

## *Elrich Questions the 25% Option*

Marc Elrich is not a fan of the program that allows builders to turn 25 percent of a community over to MPDUs, in return for not paying any impact fees.

Through Acting Director Tim Goetzinger, the county executive conveyed his feelings on the affordability trade-off at a Council hearing. The subject was actually some changes that Hans Reimer would make to the bill, but Goetzinger took the opportunity to go farther afield.

“The overall policy...is of concern because of the trade-off,” he said. “Too much money for schools and transportation is sacrificed for a marginal addition of affordable housing.”

Multiple projects have taken advantage of the 25 percent program, and several are in the works today, including a pair of multi-family projects in Bethesda. Impact fees have risen so high that developers have decided setting aside another 12.5 to 15 percent in MPDUs, in addition to the underlying requirement, and then nixing the impact fees makes economic sense.

Elrich says the same calculation works against the county revenues. “The additional affordable housing comes at a significantly higher price” than a project that sets aside 12.5 to 15 percent in MPDUs and pays the impact fees on the remaining units, Goetzinger testified.

Reimer’s bill looks to ensure that any of the units set aside for the 25 percent remain in the affordable housing program for the long-term.

## **Bethesda’s Multi-Lot Plays**

A 17-lot subdivision on Beech Avenue is one of three multi-lot Bethesda properties on the local development horizon.

Builder Bradbern Inc. owns the Beech Avenue property, while the Andrus property, off Greentree Road, awaits a formal subdivision hearing. The largest of the three – and the only one now under development – is Madison Homes’ ‘Townes at Grosvenor Place.’ Madison is moving dirt next to the Grosvenor Apartments along Grosvenor Lane and the I-270 spur. Its sign says that prices are anticipated to start at \$1 million.

At Beech Avenue, Bradbern, headed by Brad Bernstein, had bought the former Potter property in the Old Georgetown Road corridor and has preliminary plan approval for by-right, R-60 lots of about 6,400 square feet each. Bernstein recently started marketing the property for a bulk sale.

At Andrus, the Andrus Group LLC wants to yield nine new single-family lots on Barnett Road, off Greentree, by subdividing an existing seven. Accepted last spring, the preliminary plan application has been extended several times, in part for continued discussions with MCDOT over right of way, and other issues, such as lot configuration and stormwater management.

Fraser Forbes Real Estate is handling Bradbern’s Beech Avenue property.

### ***In Infill Building:***

**Menditch Homes** has put both its contemporary homes on Ridge Road under contract. The Potomac-based builder, as Bethesda Ridge LLC, has contracts pending on 8826 and 8830 Ridge Road. Menditch built the pair of modern homes on spec in ‘Bradley Hills’ and had most recently been asking \$1.589 million each.

Bannockburn: One is sold and one is arrived. **Rembrandt Homes** parted with 7004 Arandale Road in the Bethesda community. Rembrandt had bought the infill lot in early 2017 for \$750,000, and collected \$2,450,000 on the out-sale.

New to Bannockburn is 7031 Wilson Lane, from builder **Art and Cement Construction**. Only on Redfin a week, the house occupies the third highest price point among new listings, at \$2.9 million. The owners of Art and Cement had paid \$720,000 in mid-2017 for the 14,624 square foot lot.

**Rollingwood Builders’** newest infill is, at nearly 30,000 square feet of yard, the local equivalent of Big Sky country. It’s roomy, and walkable to Bethesda as well. Rollingwood, as Goldsboro Builders LLC, paid \$1.339 million for 5410 Goldsboro Road in Bethesda. Rollingwood has just begun design work and preliminary expectations are to price the new-build in the high \$3 million range.

The Rockville builder’s current preoccupation is 8721 Burning Tree Road, now under construction for a Fall completion. The price will be in the \$2.8 million range.