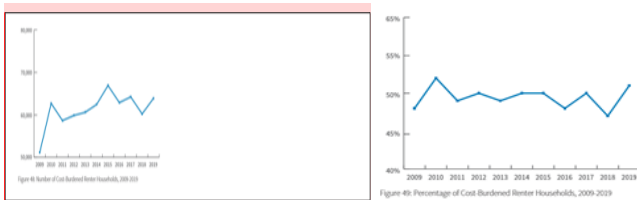


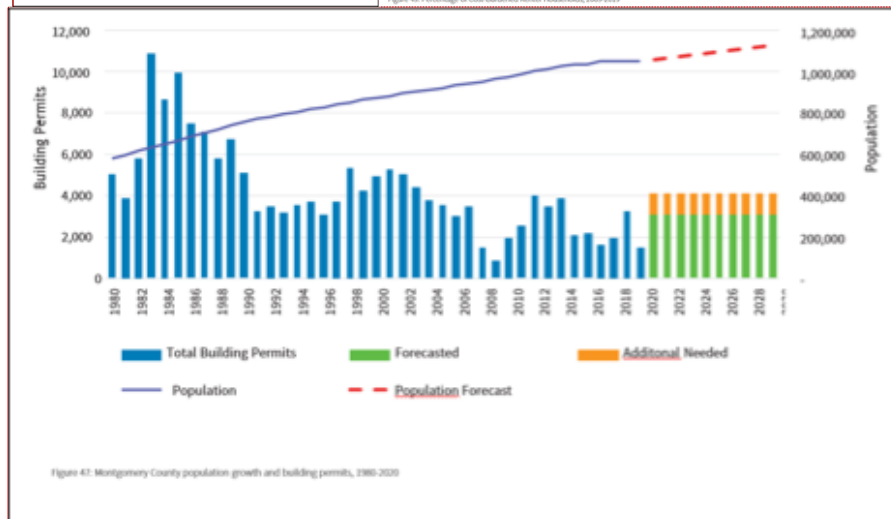
HOUSING FOR ALL: More of Everything

Introduction: Housing Lags Population and Job Growth

The Washington region has experienced slow but steady growth in recent decades, even as many parts of the country have struggled to attract residents and economic opportunities. Unfortunately, the region (including Montgomery County and most neighboring jurisdictions) has not generated enough new housing – particularly housing that matches the incomes and needs of the workforce – to match this relatively moderate pace of population and job growth. From 1980 to 2018, the average number of dwellings built each year in Montgomery County has steadily declined, both in absolute terms and relative to the rest of the region. Building permits have lagged well behind the 4,200 a year average that the Metropolitan Washington Council of Governments (MWCOCG) has estimated are needed to address inadequate housing production and supply.



Commented [A1]: These charts need better explanation. Numbers would help understand the problem. Based on these charts, there are slightly fewer than 130,000 renter households in the county. (The 65,000 cost burdened renters represent about 51% of all renters.)



Commented [A2]: What was the actual number of building permits in 2020? In 2021 (if available)?

What is the problem we are trying to solve?

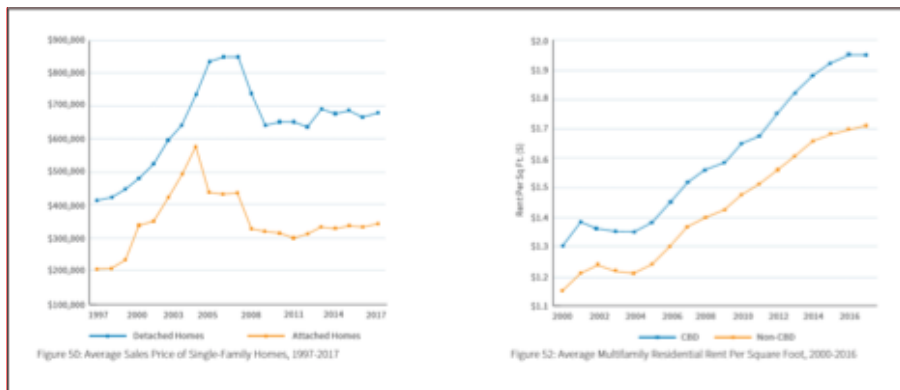
While the county’s median household income remains relatively high, as in many areas of the country disproportionate growth in the number of households at the high and low ends of the income spectrum has created a barbell effect, with increasing numbers of low-income renters burdened by housing costs. Economic development strategies that improve incomes and employment options can help to combat this problem, but more attention and resources directed at affordable housing are also necessary. Weak A mismatch of supply and demand, where demand exceeds supply, raises the price of housing for both renters and those who want to own their home. The number of households spending at least 30 percent of income on housing has continued to grow. Housing price increases have outpaced growth in incomes, leading some people to leave the county in search of more affordable places to live. Homeownership rates have been in decline, especially for adults under the age of 35. The obstacles faced by young workers in finding housing they can afford may makes it harder for employers to attract and retain the employees they need, which can affect ~~damaging~~ our economic competitiveness.

Commented [A3]: Thrive should have an economic section.

Commented [A4]: It’s more complex than this statement as written implies. The housing market is really a number of sub-markets. As Thrive moves forward into implementation, more analysis will be needed to better understand the sub-markets.

Commented [A5]: Support? As written, the sentence implies that a lack of housing for younger workers is damaging the county’s economic competitiveness, whereas a fairly recent study of the White Flint property by Planning found that it was the limited job growth in the county holding back residential construction. The relationship between housing and jobs is at best unclear.

Commented [A6]: These charts show only the averages, and averages can be distorted by outliers. Thrive should include charts showing the median house price and median rent per square foot, as these amounts can be considerably different from the average and, to a buyer or renter, the median would generally be a more relevant number.



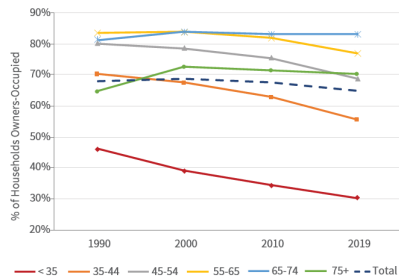


Figure 51: Homeownership rate by householders age, 1990-2019

The county’s housing challenges are not limited to the slow pace of new construction. Social and economic changes have opened a growing gap between the living patterns of the early 21st century and the housing stock of earlier generations. The stereotypical family household of the 1950s, consisting of a married couple with children living at home, represents a lesser steadily diminishing share of all households than in 1960. The percentage of households consisting of one person living alone increased from seven percent in 1960 to 25 percent in 1990-2019, partly as a result of a trend toward deferring marriage and children birth, and partly because a larger number of older people are divorced or widowed. The percentages have been fairly stable since 1990: married couples with children under eighteen were 28 percent of all households in 1990 and 25 percent in 2019; households of one person living alone were 22% of households in 1990, increased to 25 percent in 2000, and remained at 25 percent through 2019.

Commented [A7]: The “stereotypical family structure” is not relevant. Figure 5.3 indicates this was the typical structure (60% of households in 1960).

Commented [A8]: As written, this paragraph implies that the percentage of households with children at home trended down over the entire period 1960 to 2019, and that the percentage of one-person households trended upward over that same period. Based on the chart at Figure 53, the percentages have remained substantially steady since 1990.

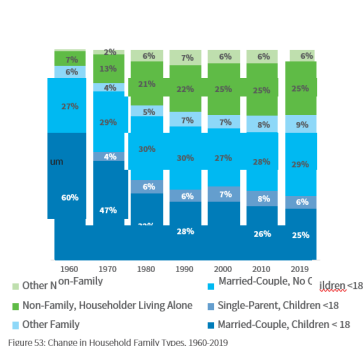


Figure 53: Change in Household Family Types, 1960-2019

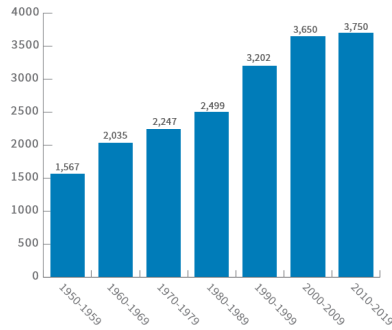


Figure 55: Average gross floor area of a single-family house by year built

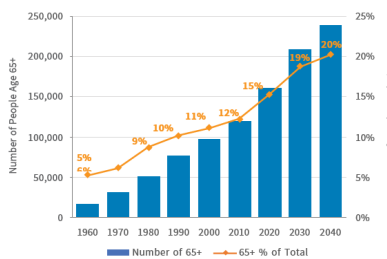


Figure 54: Age 65+ population, 1960-2040

Commented [A9]: What is the relevance of this chart? This discussion as presented rests heavily on the assumption that a significant portion of the county's over-65 population (shown in the chart) who are homeowners will want to downsize in the same neighborhood, generally to a unit in a multi-family structure. Where is the data to support this?

Despite the shrinking size of households, new single family homes are getting larger, and single-family dwellings make up two-thirds of the county's housing stock, and new single-family homes have been built increasingly larger over time. Options to buy a starter home or downsize are limited, and by some estimates, as many as one in three owner households are "over-housed" that is, they have at least two more bedrooms than residents. Because more than one-third of the county's land area is zoned for single family housing, whereas % is more than ten times the area zoned for mixed use development, there are approximately single-family homes in the county (existing or under construction), with an estimated additional permitted under current zoning; there are approximately residential units in multi-family buildings (existing or under construction), with an estimated additional permitted under current zoning. Our ability to provide a greater variety of housing units in many desirable locations is constrained. This limits the ability of long-time residents to relocate to a different type of home in their neighborhoods.

Commented [A10]: Delete. The shrinking size of households is not relevant to the size of homes builders are building and people are buying.

Commented [A11]: All references to residents being "over-housed" need to be deleted and the concept dropped from Thrive. Individuals and families make personal decisions when to stay and when to move, and older residents whose children have grown often want to stay in the family home as long as health permits, providing a place where grown children and their families can gather, where grandchildren can visit and comfortably stay overnight, etc. The "over-housed" in the workforce (regardless of age), and especially parents with children at home, may need space for working at home, one or more home offices, as has become abundantly clear during the pandemic. There is no place in Thrive for the judgmental implications of the "over-housed" concept.

Commented [A12]: Thrive does not include any information on how many new residential units are being built or in the future could be built (and where) in multi-family buildings under the current zoning. Without that information, statements like that comparing land areas do not give useful information. Accurate information about the current situation must be made available and included, or the extent of the need cannot be determined (or understood).

xx

		Number of People in Household				
		1	2	3	4	5-6
Number of Bedrooms	0-1	5,800	800	400	100	200
	2	11,300	9,800	3,000	1,000	1,700
	3	16,500	28,000	16,400	12,200	10,100
	4	9,200	31,000	17,400	16,900	11,700
	5+	3,400	12,800	7,100	11,400	9,900

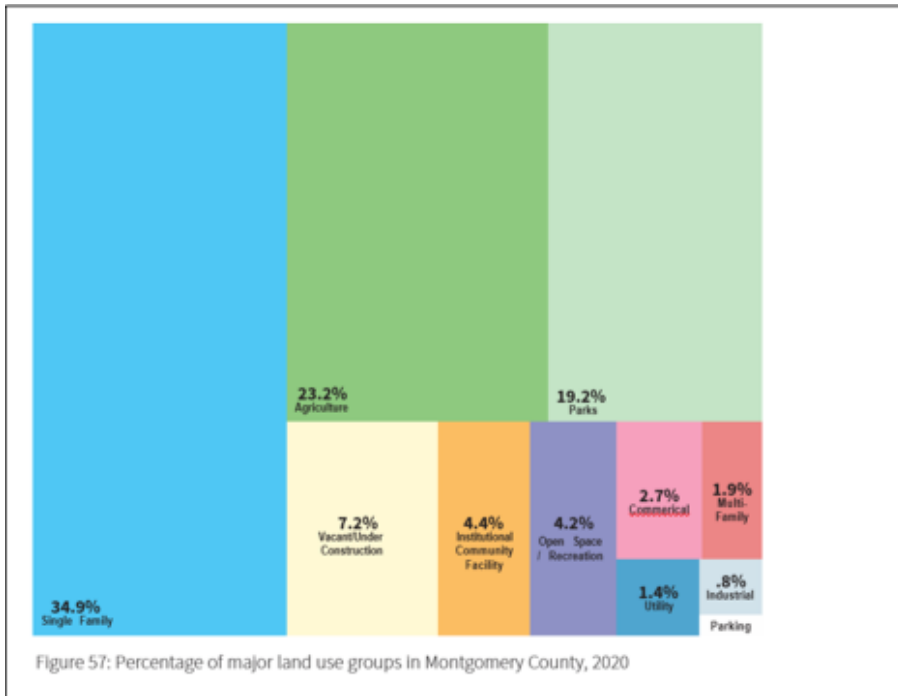
Figure 56: Number of owner households by housing unit and household size, 2018

Commented [A13]: This table should be deleted.

80,000 owner households or 32 percent of owner households, are over-housed, compared to only 3 percent of renters households by the same measure.

Commented [A14]: As noted above, the "over-housed" concept has no place in Thrive. Further, this statement comparing owners and renters is yet another example of misuse of data, a comparison that has no meaning. A majority of renters in the county are in apartments. There are very few apartments with more than two bedrooms, and almost none with more than three. For this reason alone, a renter is unlikely to be "over-housed" as that term is used in this section.

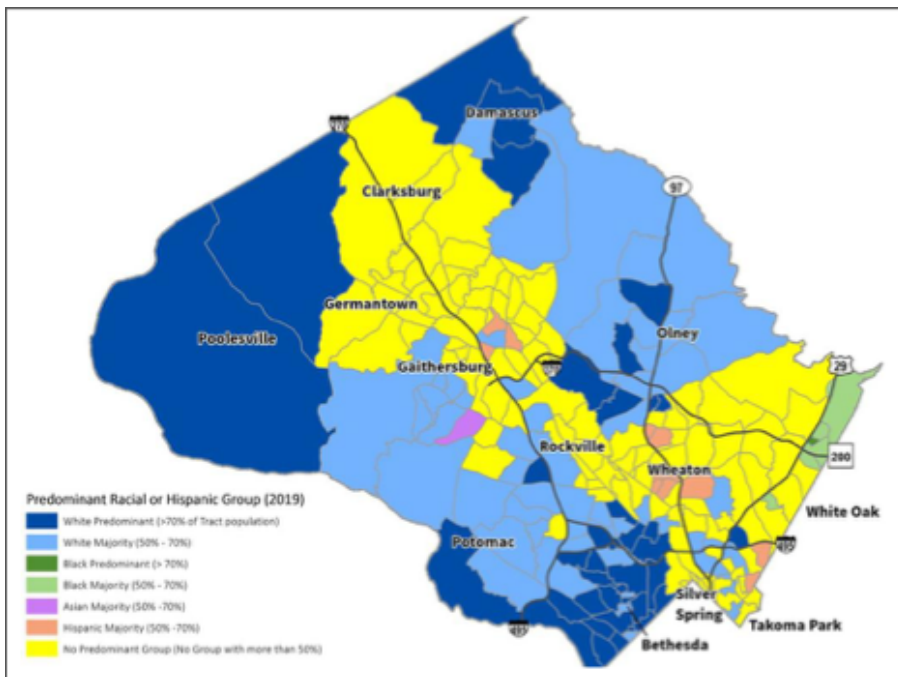
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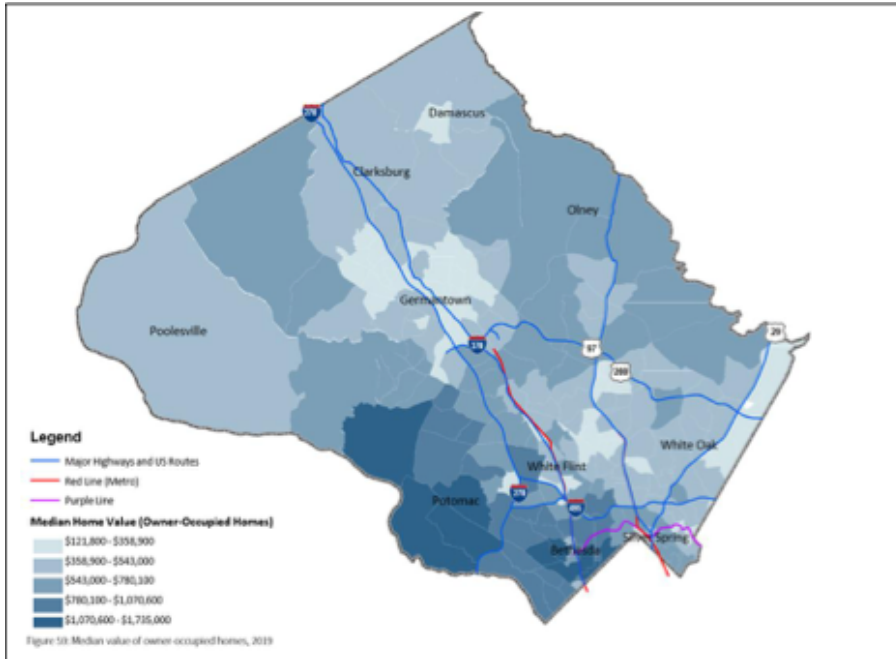


Commented [A15]: What is the 7.2% of the county shown as "Vacant / Under Construction?" For what is or can this property be used?

The high cost and limited variety of available housing exacerbate inequality and segregation by race and economic class. Home prices vary widely in different parts of the county, closely tracking the racial and economic characteristics of neighborhoods, with predominantly white residents predominantly living in more expensive neighborhoods with better access to jobs, schools, and transportation options than the African American or Latino residents of less expensive neighborhoods, which neighborhoods are home to a disproportionate number of the county's African American, Latino, and other minority residents. These inequities reinforce the legacy of racism and both de facto and de jure segregation and continue to influence the geographic distribution of opportunities and resources, too often leading to inequitable outcomes in educational attainment, economic opportunity, and public health.

Commented [A16]: Reason for wording change: All residents of those neighborhoods are affected, not only the African American and Latino residents (but a disproportionate number of those residents are often minority).





Without more housing in general and an increase in the availability of smaller, less expensive housing in particular, housing very likely will become less affordable to a broad swath of the county's residents. Some likely will leave the county, either commuting long distances from home to work or departing the region in search of a more affordable place to live. Others will struggle with the burden of paying their rent or mortgage, reducing their standard of living.

Between 2020 and 2040, Montgomery County is expected to need to add 63,031 new households, both working households and non-working households with, specifically new residents who are seniors or persons with disabilities.

Over the 2020 to 2040 period, forecast assumptions suggest that Montgomery County is likely to will need to add the following types of housing units to accommodate the forecasted households.

Commented [A17]: Thrive should clarify what is meant by "smaller" here. More efficiency and one-bedroom units will not help families.

Commented [A18]: Revised to clarify.

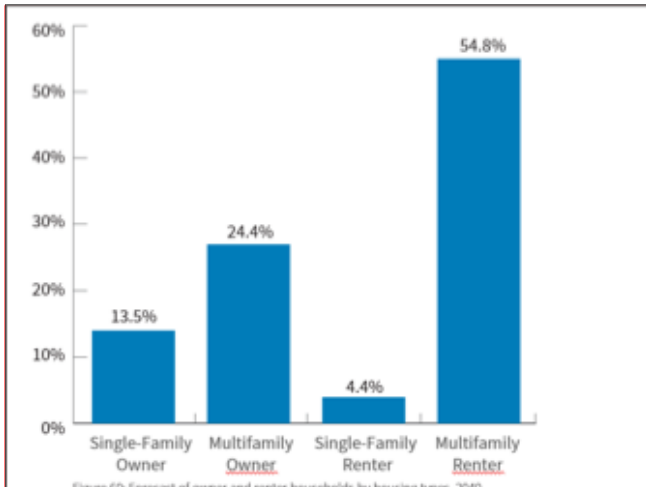


Figure 60: Forecast of owner and renter households by housing types, 2040.

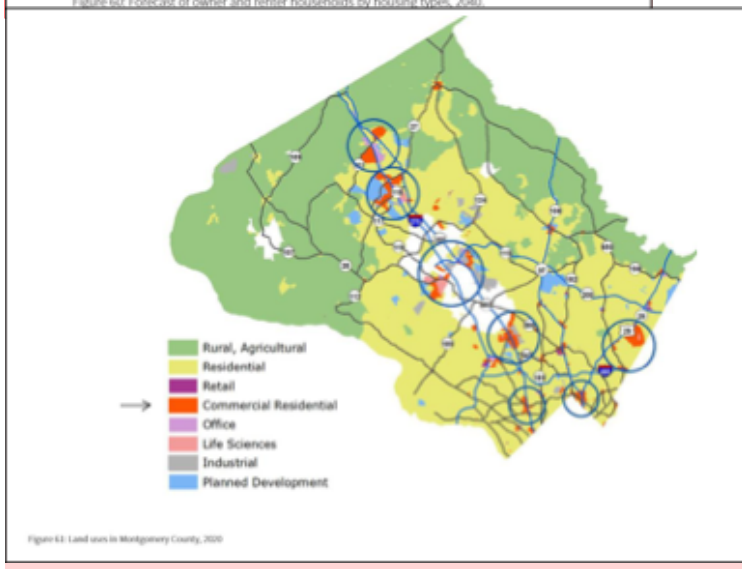


Figure 61: Land uses in Montgomery County, 2020

Commented [A19]: The lead-in states that this chart shows additional homes projected to be needed, but the caption states "Figure 60: Forecast of owner and renter households by housing types, 2040." Which is it? (Most likely the label is wrong, and this shows the forecast of NEW homes needed.)

Once again, the information provided is incomplete. For a complete picture, the current percentages, and current and forecasted numbers, need to be shown. Based on other information provided (that 80,000 households represent 32% of owner households in the county, but this should be broken down to give single-family owner and multi-family owner numbers. Likewise, based other information given (the chart showing that 65,000 renters constitute 51% of all renters), there are slightly fewer than 130,000 renter households, but that is not broken down to show single-family renter and multi-family renter numbers. A rough calculation indicates that adding the housing shown in the chart would decrease the percentage of owner households (currently approximately 66%) by over 5% and would correspondingly increase the percentage of renter households.

This chart contradicts the many statements made about Thrive that one of its goals is to increase home ownership, especially among low- and middle-income residents. Adding primarily rental properties increases the percentage of renters, not owners. What is the basis for the allocation between owner and renter new households? Is it based on expected income, with a substantial number of new residents with projected household incomes below \$50,000? This all needs to be much better explained and supported.

What policies will solve the problem?

Montgomery County needs housing at a wide range of prices. ~~because~~ The current crisis of housing affordability affects households at all income levels (except the most affluent), not just low-income households, and non-subsidized market rate housing needs attention if Montgomery County is going to change the current trajectory of housing affordability. The term affordable housing, generally used for subsidized housing and referring to housing for households with income between % and % of Area Median Income (AMI, currently \$), does not encompass the housing needs of the middle-income households that constitute the largest segment of the county's population who are hurt by the rising housing costs and limited supply. (For purposes of this discussion, "middle-income households" are those with income between % and % of AMI.) Expansion and diversification of our housing stock also is one step, an important step, toward reducing racial and socioeconomic inequality. In addition, all non-subsidized market rate housing needs attention if Montgomery County is ever going to change the current trajectory of housing affordability.

Montgomery County must view access to safe, affordable, and accessible housing as a basic human right. Every resident of Montgomery County should have a place to call home and no resident should be homeless.

~~Expansion and diversification of our housing stock also is an essential step toward reducing racial and socioeconomic inequality.~~ By 2045, people of color are forecast to make up 73 percent of the county's population, with a significant percentage (%) of these residents earning less than \$50,000 a year. (In 2045 % of all county residents are forecasted to have household income (?) less than \$50,000.) Without Unless economic strategies that are successful in reducing the projected percentage of households at low incomes, about half of all new dwellings would need to be rental units in multifamily buildings (including both apartment and townhome, duplex, triplex, and quadplex units) and more than one quarter would need to be for-sale units in multifamily buildings (including condominiums and other attached and semi-detached building types) in order to match the amount and types of housing to the needs of our residents. Even with successful economic strategies, a substantial number of new units for low-income residents will be needed.

In order to address the county's need to increase the amount and variety of housing, the county should consider will pursue the following policies and actions, with adoption and implementation to be through the Master / Sector Plan process:

Encourage the production of more housing to better match supply with demand

- Expand opportunities to increase residential density, especially along major corridors and in locations where additional housing can assist in the development of Complete Communities. (Ec, Eq, Env)
- Increase the number of income-restricted affordable housing units, especially for low-income households. (Eq,)
- As part of the commitment to the Housing First approach, develop strategies to build deeply affordable housing and provide permanent supportive housing. (Eq,)
- Support building code adjustments that ~~to~~ reduce costs by accommodating innovative construction methods and materials including modular prefabricated housing and mass timber. (Eq, Env)
- Prioritize use of public land for co-location of housing and other uses, particularly where government agencies design new facilities or dispose of real property. Consideration of increased opportunities for housing low and very low-income households should be included in the analysis of how best to leverage county assets. (Eq, Env)

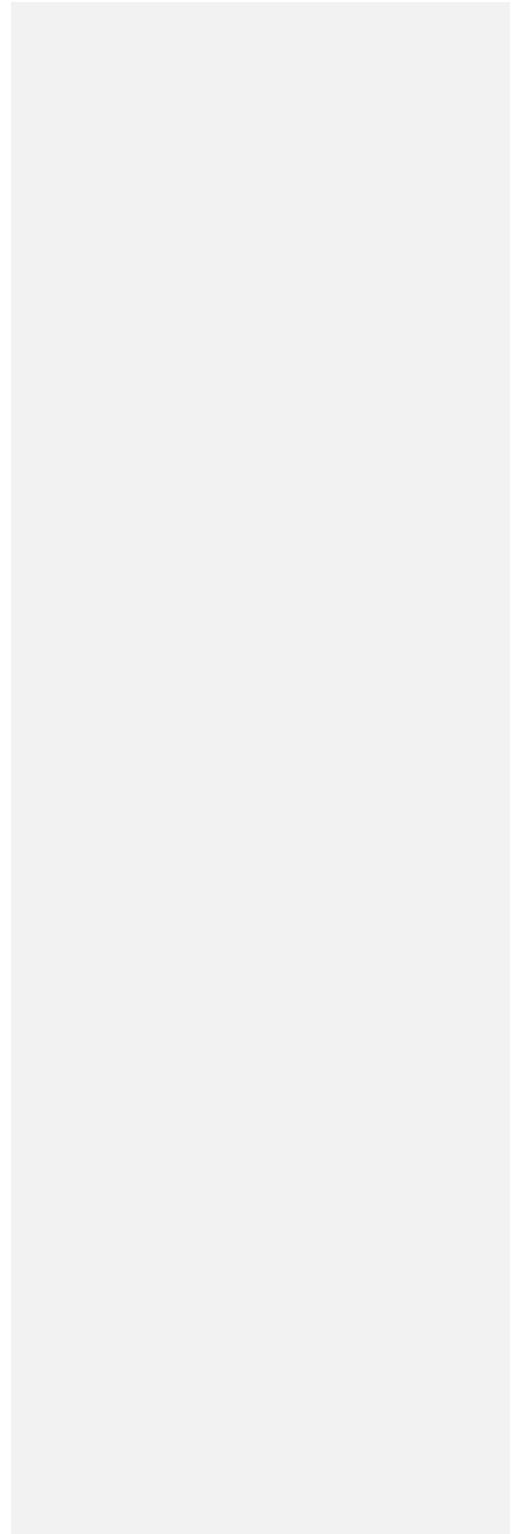
Commented [A20]: The first section here intermixed the need for housing at price points within reach of middle-income residents, and the need for housing for low-income residents. The changes move sentences around to separate and clarify those distinct needs.

Commented [A21]: In other places the income measure is "household income." The same measures should be used throughout this section

Commented [A22]: A successful economic program is an imperative, and a stronger economic component is needed in Thrive.

Commented [A23]: What is the basis for this breakdown between rental and owned? People need housing, but that housing doesn't "need" to be through ownership.

- Increase regulatory flexibility to incentivize appropriate residential infill, redevelopment, and repositioning of office parks, shopping malls, and other underutilized properties. (Ec, Eq, Env)
- Provide financial and other incentives to boost housing production for market rate and affordable housing, especially near transit and in Complete Communities. (Ec, Eq, Env)



Plan for a wide range of housing types and sizes to meet diverse needs

- Facilitate the development of a variety of housing types in **various areas throughout every part of** the county but especially in areas near transit, employment, and educational opportunities. (Ec, Eq, Env)
- Support creative housing options including, **where appropriate**, personal living quarters and/or micro units; “missing middle” housing types such as tiny houses, cottages, duplexes, multiplexes, and small apartment buildings; shared housing, cooperative housing, co- housing, and accessory dwelling units (ADUs), to help meet housing needs and diversify housing options. (Ec, Eq, Env)
- Consider features of other housing models such as social housing that, in addition to providing long-term affordability for low and moderate-income households, emphasizes architectural quality, environmental performance, and social stability. (Eq, Env)
- Encourage provision of multi-bedroom units suitable for households with children in multifamily housing. (Eq, Env)
- Integrate people with disabilities, people transitioning from homelessness, and older adults into housing with appropriate affordability, amenities and services sized and designed to accommodate their households. (Eq,)

Commented [A24]: The increased development may not make sense in **every part** of the county, and Thrive should maintain flexibility.

Figure 62—before and after along University Boulevard in Langley Park

Promote racial and economic diversity and equity in housing in **every neighborhood throughout the county**

- Calibrate the applicability of the Moderately Priced Dwelling Unit (MPDU) program and other affordable housing programs to provide price-regulated units appropriate for income levels ranging from deeply affordable to workforce. (Ec, Eq,)
- Develop targeted strategies to minimize gentrification and displacement while promoting integration **and housing choice** and avoiding the concentration of poverty. (Eq,)
- Refine regulatory tools and financial and other incentives with the goal of avoiding a net loss of market-rate and income-restricted affordable housing stock without erecting disincentives for the construction of additional units. (Eq,)
- Identify and allocate additional revenue for the Housing Initiative Fund (HIF) and other county programs to meet the needs of low-income households. (Eq,)
- Expand existing programs designed to increase access to homeownership, especially among low-income residents, people of color, and young adults; create new programs and entities such as community land trusts to maintain long term affordable homeownership opportunities. (Eq,)
- Improve collection of data on neighborhood change to monitor and address involuntary displacement, disinvestment, and related phenomena. (Eq,)

Commented [A25]: Working toward these goals should not require counting heads in **every neighborhood**.

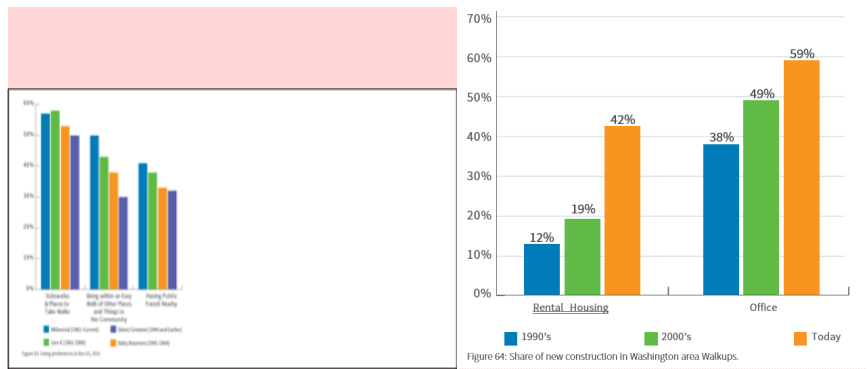
Commented [A26]: What constitutes a neighborhood? A certain area? School boundaries? The meaning here is unclear.

How these policies will serve the goals of Thrive Montgomery 2050?

A healthy supply of additional new housing that is suited to meet the needs of households of different sizes, incomes, needs, and preferences is central to achieving Thrive Montgomery’s key objectives:

Housing Supports the Workforce Needed to Grow Our Economy

First, increasing the supply of new housing near transit, jobs, and amenities should will improve the quality of life for everyone in the county while helping to attract and retain the broadly skilled workforce that employers need, helping to, making the county more economically competitive. The increased demand for walkable neighborhoods with a mix of uses – especially near transit – is well documented. Housing in “Walkable Urban Places (WalkUPs)”, command prices 71 percent higher per square foot than other locations in the Washington area, reflecting both the desirability and relative shortage of these kinds of places. By concentrating more housing of different sizes and types near high-quality transit corridors, we can provide housing that should will help keep the most productive workers in the county, curb escalating prices in the most desirable locations, and improve accessibility of jobs, transportation, and services.



Commented [A27]: Having the workforce available will not alone make the county more competitive

Commented [A28]: Sources? Recent reports indicate that this may be changing across the country, with a growing number of, for example, millennials, seeking a more suburban larger home with a yard, etc. See, for example, this August 2021 report from Pew Research <https://www.pewresearch.org/fact-tank/2021/08/26/more-americans-now-say-they-prefer-a-community-with-big-houses-even-if-local-amenities-are-farther-away/>

Commented [A29]: Source?

Commented [A30]: Before any implementation of greater density, more information would be needed on the types of housing workers are seeking – Ownership or rental? Apartment / condominium? Townhouse? Single-family home? Urban or more suburban?

Commented [A31]: This chart shows the external features residents may want, but it does not indicate the type of housing desired. It does not necessarily follow that residents will flock to areas close to transit if those areas are crowded and congested and the only housing opportunities available to them are in multi-family living.

Commented [A32]: Why does this chart not also show owned housing? Bethesda and Silver Spring, and presumably other areas as well, have many condominium buildings.

A Range of Housing Types Priced for a Range of Incomes Is Essential to Integration and Equity

Second, the construction of a wider variety of sizes and types of housing and a focus on affordability and attainability should will help diversify the mix of incomes in neighborhoods across the county, improving access to services, amenities, and infrastructure for low- and moderate-income residents, who are disproportionately people of color.

Commented [A33]: Terms need to be defined.

Commented [A34]: There is much in this section about providing a diversity of housing to improve access of low- and moderate- income residents to better services, amenities, and infrastructure, which access they will get only by moving to a different area of the county. Equal attention must be given to providing our low- and moderate-income residents this same level of housing, services, amenities and infrastructure in the areas where they now live.

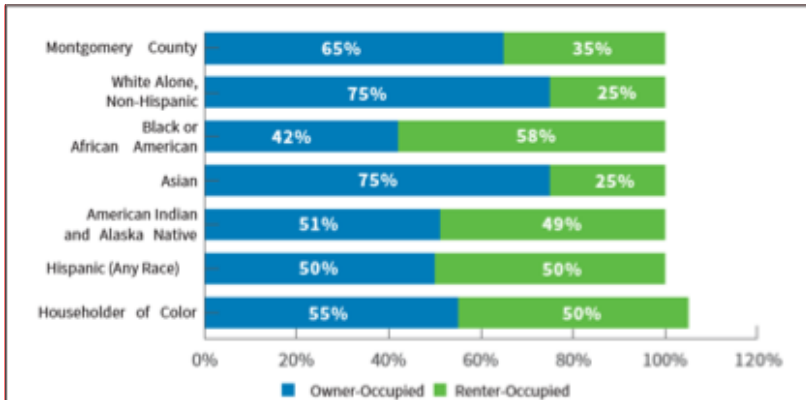


Figure 65: Rate of homeownership by race, 2017

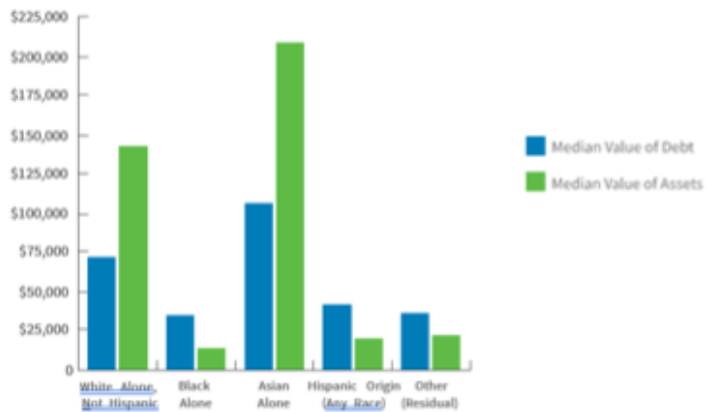
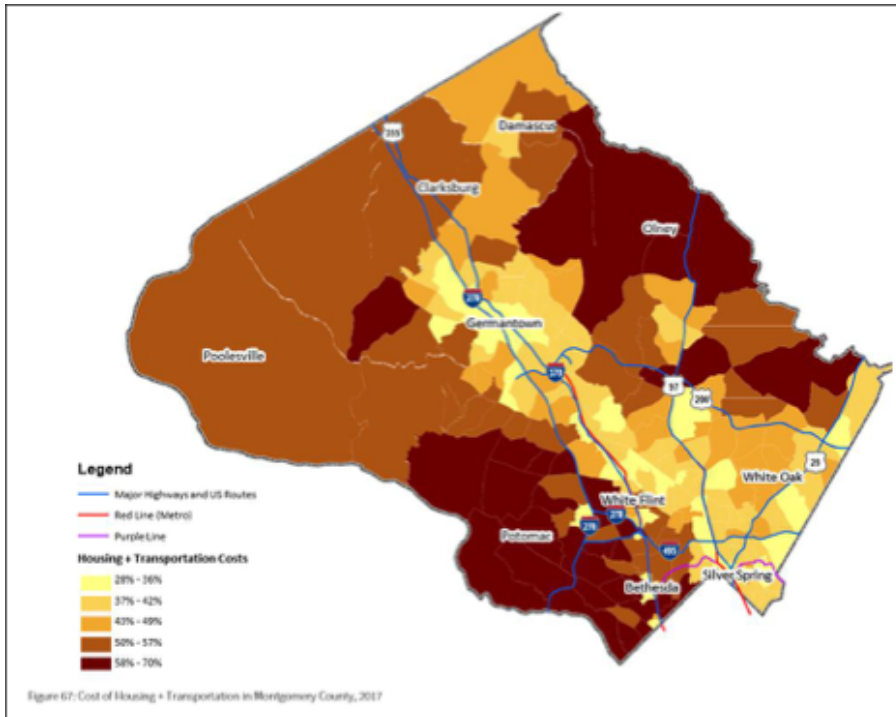


Figure 66: Wealth accumulation and debt by race, 2016

Commented [A35]: These charts are broken down by race, but there is no break-down by age within groups. People generally accumulate wealth as they grow older. One source shows the median age of whites as 43.9, Asians as 41.5, African Americans as 35.7 and Hispanics as 30.9. It would be informative to see what the racial gap is between residents of comparable ages.



Adding more “Missing Middle” housing types – ranging from low to medium densities such as accessory dwelling units (ADU’s); duplexes; triplexes; quadplexes; live-work units; and clustered housing such as townhouses, courtyard dwellings and smaller apartment buildings to more neighborhoods is intended to will provide more choice, enhance intergenerational interaction, promote aging in place, and build social capital.

Missing middle housing will not necessarily be “affordable” in the same sense as price- or income-restricted units that receive public subsidies or are covered by the county’s moderately priced dwelling unit program, but it can will fill crucial gaps in the housing market. For first-time buyers who struggle to save enough for a down payment on a large, single-family house, a duplex or tiny house can provide an accessible point of entry to home ownership. If there are For empty nesters who want to downsize but cannot find a smaller, less expensive home in the neighborhood where they raised their family, a small apartment building or a courtyard bungalow might could provide a welcome alternative to relocating from the area.

Of course, missing middle housing by its nature is highly likely to be more affordable than new single-family detached houses in the same neighborhood because these housing types require less land, employ relatively inexpensive wood frame construction, and are designed for people looking for smaller and more

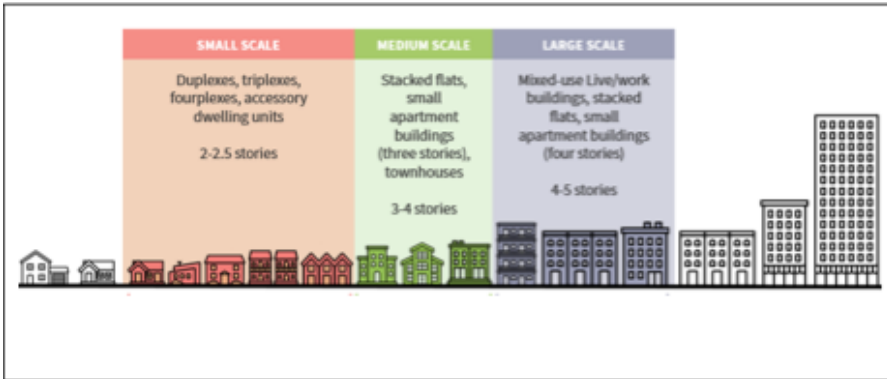
Commented [A36]: Evidence that this will work? Thrive should at least reference the experience of other communities here. Austin? Chicago? Minneapolis? New York? This premise requires much more analysis and discussion.

Commented [A37]: Wording change. Outreach to the “empty-nester” residents has been lacking, so there is no basis for this statement, which implies that a significant number are looking to downsize within their neighborhoods.

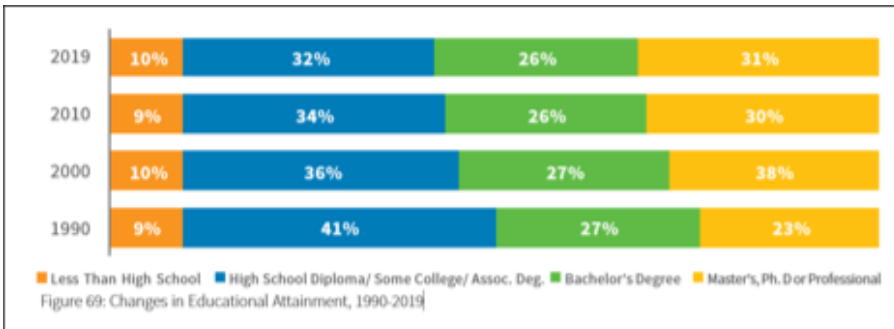
Commented [A38]: Homes purchased for tear-down in older neighborhoods are sold for much less than the newer homes that go up in their place, and in a significant number of areas the selling price of the older home would also be no more (and possibly less) than the selling price of a new duplex or triplex built on the lot.

efficient living spaces. We need less expensive alternatives to single-family detached dwellings because a wider variety of options accessible across the spectrum of incomes, family sizes, and lifestyles ~~will~~should make the housing market function effectively for all of our residents at every stage of their lives.

xx



Preservation of both naturally-occurring and regulated existing affordable units ~~will~~should be facilitated to minimize gentrification and displacement as these communities see future investments in transit infrastructure, schools, and amenities. Building new affordable housing for families in existing amenity-rich neighborhoods ~~should~~will expand access to quality education for a wider range of students, leading to more integrated schools and helping close the achievement gap for people of color. Over time, these efforts ~~would be expected to~~will minimize de facto segregation based on income between school districts and encourage greater social mobility. Mixed-income housing in communities lagging in investment ~~should~~will help mitigate the concentration of poverty and enhance access to amenities and recreational opportunities for current residents.

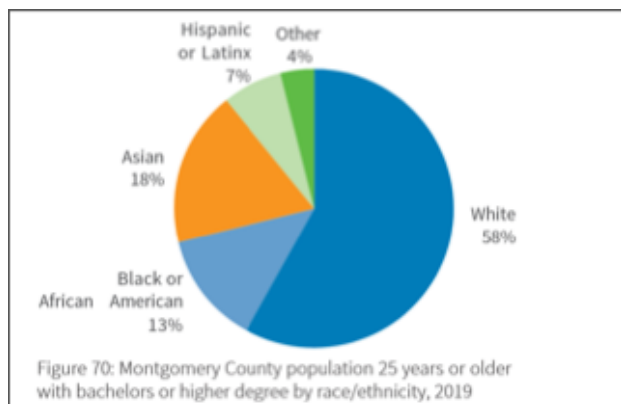


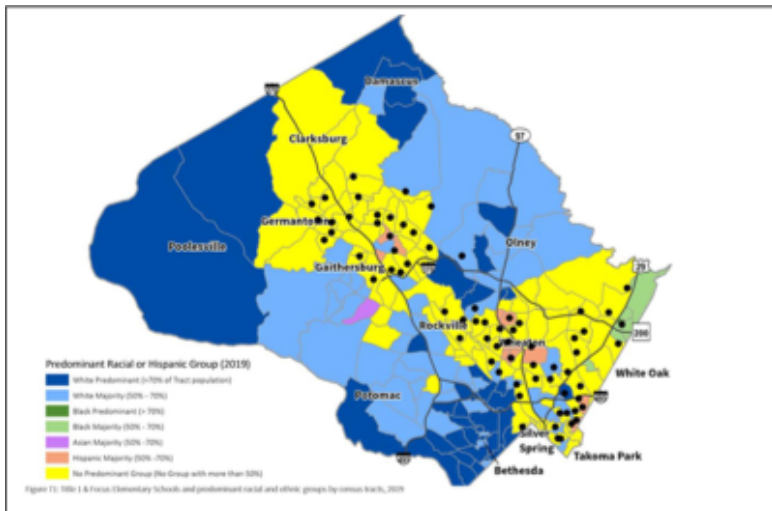
A Wider Variety of Housing Types Is Crucial to Reducing the Environmental Impact of Growth

Third, a broader range of housing types – particularly the inclusion of multifamily buildings of varying scale depending on their location – ~~is expected to~~ will reinforce the benefits of Complete Communities because flexible residential zoning ~~may~~ will allow more people to live closer to work, increase the walkability of neighborhoods, and limit the development footprint on the environment. By allowing smaller residences and more multifamily building types, encouraging infill and repurposing, and adding housing near transit and jobs, these recommendations ~~could~~ will collectively reduce greenhouse gas emissions and improve other measures of environmental health ~~(although the effect would be lessened as people accept employment in other areas but choose not to move, commuting by car instead)~~. New construction can also help mitigate environmental impacts by increased use of stormwater management, use of clean building materials and technology, more energy efficient lighting and appliances, and plumbing fixtures that conserve water.

Historically, many people who fill critical jobs in Montgomery County, such as teachers, police and first responders, and the service workforce have ~~lived in~~ had to move to more remote parts of the County or ~~outside of~~ Montgomery County altogether ~~because of housing costs, and~~ driving long distances to reach their places of employment. Creating a wider range of more housing options through infill, redevelopment and adaptive reuse of existing buildings ~~should provide these workers the opportunity to live closer to their employment, which would also~~ will reduce vehicle miles traveled while using valuable land more sustainably.

Montgomery County's naturally occurring affordable housing ~~can also have a role in~~ mitigating its environmental impact as they ~~aging~~ age, ~~and is~~ these facilities present an opportunity to shepherd in environmentally sustainable practices as they age and are rehabilitated. Rehabilitation offers environmental benefits through adding more eco-friendly and modern features, like newer appliances and HVAC systems.





How will we evaluate progress?

In assessing proposals related to the supply of housing and measuring the success or failure of the approaches ~~described~~ **recommended** in this plan, relevant measures may include:

- Rates of homeownership by race, income, **age**, and **area**
- Number of and proportion of cost-burdened households disaggregated by race, **income and age**
- Combined housing and transportation costs disaggregated by race
- Rent and mortgage payments as a proportion of household income disaggregated by race, **income and age**
- Number and percent of low-income households in a census tract (concentration of poverty)
- Number and percent of low-income households lost in a census tract over a period of time (displacement)
- Racial and income diversity within **areas/neighborhoods**
- Proportion of housing units proximate to transit routes and job centers
- Number of residential units issued building permits, overall and by area of county
- Number of affordable units by type, overall and by area of county
- Naturally Occurring Affordable Housing preserved, overall and by area of county
- Number of homeless residents
- Proportion of missing middle housing units and units in multifamily buildings
- Range of home prices by housing type
- Greenhouse gas emissions and energy use from residential buildings and transportation per capita

Commented [A39]: What will the “areas” be? The term is used a number of times in these measures, and will need to be better defined. It is not a simple matter to determine over what area these measures should be considered. Thrive should work together with those putting together the Community Equity Index measures. Additionally, Thrive must specify that the division of the county into “areas” for purposes of these measures will be subject to community input.

Commented [A40]: Is a census tract the appropriate area to measure? Again, Thrive should work together with those putting together the Community Equity Index measures.

Commented [A41]: Examining displacement would require more than a head count or a percent count, because if other programs work the number and percent of low-income households in a census tract may be reduced because residents’ circumstances have improved.

