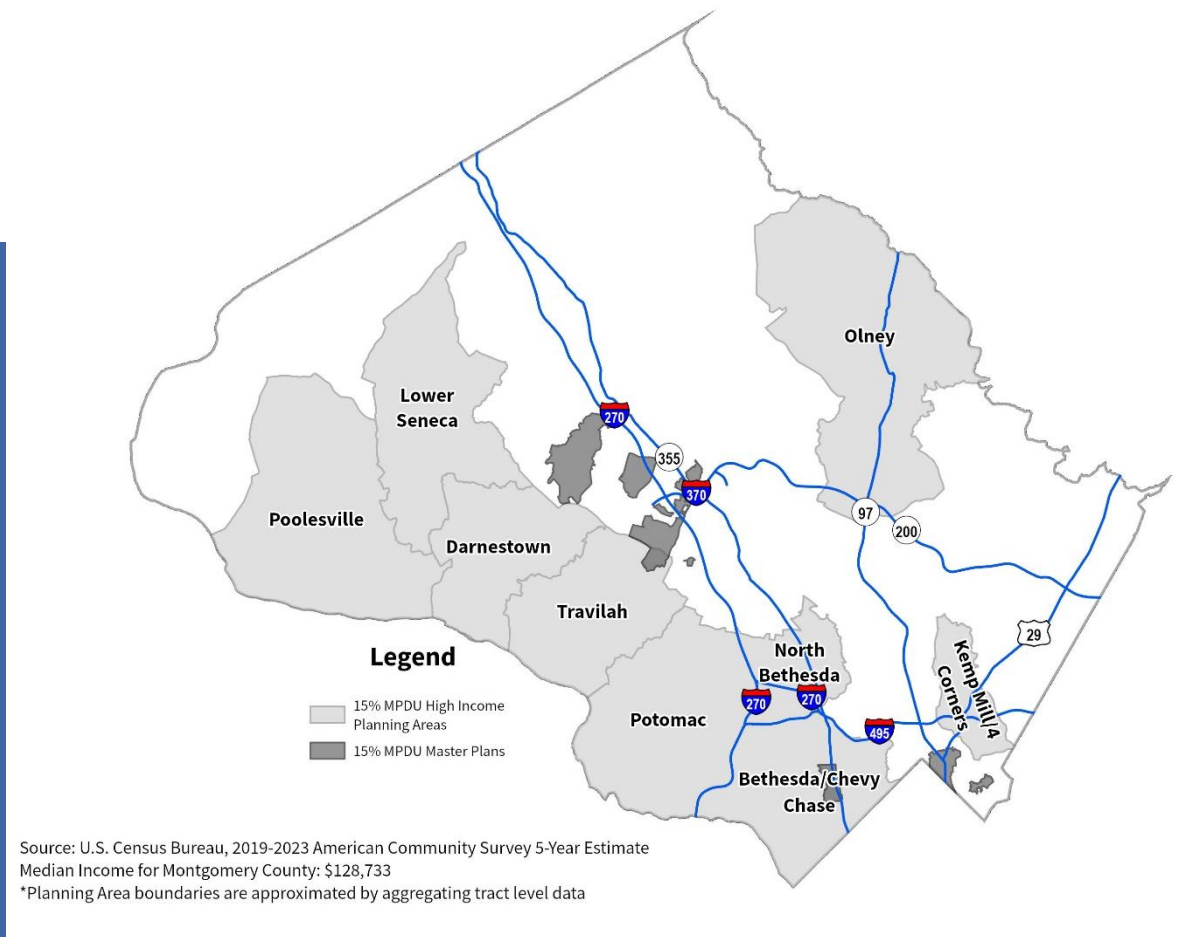
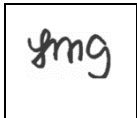


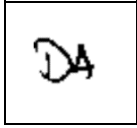
DESIGNATION OF 15% MPDU HIGH-INCOME PLANNING AREAS



The Planning Board will receive a briefing on the Moderately Priced Dwelling Unit (MPDU) program and designate Planning Areas that are required to have a 15% MPDU requirement, per Section 25A-5(d) of the county code.



Lisa Govoni, Planning Supervisor, Countywide Planning & Policy Division
lisa.govoni@montgomeryplanning.org, 301-650-5624



David Anspacher, Chief, Countywide Planning & Policy Division
david.anspacher@montgomeryplanning.org, 301-495-2191

SUMMARY

- Montgomery County's Moderately Priced Dwelling Unit (MPDU) program is believed to be the country's first mandatory, inclusionary zoning law. The program was enacted in 1974 to further the objective of providing a full range of housing choices for all incomes, ages, and households.
- In 2018, Bill 38-17 was passed by the Montgomery County Council and created a 15% MPDU requirement in Planning Areas, which must be designated by the Planning Board annually, in which 45% of the census tracts' acreages have a median household income of at least 150% of the county-wide median household income.
- The Planning Areas with a 15% MPDU requirement in 2025 include Bethesda/Chevy Chase, Darnestown, Kemp Mill/4Corners, Lower Seneca, North Bethesda, Olney, Poolesville, Potomac, and Travilah.
- The areas that encompass the Bethesda Downtown Plan, the Great Seneca Plan, the Takoma Park Minor Master Plan Amendment, and the Silver Spring Downtown and Adjacent Communities Plan also have a 15% MPDU requirement through their respective master plans.

INFORMATION

Review Basis

Chapter 25A, Chapter 59

Lead Planner

Lisa Govoni

Staff Contact

[**Lisa.Govoni@montgomeryplanning.org**](mailto:Lisa.Govoni@montgomeryplanning.org)

(301) 650-5624

Date Submitted

January 16, 2025

Planning Division

Countywide Planning & Policy

Planning Board Information

MCPB

Item No. 6

January 23, 2025

TABLE OF CONTENTS

SECTION 1: OVERVIEW.....	2
Moderately Priced Dwelling Unit Ordinance Overview.....	2
15% MPDU Requirement.....	2
SECTION 2: PLANNING AREAS WITH A 15% MPDU REQUIREMENT DESIGNATION.....	3
15% Planning Area Designation Overview	3
SECTION 3: ATTACHMENTS.....	7

SECTION 1: OVERVIEW

MODERATELY PRICED DWELLING UNIT ORDINANCE OVERVIEW

Montgomery County's Moderately Priced Dwelling Unit (MPDU) program is believed to be the country's first mandatory, inclusionary zoning law. The program was enacted in 1974 to further the objective of providing a full range of housing choices for all incomes, ages, and households. The program is widely recognized as the preeminent inclusionary zoning program in the country due to its success in both program longevity and production of units.

Montgomery County's Department of Housing and Community Affairs (DHCA) largely implements and operates the MPDU program. Still, the Planning Department and Planning Board have an important role to play in the program through the land use and zoning approvals of new construction development, in the preliminary plan and site plan process, and through master plan recommendations.

15% MPDU REQUIREMENT

While the county minimum requirement for MPDUs is 12.5%, there are several circumstances where 15% MPDUs may be required.

Master Plan requirement: Under Chapter 25A, the Council may establish a higher base requirement as part of a master plan approval. An example of this is the 2022 *Silver Spring Downtown and Adjacent Communities Plan*, which requires all optional method of development projects to provide a minimum of 15% MPDUs.

- **Site-specific requirement:** There may be instances where only certain sites may be designated as having a higher requirement through a master plan (instead of the entire plan area). An example of this would be the Forest Glen Metro Station Parking Lot and entrance parcel in the 2020 *Forest Glen/Montgomery Hills Sector Plan*, which requires any optional method project that includes residential dwelling units to provide a minimum of 15% MPDUs on that site.
- **Master Plan's priority public amenities:** Before the county code (Chapter 25A) changed in 2018 to allow a master-planned requirement of 15%, some sector and master plans prioritized 15% MPDUs as the highest priority public amenity for residential development. The 2017 *Rock Spring Sector Plan* identifies 15% MPDUs as the highest priority public amenity for new residential development unless the property is required to dedicate land for a school or athletic fields that can be used by MCPS and approximate the size of a local park.

Overlay Zone: An overlay zone is a zone mapped over the underlying base zone that modifies the requirements of the underlying zone. An overlay zone provides requirements and standards that are necessary to achieve the planning goals and objectives for the development or redevelopment of an

area. In the Bethesda Overlay Zone, for any development application that includes 20 or more residential dwelling units, the Planning Board may only approve the application if the development provides at least 15% MPDUs under the provisions of Chapter 25A. The Bethesda Overlay Zone also modifies the MPDU incentives allowed for MPDUs.

15% Planning Area: A minimum of 15% MPDUs is required for developments in a Planning Area designated by the Planning Board in which at least 45% of the United States Census Tracts' acreage have a median household income of at least 150% of the countywide median household income, at the time the Planning Board accepts an application as complete. This will be discussed in more detail later in the report.

SECTION 2: PLANNING AREAS WITH A 15% MPDU REQUIREMENT DESIGNATION

15% PLANNING AREA DESIGNATION OVERVIEW

In 2018, [Bill 38-17](#) was passed by the Montgomery County Council. The bill went into effect in October 2018 and created a 15% MPDU requirement for Planning Areas in which 45% of the census tracts' acreage have a median household income of at least 150% of the county-wide median household income. The Planning Board is required to designate Planning Areas with the 15% MPDU requirement annually.

Planning Staff calculates this requirement using median income data (both at the county and census tract level) from the most recent 5-year American Community Survey. Planning Area boundaries are aggregated by 2020 census tract boundaries, with each census tract in the county assigned a Planning Area if its centroid (i.e., the geometric center of the census tract) falls into that Planning Area (this is done through ArcGIS). While census data and the aggregated Planning Area/census tract data are used to calculate the 15% requirement, it is the actual boundary of the Planning Area that has the 15% requirement, not the aggregated census boundaries. Planning Area boundaries are shown in Figure 1.

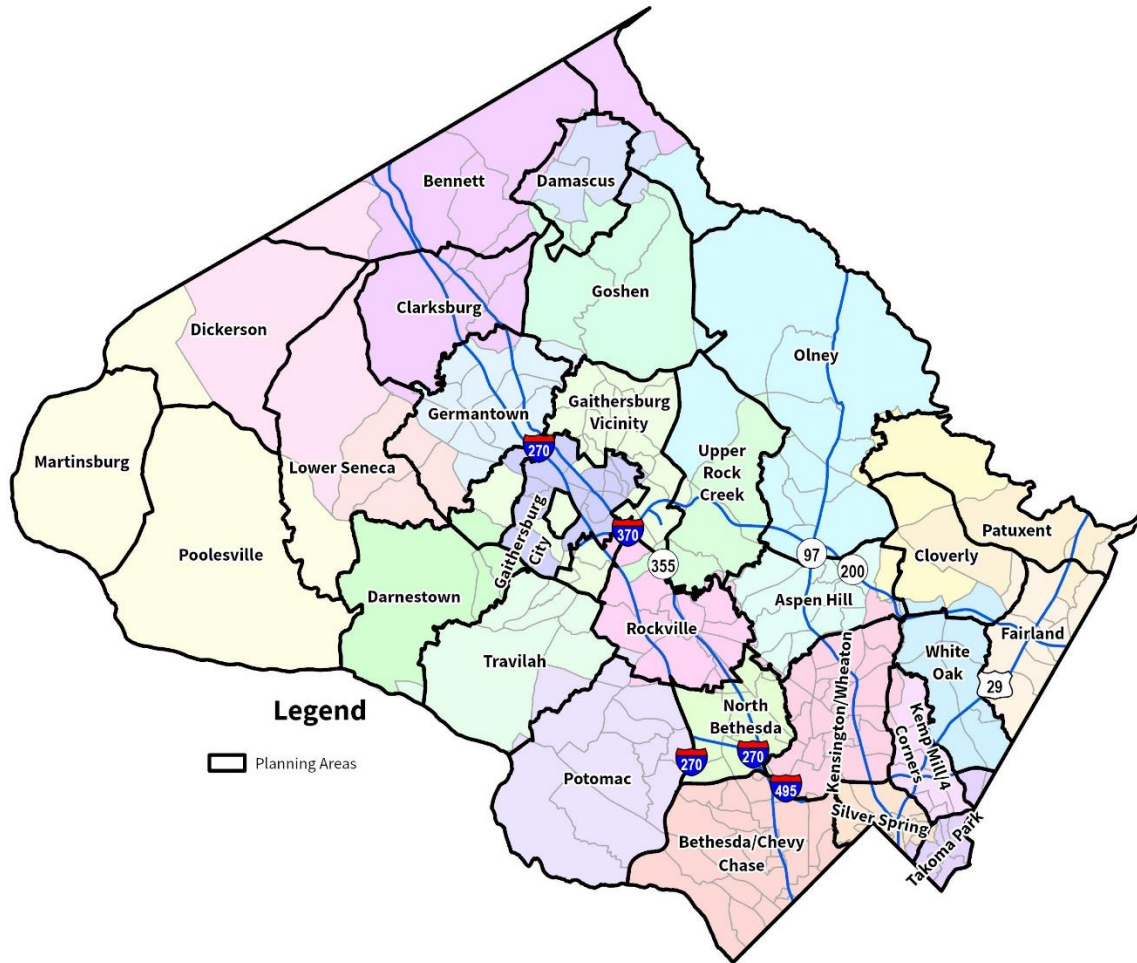
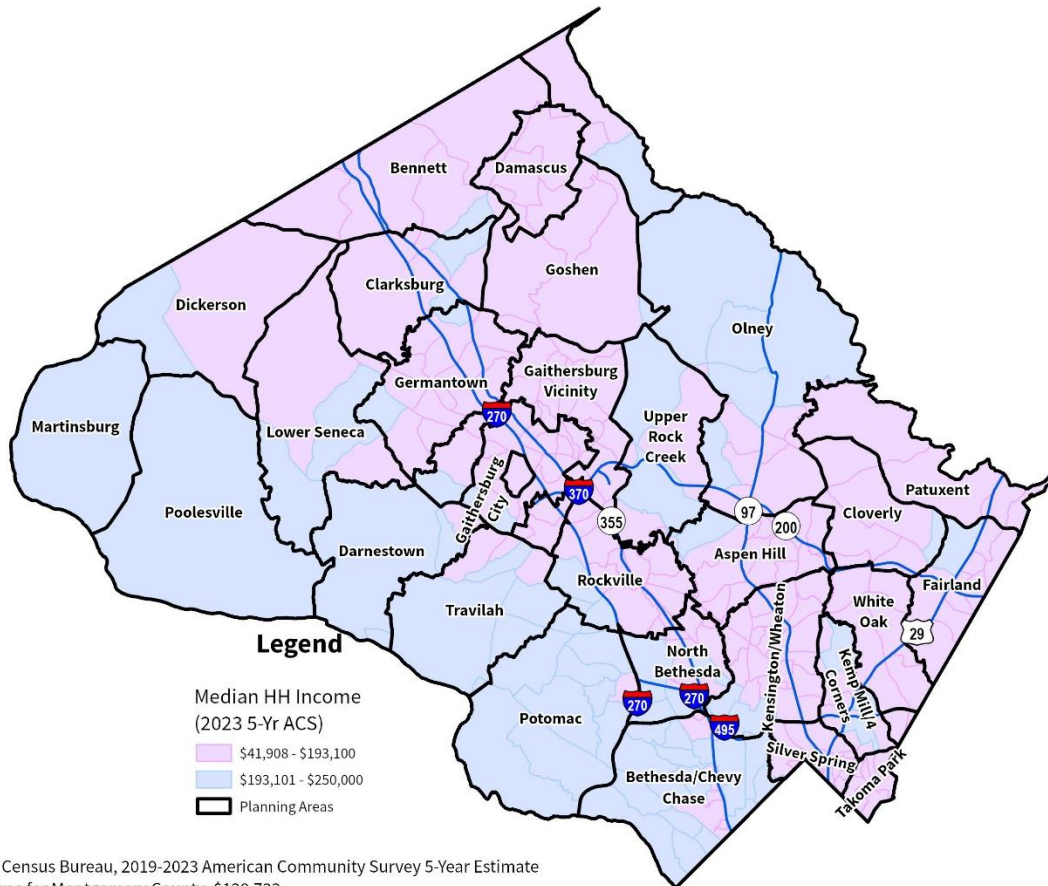


Figure 1 2020 Census Tracts and Planning Areas

In the 2019-2023 5-year ACS survey, Montgomery County had a median income of \$128,733. A 50% increase over the median is \$64,367, making \$193,100, 150% of the median. Figure 3 illustrates the census tracts with a median income of over \$193,100. The total area of all census tracts assigned to a Planning Area with a median income of over \$193,100 is divided by the total area of all census tracts assigned to that Planning Area. If 45% or more of the census tract acreage assigned to that Planning Area has a median income higher than \$193,100, that Planning Area is designated with a 15% MPDU requirement. See below for an example where 55% of the census tracts assigned to the North Bethesda Planning Area have a median income greater than \$193,100.

Census Tract	Planning Area	Median HH Income	Acres	Acres > 150% of Median	Percent of Acres > 150% of Median
7012.02	North Bethesda	\$243,125	442	442	7%
7012.14	North Bethesda	\$101,115	311		
7012.15	North Bethesda	\$111,277	190		
7012.01	North Bethesda	\$135,443	631		
7012.05	North Bethesda	\$219,118	1,689	1,689	29%
7012.16	North Bethesda	\$114,757	336		
7012.18	North Bethesda	\$85,104	179		
7012.22	North Bethesda	\$155,167	291		
7012.23	North Bethesda	\$126,736	180		
7044.01	North Bethesda	\$250,000	560	560	9%
7045.01	North Bethesda	\$235,938	548	548	9%
7012.19	North Bethesda	\$74,559	557		
Total¹			5,913	3,238	55%

¹ The totals may not match the sum of the individual rows above due to rounding.



Source: U.S. Census Bureau, 2019-2023 American Community Survey 5-Year Estimate
 Median Income for Montgomery County: \$128,733
 *Planning Area boundaries are approximated by aggregating tract level data

Figure 2 Montgomery County Census Tracts with incomes below and above 150% of the median

In 2025, the Planning Areas with a 15% requirement include:

- Bethesda/Chevy Chase
- Darnestown
- Kemp Mill/4 Corners (new in 2025)
- Lower Seneca
- North Bethesda
- Olney (new in 2025)
- Poolesville (new in 2025)
- Potomac
- Travilah

All the Planning Areas with a 2024 High-Income Planning Area requirement stayed in for 2025, and Kemp Mill/4 Corners, Olney, and Poolesville are new additions. Figure 3 identifies the 2025 Planning

Areas with recommended 15% MPDU requirements. Attachment A includes the calculations for all the Planning Areas.

A corresponding webmap with associated 15% MPDU requirement information is available on both [mcatlas](#), and a [standalone ArcGIS webmap](#).

In addition, a 15% MPDU requirement exists for the Bethesda Downtown Plan, the Great Seneca Plan, the Takoma Park Minor Master Plan Amendment, and the Silver Spring Downtown and Adjacent Communities (SSDAC) Plan.

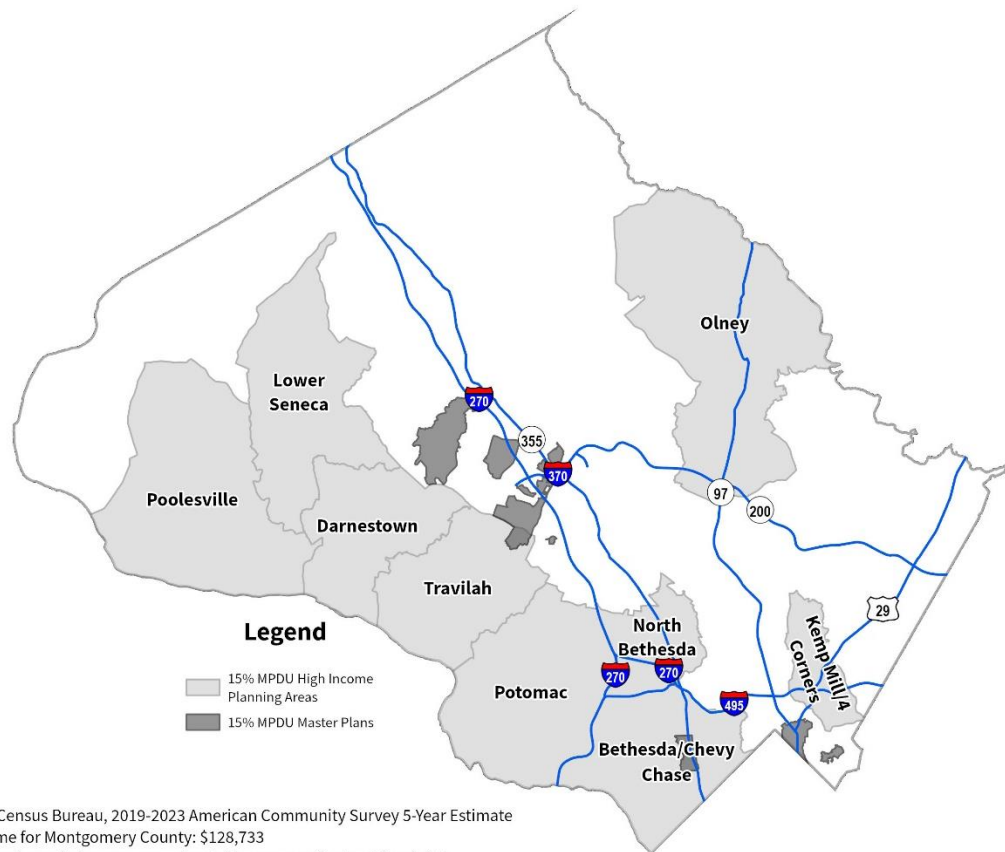


Figure 3 Map of the areas of Montgomery County with a 15% MPDU requirement in 2025

Recommendation: Planning Staff recommends that the Planning Board designate the following as High-Income Planning Areas with a 15% MPDU requirement: Bethesda/Chevy Chase, Darnestown, Kemp Mill/4 Corners, Lower Seneca, North Bethesda, Olney, Poolesville, Potomac, and Travilah.

SECTION 3: ATTACHMENTS

Attachment A: 15% MPDU High-Income Planning Areas – Median Household Income by Census Tract