



DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Marc Elrich
County Executive

Aseem K. Nigam
Director

MEMORANDUM

March 29, 2021

TO: Tom Hucker, President
Montgomery County Council

FROM: Aseem K. Nigam, Director *AN*
Department of Housing and Community Affairs

SUBJECT: Annual Report on the Moderately Priced Dwelling Unit (MPDU) Program
Covering Calendar Year 2020

Section 25A-12 of Chapter 25A, Moderately Priced Housing Law, of the Montgomery County Code 2014, as amended, requires that the Director of the Department of Housing and Community Affairs (DHCA) submit to the Council President a report on the Montgomery County MPDU program for the previous calendar year. The following is a report on the Montgomery County MPDU program for the period covering calendar year 2020. This report provides overall information about the creation of affordable housing through the MPDU Program and includes a pipeline of possible future MPDUs.

Background

Montgomery County's MPDU program was the first successfully implemented inclusionary zoning program in the country. Inclusionary zoning requires that a percentage of housing units in residential developments be made available for low- and moderate-income households. In exchange for building affordable housing, a residential developer is eligible to receive benefits, such as a density bonus or more flexible development standards. The purpose of the MPDU program is to meet the County's goal of providing a full range of housing choices in the county for all incomes, ages, and household sizes.

An MPDU is a county government-regulated unit that is required to be affordable to households earning 65 percent of the area median income (AMI) for garden-style apartments, and 70 percent for high-rise apartments and for-sale units. The program's implementation involves both the public and private sectors, with the local government performing regulatory and administrative functions, and the building industry producing the housing. Between 12.5

Office of the Director

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and 15 percent of the total number of units in every subdivision of 20 or more units must be moderately priced, according to County law. Since the first MPDUs were built in 1976, the County's MPDU program has produced more than 16,400 affordable units.

The information below describes the number of MPDUs approved and built over calendar year 2020. In order to begin to build any units in a subdivision, a developer must sign an agreement with the County, called an MPDU Agreement to Build, that approves the exact locations and types of the individual MPDUs in the subdivision. In order to rent or sell any MPDUs, a developer must sign an agreement with DHCA, called an MPDU Offering Agreement, that stipulates the rent or sales price of each MPDU.

The Number of MPDUs Approved

The MPDU Program approved 183 MPDUs during 2020. For the purposes of this report, the number of MPDUs approved is the number of MPDUs approved to be built through executed Agreements to Build. DHCA executed 6 new Agreements to Build during calendar year 2020 that approved 183 MPDUs. These agreements covered 960 total units. The MPDUs are 19.1% of the total units in these Agreements to Build. A list of the 2020 Agreements to Build can be found in [Attachment A](#).

The Number of MPDUs Built

The total number of MPDUs offered during 2020 was 244. These MPDUs were approved in Agreements to Build in previous years. For the purposes of this report, the number of MPDUs built is the number of MPDUs offered for sale or rent to eligible MPDU households through executed Offering Agreements. DHCA approved 14 individual MPDU Offering Agreements during calendar year 2020 for 13 different developments (the Clarksburg Town Center development had two offerings). These Offering Agreements represented 82 new for-sale MPDUs and 162 new rental MPDUs, for a total of 244 MPDUs. The list of offerings in a year is not related to the list of Agreements to Build in the same year, since those agreements were executed before the first building permit for the development was obtained. It can take several years for a development to build out. The specific Offering Agreements approved, by development, can be found in [Attachment B](#).

The Number of MPDUs Under Controls

Each year, the number of units in the MPDU program increases as new MPDUs are built. Since 2005, for-sale MPDUs have 30-year renewing controls, which means that they stay under MPDU controls forever, unless an MPDU owner lives in the unit for more than 30 years. Rental MPDUs have 99-year controls now. Before 2005, for-sale units had 10-year controls, and MPDU owners were required to make a shared profit payment to the County if they earned a "windfall profit" on the sale of their MPDU. Rental MPDUs had twenty-year MPDU controls. MPDUs created before 2005 slowly leave the program as MPDU owners sell their units and pay a shared profit, and as rental MPDU controls expire after twenty years. Twelve

representing 405 MPDUs. DHCA has been successful in negotiating agreements with rental property owners to extend expiring MPDUs, and will continue to try to preserve as many expiring rental properties as possible.

MPDUs PROVIDING AFFORDABLE HOUSING 2019 TO 2020				
	2019	2020	Change from 2019 - 2020	Notes
For-Sale MPDUs	1,673	1,698	25	Units owned by MPDU participants
Nonprofit Owned	339	343	4	Owned by approved nonprofits and rented out
HOC Owned	1,266	1,278	12	Owned by HOC and rented out
Rental MPDUs	<u>2,627</u>	<u>2,784</u>	<u>157</u>	Units in rental developments
Total MPDUs	5905	6,103	198	Ownership: 1,654. Rental: 6,426
Expired MPDUs				
No Shared Profit Paid		<u>1,920</u>		MPDU owners continuing to live in MPDUs
Total MPDUs		8,023		Total MPDUs providing affordable housing
Sold/Paid Shared Profit	18	24		MPDU owners sold/ paid shared profit if owed

One of the most important features of the MPDU program is how it creates rental units that are affordable to very low-income households and to persons with special needs. Approved nonprofit housing providers are allowed to purchase, or master-lease, a percentage of the units created in any subdivision or apartment building. By the end of 2020, nonprofit organizations owned 343 MPDUs throughout Montgomery County. These units are rented to low-income households, generally below 50% AMI which is two-person household under \$50,400 and to individuals needing specialized housing. The Housing Opportunities Commission also purchases MPDUs to rent to low income households generally below 50% AMI and owns 1,278 MPDUs that are used as rental housing.

Alternative Payment or Location Agreements

During calendar year 2020, one Alternative Payment Agreement was signed for a high-rise condominium with high condominium fees. A complete list of all Alternative Agreements approved for the MPDU Program can be found in Attachment C.

The Use of Funds in the Housing Initiative Fund

The Department is required to report on MPDU alternative payments made to the Housing Initiative Fund and the use of such payments. During the calendar year covered by this report, alternative payments were received from two projects:

- In 2020, thirty payments totaling \$583,876 were received from the Courts at Clarksburg development. The Alternative Payment Agreement for this development was signed in 2017. The prices of the market-rate homes in this age-restricted for-sale development have increased, which means the amount of funds to the Housing Initiative Fund will increase. When this Alternative Payment Agreement was signed in 2017, DHCA estimated that the payment per MPDU would be approximately \$128,000. The Alternative Payments so far translate into a payment of over \$152,000 per MPDU. These funds will be used to preserve expiring MPDUs in Bethesda and were used for part of the financing of the Scotland Community development in Potomac.
- One other development made Alternative Payments in 2020. Two payments totaling \$91,866 were received from the Villa Cortese development in the Aspen Hill area based on an agreement signed in 2017. This payment was targeted toward the purchase of an MPDU in Bethesda by a nonprofit organization serving formerly homeless individuals.

MPDU “PIPELINE”

In previous years, the members of the Planning, Housing, and Economic Development (PHED) Committee have asked for a report on the development “pipeline” for MPDUs. As a member of the Development Review Committee (DRC) at the Maryland National Capital Park and Planning Commission (M-NCPPC), DHCA receives information on pending development applications that contain MPDUs. DHCA then tracks these projects in the MPDU database from planning approval through the Agreement to Build and Offering Agreement processes, and ultimately through sale or rental to eligible households. Attachment E is a chart that shows pending Agreements to Build and “New Projects,” which are those that are in some stage of the planning and development review process in M-NCPPC. If these projects build out as planned, over time more than 5,000 MPDUs would be added to the MPDU inventory.

MPDU Program Administration Enhancements and Improvements

The MPDU Program implemented a number of administrative improvements in 2020. Some of these program enhancements had been planned for some time; others were developed as a response to the COVID-19 pandemic.

MPDU Application Portal: The MPDU program relied on paper application forms for decades. In 2020, when an online format was required, a new system had to be designed. To tackle this challenge, staff in DHCA’s IT and MPDU sections collaborated to

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design and implement a secure online portal for applicants to the MPDU program, which was launched on November 9, 2020. Applicants are now able to log onto the portal, take a pre-recorded Application Tutorial that includes quizzes, complete their application, and securely upload supporting documents. The new portal improves security and convenience for new and renewing MPDU applicants. It also saves DHCA time previously spent conducting in-person classes and manually entering application information.

Online MPDU Classes: The MPDU program moved all MPDU training and application classes to online in 2020. Before the pandemic, the MPDU Program offered three types of in-person MPDU training classes to households who were interested in purchasing an MPDU. When the classes had to move to a remote format, working with the MPDU nonprofit contractor, Housing and Community Initiatives, Inc., the MPDU program staff completely overhauled the training program by redesigning the PowerPoint presentations and transferring the required documents to be downloadable. In 2020, although the MPDU offices were officially closed because of the pandemic and training classes were suspended for several months, the program held the following classes:

- MPDU First-Time Homebuyer Class: 20 classes with 1,625 participants
- MPDU Orientation Seminar: 14 classes with 1,307 attendees
- MPDU Application Session: 5 classes with 112 attendees
- MPDU Application Renewal Session: 7 classes with 113 attendees

Attachments:

- A. MPDUs Approved for Construction – Executed Agreements to Build, 2020
- B. For-sale and Rental MPDUs Built and Offered to MPDU Households, 2020
- C. Alternative Location and Alternative Payment Agreements 1989 - 2020
- D. List of High-Rise and All MPDU Rental Developments as of 12/31/2020
- E. MPDU “Pipeline” as of 12/31//2020

cc: Gabe Albornoz, Council Vice President
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<https://mcgov.sharepoint.com/teams/DHCA/Housing/Affordable/Shared Documents/Admin/Studies, Reports/Annual MPDU report/2020 Report/2020 Annual Report to Council President.docx>

MPDUs Approved: MPDU Agreements to Build Executed 2020

Attachment A

Project Name	AKA	Site Plan Number	Total Units	MPDUs	% MPDUs	Workforce Units	Rental or For-Sale	Agreement Date	Est. End Date	Developer Name
850 Silgo Avenue	Moonlight	820190050	80	10	12.5%		Rental	7/15/2020	2/28/2022	Moonlight, Inc.
Cabin John Village (Phase 1)		820190020	48	6	12.5%		For-Sale	3/3/2020	3/31/2022	EYA
Knowles Manor	Kensington Manor Senior Housing	820190080	94	29	30.9%		Rental	5/13/2020	10/31/2021	Affordable Housing Developers, Inc.
Solaire 8200 Dixon	Ripley II	82016007A	403	61	15.1%		Rental	1/23/2020	5/31/2022	Ripley West, LLC
Tapestry		820050370	67	10	14.9%		For-Sale	7/24/2020	8/31/2022	Miller and Smith
Westside @ Shady Grove Metro (HOC)	WSSG Multi-Family Building D	82013022A	268	67	25.0%	13	Rental	12/21/2020	1/31/2023	Housing Opportunities Commission
Total for 2020			960	183	19.1%	13				

Project Name	AKA	Site Plan Number	Total Units	MPDUs	MPDUs In Offering	Rental or For-Sale	Offering Date	Developer Name
2020								
Clarksburg Town Center		820070220	1206	151	16	For-Sale	8/6/2020	
Clarksburg Town Center		820070220	1206	151	7	For-Sale	8/6/2020	
Cabin Branch Winchester Phase 1	Winchester Phase 1	82006029A	439	70	4	For-Sale	9/22/2020	Winchester Homes
Clarksburg Square	Garnkirk Farms	820120100	392	49	3	For-Sale	1/7/2020	The Duffie Companies
Glenmont Metrocentre Phase 1.1	Glenmont Metrocenter	820130270	171	22	2	For-Sale	2/14/2020	Winchester Homes
Cabin Branch Winchester Phase 2	Winchester Phase 2	820110080	341	41	3	For-Sale	9/22/2020	Winchester Homes
Lerner Black Hill Part One	Black Hill Germanown Phase 2A Part One; Crystal	820150060	355	45	31	For-Sale	10/8/2020	Lerner Enterprises
Grosvenor Place	Townes at Grosvenor Place, Bethesda Towns	820150070	43	7	3	For-Sale	12/1/2020	Community Three Development, LLC
Elm, The	7272 Wisconsin Avenue; 4710 Elm Street; Apex	820160200	456	57	57	Rental	10/23/2020	Carr Properties
Sligo Artspace	Artspace, Silver Spring Artspace Campus, 801	820160140	79	10	4	For-Sale	12/18/2020	Artspace Projects, Inc.
North Quarter	Randolph Farms	820170020	104	13	3	For-Sale	7/29/2020	Stanford Properties, LC
Arrowwood	North Bethesda Center Parcel G	820180010	294	37	37	Rental	6/22/2020	LCOR
Cabin John Village (Phase 1)		820190020	48	6	6	For-Sale	9/17/2020	EYA
Axiom at Cabin Branch	Cabin Branch Multi-Family	820180060	272	68	68	Rental	6/24/2020	The NRP Group, LLC
Totals for 2018	Number of MPDU Offering Agreements:	14	5,406	727	244		162	- Rental MPDUs:
	Number of Developments	13					82	- For-Sale MPDUs:
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Note: many for-sale projects have multiple offerings as units are ready; so only the MPDUs in Offering column should be totaled

Attachment C

**ALTERNATIVE MPDU AGREEMENTS 1989 – 2019
See Page 3 for a Detailed Description of Each Agreement**

	Date	Project Name (Site Plan #)	Developer	Unit Type	MPDU Requirement	Alternate Payment/ Location	Payment Per MPDU	Notes	MPDU's Not Provided On-Site
1.	1989	8100 Connecticut Avenue <i>Chevy Chase</i>	Forest City	High Rise Condominium (senior)	N/A	\$107,000	N/A		
2.	1990	Madison Park <i>Bethesda</i>	Madison Park LLC	High Rise Condominium	8	\$280,000	\$35,000	Based on land price	8
3.	1991	Beacon Hill Grosvenor Lane <i>North Bethesda</i>	Richard Dubin	Townhouse	10	\$400,000	\$40,000	Based on land price	10
4.	1993	Fairmont Plaza <i>Bethesda</i>	Nathan Landow	High Rise Rental	12	None	None	Provided 18 MPDU apartments in The Seasons	12
5.	1994	Chase Grove <i>Gaithersburg</i>	Avalon Properties	Townhouse Condominium	11	None	None	Provided 22 MPDU apartments in same development	11
6.	1995	James Creek <i>Olney</i>	Martin Alloy	SF Detached	1	\$69,000	\$69,000	Based on land price	1
7.	1996	Summer Gate @ Avenel <i>Potomac</i>	Natelli Communities	SF Detached	2	\$200,000	\$100,000	Based on land price	2
8.	1998	Cameron Hill <i>Silver Spring</i>	EYA	Piggyback TH Condominium	7	\$97,634	\$13,948	Based on land price	7
9.	1998	Crescent Park <i>Bethesda</i> (819990200)	Nathan Landow	High Rise Rental	22	None	None	Provided 24 MPDU apartments in The Seasons	22
10.	1999	Charrington <i>Rockville</i> (819960060)	Pulte Homes	Townhouse	1	\$75,000	\$75,000	Based on land price	1
11.	2000	The Whitney <i>Bethesda</i> (82000014A)	Bethesda Theater, LLC	High Rise Rental	32	\$355,000	\$16,136	Provided 10 MPDU's on-site	22

Attachment C

	Date	Project Name (Site Plan #)	Developer	Unit Type	MPDU Requirement	Alternate Payment/ Location	Payment Per MPDU	Notes	MPDUs Not Provided On-Site
12.	2002	Bethesda Air Rights Waverly Street, Bethesda (8200100884)	Lowe Northwest	High Rise Rental	28	\$294,000	\$21,000	Provide 14 units on-site	N/A
13.	2002	The Gallery at White Flint White Flint Metro (820010170)	White Flint Place LLC	High Rise Rental	124 (27% required)	\$1,764,000	\$21,000	40 MPDUs provided on-site (8.8% of total units)	84
14.	2002	Wheaton CBD Metro Property (120020260)	EYA Bozzuto Construction	Piggyback TH Mid-Rise Rental apartments	10 30	\$286,000 \$288,000	\$28,600 \$19,200	Price for townhouse MPDUs based on land price. Provided 15 rental MPDUs on-site, 30-year controls	25
15.	2002	Wisconsin Place Chevy Chase (820010104)	New England Development	High Rise Rental	34	\$357,000	\$21,000	17 MPDUs provided on-site	17
16.	2003	Grosvenor Village North Bethesda (820000064)	Grosvenor Station Development	High Rise Rental	42	\$378,000	\$21,000	24 MPDUs provided on-site	18
17.	2003	8045 Newell Street Silver Spring (820030370)	Patriot Group	Mid Rise Condominium	15	\$158,335	\$31,667	10 MPDUs provided on-site	5
18.	2003	Rosedale Park Bethesda (820020024)	Magruder Corp	High Rise Rental	21	\$210,000	\$21,000	11 MPDUs provided on-site	10
19.	2004	The Adagio (Bethesda View) Bethesda (820040240)	Sheridan Development	High Rise Condominium	10	\$660,000	\$66,000	Payment includes 2 extra units	10
20.	2004	The Sterling White Flint Metro (82001017B)	Donohoe Companies	High Rise Condominium	25	\$600,000	\$46,154	12 one-bedroom MPDUs provided on-site	13
21.	2004	Rock Spring Centre North Bethesda (820030360, 820040170)	The Penrose Group	High Rise Rental or Condominium	155 (18% required)	\$1,584,000	\$33,000		48
22.	2005	Edgemoor at Arlington North (82007023A)	Armont Development Group	High-Rise Condominiums	12	Land	N/A	Provided land to HOC; 12 special needs housing units	0 (12 lower- income units provided)
23.	2005	Quarry Springs Potomac (120040420)	W.M. Rickman Construction LLC	Mid-Rise Condominiums	15	\$1,700,000	\$113,333		15

Attachment C

	Date	Project Name (Site Plan #)	Developer	Unit Type	MPDU Requirement	Alternate Payment/ Location	Payment Per MPDU	Notes	MPDUs Not Provided On-Site
24.	2005	Park Potomac (820040150)	Foulger Pratt Development Inc.	High-Rise Condo and Rentals	61	\$2,655,988	\$85,677	30 MPDUs on-site (in buildings 3,4,5 and 6)	31
25.	2006	Woodside Courts Silver Spring (820060030)	GTM Architects	SF Homes and Townhomes	1	\$155,600	\$155,600	Planning Board waived 3 of 4 MPDUs; ARC approved payment for 1 MPDU	1
26.	2008	Burning Tree/Fox Hill Bethesda (120020650)	Sunrise Assisted Living	Elderly Assisted Living CCRC	36	\$6,150,000	\$170,833	Settlement Agreement for failure to provide affordable units on-site	36
27.	2014	Hampden Lane Bethesda (820070100)	Toll Brothers City Living	High-Rise condominiums	9	None	None	12 off-site MPDUs provided instead of 9 on-site	9
28.	2014	The Octave (1320 Fenwick) Silver Spring (No site plan)	ProMark Real Estate Services, LLC	High-Rise condominiums	13	\$856,675 (Actual - 3% total sales)	\$65,898 Actual	Micro Condominiums in conversion of former office building	13
29.	2016	The Courts at Clarksburg Clarksburg (820150030)	PulteGroup	Single Family Detached Seniors	18	\$2,310,000 Est. (3% of total sales)	\$128,333 Est.	Age restricted community	18
30.	2019	Solera Reserve at Kensington (820180180)	Solera Senior Living	Senior Living with services	10	Alternative Location		MPDUs relocated to Knowles Manor Senior Housing in Kensington	10
31.	2020	The Claiborne Bethesda (82017008A)	NOVO Properties	High-Rise Condominium	13	\$1,670,000 Est.	\$128,785 Est.	High condo fees made MPDUs unaffordable	13

Notes on MPDU Alternative Agreements:

1. Forest City, Chevy Chase: This elderly condominium housing project was not affordable to MPDU eligible households due to the high fees associated with services in the property. MPDUs are oriented to first time homebuyers, which is difficult to find in the elderly population. Because of environmental constraints, no bonus density was obtained.
2. Madison Park High Rise condominium, Bethesda: The high condominium fees made this unaffordable to MPDU eligible households.
3. Beacon Hill, North Bethesda: The high homeowner's association (HOA) fees made these units unaffordable as MPDUs.
4. Fairmont Plaza, Bethesda: The high-rise building included services and structured parking that required high fees making the units less affordable to MPDU tenants.
5. Chase Grove at Washingtonian Center, Gaithersburg: Provided 11 additional MPDUs in a garden apartment portion of the development as an alternative to piggyback townhouse MPDUs with high condominium and HOA fees.

Attachment C

6. James Creek, Olney: This 10-unit subdivision was added to the project after all MPDUs were completed in the development. To design one detached MPDU would have unfairly burdened the development with architectural costs that are normally allocated over significantly more units.
7. Sumner Gate, Potomac: It was deemed impossible to make the MPDUs compatible with the market priced units.
8. Cameron Hill, Silver Spring: High condominium fees in an 8-unit condominium section of this townhouse project would have made these units unaffordable as MPDUs. The alternative payment was committed to the Manchester Manor apartments in the same planning area where 43 existing units in poor condition were being rehabilitated by HOC with affordable rents.
9. Crescent Park, Bethesda: This high-rise building included service and structured parking that required high fees making the units less affordable to MPDU tenants. The developer offered to provide more MPDUs in the Seasons, a nearby apartment building in the Bethesda CBD.
10. Charrington, Rockville: The rest of the MPDU requirement for this development was completed with piggyback townhouse units. The one additional MPDU would have had to be a townhouse. The HOA fees were high, and with the increased MPDU price for the larger unit, the MPDU would have been less affordable.
11. The Whitney, Bethesda: Ten one-bedroom rental MPDUs provided in the high-rise building. High construction costs associated with preserving the theater and extensive amenities made providing more MPDUs financially difficult.
12. Bethesda Air Rights: [Cancelled] *Seven efficiencies and seven one-bedroom units to be provided on-site in the high-rise building. High construction cost associated with modifying and constructing over an existing parking garage and extensive amenities require very high rents to offset.* Subsequently, the site plan was amended to eliminate the residential portion of the project.
13. The Gallery at White Flint Place, North Bethesda: Forty MPDUs evenly divided between efficiencies and one-bedrooms provided on-site in two buildings. High rise construction costs and the high condominium fees made providing all of the MPDUs difficult.
14. Wheaton CBD, Wheaton: Two phases in this development. The rental portion, known as the Flats at Wheaton Station, provided 15 of the required 30 MPDUs. The piggyback townhouse condominiums located in the second phase had high HOA fees, making the 10 MPDUs unaffordable. The developers paid \$574,000 instead of providing 10 for-sale MPDUs and 15 additional rental units in the apartment building.
15. Wisconsin Place, Friendship Heights: Seventeen efficiencies and one-bedroom MPDUs provided in project. High rise construction costs made it difficult to provide all of the MPDUs.
16. Grosvenor Village, North Bethesda: The Grosvenor Village subdivision had multiple phases. Twenty-four MPDUs were provided in the Meridian at Grosvenor Station and Avalon at Grosvenor Station apartment developments. The 2005 Alternative Agreement allowed payment in lieu of 18 rental MPDUs.
17. 8045 Newell Street, Silver Spring: Ten one-bedroom condominiums provided on-site. High condominium fees made the two-bedroom units unaffordable for MPDU certificate holders.
18. Rosedale Park, Bethesda: Seven efficiencies and four one-bedroom units provided on-site. High rise construction costs, height limits and street right-of-way made providing the MPDUs difficult.
19. The Adagio (Bethesda View), Bethesda: Condominium fees and unit construction costs resulted in MPDUs being unaffordable.

Attachment C

20. The Sterling, White Flint: Twelve one-bedroom units provided on-site. Payment for thirteen two-bedroom MPDUs based on 10% of the average sale price of the market units. The construction cost for high rise units and the high condominium fees for two-bedroom units made them unaffordable to MPDU eligible households.
21. Rock Spring Centre, North Bethesda: Two high rise buildings, one containing 351 units (Tower I) and the other containing 352 units (Tower II), with 32 on-site MPDUs provided in each building and 48 MPDUs subject to an Alternative Payment Agreement of \$33,000 per unit (or \$1,584,000).
22. Edgemoor at Arlington North. Land provided in lieu of providing for-sale MPDU with ten year controls. HOC constructed a 12-unit building providing permanent supportive housing for formerly homeless individuals.
23. The Quarry, Potomac: Four mid-rise, five-story residential buildings containing a total of 97 units. The condominium fees and sales prices for the MPDUs would exceed the affordability levels for certificate holders.
24. Park Potomac, Potomac: Six high-rise, residential buildings containing 450 units, all originally planned as condominiums. Sixty-one MPDUs were required, of which 30 units were provided on-site, and an alternative payment was made for the other 31 units because the construction cost of the units and the high condominium fees made them unaffordable to MPDU eligible households.
25. Woodside Courts, Silver Spring: This site was rezoned to permit 26 units in 2004 (no MPDUs were required at that time). The site plan was approved in 2006, after the MPDU law was changed in 2005 to reduce the number of units that triggered the MPDU requirement from 35 to 20 units or more. In approving the site plan, the Planning Board set the MPDU requirement at four units, but waived three of the four units. The applicant submitted a request to the ARC for an alternative payment for the 1 remaining unit, based on the environmental and historic constraints of the site and the fact the full density of the zone could not be achieved under the rezoning and site constraints. The ARC approved an alternative payment for one MPDU.
26. Burning Tree/Fox Hill, Bethesda: This Continuing Care Retirement Community was approved under a special exception requiring an affordable housing component. While not technically MPDUs, the 36 affordable units were to be available to persons earning 50% of the median income. The high service fees would have made the units unaffordable to persons at this income level. The County and the developer executed an Amended and Restated Settlement Agreement in lieu of litigation.
27. Hamnden Lane, Bethesda: This high-rise condominium in downtown Bethesda received a density bonus and therefore was not eligible for an Alternative Payment. The combination of MPDU sales prices and condominium fees make the units unaffordable to MPDU eligible buyers. Under the terms of the Alternative Location Agreement, the developer paid HOC \$1,434,000. In return, HOC converted 12 rental market units in buildings in the Bethesda/Chevy Chase planning area to rental MPDUs with 30-year controls.
28. The Octave (1320 Fenwick), Silver Spring: This 102-unit high-rise condominium (a converted office building) in downtown Silver Spring was relatively affordable due to the small size of the units, but the condominium fees still made the MPDUs unaffordable to MPDU eligible buyers. The Alternative Payment was based on 3% of total sales revenue, consistent with DHCA's adopted policy. Payments were paid at the settlement of each unit in the building.
29. Courts at Clarksburg, Clarksburg: The units in this single-family detached age-restricted development were too expensive for MPDU eligible purchasers when combined with the HOA fee. In addition, prior experience has shown that there is very little demand for for-sale age-restricted MPDUs. The Alternative Payment was based on 3% of total sales revenue. Payments are due at the settlement of each unit in the building.
30. Solera Reserve at Kensington, Kensington: The projected monthly fees for services, when added to the projected monthly rental payment for the MPDUs would not be affordable to persons eligible to participate in the MPDU program. This property would have been required to have 8 one-bedroom and 2 two-bedroom units. Instead, through an Alternative Location Agreement, this property provided funds to allow 7 one-bedroom units and 3 two-bedroom units to be built at another senior rental housing development just blocks away.

Attachment C

31. The Claiborne Condominiums, Bethesda: An Alternative Payment Agreement was signed in 2020 that will total an estimated \$1.6 million in payments in lieu of providing 13 MPDUs in this high-rise condominium with high condominium fees. The payment amount will be based on 3% of all sales at the property, as required by current County law. The condominium fee could not be unbundled and would make the cost of ownership of the MPDUs unaffordable to MPDU-qualified purchasers.

<https://mcgov.sharepoint.com/teams/DHCA/Housing/Affordable/Shared Documents/Admin/Studies, Reports/Annual MPDU report/2020 Report/C - Alternative MPDU Agreements through 2020 docx>

PROPERTIES WITH MPDU RENTAL AGREEMENTS

High-Rise Rents	# MPDUs
1200 East West	31
7001 Arlington at Bethesda	21
7770 Norfolk	30
Affinity on Georgia	27
Arrowwood	37
Atelier	32
Aurora at North Bethesda Center	43
AVA Wheaton	41
Axiom	68
Axis at Shady Grove	50
Bainbridge Bethesda	30
Blairs, The	38
Brody, The	17
Camden Shady Grove	58
Cameron, The	41
Central (8455 Fenton St.)	31
Citron, The	31
Core (8621 Georgia Ave.)	35
Daley (Westside at Shady Grove)	50
Element 28	13
Eleven55 Ripley	48
Elms at Century	118
Elms at Clarksburg – Encore (CV Ph 3)	12
Exchange at Wheaton Station, The	61
Fenwick	39
Flats 8300 (8300 Wisconsin Ave)	45
Flats at Bethesda Avenue (The Flats)	14
Flats at Wheaton Station	15
Gallery Bethesda	68
George, The	25
The Henri at Pike & Rose	47
Inigo's Crossing (Jefferson @...)	53
Liberty Mill	38
Meridian at Grosvenor Station	24
North Bethesda Market	62
Palisades of Bethesda	45
Pallas at Pike & Rose	32
Pearl, The	8
Perry, The (Park Potomac)	30
Persei at Pike & Rose	30
Portico at Silver Spring Metro	23
Premier, The	20
Solaire 8250	51
Solaire Bethesda	21
Solaire Silver Spring	44
Solaire Wheaton	32
Thayer & Spring	59
Upstairs at Bethesda Row	23
Veridian, The	58
Warwick, The	15
Wentworth House	37
Whitney at Bethesda, The	10
Wisconsin Place	55
	1,986
Number of Properties:	53

Garden Apartment Rents	# MPDUs
Avalon at Grosvenor Station	68
Avalon at Traville	65
Bell Shady Grove	43
Elms at Clarksburg Village, The	112
Elms at Germantown, The	48
Mallory Square	50
Millstone at Kingsview	64
Montgomery, The (Rock Spring)	70
Park at Kingsview Village, The	41
Pinnacle Town Center	42
Rosedale Park	11
Rothbury, The	41
Woodward Crossing	4
	659
Number of Properties:	13

LIHTC/Other Affordable Projects with MPDU Covenants

Galaxy, The	31
Lindley, The	30
Momentum at Shady Grove	16
Residences at Thayer Avenue, The	42
Willow Manor at Fair Hill	20
	139
Number of Properties:	5

Units Monitored by MPDU Program: 2,645
 Total Number of Properties: 66
 Total Rental MPDUs: 2,784
 Total Number of Properties: 71

<https://mcgov.sharepoint.com/teams/DHCA/Housing/Affordable/Shared Documents/Admin/Studies, Reports/Annual MPDU report/2020 Report/ID - List of MPDU Rental>

Pipeline MPDU Projects as of 12/31/2020

Development Name	Street Address	City	Zip Code	Total Units	MPDUs	Workforce Units	Tenure	Est. Complete
Signed Agreements to Build								
7900 Wisconsin Avenue	8001 Woodmont Avenue	Bethesda	20814	322	49		Rental	7/31/2020
850 Sligo Avenue	850 Sligo Avenue	Silver Spring	20910	80	10		Rental	2/28/2022
900 Thayer Avenue	8240 Fenton Street	Silver Spring	20910	124	16		Rental	2/28/2019
Bloom Montgomery Village	Montgomery Village Ave. & Stewartown R	Gaithersburg	20886	494	125		For-Sale	3/31/2024
Chevy Chase Lake - Block E	CT Ave. & Manor Rd., SE Quadrant	Chevy Chase	20815	531	69		Rental	5/31/2022
Edgemont at Bethesda I	4885 Edgemoor Lane	Bethesda	20814	154	24		Rental	8/31/2021
Elizabeth House III and Alexander House Apartment	Second Ave. & Apple Ave., NW quadrant	Silver Spring	20910	267	103	28	Rental	4/30/2022
Fairchild, The	20013 Century Blvd.	Germentowr	20874	212	27		Rental	8/31/2022
Knowles Manor	3910 Knowles Avenue	Kensington	20895	94	29		Rental	10/31/2021
Montgomery Village Center Phases 1A & 1E	Montgomery Village Ave. & Stedwick Rd., NW Quadrant	Gaithersburg	20886	115	15		For-Sale	6/30/2022
Mt. Prospect	14100 & 14200 Quince Orchard Rd. & Turkey Foot Rd	North Potomac	20878	186	24		For-Sale	10/31/2024
NoBe East Village Phase 1F	North of Nicholson Lane and Huff Cour	Kensington	20895	335	42		For-Sale	11/30/2022
Solaire 8200 Dixor	Dixon Ave. S of Ripley St	Silver Spring	20910	403	61		Rental	5/31/2022
Tapestry	MD Rte. 355 NW and SW of West Old Baltimore Rd	Boyd's	20841	67	10		For-Sale	8/31/2022
Westside at Shady Grove Metro HOC Building	Crabbs Branch Way & Shady Grove Road	Rockville	20855	268	67	13	Rental	1/31/2023
Westside at Shady Grove Metro Lenna	Crabbs Branch Way & Shady Grove Road	Rockville	20855	178	22	8	For-Sale	4/30/2023
Westside at Shady Grove Metro SMC	Crabbs Branch Way and Shady Grove Road	Rockville	20855	180	6	8	For-Sale	2/28/2026
ZOM Bethesda	4900 Moorland Lane	Bethesda	20814	229	35		Rental	6/30/2021
	Number of Developments:	18		4,239	734	57		
New Projects								
12500 Ardennes Avenue	12500 Ardennes Avenue	Rockville	20852	225	34	20		
20220 Frederick Road	20220 Frederick Road	Germentowr	20876					
4 Bethesda Metro Center	SW Quadrant Wisconsin Ave. & Old Georgetown Rd./East	Bethesda	20814	489	74			
4540 Montgomery Avenue	4540 Montgomery Avenue	Bethesda	20814	40	6			
4824 Edgemoor Lane	4824 Edgemoor Lane	Bethesda	20814	77				
4915 Auburn Avenue	4915 Auburn Avenue	Bethesda	20814	175	31			
6000 Executive Boulevard	6000 Executive Blvd.	Rockville	20852	364	55			
7000 Wisconsin Avenue	7000 Wisconsin Ave.	Bethesda	20814	200	36			
7340 Wisconsin Avenue	7340 Wisconsin Avenue	Bethesda	20814	180	27			
7607 Old Georgetown Road	7607 Old Georgetown Road	Bethesda	20814	200	30			
8000 Wisconsin Avenue	8000 Wisconsin Avenue	Bethesda	20814	441	111			
8008 Wisconsin Avenue	8008 Wisconsin Avenue	Bethesda	20814	106	16			
8015 Old Georgetown Road	8015 Old Georgetown Road	Bethesda	20814	263	47			
8787 Georgia Avenue	8787 Georgia Avenue	Silver Spring	20910	400	50			
9545 River Road	9545 River Road	Potomac	20854	40	6			
Armstrong Property	Lewis Dr. W of Ridge Rd	Damascus	20872	55	7			
Ashford Woods	MD 355 SE of Cornus Rd.	Clarksburg	20871	364	91			
Ashton Market	Olney Sandy Spring Road and Porter Road	Sandy Spring	20860	23	3			
Avalon Residentia	E side of Frederick Road N of Shawnee Lane	Clarksburg	20871	50	8			
Battery District	Battery Lane E of Woodmont Ave	Bethesda	20814	1530	306			
Bethesda Market	7121 Wisconsin Ave., 7126 Wisconsin Ave., 7140 Wisconsin Ave.	Bethesda	20814	620	93			

Development Name	Street Address	City	Zip Code	Total Units	MPDUs	Workforce Units	Tenure	Est. Complete
Bethesda-Chevy Chase Rescue Squat	Old Georgetown Road & Battery Lan	Bethesda	20814	280	35			
Black Hill Germantown - Phase 2A (Part Two)	Crystal Rock Dr. & Century Blvd	Germantown	20874	294	37			
Blairs, The Master Plan	Blair Mill Road	Silver Spring	20910	1183	148			
Cabin Branch - Concordia (Phase I)	MD Rte. 121 & I-270, SW quadrant	Clarksburg	20871	116	6		For-Sale	
Cabin Branch Adventist South Active Adult	MD Rte. 121 & I-270, SW quadrant	Clarksburg	20871	347	44			
Chevy Chase Lake Blocks A and C	Between Chevy Chase Lake Dr. & Manor Rd., E & W side	Chevy Chase	20815					
Creekside at Cabin Branch	Intersection of MD Route 121 and Interstate 271	Clarksburg	20841					
Crescent at Chevy Chase, The	Newdale Rd. W of CT Ave. - 3929 Newdale Rd	Chevy Chase	20815	117	15			
Elizabeth House IV	1400 Fenwick Lane	Silver Spring	20910	334	50	34		
ELP Bethesda at Rock Spring	Intersection of Fernwood Rd and Rock Spring C	North Bethesda	20817					
Falkland North	East-West Highway & 16th St. (NE quadrant)	Silver Spring	20910	1250	157			
Gables White Flint	Old Georgetown Rd. & Executive Blvd	North Bethesda	20852	476	60			
Grass on Main Street	Main Street W of Woodfield Rd	Damascus	20872	40	10			
Great Key/PSTA Site	SW corner Key West Ave. & Great Seneca Hwy	Rockville	20850	525	158			
Guardian Building	8605 Cameron Street	Silver Spring	20910	177	23			
Heritage Gardens	10701 South Glen Rd., SW of Norton Road/South Glen Rd	Potomac	20854	51	8			
Hilldale Gateways	W side of New Hampshire Avenue S of Powder Mill Road	White Oak	20903	443	116			
Lost Knife Townhouse Community	NW Corner Lost Knife Road & Montgomery Village Ave	Gaithersburg	20886	56	7			
Metro Tower	Hampden Lane (S side) at Wisconsin Avenue	Bethesda	20814	390	59			
Milestone (2015)	I-270 between Ridge Rd. & Dorsey Mill Rd	Germantown	20876	485	61			
NoBe East Village Phase 1E	North of Nicholson Lane and Huff Court	Kensington	20895	232	29			
North Bethesda Gateway	Rockville Pike 250 ft. S of Nicholson La	North Bethesda	20852	513	65			
North Bethesda Market I	Rockville Pike 200 ft. S of Nicholson La	North Bethesda	20852	470	59			
Ourisman Ford Montgomery Mall	Motor City Dr. and Westlake Ter	Bethesda	20817	344	43			
Park Potomac Phase 3	Montrose Rd. and I-270 (NW quadrant)	Potomac	20854					
Pike and Rose Phase 3	Rockville Pike & Old Georgetown Rd. - NW quadrant	Rockville	20852	827	103			
Pooks Hill	Rockville Hill Road NW of Dudley Lane	Bethesda	20814	650	98			
Poplar Grove	Century Blvd. & Father Hurley Blvd	Germantown	20874	558	70			
Residences at Forest Glen, The	2106 Belvedere Boulevard (a/k/a 9920 Georgia Avenue	Silver Spring	20902	189	38			
Rock Spring Centre Phase II	NE quadrant, Rockledge Dr. & Rock Spring Dr	Bethesda	20817	161	44			
Saul Centers White Flint	Rockville Pike & Nicholson La. (NE & NW Quadrants	North Bethesda	20852	775	97			
Saul Centers White Flint West	SW quadrant, Rockville Pike & Marinelli Rd	North Bethesda	20852	325	41			
Saul Centers White Flint West Building A	Rockville Pike & Marinelli Road	North Bethesda	20852	330	42			
Shady Grove Station - East Side	Crabbs Branch Way 10 ft E of Shady Grove Rd	Derwood	20855	689	96	53		
Silver Spring Park	Fenton St. & Silver Spring Ave. (SE quadrant)	Silver Spring	20910	58	7	5		
St. Elmo Apartments	St. Elmo Ave. & Fairmont Ave	Bethesda	20814	276	42			
Strathmore Square	E of Rockville Pike and Tuckerman Lane intersectio	North Bethesda	20852	2149	323			
Ten Mile Creek	MD Rte 121 & W. Old Baltimore Rd	Boyd's	20841	312	39			
Townes of Damascus	Beall Ave. E of Ridge Rd	Damascus	20872	48	6			
Viva White Oak	W of Cherry Hill Road; S of Rte. 28	Silver Spring	20904					
VOB Development	11575 Old Georgetown Rd. (E of Executive Blvd	North Bethesda	20852	1000	150			
Washington Episcopal Day School	5600 Little Falls Parkway	Bethesda	20815	121	16			
Westfield Montgomery Mall	7101 Democracy Blvd.	Bethesda	20817	717	108			
Westside at Shady Grove Metro Multi-Family Building I	Crabbs Branch Way and Shady Grove Road	Rockville	20855	413	50	51		
Westwood Shopping Center Phase 1	Westbard Avenue (W side) S of Ridgefield Rd.	Bethesda	20816	262	33			

Development Name	Street Address	City	Zip Code	Total Units	MPDUs	Workforce Units	Tenure	Est. Complete
Westwood Shopping Center Phase 1	Westbard Ave. (both sides) betw. River Rd. & Westbard C	Bethesda	20816	254	32			
Wheaton Grandview	Grandview Avenue SE of Ennals Avenue	Silver Spring	20902	204	62			
White Flint Mall Redevelopmen	Rockville Pike (MD 356) E of Security Lane	Kensington	20895	2459	308			
White Flint View	5511 Nicholson Lane N of Huff Court	North Bethesda	20852	193	28			
White Oak Town Center	12345 Columbia Pike	Silver Spring	20904	275	69			
Wildwood Manor Shopping Cente	E side Old Georgetown Rd. at Democracy Blvr	Bethesda	20814	60	8			
Wilgus Property (2019)	Montrose Rd./Towne Rd./Montrose Pkwy	Rockville	20852	813	122			
WMAL Bethesda	Greentree Road S of Grubby Thicket Way	Bethesda	20817	309	40			
	Number of Developments:	74		28,392	4,293	163		
Total Pipeline	Number of Developments:	92		32,631	5,027	220		

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