

MONTGOMERY COUNTY RENTAL HOUSING STUDY

ABOUT THE STUDY

The **Rental Housing Study** is the culmination of a comprehensive, two-year effort to analyze countywide and subarea rental housing data to better understand the characteristics of renter households and units. Interviews with public and private sector housing industry representatives, a national scan of best housing practices, a review of existing county policies and a detailed financial feasibility analysis were all part of the research process. In addition, an advisory committee of public and private sector experts provided direction and feedback throughout the study.

KEY FINDINGS AT-A-GLANCE

RENTAL HOUSING ACCOUNTS FOR **33% OF ALL HOUSING** IN THE COUNTY.



74% OF RENTERS EARN LESS THAN 100% AMI (MEDIAN INCOME).



66% OF RENTERS ARE OLDER THAN 35-YEARS OLD.



ONLY **14%** OF COUNTY SUPPLY WAS CONSTRUCTED **SINCE 2000** WHILE **55%** WAS BUILT **PRIOR TO 1980.**



37% OF RENTER HOUSEHOLDS HAVE 3+ PERSONS.



OVER 70% OF MULTIFAMILY UNITS ARE RENTALS COMPARED TO ONLY **8% OF SINGLE FAMILY DETACHED & 23% OF SINGLE FAMILY ATTACHED.**



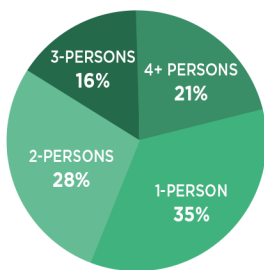
HOUSEHOLDS EARNING BELOW 50% AMI ACCOUNT FOR **38%** OF THE DEMAND FOR RENTAL HOUSING, BUT ONLY **19%** OF UNITS ARE AFFORDABLE AT THAT INCOME.



APPROXIMATELY **50%** OF ALL RENTER HOUSEHOLDS ARE COST BURDENED. INCLUDING **80%** OF HOUSEHOLDS MAKING LESS THAN 50% AMI (\$48,150)

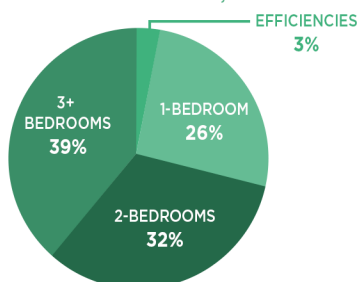


RENTER OCCUPIED UNITS, BY HOUSEHOLD SIZE, 2014



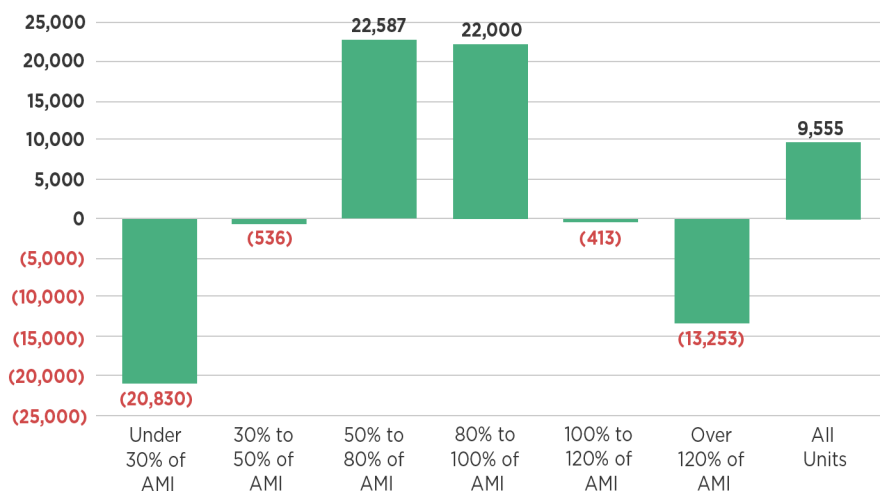
SOURCE: ACS 2014

RENTAL HOUSING UNITS, BY BEDROOM COUNT, 2014



SOURCE: 2014 COUNTY ASSESSMENT, 2014 COUNTY RENTAL SURVEY, ACS 2014

SUPPLY/DEMAND EQUILIBRIUM ALL RENTAL UNITS, 2014



SOURCE: 2014 COUNTY ASSESSMENT, 2014 COUNTY RENTAL SURVEY, ACS 2014

RENTAL HOUSING POLICY RECOMMENDATIONS

The study provided a menu of recommendations on how to increase the amount of rental housing, with a focus on affordable rental housing, in the County.

MPDU PROGRAM*

INCREASE REQUIREMENT: Increase the base affordability requirement from 12.5% to 15%.

FAR-BASED OPTION: Calculate MPDU requirements based on floor area ratio (FAR) rather than number of units.

SLIDING SCALE OPTION: Create a menu of income targets and set-aside percentages from which developers can choose.

OFF-SITE OPTION (WITHIN PLANNING AREA): Allow developers to build affordable units on alternate sites within the same planning area with approval from the DHCA.

LAND USE/ZONING TOOLS

ADAPTIVE RE-USE: Convert underutilized buildings into rental housing.

MODIFIED BONUS DENSITY*: Revise current density bonus programs to better incentivize the development of more affordable rental housing.

PUBLIC LAND/CO-LOCATION*: Expand the availability of land owned by the government and non-profits for affordable housing.

REDUCED PARKING REQUIREMENTS: Revisit parking requirements, including for MPDUs.

PRESERVATION TOOLS

EXPANDED RIGHT OF FIRST REFUSAL*: Expand the County's Right of First Refusal program by increasing resources dedicated to affordable housing.

REDEVELOPMENT/PRESERVATION INCENTIVES: Allow on-site density shifts as part of redevelopment in exchange for the preservation of existing affordable units.

INVENTORY OF AT-RISK PROPERTIES: Create a comprehensive inventory of affordable rental properties to plan for strategic investments in housing preservation.

FINANCIAL TOOLS

FINANCIAL EDUCATION: Provide credit counseling for income-qualified households to make them more creditworthy tenants.

GENERAL APPROPRIATIONS: Increase County funding for affordable rental housing preservation and development.

DEMOLITION FEES: Implement a fee or tax on property owners for every demolished multifamily rental residential unit.

9% LIHTC SET ASIDE: Initiate a regional effort to lobby the state for a special set aside of 9% LIHTC for the Maryland suburbs of Washington, DC.

LOCAL HOUSING VOUCHERS: Expand local housing voucher program with dedicated funding.

TAX INCREMENT FINANCING: Develop a tax increment financing program and use increment revenues to support the production and preservation of affordable rental housing.

FEE IN LIEU FOR SMALL PROJECTS: Require a payment to the Housing Initiative Fund for projects less than 20 units, which are currently exempt from MPDU requirements.

*Revisions to current County policies.



STAFF CONTACT

LISA GOVONI

LISA.GOVONI@MONTGOMERYPLANNING.ORG | 301-650-5624



FOR MORE INFORMATION AND ANALYSIS, VISIT

MONTGOMERYPLANNING.ORG/RENTALHOUSINGSTUDY