

Matthew M. Gordon, Esquire mgordon@sgrwlaw.com

May 23, 2025

<u>Via Email – MCP-chair@mncppc-mc.org</u>

Mr. Artie Harris, Chair
And Members of the Planning Board
Montgomery County Planning Board
2425 Reedie Drive, 14th Floor
Wheaton, Maryland 20902

Re: May 29, 2025, Planning Board Item No. 6, Zoning Text Amendment No. 25-05, Development Standards – Optional Method Public Benefits (the "Proposed ZTA"); Century Residential GP, LLC's written comments in Support of the Proposed ZTA

Dear Chair Harris and Board Members:

On behalf of Century Residential GP, LLC, an affiliate of Capital City Real Estate ("Capital City"), please accept these written comments in support of the Proposed ZTA, with one suggested revision relating to Overlay Zones with increased Building Lot Termination (BLT) easement requirements.

Capital City is a multi-family developer active throughout the mid-Atlantic and southeast regions with over 2,300 dwelling units developed and in the pipeline. Capital City supports the Proposed ZTA as it will update the optional method public benefit system originally created in 2010 to ensure that development projects prioritize the delivery of public benefits that are consistent with more recent land use, housing, transportation, and environmental policies established by the County. In this respect, the Proposed ZTA will better align the optional method public benefit system with the County's Comprehensive Plan, Thrive Montgomery 2050, that was adopted in 2022 ("Thrive").

Capital City is the contract purchaser for an underutilized and largely vacant (7% occupied), 5-stoy office building with ±138,000 square feet and ±435 surface parking spaces on Century Boulevard that is located in the Germantown Transit Mixed-Use Overlay Zone (the "GTMU Overlay Zone"). Capital City intends to use the recently created Commercial to Residential Reconstruction expedited review process to redevelop this site with a mix of multi-family rental units (±276 units) and for-sale stacked flats (±62 units), structured parking, public open and pedestrian access improvements (the "Project"). The Applicant anticipates that the multi-family

{00808400;1}

May 23, 2025 ZTA 25-05 Written Testimony Page 2

building will include approximately 49 regulated affordable units ¹ and that the for-sale stacked flats (2 over 2 units) will include an additional 8 MPDUs. The multi-family building is also conceptually planned to include more than 10% of the total units as 3-bedroom units for families (30, three-bedroom units). The Project also proposes to construct a Sector Plan recommended street that bisects the site, which will result in a multi-modal extension for pedestrians and bicyclists. The Project will further Thrive's recommendation to "retrofit centers of activity and large-scale older facilities such as shopping centers ... and other single-use developments to include a mixture of uses and diversity of housing types and to provide a critical mass of housing, jobs, services, and amenities necessary for vibrant, dynamic Complete Communities." Thrive, p. 33.

Capital City supports the Proposed ZTA as it prioritizes many of the public benefits proposed by the Project (Housing for All, and street-grid and multi-modal extensions in particular). However, the Proposed ZTA, as drafted, will not modify the public benefit point requirement that projects in the GTMU Overlay Zone must "purchase BLT easements, or make payments to the ALPF, in an amount equal to 50% of the incentive density floor area." Section 59-4.9.11.D (emphasis provided). This results in a requirement that optional method projects in the GTMU Overlay Zone purchase more than 6.5 times the amount of BLT easements than required elsewhere in the County. While the Proposed ZTA and scope of work for the Sector Plan amendment contemplate that this requirement will be reduced to the customary 7.5% of incentive density, this change is not anticipated to occur until subsequent ZTA's are processed changing the respective public benefit requirements. The purchase of BLT easements for 50% of incentive density for this Project is a substantial impediment to repositioning this struggling office building with housing due to the fact that it results in ±\$1-million-dollar cost to the Project.

Due to contractual obligations, the Applicant must submit its development applications for the Project this summer through the expedited review process and is unable to wait for this BLT easement requirement to be corrected through subsequent legislative measures. In order to allow development projects in overlay zones that predate current County Comprehensive Plan (i.e., Thrive) to use the Proposed ZTA, the Applicant is requesting that the Planning Board recommend transitional language be incorporated as part of its transmittal to the County Council. The transitional language would allow the Planning Board to apply the Proposed ZTA (after adoption by the Council) to development applications located in Overlay Zones established prior to 2022 (i.e., the adoption of Thrive) where a finding is made that the application of the new public benefit system better accomplishes the goals and objectives of Thrive, and the development also includes the customary purchase of BLT easements (or fee-in-lieu payment) in an amount equal to 7.5% of the incentive density floor area. We have proposed additional language be added as Section 4.7.1.D (in underline and bold below):

¹ The multi-family rental MPDUs will be provided at deeper levels of affordability for the first 25 years (60% AMI).

May 23, 2025 ZTA 25-05 Written Testimony Page 3

D. Public Benefit Procedures and Exemptions

5. A development application located in an Overlay Zone that was established prior to October 25, 2022 may use the public benefit system created by ZTA 25-05, and is exempt from any public benefit point requirements established under Division 4.9 relating to increased BLT easements if the Planning Board finds that the proposed public benefits: (a) better meet the goals and objectives of the Comprehensive Plan; and (b) include the purchase of BLT easements, or make payments to the ALPF, in an amount equal to 7.5% of the incentive density floor area.

We thank you for your time and consideration reviewing these written comments and look forward to the opportunity work with M-NCPPC staff, other agencies, and stakeholders to bring the proposed Project to fruition in the near term.

Very truly yours,

Selzer Gurvitch Rabin Wertheimer & Polott, P.C.

	Matthew	M.	uor	aon
By:				_
	Matthew M. Gordon			

cc: Mr. Jason Sartori

Mr. Robert Kronenberg

Mr. Patrick Butler

Mr. Atul Sharma

Ms. Grace Bogdan

Mr. Benjamin Berbert

Chris Love, Capital City Real Estate