for addition of housing; k. urbanized development standards; l. road code revisions to accommodate pedestrians; m. promotion of joint development opportunities, particularly near metro stations. In addition Planning staff will develop a scope of work to revise the 1992 Recreational Guidelines for new housing development.

The staff draft for the Shady Grove Sector Plan is to be ready September 2003; the Gaithersburg Area and Twinbrook plans are scheduled to be received by the Council within the next 18 months.

In addition, Planning staff is conducting a small area study of the Woodmont Triangle in Bethesda to develop suggested strategies for implementing the master plan goal of housing in this area. The study will be ready in early fall 2003.

II. Establish an expedited zoning, permitting, and site plan process for affordable housing projects.

Under the leadership of Planning Board Chairman Berlage, the Planning Board, Executive Branch, WSSC, and PEPCO have all agreed to give priority scheduling to affordable housing. The recently adopted Green Tape process provides expedited review of affordable housing preliminary plans of subdivision, record plats, and construction permits. At the end of the first year of implementation there will be a public/private sector assessment of the new process.

III. To further the County's Housing Policy goal to achieve a broad range of affordable housing throughout the County, incorporate affordable housing as a specific objective in each master plan and clarify that master plan designation of sites appropriate for affordable or special needs housing will not preclude selection of additional sites in the future as appropriate for affordable or special needs housing.

In fall 2003, Council will consider the Upper Rock Creek Master Plan, which contains a number of recommendations regarding affordable housing in the planning area.

In addition, at the July 24 Planning Board meeting, Planning staff will review the status of work to develop common information (including existing affordable housing stock) and framework for each future master plan's housing chapter, including the status of work to broaden each master plan's housing recommendations regarding affordability, type and density. Staff will also explore changes to the limited master plan amendment process.

IV. Lobby the State to assess the value of property for MPDU's based on controlled rents and to assess property taxes for rental properties based on actual rents rather than market rents.

Office of Intergovernmental Relations will add this item to County's priorities for the upcoming year in Annapolis.

V. Work to curb predatory lending by bringing more mainstream lenders to the community or by adopting laws to better regulate lending practices.

The Department of Housing and Community Affairs will have a major focus on this issue during the upcoming year. Consumer Protection staff will focus on this issue and the Department also intends to increase homeowner education in this area. The recently announced initiative to ask Montgomery County banks to accept matricula consular identification cards will help immigrants open bank accounts and access credit and banking services, including lending from established banking entities, and reduce the need to rely on other lending sources.

VI. Establish numeric goals for production of new special needs housing and set a timeline for achieving the goals.

The Housing Policy annual goal for special needs housing is 100 units. Over the last 18 months, 140 units have been acquired, built or rehabbed. In spring 2003, the County acquired EconoLodge in Gaithersburg, which will be converted to transitional housing for 17-20 homeless families and 40 personal living quarters for low-income single adults. In addition, potential uses for publicly-owned sites will be for high-need special needs housing. (See Continuing Initiatives, #1.) On July 24, 2003, the Planning Board will review interim findings of Housing for Special Needs Report, which identifies priorities for special needs housing.

VII. Develop information resources containing information to address frequently asked questions about affordable housing special needs and assisted living projects.

As an initial information source, Planning staff is developing a Powerpoint presentation of Housing Montgomery Report to be presented at the July 24, 2003, Planning Board meeting. In addition, planning staff will explore the development of a Housing Montgomery information toolkit.

VIII. Review special exceptions process for affordable senior housing, accessory apartments, and other special needs housing.

On July 21, the Planning, Housing, and Economic Development Committee will discuss accessory apartments, including potential administrative approval of accessory apartments that meet certain criteria, rather than the current special exception procedure. Planning and Executive staff are preparing materials for that meeting. Any proposed changes to the approval process for accessory apartments would require a zoning text amendment.

IX. Work with State officials to increase Montgomery County's allocation of housing bond cap.

In March 2003, the Governor announced that Montgomery County's housing bond cap would be increased. To date, the State has not implemented this action and may tie the increase to other requirements. At this point, the timing and conditions for the increase are uncertain.

X. Review County tax and fee policies affecting affordable and special needs housing.

County Council committees will review tax and fee policies affecting affordable housing at a future date.

XI. Explore the possibility of accepting private contributions to the Housing Initiative Fund; Lobby for increased Federal funding of regional housing initiatives.

COG has established a regional Housing Trust Fund as a means for private sector contributions for affordable housing. Montgomery County is involved in the implementation of this initiative.

XII. Undertake additional efforts to target affordable “workforce housing” (for teachers, police, firefighters, etc.) including developing a “Live Near Your Work” initiative for public employees.

On July 21, the Planning, Housing, and Economic Development Committee will discuss Closing Cost Assistance efforts, including a proposal by Council President Subin to develop a program to provide closing cost assistance to County teachers, police officers, and firefighters utilizing a portion of the Housing Initiative Fund.

Continuing Affordable Housing Initiatives

I. Identify undeveloped and underdeveloped publicly-owned properties that may be suitable for development of affordable or special needs housing.

Planning and Executive Branch staff have identified approximately eight publicly-owned sites that may be suitable for affordable and special needs housing. By early fall 2003, staff will have developed a recommended process for receiving and acting on proposals to develop the sites.

In addition, the Planning Board and staff have reviewed their policies regarding use of Park houses for employee and special needs housing and on July 24, will discuss the scope of proposed revisions to their policies.

II. Continue development of personal living quarters (PLQ) and similar supportive housing projects.

See New Initiatives, Action Item #VI.

III. Create development standards necessary to apply MPDU requirements to certain large lot zones.

A Planning Board proposed zoning text amendment on this subject was introduced at the Council on May 13, 2003. The Public Hearing will be June 17 with a Planning, Housing, and Economic Development Committee meeting to be scheduled in July.

IV. Develop financial literacy and credit counseling programs for renters, potential first-time home buyers, and existing low-income home owners.

See New Initiatives, Action Item #V.

V. Continue data collection efforts on affordable housing including identifying the stock of non-government sponsored housing affordable to moderate income households.

At the July 24 Planning Board meeting, Planning staff will present a Housing Montgomery Progress and Delivery Report with updated information; staff will then update GIS information on number and location of affordable housing throughout the County. Planning staff intends to submit updated information to the Council on a twice yearly basis.

In addition to the items listed above in new and continuing Affordable Housing Action Plan initiatives, Planning staff will:

- Explore the use of Affordable Housing Impact Statements in the development of selected planning and regulatory policies and applications
- Explore partnership opportunities for an annual design award to recognize excellence in affordable housing development
- Prepare studies on countywide land supply and interjurisdictional housing affordability
- Expand public understanding of existing and future need for workforce housing