PHED Committee #2
December 13, 2021

M E M O R A N D U M

December 9, 2021

TO: County Council

FROM: Livhu Ndou, Legislative Attorney
Pam Dunn, Senior Legislative Analyst

SUBJECT: Zoning Text Amendment (ZTA) 21-07, Density and Height Allocation – Development with Moderately Priced Dwelling Units

PURPOSE: Worksession

Expected Attendees

- Casey Anderson, Chair, Planning Board
- Lisa Govoni, Planner Coordinator, Countywide Planning & Policy, Planning Department
- Jason Sartori, Chief, Countywide Planning & Policy, Planning Department
- Somer Cross, Program Manager, Affordable Housing, DHCA
- Frank Demarais, Deputy Director, Affordable Housing, DHCA
- Jeremy Criss, Director, Office of Agriculture
- Linda McMillan, Senior Legislative Analyst

Background

Zoning Text Amendment (ZTA) 21-07, Density and Height Allocation – Development with Moderately Priced Dwelling Units was introduced on October 5, 2021, with lead sponsors then-Council President Hucker and Councilmember Riemer, and co-sponsor Councilmember Rice. ZTA 21-07 will allow projects in the CR or CRT zones to have residential density up to 2.5 FAR if 100% of the units are income-restricted for at least 30 years.

Public Hearing

A public hearing was held on November 9, 2021. There was 1 speaker, who testified in support. Adam Stockmaster testified that he develops affordable housing, and that one of the largest barriers is the high cost of land, especially since affordable housing must compete with market-rate developers. He testified that allowing an increased density for affordable projects would make them more feasible.

The Council also received two letters, one in support and one in opposition. The letter in support, from Heather Dlhopolsky of Wire Gill, LLP on behalf of Sligo 42 LLC and Sligo 60 LLC, stated that this ZTA would encourage development of affordable housing while still limiting projects to densities compatible with surrounding uses. The letter noted the changes to the Zoning Ordinance that occurred in 2018, which are discussed further below.

The letter in opposition was from Jeremy Criss, Director of the Office of Agriculture (OAG). The letter noted that farmers have struggled to sell transferable development rights (TDR's) and building lot terminations (BLT's), and that ZTA 21-07 would further deemphasize their use.

Planning Board Recommendation

The Planning Board reviewed ZTA 21-07 at its regular meeting on November 4, 2021. The Board unanimously (5-0) recommended approval of ZTA 21-07. However, the Board suggested broadening applicability to extend eligibility to 100% affordable housing projects that receive an award of 9% LIHTC, in addition to MPDU's. Those amendments are discussed further below.

RESJ Impact Statement

A Racial Equity and Social Justice (RESJ) impact statement was submitted to Council by the Office of Legislative Oversight (OLO) on October 27, 2021. OLO found that ZTA 21-07 could narrow racial and social inequities in the County if it increases the supply of affordable housing units for low- and moderate-income households. OLO also found that construction of MPDU's in transit-oriented districts could narrow racial and social disparities in transit and access to employment, further reducing racial and social inequities.

OLO also suggested that the favorable impact of ZTA 21-07 on reducing housing, transit, and economic inequities could be improved if: 1) affordability was for both low-income (earning 30-50% AMI) and moderate-income (earning 65-70% AMI) households; and 2) a significant share of MPDU's built were large enough to serve families with multiple children.

Historical Background

ZTA 21-07 is an attempt to restore a prior provision of the Zoning Ordinance. Before 2018, the Zoning Ordinance stated "[f]or a project providing a minimum of 15% MPDUs, the gross floor area of all MPDUs provided is exempt from the calculation of FAR." (previously Section 4.7.3.D.6.c.iii). After the passage of ZTA 18-06 in October 2018, Section 4.5.2.C.1. now states:

> C. Development with Moderately Priced Dwelling Units
> For any application that includes more than 12.5% of the gross residential floor area as Moderately Priced Dwelling Units (MPDUs), qualified under Chapter 25A, the following provisions apply:
> 1. Except in the Bethesda Overlay zone, residential density may be increased above the mapped residential FAR by:
>   a. 0.88% for each 0.1% increase in MPDUs above 12.5%, up to and including 15%;

b. 22% plus 0.16% for each 0.1% increase in MPDUs above 15%, up to and including 20%; or
c. 30% plus 0.1% for each 0.1% increase in MPDUs above 20%.

The result of this change is that a project with 100% MPDU's can have a 110% increase in residential density. This is a large difference from prior to 2018, when density would have been theoretically unlimited—restricted only by the height limitations of the underlying zone and height compatibility requirements.[1] At the time of this change, Council Staff noted that "A 100% MPDU project would be allowed a 110% bonus. In CR zones currently, when more than 15% MPDUs are provided, the floor area of all MPDUs is not counted as adding FAR. That translates to the possibility of 100% bonus density in a 100% MPDU project."[2] While it is true that the current Zoning Ordinance allows a 110% bonus, the prior Zoning Ordinance did not result in the "possibility of 100% bonus density", but rather, unlimited density. Developers in support of ZTA 21-07 point to this misunderstanding as evidence of an unintended consequence of ZTA 18-06. Whether or not it is true that this was an unintended consequence of ZTA 18-06, Montgomery County has acknowledged a lack of affordable housing in the County, and ZTA 21-07 would help solve that problem.[3]

Amendments Recommended by Staff Since Introduction

Clarification of "Income-Restricted"

Council Staff recommends an amendment to clarify that this exemption applies not only to MPDU's, but other income-restricted housing. This clarification can be done by changing the title of the section to "Development with Moderately Priced Dwelling Units <u>and Other Income-Restricted Housing.</u>"

In addition, rather than setting the parameters of the exemption to "a government regulation or binding agreement that limits for at least 30 years the price or rent charged for each unit such that the average cost of all units is affordable to households earning less than 60% of the area median income (AMI), adjusted for family size", Council Staff agrees with Planning's recommendation to specifically limit the exemption to the MPDU requirements of Chapter 25A, and the 9% LIHTC program. This amendment has the added benefit of not requiring an amendment to the Zoning Ordinance when the requirements of those programs change. However, Council Staff does not recommend removing the language that the government regulation or binding agreement be one that is for at least 30 years. Given the generous increase in density, Council Staff believes that a 30-year minimum will ensure long-term benefits to the County.

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[1] Under Section 4.5.2.C.7. of the current Zoning Ordinance, "The height limit of the applicable zone and master plan does not apply to the extent required to provide the MPDUs. The additional height is calculated as the floor area provided for MPDUs above 12.5% divided by the average residential floor plate area, where each whole number and each remaining fraction allows an increase of 12 feet."

[2] ZTA 18-06 PHED packet: https://www.montgomerycountymd.gov/council/Resources/Files/agenda/cm/2018/PHED/20180920/20180920_PHED2.pdf

[3] The attached RESJ impact statement cites data from both the Montgomery County Preservation Study and from the Planning Department's Housing Needs Assessment that show the shortage of affordable housing in the County, especially for low-income residents.

MPDU's and LIHTC produce the most affordable housing in Montgomery County. LIHTC is a federal program administered by state and local housing agencies, while MPDU's are specific to Montgomery County. These programs vary in how they are administered, the household income levels served, and the control period.[4] Including both in ZTA 21-07 will broaden its applicability and allow the development of at least one project already in the pipeline.[5]

Applicability in TDR Overlay Zones

In a letter in opposition to ZTA 21-07, OAG noted that the ZTA would discourage the use of TDR's and BLT's. Under Section 1.4.2.T. of the Zoning Ordinance, a transfer of development rights (TDR) is the conveyance of development rights to another tract of land and the recordation of that conveyance. Under Section 1.4.2.B of the Zoning Ordinance, a building lot termination (BLT) is a specific type of TDR.

The TDR program preserves farmland and farming in the Agricultural Reserve by helping to create contiguous areas available for agricultural purposes. Residential development is shifted from the Agricultural Reserve to another location to preserve farmland while allowing a limited amount of housing. A BLT easement provides compensation to landowners who can show that the land is capable of residential development but that they will forego that development, restricting non-agricultural uses on a property. The letter from OAG notes that farmers have been struggling to sell TDRs and BLTs since the creation of the program. The letter states that ZTA 21-07 as introduced would create new incentives for affordable housing, and result in limiting the use of TDRs and BLTs. The intent of ZTA 21-07 was not to discourage or deemphasize TDR's and BLT's. Therefore, Council Staff recommends an amendment to not allow the exemption in the CR or CRT zones with TDR Overlay zones.[6]

With these amendments, ZTA 21-07 reads:

C. Development with Moderately Priced Dwelling Units <u>and Other Income-Restricted Housing</u>

* * *

8. In the CR or CRT zones an application is exempt from the total FAR limits of the underlying zone, provided the maximum residential density does not exceed 2.5 FAR and maximum commercial density does not exceed the mapped commercial FAR of the property, if 100% of the units are income-restricted for at least 30 years under a government regulation or binding agreement developed per:

[4] A comparison of these programs is provided on page 3 of the Planning Staff memorandum, included in this packet.

[5] LIHTC is designed to subsidize either 30 percent or 70 percent of the low-income unit costs in a project. There are two types of LIHTC credits: 9% and 4%. The 9% tax credit is for new construction or substantial rehabilitation without any additional subsidies, while the 4% tax credit is for new construction that uses additional subsidies or properties acquired for rehabilitation. After discussion with DHCA and Planning staff, Council Staff recommends limiting ZTA 21-07 to 9% LIHTC.

[6] A map of the CR and CRT zones with less than 2.5 FAR and in a TDR Overlay Zone is included in this packet.

a. the MPDU requirements of Chapter 25A; or
b. an award of 9% Low-Income Housing Tax Credits (LIHTC).
This exemption does not apply in the TDR Overlay zones.

Council Staff Recommendation

There are some potential policy issues with ZTA 21-07. However, Council Staff recommends approval of ZTA 21-07 with amendments.

First, while the County has acknowledged a need for more affordable housing, there has also been a trend towards mixed-income housing. Mixed-income housing has many positive social effects, including increased property values, increased exposure and tolerance to diversity, and improved housing quality and services. But this FAR exemption will be limited to the CR and CRT zones. This will ensure that mixed-income housing will still be encouraged in most of the County. CR and CRT zones were chosen for the exemption because they tend to be near high-transit areas, where these projects are most beneficial. Based on current mapping, there are a limited number of zoning blocks in the CR or CRT zone with less than 2.25 FAR, the zoning blocks most likely to take advantage of this exemption.[7] Factoring in the time and expense to build a 100% affordable project, including the subsidies and other funding required, this ZTA will likely only create 1-2 projects a year.[8] However, those that exist will have an overall positive benefit for the County.

Second, as noted in the RESJ impact statement, while the focus is often on lower-income households, providing moderate-income housing (earning up to 70% AMI) is also important. However, with the proposed amendment, ZTA 21-07 limits the FAR exemption to established programs like MPDU's, which are regulated under Chapter 25A of the County Code, and 9% LITHC, a federal program administered by state and local agencies. Council Staff, in discussion with the Planning Department and DHCA, agrees that keeping the FAR exemption to established programs like these would be the easiest way to implement and enforce ZTA 21-07.

This packet contains:

[7] A map of the CR and CRT zones with less than 2.5 FAR is included in this packet, along with a breakdown of the zoning blocks.
[8] Included in this packet is a list of the affordable housing project awards in the last 4 years.

Zoning Text Amendment No.: 21-07
Concerning: Density and Height Allocation – Development with Moderately Priced Dwelling Units
Draft No. & Date: 3 – 10/27/2021
Introduced: October 5, 2021
Public Hearing: November 9, 2021
Adopted:
Effective:
Ordinance No.:

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND SITTING AS THE DISTRICT COUNCIL FOR THAT PORTION OF THE MARYLAND-WASHINGTON REGIONAL DISTRICT WITHIN MONTGOMERY COUNTY, MARYLAND

Lead Sponsors: then-Council President Hucker and Councilmember Riemer
Co-Sponsor: Councilmember Rice

AN AMENDMENT to the Montgomery County Zoning Ordinance to:

- exempt applications with 100% moderately-priced dwelling units (MPDUs) or 9% Low-Income Housing Tax Credit (LIHTC) from mapped FAR limits; and
- generally amend the density provisions for MPDUs and other income-restricted housing.

By amending the following sections of the Montgomery County Zoning Ordinance, Chapter 59 of the Montgomery County Code:

Division 4.5	"Commercial/Residential Zones"
Section 4.5.2.	"Density and Height Allocation"

EXPLANATION:	***Boldface*** *indicates a Heading or a defined term.* *Underlining indicates text that is added to existing law by the original text amendment.* ***[****Single boldface brackets****]*** *indicate text that is deleted from existing law by original text amendment.* *Double underlining indicates text that is added to the text amendment by amendment.* ***[[****Double boldface brackets****]]*** *indicate text that is deleted from the text amendment by amendment.* * * * *indicates existing law unaffected by the text amendment.*

ORDINANCE

The County Council for Montgomery County, Maryland, sitting as the District Council for that portion of the Maryland-Washington Regional District in Montgomery County, Maryland, approves the following ordinance:

Sec. 1. DIVISION 59-4 is amended as follows:

* * *

Section 4.5.2. Density and Height Allocation

* * *

C. Development with Moderately Priced Dwelling Units and Other Income-Restricted Housing

For any application that includes more than 12.5% of the gross residential floor area as Moderately Priced Dwelling Units (MPDUs), qualified under Chapter 25A, the following provisions apply:

1. Except in the Bethesda Overlay zone, residential density may be increased above the mapped residential FAR by:
   a. 0.88% for each 0.1% increase in MPDUs above 12.5%, up to and including 15%;
   b. 22% plus 0.16% for each 0.1% increase in MPDUs above 15%, up to and including 20%; or
   c. 30% plus 0.1% for each 0.1% increase in MPDUs above 20%.
2. In the Bethesda Overlay zone, residential density may be increased above the mapped residential FAR by 17.5% plus 0.1% for each 0.1% increase in MPDUs above 17.5%.
3. Total density may be increased above the number following the zoning classification on the zoning map by an amount equal to the residential density achieved under Sec.4.5.2.C.1.
4. Any increase in density allowed under this section must be calculated after the base density of the property has been increased under Sec.4.5.2.B for development using FAR averaging.
5. To achieve an increase in density under Section 4.5.2.C, at least one more MPDU than would be required at 12.5% must be provided.

6. The floor area counted as MPDU floor area includes a proportional share of the gross floor area not devoted to residential units.

7. The height limit of the applicable zone and master plan does not apply to the extent required to provide the MPDUs. The additional height is calculated as the floor area provided for MPDUs above 12.5% divided by the average residential floor plate area, where each whole number and each remaining fraction allows an increase of 12 feet.

8. In the CR or CRT zones an application is exempt from the total FAR limits of the underlying zone, provided the maximum residential density does not exceed 2.5 FAR and maximum commercial density does not exceed the mapped commercial FAR of the property, **[[**with**]]**if 100% of the units are income-restricted for at least 30 years under a government regulation or binding agreement developed per**[[**that limits for at least 30 years the price or rent charged for each unit such that the average cost of all units is affordable to households earning less than 60% of the area median income (AMI), adjusted for family size,**]]**:

   a. the MPDU requirements of Chapter 25A; or

   b. an award of 9% Low-Income Housing Tax Credits (LIHTC).

   This exemption does not apply in the TDR Overlay zones.

***   *   ***

Sec. 2. Effective date. This ordinance becomes effective 20 days after the date of Council adoption.

This is a correct copy of Council action.

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Selena M. Singleton, Esq.
Clerk of the Council

November 8, 2021

TO: The County Council for Montgomery County, Maryland, sitting as the District Council for the Maryland-Washington Regional District in Montgomery County, Maryland

FROM: Montgomery County Planning Board

SUBJECT: Zoning Text Amendment No. 21-07

BOARD RECOMMENDATION

The Montgomery County Planning Board of The Maryland–National Capital Park and Planning Commission reviewed Zoning Text Amendment No. 21-07 at its regular meeting on November 4, 2021. By a vote of 5:0, the Planning Board recommends approval of the ZTA with the following comments.

The Board is supportive of the ZTA to exempt applications with 100 percent MPDU projects from mapped FAR limits if the maximum density does not exceed 2.5 FAR and if the underlying zone is CR or CRT but has some suggestions to broaden applicability to extend eligibility to 100 percent affordable housing projects that receive an award of 9 percent Low-Income Housing Tax Credits (LIHTC).

Specifically, ZTA 21-07 as introduced modifies one section of Chapter 59, under Section 4.5.2 Density and Height Allocation. This amendment allows projects with an underlying zone of CR or CRT to have their FAR exempt (as long as it does not exceed 2.5 FAR) if they provide 100 percent of their units as MPDUs under a government regulation or binding agreement that limits rent or price charged for each unit for 30 years. The Planning Board believes the ZTA was intended to apply to any project with 100 percent affordable units including LIHTC units or MPDUs. The differences between the MPDU program and the LIHTC program include how they are administered, incomes served, and control period. As indicated in the attached markup of the introduced ZTA, the Planning Board recommends modifying the section header to include "Other Income-Restricted Housing" and broadening the eligibility to applications with 100 percent income-restricted units under the MPDU requirements of Chapter 25A or applications that received an allocation of 9 percent Low-Income Housing Tax Credits (LIHTC).

CERTIFICATION

This is to certify that the attached report is a true and correct copy of the technical staff report and the foregoing is the recommendation adopted by the Montgomery County Planning Board of The Maryland-National Capital Park and Planning Commission, at its regular meeting held in Wheaton, Maryland, on Thursday, November 4, 2021.

Casey Anderson
Chair

CA:LG:aj

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MCPB
Item No. 11
Date: 11/04/2021

Zoning Text Amendment 21-07, Density and Height Allocation – Development with Moderately Priced Dwelling Units

lmg Lisa Govoni, Planner Coordinator, Countywide Planning & Policy, Lisa.Govoni@montgomeryplanning.org, 301-650-5624

JS Jason Sartori, Chief, Countywide Planning & Policy, Jason.Sartori@montgomeryplanning.org, 301-495-2172

Completed: 10/28/2021

Description

ZTA 21-07 would exempt applications with 100 percent MPDU projects from mapped FAR limits if the maximum density does not exceed 2.5 FAR and if the underlying zone if CR or CRT.

Summary

Staff recommends the Board transmit comments in support of ZTA 21-07 with amendments to the District Council. The Zoning Text Amendment (ZTA) was introduced on October 5, 2021 by Council President Hucker and Councilmember Riemer, with Councilmember Rice signing on as a co-sponsor. The public hearing is scheduled to be held on November 9, 2021.

Background

Developments with 100 percent MPDUs, built under a government regulation or binding agreement, would be exempt from FAR limits if the maximum residential density does not exceed 2.5 FAR. The exemption would only apply to properties with an underlying zone of CR or CRT. The government regulation or binding agreement must limit the price or rent charged for each unit for at least 30 years. The average cost of all units must be affordable to households earning 60 percent or less of the area median income (AMI) to qualify for this exemption.

Rationale for ZTA Introduction

In 2018, ZTA 18-06 was introduced to amend the provisions for bonus density for Moderately Priced Dwelling Units (MPDUs). The Zoning Text Amendment was the result of more than a year of work to generally amendment provisions concerning the MPDU program. The ZTA revised or established bonus density standards for certain Residential, Commercial/Residential, Employment and Overlay Zones. It established a three tiered bonus density system where the density allowed for any application that includes more than 12.5 percent MPDUs, qualified under Chapter 25A and rounded up to the nearest whole number of units, equals the density allowed under Sec. 4.4.8.B.1 plus an increased density of:

a. 0.88 percent for each 0.1 percent increase in MPDUs above 12.5 percent, up to and including 15 percent;
b. 22 percent plus 0.16 percent for each 0.1 percent increase in MPDUs above 15 percent, up to and including 20 percent; or

c. 30 percent plus 0.1 percent for each 0.1 percent increase in MPDUs above 20 percent.

Previously, MPDU bonus density provisions were found in both Chapter 25A and Chapter 59. In Chapter 25A, there was a bonus density chart that dictated bonus density for "T" zone properties. "T" zones are zones translated from certain zoning existing before October 30, 2014. These zones were capped at a 22 percent bonus density for providing 15 percent MPDUs.

The Zoning Code rewrite put into effect another bonus density for properties without a "T" designation. For providing 15 percent or more MPDUs, the gross floor area of all MPDUs was exempt from the calculation of FAR. This bonus density system was uncapped and as a result, projects without a "T" zone that were 100 percent MPDUs projects would not have any of their residential FAR counted toward the calculation of FAR.

ZTA 18-06 sought to combine both bonus density systems into a three tiered system where projects providing 15 percent MPDUs got a 22 percent bonus, but bonus density was not limited to 22 percent. Projects that provided 100 percent MPDUs could achieve a 110 percent bonus density. As a consequence of this change, the ability of 100 percent MPDU projects to have uncapped/unlimited bonus density was removed. The bonus density chart in Chapter 25A was removed, and all bonus density provisions were placed in Chapter 59 with the same bonus system applying to projects with and without a "T" designation.

<u>ZTA 21-07 as introduced</u>

ZTA 21-07 as introduced amends one section of the Zoning Ordinance, under Section 4.5.2 Density and Height Allocation. The amendment is as follows:

Sec. 1. DIVISION 59-4 is amended as follows:
* * *
Section 4.5.2. Density and Height Allocation
* * *

C. Development with Moderately Priced Dwelling Units

8. <u>In the CR or CRT zones, an application with 100 percent of the units under a government regulation or binding agreement that limits for at least 30 years the price or rent charged for each unit such that the average cost of all units is affordable to households earning less than 60 percent of the area median income (AMI), adjusted for family size, is exempt from the FAR limits of the underlying zone provided the maximum density does not exceed 2.5 FAR.</u>

This amendment allows projects with an underlying zone of CR or CRT to have their FAR exempt (as long as it does not exceed 2.5 FAR) if they provide 100 percent of their units as MPDUs under a government regulation or binding agreement that limits rent or price charged for each unit for 30 years.

Analysis

Staff analyzed the numbers of zoning blocks with an underlying zone of CR or CRT 2.25 or less. Staff found 558 zoning blocks with an underlying zone of CR or CRT 2.25 or less. Of course, many of the properties within those zoning blocks are already developed or will be developed as something other than 100 percent MPDU projects. The prospect of building a 100 percent MPDU building in high cost areas like

Montgomery County is expensive and time consuming. There are very few projects in Montgomery County that will be able to achieve this level of affordability, given the deep subsidies and multiple funding sources required to make an affordable project of that magnitude feasible. Because of these reasons, staff expects very few projects to take advantage of the proposed amendment, but believes that the few projects that will, will positively benefit Montgomery County given the significant number of income-restricted units they will bring.

Affordable Housing vs. Moderately Priced Dwelling Units

Staff believes the current proposed language is intended to align the amendment with Low-Income Housing Tax Credit eligibility. However, the introduction language for the amendment introduced the amendment as a 100 percent MPDU ZTA. As proposed below in the applicability section, staff will recommend that eligibility be broadened to apply to 100 percent MPDU projects or 100 percent affordable projects that are awarded 9 percent Low-Income Housing Tax Credits (LIHTC).

As background, the LIHTC program is one of the two programs (the other being the MPDU program) that produce most of the affordable housing in Montgomery County. LIHTC is the largest source of federal support for the creation and preservation of dedicated affordable housing and is administered by state and local housing finance agencies based on regulations issued by the U.S. Treasury Department. These programs vary in how they are administered, the household income levels served (as a percentage of AMI), and control period.

Affordable Housing Program	**How It Works**	**Area Median Income (AMI) Served**	**Control Period**
Moderately Priced Dwelling Unit (MPDU)	Montgomery County specific policy; Mandatory set aside of 12.5 -15 percent of units in new developments greater than 20 units; rental or for-sale units	65 percent-70 percent AMI, dependent on construction type	30 years for-sale, 99 years for rental
Low-Income Housing Tax Credit (LIHTC)	Administered by state housing finance agencies; provides funding for the development costs of low-income housing; rental units only There are two types of LIHTC tax credits, 9 percent credits and 4 percent credits, both of	20 percent of the units to households with incomes of 50 percent or less of the AMI or 40 percent of the units to households with incomes of 60 percent or less of the AMI, or tiered income limits serving an average of 60 percent AMI.	In Maryland, the building must remain in compliance and is subject to a covenant to enforce compliance for a minimum of 40 years (15- year compliance period and a 25-year extended use period).[1]

[1] https://dhcd.maryland.gov/HousingDevelopment/Pages/lihtc/default.aspx

	which are allocated by state and local housing finance agencies. The 9 percent LIHTC is awarded on a competitive basis in accordance with preferences and priorities laid out in the housing finance agency's Qualified Allocation Plan.		

Recommended Modifications

Applicability

Staff believes the project that was the impetus behind this proposed amendment is actually a 100 percent affordable project that was awarded a 9 percent tax credit and not a 100 percent MPDU project. The differences between the two are highlighted above in the Affordable Housing vs. MPDU section, but generally the MPDU program and the LIHTC program vary in how they are administered, incomes served, and control period.

Staff wants to ensure that a project that intends to take advantage of the amendment is eligible to do so. Staff recommends broadening the applicability of the amendment to apply to eligible 100 percent MPDU projects or a 100 percent affordable project that was awarded a 9 percent Low-Income Housing Tax Credits. Staff received guidance from Council staff on how to broaden the applicability, as suggested below.

Sec. 1. DIVISION 59-4 is amended as follows:
* * *
Section 4.5.2. Density and Height Allocation
* * *

C. Development with Moderately Priced Dwelling Units and Other Income-Restricted Housing

8. In the CR or CRT zones, an application is exempt from the total FAR limits of the underlying zone, provided the maximum residential density does not exceed 2.5 FAR, [[with]]if 100% of the units are income-restricted for at least 30 years under[[a government regulation or binding agreement that limits for at least 30 years the price or rent charged for each unit such that the average cost of all units is affordable to households earning less than 60% of the area median income (AMI), adjusted for family size,]]:

   a. the MPDU requirements of Chapter 25A; or
   b. an award of 9% Low-Income Housing Tax Credits (LIHTC).

Staff supports these modifications as recommended. These modifications modify the section header and the text of the amendment to broaden the applicability to both 100 percent MPDU projects, as defined by Chapter 25A, or 100 percent affordable projects that are awarded a 9 percent Low-Income Housing Tax Credit.

Other Considerations

Height

Additional height is allowed for additional MPDUs above 12.5 percent. Section 4.5.2.C Developments with Moderately Priced Dwelling Units, lays out the conditions for additional heights for MPDUs:

Sec. 1. DIVISION 59-4 is amended as follows:
* * *
Section 4.5.2. Density and Height Allocation
* * *

C. Development with Moderately Priced Dwelling Units

7. The height limit of the applicable zone and master plan does not apply to the extent required to provide the MPDUs. The additional height is calculated as the floor area provided for MPDUs above 12.5 percent divided by the average residential floor plate area, where each whole number and each remaining fraction allows an increase of 12 feet.

As such, the mapped height would be allowed to be increased for projects with additional MPDUs over 12.5 percent but tax credit units would have to put their units in the MPDU program (with the longer control period) to be eligible to take advantage of additional height provision.

Impact Tax Waivers

Staff also wants to note that another affordable housing incentive **– the impact tax discount/waiver for projects that build 25 percent MPDUs – also requires the units be put in the MPDU program to be eligible for the incentive**. Recent changes to the incentive through the Growth and Infrastructure Policy ensures that the affordable units have to be placed in the MPDU program to receive the incentive. The incentive was also changed from allowing all impact taxes waived to be limited to the lowest standard impact in the county for the applicable dwelling type.

Bethesda Overlay Zone

Staff also wants to highlight the implications for the Bethesda Overlay Zone (BOZ). Given that the amendment is silent on the applicability in the BOZ, staff believes the proposed amendment would be available to properties within the BOZ who wish to build 100 percent affordable housing. **Staff supports the amendment's applicability to properties within the BOZ, given the area's access to amenities and opportunities that would benefit the residents of affordable housing.** There are 68 zoning blocks within the BOZ with an underlying zone less than CR or CRT 2.5.

Conclusion

Staff supports the change proposed in ZTA 21-07 with recommended modifications. The proposed amendment fits in with county policy to incentivize the production of MPDUs and other affordable housing and proposes an appropriate benefit for projects providing 100 percent MPDUs or LIHTC units, which is consistent with the benefit provided prior to adoption of ZTA 18-06.

Attachments

1. ZTA No. 21-07 – introduction packet

Racial Equity and Social Justice (RESJ) Zoning Text Amendment Statement

Office of Legislative Oversight

ZTA 21-07: Density and Height Allocation – Development with Moderately Priced Dwelling Units

Summary

The Office of Legislative Oversight (OLO) anticipates that Zoning Text Amendment 21-07 could narrow racial and social inequities in the County if it increases the supply of affordable housing units for low- and moderate-income households.

Purpose of RESJ Statement

The purpose of RESJ impact statements for zoning text amendments (ZTAs) is to evaluate the anticipated impact of ZTAs on racial equity and social justice in the County. Racial equity and social justice refer to a **process** that focuses on centering the needs, power, and leadership of communities of color and low-income communities with a **goal** of eliminating racial and social inequities. Achieving racial equity and social justice usually requires seeing, thinking, and working differently to address the racial and social harms that have caused racial and social inequities.[1]

Purpose of ZTA 21-07

The purpose of ZTA 21-07 is to offer developers in commercial residential zones a density bonus if they devote a 100 percent of the residential units they build to the Moderately Priced Dwelling Unit (MPDU) program.[2] The density bonus proposed under ZTA 21-07 for eligible projects increases developments maximum densities to a Floor Area Ratio of 2.5.[3] ZTA 21-07 aligns with Montgomery County Preservation Study's recommendation to leverage land use and planning rules guiding development (including zoning codes and area plans) to incentivize housing affordability.[4]

MPDUs refer to dwelling units offered for sale or rent to eligible low- or moderate-income households through the Department of Housing and Community Affairs' MPDU program.[5] The MPDU program requires that 12.5 to 15 percent of new housing units in projects with 20 or more units to be affordable to households earning up to 65 or 70 percent of the area median income.[6] The required affordability period for MPDUs is 30 years for units sold and 99 years for units rented.[7] In 2020, the MPDU program approved 183 units to be built and offered 244 new units (82 for sale and 162 for rent).[8] Since 1976, the MPDU program has produced more than 16,400 units.[9]

If enacted, ZTA 21-07 would exempt 100 percent MPDU developments in the commercial residential (CR) and commercial residential town (CRT) zones from established Floor Area Ratios (FAR) maximums on the current zoning map. More specifically, ZTA 21-07 would amend the Montgomery County Zoning Ordinance (Chapter 59 of the Montgomery County Code) under Division 4.5: "Commercial/Residential Zones" and Section 4.5.2."Density and Height Allocation" to increase the FAR maximum for eligible development as follows:[10]

> ***In the CR or CRT zones, an application with 100% of the units** under a government regulation or binding agreement that limits for at least 30 years the price or rent charged for each unit such that the average AMI of all units is 60% or less, **adjusted for family size, is exempt from the FAR limits of the underlying zone provided the maximum density does not exceed 2.5 FAR.***

AFFORDABLE HOUSING AND RACIAL EQUITY

Historically, zoning laws and other government policies have restricted the supply of affordable housing and exacerbated the racial wealth gap.[11] Collectively exclusionary zoning, restrictive covenants, redlining, New Deal housing policies, the Federal Housing Administration and GI bill created two disparate housing systems where:[12]

- Government subsidized White-only enclaves enabled many White families to build home equity and inter-generational wealth; and
- Underinvested communities for People of Color where residents actually paid more for lesser housing and fewer amenities and were in turn denied opportunities to build family wealth.

Of note, while the Fair Housing Act of 1968 eliminated racially explicit segregation in housing, the policies that built the segregated housing market "have never been remedied and their effects endure."[13] The wealth gap by race and ethnicity is staggering in the Metropolitan Washington region where White households had more than 80 times the wealth of Black households and 21 times the wealth of Latinx households in 2014.[14] Moreover, residents of color still experience discrimination in the housing market due to predatory lending practices and bias in the rental and real estate markets.[15] As such, racial disparities in housing security by race and ethnicity, as described below, persist.

Housing Security. Local data on three metrics of housing insecurity - rent-burdened households, rental assistance during the pandemic, and homelessness - demonstrate that Black and Latinx households in Montgomery County are especially housing insecure. More specifically, in Montgomery County:

- Among renter households in 2019, rent-burden (expending 30 percent or more of income on rent) was experienced among 66 percent of Latinx renters and 60 percent of Black renters compared to 40 percent of White renters and 33 percent of Asian renters.[16]
- Among COVID Relief Rental Program clients (approved as of April 4, 2021), 43 percent were Black, and 37 percent were Latinx while 9 percent were White, and 3 percent were Asian or Pacific Islanders.[17]
- Among adults experiencing homelessness in 2020, 60 percent were Black, 30 percent were White, 17 percent were Latinx, and 5 percent were Asian and Pacific Islanders.[18] Among families experiencing homelessness, 78 percent were Black, 15 percent were White, 9 percent were Latinx, and 2 percent were Asian.[19]

Data on homeownership also demonstrates housing inequities by race and ethnicity where 75 percent of White and Asian households in Montgomery County resided in owner-occupied units in 2019 compared to 50 percent of Latinx and Native American households and 42 percent of Black households.[20] Black, Latinx and Other race mortgage holders were also more likely to experience housing cost burden, with 39 to 47 percent expending more than 30 percent of their income on their mortgage compared to 20 percent of White and 29 percent of Asian mortgage holders.[21]

Taken together, local data on racial and ethnic inequities in housing security demonstrates that Black, Latinx, and Other race residents have a higher demand for affordable housing than White and Asian residents.

Affordable Housing: Among regions across the country, Metropolitan Washington is one of the most severely impacted by shortage of affordable housing. In the 2017 VoicesDMV survey, nearly 20 percent of households reported being unable to pay for food or housing in the past 12 months.[22] According to the survey, most households in the region with incomes below $54,300 (500,000+ households) pay more than 30 percent of their income toward rent or mortgage.[23]

Data from the Montgomery County Preservation Study also demonstrates a shortage of affordable housing in the County, especially for low-income households. It notes that "(t)he private market does not effectively provide rental housing options that are affordable to renters in the lower income bands, as 78 percent of households earning below 65 percent of AMI are housing cost-burdened, paying more than 30 percent of their household" income.[24] In addition, the Preservation Study notes that "60 percent of households earning below 50 percent" of AMI are "severely housing cost-burdened – paying more than 50 percent of their gross household income on housing costs."[25]

The Preservation Study also finds that the County is at-risk of losing affordable housing units, particularly near public transit hubs that are essential to connecting residents to employment and other opportunities.[26] They note that 2,085 deed-restricted housing units that are set to expire in the 2020's and 2030's are located within one mile of existing and planned transit stations.[27] Many of these units are clustered around the Silver Spring, Bethesda, and Wheaton Metrorail stations. During this time frame, the study estimates that another 7,500 – 11,000 naturally occurring affordable housing (NOAH) units could also be lost and that approximately 2,300 of these NOAH units are at risk of becoming unaffordable for households earning up to 80 percent of AMI. All these units are within one mile of public transit.[28]

Further, the Montgomery County Planning Department's Housing Needs Assessment summarizes current demographic, economic and housing market conditions organizing the analyses under two viewpoints:

Table 1: Housing Needs Assessment[29]

Demographic, economic and housing market conditions analysis:	Analysis of existing housing supply and demand conditions:
• Since 2010, the Washington, D.C., region has added more than 150,000 households. Montgomery County captured only 5 percent of that growth, having one of the lowest growth rates in the region. • 1 out of every 2 new households is low-income (earning under $50,000 a year), which means the County is capturing an outsized share of low-income households. • The income needed to afford the median-priced home is rising faster than the median household income. In 2018, the household income required to afford the median home was $125,621, which is above the 2018 median household income of $108,188.	• Between 2014 and 2018, housing supply tightened rapidly for households earning less than 65 percent of Area Median Income (AMI). In 2014 there was a 5,700-unit surplus of housing at 65 percent AMI, however, in 2018 that number receded to 800 units. • Every submarket in Montgomery County faces a supply gap for households earning up to 60 percent AMI. • Submarkets with relatively affordable stock have also faced the most significant pricing pressure, leading to the loss of affordably priced units.

Anticipated RESJ Impacts

Given the disproportionate need for affordable housing among Latinx and Black households, OLO anticipates that ZTA 21-07 will have a favorable impact on reducing housing inequities if it results in the construction of more MPDU's. OLO anticipates the construction of MPDUs in transit-oriented districts that characterize many of the County's commercial residential zones would also narrow racial and social disparities in transit and access to employment that could further reduce racial and social inequities in the County.[30] Further, OLO anticipates that the favorable impact of ZTA 21-07 on reducing housing, transit, and economic inequities across the County could be improved if:

- MPDU's built under ZTA 21-07 were affordable for both lower-income (earning 30 - 50 percent of AMI) and moderate-income households (65 – 70 percent AMI); and
- A significant share of MPDU's built under ZTA 21-07 were large enough to serve families with multiple children.

ADDITIONAL OBSERVATIONS

Beyond the RESJ analysis, OLO also observes that the ZTA may benefit from clarifying its language on the maximum FAR of 2.5. Section 59.2.1.3.D*: Commercial Residential Zones specifies the following:*

Each CRN, CRT, and CR zone classification is followed by a number and a sequence of 3 additional symbols: C, R, and H, each followed by another number where:

- *a. The number following the classification is the maximum total FAR allowed unless additional FAR is allowed under Section 4.5.2.C* and *Section 4.7.3.D.6.c.Maximum.*
- *b. The number following the C is the maximum nonresidential FAR allowed.*
- *c. The number following the R is the maximum residential FAR allowed unless additional residential FAR is allowed under Section 4.5.2.C and Section 4.7.3.D.6.c.*
- *d. The number following the H is the maximum building height in feet allowed unless additional height is allowed under Section 4.5.2.C and Section 4.7.3.D.6.c.*

OLO finds that the ZTA's language relative to the nonresidential (C) components of the underlying zone is unclear. Amending the language to clarify whether the 2.5 FAR exemption applies only to the residential portion of the classifications (if the MPDU building includes a nonresidential component) would adhere to what is already mapped as the underlying zone classification. This clarification could minimize potential confusion with future interpretations of the provision when applied to development applications. The applicability of provision No. 6 in Section 4.5.2.C.1 relative to the provision proposed by the ZTA may also warrant examination.

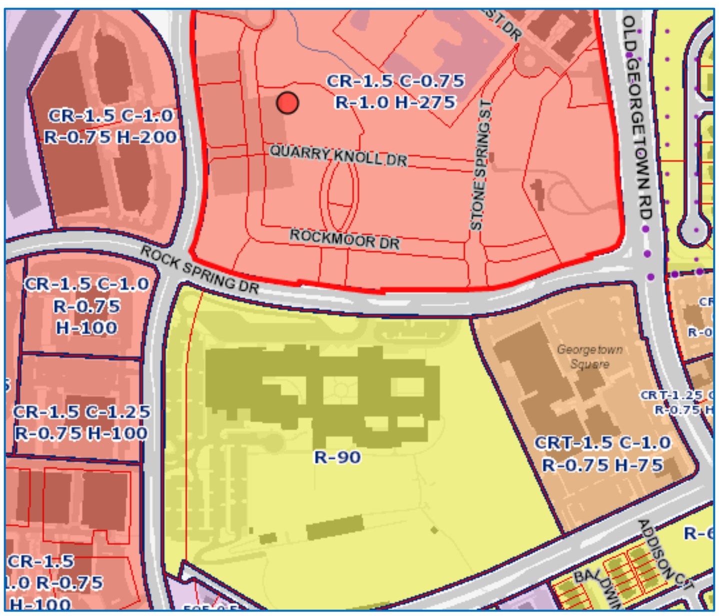

Figure 1: Sample Zoning Map, CR and CRT zones with Maximum FAR and Height

Additionally, OLO notes the ZTA does not make a reference with respect to height "H". However, given the fact that maximum height limits in the CR (35'-300') and CRT (35'-150') zones are generally generous (adjusted to density and intensity), its absence in the proposed ZTA's language is not likely to have a notable difference within the context of the MPDU development the ZTA addresses.

CAVEATS

Two caveats to this racial equity and social justice impact statement should be noted. First, predicting the impact of zoning text amendments on racial equity and social justice is a challenging, analytical endeavor due to data limitations, uncertainty, and other factors. Second, this RESJ impact statement on the proposed zoning text amendment is intended to inform the Council's decision-making process rather than determine it. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the ZTA under consideration.

CONTRIBUTIONS

OLO staffers Elsabett Tesfaye, Performance Management and Data Analyst, and Elaine Bonner-Tompkins, Senior Legislative Analyst, drafted this racial equity and social justice impact statement.

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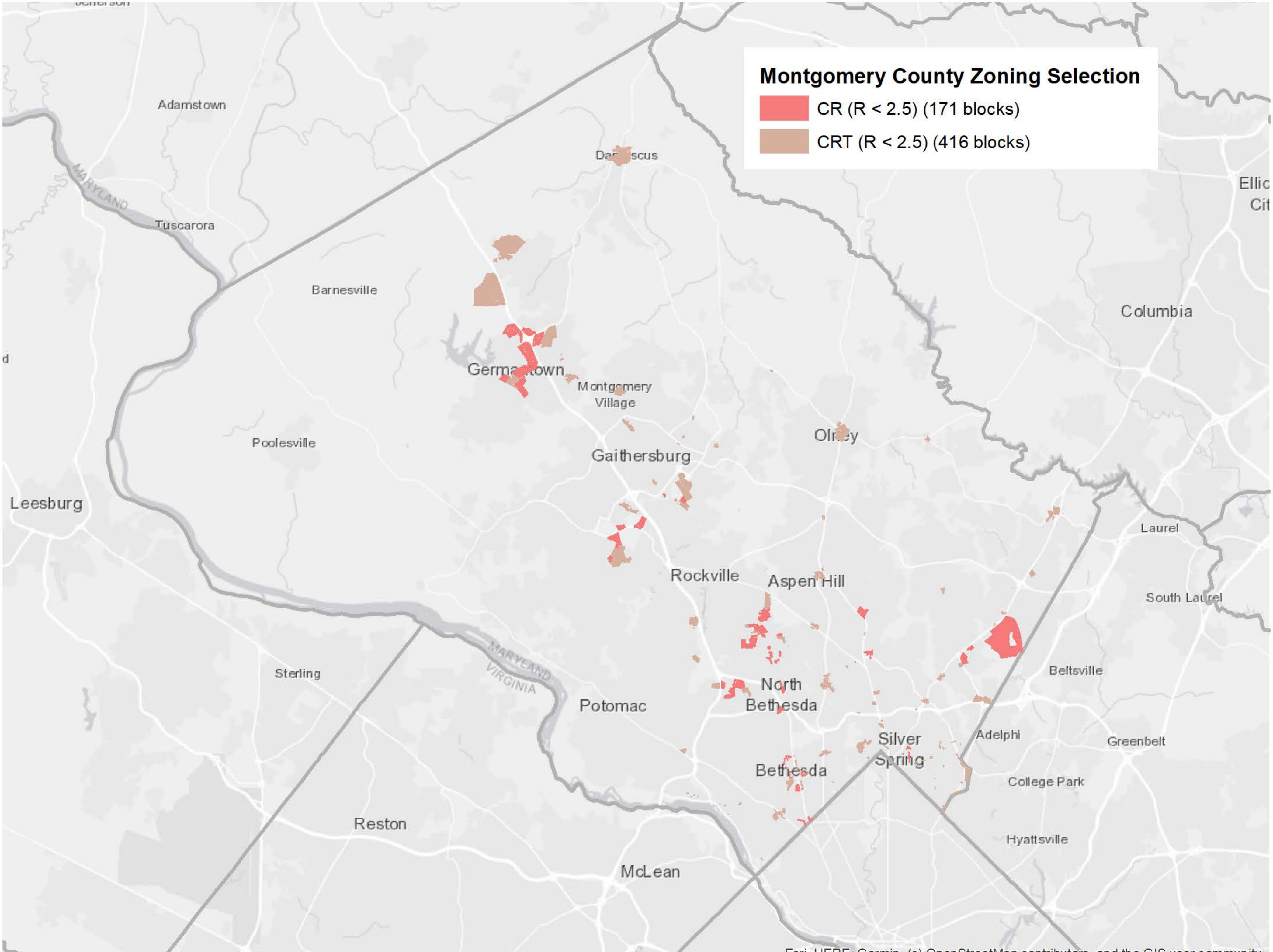
[1] Adopted from racial equity definition provided by Racial Equity Tools. https://www.racialequitytools.org/glossary
[2] Zoning Text Amendment (ZTA) 21-07, Density and Height Allocation – Development with Moderately Priced Dwelling Unit https://www.montgomerycountymd.gov/council/Resources/Files/agenda/col/2021/20211005/20211005_5-5.pdf
[3] Ibid
[4] Montgomery County Preservation Study, July 2020 https://montgomeryplanning.org/wp-content/uploads/2020/11/200914-Montgomery-County-Preservation-Study.pdf
[5] Chapter 25A. Housing, Moderately Priced.
[6] Aseem Nigam, Annual Report on MPDU's Covering Calendar Year 2020, Department of Housing and Community Affairs https://www.montgomerycountymd.gov/DHCA/Resources/Files/housing/affordable/publications/mpdu/annual_report_mpdu-2020.pdf
[7] Montgomery County Preservation Study
[8] Nigam
[9] Ibid
[10] Zoning Text Amendment (ZTA) 21-07
[11] Richard Rothstein, The Color of Law: A Forgotten History of How Government Segregated America, 2017
[12] Melvin Oliver and Thomas Shapiro, "Disrupting the Racial Wealth Gap" Sociology for the Public, May 7, 2019; Kilolo Kijakazi, et. al, The Color of Wealth in the Nation's Capitol, November 2016 https://www.urban.org/sites/default/files/publication/85341/2000986-2-the-color-of-wealth-in-the-nations-capital_8.pdf
[13] Rothstein
[14] Kijakazi
[15] Keeanga-Yamahtta Taylor, Race for Profit: How Banks and the Real Estate Industry Undermine Black Homeownership, 2019; Urban Institute, Exposing Housing Discrimination, https://www.urban.org/features/exposing-housing-discrimination
[16] American Community Survey, Gross Rent as a Percentage of Household Income, 2019 1-Year Estimates, United States Census Bureau. Table ID S0201.
[17] Linda McMillan memorandum to County Council regarding FY22 Operating Budget: Homeless Services, Rental Assistance, and Housing Initiative, May 11, 2021 (Agenda Item #30, Joint Committee Worksession), see page circle 13. https://www.montgomerycountymd.gov/council/Resources/Files/agenda/col/2021/20210512/20210512_30.pdf
[18] Ibid, see page circle 8.
[19] Ibid.
[20] Calculations based on American Community Survey, 2019 1-Year Estimates, Table ID S2502.
[21] American Community Survey, Table ID. S0201.
[22] Tatian, Hendey, and Bogle 2017 cited in Meeting the Washington Region's future Housing Needs. *Urban Institute 2019.* https://www.urban.org/research/publication/meeting-washington-regions-future-housing-needs
[23] Ibid
[24] Montgomery County Preservation Study
[25] Ibid
[26] Ibid
[27] Ibid
[28] Ibid
[29] Montgomery County Housing Needs assessment., July 2020 https://montgomeryplanning.org/wp-content/uploads/2020/07/MoCo-HNA-July-2020.pdf
[30] See OLO Racial Equity Profile for current data on transit, employment and income disparities by race and ethnicity in Montgomery County. https://www.montgomerycountymd.gov/OLO/Resources/Files/2019%20Reports/RevisedOLO2019-7.pdf



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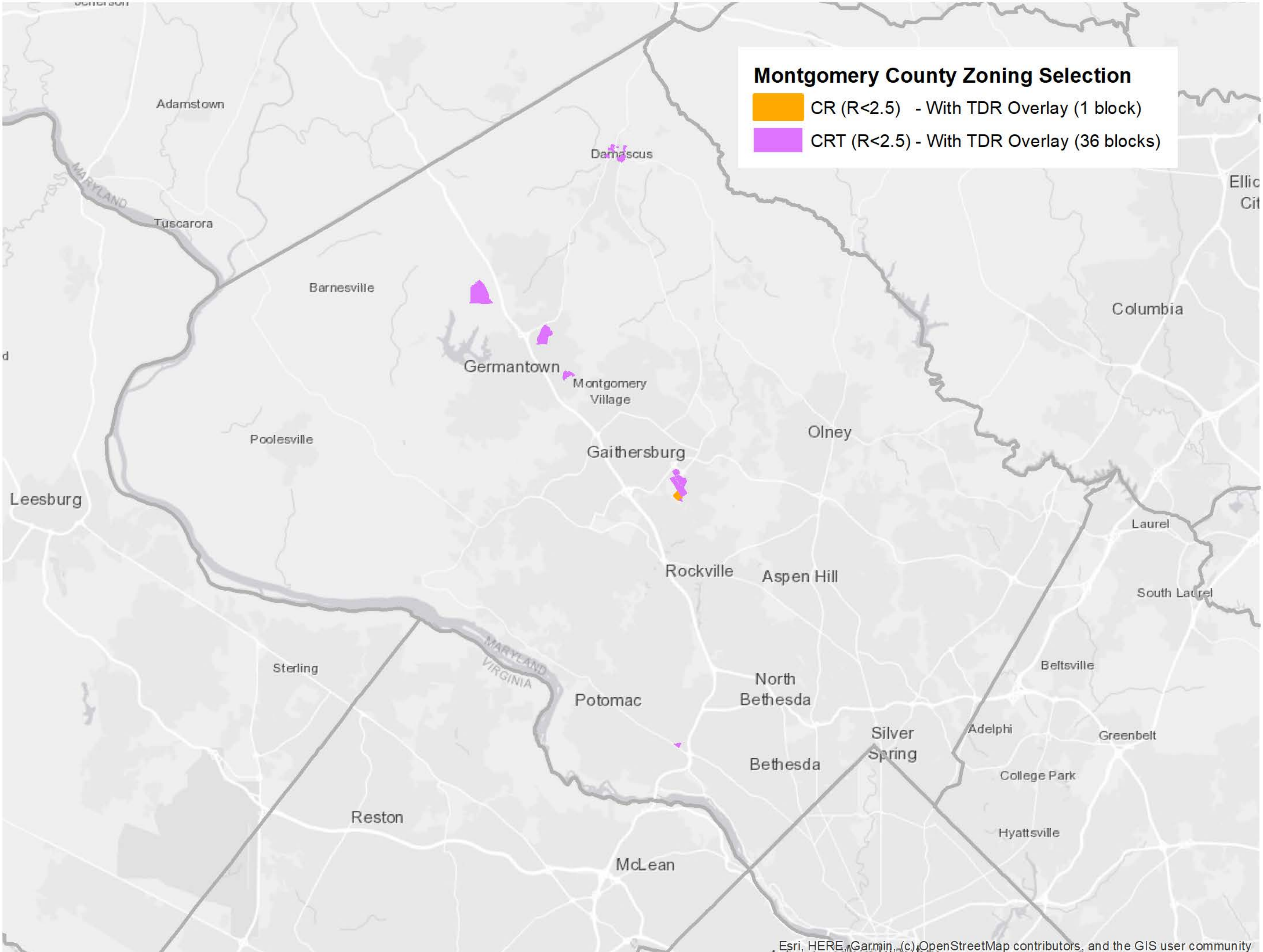
CR and CRT Zoning Blocks (R Value < 2.5)			
R Value	**CR Zone**	**CRT Zone**	**Total**
R-0.25	13	119	132
R-0.5	16	106	122
R-0.75	28	56	84
R-1.0	12	37	49
R-1.25	2	16	18
R-1.5	72	47	119
R-1.75	6	2	8
R-2.0	17	24	41
R-2.25	5	9	14
Total	171	416	587

Source: Montgomery Planning



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Affordable Rental Housing Awardees March 2017		
COUNTY	**PROJECT NAME**	**SPONSOR**
Allegany	Allegany Junction	The Woda Group, Inc. & Housing Services Alliance Corporation
Allegany	Magnolia Greene	The Woda Group, Inc. & Housing Services Alliance Corporation
Anne Arundel	Meade Village Apartments	Housing Commission of Anne Arundel County
Anne Arundel	Towne Courts	PIRHL Developers, LLC & Housing Initiative Partnership
Anne Arundel, Baltimore City, Baltimore County, Harford, Howard	Broadway Homes	Homes for America
Baltimore City	Paca House	Volunteers of America Chesapeake, Inc, Somerset Development Co., LLC & New Community Partners, LLC
Baltimore City	Walbrook Mill	Osprey Property Company
Calvert	Calvert Hills East Apartments	Osprey Property Company LLC
Harford	Park Place	DelawareValley Development Co.
Harford	Rock Spring Station	Osprey Property Company & Pax-Edwards, LLC
Montgomery	Scotland Townhomes	Enterprise Homes, Inc. & Scotland Community Development, Inc.
Prince George's	The Townes at Peerless	Conifer Realty, LLC & Episcopal Housing Corporation
Queen Anne's	The Willows at Centreville	TRF Development Partners, Inc & MBID of Delaware, LLC
Queen Anne's	Village at Slippery Hill	REBJ, Inc. & Green Street Housing, LLC
Saint Mary's	Lex Woods Apartments	REBJ, Inc. & Green Street Housing, LLC
Saint Mary's	Queen Anne Park Rehabilitation	Osprey Property Company
Saint Mary's	Patuxent Cove	St. Mary's County Community Development Corporation & Conifer Realty, LLC
Washington	McCleary Hill Phase I	Delaware Valley Development Co. & Hagerstown Housing Authority
Washington	Hopewell Station	Pax-Edwards, LLC
Wicomico	Merritt Mill Townhouses	Pennrose Properties, LLC & Wicomico County Housing Authority

Affordable Rental Housing Awardees		
August 2018		
COUNTY	**PROJECT NAME**	**SPONSOR**
Anne Arundel	Brock Bridge Landing	Woda Cooper Development, Inc. & Interfaith Housing Alliance
Baltimore City	22 Light	Osprey Property Company, LLC & The Women's Housing Coalition
Baltimore City	520 Somerset Apartments	Mission First Housing Development Corporation & The Henson Development Group
Baltimore City	Flamingo Place Apartments	Osprey Property Company, LLC
Baltimore City	Four Ten Lofts	Episcopal Housing Corporation & French Development, LLC
Baltimore County	The Enclave at Lyons Mill	Episcopal Housing Corporation & Conifer Realty LLC
Baltimore County	Red Maple Place	Homes for America, Inc. & New Harbor Development
Baltimore County	Towns at Padonia	Osprey Property Company, LLC
Carroll	Carrolltowne Village	REBJ, Inc. & Green Street Housing, LLC
Carroll	Taneytown Crossing	Pax-Edwards, LLC & Foundation Development Group, LLC
Carroll	Westminster Way	Conifer Realty, LLC & Interfaith Housing Alliance, Inc.
Cecil	Willows at Rudy Park	MBID of Delaware, LLC & Elkton Housing Authority
Garrett	Chautauqua Park West	Garrett County MD Community Action Committee, Inc.
Harford	Benson's Corner	Pax-Edwards, LLC, Osprey Property Company, LLC & Harford Community Action Agency, Inc.
Harford	Homes on Fountain Green	Homes for America, Inc. & New Harbor Development
Harford	Riverwoods at Tollgate II	Osprey Property Company, LLC, Pax-Edwards LLC & Harford Community Action Agency, Inc.
Harford	Village at Blenheim Run	Green Street Housing, LLC, REBJ, Inc., and Harford County Community Action Agency
Howard	Riverwatch Phase II	J. Kirby Development & Howard County Housing Commission
Howard	Robinson Overlook	Woda Cooper Development, Inc.
Montgomery	Main Street Apartments	RST Development, LLC
Somerset	The Reserve at Somerset Commons Phase II	Enterprise Homes, Inc.

Affordable Rental Housing Awardees		
July 2019		
COUNTY	**PROJECT NAME**	**SPONSOR**
Anne Arundel	Millersview Crossing	Woda Cooper Development Inc.
Baltimore City	Sojourner Place at Wolfe	Episcopal Housing Corporation, Health Care for the Homeless
Baltimore City	Cold Spring Lane	Conifer Realty, LLC
Baltimore City	Parkway Overlook 9%	Osprey Property Company II LLC/Pax Edwards, LLC
Baltimore City	Rosemont Gardens 9%	Pax Edwards, LLC & Osprey Property Company II LLC
Baltimore County	Henrietta Lacks Village at Lyons Homes	CT Development Partners & Telesis Baltimore Corporation
Frederick	South Street Centre	SCG Development Partners, LLC, Housing Authority of City of Frederick, New Harbor Development, LLC
Howard	Artist Flats	Howard County Housing Commission
Howard	Residences at Roslyn Rise	Enterprise Homes Inc
Howard	Ellicott Gardens Two	Homes for America
Montgomery	Residences at Forest Glen	Montgomery Housing Partnership, Inc
Prince George's	Woodyard Station	Pax Edwards, LLC
Washington	McCleary Hill Phase II	Hagerstown Housing Authority
Worcester	Homes at Berlin	Homes for America
Worcester	Willows at Berlin	Milford Housing Development Corporation & MBID of Delaware, LLC

Maryland Department of Housing and Community Development
2020 Affordable Rental Housing Awards

County	Project	Applicant/Project Sponsor
Anne Arundel	Conifer at North Odenton	Conifer Realty, LLC
Anne Arundel	Eagle Park Village	Osprey Property Company II LLC
Anne Arundel	Willows at Forest Drive	MBID of Delaware, LLC
Baltimore City	Perkins IIA	McCormack Baron Salazar, Inc.
Baltimore City	Somerset Jefferson	Mission First Housing Development Corporation
Baltimore City	Uplands Rental Phase IIB	Pennrose, LLC
Baltimore City	Woodland Gardens I	CHAI
Charles	La Plata Gardens	Enterprise Community Development, Inc.
Frederick	Crestwood Manor	Osprey Property Company II LLC
Frederick	The Madison on North Market	SCG Development Partners, LLC
Frederick	The Residences at Railroad Square	Taft-Mills Group
Montgomery	Park Montgomery West	Enterprise Community Development, Inc.
Montgomery	Sligo Apartments	Green Street Housing
Prince George's	Glenarden Hills Phase 3	Pennrose, LLC
Prince George's	Willows at Upper Marlboro	MBID of Delaware, LLC
Queen Anne's	Slippery Hill, Phase II	Green Street Housing
St. Mary's	Foxchase Village Rehabilitation	Osprey Property Company II LLC
Talbot	Doverbrook Apartments	Pennrose, LLC