ATTACHMENT # 11

Community Information Packet
Work Force Housing
PowerPoint

HOUSING MONTGOMERY

Housing for our Workforce

Challenges...

The County's economic well-being is threatened by the lack of housing for its workforce.

Many workers critical to our county's infrastructure can not afford to live here.

The lack of affordable housing challenges employer recruitment and retention.

Linda, Human Resources Director, lives in Frederick works inside the Beltway

If I had an affordable choice, I would move closer to my workplace to alleviate some of the stress my family and I endure every day.
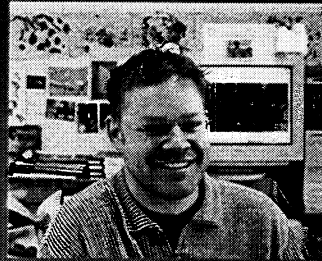
Andy, Architect, lives in Langley Park and works in Silver Spring

We could buy three times the house outside of the County, but I am "paying" by having a long commute.

Gwen, Math Teacher, lives in Germantown and works in Bethesda

I was lucky to buy a condominium with a 5% mortgage through the State of Maryland. Even with this benefit, I need a roommate to supplement my finances and spend an hour driving each way.

Michael, Economist, lives in Upper Marlboro and works in Silver Spring

I looked for almost a year for a house in Montgomery County but I couldn't find anything affordable and suitable for my family... but I must commute two hours a day.

Alex, Computer Communications, lives in Baltimore City and works inside the Beltway

I want to live someplace where I can get to work quickly but walk to go out to eat, buy coffee. I guess I'll look in Adams Morgan or Mount Pleasant for a condo.

Terri, Labor and Delivery Nurse, lives and works in Montgomery County

Most of our nurses lives in Frederick or Prince George's County. We delivered 7,000 babies last year – sadly many of those babies will not be able to live here when they are older!

Jeff, Park Police, lives in a Park House near Clarksburg

We rent a park house because we could not afford a house in the area. I'm on call 24 hours a day and need to live close to my job. Housing that we could afford is too far away.
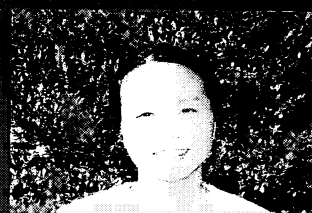
Chao Hong, Physician, lives in Rockville and has a 3 year fellowship at NIH

We rented a little studio apartment for $2,000 near Metro. If we did not have two incomes, we could not afford even this tiny space.
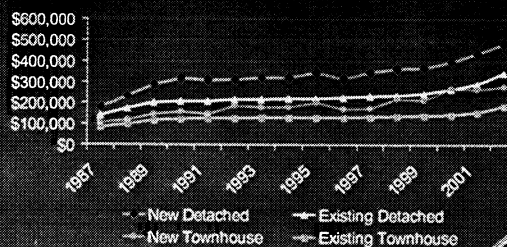
What do they make?

Salary for:	Beginning	Median
Architect	$36,410	$54,660
Economist	$44,060	$59,180
Human Resources Manager	$48,300	$74,370
Licensed Nurses	$34,250	$40,210
Media/Communication Specialist	$34,230	$52,490
Montgomery County Teacher	$36,851	$44,950
NIH Visiting Fellow Post-Doc**	$37,000	$52,000
Park Police*	$37,400	$61,598

Source: MD DLLR, Office of Labor Market Analysis & Information, MNCPPC(* beginning Candidate and mid-range LI), NIH(**)

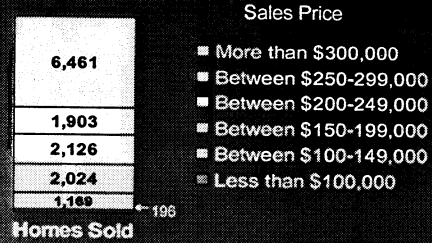## Median sales price for new detached now houses exceeds $480,000

$600,000
$500,000
$400,000
$300,000
$200,000
$100,000
$0

1987 1988 1991 1993 1995 1997 1999 2001

— New Detached   — Existing Detached
— New Townhouse   — Existing Townhouse

What does it take to buy a house?

	Median Sales Price 2002	Approx. Income Required
New Single Family	$481,286	$160,500
Resale Single Family	$340,000	$113,300
New Townhouse	$277,978	$92,659
Resale Townhouse	$185,000	$61,700

Housing Sales Prices: RTC, MNCPPC-MC

46% of the houses and townhouses sold for more than $300,000 in 2002.

Sales Price

- More than $300,000
- Between $250-299,000
- Between $200-249,000
- Between $150-199,000
- Between $100-149,000
- Less than $100,000

6,461
1,903
2,126
2,024
1,169 ← 196

Homes Sold

Source: RTC, MNCPPC-MC

Many of the residents could not have bought their own house in 2000!

HOUSING SALES AND PURCHASING POWER

	Median Sales Price (2000)	Income Required
New SFD	$318,090	$127,200
Resale SFD	$207,000	$82,800
New TH	$158,325	$63,300
Resale TH	$126,000	$50,400

Median Household Income $71,551 (2000)

INCOME DISTRIBUTION OF MONTGOMERY CO. RESIDENTS

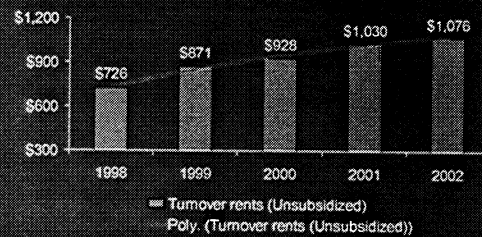| Median HH Income	
13%	$150,000
17%	$100,000
15%	$75,000
34%	$35,000
19%	

Number of Households

Sources: Median Household Income, 2000 U.S. Census
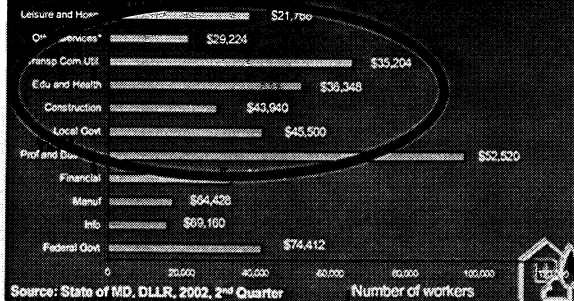Housing Sales Prices: RTC, MNCPPC-MC;
2000 Factor 2.5

What does it take to rent?

- Average rent: $1,076 per month
- Income needed : $38,700 (year)

	1998	1999	2000	2001	2002
	$726	$871	$928	$1,030	$1,076

- Turnover rents (Unsubsidized)
- Poly. (Turnover rents (Unsubsidized))

Most of the workers in the County make less than $50,000. This job distribution will likely continue in the future.

Leisure and Hosp	$21,700
Other Services	$29,224
Transp Com Util	$35,204
Edu and Health	$36,348
Construction	$43,940
Local Govt	$45,500
Prof and Bus	$52,520
Financial	
Manuf	$64,428
Info	$69,160
Federal Govt	$74,412

Number of workers

Source: State of MD, DLLR, 2002, 2nd Quarter

Housing costs increase more than wages... no end in sight.

- In the last five years average housing sales prices increased by 38% and average rent by 48% .
- The average worker's pay increased by 19% in the county.
- As housing costs rise, this gap is increasing.

Why are housing costs increasing?

- Most new units are larger and more expensive
- Cost of residential development is exacerbated by expensive constraints (environmental, sewer, transportation)
- Housing construction has not kept pace with job growth
- Supply of developable land is shrinking
- Housing and land are seen as good investments

Why is there a limited supply of affordable housing?

- Rising prices for all housing
- Declining production from government programs
- Community concerns about density, compatibility, over concentration
- Competing public polices that reduce housing units

11,002 MPDU's produced through 2001 but production is slowing

- For Sale - Rental
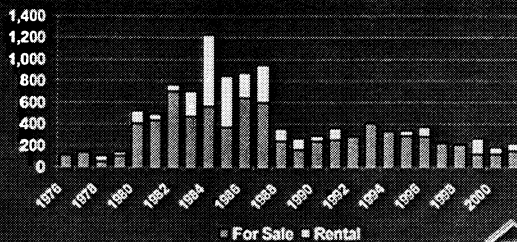
Department of Housing and Community Affairs

Supply of affordable housing as of 1999

• Total MPDUs	11,002
• Opportunity Housing (non-MPDU)	1,711
(for moderate income households)	
Total Assisted Units (Sect. 8, 236, etc.)	11,778
(for low and very low income households)	
– Family Assisted	6,584
– Family Subsidized Bond Financed	1,553
– Elderly/Disabled Units	3,581
– MNCPPC Park Housing (rental)	60

Rising to the challenge......

- Protect existing affordable housing stock
- Increase opportunities for developing higher density housing
- Create regulatory incentives
- Support affordable housing through Annual Growth Policy
- Encourage housing design excellence
- Build an Informed constituency and advocacy

Recently completed

- Green Tape Expedited Project Review
- Senior Housing Text Amendments
- Housing Chapter in Master Plans
- Changes in the MPDU law to expand program

HOUSING MONTGOMERY