

MEMORANDUM OF UNDERSTANDING

June 17, 2009

I. Participants:

- a. West End Citizen's Association (WECA) / Committee on Beall's Grant II (the Committee)
- b. Montgomery Housing Partnership (MHP)

II. Project:

MHP is proposing to develop an affordable housing project in the West End of Rockville, MD known as Beall's Grant II. This memorandum outlines the framework for this development including the specific physical characteristics of the development, resident requirements and associated impact on the surrounding community.

III. Purpose and Responsibilities:

The Committee and MHP enter into this Memorandum of Understanding (MOU) for the common goal of developing an affordable housing project that is an asset to both MHP and the West End. The purpose of this MOU is to outline the terms by which the Committee is willing to recommend this project to the WECA Board and ultimately to the WECA General Membership. If MHP concurs with the terms set forth in following sections IV through VI and so indicates by signing in the space provided at the conclusion of this memorandum, the Committee promptly will sign, recommend and forward the same to the WECA Board and ultimately to the WECA General Membership for the purpose of gaining their approval and concurring signature of the same. The terms of this Memorandum shall become binding when signed by MHP and the Committee, and subsequently ratified by the WECA General Membership (indicated by the signature of the WECA President).

Following the signing of this agreement by the Committee and MHP and ratification of this agreement by the WECA General Membership, WECA agrees to:

- Support the plan outlined below before the Mayor and Council
- Support the plan outlined below before the Planning Commission
- Support MHP's application for a parking reduction before the Planning Commission

IV. Physical Characteristics:

Subject to the receipt of any necessary approvals from the City of Rockville, MHP agrees to apply for approval to design, develop and construct a building that includes the following physical characteristics:

- a. The project building will be in the overall shape of an “I” as indicated in Exhibit A (Conceptual Site Plan).
- b. The maximum number of living units in the building will be 74.
- c. The maximum total building footprint will be approximately 37,000 square feet at grade level.
- d. The unit mix will be approximately 5% - 7% three bedroom units, 50% - 60% two bedroom units, 35% - 40% one bedroom units, and less than 5% studio units.
- e. The maximum number of stories of the building will be 3-stories above ground, except:
 - i. along the most westerly protruding portions of the building (abutting the residences along N. Adams Street), which will be a maximum of 2 stories above ground (see Exhibits B and C)
 - ii. along the south-east protruding portion of the building (directly behind Snowden’s Funeral Home garage), which will be a maximum of two stories above ground (see Exhibits B and C)
 - iii. along the most southerly portion of the building (along Beall Avenue), which will be a maximum of 2.5 stories above ground (comprised of three stories of living space, one of which is partially subterranean (a.k.a an “English basement” design))
- f. The maximum height of the building will be 40’-0” as indicated in Exhibit D.
- g. The overall dimensions of the project building itself will not exceed specifications as indicated in Exhibits A and C. That being said, all dimensions and other numbers herein, including those in Exhibits A through D are approximate with the exception of the number of building stories and maximum number of units.
- h. Set-backs of the building from surrounding structures and property lines will be no less than the minimum specifications as indicated in Exhibit A.
- i. The design of the south-face of the building (along Beall Avenue) will be townhouse-like in appearance, and as previously described, will be accessed as follows:
 - i. the “English basement” level units will have direct entrances from Beall Avenue and entrances from the garage level
 - ii. the middle level units (first-floor fully above ground) will have direct entrances off of Beall Avenue and access from an interior corridor of the building
- j. The elevation treatment on the top-level of the entire building will be of a Mansard-type design.
- k. The rooftop will be flat, with a parapet wall.
- l. The HVAC/mechanical equipment for the building will be screened either by a physical wall or by landscaping (equipment will be located either on the roof of the building, or on the ground, as required by final design).
- m. The building design will incorporate a community room, which will be available for public/community use, upon reservation, provided such use is: 1) consistent with Federal and State of Maryland guidelines for tax credit properties, and 2) in accordance with the typical rules and regulations that MHP establishes for use of common areas,

including the community room. That being said, such rules would include, but not be limited to, hours of use, allowable uses as that would not disturb the quiet enjoyment of the residents of the building, appropriate deposit fees, and would give use preference to the residents of the building.

- n. The ground level courtyard on the east side of the proposed building and the courtyard between the proposed building and existing Beall's Grant I building will be accessible to the public.
- o. The only vehicular access to the project building parking garage and surface parking spaces will be from Dawson Avenue (no ingress or egress from Beall Avenue).
- p. Subject to receipt of approval from the City, including a parking waiver, the parking provided for the project will consist of (i) one level of underground parking (accessed from a vehicle ramp at the northwest corner of the project building) and (ii) additional surface parking spots in the immediate project vicinity, detailed as follows:
 - i. the entire project site (encompassing Beall's Grant I and Beall's Grant II) will provide for approximately 95 parking spaces in the underground parking garage and approximately 25 surface parking spaces
 - ii. the underground garage will be secured via gated access, and accessible to residents and visitors only
- q. The project building will be designed with "green" concepts in mind, and at a minimum will feature Energy Star systems in each living unit, an energy-efficient building envelope, high-quality interior air standards, green finish materials and wiring for solar capability. MHP will continue to explore implementation of a green roof, and installation of a solar system, and incorporate these systems into the final building design where economically and technically feasible as determined by MHP.
- r. The project building and site plan will meet all applicable legal and regulatory requirements, including (i) those established by the City and the Office of the Fire Marshall for fire and safety and (ii) requirements determined by the Fire Department regarding access for provision of fire and emergency services to the west side of the Beall's Grant II building and to the rear of the homes (that are contiguous to each other) on N. Adams Street.
- s. The courtyards that are directly above the parking garage area (courtyards on the east and west sides of the building in Exhibit A) will be treated as "green roofs" and contain mostly vegetative cover, with professionally landscaped beds with shrubs, flowers, grasses (where appropriate) and tree plantings.
 - i. larger trees are desirable in this area, and may be accomplished through incorporating large, deeper planting beds filled with groups or trees, so as to accommodate larger root balls

V. Resident Requirements:

MHP agrees to screen and place residents based on the following criteria:

- a. It is anticipated that the distribution of income levels/monthly unit lease rate represented by future residents of the project will be (i) 20% of the units rented at market-rate prices; (ii) 70% of the units rented to individuals or families earning between \$35,000 - \$60,000 per year, and (iii) 10% of the units rented to individuals or families earning less than \$35,000 per year.

Notwithstanding the above, the actual income limits will depend on the then current HUD regulations and the tax credit requirements and can go up or down from time to time depending on the Consumer Price Index and other factors. Also, the percentages at the income levels may vary from time to time.

- b. All prospective residents will provide a photo ID and social security number upon their application for residency in the project building.
- c. Formal preference will be given to those individuals (and their families) who are employed as teachers, firefighters, law enforcement officers, emergency service personnel, U.S. military service members (or veterans), or City of Rockville employees at the time of their application for residency in the project building, if regulations from funding sources and applicable laws allow.
- d. All adult prospective residents will be screened for a criminal record, upon their application for residency in the project building, and be found to meet the same standards utilized by MHP, and their property management firm, at other similar properties in Montgomery County. The lease used for this property will be consistent with the lease at MHP's other similar properties in Montgomery County.

VI. Community Impact:

MHP agrees to minimize its impact on the surrounding community by pledging to:

- a. Renovate the interior and exterior of Beall's Grant I; it is MHP's desire to complete renovations within three years and will make every effort to do so.
- b. MHP agrees to not increase the number of units in the project (Beall's Grant I and Beall's Grant II) or increase the concentration of affordable housing (as defined in the City of Rockville Zoning Ordinance) within a ½ mile radius of the boundaries of the project, up to Rt. 355, for a period of 25 years (to expire in 2034), with the possible exception of purchasing individual moderately priced dwelling units (MDPUs) from time to time.
- c. To develop a plan to accommodate overflow resident parking should the number of parking spaces constructed on the Beall's Grant property prove insufficient.
- d. To work with the West End Community to maintain an open channel of communication during the redevelopment and construction of Beall's Grant I and II.

VII. Concurrence:

By signing below, the parties bind themselves, their successors, subsidiaries and assigns.

Approved and Agreed:

Committee on Beall's Grant II

By: _____
Dennis Cain, Chairman Date _____

Montgomery Housing Partnership

By: _____
Rob Goldman, President Date _____

West End Citizen's Association

By: _____
Susan Prince, President Date _____