Timeline

Bill 34-17 Introduced 10/31/17
Bill 38-17 Introduced 11/11/17
Public Hearing for Bills 34-17 and 38-17 12/15/17
PHED on 3/5, 3/19, 6/11, and 6/18/18
ZTA 18-06 Introduced
Planning Board transmits ZTA No. 18-06 on 7/19/18
Bills 34-17 and 38-17 passed on 7/24/18
Amendment to ZTA 18-06 on 8/24/18
ZTA 18-06 amendment goes to Planning Board 9/6/18
Public Hearing for ZTA 18-06 9/11/18
PHED Work sessions for ZTA 18-06 9/20 and 9/24/18
Full Council 10/9/18
Effective Date of bills/ZTA 10/31/18
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

<table>
<thead>
<tr>
<th>Household Size</th>
<th>Maximum Income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Garden Apartment MPDUs</td>
</tr>
<tr>
<td>1</td>
<td>$50,000</td>
</tr>
<tr>
<td>2</td>
<td>$57,500</td>
</tr>
<tr>
<td>3</td>
<td>$64,500</td>
</tr>
<tr>
<td>4</td>
<td>$71,500</td>
</tr>
<tr>
<td>5</td>
<td>$77,500</td>
</tr>
</tbody>
</table>

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 Equal to .5% of sale price 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

• In 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 requirement by making a payment to the HIF in place of constructing MPDUs

• **Not permitted** for rentals

• Payment set at 3% of the sale 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 constraint, or
  • in the public interest.

• Must be in the same Planning Area unless
  • in a higher-income Planning Area (where 15% is legal requirement) or
  • 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.

• Must be in the same Planning Area unless:
  • in a higher-income Planning Area (where 15% is legal requirement) or
  • 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 have a legal requirement to provide 15% MPDUs.

• Montgomery County’s current median household income is $100,352

• Planning Area income status will be calculated every year by the Planning Department and 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 accepts completed application or plan.
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.

[http://arcg.is/1aO15H](http://arcg.is/1aO15H)
ZTA 18-06

• Density bonus provisions should be in Chapter 59
• Modifies bonus density system currently in Chapter 25A/Chapter 59
• Three-tiered bonus density system to maximize the number of MPDUs
• No cap on bonus density
• 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
## Zoning (Before 10/31/2018)

<table>
<thead>
<tr>
<th>Zone Family</th>
<th>Optional Method MPDU Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Detached (R-60, R-90, etc.)</td>
<td>• Additional building types (townhouse and duplex)</td>
</tr>
<tr>
<td></td>
<td>• Flexibility for certain development standards (such as smaller lot size)</td>
</tr>
<tr>
<td></td>
<td>• Potential for increased density*</td>
</tr>
<tr>
<td>Townhouse (TLD, TMD, THD)</td>
<td>• Additional density</td>
</tr>
<tr>
<td></td>
<td>• Flexibility for certain development standards (such as smaller lot size)</td>
</tr>
<tr>
<td>Residential Multi-Unit (R-10, R-20, R-30)</td>
<td>• Additional density</td>
</tr>
<tr>
<td></td>
<td>• Flexibility for certain development standards (such as smaller lot size)</td>
</tr>
<tr>
<td>C/R and Employment (CR, CRT, CRN, EOF, LSC) with a “T” designation</td>
<td>• Public benefit points</td>
</tr>
<tr>
<td></td>
<td>• Density bonus under Chapter 25A</td>
</tr>
<tr>
<td></td>
<td>• Potential for additional height (very limited circumstances or recommended in a master plan)</td>
</tr>
<tr>
<td>C/R and Employment (CR, CRT, CRN, EOF, LSC) without a “T” designation</td>
<td>• Public benefit points</td>
</tr>
<tr>
<td></td>
<td>• For providing more than 12.5% and less than 15%, density of MPDUs above 12.5% not counted toward residential density</td>
</tr>
<tr>
<td></td>
<td>• For providing 15% or more, density of all MPDUs not counted toward residential density</td>
</tr>
<tr>
<td></td>
<td>• Potential for additional height (at least 12.5% MPDUs, height needed to accommodate MPDUs)</td>
</tr>
</tbody>
</table>
# Zoning (After 10/31/2018)

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<tr>
<th>Zone Family</th>
<th>Optional Method MPDU Development</th>
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</table>
| Residential Detached (R-60, R-90, etc.) | • Public Benefit Points in C/R and Employment Zones  
• Projects >12.5% up to 15% MPDUs - .88% bonus density for every .1% increase in MPDUs for a maximum of a 22% bonus density |
| Townhouse (TLD, TMD, THD) | • Projects that provide >15% up to 20% MPDUs - .16% for every .1% increase in MPDUs for a maximum of 30% bonus density |
| Residential Multi-Unit (R-10, R-20, R-30) | • 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% |
| C/R and Employment (CR, CRT, CRN, EOF, LSC) with a “T” designation | • 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% |
| C/R and Employment (CR, CRT, CRN, EOF, LSC) without a “T” designation |
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% mpdus + 5% for providing 5% more than 20%
  - \((25-20)+30\)
Bethesda Overlay Zone

• In the Bethesda Overlay Zone, residential density 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