

ZTA 26-04

MIXED-INCOME HOUSING COMMUNITY - ELIGIBILITY

Description

This ZTA amends the definition of a Mixed-Income Housing Community to lower the eligibility threshold, with the intent of allowing more projects to go through the Expedited Approval Plan process.

ZTA 26-04
Completed: 2-12-26

MCPB
Item No. 9
2-19-25

2425 Reedie Drive
Floor 14
Wheaton, MD 20902

<i>CP</i>	Caila Prendergast, Planner III, Design, Placemaking, and Policy Division Caila.Prendergast@montgomeryplanning.org , 301-495-4633
<i>BB</i>	Benjamin Berbert, Planner IV, Design, Placemaking, and Policy Division Benjamin.Berbert@montgomeryplanning.org , 301-495-4644
<i>LG</i>	Lisa Govoni, Supervisor, Design, Placemaking, and Policy Division Lisa.Govoni@montgomeryplanning.org , 301-650-5624
<i>AS</i>	Atul Sharma, Division Chief, Design, Placemaking, and Policy Division Atul.Sharma@montgomeryplanning.org 301-495-4658

ZTA SPONSORS

Sponsors:
Councilmembers Friedson and Sayles

Co-Sponsors:
Councilmember Luedtke, Council President Fani-González, and Councilmembers Balcombe and Evans

INTRODUCTION DATE

January 27, 2026

COUNCIL PUBLIC HEARING DATE

March 3, 2026

REVIEW BASIS

Chapter 59

Summary

- ZTA 23-02, as approved by Ordinance 20-3, formally defined Mixed-Income Housing Communities based on specific size and affordability standards, and established an expedited review process.
- ZTA 26-04 amends this provision, to adjust the size and affordability standards with the aim of increasing usability of the expedited review process.

TABLE OF CONTENTS

SECTION 1 – BACKGROUND	2
Rationale For Introduction	2
Mixed-Income Housing Community Plans	2
Low-Income Housing Tax Credit (LIHTC) Program.....	3
SECTION 2 – ZTA ANALYSIS AND RECOMMENDATIONS	4
ZTA 26-04 As Introduced	4
SECTION 3 – CLIMATE ASSESSMENT	5
SECTION 4 – CONCLUSION	5
SECTION 5 – ATTACHMENTS.....	6

SECTION 1 – BACKGROUND

Rationale For Introduction

Zoning Text Amendment (ZTA) 26-04, Mixed-Income Housing Communities was introduced on January 27, 2026, by Councilmembers Friedson and Sayles (Attachment A). The ZTA is scheduled for a District Council Public Hearing on March 3, 2026.

ZTA 26-04 proposes modifications to the definition of a Mixed-Income Housing Community found in Section 59-3.3.4.A, which was originally established through ZTA 23-02 and adopted under Ordinance 20-03 (Attachment B).

This amendment is part of a broader effort to evaluate the expedited review approval process that, to date, has not generated the volume of projects originally expected. Through a collaborative review with council staff, Montgomery Planning Staff identified barriers that prevented suitable affordable housing projects from qualifying as Mixed-Income Housing Communities, enabling them to use the expedited process.

Mixed-Income Housing Community Plans

ZTA 23-02 was introduced on March 28, 2023, and adopted on July 18, 2023. Mixed-Income Housing Community Plans allow for expedited reviews for projects with high levels of affordable housing. The expedited review allows for reduced review time, as a Planning Board Hearing must take place within 60 days of intake acceptance.

Since the adoption of ZTA 23-02, the Planning Board has approved one Mixed-Income Housing Community Plan, [Tevis Place](#). [Wheaton Gateway](#) met the Mixed-Income Housing Community Plan definition but was not expedited because its Sketch Plan had been approved before ZTA 23-02 was adopted and vacating that approval was not a viable option. It nonetheless benefited from meeting the definition by qualifying for the GIP exemption from Local Area Transportation Review.



Figure 1 Timeline showing Montgomery Planning’s Expedited Approval Plan Review Process

Low-Income Housing Tax Credit (LIHTC) Program

ZTA 26-04 expands the eligibility of the Mixed-Income Housing Community Plan to include projects using the 4% LIHTC subsidies. The [Low-Income Housing Tax Credit](#) is the primary federal incentive for the development of affordable rental housing in the country.

There are two types of LIHTC tax credits, 9% credits and 4% credits, both of which are allocated by state and local housing finance agencies.

The 9% LIHTC is awarded on a competitive basis in accordance with preferences and priorities laid out in the housing finance agency’s Qualified Allocation Plan. LIHTC is designed to subsidize either 30% or 70% of the low-income unit costs in a project. The 70% subsidy, or 9% tax credit, supports new construction without any additional subsidies.

The 30% subsidy, which is known as a 4% tax credit, covers new construction that uses additional subsidies or the acquisition cost of existing buildings. The 4% tax credit is non-competitive and

generally awarded automatically if the project meets the Qualified Allocation Plan (QAP)¹ requirements.

SECTION 2 – ZTA ANALYSIS AND RECOMMENDATIONS

ZTA 26-04 As Introduced

3.3.4.A. DEFINED

The amendments proposed in ZTA 26-04 modify the definition and eligibility criteria for Mixed-Income Housing Community in Section 3.3.4.A, originally established under ZTA 23-02 (Ordinance 20-03). These amendments appear throughout the section beginning on page 5 of the introduced text.

The first change occurs on lines 6–7, where the definition is revised to remove the existing requirement of at least 150,000 square feet and to increase the 30-or-more-unit threshold to 50 or more units. The amended definition now reads: “*Mixed-Income Housing Community means new residential floor area containing 50 or more dwelling units of Multi-Unit Living under Section 3.3.1.E.*”

Next, on line 27, language is added to expand eligibility to projects receiving 4% Low-Income Housing Tax Credits (LIHTC), in addition to the previously eligible 9% LIHTC.

These changes reflect Planning Staff’s findings that the existing 150,000-square-foot minimum area can be impractical for many affordable housing developments, many of which range between 50 and 100 units, and that restricting eligibility to 9% LIHTC projects excluded many developments that rely on the more common 4% LIHTC financing.

ZTA 26-04 addresses these issues by eliminating the square-footage requirement, raising the minimum unit count from 30 to 50 units, and expanding eligibility to include 4% LIHTC projects. These adjustments better reflect real development patterns and financing structures while making the expedited review process usable for projects that advance County housing goals.

The change to expand eligibility to 4% LIHTC projects also reflects a synergy with [ZTA 24-01](#), which allows Religious Assembly use or Educational Institution (Private) use projects to build affordable townhouses and apartments in Residential Detached zones if they meet certain affordability thresholds, including if they were awarded either the 4% or 9% LIHTC.

Despite expanded eligibility to 4% LIHTC projects, Planning Staff anticipate only two to three qualifying projects per year, given the high affordability thresholds to qualify, ensuring that the

¹ A Qualified Allocation Plan (QAP) is a federally mandated, state-level document that dictates how Low-Income Housing Tax Credits are awarded to developers for the construction or rehabilitation of affordable rental housing.

expedited process remains manageable for Planning Staff while supporting increased affordable housing production in the county.

Lastly, throughout the text, references to the word “percent” are updated to “%” for consistency in formatting across affordability categories.

Recommendation: Support the updated language to eliminate the 150,000-square-foot minimum, raise the minimum unit count to 50 units, expand eligibility to projects using 4% LIHTC, and update formatting for consistency.

3.3.4.B. EXEMPTIONS

As part of Planning Staff’s analysis of the ZTA, it became apparent that there are still references to the previous “Mixed-Income Housing Community plan under Section 7.3.7.” However, because ZTA 25-03 eliminated multiple specialized plan types, including the Mixed-Income Housing Community plan, and replaced them with a single Expedited Approval Plan, Planning Staff recommends updating this language for internal consistency. Under this recommendation, all occurrences of “a Mixed-Income Housing Community plan under Section 7.3.7” would be updated to read “an expedited review under Section 7.3.5.” Staff further recommends making this same replacement throughout the document to maintain accurate code references.

Recommendation: Support changes replacing outdated Mixed-Income Housing Community plan references with the expedited review under Section 7.3.5.

SECTION 3 – CLIMATE ASSESSMENT

Bill 3-22, passed by the County Council on July 12, 2022, requires the Planning Board to prepare a climate assessment for each Zoning Text Amendment, Master Plan, and Master Plan Amendment, effective March 1, 2023. Each Climate Assessment must include the potential positive or negative effects a ZTA may have on climate change (including greenhouse gas emissions) and on community resilience and adaptive capacity. The climate impact assessment for ZTA 25-07 is attached in Attachment C.

Planning Staff anticipates no direct climate impacts associated with ZTA 26-04, as it does not change the amount or distribution of development expected under current regulations. Its primary effect is to expand eligibility for long-term affordable housing, which supports community resilience without altering land cover or emissions.

SECTION 4 – CONCLUSION

Planning Staff recommends the Planning Board support ZTA 26-04 as introduced with a few minor updates as highlighted by Staff. This ZTA optimizes the Mixed-Income Housing Community provisions by eliminating the 150,000-square-foot requirement, updating the minimum unit count to 50, and

expanding eligibility to 4% LIHTC projects, improving alignment between the expedited review process and the types of affordable housing projects typically proposed in the County.

SECTION 5 – ATTACHMENTS

Attachment A: Zoning Text Amendment 26-04 Intro Packet

Attachment B: - ZTA 23-02/Ordinance 20-03

Attachment C: Climate Assessment 26-04