



DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Marc Elrich  
*County Executive*

Aseem K. Nigam  
*Director*

MEMORANDUM

March 14, 2022

TO: Gabe Albornoz, Council President

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

SUBJECT: Annual Report on the Moderately Priced Dwelling Unit (MPDU) and Workforce Housing Programs Covering Calendar Year 2021

Section 25A-12 of Chapter 25A, Moderately Priced Housing Law, of the Montgomery County Code 2014 (Chapter 25A), 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. Likewise, Section 25B-24(h) of Chapter 25B, Workforce Housing Law, requires the same for the Workforce Housing Program. The following is an accounting of those affordable housing programs for calendar year 2021. This report provides information about the creation and lifespan of affordable housing units through the MPDU Program, a future projection of new units, and information on MPDU participants. It also provides a summary of the Workforce Housing Units generated in 2021.

**MODERATELY PRICED DWELLING UNIT PROGRAM**

**Background**

The MPDU program provides housing for moderate income households in order to meet the County's goal of providing a full range of housing choices in the county for all incomes, ages, and household sizes. 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 additional height.

An MPDU is a government-regulated unit that is required to be affordable to households earning 70 percent of the area median income (AMI) for high-rise rental apartments and all development types of for-sale units, and 65 percent AMI for garden-style rental apartments. The program's implementation involves both the public and private sectors. On the public sector side, government staff performs regulatory and administrative functions to ensure compliance with the

Office of the Director

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Code. On the private sector side, the program requires participation with the building industry to produce the housing. Between 12.5 and 15 percent of the total number of units in every subdivision of 20 or more units must be moderately priced. Some developments exceed those standards in order to take advantage of tax or development incentives provided in the Code. As a result, the MPDU program has successfully produced more than 16,500 affordable units since the first MPDUs were built in 1976.

The Affordable Housing Programs Section of DHCA coordinates with developers at multiple stages of the development process to ensure that MPDUs are provided in accordance with the Code. 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 MPDUs in the subdivision. Unit layouts are reviewed to ensure livable, quality units in line with MPDU regulations. Agreements to Build are necessary in order to obtain a building permit at the Department of Permitting Services.

In order to rent or sell any MPDUs, a developer must sign an Offering Agreement with DHCA, that stipulates the rent or sales price of each MPDU. Offering agreements are executed at the time units are ready to be sold or leased. Prices are reviewed to ensure the units remain affordable. To keep sales prices more in line with current costs of construction, the County adopted Executive Regulation 9-21 in 2021 to adjust sales prices by the latest CPI adjustments.

The information below describes the number of MPDUs approved and built during calendar year 2021.

### **The Number of MPDUs Approved**

The MPDU Program approved 440 MPDUs during 2021. For the purposes of this report, approved means that DHCA entered into an Agreement to Build with developers that, after construction is completed (sometime in the next 1-3 years), those units will be available to future MPDU participants. DHCA executed 12 new Agreements to Build during calendar year 2021 that will create those 440 MPDUs. These agreements covered 3,126 total (market rate and MPDU) units. The MPDUs are 14.1% of the total units in these Agreements to Build. A list of the 2021 Agreements to Build can be found in [Attachment A](#).

### **The Number of MPDUs Built**

There were 320 new MPDUs built during 2021. For the purposes of this report, the number of MPDUs built is the number of units reported in Offering Agreements, either for for-sale or rent, to eligible MPDU households. DHCA approved 24 individual MPDU Offering Agreements during calendar year 2021 for 14 different developments (six developments had more than one offering). These Offering Agreements represented 135 new for-sale MPDUs and 185 new rental MPDUs, for a total of 320 MPDUs.

The list of offerings in a year is not necessarily 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, and many developments were behind their originally projected construction schedules in 2021 due to supply chain delays. The list of Offering Agreements approved, by development, can be found in Attachment B.

### **The Number of MPDUs Under Controls**

Each year, the number of units controlled through the MPDU program increases as new MPDUs are built. Since 2005, for-sale MPDUs have 30-year renewing controls. In reality, that means that most MPDU stay under MPDU controls forever, unless a single owner lives in the unit for more than 30 years and then sells their unit. Because few homeowners remain in their primary residence for 30 years, most units must restart their 30-year covenants on resale.

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. MPDUs created before 2005 slowly leave the program as MPDU owners sell their units and pay a shared profit.

Rental MPDUs had twenty-year MPDU controls prior to 2005; but since then, rental MPDUs have had 99-year controls. Ten rental properties with MPDUs will reach the end of the MPDU controls between 2022 and 2025, representing 293 MPDUs. DHCA has been successful extending the affordability period in expiring rental MPDUs, and will continue to try to preserve as many expiring rental properties as possible.

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, up to 40% of the units created in any subdivision or apartment building. By the end of 2021, nonprofit organizations owned 336 MPDUs throughout Montgomery County. These units are rented to very low-income households and to individuals needing specialized housing. The Housing Opportunities Commission also purchases MPDUs to rent to lower income households, and owns 1,279 MPDUs that are used as rental housing.

<b>MPDUs PROVIDING AFFORDABLE HOUSING 2020 TO 2021</b>				
	2020	2021	Change from 2020 - 2021	Notes
For-Sale MPDUs	1,698	1,733	35	Units owned by MPDU participants
Nonprofit Owned	343	336	-7	Owned by approved nonprofits and rented out
HOC Owned	1,278	1,279	1	Owned by HOC and rented out
Rental MPDUs	<u>2,784</u>	<u>3,145</u>	361	Units in rental developments
<b>Total MPDUs</b>	<b>6,103</b>	<b>6,493</b>	<b>390</b>	Ownership: 1,733. Rental: 4,399.
<b>Expired MPDUs</b>				
No Shared Profit Paid	<u>1920</u>	<u>1882</u>	-38	MPDU owners continuing to live in MPDUs
				Ownership: 3,403. Rental: 4,760 (HOC & Nonprofit owned = 1,615; Rental = 3,145)
<b>Total MPDUs</b>	<b>8,023</b>	<b>8,375</b>	<b>352</b>	
Sold/Paid Shared Profit	24	38		MPDU owners sold/ paid shared profit if owed

**Alternative Payment or Location Agreements**

Chapter 25A allows DHCA, at its discretion, to enter into Alternative Agreements for developments in certain limited instances. Historically, DHCA has approved Alternative Agreements to avoid MPDU participants paying high condominium or homeowner association fees. During calendar year 2021, one Alternative Payment Agreement was approved for a high-rise condominium with high condominium fees. The project has not received all of its land use approvals, so a formal Alternative Payment Agreement has not yet been signed. The developers of 4824 Edgemoor Lane, a proposed high-rise condominium with very high condominium fees in Bethesda, requested approval of an Alternative Payment in lieu of providing 12 MPDUs on site. DHCA denied the request. The estimated payment that would have been generated by an Alternative Agreement, per the requirements of the Code, would not have been sufficient to provide an equivalent unit in the same Planning Area. A complete list of all Alternative Agreements ever 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 one project:

- In calendar year 2021, 15 payments were deposited for the Courts of Clarksburg totaling \$274,599.84. The Alternative Payment Agreement for this development was signed in 2017. As of 2021, only one payment remains outstanding. 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 have increased. To date, DHCA has collected \$2,710,250 from this Agreement, which is \$400,000 more than originally estimated. DHCA is currently reviewing possible projects within the Clarksburg Planning Area that could use these funds to buy, build, or preserve more MDPU's per the requirements of the Agreement.

### **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 MPDU's. 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 MPDU's. 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 currently unbuilt, potential projects. That list includes units in existing Agreements to Build (though some of these units may be in construction stage, they are not yet complete) as well as "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 5,300 MPDU's, serving households with incomes of 70% AMI or less, would be added to the MPDU inventory.

### **MPDU Program Administration Enhancements and Improvements**

The MPDU Program implemented a number of administrative improvements in 2021. Some of these program enhancements had been planned for some time; others were developed as a response to the COVID-19 pandemic.

- Online MPDU Classes: The MPDU program moved all MPDU training and application classes online in 2020. Before the pandemic, the MPDU Program offered three types of in-person MPDU training classes to low- and moderate-income 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 2021, although the MPDU offices were officially closed for half the year because of the pandemic, the program was still able to hold the following number of training sessions:

- MPDU First-Time Homebuyer Class: 24 classes with 2,387 participants (an additional 107 First-Time Homebuyer Class participants took classes from a HUD approved external agency)

- MPDU Orientation Seminar: 12 classes with 1,422 attendees
- 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 design and implement a secure online portal for applicants to the MPDU program, which was launched on November 9, 2020. The first full year of the portal’s application has been a success.

The new portal includes a pre-recorded Application Tutorial that replaces previous in-person MPDU application sessions. The Tutorial includes six quizzes, all of which require an applicant to pass before being allowed to move on to the next question. Applicants are now able to log onto the portal, take the Application Tutorial, 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.

- MPDU Application Tutorial: 461 Tutorial participants

**MPDU Applicants**. The creation of the MPDU Portal has allowed staff to track more data on MPDU Purchaser Applicants than had been easily available in the past. (MPDU rental applicants apply directly to the leasing office of each development and are reviewed and approved there.) This data includes demographic information which will assist staff to assess the program’s racial equity going forward. Of the 461 Tutorial participants, all went on to file their MPDU application. Some were new applications, and some were renewal applicants.

MPDU certificates require renewals every year to update information and re-confirm eligibility in the program. MPDU staff reviews each application for completeness, income eligibility (both over and under income for the program), and compliance with other requirements under the Chapter 25A. In 2021 applications reviewed were as follows:

	New Applicants	Renewed Applicants
Total Received	357	104
Denied - Over Income	11	4
Denied – Previous Homeowner	1	0
Denied – Incomplete Application	43	13
Total Approved	302	87

**WORKFORCE HOUSING PROGRAM**

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The Workforce Housing Program is meant to create housing affordable fo households with incomes at or below 120% of the area-wide median income. Unlike the MPDU program, it is not mandatory to provide. These units are typically created when recommended under the relevant Master or Sector Plan.

In 2021, there was one Agreement to Build for Workforce Housing, to create 8 new for-sale units. There was also one Offering Agreement for Workforce Housing to build 8 new for-sale units. Both 2021 agreements were for different phases and developers of the Westside at Shady Grove development, in accordance with the recommendations of the 2006 Shady Grove Sector Plan. There is one other previously signed Agreement to Build for a 13-unit rental development at the Westside at Shady Grove and one other potential rental project there. Those two pipeline developments could generate an additional 64 workforce housing units. These projects are reported on Attachments A, B, and E.

Attachments:

- A. MPDUs Approved for Construction – Executed Agreements to Build, 2021
- B. For-sale and Rental MPDUs Built and Offered to MPDU Households, 2021
- C. Alternative Location and Alternative Payment Agreements 1989 - 2021
- D. List of High-Rise and All MPDU Rental Developments as of 12/31/2021
- E. MPDU “Pipeline” as of 12/31//2021

cc: Evan Glass, Council Vice President  
Andrew Friedson, Councilmember  
Tom Hucker, Councilmember  
Will Jawando, Councilmember  
Sidney Katz, Councilmember  
Nancy Navarro, Councilmember  
Craig Rice, Councilmember  
Hans Riemer, Councilmember

MPDUs Approved: MPDU Agreements to Build Executed 2020

Project Name	AKA	Site Plan Number	Total Units	MPDUs	% MPDUs	WFH	Rental or For-Sale	Agreement Date	Est. End Date	Developer Name
7000 Wisconsin Avenue	George P. Sacks' Subdivision	820200090	181	32	17.7%	0	Rental	6/16/2021	11/30/2023	Starr Capital LLC
7607 Old Georgetown Road	La Madeleine	820190030	197	30	15.2%	0	Rental	6/16/2021	10/31/2023	Washington Property Co.
Amalyn Bethesda	WMAL Bethesda	820170170	309	40	12.9%	0	For-sale	5/25/2021	3/31/2026	Toll Brothers
Crescent at Chevy Chase, The		820180130	111	14	12.6%	0	Rental	10/19/2021	1/31/2024	Landmark Realty Inc.
Fairchild, The	Fairchild Apartments	820180220	212	27	12.7%	0	Rental	3/1/2021	8/31/2022	HIP Projects, LLC
Hampden House	Metro Tower	820190110	366	55	15.0%	0	Rental	10/19/2021	12/30/2025	B.F. Saul Company
NoBe East Village Phase 1A	N. Bethesda Gateway; Eisinger Site	82014018A	335	42	12.5%	0	Rental	3/1/2021	11/30/2022	Foulger-Pratt Companies, Inc.
Ourisman Ford Montgomery Mall		820090140	343	44	12.8%	0	Rental	6/9/2021	8/31/2023	Foulger-Pratt Companies, Inc.
Pooks Hill Multi-Family		82016008C	562	85	15.1%	0	Rental	6/28/2021	12/29/2023	Quadrangle Development Corp.
Sandy Spring Village		8198806A	56	7	12.5%	0	Rental	10/25/2021	11/30/2022	Sandy Spring Village, LP
St. Elmo Apartments		820170030	276	42	15.2%	0	Rental	8/24/2021	1/31/2024	Duball, LLC
Westside at Shady Grove Metro Lennar	WSSG MetroPhase 3 Townhouses	82013022A	178	22	12.4%	8	For-sale	2/8/2021	4/30/2023	Lennar
<b>Total for 2021</b>			<b>3,126</b>	<b>440</b>	<b>14.1%</b>	<b>8</b>				



MPDUs Built: MPDU Offering Agreements Executed 2021

Project Name	AKA	Site Plan Number	Total Units	MPDUs	MPDUs In Offering	WFH	Rental or For-Sale	Offering Date	Developer Name
8001 Woodmont	7900 Wisconsin Avenue	820130170	322	49	49		Rental	4/2/2021	JBG Smith Properties
Atelier, The	Glenmont Metrocenter	820150120	254	32	32		Rental	1/25/2021	Buchanan Partners LLC
Bloom Montgomery Village	Bloom MV Areas I-VI	820170130	514	114	24		For-sale	8/4/2021	Monument Realty
Bloom Montgomery Village	Bloom MV Areas I-VI	820170130	514	114	7		For-sale	9/21/2021	Monument Realty
Bloom Montgomery Village	Bloom MV Areas I-VI	820170130	514	114	14		For-sale	11/29/2021	Monument Realty
Bradford's Landing		820170060	244	61	11		For-sale	10/4/2021	Brookfield Residential
Cabin Branch Winchester Phase 1	Winchester Phase 1	82006029A	439	70	2		For-sale	10/18/2021	Winchester Homes
Cabin Branch Winchester Phase 2	Winchester Phase 2	820110080	341	41	2		For-sale	2/2/2021	Winchester Homes
Cabin Branch Winchester Phase 2	Winchester Phase 2	820110080	341	41	4		For-sale	8/18/2021	Winchester Homes
Cabin Branch Winchester Phase 2	Winchester Phase 2	820110080	341	41	3		For-sale	8/18/2021	Winchester Homes
Cabin Branch Winchester Phase 2	Winchester Phase 2	820110080	341	41	6		For-sale	10/11/2021	Winchester Homes
Cabin Branch Winchester Phase 3	Winchester - Phase 3	820120150	185	10	1		For-sale	2/2/2021	Winchester Homes
Cabin Branch Winchester Phase 3	Winchester Phase 3	820110080	185	10	1		For-sale	8/18/2021	Winchester Homes
Cabin Branch Winchester Phase 3	Winchester - Phase 3	820120150	185	10	4		For-sale	10/11/2021	Winchester Homes
Chevy Chase Lake - Block B		820160190	531	69	45		Rental	9/21/2021	Bozzuto Group
Dowden's Station		820160060	105	27	10		For-sale	1/12/2021	Meridian Homes, Inc.
Dowden's Station		820160060	105	27	5		For-sale	1/12/2021	Meridian Homes, Inc.
Dowden's Station		820160060	105	27	12		For-sale	1/21/2021	Meridian Homes, Inc.
Garnkirk Farms	Clarksburg Square	820120100	392	24	5		For-sale	3/31/2021	The Duffie Companies
Garnkirk Farms	Clarksburg Square	820120100	392	24	8		For-sale	8/30/2021	The Duffie Companies
Maizon Bethesda	ZOM Bethesda	820180120	229	35	35		Rental	8/2/2021	ZMA Development, LLC
Tapestry		820050370	67	10	10		For-sale	3/22/2021	Miller & Smith
The Edge	4885 Edgemoor Ln, Edgemont	820180170	154	24	24		Rental	3/18/2021	Equity Residential
Westside at Shady Grove Metro	WSSG Metro Phase 2 Townhouse	820130220	180	6	6	8	For-sale	9/28/2021	Stanley Martin Homes
<b>Totals for 2021</b>	<b>No. of MPDU Offering Agreements:</b>	<b>24</b>	<b>6,980</b>	<b>1,021</b>	<b>320</b>	<b>8</b>		<b>185</b>	<b>- Rental MPDUs:</b>
	<b>Number of Developments</b>	<b>14</b>						<b>135</b>	<b>- For-Sale MPDUs:</b>
<a href="https://mcgov-my.sharepoint.com/personal/cross01_montgomerycountymd_gov/Documents/Documents/MPDU Annual Reports/FINAL/[A - Agreements To Build 2021.xlsx]Sheet">https://mcgov-my.sharepoint.com/personal/cross01_montgomerycountymd_gov/Documents/Documents/MPDU Annual Reports/FINAL/[A - Agreements To Build 2021.xlsx]Sheet</a>									

Note: many for-sale projects have multiple offerings as units are ready; so only the MPDUs in Offering column should be totaled

**ALTERNATIVE MPDU AGREEMENTS 1989 – 2021**  
*See Page 3 for a Detailed Description of Each Agreement*

	<b>Date</b>	<b>Project Name (Site Plan #)</b>	<b>Developer</b>	<b>Unit Type</b>	<b>MPDU Requirement</b>	<b>Alternate Payment/ Location</b>	<b>Payment Per MPDU</b>	<b>Notes</b>	<b>MPDUs Not Provided On-Site</b>
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	Sumner 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 (819990200)</i>	Nathan Landow	High Rise Rental	22	None	None	Provided 24 MPDU apartments in The Seasons	22
10.	1999	Charrington <i>Rockville (819960060)</i>	Pulte Homes	Townhouse	1	\$75,000	\$75,000	Based on land price	1
11.	2000	The Whitney <i>Bethesda (82000014A)</i>	Bethesda Theater, LLC	High Rise Rental	32	\$355,000	\$16,136	Provided 10 MPDUs on-site	22

**Attachment C**

	<b>Date</b>	<b>Project Name (Site Plan #)</b>	<b>Developer</b>	<b>Unit Type</b>	<b>MPDU Requirement</b>	<b>Alternate Payment/ Location</b>	<b>Payment Per MPDU</b>	<b>Notes</b>	<b>MPDUs Not Provided On-Site</b>
12.	2002	<del>Bethesda Air Rights Waverly Street, Bethesda (820010080)</del>	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 (82001010A)	New England Development	High Rise Rental	34	\$357,000	\$21,000	17 MPDUs provided on-site	17
16.	2003	Grosvenor Village North Bethesda (82000006A)	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 (82002002A)	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**

	<b>Date</b>	<b>Project Name (Site Plan #)</b>	<b>Developer</b>	<b>Unit Type</b>	<b>MPDU Requirement</b>	<b>Alternate Payment/ Location</b>	<b>Payment Per MPDU</b>	<b>Notes</b>	<b>MPDUs Not Provided On-Site</b>
24.	2005	Park Potomac <i>Potomac (820040150)</i>	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 <i>Silver Spring (820060030)</i>	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 <i>Bethesda (120020650)</i>	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 <i>Bethesda (820070100)</i>	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) <i>Silver Spring (No site plan)</i>	ProMark Real Estate Services, LLC	High-Rise condominiums	13	\$856,675 <i>(Actual - 3% total sales)</i>	\$65,898 <i>Actual</i>	Micro Condominiums in conversion of former office building	13
29.	2016	The Courts at Clarksburg <i>Clarksburg (820150030)</i>	PulteGroup	Single Family Detached Seniors	18	\$2,310,000 <i>Est. (3% of total sales)</i>	\$128,333 <i>Est.</i>	Age restricted community	18
30.	2019	Solera Reserve at Kensington <i>(820180180)</i>	Solera Senior Living	Senior Living with services	10	Alternative Location		MPDUs relocated to Knowles Manor Senior Housing in Kensington	10
31.	2020	The Claiborne <i>Bethesda (82017008A)</i>	NOVO Properties	High-Rise Condominium	13	\$1,670,000 <i>Est.</i>	\$128,785 <i>Est.</i>	High condo fees made MPDUs unaffordable	13
32.	Approval 2021	4702 Chevy Chase Drive <i>Bethesda</i>	Winthrop Investment Group	High-Rise Condominium	9	\$1,800,000 <i>Est.</i>	\$200,000	High condo fees will make MPDUs unaffordable	TBD

**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.

## Attachment C

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.
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.
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. Hampden 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 were paid 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,

## Attachment C

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.

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.
32. 4702 Chevy Chase Drive, Bethesda: An Alternative Payment Agreement was approved in 2021 that, if finalized and signed, will total an estimated \$2 million in payments in lieu of providing 9 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.

PROPERTIES WITH MPDU RENTAL AGREEMENTS

As of December 31, 2021

High-Rise Rents	# MPDUs
1200 East West	31
7001 Arlington at Bethesda	21
7770 Norfolk	30
8001 Woodmont	49
Affinity on Georgia	27
Arbor Crest (Senior)	24
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
Bell Shady Grove	43
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
Edge, The	24
Element 28	13
Eleven55 Ripley	48
Elm, The	57
Elms at Century	118
Elms at Clarksburg – Encore (Senior)	12
Arrive Wheaton	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	53
Liberty Mill	38
Maizon Bethesda	35
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
Kanso Silver Spring	23
Premier, The	20
Solaire 8250	51
Solaire7077 Woodmont	21
Solaire1150 Ripley	44

High-Rise Rents	# MPDUs
Solaire10914 Georgia	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
	<b>2,218</b>
<b>Number of Properties:</b>	<b>59</b>

Garden Apartment Rents	# MPDUs
Avalon at Grosvenor Station	68
Avalon at Trville	65
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
Rosedale Park	11
Woodfield Commons	11
Rothbury, The	41
Woodward Crossing	4
	<b>585</b>
<b>Number of Properties:</b>	<b>12</b>

**LIHTC/Other Affordable Projects with MPDU Covenants**

Galaxy, The	31
900 Thayer Avenue	16
Elizabeth House III / Alexander House	103
Knowles Manor (Senior)	29
Lindley, The	30
Momentum at Shady Grove	19
Residences at Thayer Avenue, The	42
Silver Spring Artspace Lofts	10
Victory Haven	11
Willow Manor at Cloppers Mill (Senior)	10
Willow Manor at Fair Hill (Senior)	14
Willow Manor at Fairland	16
Woodfield Commons	11
	<b>342</b>
<b>Number of Properties:</b>	<b>13</b>

<b>Units Monitored by MPDU Program:</b>	<b>2,803</b>
<b>Total Number of Properties:</b>	<b>71</b>
<b>Total Rental MPDUs:</b>	<b>3,145</b>
<b>Total Number of Properties:</b>	<b>84</b>





## Pipeline MPDU Projects as of 12/31/2021

Development Name	Street Address	City	Zip Code	Total Units	MPDUs	WFH	Tenure	Est. Complete
Avalon Residential	E side of Frederick Road N of Shawnee Lan	Clarksburg	20871	50	8			
Avondale	Avondale Street	Bethesda		60	9			
Battery District	Battery Lane E of Woodmont Ave	Bethesda	20814	1,530	306			
Bethesda Market	E side Wisconsin N of Leland; SW quadrant of Leland and	Bethesda	20814					
Bethesda Market (aka 7126 Wisconsin Avenue	7121 Wisconsin Ave., 7126 Wisconsin Ave., 7140 Wisconsin	Bethesda	20814	620	93			
Bethesda-Chevy Chase Rescue Squac	Old Georgetown Road & Battery Lan	Bethesda	20814	280	35			
Black Hill Germantown - Phase 2A (Part Twc	Crystal Rock Dr. & Century Blvd	Germantown	20874	294	37			
Blairs, The Master Plar	Blair Mill Road	Silver Spring	20910	1,183	148			
Cabin Branch - Concordia (Phase I	MD Rte. 121 & I-270, SW quadrant	Clarksburg	20871	116	6			
Cabin Branch Adventist South Active Adul	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					
College View Campus	Frederick Road	Germantown		142	36			
Creekside at Cabin Branch	Intersection of MD Route 121 and Interstate 270	Clarksburg	20841	326	41			
Elizabeth House IV	1400 Fenwick Lane	Silver Spring	20910	334	50			
ELP Bethesda at Rock Spring Phase 1/	Intersection of Fernwood Rd and Rock Spring C	North Bethesda	20817	512	77			
Falkland North	East-West Highway & 16th St. (NE quadrant	Silver Spring	20910	1,250	157			
Flats at Knowles Station	Summit Avenue	Kensington		100	25			
Gables White Flint	Old Georgetown Rd. & Executive Blvd	North Bethesda	20852	476	60			
Glenmont Metro Center Phase 2.	Glenallan Avenue	Silver Spring	20906	233	35			
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	630	189			
Guardian Building (aka 8605 Cameron Street	8605 Cameron Street	Silver Spring	20910	177	23			
Hampden East	East Lane	Bethesda		150	27			
Heritage Gardens	10701 South Glen Rd., SW of Norton Road/South Glen Rd	Potomac	20854	51	8			
Hillandale Gateway	W side of New Hampshire Avenue S of Powder Mill Road	White Oak	20903	463	116			
King Souder Property	West Side of Ridge Road (MD 27	Damascus	20872	64	16			
Kingsview Station	Clopper Road	Germantown	20874	61	8			
Linthicum West	Clarksburg Road and West Old Baltimore R	Clarksburg	20871	253	32			
Lost Knife Townhouse Community	NW Corner Lost Knife Road & Montgomery Village Ave	Gaithersburg	20886	56	7			
Meadowvale (2019	18857 Cross Country Road	Gaithersburg	20879	19	0			
MHP - Nebel	Nebel Street and Old Georgetown Road	North Bethesda	20852	170	43			
Miles Coppola	Clarksburg Rd.	Clarksburg	20871	336	51			
Milestone (2015)	I-270 between Ridge Rd. & Dorsey Mill Rd	Germantown	20876	485	61			
Milestone Senior Germantown	East side Frederick Road, north of High Point Drive	Germantown		111	111			
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 Lane	North Bethesda	20852	513	65			
North Bethesda Market I	Rockville Pike 200 ft. S of Nicholson Lane	North Bethesda	20852	470	59			
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			
Poplar Grove	Century Blvd. & Father Hurley Blvd	Germantown	20874	176	22			
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 Drive	Bethesda	20817	161	44			
Saul Centers White Flint	Rockville Pike & Nicholson Lane. (NE & NW Quadrants	North Bethesda	20852	775	97			
Saul Centers White Flint West	SW quadrant, Rockville Pike & Marinelli Road	North Bethesda	20852	325	41			

### Pipeline MPDU Projects as of 12/31/2021

Development Name	Street Address	City	Zip Code	Total Units	MPDUs	WFH	Tenure	Est. Complete
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			
Silver Spring Park	Fenton St. & Silver Spring Ave. (SE quadrant	Silver Spring	20910	58	7			
Strathmore Square	E of Rockville Pike and Tuckerman Lane intersectio	North Bethesda	20852	2,149	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			
Urby Silver Spring	905 Silver Spring Avenue	Silver Spring		394	57			
Viva White Oak	W of Cherry Hill Road; S of Rte. 29	Silver Spring	20904					
VOB Development	11575 Old Georgetown Rd. (E of Executive Blvd	North Bethesda	20852	1,000	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	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			
Westwood Shopping Center Phase 2	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 Redevelopment	Rockville Pike (MD 355) E of Security Lane	Kensington	20895	2,459	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 Center	E side Old Georgetown Rd. at Democracy Blvd	Bethesda	20814	61	11			
Wilgus Property (2019)	Montrose Rd./Towne Rd./Montrose Pkwy	Rockville	20852	813	122			
	<b>Number of Developments:</b>	<b>84</b>		<b>28,723</b>	<b>4,559</b>			
<b>Total Pipeline</b>	<b>Number of Developments:</b>	<b>103</b>		<b>33,887</b>	<b>5,371</b>	<b>51</b>		