



January 29, 2024

To: The Honorable Andrew Friedson
President, Montgomery County Council
Stella B. Werner Council Office Building
100 Maryland Avenue, Room 501
Rockville, Maryland 20850

From: Montgomery County Planning Board

Subject: 2024 15% Moderately Priced Dwelling Unit Planning Area Designation

MEMORANDUM

At its regularly scheduled meeting on January 18, 2024, the Montgomery County Planning Board approved by a vote of 4-0 (Vice Chair Pedoeem absent) to designate the Planning Areas that have a 15% MPDU Requirement.

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

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 (ACS). The detailed calculations and methodology used to conduct this analysis are included in Attachment A.

In 2024, the Planning Areas with a 15% requirement include:

- Bethesda/Chevy Chase
- Darnestown
- Lower Seneca
- North Bethesda
- Potomac
- Travilah

The Poolesville Planning Area, which had a 15% requirement in 2023, fell out of the requirement for 2024.

In addition, a 15% MPDU requirement exists for both the Bethesda Downtown Plan (through the Plan recommendations and the Bethesda Overlay Zone) and the Silver Spring Downtown and Adjacent Communities (SSDAC) Plan (through the Plan recommendations and the Downtown Silver Spring Overlay Zone).

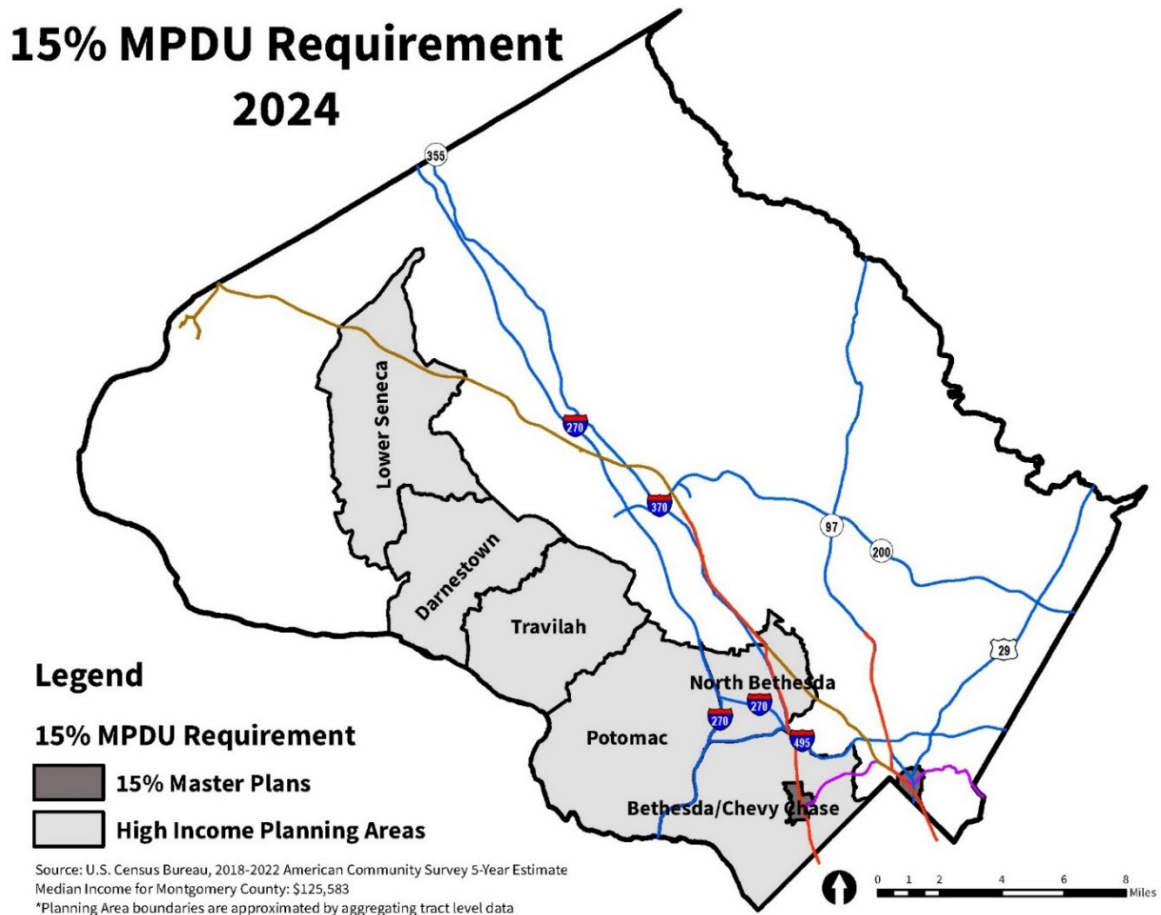


Figure 1 2024 15% MPDU Requirement

The Planning Board also offered the following comments regarding the calculation of the requirement. First, the County Council may want to consider changing the calculation requirement from every year to every other year. This would allow for more stability and predictability for development applicants when trying to understand the MPDU requirements for their project. Second, the County Council may also want to consider allowing the Planning Board to change the current practice of when the Planning Areas are designated. While the county code only specifies that the Planning Board must designate the Planning Areas annually, the current practice is that the Planning Board updates the requirements by January every year. This is what was discussed with the County Council during the work sessions on the bill. However, given that the 5-year American Community Survey data is generally released in the second week of December each year, the timeline to update the 15% MPDU Planning Areas for designation is tight. Montgomery Planning Staff recommends the County Council consider changing the date of designation from January to July.

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Planning staff welcomes any questions from the County Council regarding the 15% MPDU designation for 2024.

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 action 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, January 18, 2024.

Sincerely,

A handwritten signature in blue ink that reads "Artie L. Harris". The signature is written in a cursive style with a large initial "A".

Artie L. Harris

Chair

CC: Pamela Dunn, Senior Legislative Analyst
Naeem Mia, Legislative Analyst

Attachment: Planning Board Staff Packet



February 4, 2025

To: The Honorable Kate Stewart
President, Montgomery County Council
Stella B. Werner Council Office Building
100 Maryland Avenue, Room 501
Rockville, Maryland 20850

From: Montgomery County Planning Board

Subject: 2025 15% Moderately Priced Dwelling Unit (MPDU) High-Income Planning Area Designation

MEMORANDUM

At its regularly scheduled meeting on January 23, 2025, the Montgomery County Planning Board approved by a vote of 5-0 designation of the Planning Areas with a 15% MPDU High-Income Planning Area Requirement for 2025.

In 2018, the Montgomery County Council passed Bill 38-17. The bill went into effect in October 2018 and created a 15% MPDU requirement in Planning Areas in which 45% of the census tracts' acreage has a median household income of at least 150% of the county-wide median household income. The Planning Board designates Planning Areas with a 15% MPDU requirement annually.

Planning Staff calculate this requirement using median income data (both at the county and census tract level) from the most recent 5-year American Community Survey (ACS). The detailed calculations and methodology used to conduct this analysis are included in Attachment A.

The 2025 list includes all Planning Areas designated in 2024 plus two new designations (Kemp Mill/Four Corners and Olney) and one returning designation (Poolesville). The Planning Areas with a 15% requirement in 2025 include:

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

In addition, a 15% MPDU requirement exists for certain master plan areas, including the Bethesda Downtown Plan, the Great Seneca Plan, the Takoma Park Minor Master Plan Amendment, and the Silver Spring Downtown and Adjacent Communities Plan.

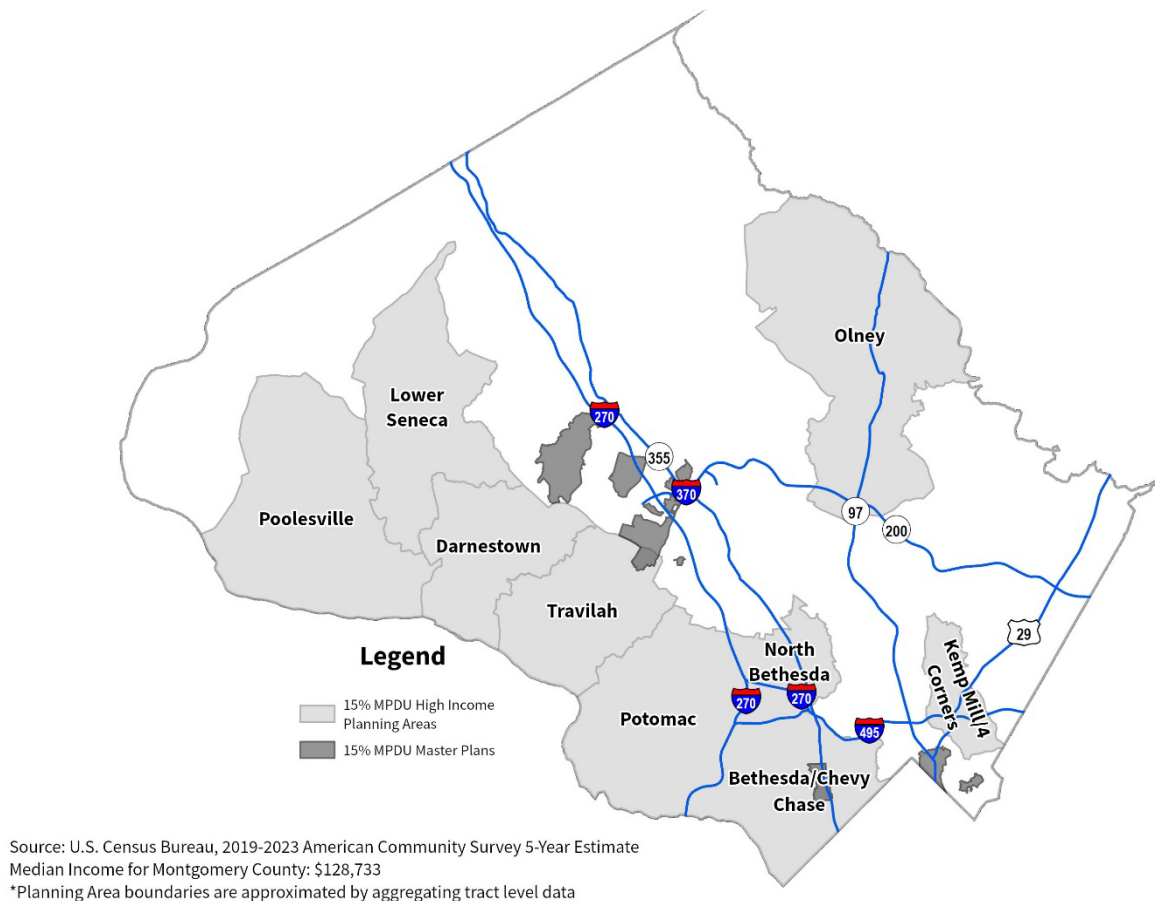


Figure 1 2025 15% MPDU Requirement Designation

The Planning Board asked staff whether the 15% MPDU requirement is working, whether the county is getting the housing needed, and if anything about the requirement needs to change. These questions came about as the Board observed a limited number of MPDUs produced in the 15% High-Income Planning Areas since 2018, and specifically only in the North Bethesda area. The MPDU program provides value in potentially creating opportunities for more low-and-moderate income households to access more advantaged neighborhoods. In particular, the 15% High-Income Planning Area requirement attempts to capitalize on the program's value as a tool of economic integration by increasing the MPDU requirement in higher income Planning Areas. However, this component of the program may not be producing additional units. In addition, newly added areas like Kemp Mill/Four Corners and Olney have not seen any substantial housing growth but are becoming higher income because of the supply-constrained for-sale market and the increased sales price of single-family detached units.

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Although there are many factors that contribute to the demand and supply of new housing that triggers MPDUs throughout the county, including tax benefits, financial incentives, zoning, etc., the Planning Board suggests it may be an appropriate time to review the current MPDU program to determine if changes are warranted to increase overall housing production and in turn more MPDUs.

Additionally, Montgomery Planning Staff recommends the County Council consider changing the date of designation from January to July to better align with the release of 5-year American Community Survey data.

We welcome any questions from the County Council regarding the 15% MPDU designation for 2025 and appreciate the ability to comment on this important matter.

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, January 23, 2025.



Artie L. Harris

Chair

CC: Pamela Dunn, Senior Legislative Analyst

Naeem Mia, Legislative Analyst

Attachments:

A - Planning Board Staff Packet