

MEMORANDUM

September 11, 2020

TO: Government Operations & Fiscal Policy (GO) Committee
Planning, Housing, and Economic Development (PHED) Committee

FROM: Linda McMillan, Senior Legislative Analyst
Naeem M. Mia, Legislative Analyst

SUBJECT: Resolution to Approve the Disposition of 4010 Randolph Road (Parcel 1) and
Bushey Drive (Parcel 2), Silver Spring

PURPOSE: Recommendations to Council on proposed disposition; vote expected

Expected Attendees for this Worksession:

Greg Ossont, Deputy Director, Department of General Services (DGS)
Ronnie Warner, Chief, Office of Planning & Development, DGS
Alan Goldstein, Director of Multifamily Division, AHC, Inc
Sarah Reddinger, Director of Program Services, Habitat for Humanity Metro Maryland
Aseem Nigam, Director, Department of Housing and Community Affairs (DHCA)
Frank Demarais, Deputy Director, DHCA
Pofen Salem, Office of Management & Budget (OMB)

1. Background

The resolution to approve this disposition will have been introduced at the Council's September 15 session. The subject property is a closed school and is subject to the law and regulations regarding disposition of a closed school. The closed school process does not require the Council to hold a public hearing.

There are two main questions before the Joint Committee: (1) Does the Joint Committee agree that the property is no longer needed for a public/government purpose, and, (2) Does the Joint Committee support the parameters of the proposed affordable housing development that is recommended by the County Executive?

Description of Subject Property

The property, located at 4010 Randolph Road, contains two adjacent parcels. The building on the property was built in 1961 as Bushey Drive Elementary School. It is approximately 6.07 acres. The Board of Education deeded the property to the County in 1976. The property is currently used as the administrative offices for the Department of Recreation. The site will be vacant upon relocation of the Department of Recreation offices to downtown Wheaton.

Disposition Process Summary

The process for the disposition of a closed school is different from the disposition of other County-owned property. Chapter 11B-45 requires the Executive to adopt regulation (COMCOR 11B.45.02, Reuse, Leasing or Sale of Closed Schools). The regulation/process must provide for the ultimate decision by the County Council, as required by State law, whether to dispose of a surplus school and its site, including any fields and recreational areas. While the law does not specify that this is done by resolution, Council staff, the Department of General Services, and the County Attorney agree and recommend that a resolution is appropriate. There is no Declaration of No Further Need or required deadlines for Council action as there are in the disposition of County Government owned property that was not a school. The Council is not required to hold a public hearing.

Process Timeline

The County Executive is proposing to transfer the property to a private developer for the construction of approximately 196 housing units, 100% of which will be affordable at ranges of 30 to 70 percent of the area median income (AMI). This will be a fee simple below fair-market transaction. A General Developer Agreement (GDA) was executed between the County and AHC, Inc (the developer) on July 28, 2020.

The following elements required of the disposition process have been completed by the County Executive:

- February 13, 2020: The County sent a letter to the Board of Education requesting a statement be sent to the Council that the site will not be needed for public education uses in the foreseeable future.¹
- February 25, 2020: The County transmitted a request to the Planning Board that a statement be sent to the Council that the site will not be needed for park uses.

¹ The information transmitted by the Executive does not include a written confirmation from the Board of Education that the site is not needed for public education uses. The Council must receive this prior to action. Council staff recommends the Committee move forward with its recommendation at this session. Council action will be scheduled once the reply from the Board of Education is received.

- April 2, 2020: The Planning Board approved the Mandatory Referral for this disposition. On April 7, the Planning Board sent a letter to the Council confirming approval and that the site will not be needed for park uses in the future.
- April 6, 2020: The County Executive sent a memo to the Council stating that this property will not be needed for public recreational or human service uses in the foreseeable future.
- May 20, 27 and June 3, 2020: An advertisement for alternative proposals was published in the Washington Times. This advertisement was also sent to nearby civic associations and Wheaton High School cluster Parent Teacher Associations/Parent Teacher Student Associations.
- May 26, 2020: Executive Order No. 069-20 was advertised in the County Register beginning on this date.
- June 24, 2020: A virtual public hearing was held on the Zoom platform to obtain any additional comments.
- August 4, 2020: The Council received the County Executive's memorandum and Executive Order that requests disposition.

2. Continued Need for Property for County Purposes

As previously noted, the Board of Education deeded this property to the County in 1976. The County's use of the property for administrative offices is not needed as County functions move to downtown Wheaton. The Council approved the Veirs Mill Corridor Master Plan with specific recommendations that this property be re-developed with medium density residential uses and neighborhood serving commercial uses as allowed in the CRN zone. The Planning Board has stated the property is not needed for a park.

Council staff concludes that the property is no longer needed for county government/public use and can be disposed of to be used in accordance with the approved master plan.

3. Proposed Affordable Development

The following section describes the vision in the master plan and the components of the affordable housing development recommended by the County Executive. DGS will provide a brief overview presentation. AHC, Inc. and Habitat for Humanity are present to respond to Councilmember questions.

Veirs Mill Corridor Master Plan

The Housing section of the Plan notes that the predominant use in the Plan area is single-family residential. It also notes that the current multi-family housing is naturally affordable (affordable to a household earning 80% of AMI), but, because of the age of the housing none of the units is subject to the Moderately Priced Dwelling Unit (MPDU) ordinance. Council staff notes that unless an apartment community has affordability restrictions because of a different program, this means that there is not long-term control over the affordability. The Housing Goals of the Plan are:

- Preserve existing, market-rate affordable housing where possible.
- Provide a range of unit types for a diversity of households, including families, seniors, and persons with physical challenges.
- Prioritize MPDUs as a top public benefit in the Commercial Residential Town zones.
- Preserve affordable housing through use of tax credits and other financing tools.
- Protect and Preserve existing single-family neighborhoods in and around the master plan.

Requests for Proposal and General Development Agreement

In anticipation of the relocation of the Department of Recreation's offices, in June 2019, the Executive issued a Request for Proposals for an affordable housing development. The Executive selected AHC, Inc. as the developer and has entered into a General Development Agreement (subject to approval of the disposition). AHC Inc. is partnering with Habitat for Humanity for the homeownership portions of the project.

The following are the basic components of the project and the agreed upon timeline.

Mixed Income Housing

196 total units

All units affordable to households with incomes less than 70% of AMI

Overall bedroom mix:

37 one-bedroom units

73 two-bedroom units

70 three-bedroom units

16 four-bedroom units

Overall affordability:

25 income not to exceed 30% AMI

25 income not to exceed 40% AMI

61 income not to exceed 50% AMI

81 income not to exceed 60% AMI

4 single family homes not to exceed 70% AMI

Rental Units:

168 multifamily rental units affordable to households earning between 30% and 60% of AMI
30% of all rental units must be recorded as MPDUs per Chapter 25A
All other rental units will have an agreement for 99 years

Condominium:

24 for-sale condominium units affordable to households between 30% and 60% AMI
Agreement for affordability and bedroom size for a period of 20 years

Single Family Correct.

4 for-sale single family homes affordable to households with incomes that do not exceed 70% of AMI (in partnership with Habitat for Humanity)

Other

Open space as required in the Veirs Mill Corridor Plan

Approximately 1,300 square feet of community space. (Note: while not included in the GDA, AHC Inc. is planning to include space for childcare on site and would like to partner with a community clinic to provide access to healthcare. AHC Inc. and the Department of Health and Human Services are connecting to discuss the plans for childcare.)

Timeline

Development Approvals: Planning Board approvals with conditions acceptable to the developer estimated to be by July 1, 2021.

Low Income Housing Tax Credit Application by the earlier of September 1, 2021 or deadline for 4% LIHTC applications.

Submit Record Plat by September 1, 2021 following approval of Certified Site Plan.

Enter into contract with General Contractor: estimated August 1, 2022.

Financing and Closing: Estimated September 1, 2022 (concurrent with building permits).

Groundbreaking and commencement of construction no later than November 1, 2022.

Lease up for rental units to begin immediately upon receipt of Use and Occupancy Permits.
Marketing for rental and for-sale product to begin during construction.

Other Provisions in the GDA

Study Period - Developer has 180 days from March 9, 2020 (September 5, 2020) for a study period where a decision could be made to proceed or not to proceed.

GDA (executed July 28, 2020) is in place for a period of 24 months with the option to extend for an additional 6 months.

The Developer must make reasonable efforts to commence construction within 60 days of closing of the construction financing.

Developer will be responsible for demolishing improvements, although the County may apply for the demolition permit and assign it to the Developer. At Closing, the property will be transferred to the Developer in “as is” condition with no offset for the demolition of the current improvements to the land.

Because this is a closed school, the agreement requires the Developer to give the County Right of First Refusal on any future sale. (In this case Developer includes AHC and Habitat).

The County must be provided with a reasonable opportunity to review and approve all applications for approvals.

Following the Study period, the Parties (County, AHC, Habitat) will have a goal of meeting every four weeks on the project.

Developer will pay the County \$1 per parcel. The intention is to subdivide the land into separate tax parcels prior to Closing and certain parcels will be owned and managed by Habitat for Humanity Metro Maryland (or third party approved by the County). Recordation and transfer taxes will be assessed to the Developer using the current assessed value of the property as established by the Maryland State Department of Assessment and Taxation.

Real property taxes (if any), water and all utility and other operating expenses of the Land shall be adjusted as to the day of Closing. All closing costs, including legal fees, recording fees, and transfer and recordation taxes shall be paid by the Developer.

The Developer must exercise commercially reasonable efforts to comply with the County’s Minority, Female, and Disabled Person Owned Businesses Program, as administered by DGS. (General Contractor Harkins Builders, Inc.)

3. Discussion

This proposed development is unusual as all the housing, rental and for-sale, is affordable to households at 70% or less of AMI and a substantial amount is targeted to households with incomes at 50% or less of AMI. Households earning 50% or less of AMI (about \$44,000 for an individual or \$63,000 for a family of four) are most likely to be extremely rent burdened. This will provide a substantial amount of affordable housing with long-term control periods. As critical and successful as the MPDU program is in growing the stock of long-term affordable housing, it would take development of about 1,300 units to produce 196 MPDUs under a MPDU requirement of 15%.

Financing

There are three identified financing tools that are supporting this affordable housing development. The first is the County providing the land at a cost of \$1 per parcel. The second is the application by the Developer for 4% Low Income Housing Tax Credits. The third is support from the Housing Initiative Fund. The Department of Housing and Community Affairs has

approved \$2 million in funding to support the predevelopment costs and conditionally approved up to \$12 million for the development and permanent financing.

Homeownership Opportunities – An Affordable Condominium Building

This proposal is also unusual in that it will produce a new affordable condominium building. This part of the project, along with the single-family homes, will be a partnership with Habitat for Humanity. Homeownership is an important way for people to build wealth and can be extremely difficult for people with low incomes or who cannot save for a traditional down payment. Council staff is very intrigued by this part of the development as it could serve as a model for increasing homeownership among members of the County who have traditionally been priced out of the market. At the same time, Council staff has concerns about the long-term stability of such a building because of the often unpredictable nature of increases in condominium fees, the potential for special assessments if major repairs are needed, the importance of adequately funded reserve accounts, and the investment of time condominium owners need to make in participating in the board and managing the building. This can often be difficult for people who work long and/or non-traditional hours.

Council staff discussed this issue with AHC, Habitat for Humanity, and DHCA prior to this session and believes the Joint Committee would benefit from hearing from Habitat about their experience and how these homeownership opportunities will be structured. Council staff was most interested in the expectation that the condominium documents will be written so that Habitat will be a part of the board and so can help with the ongoing management. Habitat also intends to fund the reserve at turnover. It is expected that the condominium fees will be low because the common areas will be shared by the whole development, not just assigned to the condominium. As this will be new construction, each unit will have individual utilities so some of the issues regarding master-metered building (which make up a substantial part of the naturally occurring affordable condominiums) will be avoided. For example, this will allow the homeowner to be eligible for energy assistance programs.

DHCA is connecting Habitat with the DHCA Common Ownership Program which can provide assistance on the requirements for Maryland and Montgomery County.

This memorandum contains:

Resolution Approving Transfer	© 1-2
August 2020 memo from County Executive (with attachments)	© 3-16
April 2020 Planning Staff report to Planning Board Mandatory Referral	© 17-22

Resolution No: _____
Introduced: _____
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: County Council

SUBJECT: Approval of Disposition of 4010 Randolph Road (Parcel 1) and Bushey Drive (Parcel 2), Silver Spring. (Previously known as Bushey Drive Elementary School)

Background

1. Montgomery County Code, Chapter 11B-454, Disposition of Real Property, Section (g) requires the County Executive to adopt regulations to establish a process for disposition of surplus schools. The Code of Montgomery County Regulations (COMAR) 11B.45.02, Reuse, Leasing, and Sale of Closed Schools, provides the requirements for the reuse of a closed school.
2. In 1976, the Board of Education deeded property that was the site of the Bushey Drive Elementary School to Montgomery County. The property consists of two parcels, 4010 Randolph Road (Parcel 1) and Bushey Drive (Parcel 2). The property is approximately 6.07 acres. The property has been used by the County as the administrative offices of the Department of Recreation. The property will be vacant when the Department of Recreation's offices move to downtown Wheaton.
3. The approved Veirs Mill Corridor Master Plan recommends rezoning of the property to allow the construction of medium density residential uses and neighborhood serving commercial uses near the commercial center.
4. On April 7, 2020, Planning Board Chair Anderson notified the Council that the Planning Board voted to approve the Mandatory Referral to dispose of the property and confirmed that the site is not needed for a park. The County Executive has stated that the property is not needed for public recreation or human services facilities in the foreseeable future.
5. In June 2019, the County Executive issued a Request for Development Proposals for this property in anticipation of the relocation of the Department of Recreation's administrative offices. The project objectives were to: increase the stock of affordable housing with a range of affordability and a mix of units sizes, provide transition from the

Stonemill Square retail to the single family residential, and maintain compatibility with the surrounding residential neighborhood.

6. The Executive is recommending development of the property by AHC, Inc. in partnership with Habitat for Humanity Metro Maryland. The proposed development is expected to have 196 units that are affordable to a range of incomes at or below 70 percent of area median income. The proposed development includes a range of unit sizes. The development includes multifamily rental units, condominium units, and single family attached homes.
7. The Executive held a virtual public hearing on this recommended disposition on June 24, 2020.
8. The Government Operations and Fiscal Policy Committee and Planning, Housing, and Economic Development Committee held a joint worksession on September 16, 2020 and recommended XXXXXX.

Action

The County Council for Montgomery County, Maryland, approves the following action:

The County Council approves the disposition 4010 Randolph Road (Parcel 1) and Bushey Drive (Parcel 2), the site of the former Bushey Drive Elementary School, for an affordable housing development as recommended by the County Executive in Executive Order 069-20. The property will be disposed of in a fee simple transaction at below fair market value.

This is a correct copy of Council action.

Selena Mendy Singleton, Esq. Clerk of the Council



OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Marc Elrich
County Executive

MEMORANDUM

August 4, 2020

TO: Sidney Katz, President
Montgomery County Council

FROM: Marc Elrich 
Montgomery County Executive

SUBJECT: Disposition of 4010 Randolph Road, Silver Spring

The purpose of this memorandum is to request disposition of 4010 Randolph Road, Silver Spring. The property, located at 4010 Randolph Road, contains two adjacent parcels. The building on the property was built in 1961 as Bushey Drive Elementary School. The Board of Education deeded the property to the County in 1976. The property is currently used as the administrative offices for the Department of Recreation. The site will be vacant in fall 2020 upon relocation of the Recreation offices to downtown Wheaton.

The recently adopted Veirs Mill Corridor Master Plan contemplates redevelopment of the site with medium density residential uses and neighborhood-serving commercial uses. Recently, I issued a solicitation for redevelopment proposals for the site to include a mix of housing affordable to households earning between 30% and 100% of the area medium income. We received a very positive response and the selected offeror, AHC, Inc., will redevelop the site with a mix of housing affordable to households earning between 30% and 70% of the area median income. The General Development Agreement has been executed.

I am recommending that the County transfer the property to AHC, Inc. for nominal value. Attached you will find Executive Order No. 069-20 which was advertised in the County Register starting May 26, 2020.

As the site is a closed school, it is being disposed of in accordance with Section 11B.45.02.07 of the Code of Montgomery County Regulations, Process for Disposition by Sale or Lease with Option to Buy. Specifically, the following measures have been taken:

- On February 13, 2020, I sent a letter to the Board of Education requesting a statement be sent to the Council that the site will not be needed for public education uses in the foreseeable future.

- On February 25, 2020, I sent a letter to the Planning Board requesting a statement be sent to the Council that the site will not be needed for park uses.
- On April 2, 2020, the Planning Board approved the Mandatory Referral for this disposition. On April 7, the Planning Board sent a letter to the Council confirming approval.
- On April 6, 2020, I sent a memo to the Council stating that this property will not be needed for public recreational or human service uses in the foreseeable future.
- On May 20, 27 and June 3, 2020, an advertisement for alternative proposals was published in the Washington Times. This advertisement was also sent to nearby civic associations and Wheaton High School cluster Parent Teacher Associations/Parent Teacher Student Associations.
- On June 24, 2020 a virtual public hearing was held on the Zoom platform to obtain any additional comments.

I hope this information is helpful. If you have any questions, please contact Greg Ossont, Deputy Director, Department of General Services, at 240.777.6192 or greg.ossont@montgomerycountymd.gov.

Attachments:

1. Executive Order No. 069-20
 2. February 13, 2020 letter to Board of Education
 3. February 25, 2020 letter to Planning Board
 4. April 6, 2020 letter to Council
 5. April 7, 2020 letter from Planning Board re: Mandatory Referral Approval
 6. Copy of Washington Times Advertisement
 7. Copy of notice to Civic Associations and PTA/PTSAs
- c: David Dise, Director, Department of General Services
Greg Ossont, Deputy Director, Department of General Services
Ronnie Warner, Division Chief, Department of General Services
Richard Madaleno, Director, Office of Management and Budget
Michael Coveyou, Director, Department of Finance
Luisa Montero, Mid-County Regional Services Center



MONTGOMERY COUNTY EXECUTIVE ORDER

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Public Hearing for the Disposition of 4010 Randolph Road	Executive Order No. 069-20	Subject Suffix
Montgomery County Department of General Services	Department No.	Effective Date 5/26/2020

In accordance with Section 4-115 of the Education Article of the Annotated Code of Maryland, Section 11B-45(g) of the Montgomery County Code and Section 11B.45.02 of the Code of Montgomery County Regulations, Montgomery County, Maryland, announces that it proposes to transfer a parcel of real property to AHC Inc. for affordable housing, consisting of 6.07 acres of land, located at 4010 Randolph Road in Silver Spring, Maryland.

Montgomery County proposes to transfer the subject 6.07 acres +/- of land in fee simple for nominal value. The building on the property was built in 1961 as Bushey Drive Elementary School. The Board of Education deeded the property to the County in 1976. The property is currently used as the administrative offices for the Department of Recreation. The site will be vacant in summer 2020 upon relocation of the Recreation offices to downtown Wheaton.

This property is bordered by Randolph Road to the north; single family detached residences to the northeast; Bushey Drive to the east; single family detached residences, Gannon Road, and commercial condominiums to the south; and commercial properties to the west. The parcel is more particularly identified as follows:

The property of Montgomery County, Maryland is recorded in Liber 4813 at Folio 261, among the Land Records of Montgomery County, Maryland. It is comprised of 6.07 +/- acres of land. For tax purposes, it can be found in District 13 at Account Numbers 01286715 and 00954387. Tax Account Number 01286715 is Block D on Tax Map HQ43; Tax Account Number 00954387 is Parcel P765 on Tax Map HQ43.

Written comments or alternative proposals must be received no later than close of business on June 5, 2020 and should be addressed to:

Ronnie Warner, Chief
Office of Planning and Development
Dept. of General Services
101 Monroe Street, 9th floor
Rockville, Maryland 20850
or e-mail
opd.dgs@montgomerycountymd.gov

A virtual public hearing on the proposed transfer of property will be held at 7:00pm on June 24, 2020 via a Zoom meeting. Information on how to attend can be found at:

<https://www.montgomerycountymd.gov/DGS/OPD/Home.html>



MONTGOMERY COUNTY EXECUTIVE ORDER

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Public Hearing for the Disposition of 4010 Randolph
Road

Executive Order No.
069-20

Subject Suffix

Montgomery County Department of General Services

Department No.

Effective Date
5/26/2020

Approved as to Form and Legality
Office of the County Attorney

By: _____

Date: _____

[Handwritten Signature]
5-21-20

APPROVED

[Handwritten Signature]

A. Jerome Fletcher

Assistant Chief Administrative Officer

Date: 5/26/2020



OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Marc Elrich
County Executive

MEMORANDUM

February 13, 2020

TO: Shebra L. Evans, President
Montgomery County Board of Education

FROM: Marc Elrich 
Montgomery County Executive

SUBJECT: Disposition of 4010 Randolph Road, Silver Spring

In accordance with the provisions of 11B.45.02, Reuse, Leasing, and Sale of Closed Schools, the County Executive must request the Board of Education to submit to the County Council a statement that a closed school will not be needed for public education uses in the foreseeable future.

The property, located at 4010 Randolph Road, contains two adjacent parcels (Tax ID 13-00954387 and 13-01286715). The building on the property was built in 1961 as Bushey Drive Elementary School. The Board of Education deeded the property to the County in 1976. The property is currently used as the administrative offices for the Department of Recreation. The site will be vacant in summer 2020 upon relocation of the Recreation offices to downtown Wheaton.

The recently adopted Veirs Mill Corridor Master Plan contemplates redevelopment of the site with medium density residential uses and neighborhood-serving commercial uses. Recently, I issued a solicitation for redevelopment proposals for the site to include a mix of housing affordable to households earning between 30% and 100% of the area medium income. We received a very positive response and have initiated negotiations with the selected offeror.

In order to facilitate the ultimate sale of this property and in accordance with the provisions of 11B.45.02, within 60 days of this request the Board of Education must submit to Council a statement that the school will not be needed for public educational uses in the foreseeable future, for at least 10 years after the proposed sale.

Accordingly, I respectfully request that the Board of Education submit this statement. If you have any additional questions, please contact Greg Ossont, Deputy Director of General Services at 240-777-6192.

CC: David Dise, Director, Department of General Services
Greg Ossont, Deputy Director, Department of General Services
Richard Madaleno, Director, Office of Management and Budget
Michael Coveyou, Acting Director, Department of Finance
Luisa Montero, Mid-County Regional Services Center Director



OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Marc Elrich
County Executive

MEMORANDUM

February 25, 2020

TO: Casey Anderson, Chair
Montgomery County Planning Board

FROM: Marc Elrich 
Montgomery County Executive

SUBJECT: Disposition of 4010 Randolph Road, Silver Spring

In accordance with the provisions of 11B.45.02, Reuse, Leasing, and Sale of Closed Schools, the County Executive must request the Planning Board submit to the County Council a statement that a closed school site will not be needed for park uses.

The property, located at 4010 Randolph Road, contains two adjacent parcels (Tax ID 13-00954387 and 13-01286715). The building on the property was built in 1961 as Bushey Drive Elementary School. The Board of Education deeded the property to the County in 1976. The property is currently used as the administrative offices for the Department of Recreation. The site will be vacant in summer 2020 upon relocation of the Recreation offices to downtown Wheaton.

The recently adopted Veirs Mill Corridor Master Plan contemplates redevelopment of the site with medium density residential uses and neighborhood-serving commercial uses. Recently, I issued a solicitation for redevelopment proposals for the site to include a mix of housing affordable to households earning between 30% and 100% of the area medium income. We received a very positive response and have initiated negotiations with the selected offeror.

In order to facilitate the sale of this property, per the provisions of 11B.45.02, within 60 days of this request the Planning Board must submit to Council a statement that the former school will not be needed for park uses.

Accordingly, I respectfully request that the Planning Board submit this statement. If you have any additional questions, please contact Greg Ossont, Deputy Director of General Services at 240-777-6192.

CC: David Dise, Director, Department of General Services
Greg Ossont, Deputy Director, Department of General Services
Ronnie Warner, Chief, Office of Planning and Development, Department of General Services
Richard Madaleno, Director, Office of Management and Budget
Michael Coveyou, Acting Director, Department of Finance
Luisa Montero, Director, Mid-County Regional Services Center



OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Marc Elrich
County Executive

MEMORANDUM

April 6, 2020

TO: Sidney Katz, President
Montgomery County Council

FROM:  Marc Elrich
 Montgomery County Executive

SUBJECT: Disposition of 4010 Randolph Road, Silver Spring

In accordance with the provisions of 11B.45.02, Reuse, Leasing, and Sale of Closed Schools, the County Executive must submit to the County Council a statement that a closed school will not be needed for public recreational or human service uses.

The property, located at 4010 Randolph Road, contains two adjacent parcels (Tax ID 13-00954387 and 13-01286715). The building on the property was built in 1961 as Bushey Drive Elementary School. The Board of Education deeded the property to the County in 1976. The property is currently used as the administrative offices for the Department of Recreation. The site will be vacant in summer 2020 upon relocation of the Recreation offices to downtown Wheaton.

The recently adopted Veirs Mill Corridor Master Plan contemplates redevelopment of the site with medium density residential uses and neighborhood-serving commercial uses. Recently, I issued a solicitation for redevelopment proposals for the site to include a mix of housing affordable to households earning between 30% and 70% of the area medium income. We received a very positive response and have initiated negotiations with the selected offeror.

In order to facilitate the sale of this property, per the provisions of 11B.45.02, the Executive must submit a statement to the Council that the school will not be needed for public recreational or human service uses in the foreseeable future. Per the recently adopted Master Plan, I respectfully submit that this site will not be needed for these uses.

If you have any additional questions, please contact Greg Ossont, Deputy Director of General Services at 240-777-6192.

Disposition of 4010 Randolph Road, Silver Spring
April 6, 2020
Page 2 of 2

CC: David Dise, Director, Department of General Services
Greg Ossont, Deputy Director, Department of General Services
Richard Madaleno, Director, Office of Management and Budget
Michael Coveyou, Acting Director, Department of Finance
Luisa Montero, Mid-County Regional Services Center Director



MONTGOMERY COUNTY PLANNING BOARD
THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

April 7, 2020

The Honorable Sidney Katz
President, Montgomery County Council
Stella B. Werner Council Office Building
100 Maryland Avenue
Rockville, MD 20850

SUBJECT: Disposition of 4010 Randolph Road
Mandatory Referral No. 2020021

Dear Mr. Katz:

At its regular meeting on April 2, 2020, the Montgomery County Planning Board reviewed a Mandatory Referral, submitted by Montgomery County Department of General Services for the disposition of 6.07 acres of land at 4010 Randolph Road in Silver Spring pursuant to Montgomery County Code Section 11B-45(g)(4)(A) and Section 11B.45.02.07 of the Code of Montgomery County Regulations (“COMCOR”).

The property is occupied by surface parking, a small playground and a building constructed in 1961 as the Bushey Drive Elementary School. The Board of Education deeded the property to Montgomery County in 1976 and the building is currently used as administrative offices for the Montgomery County Department of Recreation. The Department of Recreation will relocate to the Wheaton Central Business District as part of the Wheaton Revitalization Project in the summer of 2020, leaving the site vacant.

The 2019 *Veirs Mill Corridor Master Plan* recommends medium density residential uses and neighborhood-serving commercial uses on this property to provide a transition between the existing commercial development at the intersection of Veirs Mill Road and Randolph Road and the single-family residential community to the east. The plan identifies this site as an opportunity to provide residential development to accommodate a growing population, a variety of housing needs and an increased desire for a walkable lifestyle near bus rapid transit. The Plan recommends a consolidated open space with redevelopment of the property but does not contemplate a publicly owned park use.

The Planning Board voted to approve the Mandatory Referral to dispose of approximately 6.07 acres of property at 4010 Randolph Road and confirmed that the site is not needed for a park use pursuant to Montgomery County Code Section 11B-45(g)(4)(B) and Section 11B.45.02.07 of the Code of Montgomery County Regulations (“COMCOR”).

The Honorable Sidney Katz
April 7, 2020
Page Two

The Planning Department and the Planning Board appreciate the opportunity to review his Mandatory Referral and look forward to working with the Montgomery County Council and Department of General Services on future projects.

Sincerely,

A handwritten signature in black ink, appearing to read 'Casey Anderson', written over the printed name.

Casey Anderson
Chair

CA:jm: ha
Enclosure

NOTICE

In accordance with Section 4-115 of the Education Article of the Annotated Code of Maryland, Section 11B-45(g) of the Montgomery County Code and Section 11B.45.02 of the Code of Montgomery County Regulations, Montgomery County, Maryland, announces that it proposes to transfer a parcel of real property to AHC Inc. for affordable housing, consisting of 6.07 acres of land, located at 4010 Randolph Road in Silver Spring, Maryland.

Montgomery County proposes to transfer the subject 6.07 acres+/- of land in fee simple for nominal value. The building on the property was built in 1961 as Bushey Drive Elementary School. The Board of Education deeded the property to the County in 1976. The property is currently used as the administrative offices for the Department of Recreation. The site will be vacant in summer 2020 upon relocation of the Recreation offices to downtown Wheaton.

This property is bordered by Randolph Road to the north; single family detached residences to the northeast; Bushey Drive to the east; single family detached residences, Gannon Road, and commercial condominiums to the south; and commercial properties to the west. The parcel is more particularly identified as follows:

The property of Montgomery County, Maryland is recorded in Liber 4813 at Folio 261, among the Land Records of Montgomery County, Maryland. It is comprised of 6.07 +/- acres of land. For tax purposes, it can be found in District 13 at Account Numbers 01286715 and 00954387. Tax Account Number 01286715 is Block D on Tax Map HQ43; Tax Account Number 00954387 is Parcel P765 on Tax Map HQ43.

Written comments or alternative proposals must be received no later than close of business on June 5, 2020 and should be addressed to:

**Ronnie Warner, Chief
Office of Planning and Development
Dept. of General Services
101 Monroe Street, 9th floor
Rockville, Maryland 20850
or e-mail
opd.dgs@montgomerycountymd.gov**

A virtual public hearing on the proposed transfer of property will be held at 7:00pm on June 24, 2020 via a Zoom meeting. Information on how to attend can be found at:

<https://www.montgomerycountymd.gov/DGS/OPD/Home.html>

May 20,27, 2020

June 3, 2020

Ad#40478



NOTICE

In accordance with Section 4-115 of the Education Article of the Annotated Code of Maryland, Section 11B-45(g) of the Montgomery County Code and Section 11B.45.02 of the Code of Montgomery County Regulations, Montgomery County, Maryland, announces that it proposes to transfer a parcel of real property to AHC Inc. for affordable housing, consisting of 6.07 acres of land, located at 4010 Randolph Road in Silver Spring, Maryland.

Montgomery County proposes to transfer the subject 6.07 acres +/- of land in fee simple for nominal value. The building on the property was built in 1961 as Bushey Drive Elementary School. The Board of Education deeded the property to the County in 1976. The property is currently used as the administrative offices for the Department of Recreation. The site will be vacant in summer 2020 upon relocation of the Recreation offices to downtown Wheaton.

This property is bordered by Randolph Road to the north; single family detached residences to the northeast; Bushey Drive to the east; single family detached residences, Gannon Road, and commercial condominiums to the south; and commercial properties to the west. The parcel is more particularly identified as follows:

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Written comments or alternative proposals must be received no later than close of business on June 5, 2020 and should be addressed to:

Ronnie Warner, Chief
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Accommodations for disabilities, including sign language interpreter services, will be made upon request. If you need any services or aids to participate in this event, please call the ADA Compliance Manager at 240-777-6197 or email a request to adacompliance@montgomerycountymd.gov. Please provide as much notice as possible, preferably three days in advance. Last minute requests will be accepted but may be impossible to fulfill.



Mandatory Referral (MR2020021) for Disposition of County-Owned Property, 4010 Randolph Road, Silver Spring



Jessica McVary, Acting Supervisor, Area 2 Division, jessica.mcvary@montgomeryplanning.org, 301-495-4723

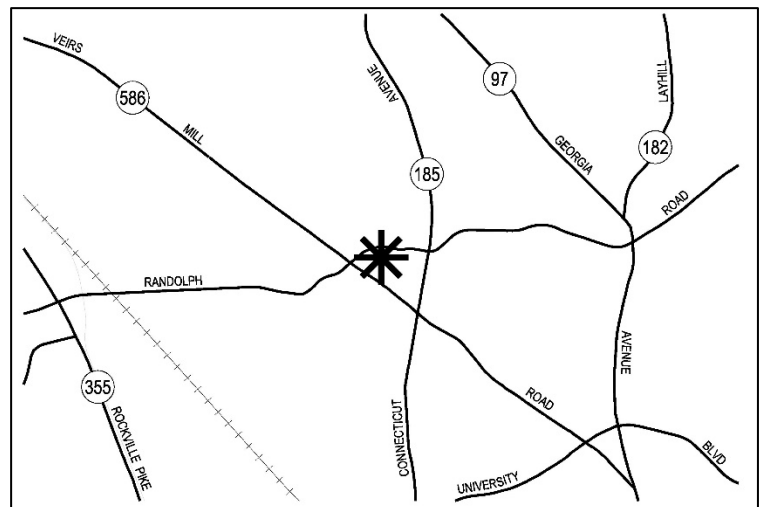


Carrie Sanders, Chief, Area 2 Division, carrie.sanders@montgomeryplanning.org, 301-495-4653

Completed: 3/26/2020

Description

- The disposition of approximately 6.07 acres of property owned by Montgomery County.
- Located within the 2019 *Veirs Mill Corridor Master Plan* area; in the CRN 1.0, C-0.5, R-1.0, H-65 Zone.
- Filing Date: February 27, 2020.
- Applicant: Montgomery County Department of General Services (DGS).



Summary

Staff recommends that the Planning Board approve the Mandatory Referral to dispose of approximately 6.07 acres of property at 4010 Randolph Road, Silver Spring, MD and confirm that the site is not needed for a park use pursuant to Section 11B-45(g)(4)(B) of the Montgomery County Code and Section 11B.45.02.07 of the Code of Montgomery County Regulations.

OVERVIEW

Pursuant to Section 11B-45(g)(4)(B) of the Montgomery County Code and Section 11B.45.02.07 of the Code of Montgomery County Regulations (“COMCOR”), the Montgomery County Department of General Services requests that the Planning Board review the proposed disposition of land at 4010 Randolph Road, Silver Spring, MD (“Subject Property”) and provide confirmation that the site is not needed for a park.

The Subject Property is located at 4010 Randolph Road and is bordered by Randolph Road to the north, Bushey Drive to the east, office condominiums to the south and neighborhood-serving retail uses to the west. The Subject Property serves as a transition between existing single-family residential neighborhoods to the east and commercial uses to the west. It is currently occupied by surface parking, a small playground and the Montgomery County Department of Recreation administrative offices. The overall property consists of two adjacent parcels that total approximately 6.07 acres in size and is zoned CRN 1.0, C-0.5, R-1.0, H-65. The property is located within the 2019 *Veirs Mill Corridor Master Plan* area.



Figure 1: Existing County-Owned Property at 4010 Randolph Road

DISCUSSION

COMCOR Section 11B.45.02.02 defines a closed school as “a building used at any time as a public school, which the Board of Education has (a) declared surplus to the educational requirements of the County ... and (b) conveyed to the County after any required approval by the Board of Public Works; and all or part of the land adjoining that building.” The building on the Subject Property was constructed in 1961 as the Bushey Drive Elementary School. The Bushey Drive Elementary School operated until the mid-1970s and

the property was deeded to Montgomery County by the Board of Education in 1976. The building is currently used for the administrative offices of the Montgomery County Department of Recreation but will be vacant beginning in the summer of 2020 with the relocation of the Department of Recreation to the Wheaton Revitalization project.

The Department of General Services has accepted a proposal for the purchase of the Subject Property as this property will no longer be needed for County purposes. Pursuant to Section 11B.45.02.07 of COMCOR, the disposition of a closed school requires a mandatory referral to the Planning Board for the review of the disposition as well as a statement that the site is not needed for a park use.

MASTER PLAN

On April 23, 2019, the Montgomery County Council approved the 2019 *Veirs Mill Corridor Master Plan* ("Plan"). The Subject Property is located in the Connecticut-Randolph District of the Plan which serves as the center of the Plan area, both in geography and activity. As the Subject Property is located near retail, neighborhood-serving uses, existing bus routes and planned bus rapid transit routes, the Plan envisions redevelopment of the property with medium-density residential development to provide a transition between the existing commercial development at the intersection of Veirs Mill Road and Randolph Road and the single-family residential community to the east. As discussed on page 83 of the Plan, the Subject Property is identified as an opportunity to provide residential development to accommodate a growing population, a variety of housing needs and an increased desire for a walkable lifestyle near existing bus routes and anticipated bus rapid transit.

The Veirs Mill Corridor Master Plan analyzed the existing parks, trails and open space within the Plan area and identified specific needs to accommodate a growing population, consistent with the 2017 *Park, Recreation, and Open Space (PROS) Plan*. This analysis demonstrated that the Plan area is generally well served by parks, trails and open space. Each neighborhood includes a local or neighborhood park, as well as a school facility that provides additional open space and recreational opportunities. There are several parks within or adjacent to the Plan area that fulfill the need for active recreation destinations, as they provide opportunities for softball and baseball, basketball, soccer, picnicking and playgrounds.

While the existing parks, trails and open space located within and near the Plan area largely fulfill the system necessary for urbanizing areas, as defined by the PROS Plan, the analysis determined that additional facilities such as a central civic green urban park are necessary for a complete open space system.

The Plan envisions the civic green urban park with the redevelopment of the Stoney Mill Square and Veirs Mill Village properties, located at the intersection of Veirs Mill Road and Randolph Road. For the Subject Property, the Plan recommends a minimum half-acre open space with redevelopment of the property but does not contemplate a publicly owned park use. As a result, the Subject Property will not be needed for park uses.

COMMUNITY OUTREACH

The Planning Department notified all abutting and confronting property owners; civic, homeowners and renters associations that are registered with the Planning Board and located within one-half mile of the site of the proposed disposition. As of the date of this report, Staff received one inquiry on the proposed disposition, but has not received any further comments.

CONCLUSION

Staff recommends that the Planning Board approve the Mandatory Referral to dispose of approximately 6.07 acres of property at 4010 Randolph Road and confirm that the Subject Property is not needed for a park use.

ATTACHMENT

1. Administrative Mandatory Referral Review Letter from County Executive Elrich

ATTACHMENT 1



OFFICE OF THE COUNTY EXECUTIVE ROCKVILLE, MARYLAND 20850

Marc Elrich
County Executive

February 25, 2020

Mr. Casey Anderson
Planning Board Chair
Maryland-National Capital Park and Planning Commission
8787 Georgia Avenue
Silver Spring, MD 20910-3760

RE: Administrative Mandatory Referral for the Disposition of 4010 Randolph Road,
Silver Spring

Dear Mr. Anderson:

The Department of General Services (DGS) is requesting an administrative Mandatory Referral review for the disposition of property at 4010 Randolph Road in Silver Spring, 20902 ("Property").

PROPERTY

The Property the County will dispose of is approximately 6.07 acres. The Property consists of two adjacent parcels. Tax account number 13-00954387 and 13-01286715 are both recorded in Liber 4813 at Folio 261 among the land records of Montgomery County, Maryland.

BACKGROUND

The building on the property was built in 1961 as Bushey Drive Elementary School. The Board of Education deeded the property to the County in 1976. The property is currently used as the administrative offices for the Department of Recreation. The site will be vacant in summer 2020 upon relocation of the Recreation offices to downtown Wheaton.

The recently adopted Veirs Mill Corridor Master Plan contemplates redevelopment of the site with medium density residential uses and neighborhood-serving commercial uses. Recently, I issued a solicitation for redevelopment proposals for the site to include a mix of housing affordable to households earning between 30% and 100% of the area medium income. We received a very positive response and have initiated negotiations with the selected offeror.

In accordance with the provisions of 11B.45.02, Reuse, Leasing, and Sale of Closed Schools, the Executive must request the Planning Board review the proposed disposition under

the mandatory referral process in the Regional District Act. I am requesting this application be acted on administratively as there is no development plan and this is simply a land transfer. Of note, the development plan will respond to the Master Plan's recommended "missing middle" housing concept, including a mix of rental apartments and for sale units. An initial concept plan includes an apartment building, condominiums, and limited single family housing. All units will be affordable to households between 30% and 70% AMI. Discussions have commenced with the selected offeror, the County and Planning staff on initial concepts. Any development plans of the site would be submitted subsequently by the purchaser.

Please feel free to contact Greg Ossont, Deputy Director, Department of General Services, at 240.777.6192 or greg.ossont@montgomerycountymd.gov if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Marc Elrich", with a stylized flourish at the end.

Marc Elrich
County Executive

Cc: Gwen Wright, Director, Montgomery Planning
Greg Ossont, Deputy Director, Department of General Services
Ronnie Warner, Chief, Office of Planning and Development, Department of General Services