



Committee: Joint
Committee Review: At a future date
Staff: Naeem Mia, Legislative Analyst
Purpose: To introduce agenda item – no vote expected
Keywords: Property Disposition, Affordable Housing

AGENDA ITEM #7D
February 23, 2021
Introduction

SUBJECT

Resolution to Approve the Disposition of the Halpine View Real Property, located along Twinbrook Parkway in Rockville, Maryland

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- None - Introduction only.
- Public Hearing is scheduled for March 16, 2021.
- A joint GO/PHED Committee worksession is tentatively scheduled for March 25, 2021.

DESCRIPTION/ISSUE

The County Executive is proposing to transfer County-owned property (originally acquired in 1964) totaling 1.99 acres along Twinbrook Parkway in Rockville (known as the “Aspen Hill Extension” and also referred to as the “Halpine View Real Property”) to a private developer, Halpine Park LLC, for the purposes of constructing housing, including affordable housing.

Key terms include:

- The developer and County seek a “no-net loss of affordable housing” target on the site, to be met generally as follows:
 - 15% of total units as MPDUs
 - 10% of total units as “market-rate affordable” (defined as for households whose income does not exceed 80% of AMI)
- Priority shall be given to existing tenants to lease two- and three-bedroom units and, if a tenant’s income qualifies, the MPDUs and market-rate affordable units;
- Site plan approvals must include a minimum of 20% two-bedroom units and 5% three-bedroom units;
- The proposed transfer would be restricted by covenants that would maintain affordability for a period of 30 years after construction;
- Halpine Park LLC will pay \$2,898 for the property, less than fair market value (FMV); and
- In addition, the affordable housing plans conform to the goals set forth in the Veirs Mill Corridor Master Plan the Council approved in 2019.

The property transfer of this property complies with the requirements established under County Code 11B-45.01 Disposition of Real Property, including:

- In 2016, a reuse analysis was conducted and determined the County (including outside agencies) had no further need for the property and a competitive solicitation was subsequently issued.
- On December 14, 2020 Executive Order 155-20 was published in the County Register to give notice of the County's intent to proceed with disposition to Halpine Park LLC and that there was no further need for public use.
- The Executive transmitted to the Council the material terms on January 6, 2021.
- The Executive transmitted to the Council the Declaration of No Further Need on February 10, 2021.
- The Council may approve a disposition that occurs at less than FMV, in consideration of the number of affordable housing units.

SUMMARY OF KEY DISCUSSION POINTS

- Does the Council agree with the County Executive's Declaration of No Further Need for this site?
- Does the Council agree with the proposed terms of this transaction, including the number and mix of household income limits for the affordable housing component?
- Does the Council want to consider any alternative uses of this site or propose changes to the material terms?

This report contains:

Attachment 1. Resolution Approving Disposition	© 1-2
Attachment 2. February 10, 2021 Declaration of No Further Need	© 3-4
Attachment 3. January 6, 2021 memo re: Material Terms from County Executive with Executive Order 155-20 and Draft Covenants	© 5-19

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Resolution No: _____
Introduced: February 23, 2021
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: County Council

SUBJECT: Approval of Disposition of the Halpine View Real Property, located along
Twinbrook Parkway in Rockville, Maryland

Background

1. Montgomery County Code §11B-45 requires the Council to approve a Declaration of No Further Need before the Executive can dispose of real property that has more than nominal value. Prior to seeking Council approval of a Declaration of No Further Need, the Executive must:
 - (a) submit all material terms of the proposed disposition and any appraisal the Executive relied on in setting the property's market value to the Council; and
 - (b) publish a declaration in the County Register and post a notice on the County website that the County has no further need for the property.If the Council, by resolution, approves the Executive's Declaration of No Further Need, the Executive may dispose of the property for fair market value.
1. On January 6, 2021, the Executive transmitted the material terms of the proposed disposition. The Executive recommended disposing the 1.99-acre property along Twinbrook Parkway in Rockville (known as the "Aspen Hill Extension" and also referred to as the "Halpine View Real Property") to a private developer, Halpine Park LLC, for the purposes of constructing housing, including affordable housing.
2. The developer owns existing market-rate apartments on an adjacent property and intends to redevelop both its existing parcel and the County property. The affordable housing plans are in conformance with the goals of the Veirs Mill Corridor Master Plan the Council approved in 2019.
3. The proposed transfer would be restricted by covenants that would maintain affordability for a period of 30 years after construction.

4. The property will be transferred to Halpine Park LLC for \$2,898, less than fair market value. In consideration of the affordable housing proposed to be built on the property, the Council may approve the disposition at less than fair market value.
5. On December 14, 2020 Executive Order 155-20 was published in the County Register to give notice of the County's intent to proceed with disposition to Halpine Park LLC and that there was no further need for public use.
6. The Council is scheduled for a virtual public hearing on this recommended disposition on March 16, 2021.
7. A joint GO/PHED Committee worksession is tentatively scheduled for March 25, 2021.

Action

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

The Declaration of No Further Need for the Halpine View Real Property, located along Twinbrook Parkway in Rockville, Maryland is approved and the property may be disposed of as described in the material terms provided to the Council on January 6, 2021, the memorandum dated February 10, 2021 and in Executive Order 155-20. The County Council waives the requirement that the disposition be a fair market value transaction.

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

February 10, 2021

TO: Tom Hucker, President
Montgomery County Council

FROM: Marc Elrich 
Montgomery County Executive

SUBJECT: Declaration of No Further Need – Disposition of Halpine View Real Property

On January 6, 2021, I transmitted material terms to Council and provided notice that I intend to dispose of approximately 1.99 acres of County-owned surplus property along Twinbrook Parkway in Rockville, commonly known as the Aspen Hill Extension (the “County Property”) to Halpine Park LLC.

As required under Section 11B-45 of the Montgomery County Code, an Executive Order declaring that the County-owned site is no longer needed for public use must be issued. Attached please find Executive Order 155-20 which was published in the *County Register* on December 14, 2020 to give notice of my intent to proceed with disposition to Halpine Park LLC and that the County Property is no longer needed for public use.

Halpine Park LLC will pay the County \$2,898 for the property, which is less than full market value; however, the transfer of the County Property to Halpine Park, LLC will result in more affordable housing yield than could be constructed on the County Property alone. The sale of the property will include a Declaration of Covenants to be recorded in the land records. These covenants include specific terms related to the number and proportion of affordable units required for redevelopment, as well as levels of affordability, summarized in the material terms memorandum dated January 6, 2021, attached. Under Section 11B-45 of the County Code, the County may waive the requirement that the County Property be disposed of at less than full market value. In consideration of the significant affordable units this disposition will create in addition to the deep level of affordability that the County Property will yield, I am recommending that the transaction be at less than ‘full market value’.

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.

Attachment: Executive Order No 155-20
Material Terms Memo dated January 6, 2021

CC: Aseem Nigam, Director, Department of Housing and Community Affairs
Frank Demarais, Deputy Director, Department of Housing and Community Affairs
David Dise, Director, Department of General Services
Greg Ossont, Deputy Director, Department of General Services
Ronnie Warner, Division Chief, Department of General Services
Jennifer Bryant, Acting Director, Office of Management and Budget
Michael Coveyou, Director, Department of Finance
Kimberly Williams, Controller, Department of Finance
Ken Hartman, Director, Bethesda-Chevy Chase Regional Services Center




OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Marc Elrich
County Executive

MEMORANDUM

January 6, 2021

TO: Tom Hucker, President
Montgomery County Council

FROM: Marc Elrich 
Montgomery County Executive

SUBJECT: Material Terms – Disposition of Halpine View Real Property

The purpose of this memorandum is to provide the material terms of the disposition of approximately 1.99 acres of County-owned property along Twinbrook Parkway in Rockville, commonly known as the Aspen Hill Extension (the “County Property”). I am recommending that the County sell the County Property to Halpine Park LLC with covenants to be recorded in the land records, described below. Attached you will find Executive Order No. 155-20 which was advertised in the County Register starting December 14, 2020.

The County Property is bordered by garden-style apartments to the north and south, single family homes to the west, and a cemetery and stream valley park to the east. A group of the adjacent apartment buildings, Parkway Woods, are owned by HOC. The other apartments are the market-rate Halpine View Apartments, owned by Halpine Park LLC (“Halpine Property”). The County Property is largely unimproved, though there is a drive aisle connecting the Halpine Property parking lots and a portion of the recreational facilities for the Parkway Woods Apartments on the County Property. Halpine Park LLC intends to redevelop the Halpine Property and County Parcel (both jointly referred to as the “Property”).

The County Property was acquired fee simple by the County for no consideration in 1964. Since the County owns the County Property fee simple, it is required to go through the disposition process in accordance with Executive Regulation 11-13, Disposition of Real Property. In 2016, OMB determined that the County Property was no longer needed for public use and a reuse analysis notice was sent to all County departments and outside agencies in July 2016. After no proposals were received from County departments or outside agencies, a competitive solicitation was issued.

The Veirs Mill Corridor Master Plan was approved in April 2019 (“Master Plan”) and includes specific guidance for the County Property. Specific terms are included in a Declaration of Covenants, to be recorded in the land records and bind the property. A draft is

attached for review. Notably, the agreement includes several specific provisions that exceed the affordability requirements recommended in the Master Plan. Specific provisions include:

- Site plan approvals for the Property must include MPDUs equal to 15% of the total units and market-rate affordable units equal to 10% of the total units.
- In addition to the 15% MPDU requirement above, if site plan approvals include 1,800 or fewer new dwelling units for the Property, 30 MPDUs shall be attributed to the 1.99-acre County Property (“County Parcel MPDUs”).
 - County Parcel MPDUs must be constructed over the first four phases of the development (determined at time of site plan), such that in each of the four phases, the County Parcel MPDUs constructed for each phase will equal the greater of one-quarter of the total County Parcel MPDUs or three percent of the total units constructed in that phase.
 - County Parcel MPDUs must be provided in the amounts and income limits set below, and to the extent practicable, each of the first four phases must include County Parcel MPDUs at these income limits in a proportional manner:
 - Six units to households whose income does not exceed 30% AMI;
 - Six units to households whose income does not exceed 40% AMI;
 - Six units to households whose income does not exceed 50% AMI; and
 - 12 units to households whose income does not exceed 70% AMI; These units shall be counted toward the obligation to achieve no net loss of affordable units during redevelopment; however, the County Parcel MPDUs provided to households whose income does not exceed 50% of AMI shall not be counted for purposes of satisfying the no net loss of affordable units .
- In addition to the 15% MPDU requirement above, if site plan approvals include greater than 1800 new dwelling units for the Property, the owner/applicant must provide County Parcel MPDUs equal to 30% of the units attributable to the County Property, calculated by multiplying the total of all units approved by 5.77%.
 - County Parcel MPDUs must be constructed over the first four phases of the development (determined at the time of site plan) such that in each of the four phases, the County Parcel MPDUs constructed for each phase will equal the greater of one-quarter of the total County Parcel MPDUs or three percent of the total units constructed in that Phase.
 - County Parcel MPDUs must be provided in the amounts and income limits set below, and to the extent practicable, each of the four phases must include County Parcel MPDUs at these income limits in a proportional manner:
 - 20% of the County Parcel MPDUs to households whose income does not exceed 30% AMI;
 - 20% of the County Parcel MPDUs to households whose income does not exceed 40% AMI;
 - 20% of the County Parcel MPDUs to households whose income does not exceed 50% AMI; and
 - 40% of the County Parcel MPDUs to households whose income does not exceed 70% AMI. Under this redevelopment scenario, twelve of the County Parcel MPDUs provided to households whose income does

not exceed 70% of AMI shall be counted for purpose of satisfying the Master Plan criterion of achieving no net loss of affordable units during redevelopment; however, any County Parcel MPDUs required at or below 70% of AMI in excess of twelve units, and all County Parcel MPDUs provided to households at or below 50% of AMI, shall be in addition to the combination of MPDUs and market-rate affordable units (no more than 80% AMI) generated from the Property that are necessary to achieve no net loss of affordability.

- A no net loss requirement of affordable units. The site plan shall require each phase of construction to provide for a number of affordable units, including both MPDUs and market-rate affordable units, equal to the number of existing units being removed from the Halpine Property's housing inventory.
- Priority shall be given to existing tenants to lease two- and three-bedroom units and, if a tenant's income qualifies, the MPDUs and market-rate affordable units. Except for the income qualifications for the MPDUs and the market-rate affordable units, no conditions other than good standing status under a tenant's lease shall be imposed upon existing tenants seeking to relocate to an MPDU, market-rate affordable unit, two-bedroom unit, or three-bedroom unit. Halpine View, LLC must verify the income of existing tenants seeking to relocate to MPDUs or market-rate affordable units.
- Site plan approvals must include a minimum of 20% two-bedroom units and 5% three-bedroom units.
- Covenants governing the affordability requirements for market-rate affordable units will terminate upon the 30th anniversary of the use and occupancy permit.
- Covenants are enforceable for a term of 50 years from time of recordation.

Halpine Park LLC will pay the County \$2,898 for the property, which is less than full market value; however, the transfer of the County Parcel to Halpine Park, LLC will result in the construction of more affordable housing yield than could be constructed on the County Parcel alone. Under Section 11B-45 of the County Code, the County may waive the requirement that the County Parcel be disposed of at less than full market value. In consideration of the significant affordable units this disposition will create in addition to the deep level of affordability that the County Property will yield, I am recommending that the transaction be at less than 'full market value'.

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

Attachment: Executive Order No. 155-20
Draft Covenants

c: Aseem Nigam, Director, DHCA
Frank Demarais, Deputy Director, DHCA
Greg Ossont, Deputy Director, DGS
Ken Hartman, Director, Bethesda-Chevy Chase Regional Services Center

Tax ID Nos.: 04-00054478
04-00054480
04-00054467
04-_____

DECLARATION OF COVENANTS
FOR AFFORDABLE HOUSING
HALPINE VIEW

THIS DECLARATION OF COVENANTS (the “**Covenants**”) is made this ____ day of _____, 20_____, by Halpine Park LLC, owner of the Property (defined below), and Halpine Park LLC’s successors and assigns (the “**Declarant**”).

RECITALS

WHEREAS, Declarant is the owner of several parcels of property in Rockville, Maryland located at 13001 Twinbrook Parkway, 5508 Dowgate Court, and 12813 Twinbrook Parkway, all totaling approximately 37.31 acres and more particularly described in Exhibit 1-A (the “**Halpine View Property**”).

WHEREAS, of even date herewith, Montgomery County, Maryland (the “**County**”) transferred to the Declarant a 1.99 acre parcel on Twinbrook Parkway, which parcel, commonly known as the Aspen Hill Extension, bifurcates the Halpine View Property, and is more particularly described in Exhibit 1-B (the “**County Parcel**”), (both the Halpine View Property and County Parcel are jointly referred to as the “**Property**”).

WHEREAS, the Halpine View Property is currently improved with 564 rental units (the “**Existing Units**”).

WHEREAS, the County Parcel is not improved with any rental units or other buildings.

WHEREAS, the Covenants constitute the Declarant’s consideration for the County’s conveyance of the County Parcel to the Declarant.

WHEREAS, as consideration for the transfer of the County Parcel to the Declarant, the Covenants require, among other things, that the Declarant redevelop the Property as rental units under the conditions of the Master Plan (defined in Article II) and include a minimum number of Moderately Priced Dwelling Units and Market-Rate Affordable Units (both defined in Article II) based on the additional density derived from the County Parcel’s 1.99 acres.

WHEREAS, the Covenants shall run with and bind the Property for the Term (as defined in Article X) so that the Property is used, developed and transferred as required herein.

NOW THEREFORE, the Declarant hereby subjects the Property to the following:

ARTICLE I

The Recitals are made part of the Covenants as if fully set forth herein. The Covenants shall run with and bind the Property until the expiration of the “**Term**” as defined in Article X.

ARTICLE II

The following words and phrases, as used in the Covenants, shall have the following meanings (these being in addition to the other defined words and phrases established throughout this Declaration):

Area Median Income (“**AMI**”) means the median household income for the Washington, DC Metropolitan Area as determined by the U.S. Department of Housing and Urban Development.

Chapter 25A or Code means Chapter 25A of the Montgomery County Code (2014), as amended, and all applicable Executive Regulations attendant to Chapter 25A.

Department means the County’s Department of Housing and Community Affairs

Market-Rate Affordable Unit means a dwelling unit which is offered to a household whose income does not exceed eighty percent (80%) of AMI for a term of 30 years.

Master Plan means the April 2019 Approved and Adopted Veirs Mill Corridor Master Plan for Montgomery County, Maryland.

Moderately Priced Dwelling Unit, or MPDU, means a dwelling unit which is offered to eligible households, as provided under Chapter 25A; however, as used in the Covenants, MPDUs include units affordable to households whose incomes are less than the income levels provided in Chapter 25A.

Phase or phases means redeveloping the Property over distinct periods of time, as opposed to redeveloping the entire Property at once; and, if legally required, in conformance with the requirements of Chapter 50 of the Montgomery County Code.

Site Plan means an optional method development application that is approved by the Montgomery County Planning pursuant to Section 7.3.4 of the Montgomery County Zoning Ordinance. A Site Plan provides a detailed overview of a proposed project, including the total number of dwelling units to be included in the project. Any Site Plan for the Property shall also include the number of MPDUs and Market-Rate Affordable Units to be constructed as part of a redevelopment of the Property.

ARTICLE III

A. The Covenants apply to any dwelling unit constructed on the Property under a Site Plan. Declarant covenants that all applications for Site Plan approvals shall conform with the requirements of the Covenants.

B. The Declarant's application for Site Plan Approvals for the Property must include:

1. With respect to units that are attributable to the density on the Halpine View Property, MPDUs equal to 15% of the total units constructed on the Property.
2. In addition to the MPDUs required under subsection B(1.), above, with respect to units that are attributable to the density from the County Parcel, the Declarant shall provide County Parcel MPDUs (as defined herein) based upon the number of new dwelling units authorized by Site Plan approval(s) for the Property, under the following alternative scenarios.
 - a. If the Declarant obtains Site Plan approval(s) to construct 1800 or fewer new dwelling units at the Property, 30 MPDUs shall be provided as attributable to the County Parcel (the "**County Parcel MPDUs**"). The County Parcel MPDUs must be constructed over the first four Phases of the development (determined at the time of Site Plan) such that in each of the four Phases, the County Parcel MPDUs constructed for each Phase will equal the greater of (x) one-quarter of the total County Parcel MPDUs or (y) three percent (3%) of the total units constructed in that Phase; provided, however, that the Declarant is not required to construct more than the total County Parcel MPDUs. The Declarant must also provide the County Parcel MPDUs in the amounts and at the income limits set out below; and, to the extent practicable, each of the four Phases must include County Parcel MPDUs at these income limits in a proportional manner:
 - i. Six (6) of the County Parcel MPDUs must be provided to households whose income does not exceed thirty percent (30%) of AMI;
 - ii. Six (6) of the County Parcel MPDUs must be provided to households whose income does not exceed forty percent (40%) of AMI;
 - iii. Six (6) of the County Parcel MPDUs must be provided to households whose income does not exceed fifty percent (50%) of AMI; and
 - iv. Twelve (12) of the County Parcel MPDUs must be provided to households whose income does not exceed seventy percent (70%) of AMI.

Under this scenario, all twelve (12) of the County Parcel MPDUs provided under Article III.B.2.a.(iv) shall be counted for purposes of satisfying Declarant's obligation to achieve no net loss as provided in Article IV.C below. However, the County Parcel MPDUs identified in Article III.B.2.a.(i) through (iii) shall not be counted for purposes of satisfying the Declarant's obligation to achieve no net loss as provided in Section IV.C.

- b. If the Declarant obtains Site Plan approval(s) to construct greater than 1800 new dwelling units at the Property, Declarant shall provide County Parcel MPDUs equal to 30% of the units attributable to the County's Parcel, calculated by multiplying the total of all the units approved under a Site Plan for the Property by 5.77%. The County Parcel MPDUs must be constructed over the first four Phases of the development (determined at the time of Site Plan) such that in each of the four Phases, the County Parcel MPDUs constructed for each Phase will equal the greater of (x) one-quarter of the total County Parcel MPDUs or (y) three percent (3%) of the total units constructed in that Phase; provided, however, that the Declarant is not required to construct more than the total County Parcel MPDUs. The Declarant must also provide the County Parcel MPDUs in the percentages and at the income limits set out below; and, to the extent practicable, each of the four Phases must include County Parcel MPDUs in the percentages and at the income limits in a proportional manner:
 - i. Twenty percent (20%) of the County Parcel MPDUs must be provided to households whose income does not exceed thirty percent (30%) of AMI;
 - ii. Twenty percent (20%) of the County Parcel MPDUs must be provided to households whose income does not exceed forty percent (40%) of AMI;
 - iii. Twenty percent (20%) of the County Parcel MPDUs must be provided to households whose income does not exceed fifty percent (50%) of AMI; and
 - iv. Forty percent (40%) of the County Parcel MPDUs must be provided to households whose income does not exceed seventy percent (70%) of AMI.

Under this scenario, twelve (12) of the County Parcel MPDUs provided under Article III.B.2.b.(iv) shall be counted for purposes of satisfying Declarant's obligation to achieve no net loss as provided in Article IV.C. However, any County Parcel MPDUs required under Article III.B.2.b.(iv) in excess of twelve (12) units and all County Parcel MPDUs provided under Article III.B.2.b.(i) through (iii) shall be in addition to the combination of MPDUs and Market-Rate Affordable Units generated from the Halpine View Property that are necessary to achieve no net loss as provided in Article IV.C below.

D. An approved Site Plan must also include Market-Rate Affordable Units equal to 10% of the total units constructed on the Property.

ARTICLE IV

A. The rents currently charged by the Declarant for the Existing Units do not exceed eighty percent (80%) of AMI. To help maintain this level of affordability, the Site Plan shall require each phase of construction to provide for a number of affordable units (including both

MPDUs and Market-Rate Affordable Units) equal to the number of Existing Units being removed from the Property's housing inventory. This no-net-loss requirement, as provided in the Master Plan, shall continue until such time as all MPDUs and Market-Rate Units required under the Covenants have been constructed.

B. The Property currently includes several two-bedroom and three-bedroom units. To provide for a range of units sizes, especially units that can accommodate large families, the Site Plan shall require that the redevelopment of the Property includes a minimum of (i) twenty percent (20%) of all newly constructed units be two-bedroom units and (ii) five percent (5%) of the all newly constructed units be three-bedroom units.

C. As provided in the Master Plan, to achieve no net loss of affordable units during development, each phase of development must provide a number of affordable units, both Market-Rate Affordable Units and MPDUs, equal to the number of affordable units being removed from the Property. In accordance with Article III.B.2, twelve (12) County Parcel MPDUs shall be counted for purposes of satisfying no net loss under this Article IV.C. Declarant shall give priority to existing tenants to lease the: (i) the two-bedroom and three-bedroom units and (ii) if the tenants' income qualify, the MPDUs and Market-Rate Affordable Units. Except for the income qualifications for the MPDUs and the Market-Rate Affordable Units, no conditions other than good standing status under the lease shall be imposed upon existing tenants seeking to relocate to an MPDU, Market-Rate Affordable Unit, two-bedroom unit, or three-bedroom unit. In accordance with its obligations under Chapter 25A, Declarant shall verify the income of existing tenants seeking to relocate to MPDUs or Market-Rate Affordable Units.

ARTICLE V

Declarant hereby irrevocably grants unto the County all rights to enforce and maintain the terms, conditions and requirements of the Covenants as provided in Article VI, below.

ARTICLE VI

The Declarant or the County may enforce the Covenants by a proceeding at law or in equity if any person violates the Covenant's provisions or restrictions. The Declarant or the County may obtain specific performance of the Covenants, restrain any violation of the Covenants, or recover damages directly related to the violation of the Covenants. The Declarant or the County may pursue all remedies available at law or in equity and the pursuit of one remedy shall not be to the exclusion of pursuing all available remedies.

ARTICLE VII

The Covenants are binding upon the Property and the Declarant for the Term (defined in Article X).

ARTICLE VIII

During the Term (defined in Article X), all sales contracts for the sale of the Property, deeds of conveyance of the Property, or other transfers of the Property, must contain conspicuous language specifically reciting that the Property is subject to the Covenants and referencing the date of recordation of the Covenants among the land records of the County, including the Book and Page references.

ARTICLE IX

The County is the beneficiary of the Covenants and all amendments to the Covenants require the consent of the County, which consent shall not be unreasonably withheld, conditioned, or delayed (“**Amendment**”). Amendments must be executed by the Declarant and the County and recorded among the land records of Montgomery County, Maryland. The Declarant and the County shall act in good faith in considering requested changes to this Declaration.

ARTICLE X

A. *Property*. The application of the Covenants to the redevelopment of the Property under a Site Plan shall terminate automatically upon the fiftieth (50th) anniversary of the Covenants being recorded among the land records of Montgomery County, Maryland (“**Term**”).

B. *Market-Rate Affordable Units*. For each Market-Rate Affordable Unit constructed on the Property during the Term, the Covenants governing the affordability requirements for the units will terminate upon the thirtieth (30th) anniversary of the use and occupancy permit issued for each Market-Rate Affordable Unit as enumerated in an Amendment to the Covenants approved and recorded in the manner required under Article IX. If the Market-Rate Affordable Units are constructed in phases, one Amendment shall be recorded for each phase and shall be specific to the units constructed in that phase.

C. *MPDUs*. For each MPDU constructed on the Property during the Term, the term of the affordability for each MPDU will be set out in a Declaration of Covenants recorded among the land records as required under Chapter 25A. If the MPDUs are constructed in phases, one Declaration of Covenants shall be recorded for each phase and shall be specific to the units constructed in that phase.

ARTICLE XI

In the event of a conflict between an approved Site Plan for the Property and the Covenants, the Covenants control.

JURATS APPEAR ON FOLLOWING PAGE

IN WITNESS WHEREOF, Declarant has caused these presents to be executed by its duly authorized representative as of the date first written above.

DECLARANT

Halpine Park LLC

BY: _____
Name: _____
Title: _____

STATE OF _____)
) ss:
COUNTY OF _____)

I HEREBY CERTIFY that on this _____ day of _____, 20____, before me, a Notary Public in and for the aforesaid jurisdiction, personally appeared _____ (name), _____ (title) of Halpine Park LLC (Declarant) and that he/she did acknowledge that he/she executed the foregoing instrument on behalf of Halpine Park LLC (Declarant) for the purposes therein contained, and further acknowledged the foregoing instrument to be the act and deed of Halpine Park LLC (Declarant).

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

My Commission Expires: _____

NOTARY PUBLIC

Acknowledged and agreed to:
Montgomery County, Maryland

By: _____
Name: _____
Title: _____
Date: _____

ATTORNEY'S CERTIFICATE

I HEREBY CERTIFY that this Declaration was prepared under my supervision, and that I am an attorney duly admitted to practice before the Court of Appeals of Maryland.

C. Robert Dalrymple

Exhibit 1-A
Legal Description for the Halpine View Property

Exhibit 1-B
Legal Description for the County Parcel



MONTGOMERY COUNTY EXECUTIVE ORDER

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

Disposition of County Property: Halpine View Real Property	Executive Order No. 155-20	Subject Suffix
Montgomery County Department of General Services	Department No.	Effective Date 12/14/2020

BACKGROUND

WHEREAS, Halpine Park LLC owns several parcels of property in Rockville, Maryland located at 13001 Twinbrook Parkway, 5508 Dowgate Court, and 12813 Twinbrook Parkway ("Halpine View Property"); and

WHEREAS, the Halpine View Property is currently improved with 564 rental units, including several two-bedroom and three-bedroom units with rents that currently do not exceed 80% of the Area Medium Income ("AMI") for the Washington Metropolitan Statistical Area; and

WHEREAS, the County owns an unimproved parcel land of approximately 1.99 acres ("County Parcel") that bifurcates the Halpine View Property that was dedicated to the County by Halpine Park LLC's predecessor in interest for a roadway that was never constructed; and

WHEREAS, the County Parcel is described as: "A 1.99 acre parcel of land on Twinbrook Parkway, which parcel, commonly known as the Aspen Hill Extension, conveyed by Martin Seldeen, Trustee to Montgomery County, Maryland, by deed dated April 10, 1964, recorded among the Land Records of Montgomery County, Maryland in Liber 3221 at folio 441 and is depicted on that certain Plat entitled "Parcels A & B Prevention" recorded among the Land Records of Montgomery County, Maryland on May 6, 1964 as Plat No. 7381;" tax identification number 04-03851496; and

WHEREAS, the County Parcel was conveyed to the County in fee simple; and

WHEREAS, the County Parcel and Halpine View Property are included in the April 2019 Approved and Adopted Veirs Mill Corridor Master Plan ("Master Plan"); and

WHEREAS, Halpine Park LLC intends to redevelop the Halpine View Property and County Parcel (both jointly referred to as the "Property"); and

WHEREAS, as part of the consideration for the County's transfer of the County Parcel to Halpine Park LLC, Halpine Park, LLC agrees to record covenants against the Property to require affordable housing and to govern, among other things, the number and size of the affordable housing units and the level of affordability of the housing units when the Property is redeveloped; and

WHEREAS, the Master Plan supports the return of the County Parcel to the Halpine View Property through the County's property disposition process in exchange for the requirement that any redevelopment of the Property



MONTGOMERY COUNTY EXECUTIVE ORDER

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

Disposition of County Property: Halpine View Real Property	Executive Order No. 155-20	Subject Suffix
Montgomery County Department of General Services	Department No.	Effective Date 12/14/2020

include a minimum of 30% of the dwelling units attributable to the density of the County Parcel be Moderately Priced Dwelling Units as defined under Chapter 25A of the County Code ("MPDUs"); and

WHEREAS, if Halpine Park LLC or its successors and assigns obtain site plan approvals to construct 1,800 or fewer new dwelling units at the Property, 30 MPDUs shall be attributable to the County Parcel ("County Parcel MPDUs"), and will be constructed over the first four phases of the redevelopment (determined at the time of site plan) such that in each of the four phases, the County Parcel MPDUs constructed in each Phase will equal the greater of one-quarter of the total County Parcel MPDUs or 3% of the total units constructed in that phase; and

WHEREAS, to the extent practicable, each of the four phases of redevelopment must include County Parcel MPDUs at the following income limits in a proportional manner: six of the County Parcel MPDUs provided to households whose income does not exceed 30% of AMI; six of the County Parcel MPDUs provided to households whose income does not exceed 40% of AMI; six of the County Parcel MPDUs provided to households whose income does not exceed 50% of AMI, and twelve of the County Parcel MPDUs provided to households whose income does not exceed 70% of AMI; and

WHEREAS, under this redevelopment scenario, all 12 of the County Parcel MPDUs provided to households whose income does not exceed 70% of AMI shall be counted for purpose of satisfying the Master Plan criterion of achieving no net loss of affordable units during redevelopment; however, the County Parcel MPDUs provided to households whose income does not exceed 50% of AMI shall not be counted for purposes of satisfying the no net loss of affordable units; and

WHEREAS, if Halpine Park LLC or its successors and assigns obtain site plan approvals to construct greater than 1,800 new dwelling units at the Property, the number of County Parcel MPDUs shall be equal to 30% of the number of units attributable to the County Parcel (determined by multiplying the total of all units approved under a site plan for the Property by 5.77% , which is the percentage of the County Parcel's land area of the Property), to be constructed over the first four phases of redevelopment (determined at the time of site plan) such that in each of the first four phases of redevelopment, the County Parcel MPDUs constructed for each phase will equal the greater of one-quarter of the total County Parcel MPDUs or 3% of the total units constructed in that phase; and

WHEREAS; to the extent practicable, each of the four phases must include County Parcel MPDUs in the percentages at the following income limits in a proportional manner: 20% of the County Parcel MPDUs provided to households whose income does not exceed 30% of AMI; 20% of the County Parcel MPDUs provided to households whose income does not exceed 40% of AMI; 20% of the County Parcel MPDUs provided to households whose income does not exceed 50% of AMI, and 40% of the County Parcel MPDUs provided to households whose income does not exceed 70% of AMI; and



MONTGOMERY COUNTY EXECUTIVE ORDER

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

Disposition of County Property: Halpine View Real Property	Executive Order No. 155-20	Subject Suffix
Montgomery County Department of General Services	Department No.	Effective Date 12/14/2020

WHEREAS, under this redevelopment scenario, twelve of the County Parcel MPDUs provided to households whose income does not exceed 70% of AMI shall be counted for purpose of satisfying the Master Plan criterion of achieving no net loss of affordable units during redevelopment; however, any County Parcel MPDUs required at or below 70% of AMI in excess of twelve units, and all County Parcel MPDUs provided to households at or below 50% of AMI, shall be in addition to the combination of MPDUs and market-rate affordable units (no more than 80% AMI) generated from the Property that are necessary to achieve no net loss of affordability; and

WHEREAS, as provided in the Master Plan, the site plan shall require that the redevelopment of the Property includes a minimum of 20% of all newly constructed units be two-bedroom units and 5% of all newly constructed units be three-bedroom units; and

WHEREAS, as provided in the Master Plan, to achieve no net loss of affordable units during redevelopment of the Property, each phase of development must provide a number of affordable units, both market-rate affordable units and MPDUs, equal to the number of affordable units being removed from the Property; and

WHEREAS, the market-rate affordable units constructed on the Property, to be offered to households whose income does not exceed 80% AMI, must remain as market-rate affordable rental units for a term of 30 years; and

WHEREAS, Halpine Park LLC or its successors and assigns, when leasing the redeveloped rental units, must give priority to existing tenants to lease the two-bedroom and three-bedroom units and, if a tenant's income qualifies, the MPDUs and market-rate affordable units; and

WHEREAS, except for the income qualifications for the MPDUs and the market-rate affordable units, no conditions other than good standing status under a tenant's lease shall be imposed upon existing tenants seeking to relocate to an MPDU, market-rate affordable unit, two-bedroom unit, or three-bedroom unit. Halpine View, LLC must verify the income of existing tenants seeking to relocate to MPDUs or market-rate affordable units; and

WHEREAS, the covenants governing the affordable units, as described above, must remain in place for a term of fifty years; and

WHEREAS, the County Parcel has not been used by the County or the public since the County acquired it in 1964 and the County Parcel is no longer needed for public use; and

WHEREAS, in addition to providing the affordable housing described above, Halpine Park, LLC will pay the County \$2,898 for the County Parcel, which is less than full market value; however, the transfer of the County



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Disposition of County Property: Halpine View Real Property	Executive Order No. 155-20	Subject Suffix
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Parcel to Halpine Park, LLC will result in the construction of more affordable housing units than could be constructed on the County Parcel alone; and

WHEREAS, the material terms of the sale of the County Parcel are as stated above, including the requirement that the affordable housing requirements be recorded among the Land Records of Montgomery County, Maryland as covenants binding the Property for the 50 year term; and

WHEREAS, under Section 11B-45 of the County Code, the County may waive the requirement that the County Parcel be disposed of at less than full market value; and

WHEREAS, the disposition of the County Parcel at less than full market value is in the best interest of the County as the County Parcel will yield more affordable housing units if it is redeveloped with the Halpine View Property; and

WHEREAS, in accordance with the provisions of Montgomery County Code Section 11B-45, Disposition of Real Property, the County Executive must issue an Executive Order declaring that County owned or controlled land is no longer needed for County use.

ACTION

In consideration of the above recitals, the County Executive hereby declares that the County Parcel, approximately 1.99-acres off of Twinbrook Parkway in Rockville, Maryland, is no longer needed for County use and is available for disposition and sale to Halpine Park LLC subject to the material terms, including the covenants governing affordability, described above.

Approved as to Form and Legality
Office of the County Attorney

By: [Signature]
Date: 12-11-20

APPROVED

[Signature]
A. Jerome Fletcher, Assistant Chief Administrative Officer
Date: 12/14/2020