### Montgomery Planning

# BETHESDA OVERLAY ZONE - EXTENSIONS ZTA 23-03



### Description

This ZTA modifies the development procedures in the Bethesda Overlay Zone (BOZ), by granting a one-time, one year extension to the existing deadlines applicable for projects that utilize BOZ density as part of their approval. The extension would apply to when an applicant must have accepted by the Department of Permitting Services (DPS) a building permit.

ZTA 23-03 Completed: 4-27-2023 MCPB Item No. 13 5-04-2023 Montgomery County Planning Board 2425 Reedie Drive, Floor 14 Wheaton, MD 20902

Montgomeryplanning.org

# **Planning Staff**

BB

Benjamin Berbert, Planner III, Countywide Planning and Policy <u>Benjamin.Berbert@montgomeryplanning.org</u>, 301-495-4644

Jason Sartori, Chief, Countywide Planning and Policy Jason.Sartori@montgomeryplanning.org, 301-495-2172

### ZTA SPONSORS

Lead Sponsor: Council President Glass, at the request of the Planning Board

### INTRODUCTION DATE

April 11, 2023

**REVIEW BASIS** 

Chapter 59

# Summary:

- Currently, applications that are approved utilizing BOZ density must have a building permit application accepted by the Department of Permitting Services (DPS) within 24 months of site plan approval.
- The ZTA would grant a one-time, one-year extension to this deadline for any active project currently in this 24-month period.

# TABLE OF CONTENTS

SECTION 1: BACKGROUND	3
RATIONALE FOR INTRODUCTION	3
SECTION 2: ZTA 23-03 AS INTRODUCED	3
ZTA NO. 23-02 As INTRODUCTED	3
SECTION 3: ZTA & SRA ANALYSIS AND RECOMMENDATIONS	4
ZTA 23-03 Analsyis And Recommendations	4
SECTION 4: LEGISLATED ANALYSIS	5
CLIMATE ASSESSMENT	
RACIAL EQUITY AND SOCIAL JUSTICE (RESJ)	5
SECTION 5: CONCLUSION	5
ATTACHMENTS	5

### **SECTION 1: BACKGROUND**

### **RATIONALE FOR INTRODUCTION**

Zoning Text Amendment (ZTA) 23-03, Bethesda Overlay Zone (BOZ) – Extensions, was introduced by Council President Glass at the request of the Planning Board on April 11, 2023 (Attachment A). The ZTA is scheduled for a tentative Council Public Hearing on May 16, 2023. The Planning Board on March 9, 2023 approved a request to have the Council introduce the ZTA and it was introduced as ZTA 23-03 with minor modifications to the version transmitted by the Board.

The BOZ is unique in that it establishes post approval deadlines on applicants for when they must apply for, and act on building permits. Within 24 months of plan approval, a development projects must have a building permit application accepted by DPS for the core and shell of the principal building. Projects are then required to obtain and act on that permit within an additional 24 months. These deadlines were established because the BOZ has a total development cap of 32,400,000 square feet of development. The intent was to not let development applications come through and receive plan approvals and then 'sit' on their approvals for many years, possibly prohibiting other development applications from moving forward.

The intent of this ZTA is to provide one-time relief to the building permit deadlines set forth in the BOZ code. The recent convergence of continued inflation, rising interest rates, and tightened commercial lending have created headwinds for large development projects facing these regulated deadlines to move forward.

### SECTION 2: ZTA 23-03 AS INTRODUCED

### ZTA NO. 23-02 AS INTRODUCTED

The ZTA makes a minor addition to the Development Procedures Section 4.9.2.D. within the BOZ. These development procedures set forth the requirements for site plan review, require the Planning Board to find with each application that the total density within the BOZ does not exceed the 3.4 million square feet limit, and establishes the two deadlines that apply to development projects that utilized BOZ density in their approval. The ZTA modifies subsection 4 as shown below to provide a one time, one year extension for projects to have the building permit application accepted by DPS.

4. If the Planning Board approves a site plan using BOZ Density, the applicant must have a building permit application, accepted by the Department of Permitting Services, that includes the core and shell of the principal building within two years of the date of the Planning Board's resolution. Within two years after the Department of Permitting Services

accepts the building permit application that includes the core and shell of the principal building, the applicant must obtain that building permit. The deadlines under this section may not be extended. If an applicant fails to comply with any of the deadlines under this section, the entire site plan approval is revoked. For any site plan using BOZ density that was valid on {insert effective date}, the deadline to have a building permit that includes the core and shell of the principal building accepted by the Department of Permitting Services is automatically extended for one year. The deadlines under this section may not otherwise be extended.

This language is substantially similar to what the Board approved transmitting to the Council in March, with only minor editing for clarity and brevity.

## SECTION 3: ZTA & SRA ANALYSIS AND RECOMMENDATIONS

### ZTA 23-03 ANALSYIS AND RECOMMENDATIONS

The language added by the ZTA would allow any site plan that has utilized BOZ Density in its approval and has yet to reach the first milestone of having a building permit application accepted by DPS to have an additional year. Planning staff have heard from developers that getting approval for financing has become a major hurdle with the ongoing inflation in construction and labor costs, and now the rapid rise in interest rates and tightening of bank lending adding additional squeezes. The ZTA focuses on the first deadline of filing for building permits because that is often the stage where developers resolve financing issues. Given the current availability of BOZ Density for additional new development applications, this one-year extension for any valid project is a fair and appropriate across-the-board way to provide some leeway to developers of approved projects facing financing challenges without sacrificing the intent of the deadlines in the BOZ. The format of the ZTA is similar to how the Subdivision Code (Chapter 50) has been updated in years past granting two-year extensions of adequate public facility validity, and plan validity as one time across the board extensions. Planning staff recommends the Board continue to support this ZTA for these identified reasons.

Planning staff does recommend one minor correction as shown in red and double underline below:

4. If the Planning Board approves a site plan using BOZ Density, the applicant must have a building permit application, accepted by the Department of Permitting Services, that includes the core and shell of the principal building within two years of the date of the Planning Board's resolution. Within two years after the Department of Permitting Services accepts the building permit application that includes the core and shell of the principal building permit. [The deadlines under this section may not be extended.] If an applicant fails to comply with any of the deadlines under this section, the entire site plan approval is revoked. For any site plan using BOZ density that was valid on {effective date}, the deadline to have an application for a building permit that includes the core and shell of the principal building accepted by the Department of

<u>Permitting Services is automatically extended for one year. The deadlines under this</u> <u>section may not otherwise be extended.</u>

This minor addition does not change the intent of the ZTA but clarifies that the required action is an application.

# SECTION 4: LEGISLATED ANALYSIS

# CLIMATE ASSESSMENT

Bill 3-22, passed by the County Council on July 12, 2022, requires the Planning Board to prepare a climate assessment for each zoning text amendment, master plan, and master plan amendment, effective March 1, 2023. Each climate assessment must include the potential positive or negative effects a ZTA may have on climate change (including greenhouse gas emissions) and upon community resilience and adaptive capacity. The climate impact assessment for ZTA 23-03 is attached in Attachment B. Because ZTA 23-03 only grants a one-time, one-year extension to deadlines to file permits and has no other impact on development patterns or uses, there will be no impacts on the county's greenhouse gas emissions, or on adaptive capacity or resilience.

### RACIAL EQUITY AND SOCIAL JUSTICE (RESJ)

As of the posting of this staff report, the Office of Legislative Oversight has not completed a Racial Equity and Social Justice analysis for ZTA 23-03.

# **SECTION 5: CONCLUSION**

Planning staff recommends the Planning Board support ZTA 23-03 as introduced with minor modification, providing a one-time, one-year extension to when applications must have a building permit application accepted by DPS for the core and shell of the principal structure. The current economic situation is creating difficulties for active projects that received their Board approvals when economic conditions were much more favorable to construction. This one-time, one-year approach provides applicants relief, while still maintaining the intent of the BOZ to not let limited density become held up by development projects with no intent or path to move forward.

# ATTACHMENTS

Attachment A: Zoning Text Amendment 23-03 Intro Packet Attachment B: Environmental Impact Statement

# Attachment A



Committee: PHP Committee Review: At a future date Staff: Livhu Ndou, Legislative Attorney Purpose: To introduce agenda item – no vote expected Keywords: #BethesdaOverlay #BOZ #Extensions AGENDA ITEM #10A April 11, 2023 Introduction

> © 1 © 5 © 7

### SUBJECT

Zoning Text Amendment (ZTA) 23-03, Bethesda Overlay Zone – Extensions

Lead Sponsor: Council President Glass at the Request of the Planning Board

### **EXPECTED ATTENDEES**

None

### **COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION**

N/A

## **DESCRIPTION/ISSUE**

ZTA 23-03 will grant a one-time one-year extension to existing deadlines within the Bethesda Overlay Zone (BOZ).

## SUMMARY OF KEY DISCUSSION POINTS

- Under the current zoning ordinance, if the Planning Board approves a site plan using BOZ Density, the applicant must have a building permit application within 2 years of the date of the Planning Board's resolution. No extensions are permitted.
- ZTA 23-03 will grant a one-year one-time extension to have a building permit to all applicants who have obtained site plan approval using BOZ Density as of the effective date of the ZTA.
- Planning's stated reason for this ZTA is that developers have faced hurdles getting approved for financing because of inflation and rising interest rates.
- A public hearing is tentatively scheduled for May 16, 2023.

This report contains:		
ZTA 23-03		
Planning Board Trans	smittal	
Planning Staff Report		

Alternative format requests for people with disabilities. If you need assistance accessing this report you may <u>submit alternative format requests</u> to the ADA Compliance Manager. The ADA Compliance Manager can also be reached at 240-777-6197 (TTY 240-777-6196) or at <u>adacompliance@montgomerycountymd.gov</u>

Ordinance No.:
Zoning Text Amendment No.: 23-03
Concerning: <u>Bethesda Overlay Zone</u> –
Extensions
Revised: <u>4/5/2023</u> Draft No.: <u>1</u>
Introduced: April 11, 2023
Public Hearing:
Adopted:
Effective:

### COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND SITTING AS THE DISTRICT COUNCIL FOR THAT PORTION OF THE MARYLAND-WASHINGTON REGIONAL DISTRICT WITHIN MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Council President Glass at the Request of the Planning Board

AN AMENDMENT to the Montgomery County Zoning Ordinance to:

- (1) grant a one-time one-year extension to existing deadlines within the Bethesda Overlay Zone; and
- (2) generally amend the development procedures of the Bethesda Overlay Zone.

By amending the following sections of the Montgomery County Zoning Ordinance, Chapter 59 of the Montgomery County Code:

Division 4.9.	"Overlay Zones"
Section 4.9.2.	"Bethesda (B) Overlay Zone"

<b>EXPLANATION:</b>	<b>Boldface</b> indicates a Heading or a defined term.
	<u>Underlining</u> indicates text that is added to existing law by the original text
	amendment.
	[Single boldface brackets] indicate text that is deleted from existing law by
	original text amendment.
	Double underlining indicates text that is added to the text amendment by
	amendment.
	[[Double boldface brackets]] indicate text that is deleted from the text
	amendment by amendment.
	* * * indicates existing law unaffected by the text amendment.

### ORDINANCE

The County Council for Montgomery County, Maryland, sitting as the District Council for that portion of the Maryland-Washington Regional District in Montgomery County, Maryland, approves the following ordinance:

1	Sec.	1. DIVISION 59-4.9 is amended as follows:
2	<b>Division</b> 4	.9. Overlay Zones
3		* * *
4	Section 4.	9.2. Bethesda (B) Overlay Zone
5		* * *
6	D. Dev	velopment Procedures
7	1.	Except as modified in this subsection, the development procedures of
8		the underlying zone apply.
9	2.	Sketch plan and site plan approval under Section 7.3.3 and
10		Section 7.3.4, respectively, are required for all development in the
11		Bethesda Overlay zone that uses the FAR Averaging provisions of
12		Section 4.9.2.C.5.
13	3.	To approve a site plan, the Planning Board must find that the proposed
14		allocation of gross floor area, in addition to the sum of previously
15		approved or built developments, does not exceed 32,400,000 square
16		feet of gross floor area.
17	4.	If the Planning Board approves a site plan using BOZ Density, the
18		applicant must have a building permit application, accepted by the
19		Department of Permitting Services, that includes the core and shell of
20		the principal building within two years of the date of the Planning
21		Board's resolution. Within two years after the Department of
22		Permitting Services accepts the building permit application that
23		includes the core and shell of the principal building, the applicant
24		must obtain that building permit. [The deadlines under this section
25		may not be extended.] If an applicant fails to comply with any of the
26		deadlines under this section, the entire site plan approval is revoked.
27		For any site plan using BOZ density that was valid on {insert effective

28	date}, the deadline to have a building permit that includes the core and
29	shell of the principal building accepted by the Department of
30	Permitting Services is automatically extended for one year. The
31	deadlines under this section may not otherwise be extended.
32	* * *
33	Sec. 2. Effective date. This ordinance becomes effective 20 days after the
34	date of Council adoption.

# Montgomery County Planning Board

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

2425 Reedie Drive Floor 14 Wheaton, MD 20902

MontgomeryPlanningBoard.org

#### March 13, 2023

То:	The Honorable Evan Glass
	President, Montgomery County Council
	Stella B. Werner Council Office Building
	100 Maryland Avenue, Room 501
	Rockville, Maryland 20850

From: Montgomery County Planning Board

Subject: Proposed Zoning Text Amendment, Bethesda Overlay Zone – Extensions

### **BOARD RECOMMENDATION**

The Montgomery County Planning Board of the Maryland-National Capital Park and Planning Commission met on March 9, 2023, and by a vote of 5:0 recommended transmitting a proposed Zoning Text Amendment (ZTA) (Attachment A-2) with a request for introduction. This ZTA would amend the Development Procedures of the Bethesda Overlay Zone (BOZ) to grant a one-time, one year extension to the deadline that requires applicants to have a building permit application for the primary building core and shell accepted by the Department of Permitting Services (DPS) within two years of the mailing of an applicable site plan resolution.

The BOZ is unique in requiring the applicants of a site plan that utilized BOZ Density to successfully file for a building permit within two years of plan approval. The code further requires the applicant to obtain said building permit within two years of DPS accepting the permit application. BOZ Density is a limited resource since the BOZ caps all development in Bethesda at 32.4 million SF. The purpose of the two-year deadlines is to avoid applicants sitting on approved but unused density in a competitive building market. The BOZ is unique in that site plan approvals elsewhere in the County have no building permit-related deadlines and are considered valid as long as the project's Preliminary Plan and Adequate Public Facilities (APF) determination have not expired.

Recently, Planning staff have received requests from applicants in Bethesda with recently approved site plans asking for an extension of the two-year building permit deadlines. Rising costs in labor and construction materials and the recent increase in interest rates have created a very tight construction loan market making it difficult for new projects to move forward. County code does not allow the Planning staff or the Planning Board to extend the BOZ deadlines on a case-by-case basis.

This proposed ZTA would create a one-time, one-year automatic extension for all currently approved site plan applications that have not yet submitted a building permit application to DPS, and are still within the two-year deadline. This type of automatic extension is similar to blanket extensions the Council has granted previously for APF and Preliminary Plan validity periods. The Planning Board The Honorable Evan Glass March 13, 2023 Page Two

recommends this extension for only one year because it strikes a balance between providing some relief to active development applications without totally compromising the intent of the deadlines. BOZ Density is a finite resource, though adequate density remains such that a one-year extension is unlikely to cause any undo harm to other development applications in the pipeline.

Given the acute financial situation these applicants have encountered, the Board kindly requests the Council introduce this amendment to the Bethesda Overlay Zone. Planning staff are able and willing to work with Council staff or Councilmembers with any questions or concerns that may arise from consideration of this ZTA.

### CERTIFICATION

This is to certify that the attached report is a true and correct copy of the technical staff report and the foregoing is the recommendation adopted by the Montgomery County Planning Board of The Maryland-National Capital Park and Planning Commission, at its regular meeting held in Wheaton, Maryland, on Thursday, March 9, 2023.

1 but h

Roberto R. Piñero Vice Chair

Attachments:

A 1 - Planning Staff Report A 2 - Draft BOZ ZTA

# Attachment A 1

# Montgomery Planning PROPOSED ZTA – BETHESDA OVERLAY ZONE – EXTENSIONS



### Description

The proposed zoning text amendment would modify the development procedures of the Bethesda Overlay Zone (BOZ) by granting a one-time, one (1) year extension to the existing deadlines within the overlay zone that apply to projects that utilized BOZ Density in their approval.

Proposed ZTA 23-## Completed: 03-02-2023 MCPB Item No. 7 03-09-2023 Montgomery County Planning Board 2425 Reedie Drive, Floor 14 Wheaton, MD 20902

Montgomeryplanning.org

# **Planning Staff**



Benjamin Berbert, Planner III, Countywide Planning and Policy <u>Benjamin.Berbert@montgomeryplanning.org</u>, 301-495-4644 Jason Sartori, Chief, Countywide Planning and Policy <u>Jason.Sartori@montgomeryplanning.org</u>, 301-495-2172

### LEAD TEAM

Countywide Planning & Policy

### **REVIEW BASIS**

Chapter 59 – Zoning

# **Summary:**

- Staff recommends the Planning Board transmit the draft ZTA to the District Council, requesting its introduction.
- Planning staff have heard from the development community that the current high interest rates in conjunction with ongoing inflation are leading to difficulties in securing financing for new development projects.
- The proposed one (1) year extension would provide additional time for approved projects within the Bethesda Overlay Zone (BOZ) that utilized BOZ Density to arrange financing and construction contracts without fully dismantling the intent that development approvals utilizing BOZ Density should proceed in a timely manner or expire.

(8)

# TABLE OF CONTENTS

SECTION 1: BACKGROUND	. 3
RATIONALE FOR THE PROPOSED ZTA	.3
SECTION 2: ANALYSIS	. 3
Proposed ZTA	.3
SECTION 3: CONCLUSION	. 4

### **SECTION 1: BACKGROUND**

### RATIONALE FOR THE PROPOSED ZTA

The Bethesda Overlay Zone (BOZ), Section 4.9.2. of the Zoning Code sets forth zoning recommendations to implement the Bethesda Downtown Plan. Included in the BOZ are provisions governing the use of BOZ Density, which is development density beyond what is mapped by the underlying zone that can be obtained by meeting certain standards including a payment to the Park Impact Fund. There is The Development Procedures under Section 4.9.2.D.4. provide specific guidance for projects that utilize BOZ Density:

D. If the Planning Board approves a site plan using BOZ Density, the applicant must have a building permit application, accepted by the Department of Permitting Services, that includes the core and shell of the principal building within two years of the date of the Planning Board's resolution. Within two years after the Department of Permitting Services accepts the building permit application that includes the core and shell of the principal building permit. The deadlines under this section may not be extended. If an applicant fails to comply with any of the deadlines under this section, the entire site plan approval is revoked.

Concerns have been raised by the development community regarding the two-year deadlines contained in the Development Procedures provisions – both the requirement to file for a building permit for core and shell within two years of the resolution date and the requirement to obtain that building permit within two years of the filing. Given the rising economic burdens resulting from construction cost inflation and the sharp rise in interest rates, the development community is finding projects that were quickly moving through the process only months ago are now running into hurdles. This ZTA would provide some relief from the two-year deadlines without fundamentally altering the purpose of these deadlines, which is to ensure that applicable development approvals using the limited BOZ Density proceed in a timely manner.

### **SECTION 2: ANALYSIS**

### **PROPOSED ZTA**

ZTA 23-## Bethesda Overlay Zone – Extensions would make a minor addition to the Development procedures, under Section 4.9.2.D.4 of the code. This ZTA adds the following language:

<u>Notwithstanding the foregoing, for any site plan using BOZ Density that was valid on {effective</u> <u>date of the ZTA}, the deadline to have a building permit that includes the core and shell of the</u> <u>principal building accepted by the Department of Permitting Services is automatically extended</u> <u>by one year.</u>

The existing BOZ language, shown above on page 3 of this report, creates two clear deadlines. The first requires applicants to have a building permit application accepted by DPS for the core and shell of the principal building within two years of the Planning Board approval of the associated site plan. The second deadline requires the applicant to obtain the same building permit within two years of having the permit application accepted. The intent was to not allow development projects in the BOZ area to hoard the BOZ Density, since there is a limited amount of total BOZ Density available to development projects. If a project received approval utilizing BOZ Density and failed to meet the aforementioned deadlines, the site plan would be invalidated and the BOZ Density would be released back into the pool available to other applicants.

The language added by this proposed ZTA would allow any site plan that has utilized BOZ Density in its approval and has yet to reach the first milestone of having a building permit application accepted by DPS for core and shell of the principal building to have an additional year. Planning staff have heard from developers that getting approval for financing has become a major hurdle with the ongoing inflation in construction and labor costs, and now the rapid rise in interest rates. The ZTA focuses on the first deadline of filing for building permits because that is often stage developers get hung up on when trying to resolve financing issues. Given the current availability of BOZ Density for additional new development applications, this one-year extension for any valid project is a fair and appropriate, across the board way to provide some leeway to developers of approved projects facing financing challenges without sacrificing the intent of the deadlines in the BOZ. The format of the ZTA is similar to how the Subdivision Code (Chapter 50) has been updated in years past granting two-year extensions of adequate public facility validity, and plan validity as one time across the board extensions.

## SECTION 3: CONCLUSION

Planning staff recommends the Planning Board transmit the draft ZTA modifying the Bethesda Overlay Zone to the District Council, requesting its introduction. This proposed ZTA strikes a balance between providing flexibility to developers of approved projects in the only part of the County with deadlines on implementing site plans, and the original intent of the deadlines to fairly distribute BOZ Density to development applications that are ready to start construction.

### ATTACHMENTS

Attachment A – Proposed ZTA 23-## Bethesda Overlay Zone – Extensions

# Attachment A 2

Zoning Text Amendment No.: 23-## Concerning: Bethesda Overlay Zone -Extensions Draft No. & Date: 2 – 3/13/23 Introduced: Public Hearing: Adopted: Effective: Ordinance No.:

### COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND SITTING AS THE DISTRICT COUNCIL FOR THAT PORTION OF THE MARYLAND-WASHINGTON REGIONAL DISTRICT WITHIN MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Councilmember \*\*\*

AN AMENDMENT to the Montgomery County Zoning Ordinance to:

Amend the development procedures of the Bethesda Overlay Zone, granting a one-time, one year extension to the existing deadlines within the Overlay Zone.

By amending the following sections of the Montgomery County Zoning Ordinance, Chapter 59 of the Montgomery County Code:

Division 4.9. "Overlay Zones" Section 4.9.2. 'Bethesda (B) Overlay Zone"

<b>EXPLANATION:</b>	<b>Boldface</b> indicates a Heading or a defined term.
	<u>Underlining</u> indicates text that is added to existing law by the original text
	amendment.
	[Single boldface brackets] indicate text that is deleted from existing law by
	original text amendment.
	Double underlining indicates text that is added to the text amendment by
	amendment.
	[[Double boldface brackets]] indicate text that is deleted from the text
	amendment by amendment.
	* * * indicates existing law unaffected by the text amendment.

#### ORDINANCE

The County Council for Montgomery County, Maryland, sitting as the District Council for that portion of the Maryland-Washington Regional District in Montgomery County, Maryland, approves the following ordinance:

1	Sec.	1. DIVISION 59-4.9 is amended as follows:
2	<b>Division</b> 4	.9 Overlay Zones
3		* * *
4	Section 4.	9.2. Bethesda (B) Overlay Zone
5		* * *
6	D. Dev	velopment Procedures
7	1.	Except as modified in this subsection, the development procedures of
8		the underlying zone apply.
9	2.	Sketch plan and site plan approval under Section 7.3.3 and
10		Section 7.3.4, respectively, are required for all development in the
11		Bethesda Overlay zone that uses the FAR Averaging provisions of
12		Section 4.9.2.C.5.
13	3.	To approve a site plan, the Planning Board must find that the proposed
14		allocation of gross floor area, in addition to the sum of previously
15		approved or built developments, does not exceed 32,400,000 square
16		feet of gross floor area.
17	4.	If the Planning Board approves a site plan using BOZ Density, the
18		applicant must have a building permit application, accepted by the
19		Department of Permitting Services, that includes the core and shell of
20		the principal building within two years of the date of the Planning
21		Board's resolution. Within two years after the Department of
22		Permitting Services accepts the building permit application that
23		includes the core and shell of the principal building, the applicant
24		must obtain that building permit. The deadlines under this section may
25		not be extended. If an applicant fails to comply with any of the
26		deadlines under this section, the entire site plan approval is revoked.
27		Notwithstanding the foregoing, for any site plan using BOZ density

28	that was valid on {effective date of the ZTA}, the deadline to have a
29	building permit that includes the core and shell of the principal
30	building accepted by the Department of Permitting Services is
31	automatically extended for one year.
32	* * *
33	Sec. 2. Effective date. This ordinance becomes effective 20 days after the date of
34	Council adoption.
35	
36	This is a correct copy of Council action.
37	
38	
39	Judy Rupp, Esq.
40	Clerk of the Council

# Attachment B

# Montgomery Planning CLIMATE ASSESSMENT FOR ZTA 23-03 BETHESDA OVERLAY ZONE

# PURPOSE OF CLIMATE ASSESSMENTS

The purpose of the Climate Assessments is to evaluate the anticipated impact of master plans and zoning text amendments (ZTAs) on the County's contribution to addressing climate change. These assessments will provide the County Council with a better understanding of the potential climate impacts and implications of proposed master plan or ZTA at the County level. The scope of the Climate Assessments is limited to addressing climate change, specifically the effect of land use recommendations in master plans and ZTAs on greenhouse gas (GHG) emissions and sequestration, and how actions proposed by master plans and ZTAs could improve the County's adaptive capacity to climate change and increase community resilience. Climate assessments are conducted in accordance with the *Climate Assessment Recommendations for Master Plans and Zoning Text Amendments in Montgomery County, December 1, 2022.* 

While co-benefits such as health and cost savings may be discussed, the focus is on how the proposed master plan and ZTA may impact GHG emissions and community resilience.

### SUMMARY

The Montgomery County Planning Board anticipates that the ZTA 23-03 Bethesda Overlay Zone will have no impacts on the County's greenhouse gas emissions or sequestration rates. Nor will the ZTA effect the County's goals of reducing greenhouse gas emissions or increasing carbon sequestration.

The proposed ZTA would amend the Development Procedures of the Bethesda Overlay Zone (BOZ) to grant a one-time, one year extension to the deadline that requires applicants to have a building permit application for the primary building core and shell accepted by the Department of Permitting Services (DPS) within two years of the mailing of an applicable site plan resolution. It will not have an impact on the density of buildings under the permit process, nor will it change Bethesda's density cap of 32.4 million square feet. For these reasons, it will not have an impact on the county's carbon emissions, sequestration, or the county/community capacity towards climate resiliency and adaptation.

### BACKGROUND AND PURPOSE OF ZTA 23-03 BETHESDA OVERLAY ZONE

ZTA 23-03 was introduced at the request of the Planning Board to provide short, one-time relief for development projects within the BOZ that are facing difficulties obtaining construction financing because of ongoing inflation, rising interest rates, and a tightening credit market. The BOZ is unique in setting a 24-month deadline for development projects to apply for a building permit for the core and shell of the principal building. Because total development in the BOZ is capped, the 24-month deadline is intended to ensure developers do not receive approvals of BOZ density and then not move forward to construction, possibly keeping other development applications from receiving plan approvals. A one-year, one-time extension of this deadline provides equal, limited relief to projects currently in the post-approval stage, without compromising the intent of the deadlines.

# VARIABLES THAT COULD AFFECT THE ASSESSMENT

### CLIMATE-RELATED VARIABLES

The ZTA is strictly a permit extension for an already approved site plan and therefore there will be no impacts to any categories in the climate assessment including transportation, embodied building emissions, energy, and land cover and management.

#### **OTHER VARIABLES**

The ZTA will not affect other variables such as density, location, or building use and design.

### ANTICPATED IMPACTS

There are no anticipated impacts to greenhouse gas emissions, sequestration rates, community resilience, or climate related adaptive capacities.

#### GREENHOUSE GAS EMISSIONS, CARBON SEQUESTRATION, AND DRAWDOWN IMPACTS

None. See above.

#### COMMUNITY RESILIENCE AND ADAPTIVE CAPACITY IMPACTS

None. See above.

# RELATIONSHIP TO GREENHOUSE GAS REDUCTION AND SEQUESTRATION ACTIONS CONTAINED IN THE MONTGOMERY COUNTY CLIMATE ACTION PLAN (CAP)

ZTA 23-03 does not involve any increases or decreases in greenhouse gas or sequestration rates.

### **RECOMMENDED AMENDMENTS**

The Climate Assessment Act (Bill 3-22) requires the Planning Board to offer appropriate recommendations, amendments or other greenhouse gas reduction measures that could help counter any identified negative impacts of the proposed ZTA. Since there will be no impacts, staff has no climate related recommendations.

### SOURCES OF INFORMATION, ASSUMPTIONS, AND METHODOLOGIES USED

The climate assessment for ZTA 23-03 was prepared using the methodology for ZTAs (tables 1 and 8) for ZTAs contained within the <u>Climate Assessment Recommendations for Master Plans and Zoning Text</u> <u>Amendments in Montgomery County, December 1, 2022</u>.