

# HOUSING FUTURE TRENDS

*Strategies and next steps for meeting  
Maryland's housing needs*

# HOUSING SPECIALISTS

Ed Steere, Valbridge Property Advisors

*Economical benefits of diversity in housing stock*

Ivy Dench-Carter, Pennrose Developers

*Housing development costs and alleviation strategies*

Gregory Hare, Department of Housing and Community Development

*Perspective and programs, recent trends, and tax credits*

Lisa Govoni, Montgomery County

*Capturing zoning updates for a new General Plan with housing element*

Kathleen Maher, City of Hagerstown

*Protected class citizens, and staff and planning commissioner collaboration*

Miguel Salinas, Talbot County

*Short term rentals and the county's zoning ordinance process*



# Valbridge

PROPERTY ADVISORS



*Affordable Housing  
from a Market Study  
&  
Planning Perspective*

Edward M. Steere, AICP, MSRE

Valbridge | Baltimore Washington Metro

March 9, 2019



# ED STEERE

Managing Director

Planning & Market Analysis

## Planner - AICP

- ❖ APA Private Practice Division
- ❖ APA Planning & Law Division
- ❖ Zoning Expert Testimony
- ❖ Site Feasibility & Design
- ❖ Code Drafting
- ❖ Community Studies
- ❖ Environmental Expert

- Hotel
- Apartments
- ❖ Market Analyst Expert Testimony
- ❖ Product Placement
- ❖ Impact on Value

## Board Member

- ❖ Friends School Board of Trustees
- ❖ Economic Development Advisory Board
- ❖ Habitat for Humanity
- ❖ Leadership Academy
- ❖ Boy Scouts Council Executive Board

## Market Analyst

- ❖ LIHTC
- ❖ HUD
- ❖ Fiscal Impact
- ❖ Needs Analysis
  - Liquor Sales
  - Gas Station

## Volunteer

- ❖ Coach
- ❖ Boy Scouts - District Chairman, Scoutmaster

# Select Clients







# Market Analysis

What is it?

NOT an Appraisal style  
Market/Marketability Analysis

Planning Tool

Purpose built custom reports for  
each project or property

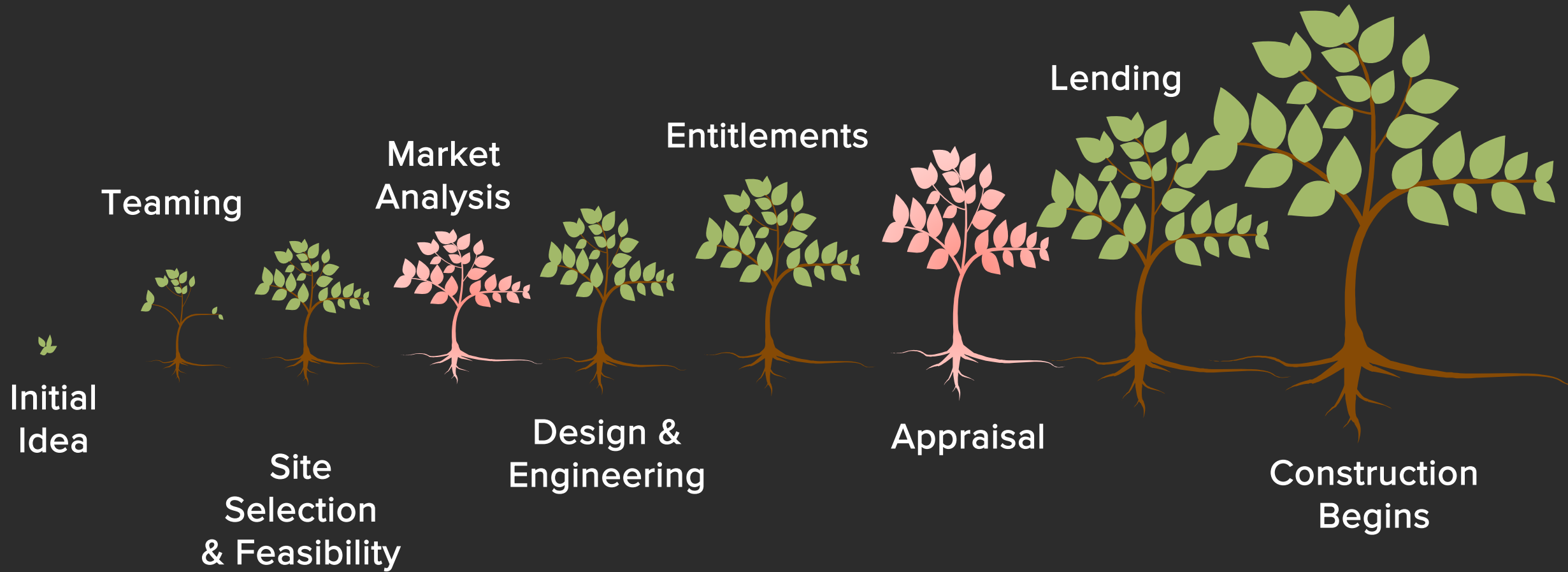
Market focused research and  
results

Demand, Supply, Capture,  
Penetration, Absorption, Stability





# The Pre-Construction Timeline





# Is the Use

# SUSTAINABLE?

- ❖ Financial Sustainability –
  - ✓ Will the property absorb and remain occupied?
  - ✓ Is the property offering the correct features and amenities in demand?
  - ✓ Does the use fit the site and community?
- ❖ Offsite factors (not all real estate related) impact the eventual and best end use of the site.
- ❖ Work to find the specifics and solutions that serve the client's goals initially and over time







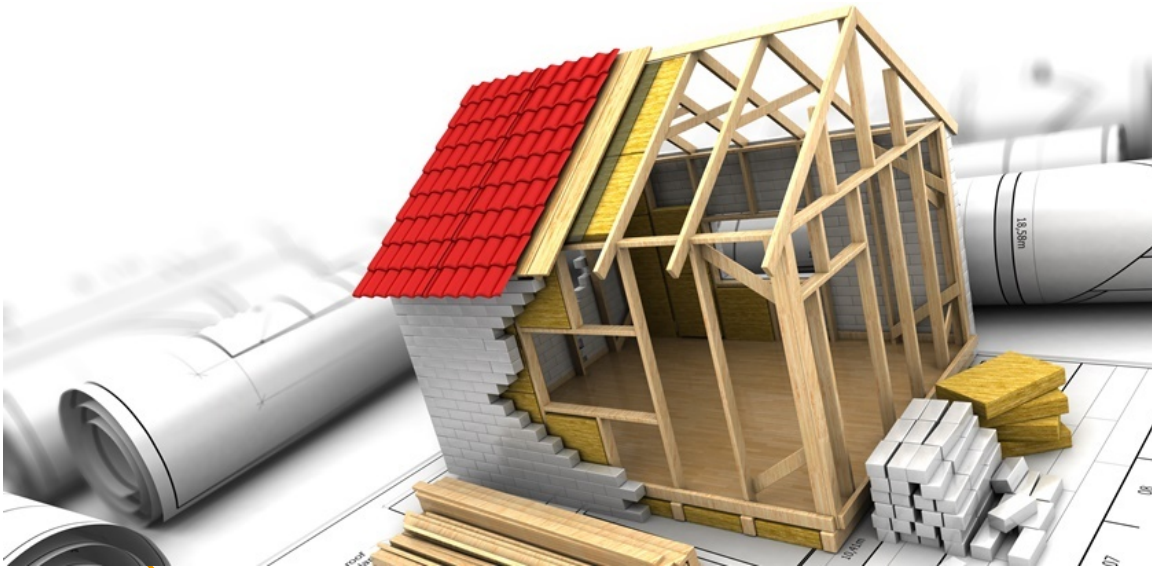
# Is the Community SUSTAINABLE?



- ❖ Factors That Encourage Affordable Housing –
  - ✓ Community services and support
  - ✓ Quality educational opportunities (all ages)
  - ✓ Transportation and access
  - ✓ Jobs, Jobs, Jobs
- ❖ Offsite factors (not all real estate related) impact the potential for sustainability
- ❖ Work to find the specific solutions that serve the municipality's comprehensive plans, goals and objectives, initially and over time



# OBSTACLES to Affordable Housing



- ✓ Zoning and Entitlement
- ✓ Cost of Construction and Materials
- ✓ Lack of Appropriate Infrastructure
- ✓ Misunderstanding of “Affordable” and “Income Restricted”
- ✓ Misperception of who qualifies and/or needs affordable housing
- ✓ Jobs, Jobs, Jobs





# The Players





## I am here to help you - How will we start?

esteere@Valbridge.com

443-333-5521

Q & A





*"If you want to build a ship...  
teach them to long for the  
endless immensity of the sea."*

— Antoine de Saint-Exupery





Montgomery Planning

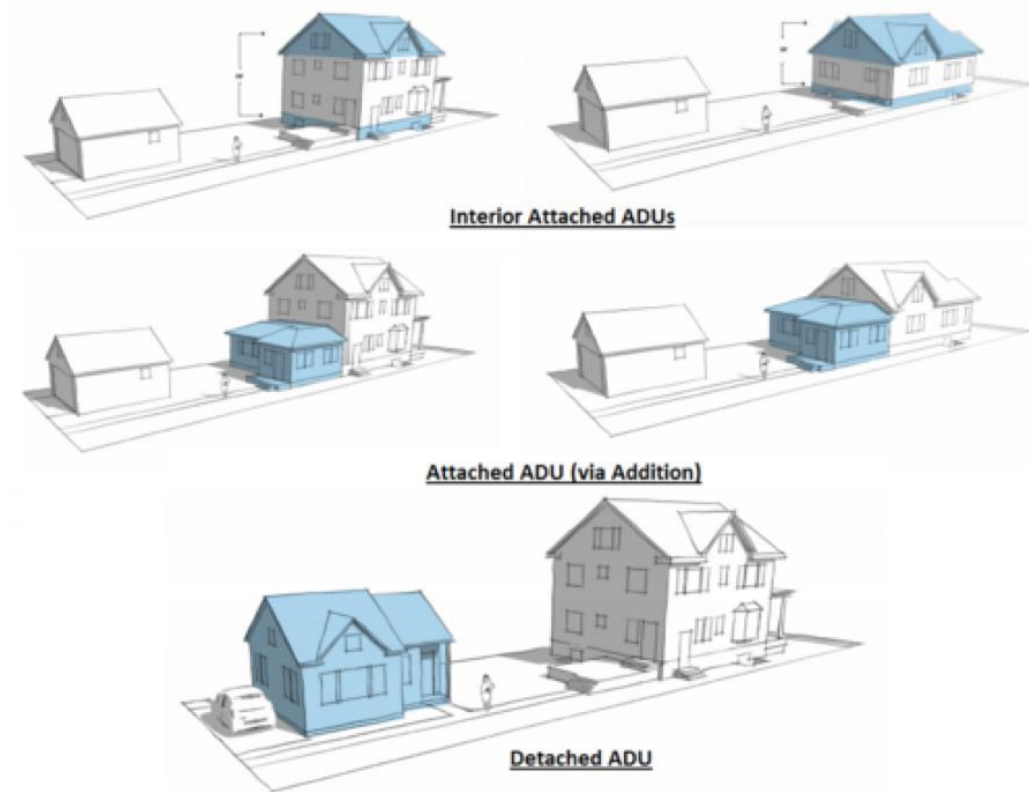
# Accessory Dwelling Units in Montgomery County, MD

Lisa Govoni, Housing Planner | [lisa.govoni@montgomeryplanning.org](mailto:lisa.govoni@montgomeryplanning.org) | (301) 650-5624



# Definition

- An **Accessory Dwelling Unit (or Accessory Apartment)** is a second dwelling that is subordinate to an existing one-family detached home and has its own provisions for cooking, eating, sanitation and sleeping.
- An ADU can be an addition or basement ( attached) or separate structure on the same lot (detached)
- ADUs units must be in compliance with requirements of Montgomery County Code: Chapter 59-Zoning Ordinance, Chapter 26-Housing Standards, Chapter 29-Landlord/Tenant Relations, and all applicable laws.





# Why ADUs are Important

- Can help increase the supply of housing
- Provide supplemental income to homeowners
- Help meet the needs of the County's growing senior demographic







## ZTA 19-01

- Introduced in January 2019 to revise the limited use provisions for attached and detached Accessory Dwelling Units
- Allows detached ADUs as a limited use in R-200, R-90, and R-60 Zones
- Changed parking standards within 1-mile of Metrorail, Purple Line, and MARC stations
- Removes 300ft or 500ft spacing requirement

# Timeline

ADUs reviewed as Special Exceptions  
**Pre 2013**



## **ZTA 12-11**

Allows ADUs as a limited use in certain zones

**Effective 5/20/13**

**ZTA 18-07**  
Allows waiver for ADUs that do not meet parking/spacing

**Effective 10/29/18**



## **ZTA 19-01**

Allows detached ADUs in small-lot zones, reduces parking requirements

**Introduction 1/15/19**

## **ZTA 19-01**

Allows detached ADUs in small-lot zones, reduces parking requirements

**Adopted 7/23/19**



## **ZTA 19-01**

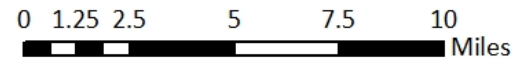
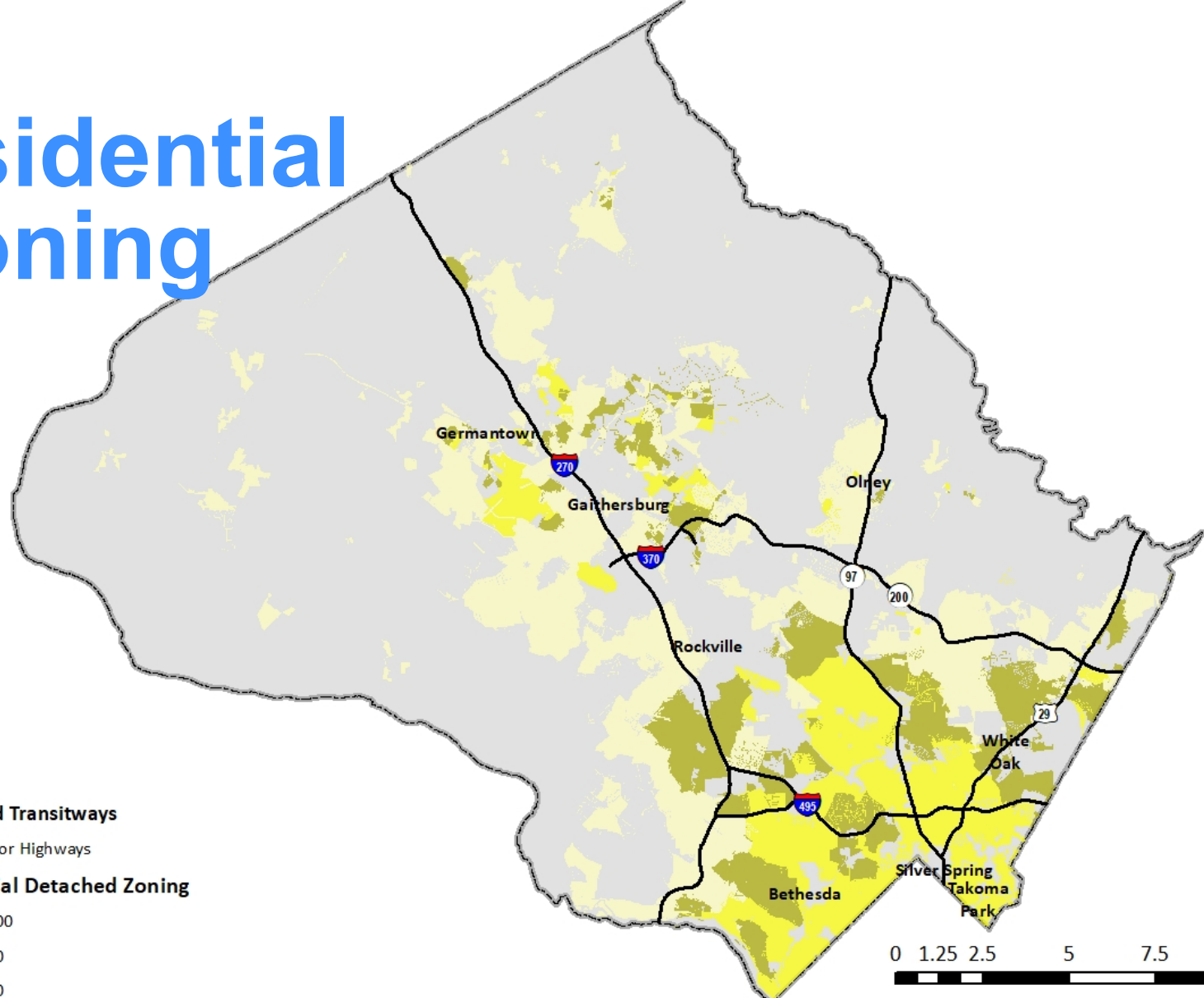
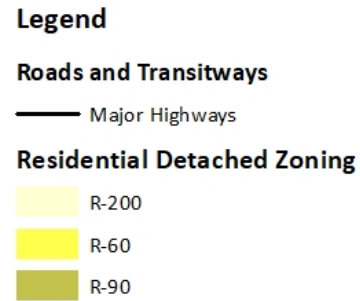
Allows detached ADUs in small-lot zones, reduces parking requirements

**Effective 12/31/19**

# Existing Conditions



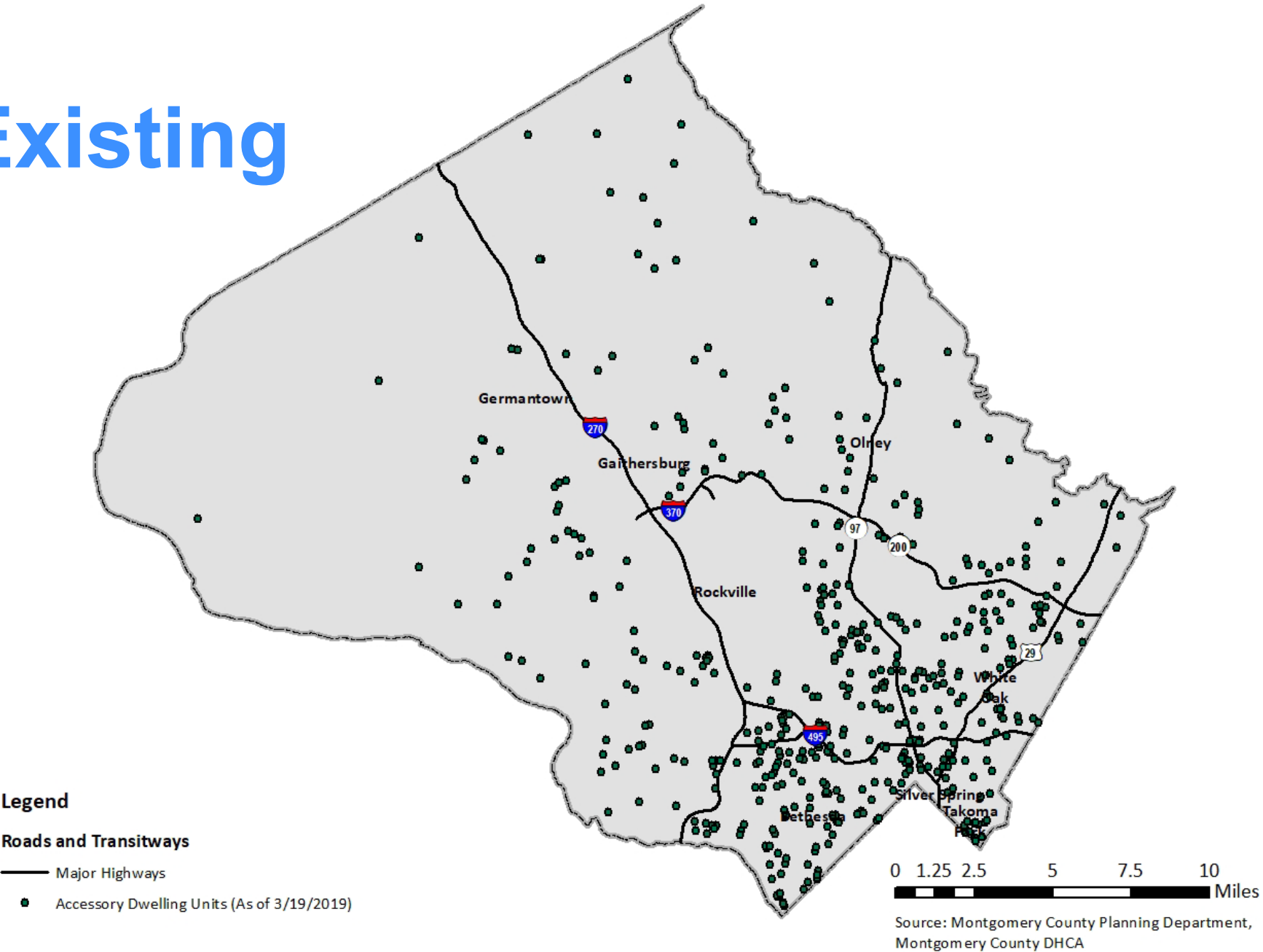
# Existing Residential Detached Zoning



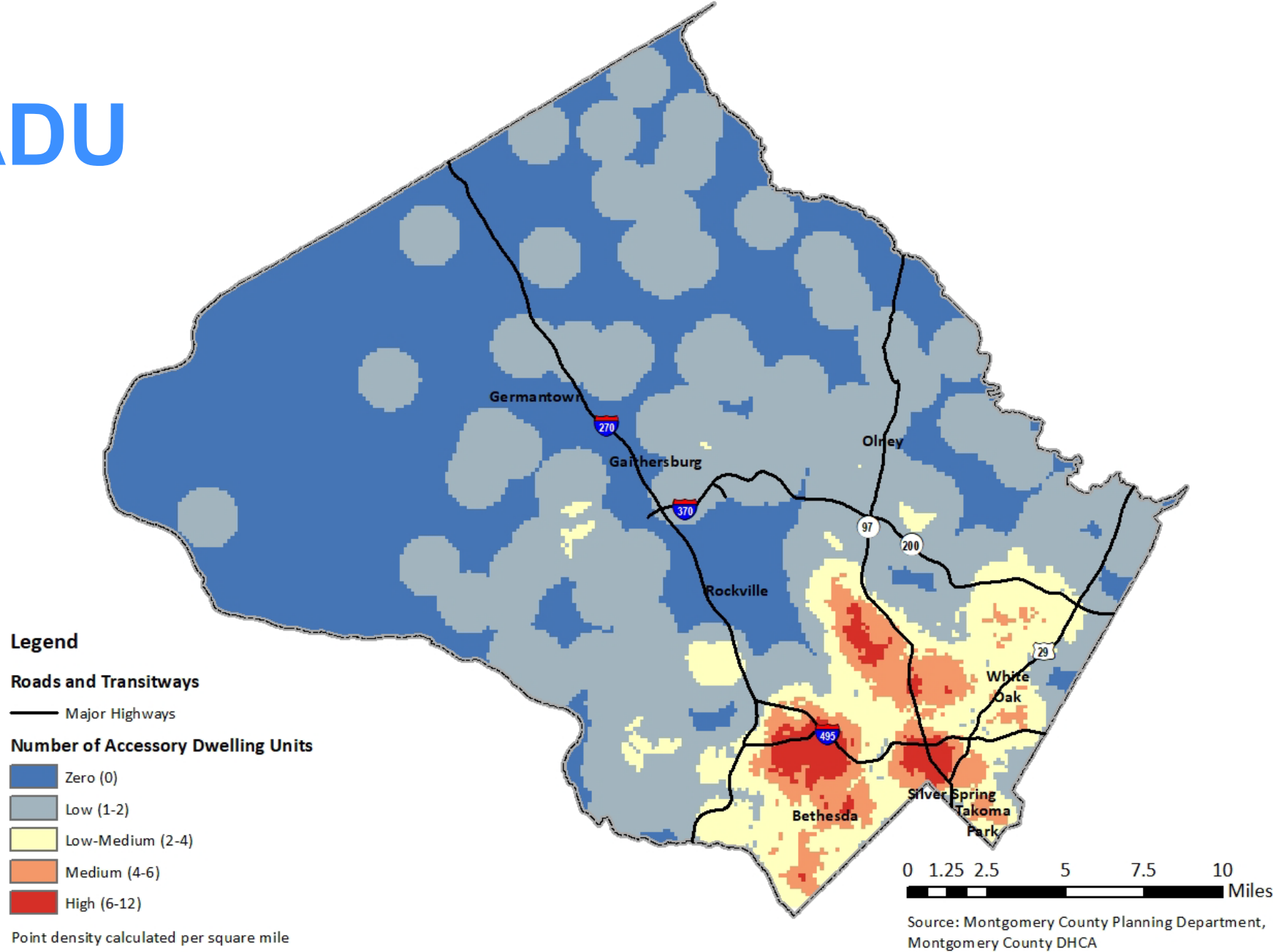
Source: Montgomery County Planning Department, Montgomery County DHCA



# Location of Existing ADUs



# Existing ADU Heat Map

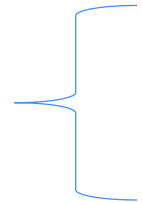


# Existing ADU Counts

ADUs (SE/CU)	<ul style="list-style-type: none"><li>• Approved under Special Exception or Conditional Use standards</li><li>• Approved prior to May 20, 2013</li></ul>	203
ADUs (Class 3 License)	<ul style="list-style-type: none"><li>• Meet Limit Use standards</li><li>• Approved since May 20, 2013</li></ul>	212
Registered Living Units	<ul style="list-style-type: none"><li>• Generally for family and caregivers</li><li>• Cannot charge rent</li><li>• In the process of being relicensed as ADUs</li></ul>	58
<b>TOTAL as of March 19, 2019</b>		<b>473</b>

# Existing ADUs by Zone

Small-lot Residential Zones where only attached ADUs were allowed as uses prior to ZTA 19-01



ZONE	ADU (SE/CU)	ADU (Class 3)	RLU	Total
AR	7	2	3	12
PD-3	1	1		2
PNZ	1			1
R-10	1			1
R-40			1	1
<b>R-200</b>	<b>31</b>	<b>45</b>	<b>14</b>	<b>90</b>
<b>R-60</b>	<b>97</b>	<b>84</b>	<b>11</b>	<b>192</b>
<b>R-90</b>	<b>51</b>	<b>48</b>	<b>9</b>	<b>108</b>
RC	5	3	6	14
RE-1	5	9	3	17
RE-2	4	12	9	25
RE-2C		5	1	6
RNC		1		1
T-S		1	1	2
<b>Total</b>	<b>203</b>	<b>211</b>	<b>58</b>	<b>472*</b>

\* One existing ADU is within the Gaithersburg city limits.



# Schools

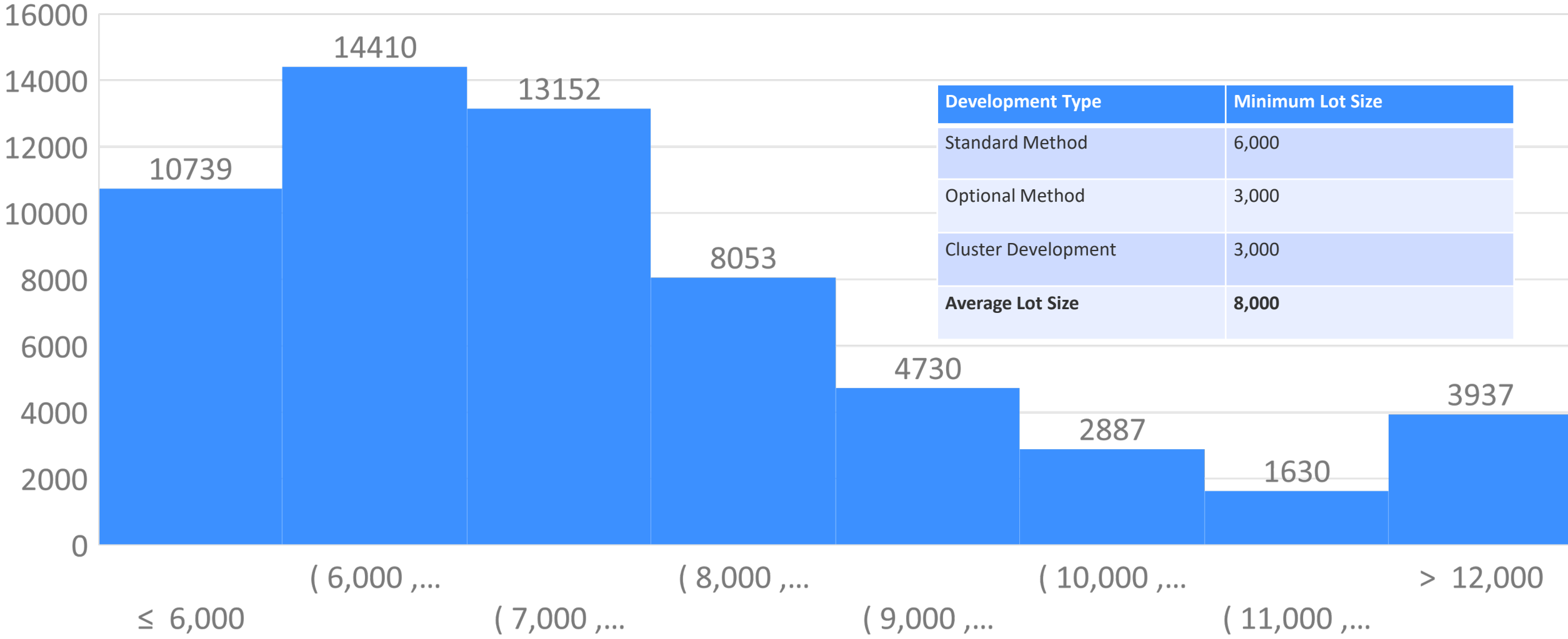
# Student Generation Rate Comparison

Parcels containing a Single Family Detached unit <i>Countywide</i>	0.465 students per unit on average
Parcels containing a licensed ADU* <i>Countywide</i>	0.464 students per unit on average

\* For parcels with an ADU, we are unable to determine whether a student is living in the principal structure or the ADU.

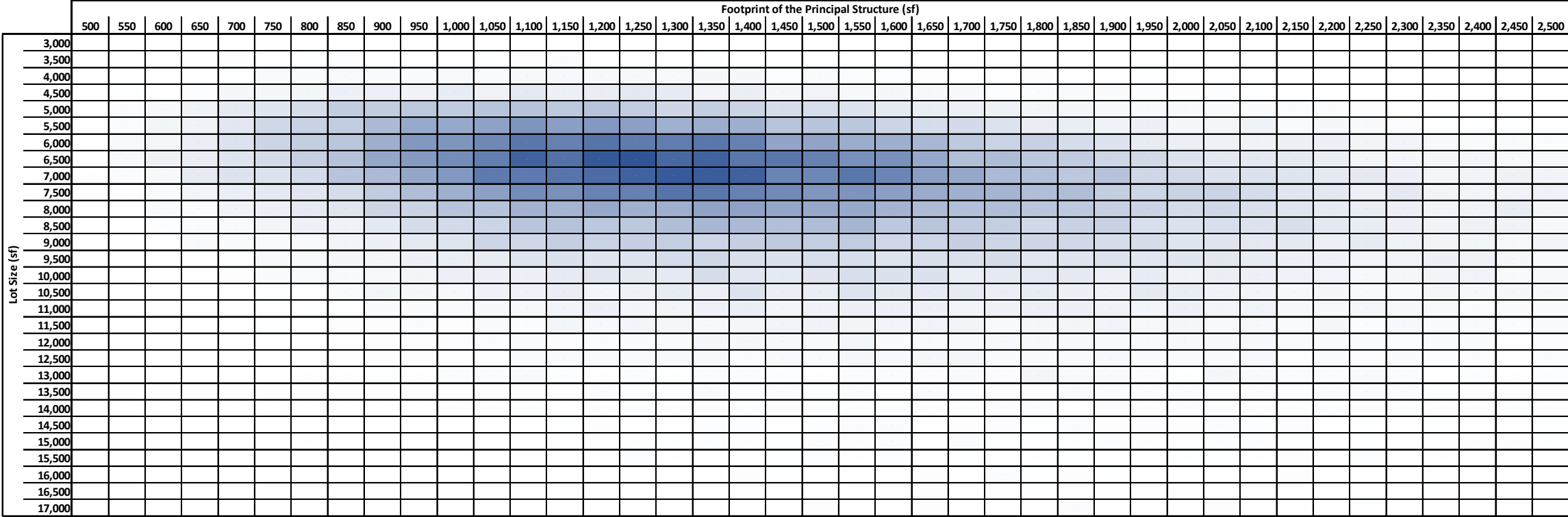
# Lot Size

# R-60 Lot Size Frequency





# Countywide Distribution of Lot Size and Principal Structure Footprint in the R-60 Zone





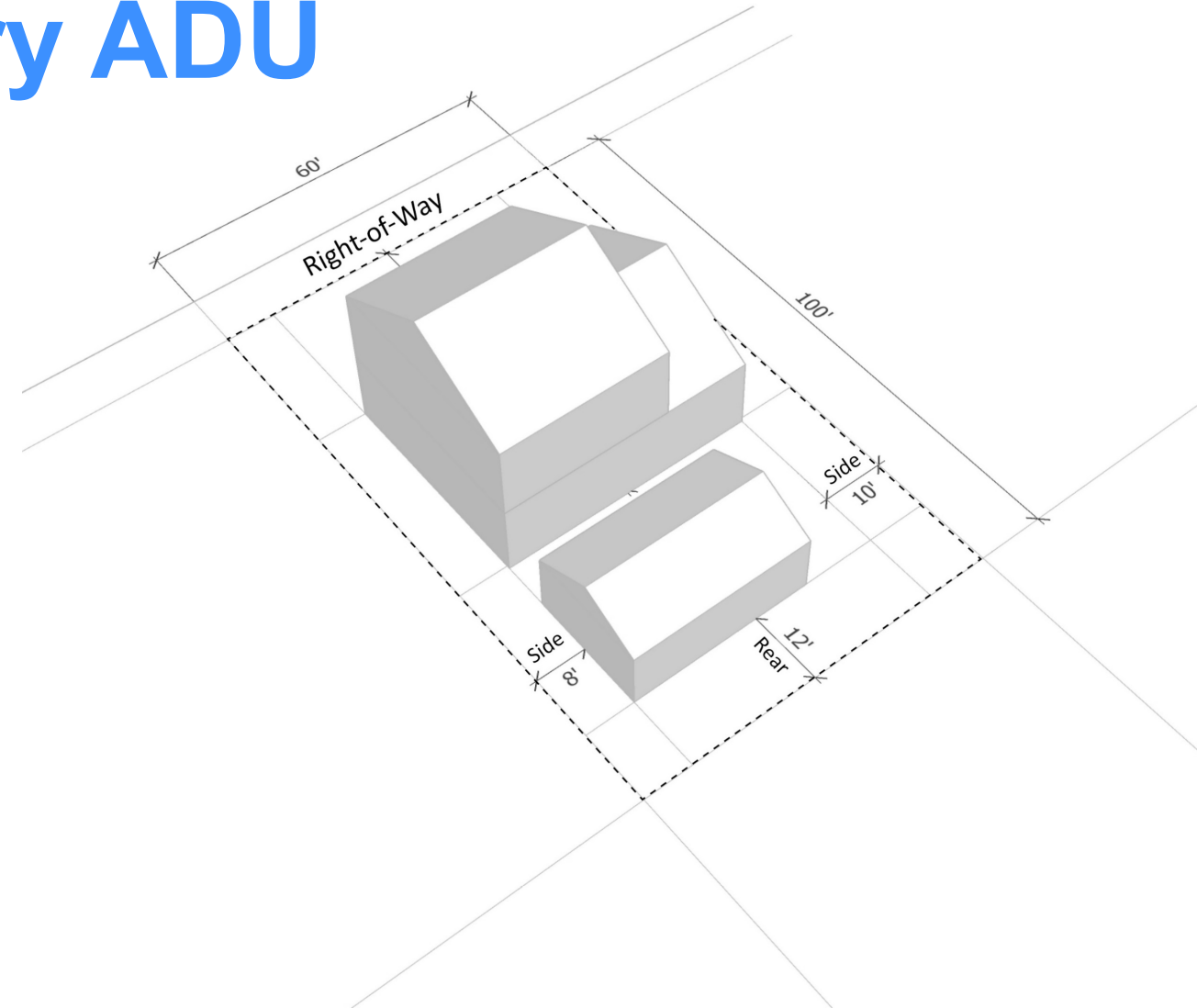


# R-60 Zone – 1 Story ADU

Lot	
Lot Area	6,000 sf
Lot Dimensions	60 ft wide by 100 ft in depth
Lot coverage	35%

Principal Structure	
Footprint	1,500 sf
Total Area	2,500 sf
Height	35 ft at highest point of the roof

Accessory Dwelling Unit	
Footprint	600 sf
Total Area	600 sf (24% of principal)
Height	1 story, 15 ft in height
Setbacks	8 ft side (18 ft sum) 12 ft rear



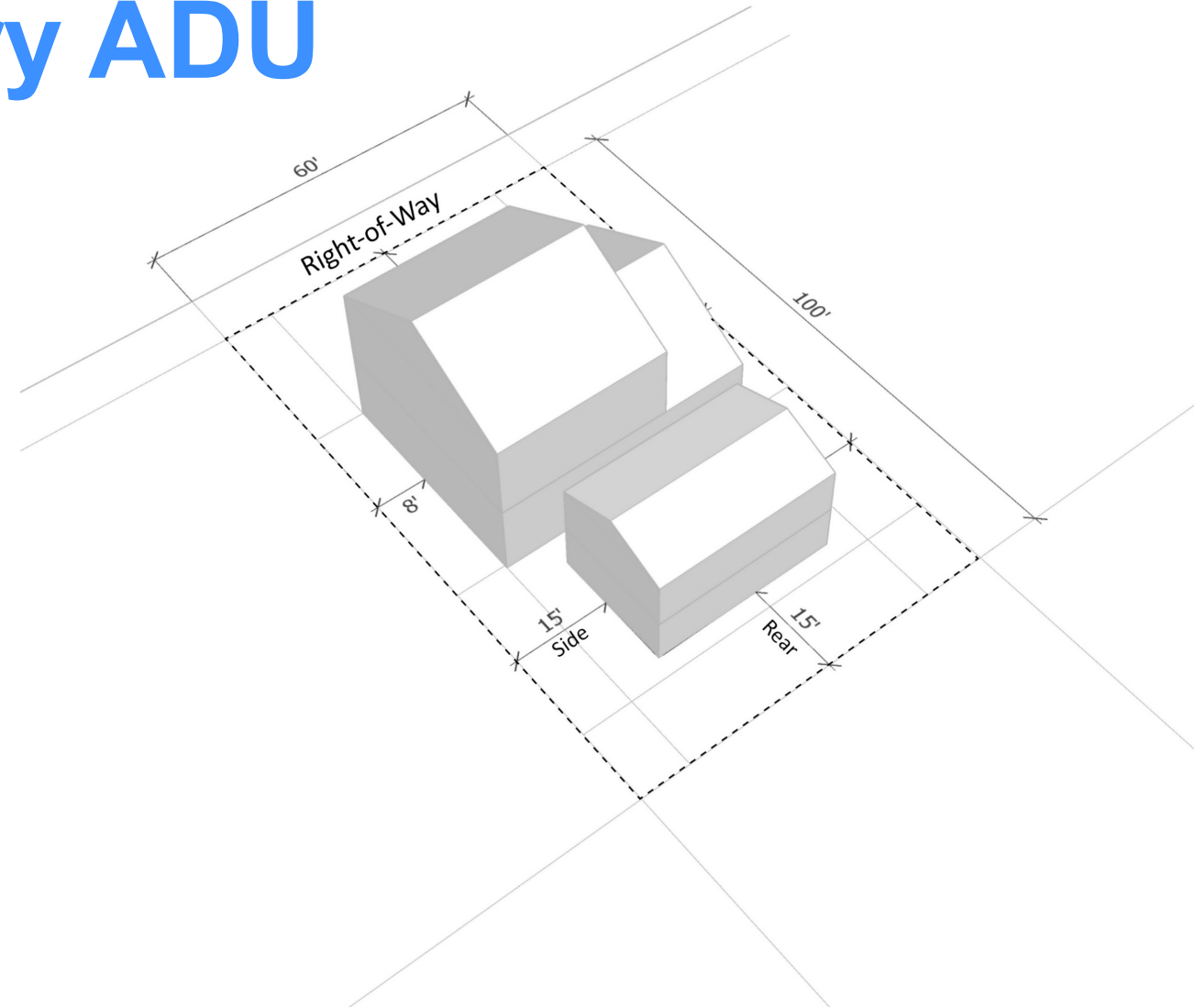


# R-60 Zone – 2 Story ADU

Lot	
Lot Area	6,000 sf
Lot Dimensions	60 ft wide by 100 ft in depth
Lot coverage	35%

Principal Structure	
Footprint	1,500 sf
Total Area	2,500 sf
Height	35 ft at highest point of the roof

Accessory Dwelling Unit	
Footprint	600 sf
Total Area	1,200 sf (48% of principal)
Height	2 story, 20 ft in height
Setbacks	15 ft side 15 ft rear

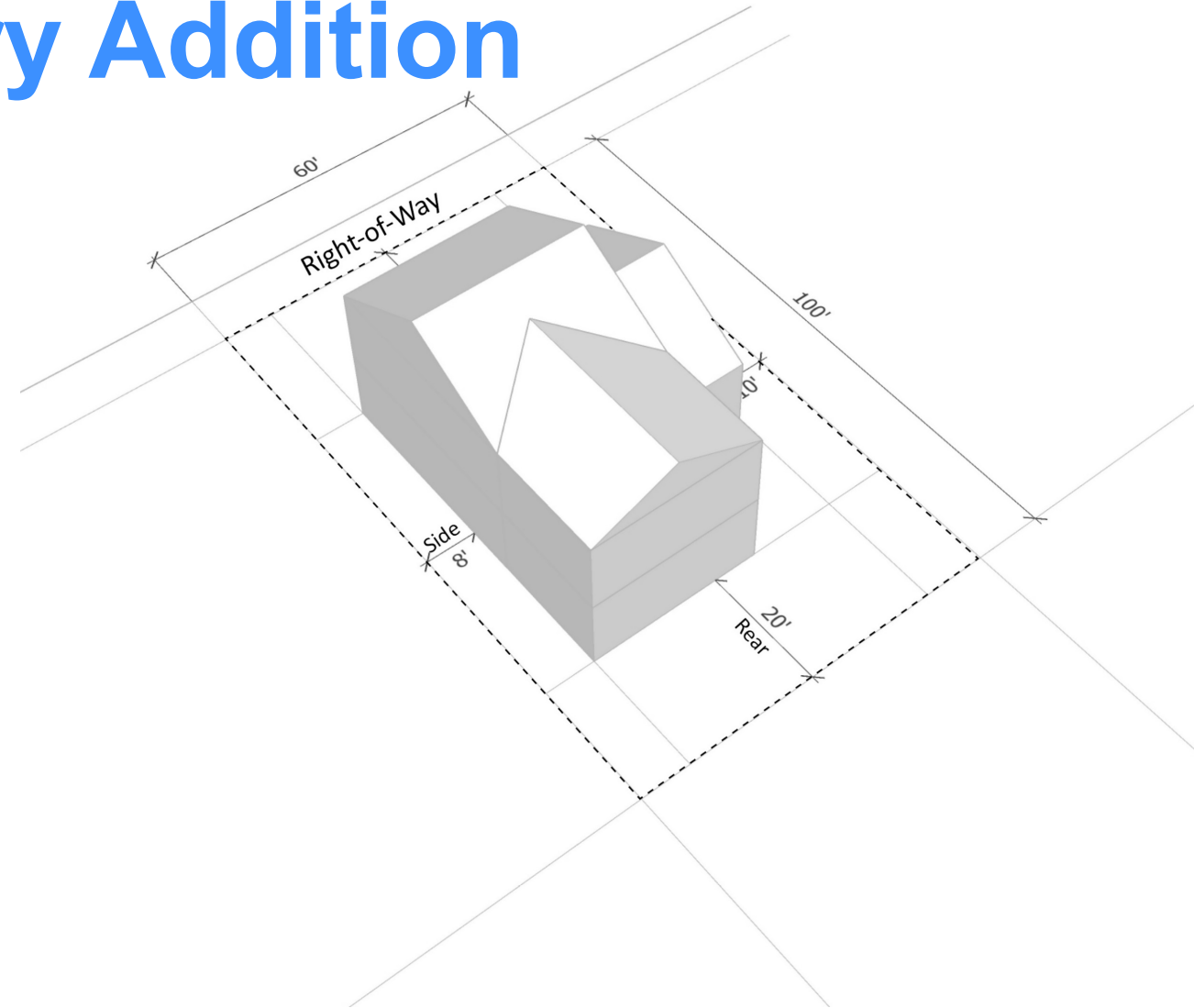


# R-60 Zone – 2 Story Addition

Lot	
Lot Area	6,000 sf
Lot Dimensions	60 ft wide by 100 ft in depth
Lot coverage	35%

Principal Structure	
Footprint	1,500 sf
Total Area	2,500 sf
Height	35 ft at highest point of the roof

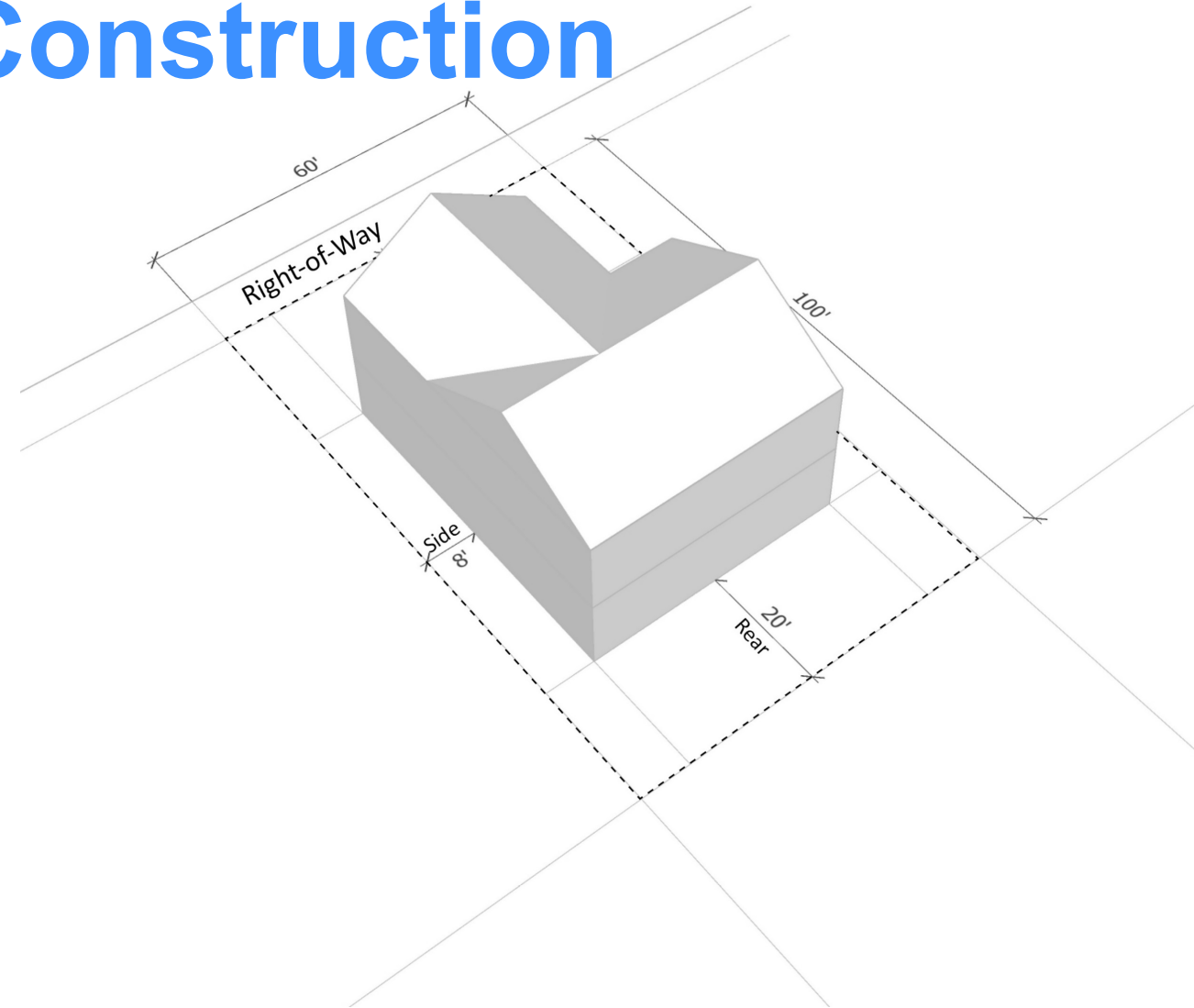
Addition	
Footprint	600 sf
Total Area	1,200 sf
Height	2 story
Setbacks	8 ft side (18 ft sum) 20 ft rear



# R-60 Zone – New Construction

Lot	
Lot Area	6,000 sf
Lot Dimensions	60 ft wide by 100 ft in depth
Lot coverage	35%

Principal Structure	
Footprint	2,100 sf
Total Area	4,200 sf
Height	35 ft at highest point of the roof
Setbacks	25 ft front 8 ft side (18 ft sum) 20 ft rear



# Parking



# Metro Rail and Purple Line

Zone	Total County Acres	1-Mile of Rail Stations (Acres)	3/4-Mile of Rail Stations (Acres)	1/2-Mile of Rail Stations (Acres)
R-200	37,759	590	190	29
R-60	17,428	8,751	5,952	2,812
R-90	16,441	3,047	1,764	659
<b>Total</b>	<b>71,628</b>	<b>12,388</b>	<b>7,905</b>	<b>3,500</b>

**Legend**

- Purple Line Stations (Light Rail)
- Metro Rail Stations (Metro Rail)
- Purple Line (Light Rail)
- Red Line (Metro Rail)
- Major Highways and Roads
- 1-Mile Light Rail/Metro Rail Buffer
- 3/4-Mile Light Rail/Metro Rail Buffer
- 1/2-Mile Light Rail/Metro Rail Buffer

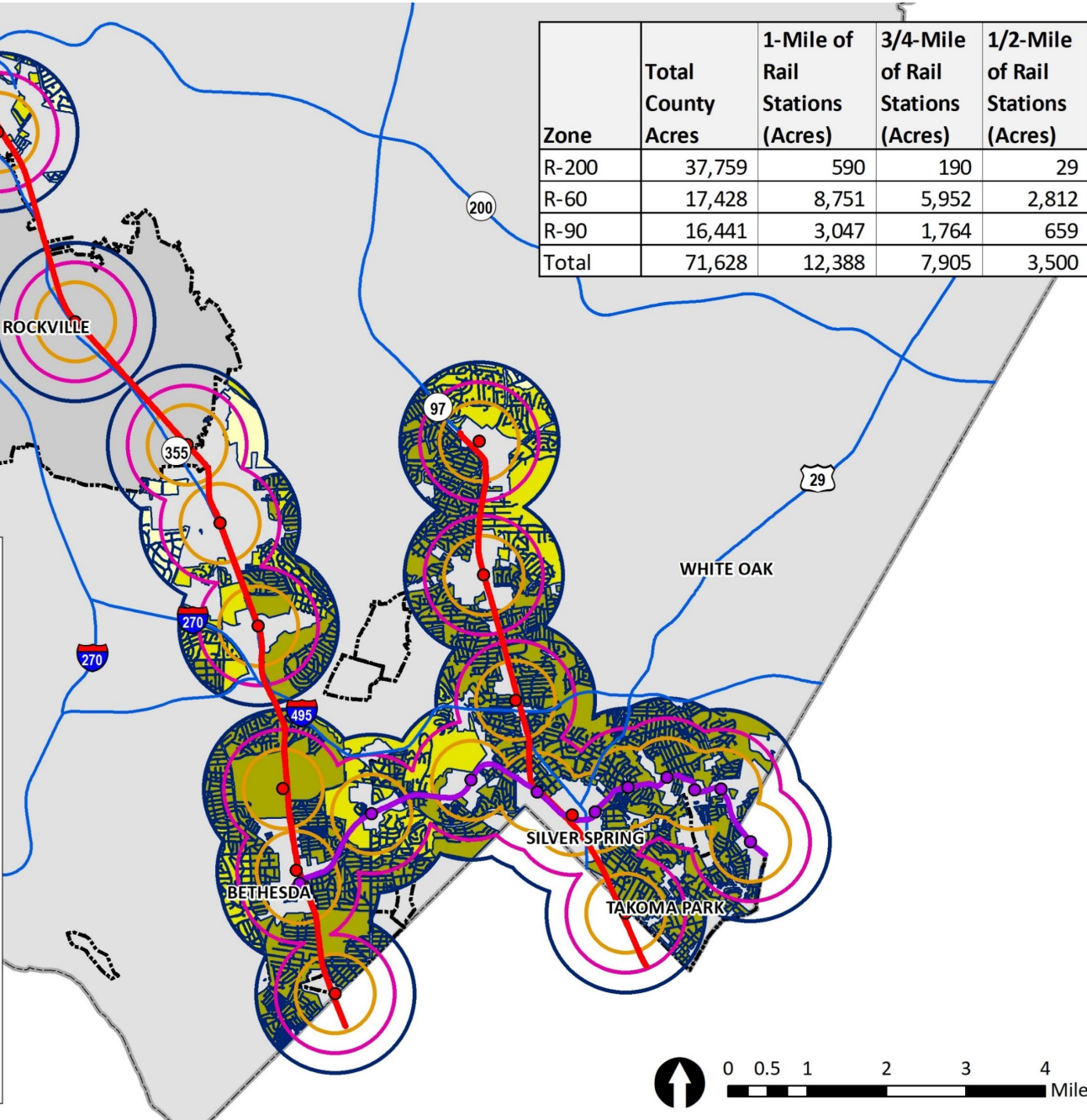
**Zoning**

- R-60
- R-90
- R-200

**Municipalities**

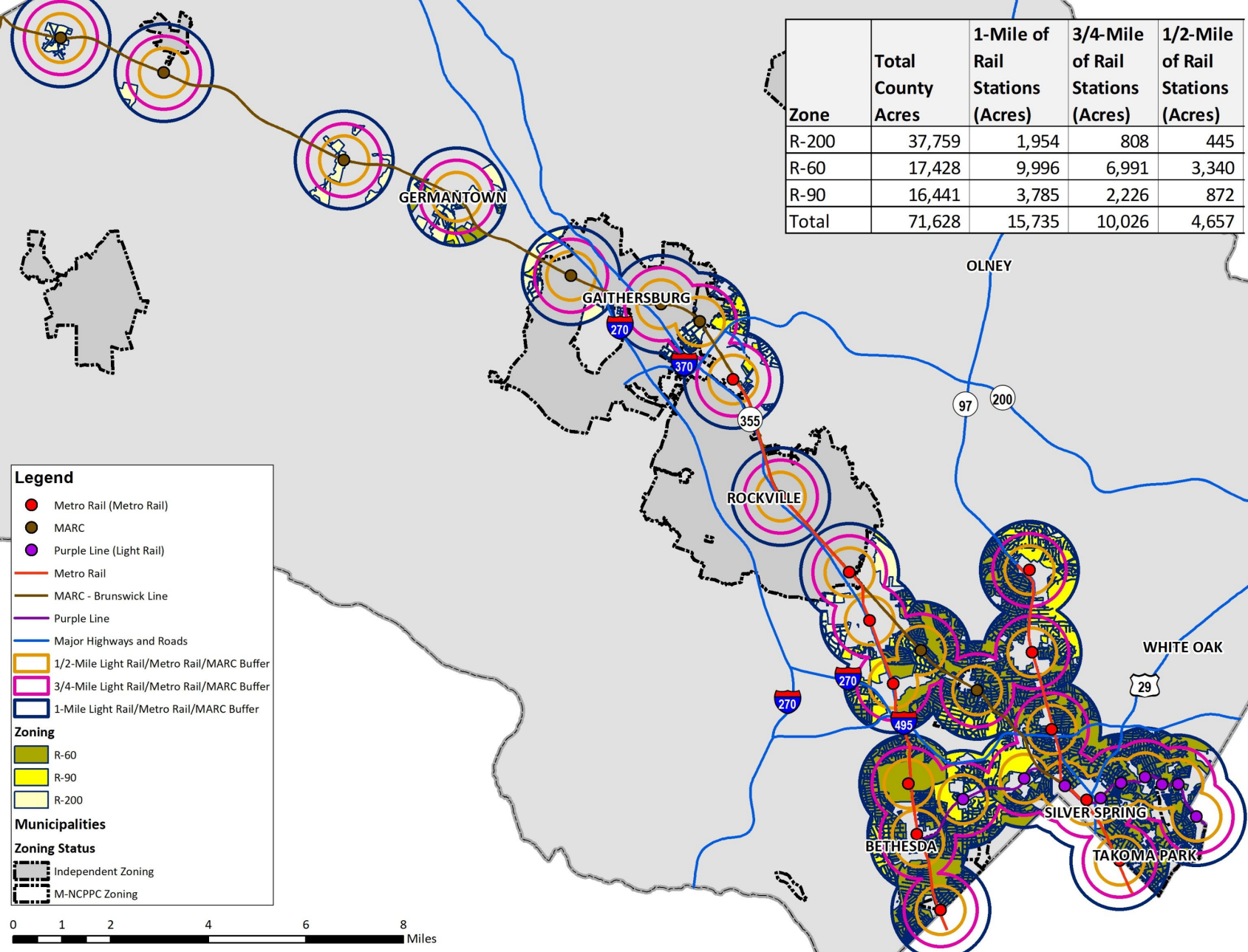
**Zoning Status**

- Independent Zoning
- M-NCPPC Zoning



# Metro Rail, Purple Line, and MARC

Zone	Total County Acres	1-Mile of Rail Stations (Acres)	3/4-Mile of Rail Stations (Acres)	1/2-Mile of Rail Stations (Acres)
R-200	37,759	1,954	808	445
R-60	17,428	9,996	6,991	3,340
R-90	16,441	3,785	2,226	872
<b>Total</b>	<b>71,628</b>	<b>15,735</b>	<b>10,026</b>	<b>4,657</b>





# Lessons Learned

- Understand the existing conditions
- Importance of incrementalism and “gentle density”
- Anticipate the issues and the tools/data you need
- Compromise!

