

Attachment A: Summary of Development, Public Benefits Received and Master Plan Priorities

Development in the CR and Employment Zones

The points system is a tool for implementing greater density in the incentive zones in exchange for providing public benefits. A project larger than the greater 0.5 FAR or 10,000 square feet of gross floor area in CR and LSC zones is required to include public benefits, implemented through the points system. For the CRT and EOF zones, the threshold is the greater of 1.0 FAR or 10,000 square feet of gross floor area. When public benefits are mandated, the process is known as the **optional method of development**. This review and update is primarily concerned with the delivery of public benefits, meaning the focus of the analysis is **optional method projects in the incentive zones since policy was established in 2010**. This analysis describes the total amount of development in these projects and the public benefits they delivered. This analysis reveals key findings regarding how developers choose to comply with the points system, and whether that is consistent with how staff intended or perceive the policy to operate.

As discussed in detail below, this analysis finds that developers are providing public benefits that are integral to the project or building, as opposed to providing public benefits that are highlighted as priorities within various masterplans but would otherwise not be included in a project. In addition, this analysis has thus far identified more non-optional method projects (97) than optional method projects (64), suggesting there may be instances where developers do not seek optional method density, limiting its value as an incentive. There is anecdotal evidence that there are some standard method projects (i.e., less density or square footage than the stipulated thresholds for optional method), but it is unclear whether developers choose to eschew the additional density under the optional method because of a lack of demand for bigger buildings on certain sites, or because complying with the points system and/or the approval process under the optional method is too onerous under certain conditions. A consultant study on the financial feasibility of optional method development, which will be attached as an appendix to this report upon completion, will help clarify this uncertainty.

This section of the report lays out the methodology for the data analysis and summarizes total development in the CR and Employment zones, with a focus on optional method projects. It includes a description of the maximum allowable development in the zones, and development approved in the zones since 2010, identifying residential and nonresidential development. MPDUs are paid special attention in this analysis given their significance in relation to county policy priorities.

Data Analysis Methodology

Montgomery Planning developed a dataset of all optional method development in the incentive zones since 2010, which is all the development to which the points system has been applied. Creating this dataset first required identifying all the relevant projects, and then entering details into a spreadsheet. Since Montgomery Planning has only monitored optional method development in the incentive zones

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for specific sector plans, identifying relevant projects across the county required cross-checking the Intake Division's development application dataset with the in-house GIS dataset that tracks approved development applications. Additionally, neither dataset had complete development details on the projects nor tracked public benefits, so this data was collated into the spreadsheet from multiple sources including planning board resolutions, staff reports, and certified site plans obtained from DAIC.

Optional method projects in incentive zones are unique and easy to identify because they must have approved sketch¹ and site² plans. The dataset in this analysis was created by identifying all projects in CR/CRT/LSC/EOF zones with approved sketch and site plans (i.e., optional method projects) since January 2010, when the policy was approved. Data includes projects approved between January 2010 to August 2022 and has undergone several rounds of quality control.

The dataset includes details from approved sketch plans, therefore showing the full scope of the developer's proposal, and from approved site plans, showing what the developer is committed to building when they pull a building permit. Some sketch plans include multiple phases, including the phasing of public benefits, with site plans approving one or all the phases in the sketch plan, depending on the project. A sketch plan can therefore be associated with multiple site plans. Notably, sketch plan details may be amended at site plan, including which public benefits must be provided. Given that developers are committed to public benefits approved in site plans and because the Department of Permitting Services tracks the construction of projects based on the certified site plans approved by the planning board, public benefits in approved site plans provide a good estimate for delivered public benefits. Similarly, development in approved site plans provides a good estimate for delivered development under the optional method in the incentive zones. With just 64 total projects in the dataset, Montgomery Planning has performed further analysis of whether the approved site plans have been constructed or have an active building permit. This data is provided in Appendix C.

As noted in the Project Background section of this report, several non-optional method projects have also been approved since 2010 in the incentive zones. Some are standard method projects that do not trigger the development thresholds and do not provide public benefits. Standard method projects are typically not required to submit approved sketch or site plans, but sometimes may need to obtain an approved preliminary plan for parcel subdivision purposes. There are also legacy projects with older approvals predating this policy and therefore do not provide public benefits. These projects could be smaller or larger than the development thresholds for optional method of development.

Montgomery Planning has thus far identified 97 non-optional method site plans approved since 2010, although it is unclear whether these site plans are associated with standard method development, projects with older approvals, or unique application types such as mandatory referrals filed by another public agency. Montgomery Planning has also not yet identified the standard method projects in the

¹ A sketch Plan is a conceptual design that establishes a basic building, open space and circulation framework for future, more detailed planning approvals. It serves as an initial agreement between the applicant and the Planning Board about the public benefits that will be provided for the proposed density. All optional method projects must submit a sketch plan.

² A site plan is a detailed plan, required only in certain cases, that shows proposed development on a property in relation to immediately adjacent areas. It indicates roads, walks, parking areas, buildings, landscaping, open spaces, recreation facilities, lighting, etc. The Planning Board approves the site plan after sketch plan approval and before building permits can be issued. All optional method project must submit both a sketch and a site plan.

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incentive zones that do not have a site plan, and it is unclear how many such projects there are because typically standard method projects are not required to submit a site plan. Montgomery Planning will continue to analyze non-optional method projects in the incentive zones since 2010.

The analytical methodology includes describing the details of total development under the optional method in the incentive zones in terms of total square footage, lot size, residential units, parking, and other details specific to the site and building. It also includes describing the public benefits in terms of frequency, total points awarded, and average points awarded. The analysis also examines the distribution of public benefits across different subsets of projects, such as by Planning Area. The total development in the dataset is placed in the context of the total development potential in the zones, and the total land area the zones occupy in the county. While non-optional method projects in the incentive zones are not included in the dataset as they do not provide public benefits, this analysis will eventually compare total development yields in the incentive zones in terms of optional method vs non-optional method projects. The consultant's financial and feasibility analysis, beginning in February 2023, will also be critical for contextualizing findings from the dataset. Finally, all findings from the data analysis will be discussed with internal and external stakeholders, with additional analysis conducted as needed.

Data Transparency

Montgomery Planning has uploaded the dataset online for the public to view and analyze. Montgomery Planning will continue to examine and update the dataset, particularly as the consultant's financial study reveals new findings and perspectives. Despite the ongoing internal analysis, Montgomery Planning invites all interested parties to review the dataset and we hope that stakeholders will use the data to formulate questions or comments related to the project.

Summary of Total Development

Since 2010, Montgomery Planning has approved 64 sketch plans, associated with 67 approved site plans, as shown in Table 1. Thus, there have been 64 optional method projects approved in the incentive zones between January 2010 and August 2022 (i.e., projects that included public benefits). There are three sketch plans associated with two site plans each, with each site plan approving a phase of the development approved in the sketch plan³. Discussed in more detail in the Public Benefits section of this analysis, the 64 projects are associated with 567 total public benefits, suggesting developers provide nine public benefits on average to meet their minimum points requirements. There has been 37.6 million square feet of development approved in the 64 sketch plans, and 30.2 million square feet approved in the 67 site plans. Put another way, 30.2 million square feet of the 37.6 million square feet that the planning board has approved has actually been built, is under construction, or is in the near-term delivery pipeline.

³ This number is surprisingly low on the surface; anecdotally, Montgomery Planning is aware that more than three sketch plans included multiple phases, and in some cases up to five phases. However, further examination revealed that in some site plans, all phases were approved at once, even if the developer did not intend to immediately construct all phases. This is important to note, because the delivery of public benefits can be phased with the development, but it is unclear how public benefits have been delivered in projects where all phases are approved but only a few have been constructed.

Table 1: Total Optional Method and Approved Public Benefits

	Overall	Down County	Mid County	Up County
Approved Benefits (i.e. total subcategories)				
Total Projects	64	37	24	3
Approved Benefits in Site Plans	567	310	232	25
<i>Avg. Approved Benefits in Site Plans</i>	<i>8.9</i>	<i>8.4</i>	<i>9.7</i>	<i>8.3</i>

Source: Montgomery Planning

As Table 2 shows, 80 percent of total development proposed in sketch plans was approved in site plans. Within that overall development, 83 percent of the residential development proposed (in terms of square feet) in sketch plans was approved in site plans, compared to just 73 percent of commercial development. This implies that developers have a greater ability to deliver the residential development they are seeking approvals to build compared to nonresidential development, which is generally in line with market conditions since 2010 (i.e., consistently high demand for housing, and inconsistent and uncertain demand for retail and office).

Table 2: Overall Development Approved in Sketch and Site Plans

Overall Development	Total Residential Development (sf)	Total Nonresidential Development (sf)	Total Development (sf)
Approved in Sketch Plans	26,788,346	10,807,381	37,595,727
Approved in Site Plans	22,240,685	7,911,998	30,152,683
<i>Percent of Sketch Delivered at Site</i>	<i>83.0%</i>	<i>73.2%</i>	<i>80.2%</i>

Source: Montgomery Planning, 2023.

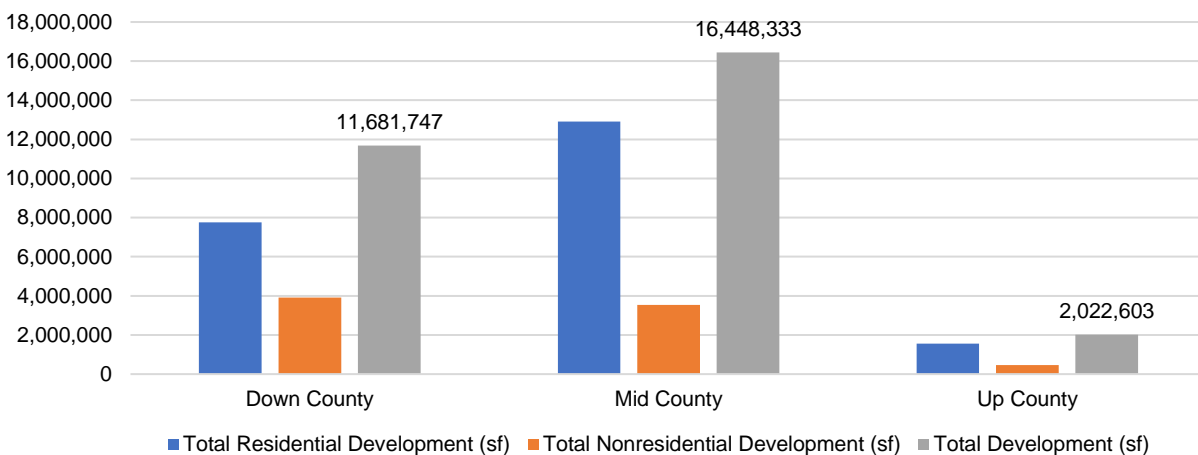
Mid County accounts for the most development of any of three County Planning Divisions, with 16.5 million (55 percent) of the development approved in site plans, compared to 11.7 million in Down County (39 percent). By contrast, Up County accounts for just seven percent of 30.2 million square feet approved in site plans, in just three projects. A few factors likely account for the discrepancy in development between Down and Mid County, and Up County: a generally lower amount of transit adjacent land with incentive zoning in place, the availability of large sites in Up County, and the lower rents in Up County.

With relatively large sites, Up County development can generate a significant yield of residential units and nonresidential development without triggering the optional method of development, meaning the more development may be approved under the standard method and does not require public benefits. Moreover, residential, and commercial rents are unlikely to support high rise construction and structured parking with expensive materials such as steel and concrete, meaning the projects typically are surface-parked and buildings use wood construction. Together, these development constraints may limit the density that can be achieved and influence developers to stay below optional method thresholds.

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Similarly, lot sizes and market conditions explain the differences in development yield between Down and Mid County. Lot sizes in Mid County tend to be larger, meaning they can accommodate more total development. Indeed, Mid County does have a strong market for housing, with similar albeit slightly lower rents and sale prices than Down County. However, Mid County has a weaker market for commercial development than Down County, which includes two major employment centers in Downtown Silver Spring and Downtown Bethesda. Since 2010, Down County has 3.9 million square feet in approved commercial development optional method site plans, compared to 3.5 million in Mid County, even though Mid County has 4.8 million more square feet of total development approved in site plans. This is summarized in Figure 1.

Figure 1: Overall Development Approved at Site Plan by Planning Division



Source: Montgomery Planning, 2023.

Residential Development

The 22.2 million square feet of residential development under the optional method in the incentive zones translates to 18,802 units, including 2,936 Moderately Priced Dwelling Units (MPDUs). The distribution of dwelling units by Planning Division corresponds with the distribution of total development, with Down County accounting for 44 percent of dwelling units, Mid County accounting for 52 percent, and Down County accounting for five percent. The average residential square footage per dwelling unit (i.e., average unit size) is 943 square feet in Down County, 1,331 square feet in Mid County, and 1,786 square feet in Up County, likely due to differences in the lot sizes and market conditions in each Planning Division. Table 3 summarizes the optional method residential development in the incentive zones since 2010.

Table 3: Residential Development Approved in Site Plans by Planning Division

Planning Division	Dwelling Units (a)	Total MPDUs (a)	MPDU % (a)	Total Residential Development (sf)	Average Residential sf per Dwelling Unit
Down County					
Sketch Plan	7,474	1,234	n.a.	9,127,571	n.a.
Site Plan	8,226	1,343	16.3%	7,761,035	943
<i>% Delivered at Site Plan</i>				85%	
Mid County					
Sketch Plan	11,578	1,204	n.a.	15,529,343	n.a.
Site Plan	9,700	1,422	14.7%	12,915,400	1,331
<i>% Delivered at Site Plan</i>				83%	
Up County					
Sketch Plan	876	110	n.a.	2,131,432	n.a.
Site Plan	876	171	19.5%	1,564,250	1,786
<i>% Delivered at Site Plan</i>				73%	
Countywide					
Sketch Plan	19,928	2,549	n.a.	26,788,346	n.a.
Site Plan	18,802	2,936	15.6%	22,240,685	1,183
<i>% Delivered at Site Plan</i>				83%	

Notes:

(a) Some projects do not indicate the total number of units or MPDUs during the sketch plan phase, while some projects only provide estimates of unit totals. Unit totals are confirmed at site plan. Thus, the difference between dwelling units at sketch plan versus site plan is not a meaningful figure. Similarly, the share of MPDUs out of the total dwelling units proposed in sketch plans is not representative of the total share of MPDUs because some sketch plans do not indicate a number of dwelling units.

Source: Montgomery Planning, 2023.

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Moderately Priced Dwelling Units (MPDUs)

Moderately Priced Dwelling Units (MPDUs) are an important component of the residential development in the incentive zones. A critical county priority, there is no cap on the points a project can receive for providing MPDUs. Projects that include 20 percent or more MPDUs are also exempt from providing any other public benefits. The minimum MPDU requirement for any residential project of 20 units or more, in any zone, is of 12.5 percent of the overall units. In some Master Plan Areas, the minimum requirement is 15 percent, although developers may receive public benefit points for all units above the 12.5 percent requirement. Some master plans simply require a minimum of 15 percent MPDUs and only provide points for exceeding 15 percent.

In total, of the 18,802 dwelling units in approved optional method site plans, 2,951 (15.7 percent) are MPDUs, in line with most Master Plan requirements and importantly, above the county's minimum requirement of 12.5 percent. Interestingly, as shown in Table 4, the share of MPDUs in Down County was slightly higher than average, at 16.4 percent, compared to 14.8 percent in Mid County. There was relatively little optional method development in Up County generally. Of the three projects in Up County, one provided 25 percent MPDUs while the other two provided 12.5 percent MPDUs.

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Table 4: MPDU Threshold in Site Plans, by Planning Area

MPDU Threshold	Countywide		Down County		Mid County		Up County	
	Total		Total		Total		Total	
	Site Plans	MPDUs	Site Plans	MPDUs	Site Plans	MPDUs	Site Plans	MPDUs
12.5% or below	13	467	6	163	6	282	1	22
12.6% to 14.9%	13	537	4	117	8	393	1	27
15%	3	150	3	150	0	0	0	0
15.1% to 19.9%	20	1,040	15	547	5	493	0	0
20.1% or more	10	757	3	369	6	266	1	122
Total	59	2,951	31	1,346	25	1,434	3	171
Total Dwelling Units	18,802		8,226		9,700		876	
<i>MPDUs as % of Dwelling Units</i>	<i>15.7%</i>		<i>16.4%</i>		<i>14.8%</i>		<i>19.5%</i>	
<i>Site Plans Providing More than 15% MPDUs</i>	<i>30</i>		<i>18</i>		<i>11</i>		<i>1</i>	

Notes:

(a) There are seven total site plans that only included nonresidential development. In addition, two site plans with residential development did not include MPDUs. They are Brightview Bethesda (assisted living facility) and 4702 West Virginia (fewer than 20 dwelling units).

Source: Montgomery Planning, 2023.

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The data in Table 4 includes projects that provided 20 percent MPDUs or more. However, such projects do not need to provide any other public benefits. Removing these projects from the dataset reveals the MPDU percentage in projects that provided multiple public benefits, including MPDUs, summarized in Table 5. Such projects provided 13.8 percent MPDUs in total, less than the 15 percent required in many Master Plans with the incentive zones. In Down County, projects with less than 20 percent MPDUs provided 14.2 percent MPDUs in total.

As MPDUs are also associated with additional incentives like fee waivers, tax abatements, and density and height bonuses, it is possible that those additional incentives are more valuable in Down County than Mid County. For example, with smaller site sizes in Down County, and due to a stronger real estate market in Downtown Bethesda and Silver Spring, it is plausible that to maximize density, developers already need to use high rise construction with more expensive materials like steel and concrete. In such cases, it is easier to add additional height to accommodate more density and the additional incentives mentioned above may more strongly influence the development program to include more MPDUs. Additionally, the ability to get more units (market rate and affordable) by using the density and height bonus may be a greater incentive in stronger Down County markets than elsewhere. By contrast, larger lot sizes, the inability to afford high-rise steel and concrete construction to maximize the mapped density, coupled with lower rents in Mid County could make the incentives less attractive there. MPDUs will be the focus of additional analysis throughout this project, including a cost analysis by the consultant that account for the true, marginal cost of providing MPDUs, accounting for incentives.

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Table 5: MPDU Threshold in Projects Providing Fewer Than 20 percent MPDUs, by Planning Area

MPDU Threshold	Countywide		Down County		Mid County		Up County	
	Total		Total		Total		Total	
	Site Plans	MPDUs	Site Plans	MPDUs	Site Plans	MPDUs	Site Plans	MPDUs
12.5% or below	13	468	6	164	6	282	1	22
12.6% to 14.9%	12	523	3	103	8	393	1	27
15%	3	150	3	150	0	0	0	0
15.1% to 20%	20	1,010	15	517	5	493	0	0
20.1% or more	0	0	0	0	0	0	0	0
Total	48	2,151	27	934	19	1,168	2	49
Total Dwelling Units	15,563		6,581		8,594		388	
<i>MPDUs as % of Dwelling Units</i>	13.8%		14.2%		13.6%		12.6%	
<i>Site Plans Providing More than 15% MPDUs</i>	20		15		5		0	

Source: Montgomery Planning, 2023.

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As described in Project Background section, the County updated its density bonus policy for MPDUs in 2018. Previously, the maximum density bonus was 22 percent for including 15 percent MPDUs, and no additional bonus was given for including MPDUs beyond 15 percent. Since 2018, projects receive incremental density bonuses up to 35 percent, for including up to 25 percent MPDUs. This has had a noticeable effect on MPDUs as a percentage of total dwelling units delivered under the optional method in the incentive zones in Mid County. Whereas Table 4 shows that the MPDU percentage was 14.7 percent for all Mid County projects in the dataset, Table 6 below shows that after 2018, the MPDU percentage in Mid County increased to 17.2 percent of total dwelling units. The MPDU percentage in Down County (16.4 percent) did not change as a result of the policy update.

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Table 6: MPDU Threshold in Projects Approved After 2018 Update to the MPDU Law

MPDU Threshold	Countywide		Down County		Mid County		Up County	
	Total		Total		Total		Total	
	Site Plans	MPDUs	Site Plans	MPDUs	Site Plans	MPDUs	Site Plans	MPDUs
12.5% or below	1	0	1	0	0	0	0	0
12.6% to 14.9%	2	58	0	0	2	58	0	0
15%	0	0	0	0	0	0	0	0
15.1% to 19.9%	12	391	9	252	3	139	0	0
20.1% or more	5	150	1	24	4	126	0	0
Total	20	599	11	276	9	323	0	0
Total Dwelling Units	3,569		1,687		1,882		0	
<i>MPDUs as % of Dwelling Units</i>	<i>16.8%</i>		<i>16.4%</i>		<i>17.2%</i>		<i>0.0%</i>	
<i>Site Plans Providing More than 15% MPDUs</i>	<i>85.0%</i>		<i>90.9%</i>		<i>77.8%</i>		<i>0.0%</i>	

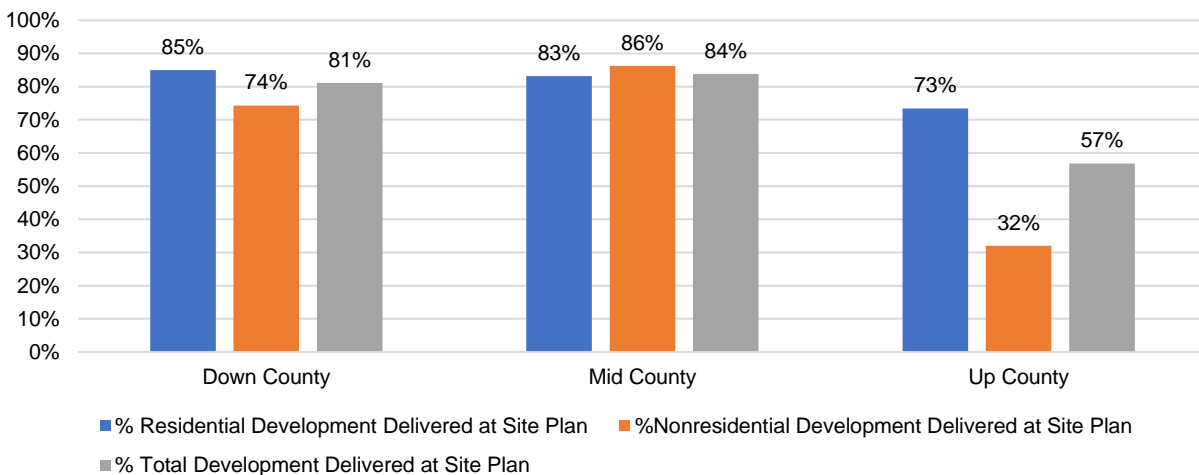
Source: Montgomery Planning, 2023.

Nonresidential Development

As shown in Figure 2, a smaller share of the nonresidential development approved in Down County sketch plans was approved in site plans (74 percent) than in Mid County (86 percent). Nonetheless, the overall demand for nonresidential development is greater in Down County, stemming largely from a stronger demand for retail and office in Downtown Silver Spring and Downtown Bethesda. As described in Figure 1 in the previous section, there is 3.9 million square feet of nonresidential development approved in Down County site plans, which is 34 percent of total approved development in Down County. By contrast, there is 3.5 million square feet of nonresidential development approved in Mid County site plans, which is just 21.5 percent of total approved development in Mid County. In fact, the amount of non-residential development approved in Mid County *sketch plans* is roughly equal to the amount approved in Down County *site plans*, even though Mid County accounted for 4.8 million more square feet of total development.

With just 32 percent of non-residential development approved in Up County sketch plans further approved in Up County site plans, it is likely that the non-residential development portion of these projects is not currently feasible. However, if the developer does not have immediate plans to deliver the non-residential development, they can also wait to deliver the public benefits associated with that phase. This suggests developers can delay providing public benefits for phases that are not likely to deliver under existing market conditions, since they are not required to provide all public benefits with construction of the first phase of a project.

Figure 2: Percent of Development Approved at Sketch Plan Delivered at Site Plan, by Planning Area



Source: Montgomery Planning, 2023.

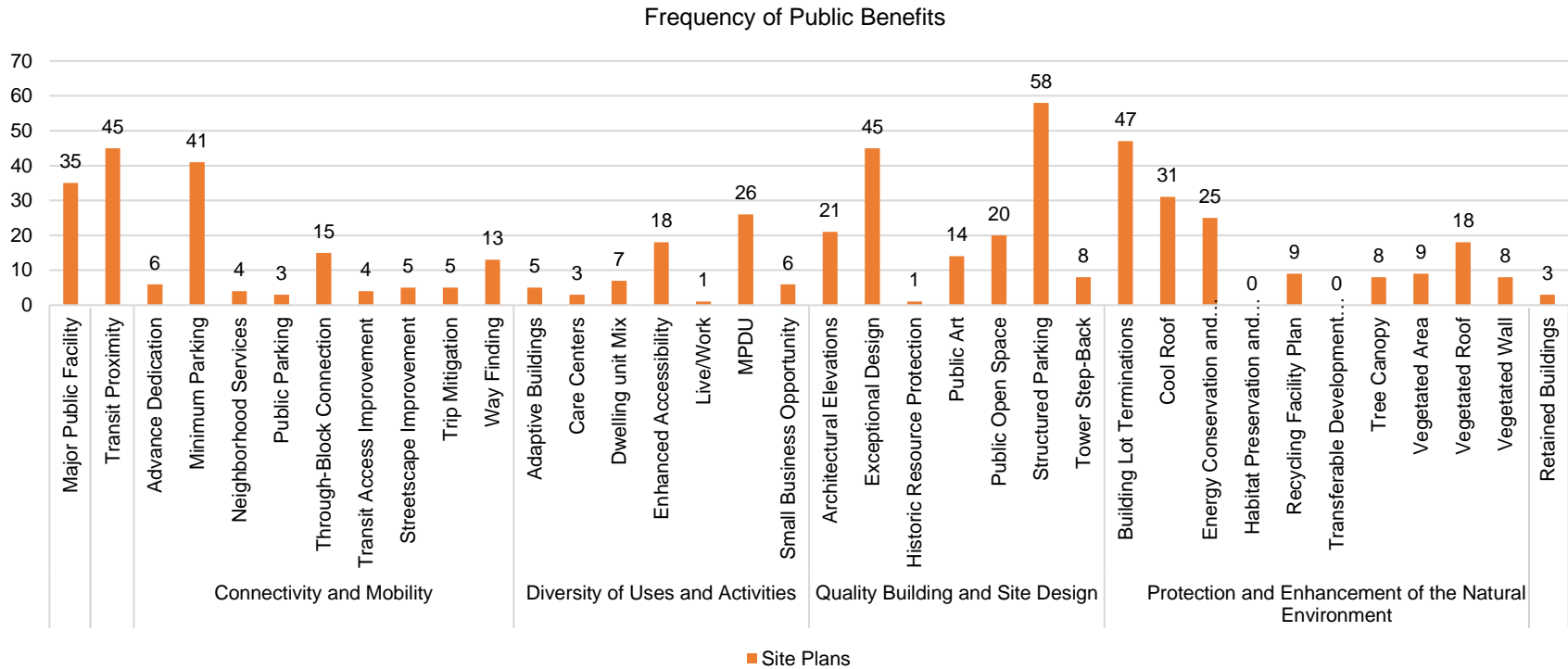
Analysis of Public Benefits Delivered in CR and Employment Zones

There are 36 unique types of public benefits⁴ developers may include to meet their minimum required points for optional method development, across seven categories. As shown in Figure 3, the ten most frequent public benefits account for 66 percent of the 567 total public benefits included in approved site plans. The top 15 public benefits account for 75 percent of the 567 total public benefits included in approved site plans. In fact, the top six most common public benefits were included in over half of all site plans in the dataset. The top ten most common public benefits included in approved site plans are: Structured Parking, Building Lot Terminations, Exceptional Design, Transit Proximity, Minimum Parking, Major Public Facility, Cool Roof, MPDU, Energy Conservation and Generation, and Architectural Elevations. In addition, Public Open Space, Enhanced Accessibility, Vegetated Roof, Through-Block Connection, and Public Art round out the top 15 public benefits.

Additionally, the delivery of public benefits does not seem to be sensitive to geography between Down County and Mid County as they share eight of the top ten public benefits among their site plans, as shown in Figure 4 and Figure 5. The distribution of public benefits is not significant enough in Up County to highlight any patterns, with just three optional method projects.

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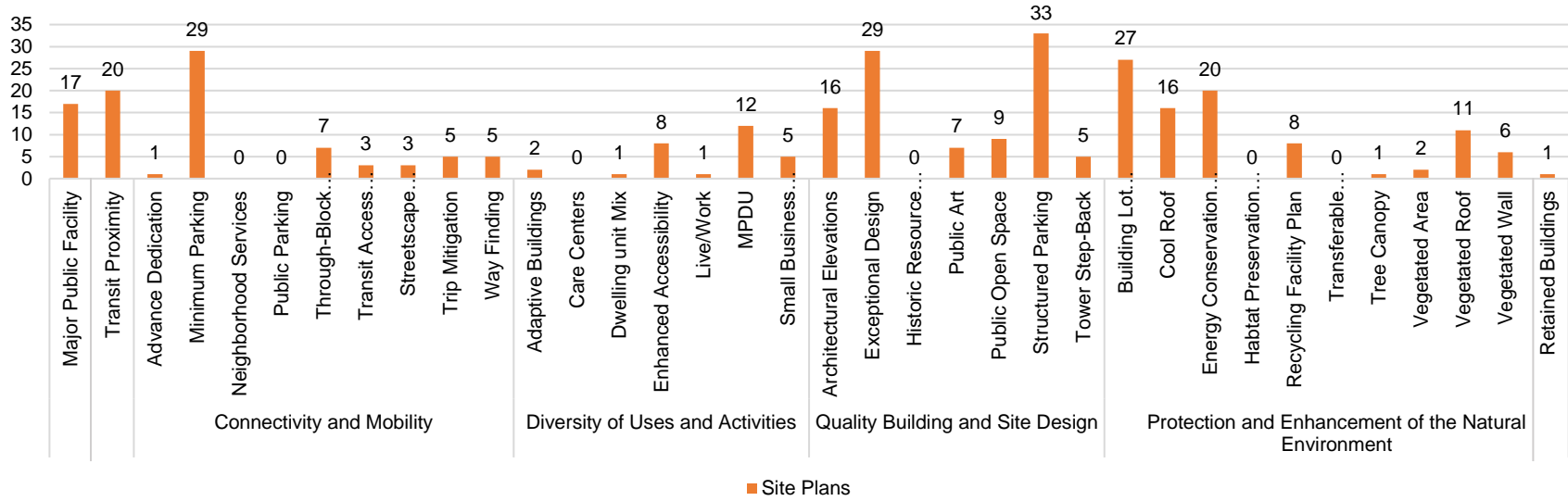
Figure 3: Frequency of Public Benefits in Approved Site Plans, Countywide



Note:
 (a) There are 67 total site plans in the dataset, countywide.

Source: Montgomery Planning.

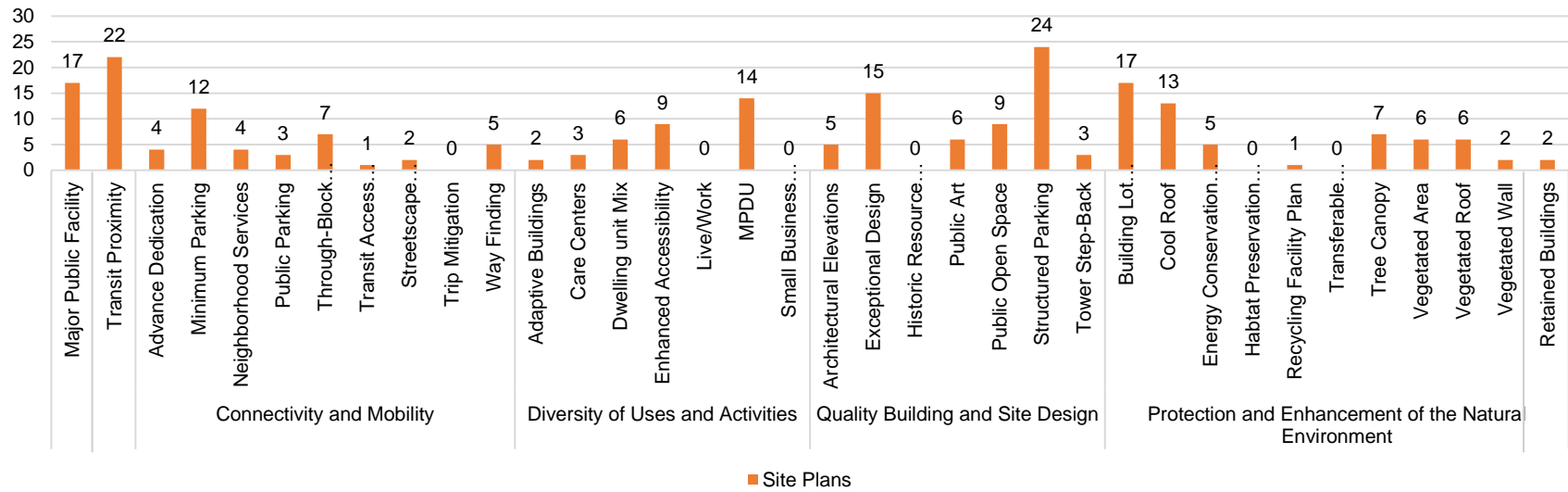
Figure 4: Frequency of Public Benefits in Approved Site Plans, Down County



Note:
 (a) There are 37 total site plans in the dataset, countywide.

Source: Montgomery Planning

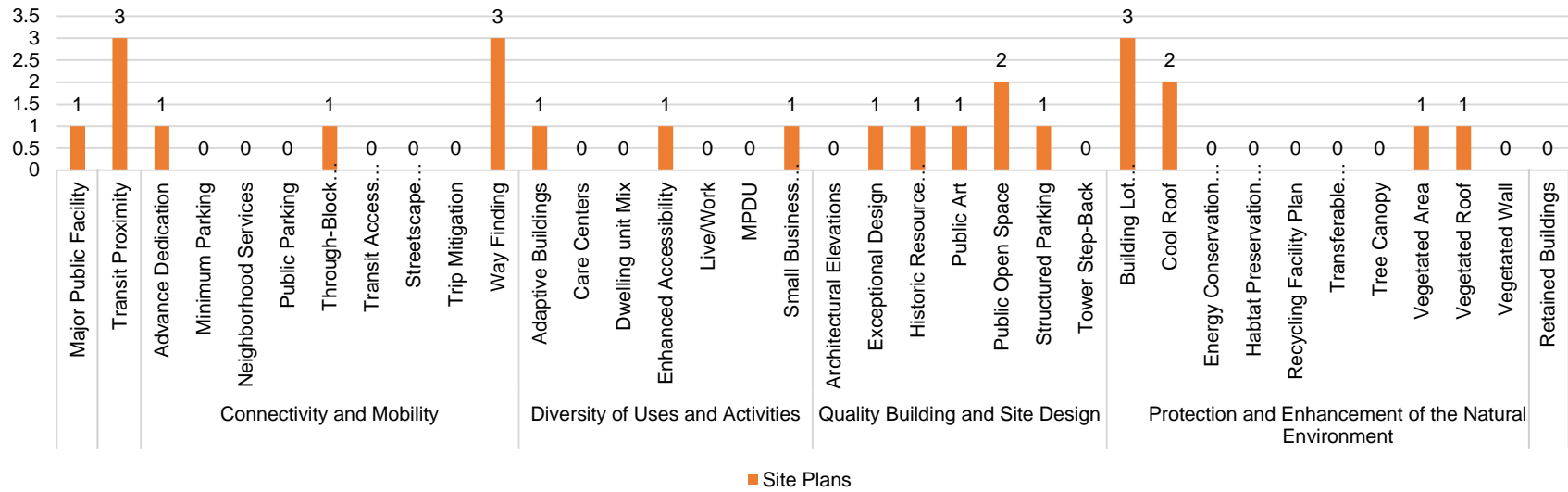
Figure 5: Frequency of Public Benefits in Approved Site Plans, Mid County



Note:
 (a) There are 24 Mid County site plans in the dataset.

Source: Montgomery Planning.

Figure 6: Frequency of Public Benefits in Approved Site Plans, Up County



Note:

(a) There are 3 Up County site plans in the dataset.

Source: Montgomery Planning.

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Out of the 36 public benefits, the top 10 public benefits are either features inherent to a development, incentivized through policies other than the points system, or are a de facto requirement due to Master Plan recommendations, current building code requirements, energy efficiency standards mandated by the Department of Environmental Protection (DEP), DPS, or outlined in certification systems like LEED. For example, as shown in Table 7, features inherent to a development include Structure Parking (most common public benefit), Transit Proximity (fourth most common), Minimum Parking (fifth most common), and Major Public Facility (sixth most common).

Table 7: Top Ten Public Benefits

Inherent to Development	Other Incentive Programs	De Facto Requirement
Structured Parking (1)	BLTs (2)	Cool Roof (7)
Transit Proximity (4)	Exceptional Design (3)	Energy Conservation and Generation (9)
Minimum Parking (5)	Architectural Elevations (10)	
Major Public Facility (6)*	MPDUs (8)	

* In most instances, the major public facility awarded points has been either a bikeshare facility or bicycle parking, or a payment towards parks development.

Source: Montgomery Planning, 2023.

The frequency of the top ten public benefits is predictable, particularly considering the nature of the CR and Employment zones. For example, the incentive zones are intended to be located around transit. Consequently, sites and tracts in these zones are small, as evidenced by the projects in the dataset. The median tract size in approved site plans is two acres, while the median approved FAR in site plans is 3.0, meaning a typical project in the dataset could not accommodate surface parking for minimum parking requirements, explaining why all but nine projects in the dataset include structured parking as a public benefit. The high cost of structured parking further incentivizes developers to minimize parking. Transit Proximity, Structured Parking, and Minimum Parking are listed under separate categories, satisfying three of the four public benefit categories required at minimum for optional method development in the CR zone. These three public benefits are associated with an average of 27, 16, and eight points, respectively, out of 100 points, which is the typical minimum requirement in the CR zone⁵. Therefore, developers may receive approximately 51, or half, of their minimum required points for features that are inherent to the project based on the zoning. For smaller projects in the CR zones, the minimum required points is 50, in which case these three benefits would cover all the required points.

Similarly, there are incentives and requirements governed by other policies that are awarded points under the existing points system, helping to explain the frequency of BLTs, Exceptional Design, Architectural Elevations, and MPDUs. All development in CR and LSC (but not CRT and EOF) zones are required to purchase BLTs but are also awarded points for purchasing the required BLTs. With most projects located in CR zones, BLTs are the second most frequent public benefit included in approved site plans after structured parking. The 'Other County Law and Incentive Programs' section of this report describes the various incentives for providing MPDUs. For planning staff to adequately review the project, make necessary site plan findings and assure conformance with the applicable sector plan and

⁵ 53 out of the 67 projects in the dataset are in the CR zone, 13 in the CRT zone, and one the EOF zone. There are no projects in the dataset developed in the LSC zone.

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urban design guidelines, the applicants need to provide detailed architectural elevations which are included in the Certified Sit Plan Set that Department of Permitting Services (DPS) uses as an enforcement document. If the applicant agrees to substantially conform to the design, materials, and details as shown on these drawings, the project would likely be eligible for points for Architectural Elevations. Finally, projects in Bethesda are subject to a Design Advisory Panel (DAP) and as a result, must incorporate exceptional design and earn a minimum number of points, and projects in Downtown Silver Spring will also be subject to a DAP as of 2023.

Cool Roofs and Energy Conservation and Generation as public benefits are de factor requirements given the county's current green building code, DEP's energy performance regulations, and market expectations set by certification standards like LEED. These requirements compel developers to a choose public benefits like a cool roof, while industry standards like LEED and the corresponding demand to live or work in energy efficient buildings also compels developers to provide similar public benefits regardless of the points system. The regulatory reviewers actively avoid awarding points for public benefits that are *de jure* requirements, but the dataset reveals that several projects have received points for such public benefits. In fact, more recent master plans have updated the points system for a specific geographic area to address some of the weaknesses of the points system implementation guidelines that were last updated in 2017.

Table 7 also shows Major Public Facilities (sixth most common) as a feature 'Inherent to Development'. According to the implementation guidelines, a major public facility "provides public services at a convenient location where increased density creates a greater need for civic uses and greater demands on public infrastructure." However, in most instances, the major public facility awarded points has been either a bikeshare facility or bicycle parking, or a payment towards a major public facility. Bicycle parking is a requirement under the zoning ordinance, so it is possible that adding more bicycle parking is relatively simpler to comply with for points compared to other public benefits. Moreover, most payments awarded points were Park Impact Payments, which most projects in Downtown Bethesda already contribute towards if they are purchasing density from the Bethesda Overlay Zone⁶. Some payments went towards right of way or roadway improvements that serve the project. Of the 35 major public facilities awarded points, there is just one "complete" facility, to be constructed by the developer and dedicated to Montgomery Parks, that will be available to the public for civic use: a 1.75-acre urban park in the ELP Bethesda at Rock Spring project.

Regulatory reviewers seek to award points for developers going above and beyond meeting the minimum regulatory requirements. Nonetheless, the data suggests that even if developers are going above minimum requirements for including the top ten public most common public benefits, they still prefer to meet higher standards for the more common public benefits than pursue including the less common or unused public benefits such as schools, adaptive reuse, Live/Work units, Care Centers, etc. It is likely easier and cheaper to meet higher than minimum standards for public benefits that are either features inherent to a development, incentivized through policies other than the points system, or a de facto requirement under the building code or other standards like LEED, than it is to provide the other public benefit options under the existing policy.

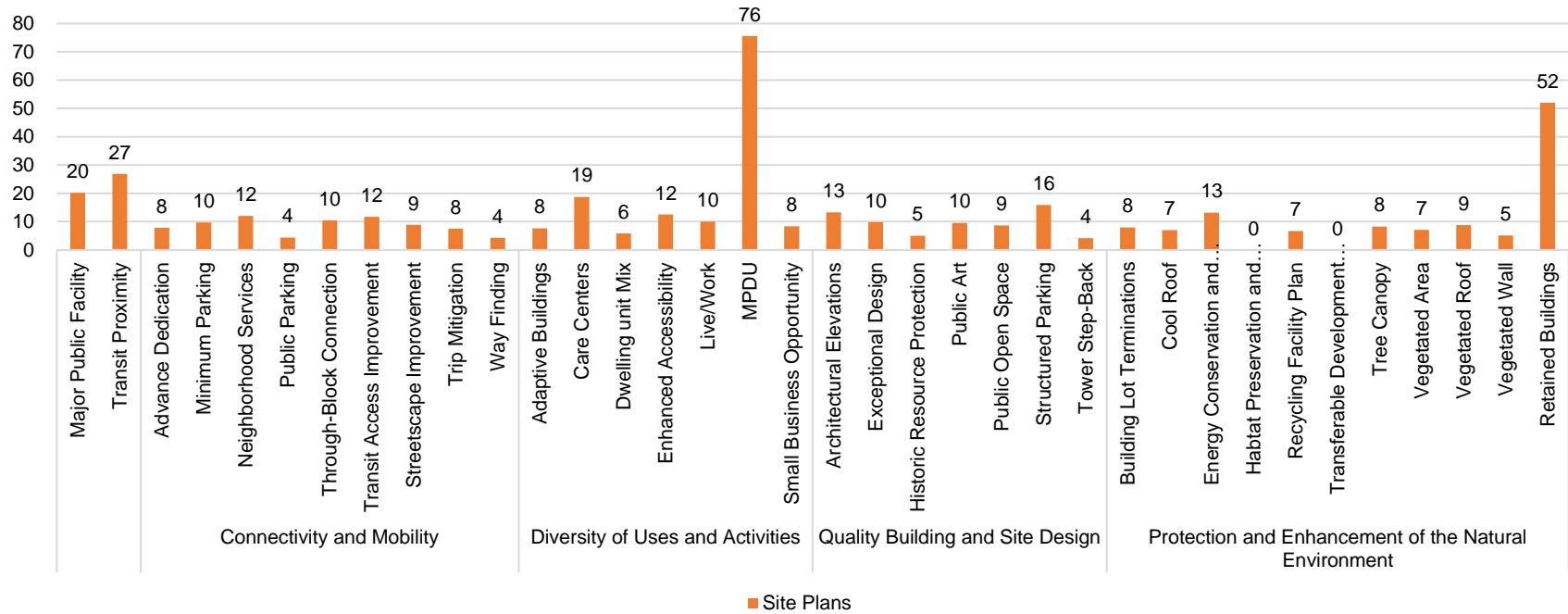
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Based on the average points awarded per public benefit in the dataset, developers can typically receive more than half their points for providing public benefits that are either features inherent to a development, incentivized through policies other than the points system, or a de facto requirement under the building code or other standards like LEED. For example, the average points awarded for Transit Proximity (27), Structured Parking (16), Minimum Parking (10), Exceptional Design (10), and Architectural Elevations (13), total 76 out of a minimum of 100 points. If a project included all these public benefits and provided 15 percent MPDUs in a Mater Plan Area that will award points for any MPDU above 12.5 percent, the project would receive 30 points at minimum bringing the total to 106 points. Such a project would not need to provide any other public benefits. The average points awarded per public benefit is summarized in Figure 7.

A fundamental feature of the public benefits points system is their relationship to Master Plans. Master Plans are legal documents adopted by the County Council and are intended to guide the choice of which public benefits developers include in their projects. The intent of this feature was to ensure not only those public benefits responded to a specific community's needs, but also the ensure the has an opportunity to shape which public benefits are prioritized through the master planning engagement process. The list of Master Plan public benefit priorities is shown in Appendix B.

Figure 7: Average Points Awarded by Public Benefit (out of 100), Countywide



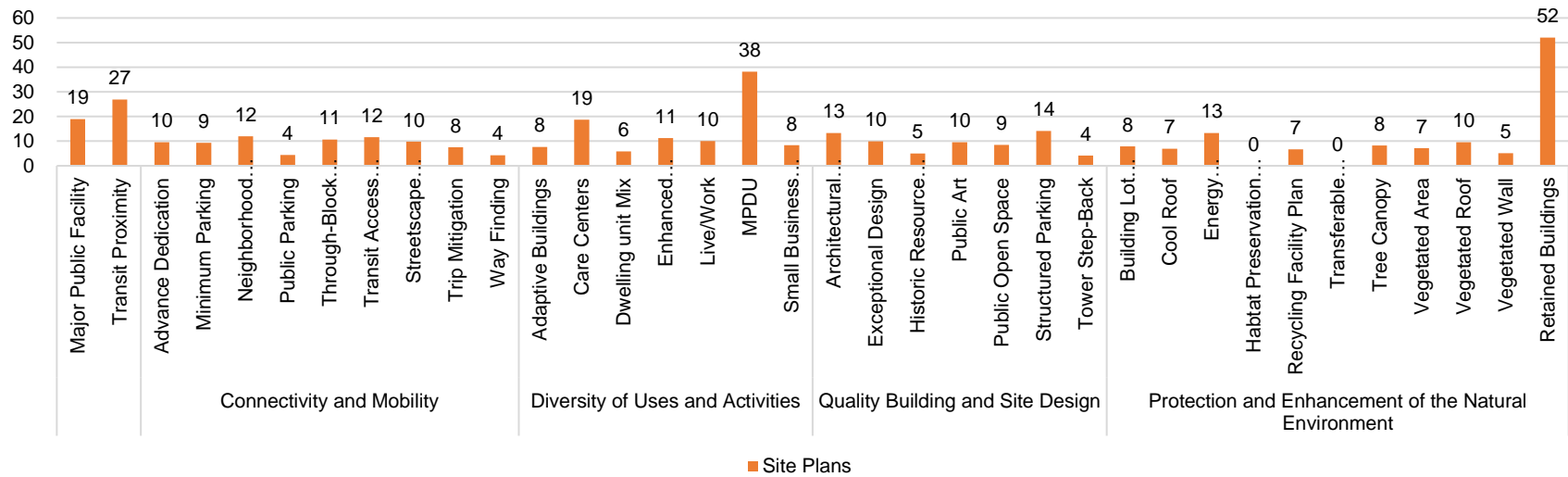
Note:

(a) There are 67 total site plans in the dataset, countywide.

(b) This figure shows the average award for MPDUs is 76 points. However, this includes outlier projects that provided 20 percent MPDUs, receiving well over 150 points for doing so. Removing these ten projects lowers the average MPDU points awarded to 38, which is in line with the amount of MPDU points a project would earn for providing 15 percent MPDUs while earning points for MPDUs above 12.5 percent. Figure 8 shows the average points awarded by benefit for all projects minus projects with 20 percent MPDUs.

Source: Montgomery Planning.

Figure 8: Average Points Awarded by Public Benefit (out of 100), Countywide, Minus Projects with 20 percent MPDUs or More



Note:

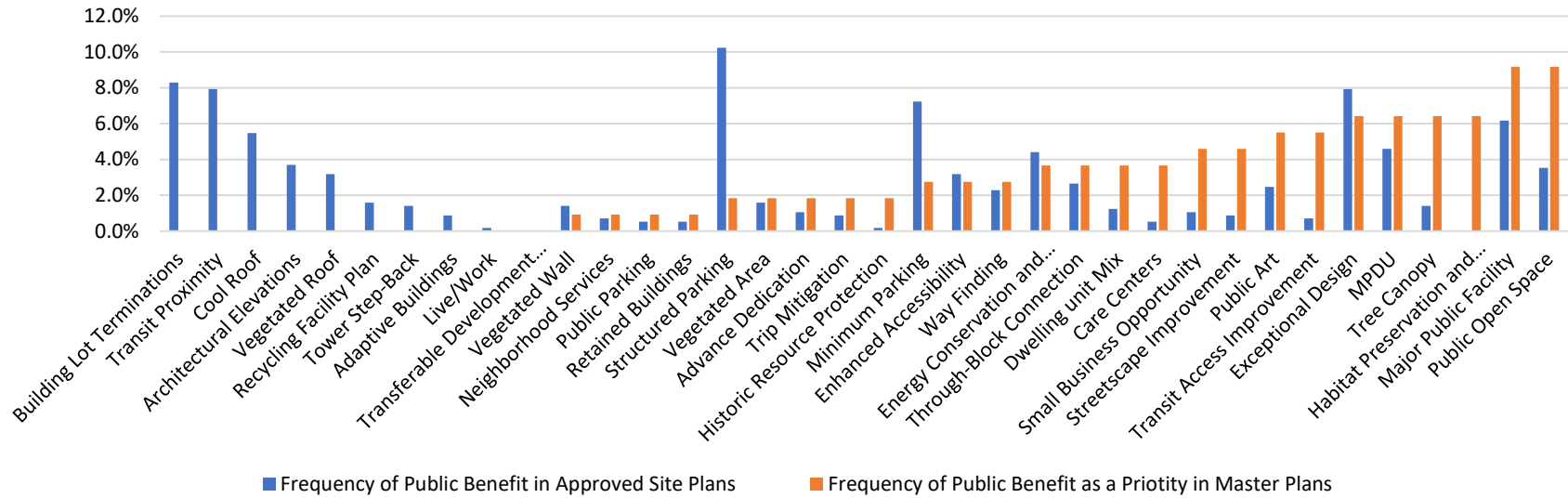
(a) There are 57 total site plans in the dataset with less than 20 percent MPDUs, and ten site plans with 20 percent MPDUs or more.

Source: Montgomery Planning.

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Despite master plan prioritization, the distribution of the frequency of public benefits in approved site plans suggests Master Plans have not guided the choice of public benefits as intended. As of 2023, 14 approved master plans have specifically prioritized public benefits for development in the incentive zones. The top ten public benefits mentioned in master plans are: Major Public Facility, Public Open Space, MPDU, Exceptional Design, Habitat Preservation and Restoration, Tree Canopy, Transit Access Improvement, Public Art, and Streetscape Improvement. Of these, only Major Public Facility, MPDU and Exceptional Design are among the top ten public benefits in approved site plans. And, as noted, MPDUs and Exceptional Design are associated with additional policy guidance and incentives. In fact, there is generally a mismatch between public benefits prioritized in master plans and public benefits in approved site plans, as indicated in Figure xxx. Many of the most common public benefits in approved site plans are not prioritized in any master plan, including BLTs, Transit Proximity, and Cool Roofs. Structured parking, the most common approved public benefit, is prioritized in just two master plans. As part of this study, Montgomery Planning will conduct a comprehensive evaluation of public benefit priorities and approved public benefits in each master plan area.

Figure 9: Public Benefits in Approved Site Plans compared to Public Benefit Priorities in Master Plans



Source: Montgomery Planning.

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Appendix A: List of Public Benefits Priorities in Approved Master Plans since 2010

The following lists highlight the various public benefits that were identified as priorities by different master and sector plans since 2010. While developers may choose from the overall list of public benefits, they first must consider providing these highlighted benefits or provide a justification as to why these benefits cannot be provided as a part of the project. After due consideration, the Planning Board may approve public benefits that are not listed as priorities within a planning area. The dataset collected indicates that this prioritization approach has not been overly effective in delivering the public benefits that were highlighted as priorities during the master planning process.

Downtown Bethesda Plan (2017)

- Quality of Building and Site Design
 - Exceptional design
 - Public open space
- Connectivity and Mobility
 - Minimum parking
- Diversity of Uses and Activities
 - Affordable housing
- Protection and Enhancement of the Natural Environment
 - Energy conservation and generation

Chevy Chase Lake (2015)

- Quality of Building and Site Design
 - Public open space
 - Public art
 - Historic resource protection
- Diversity of Uses and Activities
 - Affordable housing
 - Small business opportunities
 - Dwelling unit mix
- Protection and Enhancement of the Natural Environment
 - Habitat preservation and restoration
 - Tree canopy

Forest Glen/Montgomery Hills Sector Plan (2020)

- Major public facility
 - Bus rapid transit (BRT) stations
 - Undergrounding of utilities
- Connectivity and Mobility
 - Minimum parking
- Protection and Enhancement of the Natural Environment
 - Energy conservation and generation
 - Tree canopy
- Quality of Building and Site Design
 - Exceptional design
 - Public open space
- Diversity of Uses and Activities

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- Small business opportunities

Glenmont Sector Plan (2013)

- Connectivity Between Uses, Activities, and Mobility Options
 - Through-block connections
 - Neighborhood services
- Diversity of Uses and Activities
 - Affordable Housing
 - Dwelling Unit Mix
 - Care Centers
- Quality Building and Site Design
 - Public open space
 - Streetscape
- Protection and Enhancement of the natural Environment
 - Tree canopy
 - Habitat preservation and restoration

Greater Lyttonsville (2017)

- Major Public Facilities
- Connectivity and Mobility
 - Through-block connection
 - Transit access improvements
 - Wayfinding
- Protection and Enhancement of the Natural Environment
 - Tree canopy
 - Habitat preservation and restoration
- Quality building and site design
 - Public art

Great Seneca Science Corridor Master Plan (2010)

- Major Public Facilities
 - Local park
 - Civic green
 - Amenities and open space on Belward Farm
 - Research library focused on science and biotech
 - Trials
- Connectivity and mobility
- Diversity of uses
- Building reuse (For Belward Farm)

Grosvenor-Strathmore Metro Area Minor Master Plan (2018)

- Quality of Design
 - Exceptional design
 - Public open space
 - Public art
- Major Public Facilities
 - A civic green
- Connectivity and Mobility

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- Transit access improvements
- Protection and Enhancement of the Natural Environment
 - Energy conservation and generation

Kensington Sector Plan (2012)

- Connectivity and mobility
 - Public parking facilities, as part of a parking lot district or shared parking program
 - Streetscape to enhance the public realm
- Diversity of uses and activities
 - Small business opportunities throughout the Town's business districts
- Quality building and site design
 - Public open space for community gatherings
 - Exceptional design that is sympathetic to its context
 - Historic resource protection

Long Branch Sector Plan (2013)

- Major Public Facilities
 - Private street
- Connectivity between Uses, Activities, and Mobility Options
 - Transit access improvement (including bikeshare stations)
 - Advance dedication
 - Trip mitigation
- Diversity of Uses and Activities
 - Affordable housing
 - Small business opportunities
- Quality of Building and Site Design
 - Structured parking
 - Shared parking
 - Public open space
 - Public art
- Protection and Enhancement of the Natural Environment
 - Green wall
 - Vegetated areas
 - Habitat preservation and restoration

Takoma/Langley Crossroads (2012)

- Major Public Facilities
 - A neighborhood service center with community meeting facilities within the Takoma/Langley Crossroads Center
 - A civic green
 - A new recreation center
 - Funding of a buffered cycle track along University Boulevard
- Diversity of Uses and Activities
 - A daycare facility adjacent to the Transit Center

Veirs Mill Corridor Plan (2019)

- Diversity of Uses and Activities
 - MPDUs
 - Dwelling Unit Mix

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- Enhanced accessibility for the disabled
- Major Public Facilities
 - Public transportation (bus rapid transit stations)
 - Undergrounding of utilities
- Connectivity and Mobility
 - Transit access improvements
 - Streetscape improvements
 - Wayfinding
- Quality of Building and Site Design
 - Public art
 - Public open space
- Protection and Enhancement of the Natural Environment
 - Tree canopy
 - Habitat preservation and restoration

Westbard Sector Plan (2016)

- Major Public Facilities
 - Civic green
 - Neighborhood park
 - Community use space
 - Bikeshare station
 - Pedestrian trail
- Connectivity and Mobility
 - Streetscape improvements
 - Pedestrian connection
 - Transit access improvement
 - Wayfinding
- Diversity of Uses and Activities
 - Small business opportunities
- Quality of Building and Site Design
 - Public art
- Protection and Enhancement of the Natural Environment
 - Tree canopy
 - Habitat preservation and restoration
 - Vegetated area

White Flint 2 Sector Plan (2018)

- Major Public Facility
 - Dedication of land for needed school sites as the highest priority public benefit
 - Land for school athletic fields
 - New neighborhood parks and open spaces
 - Public transportation (new Metro Station entrance)
 - Undergrounding of utilities
- Diversity of Uses and Activities
 - MPDUs
 - Care Centers
 - Dwelling unit mix
 - Enhanced accessibility for seniors/disabled

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- Quality of Building and Site Design
 - Exceptional design
 - Public open space
- Connectivity and Mobility
 - Advanced dedication
 - Streetscape improvement
 - Minimum parking
 - Trip mitigation
 - Transit access improvement
- Protection and Enhancement of the Natural Environment
 - Tree canopy
 - Energy conservation and generation
 - Habitat preservation and restoration

Montgomery Village Master Plan (2016)

- Major Public Facility
 - Separated bike lanes along Montgomery Village Avenue
 - Road enhancements along Lost Knife Road to improve pedestrian and bike access to the Transit Center
- Connectivity and Mobility, including but not limited to,
 - Through-block connections
 - Streetscape improvements
- Diversity of Uses and Activities, including but not limited to,
 - Care Centers
 - Enhanced accessibility for seniors and the disabled
 - MPDUs
- Quality building and Site Design
 - Exceptional design
 - Public open space
 - Structured parking