

MORE HOUSING N.O.W. (NEW OPTIONS FOR WORKERS PACKAGE)

ZTA 25-02 – WORKFORCE HOUSING – DEVELOPMENT STANDARDS

ZTA 25-03 – EXPEDITED APPROVALS – COMMERCIAL TO RESIDENTIAL
RECONSTRUCTION

SRA 25-01 – ADMINISTRATIVE SUBDIVISION – EXPEDITED APPROVAL PLAN

BILL 2-25 – PAYMENT IN LIEU OF TAXES – AFFORDABLE HOUSING

Description

The More Housing N.O.W. (New Options for Workers) is a package of two zoning text amendments, a subdivision regulation amendment, a bill, and an investment in a Workforce Housing Opportunity Fund that together aim to create more housing opportunities for the middle class. The goals include building more workforce housing, converting vacant commercial spaces into housing opportunities, and establishing new pathways to homeownership.

ZTA 25-02
ZTA 25-03
SRA 25-01
Bill 2-25

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Summary

ZTA SPONSORS

Lead Sponsors:

Councilmembers Friedson and Fani-Gonzalez

Cosponsors:

Council President Stewart, and Councilmembers Luedtke, Balcombe, and Sayles

INTRODUCTION DATE

February 4, 2025

COUNCIL PUBLIC HEARING DATE

March 11, 2025

REVIEW BASIS

Chapters 50 & 59

- ZTA 25-02 Workforce Housing – Development Standards would allow additional types of residential dwelling units along select transportation corridors through a new Optional Method Workforce Housing development in the R-200, R-90, R-60 and R-40 zones.
- ZTA 25-03 Expedited Approvals – Commercial to Residential Reconstruction creates a new Commercial to Residential Reconstruct use and establishes a new expedited review process.
- SRA 25-01 Administrative Subdivisions – Expedited Approval Plan creates a new administrative subdivision for the new use Commercial to Residential Reconstruct.
- Bill 2-25 Payment in Lieu of Taxes – Affordable Housing would establish a new Payment in Lieu of Taxes (PILOT) opportunity for development applications that provide a substantial investment in affordable housing.

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SECTION 1 – BACKGROUND

More Housing N.O.W.

The More Housing N.O.W. (New Options for Workers) is a package of two zoning text amendments, a subdivision regulation amendment, a bill, and an increase in funding through an opportunity fund and an assistance program that are aimed at creating more housing for the middle class. The package is designed to increase new housing supply, reduce housing costs, and expand pathways to homeownership.

[ZTA 25-02 Workforce Housing – Development Standards](#)

ZTA 25-02 (Attachment A) is intended to accelerate the construction of Workforce Housing through the creation of a new Optional Method Workforce Housing (OMWH) development. The OMWH would be available to parcels that meet the following conditions:

- residential detached properties in the R-200, R-90, R-60 or R-40 zone.
- fronting a street classified as a Boulevard, Downtown Boulevard, Downtown Street, Town Center Boulevard, or Controlled Major Highway, with at least 3 total travel lanes and a master-planned right-of-way greater than 100 feet.
- site plan approval

The OMWH would allow additional building types in the residential detached zones including a new triplex building type, and the addition of apartment buildings that can meet the development standards. OMWH developments would need to provide 15% of units as Workforce Housing. The ZTA also updates the development standards tables of all the existing zones and methods of development within the zoning code that allow townhouses to also allow triplex buildings.

This map generally identifies the parcels that are the subject of ZTA 25-02 as introduced on February 4, 2025: mcatlas.org/housingnow

[ZTA 25-03 Expedited Approvals – Commercial to Residential Reconstruction](#)

ZTA 25-03 (Attachment B) directly addresses some of the challenges with converting underutilized commercial spaces into residential uses. Elements of the ZTA include:

- a new “Commercial to Residential Reconstruction” use, which is any site with an existing multi-story commercial use that is at least 50% vacant and is proposed to be redeveloped as a residential use.
- removing any limitations on residential development in the NR and EOF zones and allowing commercial FAR to be converted into residential FAR

- streamlining the existing regulatory plans under Section 7.4. into a single new “Expedited Approval Plan”

[SRA 25-01 Administrative Subdivisions – Expedited Approval Plan](#)

SRA 25-01 (Attachment C) is a companion to ZTA 25-03 and would establish a new expedited Commercial to Residential Reconstruct administrative subdivision plan.

[Bill 2 -25 Taxation – Payments in Lieu of Taxes – Affordable Housing - Amendments](#)

Bill 2-25 would establish a Payment in Lieu of Taxes (PILOT) for certain conversions of high vacancy commercial properties to residential use. Elements of the PILOT include:

- Requires the Finance Department director to offer a PILOT for certain conversions of high vacancy commercial properties to residential.
- Exempts 100% of real property tax for 25 years.
- Requires the conversion to provide 15% affordable units that are affordable for at least 25 years at 60% or less of Area Median Income

[Workforce Housing Opportunity Fund](#)

The More Housing N.O.W. package would create a new \$4 million countywide fund to incentivize the construction of workforce units.

[Homeowner Assistance Program](#)

The More Housing N.O.W. package would double the County’s investment in the Homeowner Assistance Program from \$4 million to \$8 million in the FY26 Housing Initiative Fund (HIF). The HIF is a locally funded affordable housing tool that provides flexible loans and grants to help create and preserve affordable housing in Montgomery County. Administered by the County’s Department of Housing and Community Affairs, the HIF is used in many strategic and significant ways to advance virtually all of the County’s affordable housing priorities.

Workforce Housing Program

Many of the elements of the More Housing N.O.W. package involve the use of the county’s [Workforce Housing](#) program. The Workforce Housing Program is intended to be affordable to households with incomes that are too high to be eligible to participate in the Moderately Priced Dwelling Unit (MPDU) Program, generally serving households in the 70% - 120% Area Median Income (AMI) range.

Table 1 Household size and maximum income for Workforce Housing

Household Size	Maximum Income
1	\$130,000
2	\$148,500
3	\$167,000
4	\$185,500
5	\$200,500

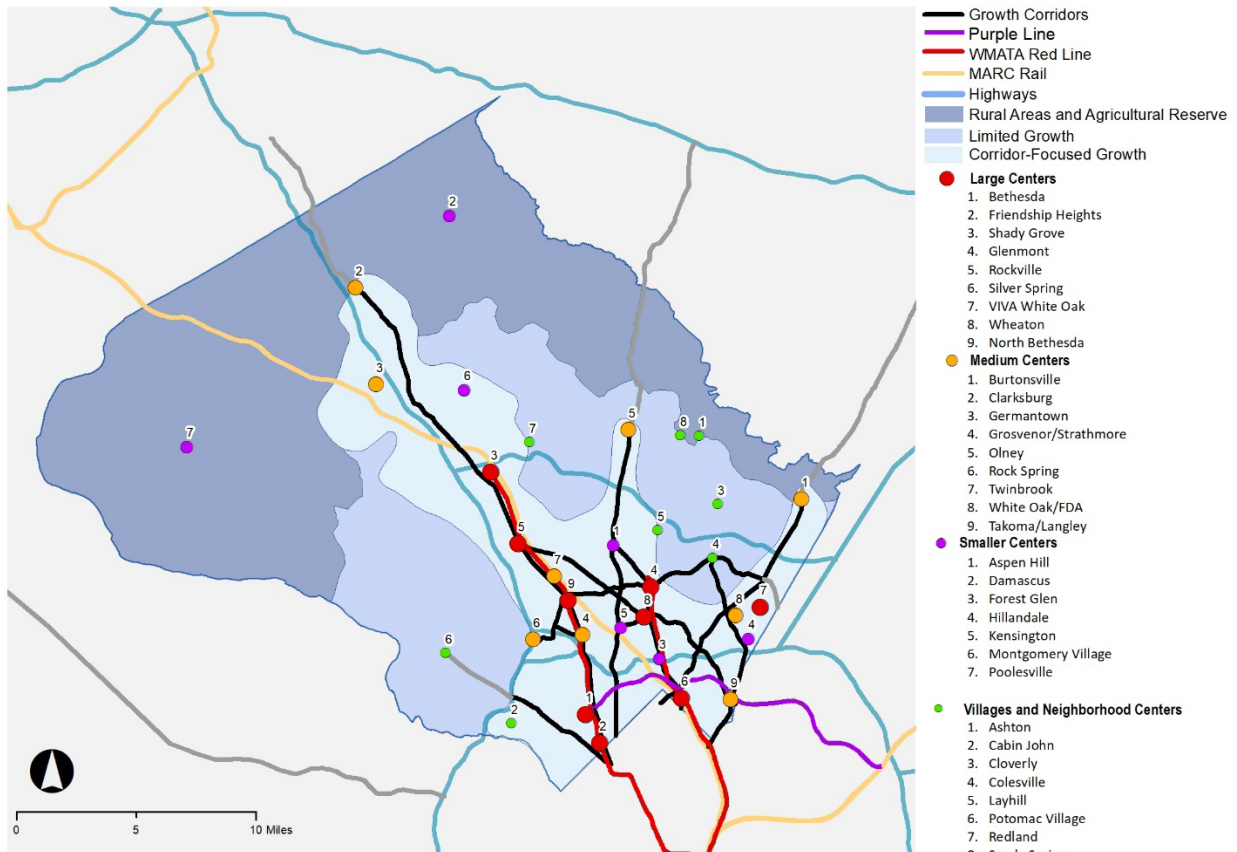
The Workforce Housing Program (WFH) was created to increase the availability of housing in the county for public employees and other workers whose income cannot support the high cost of housing that is located close to their workplace and to assist county employers in reducing critical labor shortages of skilled and semi-skilled workers by providing housing that will be accessible to the workers’ workplaces.

More Housing N.O.W. and Corridor Planning

The More Housing N.O.W. package promotes the creation of additional housing, and ZTA 25-02 is particularly focused on new, slightly denser housing options (up to 1.25 FAR) along select roadways. Planning Staff commend these efforts as a first step in achieving more development along corridors. However, More Housing N.O.W. and ZTA 25-02 are not a substitute for corridor planning. There is some overlap but major differences between the scope and scale of a corridor plan and ZTA 25-02.

ZTA 25-02 promotes duplexes, triplexes, townhouses and small-scale apartment buildings along any of five street classifications (Downtown Boulevard, Downtown Street, Town Center Boulevard, Boulevard, and Controlled Major Highway), with master-planned right-of-way exceeding 100 feet and with three or more existing lanes of traffic. Growth Corridors are more specific and are largely aligned with Montgomery County’s planned premium transit network, including Metrorail’s Red Line service and Montgomery County’s planned bus rapid transit network.

Corridor planning focuses on comprehensive planning for the nine *Thrive Montgomery 2050*-designated Growth Corridors, including higher-density, transit-supportive land use, premium multimodal transportation, housing for all, design excellence, parks, environment, streetscape and pedestrian-orientation, and zoning. Each corridor plan includes detailed, contextual recommendations for these topics, refined through extensive community engagement and technical analysis of existing conditions. Comparatively, ZTA 25-02 has a much narrower focus on expanding moderate-density housing options through housing policy and zoning.



The Growth Map should be considered in the context of the Compact Growth and Complete Communities chapters. The centers of activity shown are not exhaustive of all existing or potential centers. Some of the centers listed on the growth map are not subject to Montgomery County zoning authority.

Figure 1: *Thrive Montgomery 2050*-designated Growth Corridors are shown as black lines.

Some of the benefits and features of corridor planning include:

- Corridor plans evaluate land use and zoning to achieve BRT-supportive densities. Corridor plans comprehensively consider zoning along growth corridors to facilitate infill development and redevelopment near existing and planned transit, services, and amenities to maximize the efficiency of public investment.
- Corridor plans present an opportunity to re-envision residential, institutional, and commercial properties along corridors and consider transitions to residential neighborhoods behind the corridors.
- Corridor plans can also provide guidance to consolidate, remove, or relocate driveways and curb cuts to minimize conflicts and maximize transit along corridors, and identify priorities, supported by community engagement, to inform future facility plans for bus rapid transit.
- Corridor planning focuses on the relationship between land uses, building forms, and multimodal transportation to improve safety and walkability by reducing traffic speeds, ensuring safe crossings and providing designated spaces for walking and bicycling.

- Corridor plans evaluate needed community amenities, and open spaces and can facilitate the implementation of streetscape design standards.

In the current FY 25 budget year, Montgomery Planning is actively working on the University Boulevard Corridor Plan, with the Georgia Avenue Corridor Plan kicking off soon.

SECTION 2 – SUMMARY OF RECOMMENDED CHANGES

Below is a summary of the changes Planning Staff is recommending to the two ZTAs and one SRA discussed in this staff report.

ZTA 25-02 Workforce Housing – Development Standards

- Modify line 13 – definition of Triplex - to include reference Section 4.1.5.C. building types in the C/R and Employment zones.
- Either:
 - Add to the ZTA an amendment to Section 59-3.3.1. to create a new use for Three-Unit Living, including appropriate use standards and amend the Use Table in Section 3.1.6. to add Three-Unit Living with permitted and limited uses mimicking those of Townhouse Living, **or**
 - amend Section 59-3.3.1.E the definition of Multi-Unit Living to include Triplex buildings, and amend the limited use standards for multi-unit living in Section 3.3.1.E.2.a. to allow multi-unit living in a Triplex building type in all the zones/methods of development that allow Townhouse Living, and update the use table to ensure Multi-Unit Living is shown as a limited use in all the zones that currently permit Townhouse Living as a limited or permitted use.
- Modify line 53 to remove reference to “Commercial/Residential, and Employment.”.
- Modify the table on line 61 to add a separate column for the Triplex building type rather than combining it with the Townhouse building type.
- Modify the ZTA to include Section 4.1.5 Building Types in the Commercial/Residential, Employment, and Industrial Zones to add in a Triplex building as Section 4.1.5.C.
- Modify the ZTA to include Section 4.1.6 Building Types Allowed by Zone in the Commercial/Residential, Employment, and Industrial Zones to add Triplex as allowed in the C/R and Employment zones.
- consider an exemption of very small (single lot) applications for OMWH or consider a follow-up ZTA to establish an administrative site plan approval process for smaller developments.
- Relocate the FAR density standard on line 108 to each OMWH development standard table in the R-200, R-90, R-60 and R-40, and consider setting the allowed FAR based on the underlying zone’s other limitations on lot coverage, setbacks, and height.

- In the Development Standards for all OMWH, clarify an applicant must provide at least 15% workforce housing units “for any development constructing” 3 or more units (lines 111-113), and remove maximum building height and minimum lot size standards which are already located in the development standards tables for each zone (lines 114-116).
- Amend line 122 to clarify the front lot line of any lot or parcel included in an application’s tract must abut the specified roadway.
- Remove Controlled Major Highway from the list of applicable roadway types on line 123.
- Update the ZTA to include the parking table Section 6.2.4.B. to include Three-Unit Living (if also agreeing to add Three-Unit living to Household Uses).
- Set a Development Standard for Workforce Housing Projects at 1 space per dwelling, or base parking on the number of bedrooms similar to Multi-Unit living (after line 120).
- Expand the applicability of site coverage to all building types.
- Reduce the minimum lot size for Townhouse in the OMWH to 1,200 square feet.
- Modify lot area (per unit) to either reflect per unit ‘average,’ or delete entirely and utilize a site area per unit standard.
- Replace lot coverage standards with site coverage standards.

ZTA 25-03 Expedited Approvals – Commercial to Residential Reconstruction

- Amend line 40 to include a two-year look-back period of vacancy.
- Amend line 52 to clarify the “approval of an Expedited approval Plan for” a Commercial to Residential Reconstruction.
- Amend 3.3.2.B.3.c. (Lines 65-68) to require the use to satisfy Townhouse Building and Apartment Building rather than Townhouse Living and Multi-Unit Living.
- Revisit the goal statements for the Employment Zones under Section 4.6.1.
- Add GR to the list of eligible zones for converting commercial FAR to residential FAR (line 245).
- Modify the ZTA to remove the Specification for Density sections in tables 4.6.3.C and 4.6.3.E., or keep the specification but clarify it only applies to the GR zone.

SRA 25-01 Administrative Subdivisions – Expedited Approval Plan

- Reorganize Section 50.6.1 to either:
 - Consolidate sections E. Biohealth Priority Campus, F. Biohealth Priority Campus, and G. Mixed-Income Housing Community into a single Administrative Plan type that is available to any of the above uses, plus the Commercial to Residential Reconstruct, or
 - Update the section references in E., F., and G. to all reference the Board approving an Expedited Approval Plan under Section 59-7.3.5.

SECTION 3 – ZTA 25-02 ANALYSIS AND RECOMMENDATIONS

ZTA 25-02, Workforce Housing – Development Standards (Attachment A) establishes a new Optional Method Workforce Housing standard of development in the R-200, R-90, R-60, and R-40 zones, under certain conditions, that would allow the use of additional higher density building types and greater flexibility in design in exchange for a minimum percentage of workforce housing units, additional review scrutiny and the provision of public amenities. ZTA 25-02 also provides additional flexibility in the existing optional methods of development throughout all the applicable zones in the code by introducing a new triplex building type. The following sections walk through the ZTA as introduced and include Planning Staff recommendations at the end of each section.

Division 59-1.4. Defined Terms

ZTA 25-02 introduces the term “Triplex” to the Zoning Code. Consistent with the other building types in the code (such as Detached House, Duplex, Townhouse, and Apartment), the definition refers readers to the definition located in Section 4.1.3. Building Types in the AG, Rural Residential, and Residential Zones (line 13). Planning Staff notes that the other building type definitions located in the Defined Terms section include a reference to Section 4.1.5. Building types in the C/R, Employment, and Industrial Zones as well, which is missing for Triplex. This should be corrected for consistency. The ZTA also modifies the definition of Usable Area (lines 15-19) to include Workforce Housing as a third type of development (in addition to MPDU and Cluster Development) that relies on Usable Area for determining density.

Recommendation – support and modify line 13 as follows to reference Section 4.1.5.C. building types in the C/R and Employment zones.

Triplex: See Section 4.1.3.C. and Section 4.1.5.C

Division 59-3.1. Use Table

SECTION 59-3.1.6. USE TABLE

The Use Table in Section 3.1.6. is modified slightly to change Multi-Unit Living from only a C (conditional use) to an L/C (limited or conditional use) for the R-200, R-90, R-60, and R-40 zones. This change allows Multi-Unit living as part of the new Optional Method Workforce Housing development, discussed later in this report. With a L/C, applicants have the option to meet the limited use standards, but if they are unable, they can apply for a conditional use.

Recommendation – support

SECTION 59-3.3.1. HOUSEHOLD LIVING

Division 59.3.3.1. ZTA 25-02 as introduced, does not amend Household Living, however Planning Staff recommends that this section be amended to accommodate the Triplex building type added with the ZTA.

Currently, the zoning code includes various types of household living, each with a specific definition based on the building type it can be placed in. These include:

- Single-Unit Living – one dwelling unit contained in a Detached House building type.
- Two-Unit Living – 2 dwellings contained in a Duplex building type.
- Townhouse Living – 3 or more dwelling units in a Townhouse building type.
- Multi-Unit Living – dwelling units in an Apartment or Multi-Use building type.

Based on the existing definitions, there is no household living use that would occupy a Triplex building type. Planning Staff recommend two options for addressing this.

Option 1: adding a new use, both to Household Living under 3.3.1., and to the Use Table under 3.1.6. for Three-Unit Living.

Recommendation: add to the ZTA an amendment to Section 59-3.3.1. to create a new use for Three-Unit Living, including appropriate use standards, and a definition as follows:

Three-Unit Living means 3 dwellings contained in a Triplex building type.

Recommendation: amend the Use Table in Section 3.1.6. to add Three-Unit Living with permitted and limited uses mimicking those of Townhouse Living.

Option 2: Redefine Multi-Unit Living to include the Triplex building type.

Recommendation: amend Section 59-3.3.1.E to redefine Multi-Unit Living as follows:

Multi-Unit Living means dwelling units in a triplex, apartment or multi use building type. Multi-Unit Living includes ancillary offices to manage, service, and maintain the development.

Recommendation: amend the limited use standards for multi-unit living in Section 3.3.1.E.2.a. to allow multi-unit living in a Triplex building type in all the zones/methods of development that allow Townhouse Living.

Recommendation: Update the use table to ensure Multi-Unit Living is shown as a limited use in all the zones that currently permit Townhouse Living as a limited or permitted use.

Division 59-4.1. Rules for All Zones

DIVISION 59-4.1.3. BUILDING TYPES IN THE AGRICULTURAL, RURAL RESIDENTIAL, AND RESIDENTIAL ZONES.

This section of the code is where the definitions for the various building types allowed are located. Currently, the section includes definitions for a Detached House, Duplex, Townhouse, and Apartment Building. The ZTA proposes adding Triplex as a new building type and modifying Townhouse and Apartment.

SECTION 4.1.3.C: TRIPLEX

ZTA 25-02 adds Triplex as a new building type allowed in the Agricultural, Rural Residential, and Residential Zones. This is shown on lines 40-44 with an included definition and example image. The Triplex is defined as a building containing 3 dwelling units where each dwelling unit is separated vertically or horizontally by a party wall. A Triplex may contain ancillary nonresidential uses such as a Home Occupation or Family Day Care.

Triplexes are distinct from the Townhouse building type because Townhouses only allow for vertical separation between units, whereas a Triplex allows vertical or horizontal separation. Allowing ancillary nonresidential uses is consistent across the existing residential building types except for the Apartment Building. Triplex is added as the new 4.1.3.C., since the density is between Duplex and Townhouse.

Section 4.1.3.D: Townhouse

Since Section 4.1.3.C is added for Triplex, Townhouse is shifted to Section 4.1.3.D. Additionally, the minimum unit count for Townhouse building types is increased from 3 to 4 units.

Section 4.1.3.E. Apartment

Since Section 4.1.3.C is added for Triplex, Apartment is shifted to Section 4.1.3.E. Additionally, the minimum unit count for Apartment building types is increased from 3 to 4 units.

The final change to note also in the section for Apartment is on lines 52-53 of the ZTA, clarifying that commercial uses are restricted to the R-30, R-20, R-10, Commercial/Residential, and Employment Zone. Currently, the Apartment building type allows up to 10% of the gross floor area to act as an allowed Retail/Service use regardless of the underlying zone. This change is being made because the Apartment building type is being added as an allowed building type in the Optional Method Workforce Housing development, however, no Retail/Service uses are envisioned for the applicable Residential Detached zones. Planning Staff note that this addition on lines 52-53 should only reference the R-30, R-20 and R-10 zones and not include reference to the Commercial/Residential and Employment Zones, as definitions of building types in those zones are located in Section 4.1.5. of the code.

Recommendation – support, and remove reference to “Commercial/Residential, and Employment” from line 53.

[D]E. Apartment Building

An apartment building is a building containing [3] 4 or more dwelling units vertically and horizontally arranged. In the R-30, R-20, R-10, [[Commercial/Residential, and Employment zones,]] an [An] apartment may contain up to 10% of the gross floor area as Retail/Service Establishment uses, otherwise it is a [multi use] multi-use building.

DIVISION 59-4.1.4. BUILDING TYPES ALLOWED BY ZONE IN THE AGRICULTURAL, RURAL RESIDENTIAL, AND RESIDENTIAL ZONES.

This section, included in lines 58-69 of the ZTA, is a table (line 61) and associated key offering users a quick reference to which building types are allowed in each zone and by which development method. The ZTA makes changes to the development options and the building type. The first change adds WFH (Work Force Housing optional method) as a development option allowing Duplex, Triplex or Townhouse, and Apartment building types to the table and the key. The second change adds Triplex as a building type as an addition to the Townhouse building type column in the table. There is some inconsistency with how ZTA 25-02 handles Triplex buildings. In certain circumstances, Triplex and Townhouse are shown as separate building types with separate development standards, and in other sections they are combined. Because there are at least some instances where Triplex and Townhouse are treated as separate building types, Planning Staff recommends Triplex be added as a new column between Duplex and Townhouse. The same applicable zones and methods of development that apply to the Townhouse building type would apply to the Triplex building type.

Recommendation – support and add a separate column for the Triplex building type rather than combining it with the Townhouse building type. See the inserted column with the double border around the Triplex column in table 2 below.

Table 2 Building Types allowed by Zone in the Agricultural, Rural Residential, and Residential Zones, as amended.

	Detached House	Duplex	<u>Triplex</u>	[Triplex or] Townhouse	Apartment Building
Agricultural Zone					
Agricultural Reserve (AR)	A	--	≡	--	--
Rural Residential Zones					
Rural (R)	A	--	≡	--	--
Rural Cluster (RC)	A	--	≡	--	--
Rural Neighborhood Cluster (RNC)	A	A	<u>A</u>	A	--
<u>Residential Detached Zones</u>					

Residential Estate - 2 (RE-2)	A	TDR	<u>TDR</u>	TDR	TDR
Residential Estate - 2C (RE-2C)	A	MPDU	<u>MPDU</u>	MPDU	--
Residential Estate - 1 (RE-1)	A	MPDU	<u>MPDU</u>	MPDU	--
Residential - 200 (R-200)	A	MPDU, TDR, WFH	<u>MPDU</u> , <u>TDR, WFH</u>	MPDU, TDR, WFH	TDR, WFH
Residential - 90 (R-90)	A	MPDU, CD, TDR, WFH	<u>MPDU</u> , <u>TDR, WFH</u>	MPDU, CD, TDR, WFH	TDR, WFH
Residential - 60 (R-60)	A	MPDU, CD, TDR, WFH	<u>MPDU</u> , <u>TDR, WFH</u>	MPDU, CD, TDR, WFH	TDR, WFH
Residential - 40 (R-40)	A	A	<u>MPDU</u> , <u>WFH</u>	MPDU, WFH	[--] WFH
<u>Residential Townhouse Zones</u>					
Townhouse Low Density (TLD)	A	A	<u>A</u>	A	--
Townhouse Medium Density (TMD)	A	A	<u>A</u>	A	--
Townhouse High Density (THD)	A	A	<u>A</u>	A	--
<u>Residential Multi-Unit Zones</u>					
Residential Multi-Unit Low Density - 30 (R-30)	A	A	<u>A</u>	A	A
Residential Multi-Unit Medium Density - 20 (R-20)	A	A	<u>A</u>	A	A
Residential Multi-Unit High Density - 10 (R-10)	A	A	<u>A</u>	A	A

DIVISION 59-4.1.5. AND 59-4.1.6. BUILDING TYPES ALLOWED – COMMERCIAL/RESIDENTIAL, EMPLOYMENT, AND INDUSTRIAL ZONES.

The ZTA does not currently include amendments to Section 4.1.5. Building Types in the Commercial/Residential, Employment, and Industrial Zones, or Section 4.1.6. Building Types Allowed by Zone in the Commercial/Residential, Employment, and Industrial Zones. Planning Staff recommend the ZTA be updated to include these two sections. The ZTA shows an intent to add the Triplex building to the development standards tables in the C/R and Employment Zones, therefore adding that building type to the list of allowed buildings in those zones is needed. The definition would be the same as in Section 4.1.3. and the Triplex would be allowed in all of the C/R and Employment zones.

Recommendation –Modify the ZTA to include Section 4.1.5 Building Types in the Commercial/Residential, Employment, and Industrial Zones to add in a Triplex building as Section 4.1.5.C

C. Triplex

A triplex is a building containing 3 dwelling units where each dwelling unit is separated vertically or horizontally by a party wall. A triplex may contain ancillary, nonresidential uses, such as a Home Occupation or Family Day Care.

Recommendation -- Modify the ZTA to include Section 4.1.6 Building Types Allowed by Zone in the Commercial/Residential, Employment, and Industrial Zones to add Triplex as allowed in the C/R and Employment zones as shown in Table 3 below with the double border around the Triplex column.

Table 3 Building Types allowed by Zone in the Commercial/Residential, Employment, and Industrial Zones, as amended.

	Detached House	Duplex	<u>Triplex</u>	Apartment Building	Multi Use Building	General Building
<u>Commercial/Residential Zones</u>						
CR Neighborhood (CRT)	A	A	<u>A</u>	A	A	A
CR Town (CRN)	A	A	<u>A</u>	A	A	A
CR	A	A	<u>A</u>	A	A	A
<u>Employment Zones</u>						
General Retail (GR)	A	A	<u>A</u>	A	A	A
Neighborhood Retail (NR)	A	A	<u>A</u>	A	A	A
Life Science Center (LSC)	A	A	<u>A</u>	A	A	A
Employment Office (EOF)	A	A	<u>A</u>	A	A	A
<u>Industrial Zones</u>						
Light Industrial (IL)	--	--	<u>--</u>	--	A	A
Moderate Industrial (IM)	--	--	<u>--</u>	--	A	A
Heavy Industrial (IH)	--	--	<u>--</u>	--	A	A

Division 59-4.3. Rural Residential Zones

This section of the ZTA, starting on line 71, is a simple update to the existing development standards tables for the RNC Zone - standard method of development, and optional method MPDU development. The top row of the standards tables is updated to add Triplex as an allowed building type, sharing the same building type column as Townhouse. Townhouse and Triplex building types share many characteristics such as the lots for individual dwellings often being very small, and associated landscaping, open spaces, and parking in adjacent off-lot parcels. The resulting standards

for Townhouses and Triplexes are frequently based on site area and coverage associated with a building, rather than individual lots.

Recommendation: support

Division 59-4.4. Residential Zones

Within Division 59-4.4. are numerous changes proposed by the ZTA. These include the creation of a new Optional Method Workforce Housing Development, new development standards tables for the Optional Method Workforce Housing development, and updates to existing development standards tables to the cluster and MPDU optional methods of development.

SECTION 4-4.2.C. OPTIONAL METHOD WORKFORCE HOUSING DEVELOPMENT

This section of the ZTA, spanning from lines 83 – 137, is the primary policy change that would be implemented by ZTA 25-02, if adopted. This section establishes the new Optional Method Workforce Housing (OMWH) development. The intent of the OMWH is to allow different building types and flexibility in lot layout in exchange for providing workforce housing units that satisfy Chapter 25B.

DEVELOPMENT APPROVAL PROCEDURE

Lines 95-96 of the ZTA under Development Approval Procedures specify that approval of OMWH development is contingent on a site plan approval. There is no minimum size of an OMWH based on the development standards tables discussed later in the ZTA. While lot consolidation or development of larger properties is not prohibited, most development in the OMWH is intended to be small-scale redevelopment of individual residential properties. Planning Staff is concerned that requiring a full site plan process for developments that may only contain a few housing units could be very onerous, costly and prohibitive. Planning Staff recommends the Council consider options to allow very small projects, such as single lot redevelopment, to not require a site plan. An alternative recommendation would be to establish an administrative site plan process that has an expedited timeline and the potential for approval by the Planning Director.

Recommendation: consider an exemption of very small (single lot) OMWH applications or consider a follow-up ZTA to establish an administrative site plan approval process for smaller developments.

WORKFORCE HOUSING DEVELOPMENT ACROSS DIFFERENT ZONES

Lines 97-106 allow an OMWH development to span across different zones are consistent with similar provisions for the Optional Method MPDU and Cluster development options. This provision allows for a site within multiple residential detached zones to develop under a single consistent development including shared density but requires the building types and development standards of the underlying zone to remain.

Recommendation: support

DENSITY AND USABLE AREA

Lines 107-109 set the maximum total density allowed in any OMWH project at 1.25 FAR and permits the density to be calculated based on the usable area of the tract. The requirement to base density on usable area is consistent with other optional method development methods. Usable area is defined as the area of a tract that development density is calculated on for optional method development projects. If environmental buffers cover 50% or more of the tract, any area exceeding 50% is reduced from the tract area. However, for most OMWH projects it is not anticipated that environmental buffers would exceed 50% so density would be based on the full tract area. The code defines a tract as a contiguous area of land, including all proposed and existing rights-of-way, lots, parcels, and other land dedicated by the owner or a predecessor in title.

Planning Staff appreciates the OMWH measuring density based on FAR rather than units per acre. This method provides some incentive for an applicant to create smaller units that fit within the allowed building envelope. However, specifying density for OMWH in this section of the code is not consistent with other optional methods of development. Typically, density is discussed in the development standards tables within each zone. Planning Staff recommends the OMWH be consistent with other optional methods of development and remove density from line 108 of the ZTA and instead locate it in each OMWH development standard table in the R-200, R-90, R-60 and R-40 zones. The Council should also consider varying the allowed density within each zone considering the maximum achievable density discussed above.

Planning Staff also recommends that the Council consider varying the amount density across all four zones. Other optional method developments base the allowed density on the underlying zone's base density. Further, Planning Staff considered what density a property could achieve based on the proposed setbacks, lot coverages, and building heights. The maximum FAR a project could achieve is approximately 1 FAR in R-200, 1.2 FAR in R-90, 1.4 FAR in R-60, and 1.6 FAR in R-40. Allowing a standard for density that is not actually achievable may set false expectations.

Recommendation: support density as an FAR and relocate the density standard to each OMWH development standard table in the R-200, R-90, R-60 and R-40, and consider setting the allowed FAR based on the underlying zone's other limitations on lot coverage, setbacks, and height.

DEVELOPMENT STANDARDS FOR WORKFORCE HOUSING PROJECTS

Lines 110-120 contain a series of standards that would apply to all developments utilizing the OMWH, including:

- a. 15% of all units should be Workforce Housing units.
- b. maximum building height is 40 feet.
- c. minimum site size is the minimum lot size in the underlying zone.
- d. parking must be located behind the front building line.
- e. driveway access is limited to one per street frontage.

Standard a. starts on line 111 and describes the requirement for OMWH developments to provide a minimum of 15% workforce housing as a requirement for development. It further stipulates a minimum of one workforce housing unit is required for developments of 3 units or more. The intent is to not require workforce housing if the OMWH is used to create one duplex unit, but would require workforce housing for anything larger.

For clarity, Planning Staff recommends:

- Clarifying that the 15% workforce housing requirement applies to any development constructing 3 or more units.
- Removing Standards b. and c. (lines 114-116) as they are duplicative to standards that are within the development standards table and do not need to be repeated here.

The last two standards that refer to parking and driveway access Planning Staff support as introduced.

Recommendation: support with the following changes:

a. An applicant must provide at least 15% workforce housing units that satisfy Chapter 25B; [[with a minimum of one workforce housing unit for construction of]] for any development constructing 3 or more units.

[[b. The maximum height for all buildings is 40 feet.]]

[[c. The minimum site size is the minimum lot size in the underlying zone.]]

[[d]] b. Off-street parking must be located behind the front building line.

[[e]] c. Driveway access is limited to one driveway per street frontage unless additional driveway access is approved by an appropriate agency with jurisdiction over the right-of-way.

APPLICABLE CORRIDORS

The Applicable Corridors section (lines 121-128) specifies which roadways a property must abut a Boulevard, Downtown Boulevard, Downtown Street, Town Center Boulevard, or Controlled Major Highway, with a planned right-of-way greater than 100 feet, with at least 3 existing total travel lanes. The intent is to limit OMWH development to properties along larger roadways where more intensive land use has fewer compatibility impacts, and in many cases, better access to more transportation opportunities. Planning Staff supports this concept, but has two recommendations to improve clarity and practicality. First, it is ambiguous in line 122 whether the front lot line abutting refers to any and all existing lots as part of a tract, any part of the application tract area, or if it refers to all newly created lots. Planning Staff believe the intent is that any and all existing lots and parcels that are part of a OMWH tract should abut the roadway, and recommends amending the language to clarify this. Additionally, Planning Staff have concerns with including Controlled Major Highway as a qualifying

roadway. The description and key features in the Complete Streets Design Guide state these roadways are limited access roadways designed primarily for vehicle mobility, and are generally intended for no or low-intensity development set back from the road (Attachment F). Examples of Controlled Major Highways include Great Seneca Highway, Father Hurley Boulevard, or US 29 north of White Oak. These roadway types are not conducive for new moderate density residential developments and do not have the same form or function as the other major roadways. There are only 27 out of 2,472 parcels located along a Controlled Major Highway, mostly in Germantown along a small portion of MD 355.

Recommendation: support, amend line 122 to read “The front lot line of any lot or parcel included in an application’s tract must abut...” and remove Controlled Major Highway from the list of applicable roadway types on lines 123-124.

DEDICATED LAND

The ZTA section on Dedicated Land (lines 129-133) is the standard language found in all optional methods of development allowing dedicated land for schools or parks to be used toward development density.

Recommendation: support

COMMUNITY WATER AND SEWER

The last section of standards for all OMWH developments is a section on community water and sewer (lines 134-137). This provision would prohibit the OMWH unless the property is connected to community water and sewer systems. This is a reasonable approach since there are areas of residential detached zoning outside of the public water and sewer service areas, and the new building types allowed by the OMWH are of an intensity that should be connected to the public systems.

Recommendation: support

PARKING

The ZTA as introduced does not discuss the parking requirements for Triplex buildings, nor does it provide for any off-street parking reductions for the OMWH developments. Based on the parking table in Section 59-6.2.4. Two-unit living (Duplex building) and Townhouse-Living require parking at 2 spaces per dwelling unit at the base rate. Multi-Unit living bases parking on the number of bedrooms, with as few as 1 space for an efficiency, and up to 2 spaces at 3+ bedrooms. While the ZTA does not contemplate three-unit living, and therefore does not add it to the parking table, Planning Staff presume that once amended, the ZTA would also require Triplex to park at a rate of two spaces per unit, since the Triplex has been treated as an intermediate density between Duplex and Townhouse in other circumstances.

There are various existing circumstances in the parking division (Division 6) that would allow for reduced parking for a OMWH development, including a 50% reduction in parking for Workforce

Housing units, and zero parking required if a OMWH project falls within ½ mile of a Metro Station or Purple Line station, or within ¼ mile of an existing or funded for construction Bus Rapid Transit Station. However, not all the areas eligible for a OMWH development would qualify for the reduced or zero parking. Just under 600 of the 2,472 eligible parcels (24%) fall within the area exempt from parking. Planning Staff have been advocating for reducing parking for new residential developments, in particular urban infill situations where space is a constraint. As is illustrated in example images in attachment G a parking reduction is practically necessary to accommodate three or more dwellings on an existing R-60 zones lot, and would be beneficial to R-90 and R-200 lots in reducing impervious surfaces and providing green area for residents. Planning Staff recommend creating a new standard for parking under the Development Standards for Workforce Housing (Section 4.4.2.C.4 of the ZTA line 110) setting minimum parking for OMWH projects at 1 space per dwelling. Alternatively, parking for the OMWH developments could be treated like the Multi-Unit living, and base parking requirements across all dwelling types on the number of bedrooms. This would further incentivize providing smaller, more price-attainable dwellings.

Recommendations:

- Update the ZTA to include the parking table in Section 6.2.4.B. to include Three-Unit Living (if also agreeing to add Three-Unit living to Household Uses).
- Set a parking standard in the Development Standards for Workforce Housing Projects at 1 space per dwelling, or set parking based on the number of bedrooms similar to Multi-Unit living.

SECTIONS 4-4.5. THROUGH 4.4.16. STANDARD AND OPTIONAL METHOD STANDARD TABLES

Like the amendments to the Rural Residential Zones discussed before, there are many sections of code where the only proposed amendments with this ZTA are to add the Triplex building type to existing development standards tables where Townhouse buildings are already allowed. Within the Residential zones, this includes the following methods and zones:

- RE-2C, RE-1, and R-200 the MPDU optional method,
- R-90, and R-60 the MPDU and Cluster optional method.
- TLD, TMD, THD, R-30, R-20, and R-10 the Standard, and MPDU optional method

Recommendation: support

SECTIONS 4-4.7. THROUGH 4.4.10. OPTIONAL METHOD WORKFORCE HOUSING STANDARD TABLES

In the R-200, R-90, R-60 and R-40 zones, new development standards tables are added to the code for the OMWH development. Unlike the existing optional method standards tables where MPDU and

Cluster options share a table, the OMWH will be presented on its own standards table (starting on line 150).

These development standards tables differ substantially from those of the MPDU and Cluster options within the applicable zones. The intent of the OMWH is to allow a wider range of building types, including Triplex and Apartment, but to retain compatibility with existing detached houses mostly built under the standard method of development. This means the lot/site coverages and setbacks are similar to the standard method of development, and the site and lot areas correspond with the existing lot area requirements of the standard method. Below is a brief analysis of the different sections of the OMWH standards tables.

Within each OMWH table there are seven distinct sections, each are discussed in more detail below.

BUILDING TYPES

While not numbered as a section (like 1-6 below), building types is the first real section of the standards table and serve as the column headings in the table. The OMWH tables allow for the following building types:

- Duplex
- Triplex
- Townhouse
- Apartment

Detached House is not an allowed building type under the OMWH. This makes sense because this method of development does not anticipate reductions in lot/site size or setbacks, therefore development of a Detached House would continue to utilize the standard method of development from the underlying zones.

Recommendation: support

1. SITE

Under the Site portion of the OMWH standards table are one subsection and two standards:

Dimensions (min)

Usable area

Site coverage (max)

Usable area is the minimum amount of area required to utilize the OMWH. In the R-90, R-60, and R-40 zones, the usable area is set as the same area as the minimum lot size for a Detached House under the standard method. In the R-200 zone, the ZTA has a usable area of 16,000 square feet, which is 4,000 square feet less than a minimum lot in the R-200 zone.

The standard for site coverage is the maximum amount of the site associated with a specific building type that may be covered by a building or structure. Site coverage does not include other impervious surfaces such as driveways or patios. The site coverage proposed for the OMWH is equal to the coverage allowed for a Detached House in the underlying zone's standard method. Site coverage values are provided for Townhouse and Apartment building types but not for Duplex or Triplex which instead are restricted by lot coverage. In most zones and methods of development, Detached House and Duplex are bound by lot coverage whereas Townhouse and Apartment are bound by site coverage. Often individual lot(s) for Townhouse or Apartment buildings may be very small, and other associated site area such as open spaces and parking are on separate parcels. Site coverage averages out the coverage between all the lots and parcels associated with a specific building type. Planning Staff supports continuing to rely on site coverage for Townhouse and Apartment.

Planning Staff also recommends site coverage extend to the Triplex and Duplex building types. Having lot coverage limits for Duplex and Triplex could substantially limit how subdivisions occur for these building types, especially since a likely Triplex form would be what is considered a three-unit Townhouse building now, with a small sized, high lot coverage middle lot, and two end units with larger lots and less lot coverage. Duplexes could also be limited in design, as lot coverage would diminish the ability of an applicant to provide a Duplex with two different size units.

Recommendation: support usable area and site coverage, and recommend expanding the applicability of site coverage to all building types.

2. LOT AND DENSITY

Section 2 of the OMWH standards tables are standards that include four subsections and eight development standards as follows:

Lot(min)

- Lot area (per unit)
- Lot width at front building line
- Lot width at front lot line
- Frontage on street or open space

Density (max)

- Density

Coverage (max)

- Lot

Specification for Lot and Density

- Specification

The values across all four zones for lot area (per unit) align with dividing the usable area into two (Duplex), and three (Triplex). There is not a clear pattern for the townhouse lot area value except that it is appreciably smaller than Triplex. Apartment is listed as n/a, not being subjected to a minimum lot area. The values for lot area for duplex has precedent in code, setting it at half the size of a detached

house. The lot area requirements proposed for Townhouse, especially the R-200 OMWH at 2,000 square feet, are concerning because the lot sizes may be impractical. The largest minimum lot size for a Townhouse in code today is 1,250 square feet, in the TLD zone. In many zones it is under 1,000 square feet (see Table 4 below).

Table 4 Minimum Lot Size for Townhouses Across Zones.

Zone	Standard Method	Optional Method(s)	OMWH
RNC	1,100	1,200	
RE-2C		1,200	
RE-1		1,200	
R-200		1,000	2,000
R-90		1,000 or 1,200	1,200
R-60		1,000 or 1,200	1,000
R-40		No min	1,000
TLD	1,250	800	
TMD	1,100	800	
THD	1,000	800	
R-30	1,000	800	
R-20	1,000	800	
R-10	800	800	
CRN	800		
CRT	800		
CR	800		
GR	900		
NR	900		
LSC	900		
EOF	900		

Middle unit Townhouses are on lots as wide as the Townhouse unit itself. To achieve a 2,000 square foot lot would force a 20-foot-wide townhouse on a 100-foot-deep lot. There is no precedent for Triplex, but Planning Staff assume many Triplex buildings will take the form of a three-unit Townhouse with a middle unit. Planning Staff also note that other zones and methods of development standards tables for Duplex and Townhouse building types refer to this standard as ‘lot area’ and not ‘lot area (per unit)’ as the OMWH tables do. It is not clear why these tables added the ‘per unit’ qualifier to lot area, but believe with additional tweaks it could be used to the OMWH’s advantage. In addition to reducing the minimum lot size for Townhouse in the R-200 zone, Planning Staff recommend one of two possible amendments to this standard for both flexibility and clarity.

- **Option 1** would amend the standard to say, “lot area (per unit average)”. Adding the word average would provide an applicant flexibility to create a variety of lot sizes as part of a Duplex, Triplex, or Townhouse building, without increasing the overall number of units allowed on any given site. As stated before, this flexibility is particularly helpful if as part of a Duplex an applicant wants to create unequal sized units, and with a Triplex or Townhouse

where any middle units would want to be on smaller lots than the end units.

- **Option 2** would remove the lot area requirement and instead add a “Site area per unit” development standard, located in the Section 1. Site portion of the standards table. This approach would mirror how Apartment buildings are treated. This would provide even more flexibility for an applicant to best determine how to subdivide a site, without increasing the overall number of units allowed on the site.

Lot width at front building line is to be determined at site plan, as is the lot width at front lot line for all building types except the Duplex. Lot width at front building line is a measure of how wide a lot is across the front facing wall of a building. Lot width at front lot line is a measure of how wide the lot frontage is abutting the adjacent right-of-way. Having flexibility in both standards is important for providing flexibility in designing the buildings and lot layouts. Frontage on a street or open space is a requirement of any lot from Chapter 50, and remains required with OMWH developments.

Density for the OMWH developments is represented as a FAR, which is different from the other optional methods of development in the residential zones. However, Planning Staff is supportive of this change, because it provides an incentive for an applicant to consider smaller dwellings since the limiting factor is the square footage of the structure, rather than how many units are within the structure. Since unit size is a major factor in price attainability encouraging smaller units should also encourage more affordable units. As Planning Staff discussed previously (page 16 of this staff report), the FAR density has been set as a consistent 1.25 FAR across all four applicable zones, but the Council should consider lowering that density in the R-200 and R-90 zones to be more consistent with the actual development potential of these zones.

The last standard in section 2 is for lot coverage, which applies to the Duplex and Triplex building types. As discussed in section 1 for site standards, Planning Staff recommends removing lot coverage and instead only using site coverage as a standard.

Recommendations

- Reduce the minimum lot size for Townhouse to 1,200 square feet.
- Modify lot area (per unit) to either reflect per unit ‘average,’ or delete entirely and utilize a site area per unit standard. Support the two lot width standards, support using FAR for density and right-size the allowed FAR to the zone’s development potential, and replace lot coverage standards with site coverage standards.

3. PLACEMENT

Section 3. Placement, has four subsections and a total of 14 development standards as follows:

Principal Building Setbacks (min)

Front setback.

Side street setback, abutting lot fronts on the side street and is in a Residential Detached Zone.

Side street setback, abutting lot does not front on the side street or is not in a Residential Detached zone.

Side setback, including end unit.

Rear setback.

Specification for Principal Building Setbacks

Specification.

Accessory Structure Setbacks (min)

Front setback.

Side street setback, abutting lot fronts on the side street and is in a Residential Detached Zone.

Side street setback, abutting lot does not front on the side street or is not in a Residential Detached zone.

Side setback.

Rear setback on a corner lot where abutting lot fronts on the side street and is in a Residential Detached Zone.

Rear setback, if not otherwise addressed.

Specification for Accessory Structure Setbacks

Specification a.

Specification b.

The standards proposed by the ZTA largely mirror those required for a detached house and accessory structures in the underlying zones standard method. This is a departure from the relaxed standards allowed by other optional methods of development; however, the other methods of development require much larger usable areas and were written for greenfield development where landscaping and open space areas can be placed to screen adjacent development. Keeping the standards matching with the standard method development is one of the major ways the ZTA keeps the OMWH compatible with existing residential detached development.

Recommendation: support

4. HEIGHT

Section 4 of the development standards tables is for building height, and contains one subsection and two development standards:

Height (max)

Principal building, measured to the highest point of any roof.

Accessory structure.

The height for the principal building is set at 40 feet across all four zones, which is equal to the building height currently allowed in the R-200 zone for a building on a lot that is 15,000 – 25,000

square feet in size. In the R-90, R-60 and R-40 zones, standard method building height is limited to 35 feet. The accessory structure height limit for each of the four standards tables matches the same heights allowed by the underlying zone's standard method of development. Planning Staff support the OMWH height of 40 feet considering its identical to, or a modest five-foot increase over standard method. The height should provide enough flexibility for applicants when designing multi-unit stacked structures such as Triplexes or small Apartments.

Recommendation: support

5. FORM

The section on Form includes one subsection and three development standards as follows:

Allowed Building Elements

- Gallery/Awning
- Porch/Stoop
- Balcony

This section is typical in development standards tables, and the proposed standards match those allowed by the standard method of development in the underlying zones.

Recommendation: support

6. BUILDINGS USED FOR AGRICULTURE ASSOCIATED WITH FARMING

This development standard around agricultural buildings, with its single specification may seem unusual but is present in every development standard table for every Rural Residential, and Residential Detached zone, including the other optional methods of development. The only difference in the OMWH is the structure height is limited to 40 feet, rather than 50 feet which is more common in the existing code. Planning Staff finds the 40-foot building height reasonable, and in line with the building height proposed for the principal structures.

Recommendation: support

Division 59-4.5. Commercial/Residential Zones and Division 59-4.6. Employment Zones.

Like the modifications proposed for the existing development standards tables in the Residential zones, the standard method development standards tables for all of the Commercial/Residential, and Employment zones are shown adding the Triplex building type. These are all zones where Duplex and Townhouse buildings are already allowed, making Triplex a logical addition.

Recommendation: support

SECTION 4 – ZTA 25-03 – EXPEDITED APPROVALS – COMMERCIAL TO RESIDENTIAL RECONSTRUCTION

ZTA 25-03, Expedited Approvals – Commercial to Residential Reconstruction (Attachment B) is intended to incentivize residential development in older, underutilized commercial areas. The ZTA does this through three major changes:

1. Creating a new use called Commercial to Residential Reconstruction,
2. Allowing applicants to convert commercial FAR to residential FAR in certain Employment Zones, and
3. Consolidating the existing regulatory plan types of Signature Business Headquarters, Biohealth Priority Campus, and Mixed Income Community, into a new single plan type called Expedited Approval Plan. Additionally, Commercial to Residential Reconstruction is added to the list of uses eligible for the Expedited Approval Plan.

Division 59-1.4. Defined Terms

There are a few text amendments within the Defined Terms section of the code proposed by this ZTA. First, the use Commercial to Residential Reconstruction (CRR) is added to the list of defined terms (line 6), although the proposed definition directs readers to the use standards under Division 3 for the actual definition. Because CRR is added as a new sub-use of Group Living, the other Group Living uses also have their definitions and associated Division 3 section references updated accordingly.

Recommendation: support

Division 59-3.1. Use Table

The Use Table under Section 59.3.1.6. is updated to add the Commercial to Residential Reconstruction use as a new use under the Group Living category (line 23). Keeping the uses listed in alphabetical order necessitates updating the section references for the other Group Living uses in the Use Table. The Use Table allows CRR as a limited use in the CRN, CRT, CR, NR, and EOF zones. Notably absent from the list of applicable zones are the Employment Zones of GR and LSC.

To understand why these two zones were excluded from allowing a CRR, Planning Staff looked at the distribution of all four Employment Zones across the county (Attachment H). The LSC zone is the least widely distributed Employment Zone and the majority of the LSC zoned land is included within the recently adopted Great Seneca Plan and covered by the Great Seneca Science Center (GSSC) Overlay zone. The remaining two LSC zone areas are part of Montgomery College Germantown and the Adventist Hospital in White Oak. Because the GSSC Overlay Zone already incentivizes additional residential development on the LSC zoned properties in a way that implements the visions of the Great Seneca Master Plan and the other LSC zones are existing hospital sites, excluding the LSC zone from a CRR makes sense.

The GR zone is the least common of the four Employment Zones but is more widely distributed across the county, similar to the NR and EOF Zones. The two biggest GR zone areas are Westfield Wheaton and Westfield Montgomery Malls, in addition, there is a scattering of GR properties in unincorporated areas of Gaithersburg and Germantown. Most of the GR zoned development is single-story commercial uses that would not be eligible for a CRR, which requires redevelopment of a property at least 2 stories or more in height. As such, omitting the GR zone from allowing a CRR is also practical. The NR and EOF zones are both more common and more widely distributed throughout the county and have more practical opportunities for redevelopment under a CRR.

Recommendation: support

Division 59-3.3. Residential Uses

SECTION 59-3.3.2.B. GROUP LIVING – COMMERCIAL TO RESIDENTIAL RECONSTRUCTION

The next set of updates with ZTA 25-03 are within the Residential Uses Division, Group Living Section. This is where the use of Commercial to Residential Reconstruction is defined and the use and review standards are presented.

DEFINED

This ZTA defines a Commercial to Residential Reconstruction (lines 34-41) as a vacant office or retail building that is at least 2 stores high and is converted to or demolished and rebuilt as a residential building that qualifies as Townhouse Living, or Multi-Unit Living. The commercial building must have no tenants in 50% of the building at the time of application. Planning Staff has one minor concern with the definition – the requirement of no tenants in 50% of the building at the time of application. Because the intent of the CRR use and the expedited review is to incentivize the reconstruction of vacant commercial spaces, Planning Staff recommends a look-back period to ensure the commercial space has a history of struggling with vacancy, rather than an applicant potentially evicting or not renewing the lease on tenants just before submitting an application. Planning Staff suggest a two-year look-back period, similar to that required by ZTA 25-01 that was also recently introduced by the Council.

Recommendation: support, and amend line 40 to include a look-back period of vacancy to read “that has no tenants in 50% of the building for the two-year period prior to the time of application.”

EXEMPTIONS

The Exemptions section, starting on line 42, exempts a CRR from sketch and site plan, and instead allows the use to be reviewed under the expedited approval plan under Section 7.3.5. The code further

requires any necessary reviews by Chapter 50, and specifies that any amendment to an expedited approval plan for a CRR should be processed as an amendment to an expedited approval plan.

Planning Staff recommend one technical correction. Line 52 of the ZTA refers to approval of a Commercial to Residential Reconstruction plan, however there is no such plan type. Rather, Section 7.3.5 creates a new Expedited Approval Plan, which includes four uses: Signature Business Headquarters, Biohealth Priority Campus, Mixed-Income Housing Community and Commercial to Residential Reconstruction.

Recommendation: support, and amend line 52 to read “after approval of an Expedited approval Plan for a Commercial to Residential Reconstruction [[plan]] is approved...”

USE STANDARDS

The ZTA proposes a couple of additional use standards that apply to a CRR, starting on line 56. The first allows a property under review by a CRR to reallocate the mapped commercial FAR to residential FAR, allowing for a 100% residential project, so long as the total FAR and building height are not exceeded. The remaining two standards require CRR in a red policy area to be built as an Apartment Building type, and in other policy areas to be built satisfying Townhouse Living or Multi-Unit Living.

Planning Staff note that the standard for red policy areas specifies the applicable building type, whereas for non-red policy areas specifies household living types. Planning Staff recommend consistency between these two statutes.

Recommendation: support, but amend 3.3.2.B.3.c. (Lines 65-68) to state “If not in a red policy area, Commercial to Residential Construction must be in a ~~building type that satisfies~~ Townhouse building Living under Section ~~3.3.1.D. 4.1.3.C~~ or ~~Multi-Unit Living~~ Apartment Building under Section ~~3.3.1.E. 4.1.3.D.~~” Planning Staff also note the section references for building types may be different than shown above, if ZTA 25-02 is approved concurrently or before this ZTA, as it modifies the building type section references slightly.

SECTION 59-3 OTHER USES

The next sections of the ZTA only contain minor technical updates, including:

- **Section 3.3.2 Group Living** - updating the section references for the remaining uses as each use shifted down a letter in the alphabet.
- **Section 3.4.2. Charitable, Philanthropic Institution** – removing a hyphen from line 138, and updating the section reference for Residential Care Facilities on lines 157 and 159.
- **Section 3.4.6. Hospital** – updating the section reference for Residential Care Facilities on lines 168-169.

Recommendation: support

Division 59-4.5. Commercial/Residential Zones

SECTION 59-4.5.2. DENSITY AND HEIGHT ALLOCATION

There are several minor technical edits in the ZTA to Section 59-4.5.2. This code section provides special provisions and exemptions for density and height in C/R zones that must be approved through a regulatory approval plan. There are multiple references throughout this section to Signature Business Headquarters plan, Biohealth Priority Campus plan, and Mixed-Income Housing Community plan that are deleted and replaced with the new consolidated term expedited approval plan.

Recommendation: support

SECTION 59-4.5.4. OPTIONAL METHOD DEVELOPMENT

Section 59-4.5.4. Optional Method Development, is another technical update. This section requires optional method developments to receive an approved sketch plan, unless approved by a Signature Business Headquarters or a Biohealth Priority Campus. Those two plan types are removed from the code and replaced with an expedited approval plan.

Recommendation: support

Division 59-4.6. Employment Zones

SECTION 59-4.6.2. DENSITY AND HEIGHT ALLOCATION

There are two sections within Density and Height Allocation with amendments, Density and Height Limits under Section 4.6.2.A., and FAR Averaging under Section 4.6.2.B.

DENSITY AND HEIGHT LIMITS

Starting on line 245, the ZTA adds a new provision under the Density and Height Limits section for Employment Zones. This new section allows properties in the NR and EOF zones to reallocate commercial FAR to residential FAR, so long as the total mapped FAR and height are not exceeded.

This is a major policy shift for the Employment Zones, as residential uses are currently limited to no more than 30% of any total development, regardless of how much FAR is being utilized. This change would allow up to 100% residential developments in these zones. To demonstrate how big of a policy shift this is, below are some general policy and intent statements from Section 4.6.1. for the Employment Zones:

- Permitting nonresidential uses including office, technology, and general commercial with limited residential use
- Promote economic diversity and job creation in development patterns where people can work, learn, and recreate.

- Appropriate for targeting jobs and services to co-locate near housing.
- Residential uses are generally limited to 30% of the total gross floor area on the subject site.

Planning Staff understand the housing shortage the county is facing, and opening up employment areas, especially those with high vacancy to increased residential use is a major step in addressing that shortage. This, however, does not align with the existing policies and goals stated for the Employment Zones. A revisit of the goals for the Employment Zones to emphasize them as more mixed-use or housing-focused, along with a revisit to the Employment Zones in their entirety, should be considered in the future.

As with the Commercial to Residential Reconstruction use, this code section also only provides commercial to residential flexibility for the NR and EOF zones, but not for the GR and LSC zones. However, this provision to reallocate commercial FAR to residential FAR is not predicated on needing an existing two or more-story tall development or a certain level of tenant vacancy. Excluding the LSC zone still has merit since the bulk of that zone is covered by an overlay zone that already allows for more residential development. The GR zone however should be considered for inclusion in this commercial to residential policy change, as it is not limited to properties with at least two existing stories. The largest GR zone properties are two existing shopping malls, and the remaining properties are mostly comprised of restaurants, car washes, and other commercial uses, similar to the NR zone. These GR sites could provide valuable additional space to construct residential uses.

Recommendation: support the policy direction but revisit the goal statements for the Employment Zones and add GR to the list of eligible zones for converting commercial FAR to residential FAR on line 245.

“In the NR, GR and EOF zones, commercial FAR limits on the subject property may be reallocated...”

FAR AVERAGING

The changes proposed by the ZTA under Section 59-4.6.2.B. FAR averaging start on line 250 and are straightforward technical updates, to remove any text for Biohealth Priority Campus plans and replace it with an expedited approval plan.

Recommendation: support

SECTION 59-4.6.3. STANDARD METHOD DEVELOPMENT

ZTA 25-03 does not propose any amendments to Section 59-4.6.3. Standard Method Development for the Employment Zones. Planning Staff recommends this section be added to the ZTA to amend the development standards tables under 4.6.3.C. GR and NR Zones, and E. EOF Zone. Both tables contain a standard called Specification for Density within the Lot and Density section. The specification states “Gross floor area of all House Living uses is limited to 30% of the gross floor area on the subject site.” Removing this specification from the development standards tables would need to be made to allow

the conversion of commercial FAR to residential FAR discussed in the Density and Height Allocation analysis above. If the Council does not agree to allow the commercial to residential conversion for the GR zone, then the specification under 4.6.3.C. would remain, but should be reworded to add “In the GR Zone, gross floor area of all...”

Recommendation: Modify the ZTA to remove the Specification for Density sections in tables 4.6.3.C and 4.6.3.E., or retain the specification but add “In the GR Zone” to exclude the other zones.

SECTION 59-4.6.4. OPTIONAL METHOD DEVELOPMENT

Only one change is made to the Employment Zones Optional Method Development, under the Procedures for Approval, also replacing Biohealth Priority Campus plan with an expedited approval plan.

Recommendation: support

Division 59-7.3. Regulatory Approvals

The last Division of code amended by ZTA 25-03 is Division 59-7.3, Regulatory Approvals. There is amended text in multiple sections including technical updates to the Sketch Plan applicability, the addition of a new plan type called the expedited approval plan, and the removal of existing plans including Signature Business Headquarters plan, Biohealth Priority Campus plan, and Mixed Income Housing Community plan.

SECTION 59-7.3.3. SKETCH PLAN

The proposed amendment to the Sketch Plan section is another technical update to the list of plan types that are exempt from submitting a sketch plan under the optional method of development. This would remove the Signature Business Headquarters plan, Biohealth Priority Campus plan, and Mixed-Income Housing Community plan and replace it with the Expedited Approval Plan.

Recommendation: support

SECTION 59-7.3.5. EXPEDITED APPROVAL PLAN

Section 59-7.3.5. Expedited Approval Plan, starting on line 313, is a new regulatory plan type added to the zoning code with this ZTA. This plan type however is not new in practice, because it is based on the existing Signature Business Headquarters, Biohealth Priority Campus, and Mixed-Income Housing Community plans. These three plan types have been added over the past few years through various

ZTAs to expedite the regulatory review process for targeted uses that are county priorities. With minor exceptions, all three plan types are identical including sharing the following sections:

- **Applicability and Description** – modified to add the uses of Signature Business Headquarters, Biohealth Priority Campus, Mixed-Income Housing Community, and Commercial to Residential Reconstruction as eligible uses.
- **Application Requirements** – Ownership and submittal requirements similar to those of a site plan, except the intake process is expedited.
- **Hearing Date** – Requires the Planning Board hearing no later than 65 days after acceptance of the plan.
- **Review and Recommendation** – Sets an expedited timeframe for agencies and the applicant to respond to Development Review Committee Comments and revised plan submittals.
- **Necessary Findings** – Also similar to the findings of a site plan, except the compatibility findings are removed.
- **Decision** – Requires an expedited timeline for the Planning Board to adopt a resolution of the decision, and sets forth the ability for an aggrieved party to file a petition for judicial review.
- **Conforming Permits** – DPS may not issue a permit for the subject property until the expedited review plan and associated bond is approved.
- **Duration of Approval** – sets forth that the expedited review plans must be certified within 24 months of the resolution date, and that applicants have 2 years from the resolution date to apply for a building permit, and an additional 2 years to obtain the building permit.
- **Recording Procedures** – Requires the Planning Department to maintain a copy of the approved plan and resolution.
- **Amendments** – Allows any project approved by an expedited approval plan to file an amendment to the plan, and sets forth the criteria for a Major or Minor amendment.
- **Compliance and Enforcement** – This section allows the Planning Board to find, after holding a hearing, that an applicant may be out of compliance with their approved plan and to levy certain civil penalties.

Most of these sections and their requirements closely align with the requirements of site plans, with the expedited application, review, and post-approval permit requirements being the main difference. ZTA 25-03 adds CRR as another priority use that would have expedited reviews. Rather than create a fourth, identical plan type, this ZTA consolidates all the existing expedited plan types into one new process.

Recommendation: support

SECTION 59-7.3.#. OTHER APPROVAL PLANS

Much of the remaining volume of the ZTA, from lines 583 – 1263, is the removal of the Signature Business Headquarters plan, Biohealth Priority Campus plan, and Mixed-Income Housing Community plan.

Recommendation: support

SECTION 59-7.5.1. NOTICE REQUIRED

The final section of ZTA 25-03 updates the notice required table. This table shows each notice type as a column labeled across the top, and each plan type as rows labeled on the left. The ZTA removes the three plans and their associated amendments being removed by the ZTA from the table, and adds the expedited approval plan and its amendments.

Recommendation: support

SECTION 5 – SRA 25-01 ADMINISTRATIVE SUBDIVISION – EXPEDITED APPROVAL PLAN

Division 50.6. Administrative Subdivision Plan

SRA 25-01 is introduced (Attachment C) as a companion to ZTA 25-03 to establish a new administrative subdivision plan type for CRR uses, which is required to be heard by the Planning Board within 90 days of submission.

The new administrative subdivision will be located in Section 50-6.1.H. The proposed text starts on line 10 of the SRA and explicitly applies to properties that will be used as a CRR. Like other administrative subdivision plans, many of the findings of a preliminary plan such as adequate public facilities, stormwater management, and forest conservation are still required but do not need to be satisfied until approval of the record plat. The language for this new administrative subdivision is identical to the administrative subdivision plan types for the other expedited approval uses in Chapter 59; Section 6.1.E. Signature Business Headquarters, Section 6.1.F. Biohealth Priority Campus, and Section 6.1.G. Mixed-Income Housing Community.

As part of ZTA 25-03, the existing regulatory plans for Signature Business Headquarters, Biohealth Priority Campus, and Mixed-Income Housing were consolidated into a single new expedited approvals plan. SRA 25-01 however does not propose a similar consolidation of the administrative subdivision plan types under Sections 6.1.E. – 6.1.G.

Recommendation: support adding an administrative plan type to cover CRRs, but consolidate Signature Business Headquarters, Biohealth Priority Campus, Mixed-Income Housing, and Commercial to Residential Reconstruct into one expedited approval plan administrative plan by amending the language of Section 6.1.E. as follows:

E. Subdivision application for property to be used as Signature Business Headquarters under Section 3.5.8.D, a Biohealth Priority Campus under Section 3.5.8.E, a Mixed-Income Housing Community under Section 3.3.4. or a Commercial to Residential Reconstruction under section 3.3.2. of the Zoning Ordinance. A lot or lots created for a Signature Business Headquarters may be approved if:

1. the Planning Board approves a ~~Signature Business Headquarters~~ an Expedited Approval plan under Section 59-7.3.5, including a finding of adequate public facilities under the standards of Section 50-4.3.J, before approval of the plat;

The remainder of the existing text under Section 6.1.E. would remain and is identical to the text on lines 17-24 of the SRA. Sections 6.1.F and 6.1.G. of Chapter 50 would be deleted, and there would be no need to create a new Section 6.2.H.

Alternative Recommendation: If consolidation of the administrative subdivision plan types is not pursued, the plan type and section references located in Sections 6.1.E.1, F.1., and G.1. need to be updated as follows:

6.1.E.1. the Planning Board approves [a Signature Business Headquarters] an Expedited Approval plan under Section 59-7.3.5, including a finding of adequate public facilities under the standards of Section 50-4.3.J, before approval of the plat;

6.1.F.1. the Planning Board approves [a Biohealth Priority Campus] an Expedited Approval plan under Section ~~59-7.3.6~~ 59-7.3.5, including a finding of adequate public facilities under the standards of Section 50-4.3.J, before approval of the plat;

6.1.G.1. the Planning Board approves [a Mixed-Income Housing Community] an expedited approval plan under Section ~~59-7.3.7~~ 59-7.3.5, including a finding of adequate public facilities under the standards of Section 50-4.3.J, before approval of the plat;

SECTION 6 – BILL 2-25 TAXATION – PAYMENTS IN LIEU OF TAXES – AFFORDABLE HOUSING - AMENDMENTS

Section 52-24 Payments in Lieu of Taxes for Certain Housing Developments

Bill 2-25 amends Chapter 52 - Taxation, Section 24 - Payments in lieu of taxes for certain housing developments. A Payment In Lieu of Taxes (PILOT) program is essentially a tax abatement that is used to support the construction and preservation of housing in the county.

Currently, the County Code authorizes three ways by which an owner may receive a PILOT.

- The **Standard PILOT** program provides a real property tax abatement in exchange for providing affordable units to low-income residents. The amount of the tax abatement and its terms are negotiated based on the number of affordable units and the duration of their affordability.
- The “**by right**” **PILOT** abates all County real property taxes for a term of at least 15 years for a rental property owned or controlled by a non-profit if at least 50% of the units are leased to households with incomes no greater than 60% of the area median income (AMI).
- The **Washington Metropolitan Area Transit Authority (WMATA) PILOT** applies to new construction, high-rise residential developments that include at least 50% rental housing and are built on property leased from WMATA in the County. For qualified projects, the WMATA PILOT exempts 100% of the real property tax for 15 years.

Expedited Bill 2-25 expands upon the by-right PILOT and would require the Director of Finance to offer a PILOT for a residential development resulting from the conversion of a property that was designated for commercial use but had at least a 50% vacancy rate at the time of the development application to the Planning Department or Department of Permitting Services. The bill would require a PILOT that would exempt 100% of the real property tax that would otherwise be levied for 25 years.

To be eligible for the PILOT, the project must also rent at least 15% of units to households earning 60% or less of the area median income for 25 years, and the project must meet all the requirements of an expedited approval plan under Section 7.3.5 of Chapter 59. Planning Staff recommends this language be modified slightly to include sales price. Many of the county’s notable existing office-to-residential conversions are condominiums (The Octave, and The Elan, both in Downtown Silver Spring).

Planning Staff recommends the language in lines 41-46 be modified to say “at least 15 percent of the dwelling units located on the property are built under a government regulation or binding agreement with the County limiting the rent or sales price charged for the unit for at least 25 years to make the unit affordable to households earning 60 percent or less of the area median income.”

Recommendation: support, and broaden the affordability language to include for-sale units too.

SECTION 7 – OTHER CONSIDERATIONS

Workforce Housing Program

As mentioned in Section 1, many of the elements of the More Housing N.O.W. package involve the use of the county’s [Workforce Housing](#) program. The Workforce Housing program has seen limited application and success compared to the MPDU program, largely due to the fact it is not mandatory and there have been notable challenges with implementation. These challenges are largely because the rents/sales price often approach unaffordability or close to market rents/sales price quickly.

Recommendation: support, however, while outside the context of this package, and in the future, Chapter 25B’s regulations related to Workforce Housing should be looked at to potentially address challenges and ensure the program is operating efficiently.

SECTION 8 – CLIMATE ASSESSMENTS

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 Planning Board heard Planning Staff's recommendations on the climate assessments for ZTA 25-02 and ZTA 25-03 at its hearing on February 27 as agenda item 10 and has transmitted those recommendations to the District Council. A copy of the two climate assessments is provided as attachments to this report for reference (Attachments D and E)

SECTION 9 – CONCLUSION

Planning Staff recommends the Planning Board support ZTA 25-02, ZTA 25-03, and SRA 25-01 with the revisions recommended by Planning Staff. These proposed code changes will provide additional options for creating more housing, while also helping adaptively reuse our aging commercial areas.

SECTION 10 – ATTACHMENTS

Attachment A: ZTA 25-02 Intro Packet

Attachment B: ZTA 25-03 Intro Packet

Attachment C: SRA 25-01 Intro Packet

Attachment D: Climate Assessment 25-02

Attachment E: Climate Assessment 25-03

Attachment F: Complete Streets Design Guide for Controlled Major Highway

Attachment G: OMWF Parking

Attachment H: Employment Zone Distribution