

ORDINANCE: To amend Chapter 13.5 of the Rockville City Code entitled "Moderately Priced Housing" so as to revise a definition and add a definition; streamline administration of the program; clarify references to the zoning ordinance; establish requirements for life care facilities; and revise the subsequent sale provisions.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF ROCKVILLE, MARYLAND, that Chapter 13.5 entitled "Moderately Priced Housing" is hereby amended to read as follows:

Chapter 13.5 "Moderately Priced Housing"

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Sec. 13.5-3. - Definitions.

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Eligible person means a person or household whose income qualifies the person or household to participate in the MPDU program. ~~and who holds a valid certificate of eligibility from the Department which entitles the person or household to buy or rent a moderately priced dwelling unit during the priority marketing period.~~

* * *

Life care facility means a facility housed in a single building or group of buildings that provides for continuing progressive care of residents. Occupancy is restricted as provided in Title 10 of the Human Services Article of the Annotated Code of Maryland, as amended, and any other applicable provisions issued by the Department of Aging. A life care facility must include dwelling units for either independent or assisted living, or both, plus a nursing home of a suitable size to provide treatment or care of the residents; it may include ancillary facilities for the further enjoyment, service or care of the residents. * * *

Sec. 13.5-5. - Requirement.

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(b) Except as provided herein, the required number of MPDU's MPDUs shall equal twelve and one-half (12.5) percent of the total units in the development.

(c) When the development at one (1) location is in any zone which provides for an

MPDU density bonus and (1) is covered by a plan of subdivision, or (2) is covered by a site plan approval, or (3) requires a building permit to be issued for construction, the required number of moderately priced dwelling units is a variable percentage that is not less than twelve and one-half (12.5) percent of the total number of dwelling units at that location. Except as specified in subsections (c) and (d), the required number of ~~MPDU's~~ MPDUs shall vary according to the amount by which the approved development exceeds the normal or standard density for the zone in which it is located. ~~Chapter 25 permits~~ Bonus density is permitted in zones designated as densities in certain zones RMD-10, RMD-15 and RMD-25 over the presumed base density where ~~MPDU's~~ MPDUs are provided. If the use of the optional ~~MPDU's~~ MPDU development standards does not result in an increase over the base density, the City Manager shall conclude that the base density could not be achieved under conventional development standards, in which case the required number of ~~MPDU's~~ MPDUs shall not be less than twelve and one-half (12.5) percent of the total number of units in the subdivision. The amount of density bonus achieved in the approved development determines the percentage of total unit that must be ~~MPDU's~~ MPDUs.

* * *

(f) * * *

(4) The procedures for considering and implementing alternative offers shall be established by regulations adopted by the Mayor and Council in the MPDU Regulations. The City Manager or designee will work with the applicant to establish an alternative agreement to present to the Mayor and Council for approval. To implement an offer, the applicant must sign an agreement with the City Manager or designee not later than a time provided by the Mayor and Council in its approval of the offer.

* * *

(g) Reserved. In the case of a life care facility, whether as a stand-alone project or as part of a mixed-use development, the applicant must (i) set-aside five (5) percent of the total units in the life care facility as MPDUs, or (ii) contribute to the Moderately Priced Housing Fund an amount as determined by regulations adopted by the Mayor and Council.

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Sec. 13.5-6. - Zoning provisions; waiver of requirements.

~~(a) Zoning provisions. The Mayor and Council, to assist in providing moderately priced housing has enacted zoning standards in Chapter 25, establishing procedures and standards which may increase the allowable number of residential dwelling units. If the applicant elects the optional density provisions, permitting the construction of an increased number of dwelling units, the requisite percentage and number of MPDUs shall apply to the total number of dwelling units as increased by application of the optional~~

density provisions that increases the density above the otherwise permitted density of the zoning classification in which the property is situated.

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Sec. 13.5-8. - Sale or rental of moderately priced dwelling units.

(a) *Sale or rental to general public.*

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(2) Before offering any moderately priced dwelling units, the applicant shall notify the Department of the proposed offering and the date on which the applicant will be ready to begin the marketing to eligible persons. The notice shall set forth the number of units offered, the bedroom mix, the floor area for each unit type, a description of the amenities offered in each unit and a statement of the availability of each unit for sale or rent, including information regarding any mortgage financing available to buyers of the designated unit. The applicant shall also give the Department a vicinity map of the offering, a copy of the approved development, subdivision or site plan, as appropriate, and such other information or documents as the Director finds necessary. The department shall maintain a list of eligible persons of moderate income who are seeking to purchase an MPDU and ~~in accordance with procedures established by the City Manager,~~ shall notify such eligible persons of the offering.

Sec. 13.5-9. - Control of rents and subsequent sale prices; foreclosures.

* * *

(a) *Subsequent sale price.* Except for foreclosure proceedings, moderately priced dwelling units constructed or offered for sale or rent under this chapter shall not be resold or refinanced during the first thirty (30) years after the original sale for a price greater than the original selling price plus:

* * *

(2) ~~The fair market value of capital improvements made to the unit between the date of original sale and the date of resale. An allowance for improvements made to the MPDU not to exceed 10% of the selling price calculated in accordance with Section 13.5-9 (a)(1).~~

* * *

(b) *Subsequent sale requirements.*

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(3) If the MPDU remains unsold one hundred eighty (180) days after the unit is offered for sale to the general public, the city manager may permit the owner of the MPDU to sell the MPDU at market price. If a unit is sold a market price, the seller must pay to the Moderately Priced Housing Fund all sales proceeds in excess of the price calculated in accordance with subsection (a). Once the sales proceeds are deposited in the Moderately Priced Housing Fund, the city will release the covenants applicable to the unit.

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(c) *Sale after control period ends.*

(1) If an MPDU is sold or resold after thirty (30) years after its original sale or rental, the restrictions on resale in subsections (a) and (b)(2) no longer apply. However, for the first sale of an MPDU after thirty (30) years after the original sale or rental, the seller shall pay to the Moderately Priced Housing Fund one-half (1/2) of the excess of the total resale price over the sum of the following:

c. ~~The fair market value of capital improvements made to the unit between the date of original sale and the date of resale~~ An allowance for improvements made to the MPDU unit not to exceed 10% of the selling price calculated in accordance with Section 13.59(c)(1)b.

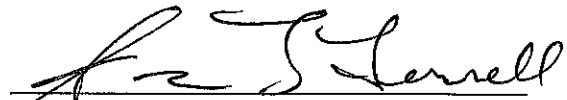
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NOTE: Underlining indicates material added

~~Strikethrough~~ indicates material deleted

Asterisks * * * indicate material unchanged by this ordinance

I hereby certify that the foregoing is a true and correct copy of an Ordinance adopted by the Mayor and Council at its meeting of April 1, 2019.



Sara Taylor-Ferrell, City Clerk/Director of
Council Operations, City Clerk's Office