GO/PHED Item 2
September 16, 2019
Worksession

MEMORANDUM

September 11, 2019

TO: Government Operations and Fiscal Policy Committee
Planning, Housing and Economic Development Committee

FROM: Robert H. Drummer, Senior Legislative Attorney

SUBJECT: Bill 5-19, Development Impact Tax for Transportation and Public School Improvements – Exemptions - Amendments

PURPOSE: Worksession – Committee to make recommendations on Bill

Expected attendees:
Tim Goetzinger, Acting Director of Department of Housing and Community Affairs
Casey Anderson, Planning Board Chair
Lisa Govoni, Planning Board staff

Bill 5-19, Development Impact Tax for Transportation and Public School Improvements – Exemptions - Amendments, sponsored by Lead Sponsor Councilmember Riemer, was introduced on March 5, 2019. Four speakers testified at the public hearing on March 26.[1]

Bill 5-19 would amend the exemptions from the development impact tax for transportation and public school improvements for certain dwelling units. It would modify the impact tax exemption for all units in a development where at least 25% of the dwelling units are built under certain government regulations or agreements.

Background

The current law exempts a dwelling unit that is a moderately priced dwelling unit (MPDU), a dwelling unit built under a government regulation that limits the price or rent so that it is affordable to households earning less than 60% of the area median income, a personal living quarter with a price that meets the MPDU price standards, and a dwelling unit in an Opportunity Housing Project that meets the MPDU price standard. These exemptions provide a financial incentive for a developer to build an affordable dwelling unit. The current law also exempts all market priced dwelling units in a development if at least 25% of the units are in one of the exempt categories listed above.

[1]#MoCoAffordableHousing
Other search terms: moderately priced housing, MPDU and development impact tax

Although each of the listed exempt categories produce an affordable dwelling unit, only an MPDU built under Chapter 25 would continue the price controls for 99 years. For example, the price restrictions for a Tax Credit unit serving people at 50% to 60% of area median income expire after 15 years but can be extended to 40 years. Once the restrictions expire, the dwelling unit may be rented at a market rate. The value of the benefit to the developer is increased significantly if affordability is only restricted to 15 or 40 years, compared to the 99-year MPDU agreement. Conversely, the value of the benefit to the County is significantly decreased if the affordability restriction expires in only 15 to 20 years instead of 99 years. Bill 5-19 would limit this exemption for market rate units to a development with at least 25% MPDUs.

Public Hearing

Tim Goetzinger, Acting DHCA Director, speaking on behalf of the Executive, supported the Bill, but raised some concerns with the general policy behind this impact tax exemption (©14). Planning Board Chair Casey Anderson supported the Bill (©15-18). HOC Executive Director Stacy Spann also supported the intent of the Bill but expressed concern that it was too broad (©19-21). Melissa McKenna generally supported limiting the exemptions from the school impact tax but expressed a desire to limit other exemptions from the impact tax (©22). William Kominers submitted written testimony requesting amendments that would grandfather any project that have been approved, submitted for approval, or not yet submitted but relying on this tax exemption (©23-25).

Issues

1. What is the fiscal and economic impact of the Bill?

The Bill would limit the impact tax exemption for market rate units to a project with 25% MPDUs instead of 25% of all types of affordable units. OMB was unable to estimate the increased impact tax revenue resulting from the Bill because they could not estimate the number of projects that elect to build under the 25% waiver provision after the Bill takes effect (©6-13). OMB did provide a hypothetical example of the amount of additional revenue that might result from the Bill for that project. The CY 2018 Impact Tax Revenue Report shows the amount of impact tax revenue lost in CY 2018 due to the different impact tax exemptions (©26-35).

Finance was unable to reliably estimate the effect of the Bill on the County's economy. Although the Bill might prevent some projects from going forward, a developer could still obtain the impact tax exemption by placing the tax credit units into the MPDU program.

In summary, the Bill might increase some impact tax revenue, or it might simply increase the time the units are subject to price controls.

2. Should the Bill be amended to eliminate the tax exemption for market rate units that receive non-County tax incentives?

Acting DHCA Director Goetzinger recommended amending the Bill to eliminate the impact tax exemption for market rate units in any project that receives tax incentives from non-County sources (©14). Mr. Goetzinger argued that tax credit units under the Federal program are already receiving a publicly subsidized incentive and may not need the additional County impact tax incentive to go forward. Mr. Goetzinger further questioned the general policy of exempting market rate units in a project with 25% affordable units.

These are interesting questions that go well beyond the scope of this Bill. The Planning Board staff report attached to Chair Anderson's testimony recommends that the Planning Board staff analyze the value of all impact tax exemptions as part of the upcoming update to the Subdivision Staging Policy (SSP) that must be submitted to the Council in the summer of 2020 (©16-18). This analysis may include other possible modifications, such as limiting the amount of an exemption based on the location of the project in order to maximize the value of additional MPDUs. We have not received any analysis or specific recommendations from the Executive or the Planning Board on these issues. Consequently, Council staff is not ready to make recommendations on the value of these policies.

3. Should the Bill contain a transition clause that would grandfather any project that is in the development pipeline?

William Kominers, an attorney with LerchEarlyBrewer, recommended a transition clause that would grandfather any project that is in the development pipeline, including a project that has not yet applied to the Planning Board but is relying on the current exemption (©23-25). The Bill, as introduced, would apply the changes to "any development impact tax that would be due or is paid after this Act takes effect." The Act would take effect 90 days after it is enacted.

Mr. Kominers argues that it would be unfair to apply this change to a project that has been already approved, submitted for approval, or not yet applied for but relying on the current exemption. This argument loses much of its steam because an applicant can continue to receive the exemption for all market rate units by simply placing all affordable units into the County MPDU program. The greatest adversity would be felt by a project that has already received Planning Board approval. A project still in the review process can make the necessary changes to retain the market rate unit tax exemption. Although the Bill would take effect 90 days after it becomes law, the Bill was introduced on March 5, 2019.

Planning Board staff prepared a table showing each project that has requested an impact tax waiver under the 25% rule to date. See the Tax Waiver Project Table at ©36. There are 6 projects using the 25% tax waiver who have received a building permit. Three of the 6 projects are qualifying with affordable units that are not under the MPDU program. There are 7 projects with Planning Board approval using the 25% tax waiver, but only 1 of the projects is qualifying with affordable units outside the MPDU program. Finally, 4 projects have applied for Planning Board approval under the 25% tax waiver, but none of them are using affordable units outside the MPDU program. Therefore, a transition clause that grandfathers projects that have received Planning Board approval would cover all tax waiver projects qualifying with affordable units outside the MDPU program.

Council staff recommendation: amend the transition clause to apply to all developments that receive final approval from the Planning Board after the Act takes effect.

Amend lines 57-58 as follows:

The amendments made in Section 1 must apply to any development [[impact tax that would be due or is paid]] that receives site plan approval from the Planning Board after this Act takes effect.

4. Should the exemption be expanded to include a project that has less than 25% MPDU units but has MPDUs using at least 25% of the residential floor area for the project?

Bill 38-17, Housing – Moderately Priced Dwelling Units (MPDUs) – Requirement to Build, enacted on July 24, 2018 and signed into law on August 1, 2018, authorized DHCA to permit certain projects where a density bonus is permitted under Chapter 59 to meet the MPDU requirement based on the percent of residential floor area rather than percent of units. Since the 25% tax waiver provision is based solely on percent of units, should the 25% tax waiver provision also permit eligibility to be based on the percent of residential floor area also. It must be noted that eligibility to use residential floor area instead of percent of units is only authorized for certain types of projects and requires an agreement with DHCA. Adding this option to the 25% tax waiver provision would place DHCA in the position of deciding whether to grant an exemption. A DHCA denial may require a right to a hearing or authorize an appeal to the Maryland Tax Court.

This issue was only raised recently, and to date, we do not have a position on this from the Executive. As described above, DHCA questioned the utility of exempting market rate units under the 25% tax waiver provision in its testimony on this Bill.

5. Should the Bill be enacted?

Bill 5-19 is a narrow pull back of the impact tax exemption for 25% affordable units in a project. It would increase the years of price control for the affordable units. In order to qualify for this County impact tax exemption, the project would have to place 25% of its units into the County's MPDU program. Although Federal tax credit units are currently under price control for up to 40 years, the County has no control over changes that may occur in the Federal program. **Council staff recommendation:** approve the Bill with an amended transition clause.

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Bill No. 5-19
Concerning: Development Impact Tax for Transportation and Public School Improvements – Exemptions - Amendments
Revised: February 27, 2019 Draft No. 3
Introduced: March 5, 2019
Expires: September 5, 2020
Enacted:
Executive:
Effective:
Sunset Date: None
Ch. _____, Laws of Mont. Co. ________

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Councilmember Riemer

AN ACT to:

(1) amend the exemptions from the development impact tax for transportation and public school improvements for certain dwelling units;
(2) amend the impact tax exemption for all units in a development where at least 25% of the dwelling units are built under certain government regulations or agreements; and
(3) generally amend the law governing the development impact tax.

By amending
Montgomery County Code
Chapter 52, Taxation
Sections 52-41 and 52-54

Boldface	*Heading or defined term.*
Underlining	*Added to existing law by original bill.*
[Single boldface brackets**]**	*Deleted from existing law by original bill.*
Double underlining	*Added by amendment.*
[[Double boldface brackets**]]**	*Deleted from existing law or the bill by amendment.*
* * *	*Existing law unaffected by bill.*

The County Council for Montgomery County, Maryland approves the following Act:

Sec. 1. Sections 52-41 and 52-54 are amended as follows:

52-41. Imposition and applicability of development impact taxes.

* * *

(g) A development impact tax must not be imposed on:

(1) any Moderately Priced Dwelling Unit built under Chapter 25A or any similar program enacted by either Gaithersburg or Rockville[,];

(2) any other dwelling unit built under a government regulation or binding agreement that limits for at least 15 years the price or rent charged for the unit in order to make the unit affordable to households earning less than 60% of the area median income, adjusted for family size;

(3) any Personal Living Quarters unit built under [Sec. 59-A-6.15] Section 59-3.3.2.D, which meets the price or rent eligibility standards for a moderately priced dwelling unit under Chapter 25A;

(4) any dwelling unit in an Opportunity Housing Project built under Sections 56-28 through 56-32, which meets the price or rent eligibility standards for a moderately priced dwelling unit under Chapter 25A;

(5) any non-exempt dwelling unit in a development in which at least 25% of the dwelling units are exempt under paragraph (1) [, (2), (3), or (4), or any combination of them];

(6) any development located in an enterprise zone designated by the State or in an area previously designated as an enterprise zone;

(7) a house built by high school students under a program operated by the Montgomery County Board of Education; and

(8) a farm tenant dwelling.

* * *

52-54. Imposition and applicability of tax.

* * *

(c) The tax under this Article must not be imposed on:

(1) any Moderately Priced Dwelling Unit built under Chapter 25A or any similar program enacted by either Gaithersburg or Rockville[,];

(2) any other dwelling unit built under a government regulation or binding agreement that limits for at least 15 years the price or rent charged for the unit in order to make the unit affordable to households earning equal to or less than 60% of the area median income, adjusted for family size;

(3) any Personal Living Quarters unit built under Section 59-3.3.2.D, which meets the price or rent eligibility standards for a moderately priced dwelling unit under Chapter 25A;

(4) any dwelling unit in an Opportunity Housing Project built under Sections 56-28 through 56-32, which meets the price or rent eligibility standards for a moderately priced dwelling unit under Chapter 25A;

(5) any non-exempt dwelling unit in a development in which at least 25% of the dwelling units are exempt under paragraph (1) [, (2), (3), or (4), or any combination of them];

(6) any development located in an enterprise zone designated by the State or in an area previously designated as an enterprise zone; or

(7) a house built by high school students under a program operated by the Montgomery County Board of Education.

* * *

Sec. 2. Transition.

The amendments made in Section 1 must apply to any development impact tax that would be due or is paid after this Act takes effect.

Approved:

Nancy Navarro, President, County Council | Date

Approved:

Marc Elrich, County Executive | Date

This is a correct copy of Council action.

Megan Davey Limarzi, Esq., Clerk of the Council | Date

LEGISLATIVE REQUEST REPORT

Bill 5-19

Development Impact Tax for Transportation and Public School Improvements – Exemptions - Amendments

DESCRIPTION:	Bill 5-19 would amend the exemptions from the development impact tax for transportation and public school improvements for certain dwelling units. It would modify the impact tax exemption for all units in a development where at least 25% of the dwelling units are built under certain government regulations or agreements.
PROBLEM:	The current law exempts market rate dwelling units from the impact tax in situations where the affordable units are not price controlled for a long time.
GOALS AND OBJECTIVES:	To limit the exemption of market rate dwelling units to situations where at least 25% of the units in a development are MPDUs with a long price restriction.
COORDINATION:	DHCA, County Attorney
FISCAL IMPACT:	To be provided
ECONOMIC IMPACT:	To be provided
EVALUATION:	To be provided
EXPERIENCE ELSEWHERE:	Unknown
SOURCE OF INFORMATION:	Robert H. Drummer, Senior Legislative Attorney
APPLICATION WITHIN MUNICIPALITIES:	N/A
PENALTIES:	N/A

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ROCKVILLE, MARYLAND

MEMORANDUM

March 25, 2019

TO: Nancy Navarro, President, County Council

FROM: Richard S. Madaleno, Director, Office of Management and Budget
Alexandre A. Espinosa, Director, Department of Finance

SUBJECT: Economic and Fiscal Impact Statement for Bill 5-19, Development Impact Tax for Transportation and Public-School Improvements Exemptions - Amendments

Please find attached the Economic and Fiscal Impact Statement for Bill 5-19, Development Impact Tax for Transportation and Public-School Improvements Exemptions - Amendments

RSM:cm

cc: Andrew Kleine, Chief Administrative Officer
Debbie Spielberg, Special Assistant to the County Executive
Dale Tibbitts, Special Assistant to the County Executive
Lisa Austin, Office of the County Executive
Fariba Kassiri, Deputy Chief Administrative Officer
Ohene Gyapong, Acting Director, Public Information Office
David Platt, Department of Finance
Dennis Hetman, Department of Finance
Monika Coble, Office of Management and Budget
Naeem Mia, Office of Management and Budget
Chrissy Mireles, Office of Management and Budget
Pofen Salem, Office of Management and Budget

Fiscal Impact Statement
Bill 5-19 - Development Impact Tax for Transportation and Public-School Improvements - Exemptions - Amendments

1. **Legislative Summary**

   Bill 5-19 makes several changes to which types of housing units are exempt from certain impact taxes. Specifically, this bill continues to provide a full impact tax exemption for projects with at where at least 25 percent of the units are Moderately-Priced Dwelling Units (MPDUs)[1] and removes certain projects with other affordable housing units (such as Low-Income Housing Tax Credit (LIHTC) projects, which have a rent-control period of at least 15 years) that were previously eligible for the full impact tax exemption.

2. **An estimate of changes in County revenues and expenditures regardless of whether the revenues or expenditures are assumed in the recommended or approved budget. Includes source of information, assumptions, and methodologies used.**

   Although Bill 5-19 as currently drafted has the potential to impact (absent any grandfather clause) projects that have recently signed agreements with the County to move forward or are in the pipeline, recently approved and pipeline projects that would be affected by Bill 5-19 have either already closed or will be closing before the bill is likely to take effect.

   The below analysis is based on some examples of typical projects that include other affordable units, and how the impact taxes paid by these projects would be changed by Bill 5-19. More detail on the assumptions for these projects are in Attachment 1.

   Analysis:

   - Based on the examples provided in Attachment 1, the four example projects would provide a total of 345 housing units, of which 60 are MPDUs and 195 are other affordable units.[2] The remaining 90 units are provided at market rates.
   - Three of the four projects are age-restricted/senior housing and are currently exempted from the school impact tax. These projects would continue to be exempt under Bill 5-19.
   - Unit types vary among townhouses and both low-rise and high-rise multi-family.
   - Under current law, the 90 market-rate units would be exempt from paying *all* impact taxes, since the total percentage of *both* MPDU and other affordable units range from 50 percent to 83.3 percent (above the 25 percent requirement to waive all impact taxes), depending on the project.
   - When excluding non-MPDUs, the percentage of MPDU units for each project ranges from 12.5 percent to 16.7 percent.
   - Under this bill, all 90 market-rate units would incur the impact tax as the percentage of MPDUs are not currently sufficient to trigger the impact tax exemption under

[1] MPDU rental units are restricted by covenants in order to maintain affordable status for a 99-year period.
[2] "Other affordable" means units that are affordable to households up to 60% AMI that do not have 99-year MPDU covenants.

current law. Both MPDUs and other affordable units would continue to be exempt from impact taxes.

- At full-build out of each development, the total impact tax revenue that might be potentially realized by the County is approximately **$696,225.**[3]
- The County would not incur any expenditures as a result of this bill.

3. **Revenue and expenditure estimates covering at least the next 6 fiscal years.**

   The change in impact tax revenues resulting from this bill is difficult to project. Impact tax revenues would vary depending on the number of developers that elect to build under the 25% waiver. Therefore, the amount of additional revenue generated by this bill for the next six years cannot be reliability estimated at this time.

4. **An actuarial analysis through the entire amortization period for each bill that would affect retiree pension or group insurance costs.**

   Not applicable.

5. **An estimate of expenditures related to County's information technology (IT) systems, including Enterprise Resource Planning (ERP) systems.**

   Not applicable. This bill is not expected to impact the County's IT or ERP systems.

6. **Later actions that may affect future revenue and expenditures if the bill authorizes future spending.**

   Not applicable.

7. **An estimate of the staff time needed to implement the bill.**

   Not applicable. No additional staff time is needed to implement Bill 5-19.

8. **An explanation of how the addition of new staff responsibilities would affect other duties.**

   Not applicable.

9. **An estimate of costs when an additional appropriation is needed.**

   Not applicable. No additional appropriation is needed.

10. **A description of any variable that could affect revenue and cost estimates.**

    Market conditions dictate whether projects will be sold as condominium or offered as rentals and it is difficult to predict future shifts in market demand. If expected

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[3] Impact tax revenues are calculated on current transportation and schools impact tax rates, effective February 15, 2018; see: https://www.montgomerycountymd.gov/DPS/Resources/Files/RCI/ImpactTaxesHandout2018.pdf

development in different plan areas changes from rental to fee simple sales, fewer projects would be affected by this bill.

11. Ranges of revenue or expenditures that are uncertain or difficult to project.

Impact taxes are generally difficult to project due to market volatility or other conditions which can impact the timing and scope of individual projects. In addition, it is difficult to estimate how many developers may utilize the 25 percent MPDU impact tax waiver as each project's cost/benefit analysis is not known to the County.

12. If a bill is likely to have no fiscal impact, why that is the case.

Not applicable.

13. Other fiscal impacts or comments.

Bill 5-19 restricts the full impact tax waiver benefit to projects with 25 percent of the units designated as MPDUs with 99-year restrictions. Other types of affordable units that do not have MPDU covenants would no longer count towards the 25 percent minimum needed to qualify a project for the full impact tax waiver.

However, projects with affordable units financed by Federal, State or local programs also have an MPDU requirement, usually 12.5 percent to 15 percent of the total units but may be higher. In order to satisfy the project's MPDU requirement, MPDU covenants are recorded on the required percentage of units to extend their affordability to a full 99 years. The terms of the other affordable housing program apply during the compliance period for those units, and the MPDU requirements apply for the balance of the 99-year period, thus classifying the unit as an MPDU for purposes of the full impact tax waiver.

As a result, developers receive benefits from both County and non-County incentive programs on the same units. These units are already receiving a substantial public subsidy that is likely sufficient to move the project forward absent the full impact tax waiver.

Therefore, DHCA recommends amending Bill 5-19 to clarify that only MPDUs that are *not* created under any other affordable housing program will qualify for the full impact tax waiver.

14. The following contributed to and concurred with this analysis:

Tim Goetzinger, Department of Housing and Community Affairs

Stephanie Killian, Department of Housing and Community Affairs

Lisa Schwartz, Department of Housing and Community Affairs

Pofen Salem, Office of Management and Budget

Naeem Mia, Office of Management and Budget

Richard Madaleno

Richard S. Madaleno, Jr., Director
Office of Management and Budget

3/25/19
Date

Developments With MPDUs and Other Affordable Units - Potential Effects of Bill 5-19

Example Projects	Policy Zone	Total Units	# of Market-Rate Units	# of MPDUs (99-year covenants)	% of MPDUs	# of Other Affordable Units[1]	% of Other Affordable Units	% of total MPDU and Other Affordable Units	Impact Taxes (on market-rate units) paid under current law	Impact Taxes paid if Bill 5-19 is adopted (est.)
1. Senior Rental Project	Yellow	120	60	15	12.5	45	37.5	50.0	$0	$241,020
2. Senior Rental Project	Green	65	5	10	15.4	50	76.9	92.3	$0	$20,085
3. Mixed Sale and Rental Project	Orange	70	10	10	14.3	50	71.4	85.7	$0	$386,910
4. Senior Rental	Orange	90	15	25	16.7	50	55.6	83.3	$0	$48,210
TOTAL:		345	90	60		195				$696,225

Footnotes:

[1] "Other Affordable" means units that are affordable to households up to 60% AMI that do not have 99-year MPDU covenants. The MPDUs in developments with Other Affordable units are also affordable to households up to 60% AMI during the compliance period for the other affordable housing program. If that compliance period expires in less than 99 years, the MPDU covenants govern for the remainder of the 99 year period.

(10)

Economic Impact Statement
Bill 5-19, Development Impact Tax for Transportation and Public School Improvements
Exemptions – Amendments

Background:

Bill 5-19 would:

(1) amend the exemptions from the development impact tax for transportation and public school improvements for certain dwelling units;
(2) amend the impact tax exemption for all units in a development where at least 25% of the dwelling units are built under certain government regulations or agreements; and
(3) generally amend the law governing the development impact tax.

Specifically, the bill continues to provide a full impact tax exemption for projects with at least 25 percent moderately priced dwelling units (MPDUs) which are restricted at 99 years for rental MPDUs and 30 years for sale MPDUs and removes certain other project types that were previously eligible for full impact tax exemptions. It would modify the impact tax exemption for all units in a development where at least 25 percent of the dwelling units are built under certain government regulations or agreements.

1. The sources of information, assumptions, and methodologies used.

- Department of Housing and Community Affairs (DHCA) pipeline data 3/20/19

Under current law, every project that includes at least 25 percent MPDUs or certain other type of affordable units qualifies for a full impact tax waiver including:

1.) a dwelling unit built under a government regulation that limits the price or rent so that it is affordable to households earning less than the 60 percent of area median income for at least 15 years,
2.) personal living quarters with a price that meets the MPDU price or rent standard or,
3.) a dwelling unit in an Opportunity Housing Project that meets the MPDU price or rent standard.

Bill 5-19 would restrict the full impact tax waiver benefit to projects with at least 25% MPDUs, with other types of affordable units still qualifying individually for the impact tax waiver. Other types of affordable units, such as tax credit units, generally have a shorter control period than MPDUs. Rental MPDUs have a 99-year control period, whereas tax credit units are controlled for 30 to 40 years with an initial 15-year compliance period and a 15 to 25-year extended use period. Once the restrictions expire, the dwelling unit may be rented at the market rate.

For a project to meet its MPDU requirement, the applicant must agree to record 99-year MPDU rental covenants (or 30-year sales covenants, for a sale project) on the percentage of units required by zoning that is usually 12.5% to 15% but may be higher. When MPDU rental covenants are recorded on tax-credit units, language is added to the covenants stating that the requirements of the other affordable housing program govern the program's compliance during that period. The MPDU covenants become effective for the balance of the 99 years when the compliance period expires, enabling tax credit units that have 99-year MPDU covenants to effectively be considered as MPDUs.

2. A description of any variable that could affect the economic impact estimates.

As noted in the fiscal impact statement, Bill 5-19 has the potential to affect recently approved or pipeline projects that have at least 25% tax credit or other affordable units but also have an MPDU requirement that is less than 25%. The bill does not include any grandfathering provisions. Most recently approved and pipeline projects that would be affected by Bill 5-19 have either already closed or will be closing before the bill is likely to take effect. Following are some examples of typical projects that include other affordable units, and how the impact taxes paid by these projects would be changed by Bill 5-19:

Developments With MPDUs and Other Affordable Units - Potential Effects of Bill 5-19

	Policy Zone	Total Units	# of Market-Rate Units	# of MPDUs (99-year covenants)	% of MPDUs	# of Other Affordable Units[1]	% of Other Affordable Units	% of total MPDU and Other Affordable Units	Impact Taxes (on market-rate units) paid under current law	Impact Taxes paid if Bill 5-19 is adopted est.
Example Projects										
1. Senior Rental Project	Yellow	120	60	15	12.5%	45	37.5%	50.0%	$0	$241,020
2. Senior Rental Project	Green	65	5	10	15.4%	50	76.9%	92.3%	$0	$20,085
3. Mixed Sale and Rental Project	Orange	70	10	10	14.3%	50	71.4%	85.7%	$0	$386,910
4. Senior Rental	Orange	90	15	25	16.7%	50	55.6%	83.3%	$0	$48,210
TOTAL:		345	90	60		195				$696,225

Footnotes:
[1] "Other Affordable" means units that are affordable to households up to 60% AMI that do not have 99-year MPDU covenants. The MPDUs in developments with Other Affordable units are also affordable to households up to 60% AMI during the compliance period for the other affordable housing program. If that compliance period expires in less than 99 years, the MPDU covenants govern for the remainder of the 99 year period.

The total estimate of additional impact taxes paid by these example projects would be $696,225. Three of the four examples have age-restrictions that qualify for an exemption from school impact taxes and lower transportation impact taxes in any case. The primary variables affecting economic impact and future impact tax estimates beyond the current pipeline would vary depending on the number of developers that elect to build under this waiver. Additionally, the market dictates whether projects will be condominiums or rentals and it is difficult to predict what future shifts will occur. If expected development in different plan areas changes from rental to fee simple sales, fewer projects would be affected by this legislation.

3. The Bill's positive or negative effect, if any on employment, spending, savings, investment, incomes, and property values in the County.

The value of the benefit to the developer is increased significantly if affordability is restricted to only 15 to 40 years compared to the 99-year agreement and the value of the benefit to the County is significantly decreased if the affordability restriction expires in only 15 to 40 years instead of 99 years. Beyond the examples provided, a quantified value of this benefit and its corresponding impact on employment, spending, savings, investment, incomes, and property values in the County cannot be formulated with specificity given a lack of data enumerating the number of future projects that will ultimately elect to build under the waiver as revised by this legislation.

It is anticipated that developers of projects with other affordable units will calculate the net present value of the difference in impact taxes owed in dollars at the time of permit issuance versus the decreased profitability on future rents required to be affordable for now 99 years as opposed to the previous 15 to 40. While some future projects may find net cost savings in paid impact taxes to be greater than the total future value of foregone rents for maintained affordability over the additional units for 99 years, this calculation will vary significantly according to the respective development project.

Collectively, the net impact of the proposed legislation is difficult to quantify with specificity given the Bill would still allow a developer of a future project that is required to provide at least 25% MPDUs to designate tax credit units for all of the MPDUs, place 99-year covenants on those tax credit units, and obtain a full impact tax waiver for the entire development, even if the development is a multi-phase project that also includes high-end market units. If the tax credit or other affordable units did not qualify for the full impact tax exemption even if these units have 99-year MPDU covenants, the expected increase in impact taxes to the County would be greater. As written, DHCA anticipates that the legislation will have a marginal effect on the collection of impact taxes as developers would still be allowed to have tax-credit and other affordable units that have 99-year MPDU covenants to continue to qualify as MPDUs for the purpose of obtaining a full impact tax waiver. In addition, developers of tax-credit or other affordable housing would still be able to partner with for-profit developers and obtain a full impact tax waiver.

4. If a Bill is likely to have no economic impact, why is that the case?

See number 3.

5. The following contributed to or concurred with this analysis:

Tim Goetzinger and Lisa Schwartz, DHCA
David Platt and Dennis Hetman, Finance.

Alexandre A. Espinosa, Director
Department of Finance

3/22/2019
Date

STATEMENT ON BILL 5-19, DEVELOPMENT IMPACT TAX FOR TRANSPORTATION AND PUBLIC SCHOOL IMPROVEMENTS – EXEMPTIONS – AMENDMENTS

March 26, 2019

Good afternoon, Council President and Councilmembers. My name is Tim Goetzinger and I am Acting Director of the Department of Housing and Community Affairs. I am pleased to appear before you on behalf of the County Executive in support of Bill 5-19, which amends Chapter 52 – Taxation of the Montgomery County Code. However, we would like to raise several concerns about the general policy.

The purpose of Bill 5-19 is to restrict the benefit of a full impact tax waiver to projects in which at least 25% of the units are MPDUs with 99-year controls, which is an important improvement. However, because publicly-subsidized units may also be MPDUs with 99-year controls, the full impact tax waiver should only go to projects that are not receiving other public subsidies.

Additionally, the overall policy of exempting an entire new development from all impact taxes in exchange for 25% MPDUs is of concern because of the trade-off. Too much money designated for needed infrastructure for schools and transportation is sacrificed for a marginal addition of affordable housing. That additional housing comes at a significantly higher price than it would have under the scenario with 15% MPDUs and impact taxes paid on the remaining 85% of the units. In the end the full cost of infrastructure is passed on to the County and the taxpayers, and the cost per additional affordable unit is higher than it should be.

We would welcome the opportunity to further discuss this issue with you, and we look forward to working with the Council on this legislation. Thank you and I will be happy to answer any questions you may have.

Montgomery County Planning Board
The Maryland-National Capital Park and Planning Commission

Office of the Chair

March 25, 2019

TO: The County Council for Montgomery County, Maryland

FROM: Montgomery County Planning Board

SUBJECT: Bill 5-19

BOARD RECOMMENDATION

The Montgomery County Planning Board of The Maryland–National Capital Park and Planning Commission reviewed Bill No. 5-19 at its regular meeting on March 21, 2019. By a vote of 4:0, (Commissioner Dreyfuss absent from the hearing) the Planning Board provides the following comment on the bill to amend the exemptions from the development impact tax for transportation and public school improvements.

- **The Planning Board supports the amendment proposed in Bill 5-19 to require that only Moderately Priced Dwelling Units built under Chapter 25A (or any similar program enacted by either Gaithersburg or Rockville) can qualify a development for exemption under Sections 52-41(g)(5) and 52-54(c)(5).**

Under the current Code (Section 52-41(g)(5) for the transportation impact tax and Section 52-54(c)(5) for the school impact tax), all dwelling units in a development are exempt from impact taxes when 25 percent or more of the units in the development qualify for an impact tax exemption as affordable units built under certain government regulations or agreements. The proposed amendment requires that a project specifically include 25 percent Moderately Priced Dwelling Units (MPDUs) to receive this impact tax exemption. The exemption would continue to apply to all units in the development.

Development projects that currently qualify for the exemption by building other affordable housing units (including tax credit units) could continue to qualify by entering the affordable units in the MPDU program. Ultimately, the benefit of this amendment is that all units built to meet the 25 percent exemption threshold would need to be entered into the MPDU program, thus ensuring a 99-year control period for more units.

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 Silver Spring, Maryland, on Thursday, March 21, 2019.

Casey Anderson
Chair

CA:JS:aj

8787 Georgia Avenue, Silver Spring, Maryland 20910 Chairman's Office: 301.495.4605 Fax: 301.495.1320
www.montgomeryplanningboard.org E-Mail: mcp-chair@mncppc.org

MCPB
Item No. 4
Date: 03/21/2019

Bill 5-19, Development Impact Tax for Transportation and Public School Improvements – Exemptions - Amendments

lmg Lisa Govoni, Planner Coordinator, Research and Special Projects, lisa.govoni@montgomeryplanning.org, 301-650-5624

JS Jason Sartori, Acting Chief, Functional Planning and Policy, jason.sartori@montgomeryplanning.org, 301-495-2172

Completed:03/14/2019

Description

Bill 5-19 – Development Impact Tax for Transportation and Public School Improvements – Exemptions – Amendments would amend the exemptions from the development impact tax for transportation and public school improvements for certain dwelling units. It would modify the impact tax exemption for all units in a development where at least 25% of the dwelling units are built under certain government regulations or agreements.

Summary

Staff recommends transmitting comments to the County Council in support of Bill 5-19. The bill is not likely to have a major impact on the number of development projects that qualify for the impact tax exemption but will likely increase the number of affordable housing units included in the County's Moderately Price Dwelling Unit program.

Background/Analysis

On February 3, 2015 Councilmember Nancy Floreen introduced Bill 8-15, which would exempt the market-rate rental dwelling units in any development that consists of at least 25% affordable housing units from the transportation and school development impact taxes. Affordable units were defined as MPDUs, and other units if the rent was affordable to households earning less than 60% of the area median income, adjusted for family size for a minimum 15-year term.

There are generally two programs that create affordable units in Montgomery County, the Moderately Priced Dwelling Unit (MPDU) and the Low-Income Housing Tax Credit (LIHTC or Tax Credit). These programs vary in how they're administered, Area Median Income (AMI)[1] served, and control period.

[1] In 2018, the Area Median Income for a household of four is $117,200.

Affordable 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% of units in new developments greater than 20 units; rental or for-sale units	65%-70% 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	Most have tiered income limits serving households 60% AMI and below	In Maryland[2], 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).[3]

Bill 8-15 was signed into law on July 23, 2015 and was effective October 22, 2015.

Bill 36-17E was introduced by Councilmember Nancy Floreen on October 31, 2017 to amend the impact tax exemption so that previously approved projects that amend their plan to include additional dwelling units that meet the 25% exemption threshold would be allowed to take advantage of the exemption. Bill 36-17E was signed into law on February 15, 2018.

Councilmember Hans Riemer introduced Bill 5-19 on March 5, 2019. Bill 5-19 clarifies that to receive the impact tax exemption, a project must provide at least 25% MPDUs. The law, as introduced, does not preclude LIHTC projects from receiving the exemption, but in order to receive the exemption, the tax credit units must be placed in the MPDU program. The effect is to produce more units with a longer control period.

Since Bill 8-15 was passed, there have been five projects that have taken advantage of the impact tax exemption. Two are senior housing projects with a high percentage of affordable housing – one in Fairland (Willow Manor at Fairland) with 50 percent affordable units and one in Damascus (Victory Haven) providing 94 percent affordable units. Both projects had affordable units outside of MPDUs. Three projects qualified by providing 25 percent MPDUs, including a multi-family development in Clarksburg (Cabin Branch Multi-family), one in Germantown (Century) and one in the Olney area (Bradford's Landing). Together, these projects add 379 regulated affordable units to the County's housing stock.

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

[3] The credits are subject to "recapture" if the project fails to comply with the requirements of Section 42 of the Tax Code during the 15-year compliance period. State housing agencies still monitor compliance for LIHTC properties during the extended use period, however, noncompliance during the extended use period is not reported to the IRS and will generally not trigger LIHTC recapture.

There are also several projects in the pipeline that have either signaled their intent to use the waiver or are able to use their waiver given their higher percentage of affordable units. This includes three in Silver Spring, two in Bethesda, one in White Oak, one in Clarksburg and one in Kensington.

Of the thirteen projects that have either received the exemption or are eligible for it, five met the 25% threshold by including affordable units outside of the MPDU program.

Staff Recommendations

- **Staff recommends transmitting comments to the County Council in support of Bill 5-19.** The amendment is not likely to have an impact on the number of projects that qualify for the exemption since projects that would currently qualify using tax credit units could continue to qualify by entering the tax credit units in the MPDU program. No other affordable housing options (including "workforce housing") would qualify a project for this exemption under the law.

  Ultimately, the benefit of this amendment is that any tax credit units built to meet the 25% exemption threshold would need to be entered into the MPDU program, thus ensuring the longer, 99-year control period for the rental units.

- There are some who have questioned the value of this and other impact tax exemptions, and their effects on impact tax revenues relative to the costs of other efforts to incentivize or directly create more affordable housing. This bill does not address those concerns. Preliminary staff analysis suggests that the cost of the exemption varies by project, depending on the mix of unit types and location in the county. **Staff recommends that a more thorough analysis of these exemptions and their effects on impact tax revenue and, in the case of school impact taxes, the net capture rate of the cost of a student seat, be conducted and presented to the Board as part of the upcoming update to the Subdivision Staging Policy (SSP).** Impact tax policy recommendations resulting from the analysis can be transmitted to the County Council along with recommended revisions to the SSP in summer 2020.

Attachment: Bill 5-19 as introduced by Councilmember Hans Riemer on March 5, 2019. (https://www.montgomerycountymd.gov/council/Resources/Files/agenda/col/2019/20190305/20190305_4B.pdf)

Housing Opportunities Commission
OF MONTGOMERY COUNTY

10400 Detrick Avenue
Kensington, MD 20895-2484
(240) 627-9400

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March 26, 2019

The Honorable Nancy Navarro
President, Montgomery County Council
Montgomery County Council
100 Maryland Ave
Rockville, MD 20850

Dear Council President Navarro:

On behalf of the Housing Opportunities Commission of Montgomery County (HOC), thank you for the opportunity to affirm the HOC's general support of the intent of as well as concerns related to Bill 5-19 – Development Impact Tax for Transportation and Public School Improvements – Exemptions – Amendments.

The supply of affordable housing is at the heart of **every** significant challenge communities around the country are trying to tackle: issues of race and equity, climate change, economic development, maintaining a strong workforce and generally ensuring all of its citizens can have a strong quality of life. The communities making the most progress are essentially creating the path that others will be able to follow. We believe that this is where Montgomery County finds itself – at the forefront of affordable housing innovation.

We thank PHED Chair Councilmember Hans Riemer for his efforts to thoughtfully examine ways to provide new incentives to build MPDUs and other affordable units. Again, HOC is generally supportive of the intent of Bill 5-19. The purpose of the Bill, as we understand it, is to close a loophole that could allow some developers to circumvent impact taxes on units that are not rented at targeted affordability levels or defined as "market rate" units. Unfortunately, Bill 5-19 is constructed so broadly as to unintentionally capture units that contribute to mixed-income developments and create sustainable, long-term affordability within clearly defined affordable units.

Throughout its history, Montgomery County has demonstrated its commitment to creating affordable housing. Beginning in 1974, the County led the way with the nation's first inclusionary zoning law and has since provided the best example for how to create economically integrated communities that extend opportunities for all. The Housing Opportunities Commission contributes to that commitment by investing in its deeply affordable housing units including our former public housing units. Unlike Montgomery County's mixed-income approach, federal programs were characterized by concentrating poor families within isolated properties. That model has left a deep legacy on communities and families and is antithetical to HOC's approach. In fact, since the 1990s HOC has operated mixed-income affordable housing across the county, starting with the first MPDU units. Today, if you look at the housing HOC is building around this great county, I hope you see the quality of affordable housing this community and its citizens deserve – sustainable, mixed-income, high-quality, amenity rich, community-connected housing.

The current law exempts Moderately Priced Dwelling Units and other affordable units, including those developed by the County's Housing Authorities (e.g., HOC) as part of an Opportunity Housing Project, from development impact taxes that contribute to public transportation and school improvements. To be clear HOC is one of the County's designated Housing Authorities and every unit we develop contributes directly to the number of affordable housing units we are able to deliver within a property.

The legislation also exempts market rate units in a development that contains at least 25 percent of the aforementioned affordable units. While Bill 5-19 seeks to eliminate the market rate unit exception for developers who do not place long-term affordability restrictions on affordable units in these mixed-income developments, the broad construction of the bill would also remove the exemption for market rate units in HOC owned and developed mixed-income properties.

Montgomery County is a destination where some of the country's most effective and progressive affordable housing tools are being maximized. The need to preserve and expand the supply of housing at every price point in every area is critical to being a community that reflects the principles of equity and diversity as well as access to opportunity – values that we as a community hold dear. As a County Housing Authority – and we pride ourselves on being your preeminent partner in the development of affordable housing – HOC relies on a mixed-income financial structure that ensures the affordable units within new developments are supported by a stable, internal funding stream from market rate units in each development. Our concern is that Bill 5-19 will in fact unintentionally make it more difficult for non-profit developers and HOC specifically to operationalize socially and fiscally sound mixed-income models. This bill would increase the costs to production for HOC and make it more difficult to bring projects like The Lindley to life – a property with 40 percent affordability and no federal subsidies attached.

Furthermore, while the 99-year affordability restrictions on MPDUs ensure units remain affordable for the long-term, it would be a mistake to presume that the MPDU program's restrictions are the only method for ensuring long-term affordability. HOC is a designated Public Housing Authority and the largest developer and provider of affordable housing for Montgomery County. In fulfillment of our state-chartered mission, HOC provides affordable housing to nearly 14,000 households, provides various housing related services for elderly customers and those with disabilities, and coordinates services to ensure the families remain stably housed. Bound by that mission, our Board of Commissioners has been unwavering in their commitment to providing more long-term, deeply affordable units in every property we develop or manage. We urge the Committee and Council to consider HOC's mission and track record when defining long-term affordability.

We thank the Council and PHED Chair Councilmember Riemer for your steadfast commitment to ensuring all Montgomery County residents have access to high-quality affordable housing for many years to come.

We welcome the opportunity to discuss these thoughts with you further as the bill is considered in committee. Should you have questions, please feel free to reach me at stacy.spann@hocmc.org.

Sincerely,

Stacy L. Spann
Executive Director

Cc: Montgomery County Council; PHED Chair Councilmember Hans Riemer

Montgomery County Council Public Hearing
Bill 5-19 Development Impact Tax for Transportation and Public School Improvements – Exemptions – Amendments
March 26, 2019
Testimony of Melissa McKenna

Good afternoon. My name is Melissa McKenna. Thank you President Navarro and Councilmembers for the opportunity to testify on Bill 5-19 Development Impact Tax, especially as it pertains to Public School Improvements.

In 2004, the County Council amended the MPDU program to:

Reduce the loss of MPDUs by extending the control period for for-sale MPDUs from 10 to 30 years and for rental MPDUs from 20 to 99 years.

Increase the number of developments required to provide MPDUs by lowering the base requirement from any development with 35 or more units to 20 or more units.

This control period was reaffirmed last year with the passage of Bill 34-17 when flexibility was created to allow MPDU agreements based on floor area or square footage to meet the currently unmet demand for MPDUs with two, three, or four bedrooms. That bill also allowed alternative payments to the Housing Initiative Fund (HIF), especially mandating HIF payments for developments between 11 and 19 residential units.

I appreciate the limits on number of units this bill covers to maximize County benefit and extend the control period. A proposed development in the City of Rockville, Twinbrook Quarter, that suggests an extended build out time frame to as long as 30 years provides a interesting example. Potential workforce housing (households earning <60%) from the first phase could be available at market rates before the development is complete, if they were offered. Ensuring the exemption only applies to non-exempt units if 25% of the dwelling units are exempt could encourage more MPDUs or render a 25% threshold absolutely unattainable financially.

To the last point of 25% of dwelling units, should that be amended to include an allowance based on residential floor area (square footage) equal to the required number of units to match Bill 34-17? Or maybe that automatically applies now.

Can I just say, I'm glad I'm not a developer? All this tinkering is a lot to follow.

Back in 2016, concurrent with revisions to the Subdivision Staging Policy (SSP), Bill 37-16 also tweaked impact taxes. Which brings me to Enterprise Zones, paragraph 6 in both sections of this bill. Bill 37-16 attempted to reintroduce school impact taxes in former Enterprise Zones through a 4-year phase out that was a recommendation of the Planning Board.

Silver Spring's CBD Enterprise Zone expired in 2007. The SSP revision marked 10 years AFTER the designation expired. Never mind that the Maryland Enterprise Zone Program was for businesses to receive income and property tax credits for creating jobs.... Ten years beyond expiration was long enough, please revisit this wholesale exemption.

That language was:
"based upon the length of time since the expiration of its enterprise zone status. Within 1 year of its expiration, full exemption must apply. Within 2 years of its expiration, 25% of the applicable development impact tax must apply. Within 3 years, 50% of the applicable development impact tax must apply. Within 4 years, 75% of the applicable development impact tax must apply. A project within an area previously designated as an enterprise zone must be required to pay 100% of the applicable development impact tax for public school improvements beginning 4 years after its expiration."

Seeing as how that was 2 years ago and would take another 4 years to reach a 100% tax rate, I think 16 years beyond the Enterprise Zone expiration date has cost us more than enough. Please consider incorporating it now, or perhaps in the biennial SSP update coming up.

As we struggle to balance between creating and maintaining more affordable housing and collecting enough impact tax to fund school improvements, we want to be fair but also must enforce deadlines.

Thank you.

Melissa McKenna

LerchEarlyBrewer 7600 Wisconsin Avenue, Suite 700 • Bethesda, MD 20814 • lerchearly.com

Bill No. 5-19 (Development Impact Tax—Exemptions—Amendments)

(Testimony of William Kominers)
(March 26, 2019)

Good afternoon, President Navarro and members of the Council. My name is Bill Kominers, with Lerch, Early & Brewer. I am here today speaking as an individual, with concerns about the effect of Bill No. 5-19.

I do not intend to speak in detail on the substance of the change proposed by the Bill.

My principal purpose this afternoon is to speak about how the legislation should take effect, if it is adopted. In other words, how to address those projects already approved, in process, or in preparation, using the current law. The Council should not change the rules in midstream on those already in process under existing law or expectations. This is a matter of fairness, and a recognition that the law is the law, until it is changed.

All three of the stages of development projects should be protected by appropriate grandfathering provisions. The three types of projects include:

1. Projects currently approved, but not yet having been built or paid the impact tax;

2. Projects that are currently being reviewed or processed, including the ability to continue to obtain the subsequent approvals needed to proceed to construction; and

3. Projects not yet submitted, but in the pipeline of preparation to be submitted, that are relying upon use of the existing credit provisions.

All these projects types should be grandfathered, so as to apply the credit provisions as they exist today, before enactment of this Bill. These projects have based their assumptions—both in physical design and financial models—on the ability to aggregate all the different types of affordable housing in Subsections (2),(3), and (4) of Sections 52-41(g) and 52-54(c) to make up the 25% affordable units that are necessary to secure the credit for all residential units in the project. This grandfathering protection should apply whether the project is approved or pending for its first approval or its last, or is initiating any step that is required in the process following an approval. Such projects should be allowed to continue to apply the current rules in qualifying for credits.

Similar treatment should apply to any amendments of approvals as they go through the sequential steps of the development review process. This treatment is a matter of fairness and equity, and is consistent with your previous actions on the Zoning Ordinance Rewrite (ZTA No. 13-04) and the amendments about MPDUs in Chapter 25A (Bill Nos. 34-17 and 38-17).

Among approved and pending projects, only a small number would be proposing 25% affordable to begin with. This is a quantifiable, but small, amount. The risk to the County seems relatively small by comparison to the difficulty posed to the applicant by radically affecting the underpinnings of the economic model.

Projects that are currently in preparation should also be protected by a simple delay, or "grace period" in the effective date of the legislation. This would allow projects that have been "in the works," to file and be protected. A limited grace period should be provided, during which applications may be filed using the law existing today. Those applications would then be grandfathered going forward through the regulatory process. This approach is consistent with previous Council actions, such as with the Zoning Ordinance Rewrite. The Zoning Ordinance Rewrite, ZTA No. 13-04, was adopted in March, 2014, but not made effective until October 30, 2014. This allowed applicants preparing plans under then-existing laws, to be able to file and pursue their applications to completion using the law under which they were planned.

Protecting these projects recognizes the long lead time required for applications to be prepared and to go through the pre-filing steps that are required. The degree of effort and time required to make such a submission should allay any concern that a last minute application might be filed, just to preserve using the old law. Application filing is too costly, and requires too much effort to pursue on a whim. Thus, no race to the filing counter is likely. As a result, there is a very limited universe of projects that could be filed during this grace period, and even fewer that would be providing 25% affordable units. Thus, even with the grace period, there are not many applications that would not be covered by the change in law.

With this grandfathering protection, the non-residential portions of these projects will remain subject to the impact tax at the rate applicable at the time the payment is due. But the residential portion would be able to continue to credit the four (4) types of affordable housing toward providing the 25% affordable required to obtain the credit under Sections 52-41(g) and 52-54(c). Those provisions and their calculation is what the applicant has relied upon, and what has been embodied in their application and approvals. Attached to my testimony is suggested language to provide these grandfathering protections.

The goal of my testimony is to preserve the efforts that applicants have made in reliance on the current law. I ask that you allow these three classes of projects to be approved and implemented using the standards they planned for and relied upon. In considering that question, I would note that to get the benefit—to be grandfathered—they still have to provide at least 25% affordable housing. That seems like a result worth preserving.

Thank you for your consideration.

Additional transition and grandfathering provisions for Bill No. 5-19

(March 26, 2019)

Sec. 2. Transition.

The amendments made in Section 1 must apply to any development impact tax that would be due or is paid after this Act takes effect, in the manner provided below in Section 3, Effective Date.

Section 3. Effective Date.

(a) The amendments in this Act take effect on [months after date of enactment], and except as provided in Section (b) below, apply to any submission or application to the Planning Board under Chapter 50 or Chapter 59 that is accepted as complete after that date.

(b) Application Approved or in Progress before [the effective date].
Any development plan, schematic development plan, diagrammatic plan, concept plan, project plan, sketch plan, preliminary plan, record plat, site plan, special exception, variance, or building permit filed or approved before [the effective date] must be reviewed under the standards and procedures of Chapter 52 on [the day before the effective date], unless an applicant elects to be reviewed under the provisions of Chapter 52 as amended hereunder. The approval of any of these applications, or amendments to these applications under Chapter 50 and Chapter 59, will allow the applicant to proceed through any other required application or step in the process within the time allowed by law or plan approval, under the standards and procedures of Chapter 52 in effect on [the day before the effective date].

(c) The approval of any of these applications, or amendments to these applications, will allow the applicant to proceed through any other required application or step in the process within the time allowed by law or plan approval, under the standards and procedures of Chapter 52 in effect on [day before the effective date].

OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Marc Elrich
County Executive

MEMORANDUM

March 20, 2019

TO: Nancy Navarro, President
County Council

FROM: Marc Elrich, County Executive

SUBJECT: Revenue Collected from Development Impact Tax
Calendar Year 2018 Annual Report

The following is the Development Impact Tax for Transportation Improvements revenue report as required by Section 52-44 of the County Code.

I. A summary of the revenue collected from the tax in the previous calendar year in each impact tax district:

A.	Clarksburg	$	5,836,264.00
B.	Red Policy Area	$	1,297,668.28
C.	Orange Policy Area	$	2,107,233.21
D.	Yellow Policy Area	$	3,909,511.60
E.	Green Policy Area	$	2,153,559.00

II. A list of each building exempted from the tax during the previous calendar year under Section 52-41(f), 52-41(g), 52-41(h) or taxed at a rate of $0 under Section 52-49, and the tax that otherwise would have been paid for that building. (See Attached List)

III. Other information - A summary of revenue collected from the tax in the previous calendar year in the City of Rockville and Gaithersburg:

A.	City of Rockville	$	927,718.30
B.	City of Gaithersburg	$	18,515.00

In addition, we received $ 22,011,519.86 in Development Impact Tax for Public School Improvements.

Attachment

cc: Ricky Barker, Director of Planning & Development Services
City of Rockville
John Schlichting, Director of Planning & Code Administration
City of Gaithersburg

Revenue Collected From Development Impact Tax
For Transportation Imparovements
Calendar Year 2018 Annual Report

January 1, 2018 through December 31, 2018

Annual Report

Yellow Clarksburg District: Building with MPDU Exemption - Section 52-41(g)(1)

Permit #	Fee Description	Taxes Otherwise would Have Been Paid Amount	Permit Address
814630	Transportation Impact Tax Fee	18,080	54 COHOSH ALYCLARKSBURG
822088	Transportation Impact Tax Fee	14,059	13760 LITTLE SENECA PKWYCLARKSBURG
822089	Transportation Impact Tax Fee	14,059	13764 LITTLE SENECA PKWYCLARKSBURG
822090	Transportation Impact Tax Fee	18,080	13768 LITTLE SENECA PKWYCLARKSBURG
822092	Transportation Impact Tax Fee	14,059	13772 LITTLE SENECA PKWYCLARKSBURG
824602	Transportation Impact Tax Fee	18,080	147 GREEN POPLAR LOOPCLARKSBURG
826111	Transportation Impact Tax Fee	18,080	21 BLUE JAY WAYCLARKSBURG
826112	Transportation Impact Tax Fee	18,080	23 BLUE JAY WAYCLARKSBURG
826113	Transportation Impact Tax Fee	18,080	25 BLUE JAY WAYCLARKSBURG
827653	Transportation Impact Tax Fee	18,080	52 PAINTED LADY WAYCLARKSBURG
827654	Transportation Impact Tax Fee	18,080	50 PAINTED LADY WAYCLARKSBURG
827655	Transportation Impact Tax Fee	18,080	48 PAINTED LADY WAYCLARKSBURG
827656	Transportation Impact Tax Fee	18,080	46 PAINTED LADY WAYCLARKSBURG
827767	Transportation Impact Tax Fee	18,080	24 PAINTED LADY WAYCLARKSBURG
827768	Transportation Impact Tax Fee	18,080	22 PAINTED LADY WAYCLARKSBURG
827769	Transportation Impact Tax Fee	18,080	20 PAINTED LADY WAYCLARKSBURG
827939	Transportation Impact Tax Fee	18,080	47 BLUE JAY WAYCLARKSBURG
827940	Transportation Impact Tax Fee	18,080	49 BLUE JAY WAYCLARKSBURG
827941	Transportation Impact Tax Fee	18,080	51 BLUE JAY WAYCLARKSBURG
827941	Transportation Impact Tax Fee	18,080	51 BLUE JAY WAYCLARKSBURG
827942	Transportation Impact Tax Fee	18,080	53 BLUE JAY WAYCLARKSBURG
836085	Transportation Impact Tax Fee	14,059	13722 DOVEKIE AVECLARKSBURG
836086	Transportation Impact Tax Fee	14,059	13726 DOVEKIE AVECLARKSBURG
836088	Transportation Impact Tax Fee	14,059	13730 DOVEKIE AVECLARKSBURG
836089	Transportation Impact Tax Fee	14,059	13734 DOVEKIE AVECLARKSBURG
836090	Transportation Impact Tax Fee	14,059	13738 DOVEKIE AVECLARKSBURG
836091	Transportation Impact Tax Fee	14,059	13742 DOVEKIE AVECLARKSBURG
836092	Transportation Impact Tax Fee	14,059	13746 DOVEKIE AVECLARKSBURG
836112	Transportation Impact Tax Fee	14,059	13729 LITTLE SENECA PKWYCLARKSBURG

836113	Transportation Impact Tax Fee	14,059	13733 LITTLE SENECA PKWYCLARKSBURG
836116	Transportation Impact Tax Fee	14,059	13745 LITTLE SENECA PKWYCLARKSBURG
836117	Transportation Impact Tax Fee	14,059	13749 LITTLE SENECA PKWYCLARKSBURG
836118	Transportation Impact Tax Fee	14,059	13753 LITTLE SENECA PKWYCLARKSBURG
836119	Transportation Impact Tax Fee	14,059	13757 LITTLE SENECA PKWYCLARKSBURG
836120	Transportation Impact Tax Fee	14,059	13761 LITTLE SENECA PKWYCLARKSBURG
836121	Transportation Impact Tax Fee	14,059	13765 LITTLE SENECA PKWYCLARKSBURG
836122	Transportation Impact Tax Fee	14,059	13769 LITTLE SENECA PKWYCLARKSBURG
839619	Transportation Impact Tax Fee	18,080	22310 CABIN BRANCH AVECLARKSBURG
839620	Transportation Impact Tax Fee	18,080	22308 CABIN BRANCH AVECLARKSBURG
840516	Transportation Impact Tax Fee	18,080	22652 OBSERVATION DRCLARKSBURG
840526	Transportation Impact Tax Fee	18,080	22644 OBSERVATION DRCLARKSBURG
848515	Transportation Impact Tax Fee	18,080	22636 OBSERVATION DRCLARKSBURG
849000	Transportation Impact Tax Fee	18,080	22226 CABIN BRANCH AVECLARKSBURG
849002	Transportation Impact Tax Fee	18,080	22224 CABIN BRANCH AVECLARKSBURG
857361	Transportation Impact Tax Fee	18,080	65 BLUE JAY WAYCLARKSBURG

Total MPDU Exemptions Sec. 52-41(g)(1) **737,201**

Orange Policy Area: Buildings with MPDU Exemption - Sec. 52-41(g)(1)

Permit #	Fee Description	Taxes Otherwise would Have Been Paid Amount	Permit Address
796238	Transportation Impact Tax Fee	14,464	9109 OLD GEORGETOWN RDBETHESDA
824146	Transportation Impact Tax Fee	14,464	6930 ROCKLEDGE DRBETHESDA
824147	Transportation Impact Tax Fee	14,464	6932 ROCKLEDGE DRBETHESDA
827806	Transportation Impact Tax Fee	14,464	1736 WHITEHALL DRSILVER SPRING
827808	Transportation Impact Tax Fee	14,464	1734 WHITEHALL DRSILVER SPRING
828241	Transportation Impact Tax Fee	14,464	6914 ROCKLEDGE DRBETHESDA
828243	Transportation Impact Tax Fee	14,464	6916 ROCKLEDGE DRBETHESDA
828529	Transportation Impact Tax Fee	14,464	23906 CATAWBA HILL DRCLARKSBURG
828530	Transportation Impact Tax Fee	14,464	23904 CATAWBA HILL DRCLARKSBURG
828531	Transportation Impact Tax Fee	14,464	23902 CATAWBA HILL DRCLARKSBURG
830671	Transportation Impact Tax Fee	14,464	3695 CHEVY CHASE LAKE DRCHEVY CHASE
833686	Transportation Impact Tax Fee	14,464	157 WINSOME CIRBETHESDA
833687	Transportation Impact Tax Fee	14,464	155 WINSOME CIRBETHESDA

833688	Transportation Impact Tax Fee	14,464	149 WINSOME CIRBETHESDA
833690	Transportation Impact Tax Fee	14,464	147 WINSOME CIRBETHESDA
833692	Transportation Impact Tax Fee	14,464	145 WINSOME CIRBETHESDA
835030	Transportation Impact Tax Fee	17,677	7015 EXFAIR RDBETHESDA
838806	Transportation Impact Tax Fee	14,464	14265 TRAVILAH RDROCKVILLE
840876	Transportation Impact Tax Fee	14,464	14304 POTOMAC HEIGHTS LNROCKVILLE
840899	Transportation Impact Tax Fee	14,464	14322 POTOMAC HEIGHTS LNROCKVILLE
841151	Transportation Impact Tax Fee	14,464	10426 BREUER STBETHESDA
846051	Transportation Impact Tax Fee	14,464	10406 BREUER STBETHESDA
851151	Transportation Impact Tax Fee	14,464	6737 EAMES WAYBETHESDA
851152	Transportation Impact Tax Fee	14,464	6739 EAMES WAYBETHESDA
851536	Transportation Impact Tax Fee	14,464	13007 MARTZ STCLARKSBURG
851537	Transportation Impact Tax Fee	14,464	13005 MARTZ STCLARKSBURG
851960	Transportation Impact Tax Fee	14,464	13009 MARTZ STCLARKSBURG

Total MPDU Exemptions - Sec. 52-49(g)(1) **393,741**

Yellow Policy Area: Buildings with MPDU Exemption - Sec. 52-41(g)(1)

Permit #	Fee Description	Taxes Otherwise would Have Been Paid Amount	Permit Address
791091	Transportation Impact Tax Fee	18,080	13035 WALLICH WAYGERMANTOWN
791093	Transportation Impact Tax Fee	18,080	13033 WALLICH WAYGERMANTOWN
791094	Transportation Impact Tax Fee	18,080	13031 WALLICH WAYGERMANTOWN
815275	Transportation Impact Tax Fee	18,080	4424 ARBOR WOOD CTBURTONSVILLE
815277	Transportation Impact Tax Fee	18,080	4420 ARBOR WOOD CTBURTONSVILLE
817758	Transportation Impact Tax Fee	18,080	16609 BRIDLE RIDGE LNOLNEY
817759	Transportation Impact Tax Fee	18,080	16611 BRIDLE RIDGE LNOLNEY
841043	Transportation Impact Tax Fee	18,080	16303 COOLIDGE AVESILVER SPRING
841045	Transportation Impact Tax Fee	18,080	16307 COOLIDGE AVESILVER SPRING
841047	Transportation Impact Tax Fee	18,080	16313 COOLIDGE AVESILVER SPRING
841055	Transportation Impact Tax Fee	18,080	3409 LANDING WAYSILVER SPRING
841956	Transportation Impact Tax Fee	18,080	3423 LANDING WAYSILVER SPRING
841976	Transportation Impact Tax Fee	18,080	15605 STEAMBOAT WAYSILVER SPRING
841984	Transportation Impact Tax Fee	18,080	15613 STEAMBOAT WAYSILVER SPRING
841986	Transportation Impact Tax Fee	18,080	15615 STEAMBOAT WAYSILVER SPRING
845378	Transportation Impact Tax Fee	18,080	3422 LANDING WAYSILVER SPRING

849032	Transportation Impact Tax Fee	22,097	16200 COOLIDGE AVESILVER SPRING

Total MPDU Exemptions - Sec. 52-49(g)(1) **311,377**

Red Policy Area Metro: Buildings with MPDU Exemption - Sec. 52-41(g)(1)

Permit #	Fee Description	Taxes Otherwise would Have Been Paid Amount	Permit Address
821524	Transportation Impact Tax Fee	5,786	8079 RED HOOK STROCKVILLE
824571	Transportation Impact Tax Fee	5,786	16202 DECKER PLROCKVILLE
830359	Transportation Impact Tax Fee	5,786	16542 CRABBS BRANCH WAYROCKVILLE
838933	Transportation Impact Tax Fee	5,786	219 AUDEN PLSILVER SPRING
838939	Transportation Impact Tax Fee	5,786	217 AUDEN PLSILVER SPRING
847285	Transportation Impact Tax Fee	5,786	8082 TRIBECA STROCKVILLE
852099	Transportation Impact Tax Fee	5,786	16053 BOWERY STROCKVILLE

Total MPDU Exemptions - Sec. 52-49(g)(1) **40,502**

Buildings Owned & Used by Federal, State, County, or Municipal Sec. 52-41(f)

Permit #	Fee Description	Taxes Otherwise would Have Been Paid Amount	Permit Address
775843	Transportation Impact Tax Fee	3,162,893	2425 REEDIE DRSILVER SPRING
787255	Transportation Impact Tax Fee	133,219	14401 CONNECTICUT AVESILVER SPRING
800927	Transportation Impact Tax Fee	15,854	5301 TUCKERMAN LNROCKVILLE
815054	Transportation Impact Tax Fee	81,250	8410 COLESVILLE RDSILVER SPRING
815419	Transportation Impact Tax Fee	152,394	22500 SWEETSPIRE DRCLARKSBURG
828404	Transportation Impact Tax Fee	23,619	11410 OLD GEORGETOWN RDROCKVILLE
828468	Transportation Impact Tax Fee	158,379	6300 TILDEN LNROCKVILLE
828472	Transportation Impact Tax Fee	97,135	11400 MARCLIFF RDROCKVILLE
828473	Transportation Impact Tax Fee	62,416	6300 TILDEN LNROCKVILLE
830812	Transportation Impact Tax Fee	102,848	6201 TILDEN LNROCKVILLE
834295	Transportation Impact Tax Fee	2,673	14315 FAIRDALE RDSILVER SPRING
834654	Transportation Impact Tax Fee	6,551	13400 TAMARACK RDSILVER SPRING

834663	Transportation Impact Tax Fee	2,620	19001 WATKINS MILL RDMONTGOMERY VILLAGE
834664	Transportation Impact Tax Fee	3,097	17700 PARK MILL DRROCKVILLE
846061	Transportation Impact Tax Fee	1,426	7401 HADLEY FARMS DRGAITHERSBURG

Total Buildings Owned & Used by Federal, State County , or Municipal Government Sec. 52-41(f) **4,006,372**

METRO STATION Planning Area: Building with Enterprise Zone Exemption Sec. 52-41(g)(6)

Permit #	Fee Description	Taxes Otherwise would Have Been Paid Amount	Permit Address
816878	Transportation Impact Tax Fee	244,884	15650 OLD COLUMBIA PIKEBURTONSVILLE
824078	Transportation Impact Tax Fee	5,786	201 AUDEN PLSILVER SPRING
824079	Transportation Impact Tax Fee	5,786	203 AUDEN PLSILVER SPRING
824081	Transportation Impact Tax Fee	5,786	205 AUDEN PLSILVER SPRING
824082	Transportation Impact Tax Fee	5,786	207 AUDEN PLSILVER SPRING
824083	Transportation Impact Tax Fee	5,786	209 AUDEN PLSILVER SPRING
824085	Transportation Impact Tax Fee	5,786	211 AUDEN PLSILVER SPRING
835447	Transportation Impact Tax Fee	5,786	2416 AUDEN DRSILVER SPRING
835481	Transportation Impact Tax Fee	5,786	2414 AUDEN DRSILVER SPRING
835482	Transportation Impact Tax Fee	5,786	2412 AUDEN DRSILVER SPRING
835484	Transportation Impact Tax Fee	5,786	2410 AUDEN DRSILVER SPRING
838142	Transportation Impact Tax Fee	5,786	105 KLEE ALYSILVER SPRING
838146	Transportation Impact Tax Fee	5,786	107 KLEE ALYSILVER SPRING
838148	Transportation Impact Tax Fee	5,786	109 KLEE ALYSILVER SPRING
838156	Transportation Impact Tax Fee	5,786	111 KLEE ALYSILVER SPRING
838413	Transportation Impact Tax Fee	5,786	103 KLEE ALYSILVER SPRING
838924	Transportation Impact Tax Fee	5,786	225 AUDEN PLSILVER SPRING
838925	Transportation Impact Tax Fee	5,786	223 AUDEN PLSILVER SPRING
838926	Transportation Impact Tax Fee	5,786	215 AUDEN PLSILVER SPRING
838927	Transportation Impact Tax Fee	5,786	213 AUDEN PLSILVER SPRING
838931	Transportation Impact Tax Fee	5,786	221 AUDEN PLSILVER SPRING
851155	Transportation Impact Tax Fee	5,786	2423 AUDEN DRSILVER SPRING
851158	Transportation Impact Tax Fee	5,786	2421 AUDEN DRSILVER SPRING
851159	Transportation Impact Tax Fee	5,786	2419 AUDEN DRSILVER SPRING

851160	Transportation Impact Tax Fee	5,786	2417 AUDEN DRSILVER SPRING
851161	Transportation Impact Tax Fee	5,786	2415 AUDEN DRSILVER SPRING
851164	Transportation Impact Tax Fee	5,786	2413 AUDEN DRSILVER SPRING
851165	Transportation Impact Tax Fee	5,786	2411 AUDEN DRSILVER SPRING
853164	Transportation Impact Tax Fee	5,786	2517 AUDEN DRSILVER SPRING
853217	Transportation Impact Tax Fee	5,786	2515 AUDEN DRSILVER SPRING
853218	Transportation Impact Tax Fee	5,786	2511 AUDEN DRSILVER SPRING
853219	Transportation Impact Tax Fee	5,786	2513 AUDEN DRSILVER SPRING
853638	Transportation Impact Tax Fee	5,786	12622 LAYHILL RDSILVER SPRING

Total Enterprise Zone Exemptions Sec. 52-41(g)(6) **430,036**

List of Buildings Taxed at a Rate of 0 Sec. 52-49

Permit #	Fee Description	Taxes Otherwise would Have Been Paid Amount	Permit Address
822167	Transportation Impact Tax Fee	2,924,426	12090 PLUM ORCHARD DRSILVER SPRING
832331	Transportation Impact Tax Fee	35,805	11701 CLOPPER RDGAITHERSBURG

Buildings Taxed at the Rate of 0 Sec. 52-49 **2,960,230**

Affordable Housing Units: Sec. 52-41(g)(2)

Permit #	Fee Description	Taxes Otherwise would Have Been Paid Amount	Permit Address
800548	Transportation Impact Tax Fee	486,057	13605 ROBEY RDSILVER SPRING

Affordable Housing Units Sec. 52-41(g)(2) **486,057**

Ancillary Buildings: Sec. 52-41(h)(2)

Permit #	Fee Description	Taxes Otherwise would Have Been Paid Amount	Permit Address
779823	Transportation Impact Tax Fee	6,963	12815 FAIRCHILD DRGERMANTOWN
795164	Transportation Impact Tax Fee	13,930	15700 RIVER RDGERMANTOWN
801901	Transportation Impact Tax Fee	20,644	21922 BONESET WAYGERMANTOWN
805042	Transportation Impact Tax Fee	23,458	6100 CONNECTICUT AVECHEVY CHASE
815623	Transportation Impact Tax Fee	36,360	17301 OLD VIC BLVDOLNEY
817730	Transportation Impact Tax Fee	6,547	3535 UNIVERSITY BLVD WKENSINGTON
817929	Transportation Impact Tax Fee	31,361	685 WEALD WAYCLARKSBURG
819966	Transportation Impact Tax Fee	10,622	15250 SIESTA KEY WAYROCKVILLE
820779	Transportation Impact Tax Fee	3,767	12918 MIDDLEBROOK RDGERMANTOWN
824612	Transportation Impact Tax Fee	25,490	6901 ROCKLEDGE DR BASE BUILDINGBETHESDA
827360	Transportation Impact Tax Fee	3,065	4850 RUGBY AVEBETHESDA
827903	Transportation Impact Tax Fee	2,109	4901 FAIRMONT AVEBETHESDA
830798	Transportation Impact Tax Fee	2,486	915 SILVER SPRING AVESILVER SPRING
831203	Transportation Impact Tax Fee	3,214	9707 OLD GEORGETOWN RDBETHESDA
832935	Transportation Impact Tax Fee	4,242	8500 RIVER RDBETHESDA
834425	Transportation Impact Tax Fee	2,909	14801 STONEBRIDGE VIEW DRGAITHERSBURG
851247	Transportation Impact Tax Fee	50,313	7900 CONNECTICUT AVE 1STCHEVY CHASE

Ancillary Building Sec. 52-41(h)(2) **247,478**

25% or more of the Development are MPDU exempt: Sec. 52-41(g)(5)

Permit #	Fee Description	Taxes Otherwise would Have Been Paid Amount	Permit Address
815237	Transportation Impact Tax Fee	289,224	9616 MAIN STDAMASCUS
826665	Transportation Impact Tax Fee	14,464	20307 CENTURY BLVDGERMANTOWN
826666	Transportation Impact Tax Fee	14,464	20309 CENTURY BLVDGERMANTOWN

826667	Transportation Impact Tax Fee	14,464	20311 CENTURY BLVDGERMANTOWN
826668	Transportation Impact Tax Fee	14,464	20315 CENTURY BLVDGERMANTOWN
826669	Transportation Impact Tax Fee	14,464	20317 CENTURY BLVDGERMANTOWN
826670	Transportation Impact Tax Fee	14,464	20319 CENTURY BLVDGERMANTOWN
826671	Transportation Impact Tax Fee	14,464	20321 CENTURY BLVDGERMANTOWN
832580	Transportation Impact Tax Fee	18,080	17111 FRIENDS HOUSE RDSANDY SPRING
832588	Transportation Impact Tax Fee	18,080	17113 FRIENDS HOUSE RDSANDY SPRING
832594	Transportation Impact Tax Fee	18,080	17117 FRIENDS HOUSE RDSANDY SPRING
832596	Transportation Impact Tax Fee	18,080	17119 FRIENDS HOUSE RDSANDY SPRING
832602	Transportation Impact Tax Fee	18,080	17120 FRIENDS HOUSE RDSANDY SPRING
832603	Transportation Impact Tax Fee	18,080	17122 FRIENDS HOUSE RDSANDY SPRING
832606	Transportation Impact Tax Fee	18,080	17126 FRIENDS HOUSE RDSANDY SPRING
832614	Transportation Impact Tax Fee	18,080	17128 FRIENDS HOUSE RDSANDY SPRING
832615	Transportation Impact Tax Fee	18,080	17132 FRIENDS HOUSE RDSANDY SPRING
832617	Transportation Impact Tax Fee	18,080	17134 FRIENDS HOUSE RDSANDY SPRING
832620	Transportation Impact Tax Fee	18,080	17133 FRIENDS HOUSE RDSANDY SPRING
832621	Transportation Impact Tax Fee	18,080	17135 FRIENDS HOUSE RDSANDY SPRING
832623	Transportation Impact Tax Fee	18,080	17141 FRIENDS HOUSE RDSANDY SPRING
833778	Transportation Impact Tax Fee	14,464	20305 CENTURY BLVDGERMANTOWN
838554	Transportation Impact Tax Fee	22,097	16300 COOLIDGE AVESILVER SPRING
838557	Transportation Impact Tax Fee	22,097	16212 COOLIDGE AVESILVER SPRING
839976	Transportation Impact Tax Fee	22,097	16204 COOLIDGE AVESILVER SPRING
840850	Transportation Impact Tax Fee	22,097	16308 COOLIDGE AVESILVER SPRING
840851	Transportation Impact Tax Fee	22,097	16304 COOLIDGE AVESILVER SPRING
840853	Transportation Impact Tax Fee	22,097	16224 COOLIDGE AVESILVER SPRING
840860	Transportation Impact Tax Fee	22,097	16220 COOLIDGE AVESILVER SPRING
840861	Transportation Impact Tax Fee	22,097	16216 COOLIDGE AVESILVER SPRING
840863	Transportation Impact Tax Fee	22,097	16208 COOLIDGE AVESILVER SPRING
840865	Transportation Impact Tax Fee	22,097	16130 COOLIDGE AVESILVER SPRING
840867	Transportation Impact Tax Fee	22,097	16126 COOLIDGE AVESILVER SPRING
840868	Transportation Impact Tax Fee	22,097	16122 COOLIDGE AVESILVER SPRING
841030	Transportation Impact Tax Fee	22,097	16118 COOLIDGE AVESILVER SPRING
841042	Transportation Impact Tax Fee	18,080	16301 COOLIDGE AVESILVER SPRING
841044	Transportation Impact Tax Fee	18,080	16305 COOLIDGE AVESILVER SPRING
841046	Transportation Impact Tax Fee	18,080	16311 COOLIDGE AVESILVER SPRING
841049	Transportation Impact Tax Fee	18,080	16315 COOLIDGE AVESILVER SPRING
841050	Transportation Impact Tax Fee	18,080	16317 COOLIDGE AVESILVER SPRING
841051	Transportation Impact Tax Fee	18,080	3401 LANDING WAYSILVER SPRING
841052	Transportation Impact Tax Fee	18,080	3403 LANDING WAYSILVER SPRING
841053	Transportation Impact Tax Fee	18,080	3405 LANDING WAYSILVER SPRING

841056	Transportation Impact Tax Fee	18,080	3411 LANDING WAYSILVER SPRING
841057	Transportation Impact Tax Fee	18,080	3413 LANDING WAYSILVER SPRING
841953	Transportation Impact Tax Fee	18,080	3417 LANDING WAYSILVER SPRING
841954	Transportation Impact Tax Fee	18,080	3419 LANDING WAYSILVER SPRING
841955	Transportation Impact Tax Fee	18,080	3421 LANDING WAYSILVER SPRING
841957	Transportation Impact Tax Fee	18,080	3425 LANDING WAYSILVER SPRING
841975	Transportation Impact Tax Fee	18,080	15603 STEAMBOAT WAYSILVER SPRING
841978	Transportation Impact Tax Fee	18,080	15607 STEAMBOAT WAYSILVER SPRING
841979	Transportation Impact Tax Fee	18,080	15609 STEAMBOAT WAYSILVER SPRING
841982	Transportation Impact Tax Fee	18,080	15611 STEAMBOAT WAYSILVER SPRING
841986	Transportation Impact Tax Fee	18,080	15615 STEAMBOAT WAYSILVER SPRING
842547	Transportation Impact Tax Fee	22,097	16312 COOLIDGE AVESILVER SPRING
845377	Transportation Impact Tax Fee	18,080	3424 LANDING WAYSILVER SPRING
845380	Transportation Impact Tax Fee	18,080	3420 LANDING WAYSILVER SPRING
845382	Transportation Impact Tax Fee	18,080	3418 LANDING WAYSILVER SPRING
845383	Transportation Impact Tax Fee	18,080	3416 LANDING WAYSILVER SPRING
856727	Transportation Impact Tax Fee	22,097	3413 DOC BERLIN DRSILVER SPRING
856728	Transportation Impact Tax Fee	22,097	3417 DOC BERLIN DRSILVER SPRING
	25% or more are MPDU exempt: Sec. 52-41(g)(5)	**1,409,368**	
	Total	**11,022,362**	

Project	APNO	Phase	School	Transportation	Total	Total Units	"Base" Market Units	"Base" MPDUs[6]	"Base" Percent[6]	Other Affordable Units (60% AMI or lower)	Total MPDUs	Extra MPDUs	Cost Per Extra MPDU
Impact Tax Waiver Projects (Building Permit)													
Bradford's Landing	820170060	Building Permit	$ 4,989,359	$ 3,830,934	$ 8,820,293	244	207	37	15.2%	0	61	24	$ 367,512
Century	82003007E	Building Permit	$ 6,107,981	$ 4,613,638	$ 10,721,619	488	427	61	12.5%	0	122	61	$ 175,764
Willow Manor at Fairland (senior)[1 2]	82017005A	Building Permit	$ -	$ 245,037	$ 245,037	121	61	16	13.2%	44	16	0	n/a
Victory Haven (senior)[1 2]	820170040	Building Permit	$ -	$ 16,068	$ 16,068	72	4	11	15.3%	57	11	0	n/a
Sligo Artspace[1 5]	820160140	Building Permit	$ 266,497	$ 159,104	$ 425,601	79	11	10	12.7%	58	10	0	n/a
Cabin Branch Multi-family	820180060	Building Permit	$ 1,616,258	$ 2,389,996	$ 4,006,254	272	238	34	12.5%	0	68	34	$ 117,831
TOTAL (Building Permit)			**$ 12,980,095**	**$ 11,254,777**	**$ 24,234,872**								
Impact Tax Waiver Projects (Planning Board Approval)													
Bloom Montgomery	820170130	Site Plan - Amendment	$ 11,720,582	$ 8,651,940	$ 20,372,522	494	426	68	13.8%	0	124	56	$ 363,795
Dowden's Station	82016006B	Site Plan	$ 2,482,207	$ 1,916,950	$ 4,399,157	105	91	14	13.3%	0	27	13	$ 338,397
8000 Wisconsin[4]	820190040	Site Plan	$ 2,151,776	$ 1,253,472	$ 3,405,248	441	352	89	20.2%	0	111	22	$ 154,784
White Oak Town Center	820180240	Site Plan	$ 1,467,120	$ 2,671,200	$ 4,138,320	275	240	35	12.7%	0	69	34	$ 121,715
Hillandale Gateway (senior and market)[2 9]	820190130	Site Plan	$ 1,650,510	$ 2,884,950	$ 4,535,460	463	405	58	12.5%	0	116	58	$ 78,198
Elizabeth Square (EH III, EH IV, Alexander House - senior and market)[2 3 7]	820170140	Site Plan	$ 1,412,103	$ 1,368,043	$ 2,780,146	611	534	77	12.5%	0	153	76	$ 36,581
Kensington/Knowles Manor (senior)[1 2 11]	820190080	Site Plan	$ -	$ 53,430	$ 53,430	94	15	24	25.5%	55	24	0	n/a
TOTAL (Planning Board Approval)			**$ 20,884,298**	**$ 18,799,985**	**$ 39,684,283**								
Impact Tax Waiver Projects (Under Review)													
Aris Mardirossian Bethesda	320180100	Sketch Plan	$ 1,656,623	$ 965,031	$ 2,621,654	319	271	48	15.0%	0	80	32	$ 81,927
Battery District	120190240	Preliminary/ Sketch Plan	$ 7,946,900	$ 4,629,300	$ 12,576,200	1530	1300	230	15.0%	0	383	153	$ 82,197
Egan Property	520190100	Concept Plan	$ 8,610,576	$ 6,251,856	$ 14,862,432	357	312	45	12.6%	0	90	45	$ 330,276
Great Key/PTSA Site[10]	520190090	Concept Plan	$ 10,569,689	$ 6,083,745	$ 16,653,434	604	422	182	30.1%	0	182	0	n/a
TOTAL (Under Review)			**$ 28,783,788**	**$ 17,929,932**	**$ 46,713,720**								
TOTAL (all)			**$ 62,648,181**	**$ 47,984,694**	**$ 110,632,875**								

Source: Montgomery County Planning Department DAIC, https://permittingservices.montgomerycountymd.gov/DPS/pdf/ImpactTaxesHandout.pdf

[1] Contains affordable units created outside MPDU program (other federal, state, or local programs)

[2] Senior projects only pay transportation impact taxes

[3] Also exempt from impact taxes by being in the former Silver Spring Enterprise Zone

[4] This development has a 20% MPDU requirement because the land is being acquired from the County.

[5] Four of the 11 TH units are WFHU

[6] Base number/percent means the number of MPDUs that would have been required or previously agreed upon if legislation did not exist

[7] Elizabeth Square contains 3 buildings, 1 senior, 2 market (267 senior in EH III, 344 market in EH IV). Alexander House is an existing building and does not have an MPDU requirement, 10 units in the building are being converted to MPDUs to meet 25%. Elizabeth Square also contains WFHU units and 80% tax credit units, which do not qualify for the waiver.

[8] Projects under review may be subject to amendments. Unit counts may change. Projects in the Building Permit phase used prior year's impact tax for estimation.

[9] Mix of senior and market units (463 total units, 155 age-restricted, 308 market)

[10] Includes 168 units of MF rental, 331 TH (phase 1), and 105 units of student/workforce housing (in phase 2). RFP solicited for 30% affordable housing.

[11] At Knowles Manor, 10 of the Other Affordable Units will be MPDUs due to an Alternative Location Agreement with Solera Kensington