

"Federation Corner" column
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New residential development proposals introduced in County Council

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This is the first of three columns on housing related legislation introduced in County Council.

The County Council is concerned about housing affordability in Montgomery County. While there are many factors that affect housing demand and prices (regional job growth, low interest rates, increasing square footage and upgrades in newly constructed units, willingness of families with school-age children to pay higher prices to live in jurisdictions with good school systems, to name a few) some current council members have aimed to meet the challenge of maintaining housing affordability by focusing on creating more overall residential development to meet this increased demand; and thereby, hopefully, lower housing costs.

To this end, over the past year, the County Council and planning staff have been formulating policies to achieve their stated goal of creating more residential development--particularly high-density development--and its auxiliary affordable housing throughout Montgomery County.

The current focus is on creating two types of affordable housing - Moderately Priced Dwelling Units (MPDUs) and accessory apartments. This article discusses the proposed MPDU legislation. Next week we will discuss accessory apartments. The third week we will outline proposed changes to the Rural Neighborhood Cluster zone category.

MCCF agrees that some changes are needed to MPDUs laws. However, MCCF is concerned that some of the proposed changes do not adequately provide for the needs of existing housing occupants and neighborhoods. MCCF will consider what position to take on the legislation during August and early September. A vote by the members will take place at our September 13 delegates meeting. Interested individuals can attend and testify at the **County Council hearing on the evening of September 23***.

Currently, developers are required to build MPDUs for developments of 35 or more units. In exchange for building required MPDUs, the county gives developers an increase in the number of housing units they can build in a subdivision. The county also gives developers flexibility in what unit types they are able to build, as well as additional market-rate units. The peak density bonus is on a sliding scale that peaks at 22% and number of MPDUs is also on a sliding scale that peaks at 15%..

The Department of Housing and Community Affairs (DCHA) administers the program, which includes setting the income limits for households to qualify to purchase or rent an MPDU. The income level is set at about 65% of area median income (\$52,000 for a household of four). The MPDU prices are now controlled under the program for a period of 10 years for sale units and 20 years for rental units.

The full text of the legislation and zoning changes is available on the council website at:

<http://www.montgomerycountymd.gov/apps/council/agpackets/040720/2004072003.pdf>.

The Council staff report can also be found on the council web site under the council agenda for Feb 10. A summary of the various zoning text amendments (ZTAs), Subdivision Regulation Amendment (SRA), bills, and council staff report follow.

ZTA 04-11 sponsored by Councilmembers Floreen, Knapp, Leventhal, Silverman, and Subin would modify the multi-family zones (R-30, R-20, R-10 and R-H). It would *reduce the amount of required green space* to 20% from 45% -53% depending upon the zone. It also *eliminates the maximum portion of the lot that building can occupy*. A building can currently occupy a maximum of 20% to 24% of the entire lot.

ZTA 04-12 sponsored by Councilmembers Floreen, Knapp, Leventhal, Silverman, and Subin would *reduce the amount of space that must be provided for public amenities and increase in the dwelling unit density* as necessary to build the number of required MPDUs. The proposed reduction could completely *eliminate the current 20% public amenity space requirement*. Public amenities include playgrounds, walking trails, and other places for public recreation and gatherings. The ZTA would also *allow greater dwelling unit densities and floor area ratios (bigger buildings) for any residential development project that includes MPDUs*. The change in amenities applies in the central business district zones (CBD-0.5, CDB-1, CDB-2, CDB-3, CDB-R1 and CDB-R2), while the density increase applies to these zones as well as the metro station zones (TS-R and TR-M zones). Metro station zones are typically within 1500 feet (1/4 mile+) of a metro station.

ZTA 04-13 sponsored by Councilmembers Floreen, Knapp, Leventhal, Silverman, and Subin would *allow a building height exceed the maximum of the density or building height limit established in a master plans or sector plans*. This ZTA applies to the Central Business District zones, RMX, and planned development (PD) zones.

ZTA 04-14. sponsored by Councilmembers Floreen, Knapp, Leventhal, Silverman, and Subin would *remove all restrictions on the unit type developers could build* so that 100% of the dwelling units in a single-family residential zone can be attached, semi-detached, or townhouse (side-by-side or piggyback) units. Currently the number of such units is limited to 50% in R-200, R-150, and R-90 zones (half acre to quarter acre) and 60% in the R-60 zone (6000 sq ft), and not now in the R-40 zone to be affected.

ZTA 03-09 (introduced 5-13-03) sponsored by Council at request of the Planning Board would *require builders to include MPDUs in the large rural zones* (RE-1, RE-2, RE-2C, RNC). Today the MPDU law does not apply to these zones. The MPDUs units would typically be attached or duplex units, up to 100% of the density allowed.. The proposal limits the new requirement to development that would have public sewer; it does not require public water.

SRA 04-01 sponsored by Councilmembers Floreen, Knapp, Leventhal, Silverman, and Subin would allow builder to *exceed building height and residential densities limits established in approved master plans* up to the limit of the applicable zone. It would also allow the width of tertiary roads to be reduced.

Bill 24-04 sponsored by Councilmembers Floreen, Knapp, Leventhal, Silverman, and Subin would modify the current MPDU law to:

- (1) Increase sale and rent control periods for MPDUs in new residential developments to 30 years and require better notice of controls to future buyers (This applies for units originally offered for sale after March 1, 2002).
- (2) Require eligibility standards for MPDU buyers and renters to be updated annually
- (3) Further restrict when MPDUs can be built at an alternative location and when DHCA can accept a payment in lieu of building all required MPDUs.
- (4) Requires MPDUs in single family developments to have the same number bedrooms as the market rate units.

Bill 25-04 sponsored by Councilmembers Praisner, Perez, Leventhal, and Andrews includes recommendation from the legislative staff report (see below) and would:

- (1) Increase the sale and rent control period of all MPDUs to 99 years,
- (2) Lower minimum size of subdivisions that require MPDUs to 20 units or larger,
- (3) Allow high rise building to have as little as 10% of the units being MPDUs
- (4) Require separation and limitation of maintenance and amenity fees
- (5) Require that MPDUs not built on site must be built within ½ mile of market rate subdivision
- (6) Further restrict where Department of Housing and Community Affairs can accept a fee in lieu of building the required MPDUs. (The funds go to the Housing Initiative Fund)
- (7) Require MPDUs in single family developments to have the same number bedrooms as the market rate units, and prohibits any waiver of these standards,
- (8) Establishes an MPDU Preservation Fund and MPDU Rehabilitation Fund.

Bill 27-03 introduced 7-29-03 sponsored by Councilmembers Andrews, Leventhal, and Perez The proposed bill *eliminates entirely the option for builders to pay a fee and thereby avoid building MPDUs.*

Report. (Feb 5, 2004) Entitled: "Strengthening the Moderately Priced Dwelling Unit Program: A 30-Year Review" This council staff report provides information about the MPDU program, identifies many ways to increase the amount of affordable housing in the MPDU program.

**ALWAYS confirm hearing day, time, and room location on the day of the hearing by calling 240-777-7900 or going to www.montgomerycountymd.gov/councilnews. Hearings take place at the County Council Office Building at 100 Maryland Avenue (on the corner of Maryland Avenue and Md. Rt. 28) in Rockville. Hearings are located either in the 3rd or 7th floor hearing rooms. Parking is free for evening hearings in the Council Building Garage. Garage can be entered from Md. Rt. 28. During weekdays, parking is free for the first hour.*