### OFFICE OF ZONING AND ADMINISTRATIVE HEARINGS

for

## **MONTGOMERY COUNTY**

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**CASE NO. CU 20-05** 

## HSB POTOMAC, LLC and ISF POTOMAC SENIOR LIVING, LLC

# ORDER GRANTING FOURTH EXTENSION OF VALIDITY PERIOD FOR CONDITIONAL USE

## I. Background

On December 21, 2020, the Hearing Examiner approved the above conditional use application filed by Spectrum Retirement Communities LLC (hereinafter referred to as HSB or the Applicant) to operate a residential care facility for more than 16 persons on property located at 9545 River Road, Potomac, Maryland 20854 (Property). The Hearing Examiner issued an Errata making technical changes to her decision on March 9, 2021. Spectrum transferred the conditional use to HSB Potomac, LLC on August 23, 2023. On March 7, 2023, the Hearing Examiner approved minor amendments to the conditional use plan and extended its validity period to March 9, 2024. The Hearing Examiner approved additional minor amendments on January 24, 2024. On February 27, 2024, the Hearing Examiner granted a second request to extend the validity period of the conditional use by 12 months to March 9, 2025 due to unexpected changes in the permitting process causing approval delays from various government agencies. On March 6, 2025, the Hearing Examiner granted a third request to extend the validity permit of the conditional use for a period of 6 months to seek bond financing and added ISF Potomac Senior Living, LLC as a coholder of the conditional use.

On July 31, 2025, HSB submitted a fourth request to extend the time within which it must implement the conditional use. HSB affirms the project is "building-permit ready, pending construction financing." Working with Montgomery County to bring the bond financing to market, "Montgomery County approved up to 160 million of bonds to finance this project on March 24, 2025, and the Preliminary Offering Statement was issued on May 12, 2025." Due to the volatility of the bond markets, HSB states this financing effort has experienced a delay in bond issuance requiring the need for additional time to either finalize the bond financing or pursue conventional financing if the bond markets do not stabilize. HSB believes six months is needed to secure the necessary financing.

# II. Opinion

Under Section 59.7.3.1.I.1 of the Montgomery County Zoning Ordinance (2014), conditional use approvals are valid for two years after the date of issuance. That same section permits the Hearing Examiner to "extend the time limit for a conditional use to be established or obtain a building permit if the evidence of record establishes that drawing of architectural plans, preparation of the land, or other factors involved in the particular use will delay the start of construction or the establishment of the use beyond the period of validity." *Zoning Ordinance*, Section 59.7.3.1.I.2. Extensions are limited to a term of 12 months. *Id*.

The validity period of the current conditional use approval extends to September 9, 2025. Despite the length of time since the initial approval, the record here establishes that the Applicant has actively pursued and finalized its approvals with permits ready to issue. The Applicant actively seeks bond financing but because of market conditions will be unable to start work before the current validity period expires, believing an additional six months is needed to secure the necessary financing.

As HSB has demonstrated significant progress toward implementing the conditional use, and given the current bond market conditions the Hearing Examiner grants HSB an additional six month extension.

### III. Order

The Hearing Examiner finds that the request to extend the validity period of the conditional use meets the requirements of the Zoning Ordinance and hereby extends the validity period of the conditional use by six months, to from September 9, 2025 to **March 8, 2026.** All conditions of approval of the original conditional use, as modified in the Orders dated March 7, 2023, and January 24, 2024, remain in full force and effect, and further that

So ORDERED this 11<sup>th</sup> day of August, 2025.

Kathleen Byrne Hearing Examiner

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