

Montgomery Planning

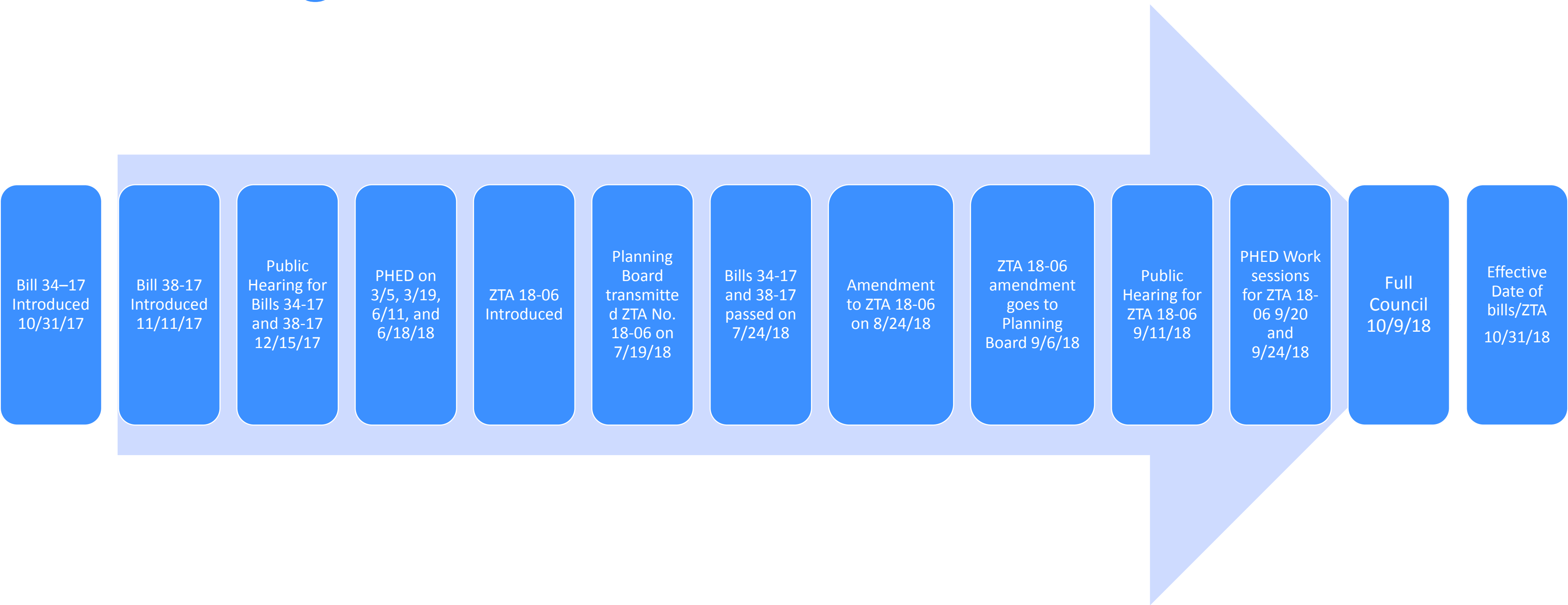
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# MPDU Law Update

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# Background



# Current MPDU Law

- Between 12.5 and 15% of the total number of units in every subdivision or high-rise building of 20 or more units must be moderately priced according to the MPDU regulation:
- Income requirements are usually 65% of area median income (AMI) for garden apartments, and 70% (AMI) for high-rise apartments/for-sale MPDUs.
- 99-year covenants for rental, 30-year for for-sale

Household Size	Maximum Income	
	<i>Garden Apartment MPDUs</i>	<i>High-Rise /For-Sale MPDUs</i>
1	\$50,000	\$54,000
2	\$57,500	\$62,000
3	\$64,500	\$69,500
4	\$71,500	\$77,000
5	\$77,500	\$83,500

Source: Department of Housing and Community Affairs

# General

- Developments between 11 and 19 units are not required to provide MPDUs, but must make a payment to the Housing Initiative Fund
  - 1/2% of sales prices of each unit in development, collected at settlement
- No condo or homeowners associations consisting solely of MPDUs
- ER 11-18 states MPDUs in developments that receive a full impact tax waiver must be on-site and affordable

# Site Design

- If multi-family buildings, the MPDU bedroom mix must match the market bedroom mix unless DHCA approves an agreement based on FAR (Floor-Area-Ratio)
- If all market-rate townhouses in a development are 2 BR, MPDU townhouses can be 2 BR if approved by DHCA
- MPDUs must be reasonably dispersed throughout a development

# Alternative Payments

- Applicants may satisfy MPDU requirements via a payment to the HIF rather than construction of MPDUs.
- Not permitted for rentals
- Payment set at 3% of the sales price of each unit
- Allowed for projects with density bonuses
- **Required** for for-sale age-restricted MPDUs

# Alternative Payments

- Require a finding of:
  - Lack of affordability;
  - Regulatory development constraints; or
  - Public benefit
- Must be in the same Planning Area unless:
  - In a higher-income Planning Area (where 15% is legal requirement)
  - Council is given 30 days notice to comment
- Developments seeking alternative compliance must make request to DHCA 90 days before applying for a building permit

# Alternate Location Agreements

- Allows applicant to satisfy MPDU requirements by building MPDUs at a different location than development for which they are required.
- Must increase:
  - Number of MPDUs; or
  - Number of bedrooms in the same number of fewer MPDUs
- Must be in the same Planning Area unless:
  - In a higher-income Planning Area (where 15% is legal requirement)
  - Council is given 30 days notice to comment



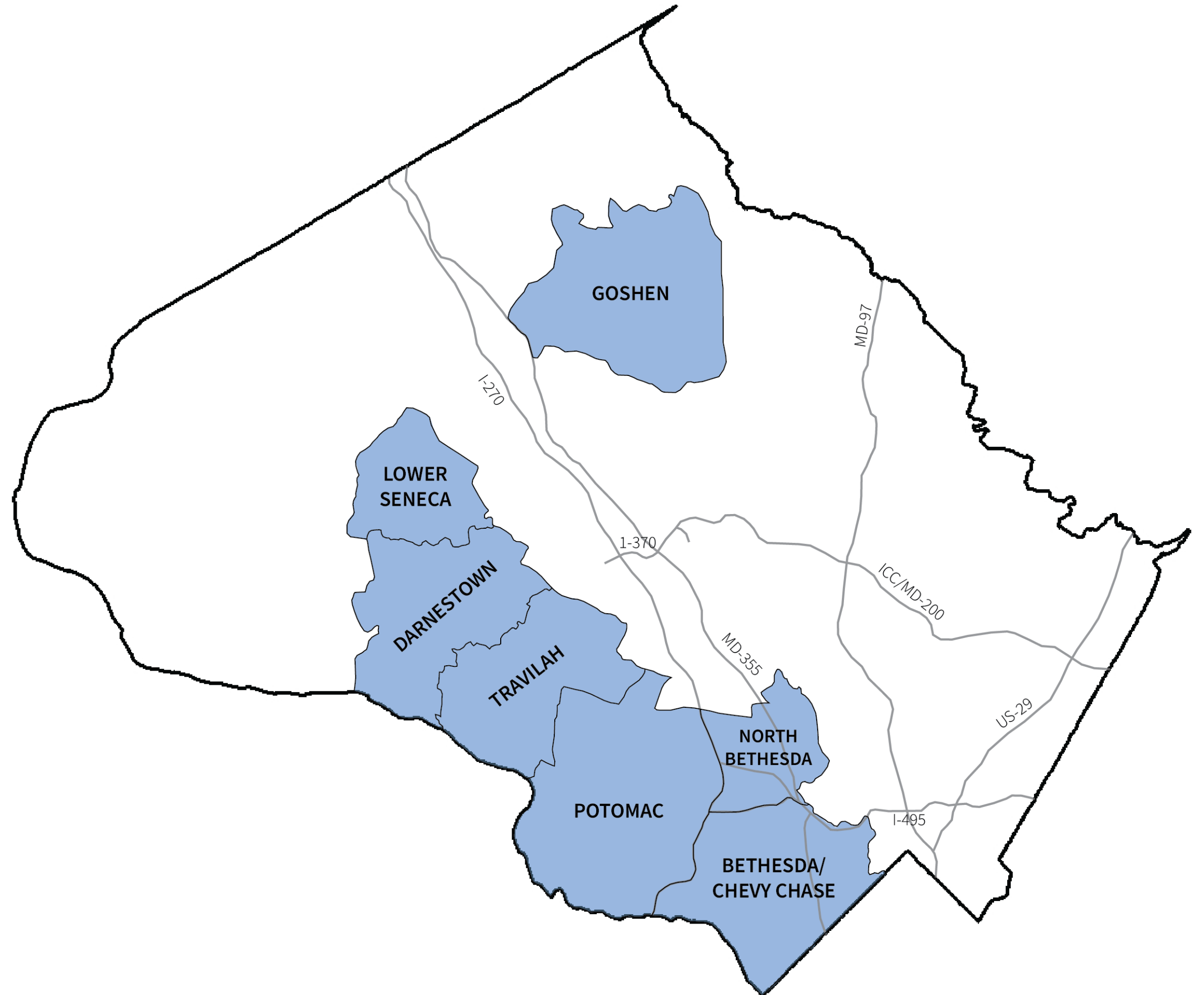
# Bill 38-17

- Planning areas where 45% of the United States Census tracts have a median income of 150% of Montgomery County's median income will have a legal requirement to provide 15% MPDUs.
- Montgomery County's current median household income is \$100,352
- The MPDU requirement will be calculated every year by the Planning Department and the maps will be updated each year by January 1.
- The planning areas currently included in the requirement are Goshen, Lower Seneca, Darnestown, Travilah, Potomac, North Bethesda and Bethesda-Chevy Chase.
- Effective when Planning Board accepts complete application or plan

# Bill 38-17

- Effective on October 31, 2018, Planning Areas where 45% of the United States Census tracts have a median income of 150% of Montgomery County's median income will have a **legal** requirement to provide 15% MPDUs.

<http://arcg.is/1aO15H>



# ZTA 18-06

- Density bonus provisions belong in Chapter 59
- Modifies bonus density system currently in Chapter 25A/Chapter 59
- Amendment to ZTA 18-06 allows a three-tiered bonus density system to maximize the number of MPDUs
- Removes cap on bonus density that is currently proposed in ZTA 18-06
- Permits development in C/R and Employment zones to earn public benefit points for providing more than 12.5%, even in areas where it is legally required

# Current Zoning

Zone Family	Optional Method MPDU Development
Residential Detached (R-60, R-90, etc.)	<ul style="list-style-type: none"> <li>• Additional building types (townhouse and duplex)</li> <li>• Flexibility for certain development standards (such as smaller lot size)</li> <li>• Potential for increased density*</li> </ul>
Townhouse (TLD, TMD, THD)	<ul style="list-style-type: none"> <li>• Additional density</li> <li>• Flexibility for certain development standards (such as smaller lot size)</li> </ul>
Residential Multi-Unit (R-10, R-20, R-30)	<ul style="list-style-type: none"> <li>• Additional density</li> <li>• Flexibility for certain development standards (such as smaller lot size)</li> </ul>
C/R and Employment (CR, CRT, CRN, EOF, LSC) with a “T” designation	<ul style="list-style-type: none"> <li>• Public benefit points</li> <li>• Density bonus under Chapter 25A</li> <li>• Potential for additional height (very limited circumstances or recommended in a master plan)</li> </ul>
C/R and Employment (CR, CRT, CRN, EOF, LSC) without a “T” designation	<ul style="list-style-type: none"> <li>• Public benefit points</li> <li>• For providing more than 12.5% and less than 15%, density of MPDUs above 12.5% not counted toward residential density</li> <li>• For providing 15% or more, density of all MPDUs not counted toward residential density</li> <li>• Potential for additional height (at least 12.5% MPDUs, height needed to accommodate MPDUs)</li> </ul>

# Proposed Zoning

Zone Family	Optional Method MPDU Development
Residential Detached (R-60, R-90, etc.)	<ul style="list-style-type: none"> <li>Public Benefit Points in C/R and Employment Zones</li> <li>Projects &gt;12.5% up to 15% MPDUs- .88% bonus density for every .1% increase in MPDUs for a maximum of a 22% bonus density</li> <li>Projects that provide &gt;15% up to 20% MPDUs - .16% for every .1% increase in MPDUs for a maximum of 30% bonus density</li> <li>Projects that provide more than 20% MPDUs – increase in density equal to 30% plus 1% for each additional 1% of MPDUs provided in excess of 20%</li> <li>In the Bethesda Overlay Zone, residential may be increased above the mapped residential FAR by 17.5% plus 0.1% for each 0.1% increase in MPDUs above 17.5%</li> </ul>
Townhouse (TLD, TMD, THD)	
Residential Multi-Unit (R-10, R-20, R-30)	
C/R and Employment (CR, CRT, CRN, EOF, LSC) with a “T” designation	
C/R and Employment (CR, CRT, CRN, EOF, LSC) without a “T” designation	



Nancy Floreen  
Amendments to  
ZTA 18-06

# Examples

- **Project 1** provides 14.7% MPDUs receives a bonus density of 19.36%
  - .88% bonus density for every .1% increase in MPDUs for a maximum of a 22% bonus density
  - $(14.7-12.5)*10*0.88$
- **Project 2** provides 16.2% MPDUs receives a bonus density of 23.92%
  - .16% for every .1% increase in MPDUs for a maximum of 30% bonus density
  - 22% for 15% + 1.92% for providing 1.2% more than 15%
  - $(16.2-15)*10*0.16+22$
- **Project 3** provides 25% MPDUs receives bonus density of 35%
  - Increase in density equal to 30% plus 1% for each additional 1% of MPDUs provided in excess of 20%
  - No Cap
  - 30% for providing 20% + 5% for providing 5% more than 20%
  - $(25-20)+30$

# Bethesda Overlay Zone

- In the Bethesda Overlay Zone, residential may be increased above the mapped residential FAR by 17.5% plus 0.1% for each 0.1% increase in MPDUs above 17.5%
- **Example:** Project provides 17.6% MPDUs, projects receives a 17.6% bonus density

# Next Steps

- Full Council 10/9/18