

Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

ZTA 25-13: Omnibus – Revisions, Clarifications, and Corrections

SUMMARY

The Office of Legislative Oversight (OLO) finds the racial equity and social justice (RESJ) impact of Zoning Text Amendment (ZTA) 25-13 is indeterminate. Several factors are unknown to determine how proposed policy changes in the ZTA will impact RESJ in the County.

PURPOSE OF RESJ STATEMENTS

RESJ impact statements (RESJIS) for zoning text amendments (ZTAs) evaluate the anticipated impact of ZTAs on racial equity and social justice in the County. RESJ is a **process** that focuses on centering the needs, leadership, and power of Black, Indigenous, and other People of Color (BIPOC) and communities with low incomes. RESJ is also a **goal** of eliminating racial and social inequities. Applying a RESJ lens is essential to achieve RESJ.¹ This involves seeing, thinking, and working differently to address the racial and social inequities that cause racial and social disparities.²

PURPOSE OF ZTA 25-13

The purpose of ZTA 25-13 is to “make several technical, clarifying, and other amendments to the Zoning Ordinance.” If enacted, ZTA 25-13 would do the following:³

- Allow regional shopping centers (RSC) to increase building heights for certain uses⁴ regardless of their leasable square footage.⁵ The ZTA would do this by removing the current requirement in the RSC overlay zone that only allows RSCs with a gross leasable area greater than 1,200,000 sq. ft. to increase building heights for these uses.⁶
- Reinstate a 30 percent gross floor area (GFA) cap on housing for development projects in certain employment zones.⁷ This cap was recently removed with the Council’s passage of ZTA 25-03 on April 8, 2025.⁸
- Clarify that up to 30 percent of the GFA of office-to-residential conversion projects are allowed to have non-residential uses.
- Clarify that townhouse projects in residential detached zones must either meet Design for Life standards or standards for townhomes on properties with a religious or educational institution.
- Require large items such as boats, RVs, or portable storage units⁹ be stored behind buildings and use the same setback guidelines as accessory structures in the underlying zone.
- Correct outdated references in the Zoning Ordinance.

The Council introduced ZTA 25-13 on October 14, 2025.

ANTICIPATED RESJ IMPACTS

Of the various provisions included in ZTA 25-13, three make substantive changes that could have RESJ impacts:

- Allowing RSCs to increase building heights for certain uses regardless of their leasable square footage;

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- Reinstating a 30 percent GFA cap on housing for development projects in certain employment zones; and
- Creating storage requirements for large items.

The remaining provisions are clarifying or technical changes that will likely not have RESJ impacts.

To consider the anticipated impact of ZTA 25-13 on RESJ in the County, OLO recommends the consideration of two related questions:

- Who would primarily benefit or be burdened by this ZTA?
- What racial and social inequities could passage of this ZTA weaken or strengthen?

Figure 1 describes the substantive policy changes from ZTA 25-13 and their anticipated impact on RESJ based on these questions. The chart shows two of the policies have an indeterminate RESJ impact, and one has no RESJ impact. For the policies with an indeterminate impact, the following factors are unknown for determining the RESJ impact:

- What uses will RSCs pursue with less restrictions to increase building heights?
- What are the demographics of existing business owners operating in impacted employment zones?

Figure 1. Substantive Policy Changes in ZTA 25-13 and Anticipated Impacts on RESJ

| Policy Change | Description | Anticipated RESJ Impact |
|---|---|--|
| Allowing RSCs to increase building heights for certain uses regardless of their leasable square footage. | Currently, the RSC overlay zone only allows RSCs with leasable square footage greater than 1,200,000 sq. ft. to increase building heights for uses such as theaters, hotels, and apartment buildings, among others. ZTA 25-13 would remove the restriction on leasable square footage in the RSC overlay zone. The RSC overlay zone only applies to Westfield Montgomery and Westfield Wheaton. | <p>Indeterminate – This change would benefit RSCs by placing less restrictions to increase building heights for certain uses. However, it is unknown which uses the RSCs will pursue with this policy change. Thus, it is unknown how this change would impact community members by race and ethnicity.</p> <p>Of note, Westfield Montgomery and Westfield Wheaton are owned by Unibail-Rodamco-Westfield,¹⁰ a European corporation owned by shareholders via publicly traded stocks.¹¹ Therefore, their ownership is not identifiable by race and ethnicity. However, national data suggests that White families are up to two times more likely to own stocks than Black and Latinx families.¹² Thus, these malls likely have predominantly White ownership.</p> |

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| Policy Change | Description | Anticipated RESJ Impact |
|--|--|---|
| Reinstating a 30 percent GFA cap on housing for development projects in certain employment zones. | Currently, development projects in certain employment zones have no restrictions on how much housing they can have. ZTA 25-13 would reinstate a 30 percent GFA cap on housing for these projects, which was removed earlier this year when the Council passed ZTA 25-03. | <p>Indeterminate – Amid the County’s shortage of affordable housing,¹³ this change could particularly burden community members who demand affordable housing, since it would make it more difficult to make housing developments large enough to require moderately priced dwelling units (MPDUs).¹⁴ As noted in Table A (Appendix), Black and Latinx community members are more likely to demand affordable housing because of lower income levels.</p> <p>On the other hand, this change could benefit existing businesses in impacted employment zones by preventing redevelopment that could increase their rents or eliminate their business spaces entirely. OLO does not have data on the racial and ethnic demographics of business owners operating in the impacted employment zones.</p> |
| Creating storage requirements for large items. | ZTA 25-13 would require large items such as boats, RVs, and portable storage units to be stored behind buildings and use the same setback guidelines as accessory structures in the underlying zone. | <p>None – This change would burden community members who own large items. Because of racial inequities such as the racial wealth divide, BIPOC community members are less likely to have the resources to own large items such as boats, RVs, and portable storage units. Thus, this change is not likely to impact BIPOC community members nor racial and social inequities.</p> |

Taken together, OLO finds the RESJ impact of ZTA 25-13 is indeterminate.

RECOMMENDED AMENDMENTS

Bill 44-20 amending the County’s Racial Equity and Social Justice Act requires OLO to consider whether recommended amendments to zoning text amendments aimed at narrowing racial and social inequities are warranted in developing RESJ impact statements.¹⁵ OLO finds the RESJ impact of ZTA 25-13 is indeterminate. As such, OLO does not offer recommended amendments.

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CAVEATS

Two caveats to this racial equity and social justice impact statement should be noted. First, predicting the impact of zoning text amendments on racial equity and social justice is a challenging, analytical endeavor due to data limitations, uncertainty, and other factors. Second, this RESJ impact statement on the proposed zoning text amendment is intended to inform the Council's decision-making process rather than determine it. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the ZTA under consideration.

APPENDIX

Table A. Median Household Income by Race and Ethnicity, Montgomery County

| Race or ethnicity ¹⁶ | Median Income |
|---------------------------------|---------------|
| Asian | \$144,493 |
| Black | \$89,362 |
| Native American | \$105,952 |
| Pacific Islander | \$142,589 |
| White | \$159,895 |
| Latinx | \$94,619 |
| County | \$128,733 |

Source: [Table S1903](#), 2023 American Community Survey 5-Year Estimates, Census Bureau.

¹ Definition of racial equity and social justice adopted from [Marlysa Gamblin et.al., "Applying a Racial Equity Lens into Federal Nutrition Programs," Bread for the World](#) and from [Racial Equity Tools](#).

² Ibid.

³ [Introduction Staff Report for ZTA 25-13, Montgomery Council Council, Introduced October 14, 2025, pg. 1.](#)

⁴ Allowable uses to increase building height include a theater complex, hotel or motel, apartment building or multi-use building with residential uses, or a freestanding building for retail sales and service, structured parking, or health clubs and facilities. Refer to Introduction Staff Report for ZTA 25-13, pg. 1.

⁵ Of note, a regional shopping center is defined as a shopping center with a minimum of 600,000 gross leasable square feet and a minimum of 50 separate tenants. Refer to [Montgomery County Zoning Ordinance § 59-1.4.2](#).

⁶ Of note, the Regional Shopping Center Overlay Zone only applies to Montgomery Mall (Westfield Montgomery) and Wheaton Mall (Westfield Wheaton). See [Planning, Housing, and Economic Development Worksession Staff Report for ZTA 18-13, Montgomery County Council, January 24, 2019, pg. 1.](#)

⁷ Impacted employment zones include General Retail (GR), Neighborhood Retail (NR), and Employment Office (EOF). Refer to Introduction Staff Report for ZTA 25-13, pg. 1.

⁸ [Zoning Text Amendment 25-03, Montgomery County Council, Adopted April 8, 2025, pg. 18.](#)

⁹ Provision would apply to outdoor storage of a licensed, unlicensed, registered, or unregistered vehicle or bulk item such as a boat with any kind of primary or auxiliary mechanical propulsion, recreational vehicle, portable storage unit, motor home, travel or camping trailers, campers, or non-freight trailers. Refer to ZTA 25-13 in Introduction Staff Report for ZTA 25-13, pg. 9.

¹⁰ [Jonathan Lehrfeld, "Major Maryland mall could be sold as owner defaults on \\$235 million loan," CoStar, April 23, 2025.](#)

¹¹ [Unibail-Rodamco-Westfield SE, Wall Street Journal.](#)

¹² [Drew Desilver, "A booming U.S. stock market doesn't benefit all racial and ethnic groups equally," Pew Research Center, March 6, 2024.](#)

¹³ ["Housing Needs Assessment," Montgomery Planning.](#)

¹⁴ MPDUs are required for any new development in the County with 20 or more units. See ["MPDU Developers," Department of Housing and Community Affairs.](#)

¹⁵ [Bill 44-20, Racial Equity and Social Justice – Impact Statements – Advisory Committee – Amendments, Montgomery County Council.](#)

¹⁶ Race is inclusive of Latinx origin.