

MEMORANDUM

December 2, 2016

TO: Planning, Housing, and Economic Development (PHED) Committee
FROM: Marlene Michaelson, Senior Legislative Analyst
SUBJECT: Greater Lyttonsville Sector Plan

This is the Planning, Housing, and Economic Development (PHED) Committee's third worksession on the Greater Lyttonsville Sector Plan. This memorandum addresses the site-specific zoning issues the Committee did not address at the previous worksession and the Plan's recommendations for the Environment, Community Facilities, Parks and Open Space, and Community Design. It also returns to the issues of staging and affordable housing, which were addressed at the first Committee worksession. Councilmember Leventhal asked for additional information from the Planning Department about the change in affordable housing as a result of the Sector Plan's recommendations. Staff has not yet received it and will circulate it as soon as it is available.

DISTRICT RECOMMENDATIONS

Chapter 3 of the Plan presents property specific recommendations for 4 districts. The Committee considered the Woodside/16th Street Station Area and the Residential Area at the November 28 meeting and began its consideration of the Brookville Road/Lyttonsville Station Area. This memorandum addresses the issues the Committee asked to revisit or did not yet consider in these areas, as well as the Industrial/Institutional Area.

Residential Area

The Committee wanted to revisit one of the residential area properties.

Assorted Commercial and Industrial Buildings

Text in Sector Plan: page 78

Map in Sector Plan: page 76

Site number: 9

Existing Zoning: IM-2.5

Proposed Zoning: CRN 0.75, C 0.5, R 0.75, H 45

Committee Discussion: The Committee discussed this property at its November 28 worksession and asked staff to verify whether the existing uses would remain conforming with CRN zoning. The existing uses would be grandfathered under the CRN zone and “may be continued, renovated, repaired, or reconstructed if the floor area, height and footprint are not increased, except as provided for in Section 7.7.1.C” (Section 7.7.1.A.1). Section 7.7.1.C indicates that the property may increase in height and density up to the limits of its previous zone until 2039. The Committee did not make a final decision regarding the zoning.

Plan Recommendations: This site contains light industrial buildings that house commercial and industrial businesses. Heavy truck access to this site will be compromised by a future railroad crossing on Stewart Avenue and therefore businesses that rely on truck deliveries will likely relocate as a result. The Plan’s recommendation to convert this property from industrial to mixed-use zoning is also consistent with its strategy for other properties south and east of the Purple Line. Since this property has single-family residential development adjacent on the sides not confronting the Purple Line, the Sector Plan recommends the lower density CRN zone with a height and density that would support townhouse residential development.

Testimony: The property owners support the change to mixed-use zoning but have requested CRN 1.5, C 0.25, R 1.5, H 65 consistent with the recommendation in the Planning Board’s Public Hearing Draft (December 2015). They objected to the Planning Board decision to cut the density by half and believe they should have a higher density like other properties near the Purple Line Station. Without sufficient density, they indicate that they are most likely to maintain industrial uses, rather than redevelop as residential.

Staff Comments: Staff believes that the townhouse form of development with a height limit of 45 feet is appropriate for this site, since there are single-family detached units on two sides of the property. To encourage the redevelopment of this existing industrial site, Staff recommends raising the FAR to 1.0, but maintaining the height limit to ensure compatibility. The existing uses would be grandfathered under the CRN zone. The rezoning provides the opportunity to redevelop under the existing zone or even expand (until 2039) and the option for residential redevelopment.

Brookville Road/Lyttonsville Station Area

The Sector Plan identifies 6 properties for rezoning in the Brookville Road/Lyttonsville Station Area.

Washington Suburban Sanitary Commission (WSSC) Property

Text in Sector Plan: page 82

Map in Sector Plan: page 83

Site number: 7

Existing Zoning: R-60 and IM

Proposed Zoning: CRT 1.5, C 0.25, R 1.25, H 65

Plan Recommendations: This property is owned by the Washington Suburban Sanitary Commission (WSSC) and is currently split-zoned R-60 and IM. The Plan recommends rezoning it to the CRT 1.5 zone to allow mixed-use development, with multi-unit residential and commercial uses to be located closest to the Purple Line Station. The text on page 82 and the map on page 25 limit the residential density to 1.25, whereas the map on page 83 allows a residential density of 1.5. The Sector Plan recommends 12.5% to 25% affordability on the site and a one-acre civic green.

Testimony: EYA generally supports the Plan recommendations, but asked that the map on page 25 and text on page 82 be revised to reflect the zoning shown on page 83 (i.e., a 1.5 residential FAR) or, alternatively, that the property be split zoned to allow the 1.5 residential on the western portion furthest from the Purple Line Station. The Council received significant testimony in support of EYA's proposals for redevelopment on multiple sites in the planning area.

Staff Comments: Staff agrees with the Sector Plan vision of allowing the WSSC site to redevelop as a mixed-use development close to the Purple Line. At the November 28 worksession, Planning Department Staff indicated that the correct residential density for this property is 1.25. The Committee did not complete its discussion of this property.

Claridge House and Friendly Gardens

Text in Sector Plan: page 84

Map in Sector Plan: page 83

Site number: 8a (i-iv)

Existing Zoning: R-H, IM, RT, and R-20

Proposed Zoning: 8ai and 8aii – CRT 2.5, C 0.25, R 2.5, H 70

8aiii – CRT 1.5, C 0.25, R 1.5, H 70

8aiv – CRT 2.0, C 0.25, R 2.0, H 70

Plan Recommendations: There are four different properties that compose area 8A. These properties contain existing, multi-unit buildings known as Claridge House and Friendly Gardens, as well as landscape contractor storage yards. The properties lack cohesive zoning and are currently zoned R-H, IM, RT and R-20. The Plan recommends rezoning all 4 properties to the CRT zone, with greatest densities (CRT 2.5) closest to the Purple Line Station.

Testimony: EYA, who hopes to redevelop sites 8aii and 8aiii with the non-profit that owns and operates Friendly Gardens, supports the Sector Plan recommendations for these sites. The owner of Site 8ai (Companaro Properties LLC) also testified in favor of the Sector Plan recommendations and indicated that the proposed zoning is likely to lead them to sell the project for redevelopment instead of maintaining the existing landscape storage yard. The Council received significant testimony in support of EYA's

proposals for redevelopment on multiple sites in the planning area. The Council also received testimony suggesting that the density should not exceed 1.5 in the planning area, without specifically commenting on the densities recommended for this site. The Council received testimony from one individual who suggested that the County acquire portions of 8ai and 8aai to create a park that would extend from the Purple Line Station to Stewart Avenue.

Staff Comments: Staff supports the zoning recommended for sites 8ai, 8aai and 8aiii, where property owners and potential purchasers have expressed an interest in redevelopment that would be appropriate for these locations and would maintain the affordable housing currently provided by Friendly Gardens. The Sector Plan does not describe the existing housing at Friendly Gardens or any assumptions regarding what is assumed for affordable housing in the future. Staff believes this is important, especially since ownership can change over time. Staff believes that an FAR of 2.5 is appropriate for the properties closest to the Purple Line.

The owners of Claridge House (site 8aiv) have not expressed an interest in redevelopment at this time. Redevelopment of this site might be appropriate in the long term (most likely beyond the life of this Sector Plan), but Staff sees no reason to increase densities at this time given the concern expressed by some regarding the total number of additional housing units allowed by this Sector Plan. Staff recommends rezoning the property to a CRT zone (which would ensure the provision of public benefits if redevelopment does occur), but recommends that the densities reflect what is existing today. Should the Committee want to allow for longer-term redevelopment, it could indicate that this property may be appropriate for a higher density zone at a later time through a local map amendment rezoning.

Site 10

The map on page 83 of the Sector Plan identifies Site 10, but there is no text regarding this Site, nor is there a recommended change in zoning. Staff learned that Planning staff had proposed a rezoning for this property that was not supported by the Planning Board; the Plan confirms the existing IM zone. It was identified in the Planning Board Draft to document this decision. Since there is no change or text to explain why it is identified on the map, Staff recommends the map in the Approved Plan delete this identification.

Industrial/Institutional Area

The Sector Plan identifies 3 sites for rezoning in the Industrial/Institutional Area and confirms the existing industrial zoning or residential zoning for institutional uses. The goal of the Sector Plan is to preserve existing businesses and resources valuable to the down-County and regional economies.

Ride-On Bus Depot

Text in Sector Plan: page 88

Map in Sector Plan: page 88

Site number: 11a

Existing Zoning: R-60

Proposed Zoning: IM 2.5, H 50

Plan Recommendations: The Plan recommends changing the R-60 zoning to industrial zoning to better reflect the existing and planned use for the site as a Ride-On Bus Depot.¹ Should the depot ever relocate, this would be an appropriate location for industrial uses.

Testimony: At least one individual suggested allowing mixed-use development here instead of east of the Purple Line.

Staff Comments: Staff supports the Sector Plan recommendations. This site is needed for the Bus Depot in the short and long term and Staff does not support the suggestions to zone it to allow for mixed-use redevelopment.

County-Owned Land

Text in Sector Plan: page 88

Map in Sector Plan: page 88

Site number: 11b

Existing Zoning: R-60

Proposed Zoning: CRT 2.0, C 0.5, R 2.0, H 75

Plan Recommendations: This land is owned by the County and is the proposed location for the Lyttonsville Station Maintenance Facility and a parking garage for County employees. The Sector Plan recommends CRT zoning on this site to allow a potential mixed-use development that would include the needed government facilities, as well as new development with a residential focus. This could occur if the County parking proposed for the site could be accommodated in an underground garage or elsewhere.

Testimony: EYA supported the proposed zoning for this property and hopes to create a mixed-use development here with a focus on housing. EYA believes it can accommodate necessary employee parking in an underground garage. The Council received testimony suggesting that this property be swapped with other properties east of the Purple Line to allow development here and a park on the properties southeast of the rail tracks.

Staff Comments: Questions have been raised as to whether this site can accommodate both the necessary government uses with new mixed-use development and whether this is the appropriate location for residential development. This site is clearly needed for ongoing public needs, so could not be swapped with other developable land (and used for parkland), as suggested in testimony.

¹ The County used to zone all public uses R-60, regardless of the nature of the use. The Council now places the appropriate zone on the property to enable the correct use if the government facility relocates.

The Sector Plan recommends focusing industrial zoning to the west and north of the Purple Line and residential zoning to the east and south, so the residential zoning proposed at this location in the Planning Board Draft is an anomaly. This property is not only north/west of the Purple Line, but will also be between the light rail tracks and industrial zoning that accommodates the Ride-On Bus Depot and other industrial uses, leading Staff to question whether this is an appropriate location for residential zoning. Staff recommends that the zoning for this property either be changed to a CRT zone with a focus on commercial development or to an industrial zone. If the Council believes that residential use of this property might be appropriate in the longer term, it could indicate that it may be an appropriate location for a future local map amendment to allow residential development.

The Executive supports the Council Staff recommendation for this property. Executive staff will be at the meeting to address any Committee questions.

Miscellaneous Industrial Businesses

Text in Sector Plan: page 89

Map in Sector Plan: page 88

Site number: 12

Existing Zoning: R-60 (parking)

Proposed Zoning: IM 2.5, H 50

Plan Recommendations: The Plan recommends rezoning these parking lots that serve industrial business operations from R-60 to IM.² This will provide consistent zoning and eliminate confusion on these sites.

Testimony: None.

Staff Comments: Staff supports the Sector Plan recommendations.

ENVIRONMENT

Pages 32-35 present the environmental recommendations in the Plan. Appendix D provides supporting back-up detail. This section of the Plan focuses on Water Quality, Ecology, and Energy. The section on Water Quality (page 33) includes recommendations to integrate visible environmental site design strategies, use permeable pavers where feasible, utilize environmental site design for parks and open space, provide stream buffers, and have redevelopment projects meet or exceed all stormwater management requirements.

The section on Ecology (page 34) includes recommendations related to tree planting, green roofs, and tree canopy. The section on Energy (page 35) includes recommendations to provide and improve alternatives to automobile travel, utilize whole building design, facilitate reuse and/or recycling of existing building material and consider recycled materials, locally sourced and produced materials, and/or local construction labor for new and renovated buildings.

² At one time, the County zoned all parking lots R-60, but has changed its zoning strategy and now zones parking the same as the property the parking serves.

Testimony: EYA submitted testimony to the Council asking that the Plan be revised to indicate that green roofs are only required on concrete structures that can support them. **Staff recommends revising the Sector Plan language to clarify requirements for green roofs.** They also expressed concern regarding the last bullet on page 33, which appears to state that developers in Lyttonsville would not be eligible for stormwater management waivers and that “redevelopment projects must meet or exceed all County stormwater management requirements.” Instead, they suggest the Sector Plan state, “Encourage multitude of stormwater management measures in effort to maximize treatment of stormwater management.” The Plan does not identify why there should be different standards for Lyttonsville than elsewhere in the County and **Staff agrees that the wording should be modified and will work on appropriate revisions.**

COMMUNITY FACILITIES

Pages 36-39 present the Community Facility recommendations in the Plan. The Committee considered the recommendations related to schools at its first worksession. Other facilities are discussed on pages 38-39. The Plan notes that the new Silver Spring Library serves the planning area. Montgomery County Public Libraries submitted comments suggesting a far more detailed description of the library facilities and collections, but this is not typical for master plans and Staff does not recommend it be added. Page 38 discusses the Gwendolyn E. Coffield Community Center. Several residents testified that they believe the new development would require the expansion of this center, which is acknowledged in the Plan:

At present, neither renovations nor expansions are recommended for the Gwendolyn E. Coffield Community Center; however, the ongoing needs of the center are assessed by the Montgomery County Department of Recreation on an annual basis and there may be a need for additional programming and/or a larger facility as redevelopment occurs within the Plan area.

As the Council has frequently confirmed, it is the operating department’s ongoing assessments and not master plans that determine the need for facility expansion.

The Fire Chief has proposed some technical corrections to the section on Public Safety on page 38 which staff will include in the resolution. Page 39 of the Plan describes the Military facilities in the planning area and the National Museum of Health and Medicine.

PARKS AND OPEN SPACE

Pages 59-61 present the Parks and Open Space recommendations in the Plan. This section describes the existing parks and open spaces and makes recommendations for a new urban greenway park, 2 new civic greens, a civic plaza, and a neighborhood green. The Plan also presents recommendations that result in increasing the size of Rosemary Hills-Lyttonsville Local Park. All of these improvements are associated with redevelopment.

Two parks are proposed in conjunction with the redevelopment of **Summit Hills**, but since the property owner has indicated that he is unlikely to redevelop with the Sector Plan recommended zoning, Staff asked Department of Parks staff whether there was any potential to create new parkland on this property

without redevelopment. Their response appears on © 1-2. The first option would create a civic green on the property directly across 16th street from the Purple Line Station and would provide internal paths to connect to the civic green. In their analysis, they indicated that it was not clear whether the loss of parking spaces at this location would be a problem. Staff believes this option justifies further consideration. Option 2 would have the County purchase parkland to create a stream valley park or linear park and also build a parking garage along East West Highway to replace the lost parking spaces. This would be a far more expensive option and would result in a new garage in a location that is less than ideal in the short term and would limit redevelopment options if Summit Hills redevelops at some future point. Staff does not support this option and recommends that the language regarding the Greenway in the Sector Plan be revised to present a more realistic outlook on the timeframe for a Greenway park. It should indicate that its implementation will not occur until Summit Hills redevelops, which may not happen during the life of this Sector Plan.

The Council received testimony from EYA objecting to the language on page 60 of the Plan that indicates that the civic green should be ½ to 2 acres, since the Planning Department had agreed that the civic green could be 1 acre. The language on page 60 is generic language not specific to Lyttonsville, and the Sector Plan should be amended to indicate this.

COMMUNITY DESIGN

Pages 62-65 present recommendations related to the Public Space Network, Building Form and Compatibility, and Placemaking. These community design goals and recommendations will be further detailed in the Community Design Guidelines and Streetscape Standards for the Greater Lyttonsville Sector Plan area. The Plan's recommendations for placemaking appear to address the comments the Council heard in testimony regarding Lyttonsville's "rich identity and strong community ties" and the importance of design in evoking a sense of place and "making the area's character recognizable to those who live, work, and visit this unique community."

IMPLEMENTATION

Pages 93-105 present the Implementation recommendations in the Plan. This chapter addresses zoning (including public benefits in the CR and CRT zones), the Capital Improvements Program, Partnerships, Retention of Industrial Businesses, and Sustainability. **As noted in the memorandum for the first Committee meeting, the section on public benefits does not mention the provision of affordable housing, which is a critical tool to enable the Planning Board to implement the Plan's recommendations.** The Plan lists priority benefits for major public facilities; connectivity; protection and enhancement of the natural environment; and wayfinding and public art. The Section on Partnerships does not identify the affordable housing partners that currently serve the area, and they should be included here. On pages 101-103, the Plan presents an economic profile of the Brookville Road industrial district and various strategies to support the district and continue to make it affordable, accessible, and practical for both traditional industrial enterprises and entrepreneurs establishing new businesses, including retail-industrial hybrid uses.

STAGING

The Committee discussed the Staff recommendations regarding staging at the first worksession, but wanted to consider property specific recommendations before making a final decision. The Staff recommendations from the November 20th memorandum follow below:

Staff believes that much of the new development in Lyttonsville should be linked to the construction of the Purple Line and therefore recommends that the Committee consider adding a staging plan similar to the one included in the Chevy Chase Lake Plan. Staff recommends either two or three stages, generally described below. If the Committee and Council support this idea, Staff will work with Planning Department staff to determine the detailed information regarding the number of units and triggers associated with each phase.

Stage 1 – Development Allowed Prior to the Beginning of Purple Line Construction: Only those properties that have existing development approval, propose redevelopment that does not increase density, or have an extraordinary amount of new affordable housing and/or sign an agreement to preserve existing affordable housing³ and can be accommodated without the Purple Line.

Stage 2 – Linked to the Beginning of Purple Line Construction: Properties in Stage 2 cannot obtain development approvals until the Purple Line construction begins. Under Stage 2, there will be a limit on the number of residential units that can be approved, allowing significant redevelopment, but not full build-out of all properties. **Should the Council decide to significantly decrease the amount of housing allowed in the Sector Plan, then it may not be necessary to have a third stage.**

Stage 3 – Final Stage of Development: The potential for a third stage should be based on the number of housing units recommended by the Council. Should there be enough units to warrant a third stage, it should be linked to a Planning Board reassessment of traffic, school capacity, and neighborhood impact before the remaining units can be built.

AFFORDABLE HOUSING

The background information on the Sector Plan's recommendations on affordable housing that were included in the November 20 packet is attached on © 3-4. As noted earlier, Councilmember Leventhal asked for additional information from the Planning Department about the change in affordable housing as a result of the Sector Plan's recommendations. Staff has not yet received this information and will circulate it as soon as it is available.

Staff presents the following updated recommendations based on the Committee's discussion thus far. Staff believes the following changes must be made to the Sector Plan:

1. It should describe all existing rent-restricted affordable housing, regardless of whether a change in zoning is proposed, and describe the Plan's recommendations related to affordable housing on

³ If the Council supports this concept, Staff will work with Planning Department staff to define what constitutes an extraordinary amount of affordable housing and an appropriate agreement.

this site (the Plan does not discuss the Barrington Apartments at all and does not discuss the existing or proposed mix of housing in Paddington Square and Friendly Gardens).

2. It should define what is meant by “affordability” in the property-specific recommendations.
3. It should list affordable housing as a priority public benefit.
4. It should describe affordable housing related partners in the section partnerships.

The Committee should decide what it wants to do regarding the concerns raised by Staff about the Rental Housing Study and the enforceability of the Sector Plan’s affordability recommendations. Staff offers three choices:

1. Adopt the Sector Plan in advance of the Rental Housing Study and indicate that recommendations in the Study could impact strategies to preserve housing affordability in the planning area. Assume the provisions in the Sector Plan will be enforceable.
2. Delay the final adoption of the Sector Plan until the Rental Housing Study is complete and legal staff has additional time to determine how to ensure that the Plan recommendations are enforceable. The Council may also want to ask the Planning Board to address broad housing policy issues that are related to the Lyttonsville recommendations (see below).
3. Adopt the Sector Plan, but delay the Sectional Map Amendment until the Rental Housing Study is complete and indicate in the Sector Plan that zoning changes could be made to reflect recommendations in the Rental Housing Study (e.g., if the Study recommends an affordable housing Overlay zone). Continue to work on enforceability issues.

Staff continues to believe that the best option is to delay the adoption of the Sector Plan, particularly since the consultant for the Rental Housing Study indicated that one of the options under consideration is an Overlay zone. Typically, Overlay zones need to be identified in master plans.

Regardless of which choice the Council makes, Staff believes the Planning Board must once again be asked to address the broad Countywide policy questions (either immediately or in the future) previously identified by the Council, including the following:

- Whether the County’s primary focus should be on preserving and increasing **income-restricted** affordable housing or whether it is important to also encourage the retention of existing market-rate affordable housing units, which could be occupied by individuals and families with incomes significantly higher than the income necessary to require affordable housing.
- Whether it is advisable to retain and increase affordable housing in areas that already have more affordable housing than elsewhere in the County or whether it is more important to encourage an increase in areas that either fall below the average number of affordable units in other planning areas or below the 12.5% threshold in the MPDU law for new development.
- How to preserve market rate affordable units in properties that will not be subject to Planning Board review of a development project.

AFFORDABLE HOUSING RECOMMENDATIONS IN GREATER LYTTONSVILLE SECTOR PLAN

Name	Page	site	Existing Affordable Housing	Existing Zoning	Proposed Zoning	Affordable Housing Recommendation in Plan
The Spring Center	68	1	Currently commercial	CRT 0.75	CRT 3.0	
Summit Hill apartments (page 68 – Site 2)	68	2	Market rate affordable housing (1091 units)	R-10	CR 2.5, C-0.25, R-2.5, H-145	“Prior to sketch plan approval, the applicant or applicants must coordinate with the Department of Housing and Community Affairs (DHCA) to determine affordable housing preservation needs on the site. A rental agreement with DHCA should be required at the time of regulatory approval if preservation is deemed necessary by DHCA.”
8600 16th Street.	69	3		R-10	CR 2.5, C-0.25, R-2.5, H-70	
Park Sutton Condominium	69	4		R-H	R-10	
Barrington	N/A	N/A	Section 8 (all 415 units are subsidized)	R-10	R-10	N/A – property is not discussed in the Sector Plan since not recommended for rezoning.
Rollingwood Apartments and adjacent parkland	77	5a and 5b		R-20	CR 1.5, C-0.25, R-1.5, H-85	“Encourage redevelopment to only occur on the northern half of the property closest to the proposed Lyttonsville Purple Line Station.” “In the event of a redevelopment proposal, retain an affordable housing stock and unit mix (a minimum of 176 existing units) for up to 20 years and continue operating those units in a manner consistent with current operations in terms of quality maintenance, relatively moderate rents, and provision of larger than typical units. This commitment should be incorporated into the Sketch Plan approval at the time of Planning Board review”.
Paddington Square (page 77 – Site 6)–	77	6	Section 8/HIF (67 of 164 units are subsidized)	R-20	CR 1.25, C-0.25, R-1.25, H-65	Plan is silent regarding affordable housing when redevelopment occurs.
MTA supply yard	78	8b		IM	CRN	Note: Future site of stormwater management pond

AFFORDABLE HOUSING RECOMMENDATIONS IN GREATER LYTTONSVILLE SECTOR PLAN

Name	Page	site	Existing Affordable Housing	Existing Zoning	Proposed Zoning	Affordable Housing Recommendation in Plan
Misc. commercial uses	78	9	No housing	IM	CRN 0.75, C 0.5, R 0.75, H 45	
Vacant residential lot	78	13		RT-15	R-60	
WSSC Property (page 82 - site 7).	82	7		R-60 and IM	CR 1.5, C-0.25, R-1.5, H-65	The Plan indicates that it should “provide for 12.5% to 25% affordable housing on site”, but does not indicate how the Planning Board will determine what the required amount should be or what mechanism it could use that would result in 25% affordable housing.
Claridge House and Friendly Gardens (page 84 – site 8a) plus commercial uses	84	8a	All of Friendly Garden’s 85 units are rent restricted. Claridge House’s 231 units are market-rate affordable	R-H, IM, RT and R-20	CRT 1.5, CRT 2.0 and CRT 2.5 with heights up to 70 feet.	Plan is silent regarding affordable housing when redevelopment occurs.
MTA	88	Site 11b	No housing	R-60	CRT 2.0, C 0.5, R 2.0, H 75	The plan indicates that it should “provide for 12.5% to 25% affordable housing on site”, but does not indicate how the Planning Board will determine what the required amount should be or what mechanism it could use that would result in 25% affordable housing.

AFFORDABLE HOUSING IN THE LYTTONSVILLE SECTOR PLAN

(from 11/21/16 Council Staff memorandum to the PHED Committee)

There are 8 multi-family housing developments within the Lyttonsville Sector Plan area with a total of 2,588 units. All units are considered affordable: 567 are rent restricted or subsidized; the remaining are market affordable for households with income at 56-83 percent of Area Median Income (AMI), but have no restriction on the incomes of tenants.

As noted earlier, one of the 3 overarching principles of the Sector Plan is the preservation of affordable housing (see pages 3-4). This section indicates that the Sector Plan aims to “preserve the existing number of rent-restricted and market-rate affordable housing units in the Plan area” and “expand the housing opportunities for low and moderate income households in transit-convenient locations”. The Sector Plan recommends the CRT zone to “allow for redevelopment if the structures become obsolete and not cost-effective to rehabilitate but does not incentivize them to redevelop immediately.” (Appendix A, page 3).

The Council has discussed on several occasions the challenges associated with preserving existing market-rate affordable housing. In 3 prior master plans, the Council did not rezone existing market-rate affordable housing because it was concerned that redevelopment would change the affordability (Woodmont Triangle, Long Branch, and Glenmont). The Council directed the Planning Department to undertake a study focused on the preservation of **existing units**¹ and decided that no change in zoning should occur on key properties in each of these 3 plans until this study was complete.

This Sector Plan includes several specific recommendations to achieve its affordable housing recommendations that are listed in the chart attached at © 1-2. Staff has several concerns regarding the affordable housing recommendations in the Plan and **believes that additional work needs to be done on this issue before final Council approval of the Sector Plan**. Staff is concerned about the following issues:

1. Several of the key policy decisions related to affordable housing have not yet been addressed and resolved by the Council, most significantly whether the County’s primary focus should be on preserving and increasing **income-restricted** affordable housing or whether it is important to also encourage the retention of existing market-rate affordable housing units, which could be occupied by individuals and families with incomes significantly higher than the income necessary to require affordable housing. Another key policy issue the Council wanted to address is whether it is advisable to retain and increase affordable housing in areas that already have more affordable housing than elsewhere in the County or whether it is more important to encourage an increase in areas that either fall below the average number of affordable units in other planning areas or below the 12.5% threshold in the MPDU law for new development. The Council previously believed that these and other similar issues needed to be addressed on a Countywide basis before addressing them in a specific master plan.
2. The Council believed that there should be a comprehensive study of how best to preserve affordable rental housing and declined to rezone properties in prior master plans until that study was completed. Staff believes that **final Council approval** of the Lyttonsville Sector Plan should be delayed until the Council has reviewed the recommendations of the Rental Housing Study and determined whether any further changes in the Plan are necessary to implement those

¹ There have been several studies of how to provide affordable housing in new development and the County has the Moderately Priced Dwelling Unit (MPDU) program to provide affordable housing in new development. There had been similar efforts to identify ways of preserving existing affordable housing, particularly in the rental market.

recommendations. (The Council could make all other decisions related to the Plan prior to that time.)

3. The Sector Plan includes specific recommendations regarding affordable housing on some properties, but not on other similar properties. The Plan does not establish requirements for certain properties where the **current** owner has stated a commitment to affordable housing. Since ownership can change, the Plan should discuss all properties where there is a Plan intent to maintain or create affordable housing.
4. On some properties, the Plan recommends that development “provide for 12.5 to 25% affordability on site”. The Plan does not define the term affordability, nor does it provide guidance as to how a future Planning Board will decide the appropriate percentage.
5. It is unclear what authority the Planning Board has to require higher percentages of affordable housing, especially since the Sector Plan does not list affordable housing as a priority public benefit.
6. It is unclear what authority the Planning Board has to require that certain property owners enter into rental agreements with the Department of Housing and Community Affairs (DHCA).
7. Even if the tools suggested in the Plan can be implemented and are enforceable, they are all linked to redevelopment and cannot prevent existing property owners from refurbishing existing apartments and increasing rents, or prevent them from demolishing existing units.

If the Council supports the Staff recommendation for staging, then development in the first stage could be linked to affordable housing requirements and the staging could be the vehicle to ensure compliance with Plan recommendations for affordable housing. Staff believes there needs to be additional analysis to define what is meant by affordability, clarify the County’s goals related to market rate versus income-restricted housing, consider how to preserve affordability in the absence of redevelopment, and determine how to strengthen the Planning Board’s ability to ensure that developers comply with the goals of the Sector Plan after the first stage of development.