

March 16, 2025

Council President Kate Stewart  
& Members of the County Council  
Council Office Building  
100 Maryland Avenue  
Rockville, Maryland 20850

Re: More Housing N.O.W. Legislation  
ZTA 25-03  
PILOT Bill 2-25

Dear Council President Stewart and Members of the County Council. As a member of NAIOP DC/MD's Board of Directors and Chair of its Leadership Committee, I am writing to express NAIOP DC/MD's strong support for the More Housing N.O.W. Legislation. NAIOP DC/MD represents hundreds of companies that have been involved in creating the most innovative, sustainable mixed-use developments in Montgomery County and the region. Our members have the breadth of experience of working in multiple jurisdictions.

This family of legislation sends a strong message to the community, housing providers and the equally important financial institutional market that the County Council understands the need for creative solutions to attract investment in the County. The proposals are limited in scope, practical and the PILOT will have a meaningful impact as the catalyst for attracting capital - essential to getting much needed housing built in Montgomery County. We commend the Council sponsors for their leadership in this effort.

We have a few suggested changes:

1. Modifications to ZTA 25-03 and PILOT Bill 2-25:
  - a. Provide limited instances where the ZTA and PILOT apply to one story retail, where such property is located within ½ mile of metro stations. Encouraging redevelopment of vacant one-story retail near Metro presents significant opportunities for redevelopment and furthers the County's goals of encouraging higher residential densities near transit.
  - b. Include vacant hotels as an additional eligible category to encourage revitalization and housing production on these dark commercial sites.
2. Modifications to the PILOT Bill 2-25:
  - a. Currently, the PILOT Bill requires all projects go through the Expedited Approval process at Park & Planning. Inadvertently, this results in a slow-down and/or a duplication of efforts for those projects that have previously received Planning Board approval or are exempt from going through the Planning Board process (i.e., those existing, older buildings that are not subject to previous Planning Board approvals). As such, we suggest that projects with previous recent

approvals or exempt projects submit to DPS evidence of PILOT compliance (rather than Park & Planning).

Suggested changes to ZTA 25-03 and Bill 2-25 are shown through double underlining below:

**Zoning Text Amendment 25-03: Expedited Approvals – Commercial to Residential Reconstruction.**

**B. Commercial to Residential Reconstruction**

**1. Defined**

Commercial to Residential Reconstruction means a vacant office, hotel or retail building that is either at least two stories high, or a single-story high if located within ½ mile of a Metro station, and is converted or demolished to a residential building that qualifies as Townhouse Living under Section 3.3.1.D. or Multi-Unit Living under Section 3.3.1.E.

**2. Exemptions**

b. Development of a Commercial to Residential Reconstruction should proceed under the standards of Chapter 50 and the underlying zone, including any overlay zones, except as modified by Section 3.3.2.B. and in conformance with the hearing and review schedule in Sections 7.3.5., if approved pursuant to a Commercial to Residential Reconstruction plan.

**Expedited Bill 2-25: Taxation – Payments in Lieu of Taxes – Affordable Housing - Amendments**

**52-24. Payments in lieu of taxes for certain housing developments.**

(2) Applications for building permits for Commercial to Residential Reconstruction that were accepted or approved by the Montgomery County Planning Board prior to the effective date of ZTA 25-03 are not subject to a new Planning Board approval and:

(a) Must provide evidence to the Department of Permitting Services that the applicant has a building permit application, accepted by DPS, that includes the core and shell of the principal building within three years of the date of the Planning Board's resolution; and

(b) Must obtain a building permit within two years after DPS accepts the building permit application that includes the core and shell of the principal building.

(c) The deadlines under Section 52-24(c)(4)(B) may be extended with approval of the Director of the Department of Permitting Services by up to 18

months for good cause.

(3) Applications for building permits for Commercial to Residential Reconstruction that are exempt from Park & Planning approval because they are existing buildings that are not subject to prior Park & Planning site plan and/or preliminary plan approvals are not subject to a new Planning Board approval and:

(a) Must obtain a building permit within two years after DPS accepts the building permit application that includes the core and shell of the principal building.

(b) The deadlines under Section 52-24(c)(4)(B) may be extended with approval of the Director of the Department of Permitting Services by up to 18 months for good cause.

We commend the County Council on thinking creatively and introducing legislation that concretely will make a difference. The More Housing N.O.W. legislation demonstrates the Council's commitment to encouraging investment and economic development in the County. We ask that the Council support the More Housing N.O.W. legislation.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stacy P." followed by a stylized flourish.

Stacy Silber