

## DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Marc Elrich County Executive Scott Bruton Director

October 30, 2023

Mr. Adam Bossi Montgomery County Planning Department 8787 Georgia Avenue Silver Spring, Maryland 20910

Re: 4861 Battery Lane

Sketch Plan # 320230070

Dear Mr. Bossi:

The Montgomery County Department of Housing and Community Affairs (DHCA) has reviewed the above referenced plan. The development, as proposed in this plan, will provide 15% MPDUs. DHCA requests that the Applicant explore other means to provide more affordable units when the plan returns for Site Plan approval.

The development referenced above is within a CR Zone (CR-1.5, C-0.5, R-1.5, H-120). Section 4.5.1.A.(1) of Chapter 59 states that the intent of CR zones is to implement the recommendation of applicable master plans.

Per Section 59.4.9.2.C.3.d.i of the Code, public benefit points may only be provided "for providing more than 15% of the residential units as" Moderately Priced Dwelling Units ("MPDUs"). On page 141 of the Bethesda Sector Plan it states that "retention of market-rate affordable housing in existing or replacement units in the Sector Plan area be the *highest priority* for public benefit points and endorses application of County programs to ensure that housing remains affordable" (emphasis added). The Bethesda Downtown Master Plan reiterates on the revised page 31 under Recommendations to state that "[i]n the South Bethesda and Battery Lane Districts, preservation of market-rate affordable housing and/or additional MPDUs beyond 15 percent is the top priority for public benefit points." (Resolution No. 18-835, page 6/)

Though there are a number of competing benefit categories in the Sector Plan, affordability in the Battery Lane District is identified as requiring the "highest priority." With no other point allowance or County program for affordable housing, the additional points must come from providing a higher number of MPDUs than the minimum 15%.

## **Division of Housing**

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Although the development is meeting the requirements of Chapter 25A by providing 15% MPDUs, they are not meeting the top priority of the Bethesda Downtown Master Plan specifically for the Battery Lane district, and therefore of the zoning requirements, by either preserving market-rate affordable housing and/or additional MPDUs beyond the 15 percent.

DHCA requests the applicant conduct an analysis of the existing units on site to better understand their affordability levels. Per page 7 of Resolution 18-835, market rate affordable rental housing for purposes of the Bethesda Downtown Plan, "is defined as a rental housing unit where the rent plus the expected tenant-paid utility costs . . . is affordable to a household earning 80 percent of area median income, adjusted as MPDUs for household and unit size." DHCA would like to discuss the current affordability level of the existing development and work to ensure that the affordability remains in the new development per the terms of the Bethesda Downtown Plan.

To better meet the zoning requirements DHCA requests that, if the existing units meet the Master Plan definition of market-rate affordable units, the applicant either preserve the existing units by providing additional affordable units for households earning up to 80 percent of area median income or provide more than 15 percent MPDUs.

Sincerely,

Maggie Gallagher, Program Manager I Affordable Housing Programs Section

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