



Committee: PHED
Committee Review: Completed
Staff: Pamela Dunn, Senior Legislative Analyst
Livhu Ndou, Legislative Attorney
Glenn Orlin, Senior Analyst
Purpose: To make preliminary decisions – straw vote expected
Keywords: #Silver Spring, Adjacent Communities, Master Plan, M-NCPPC

AGENDA ITEM #2
April 26, 2022
Worksession

SUBJECT

Worksession to discuss the recommendations of the Planning, Housing, and Economic Development (PHED) Committee regarding the Planning Board Draft of the Silver Spring Downtown and Adjacent Communities Plan.

EXPECTED ATTENDEES

Casey Anderson, Chair, Montgomery County Planning Board
Gwen Wright, Director, Montgomery Planning Department
Robert Kronenberg, Deputy Director, Planning Department
Elza Hisel-McCoy, Chief, DownCounty Planning
Atara Margolies, Planner III, DownCounty Planning
Larissa Klevan, Master Plan Supervisor, Down County Planning
Cristina Sasaki, Parks Planner Coordinator, Parks Department
Rebeccah Ballo, Supervisor, Historic Preservation
Chris Conklin, Director, Montgomery County Department of Transportation
Hannah Henn, Deputy Director, Department of Transportation
Frank Demarais, Deputy Director, Department of Housing and Community Affairs

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- Council will take straw votes on the recommendations of the PHED Committee regarding the Planning Board Draft of the Silver Spring Downtown and Adjacent Communities Plan.
- This worksession will cover the Plan-wide recommendations for Land Use and Zoning, Economic Growth, Housing, Urban Design, and Parks and Public Spaces.
- The recommendations (too numerous to list here) for this worksession are covered in the attached staff report.

DESCRIPTION/ISSUE

On January 6, 2022, the Montgomery County Planning Board approved the Silver Spring Downtown and Adjacent Communities Plan. The Plan makes recommendations within the Silver Spring Downtown and Adjacent Communities Plan area for land use and zoning, housing, economic development, urban design, transportation, parks and public spaces, environmental resiliency, community facilities, and historic resources.

SUMMARY OF KEY DISCUSSION POINTS

- The PHED Committee has held 7 worksessions on the Plan to date.
- The third worksession, held March 21, covered the Plan-wide recommendations for Housing. (Staff report includes review of Plan-wide recommendations for Parks and Public Spaces but the Committee ran out of time to discuss). Staff report can be viewed at: https://www.montgomerycountymd.gov/council/Resources/Files/agenda/cm/2022/20220321/20220321_PHED2.pdf
- The fourth worksession, held March 28, covered Plan-wide recommendations on Parks and Open Spaces and began the review of Plan-wide recommendations on Transportation. Staff report can be viewed at: https://www.montgomerycountymd.gov/council/Resources/Files/agenda/cm/2022/20220328/20220328_PHED2A.pdf (Note: Staff Report on Transportation recommendations starts on page 19)
- The fifth worksession, held April 4, covered the remaining transportation and school facilities recommendations, and the Plan-wide recommendations on Land Use and Zoning. Staff report can be viewed at: https://www.montgomerycountymd.gov/council/Resources/Files/agenda/cm/2022/20220404/20220404_PHED1.pdf (Note: Staff Report on Land Use and Zoning starts on page 7)
- The sixth worksession, held April 7, covered the remaining Plan-wide recommendations on the following sections: Economic Growth, Urban Design, Resilient Downtown, Other Community Facilities, and Historic Resources. Staff report can be viewed at: https://www.montgomerycountymd.gov/council/Resources/Files/agenda/cm/2022/20220407/20220407_PHED1.pdf
- The Planning Board Draft of the Silver Spring Downtown and Adjacent Communities Plan, and associated appendices can be viewed here: <https://montgomeryplanning.org/planning/communities/downcounty/silver-spring/silver-spring-downtown-plan/>.

This report contains:

	Pages
Staff Report for this agenda item	1-19
Partners for Economic Solutions	© 1-6
Pro Forma prepared by Folger-Pratt	© 7-9
Letter from CE comments from MCDOT & OMB	© 10-14
Market Rate Affordable Housing Evaluation	© 15-26

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MEMORANDUM

April 26, 2022

TO: County Council

FROM: Pamela Dunn, Senior Legislative Analyst
Livhu Ndou, Legislative Attorney
Glenn Orlin, Senior Analyst

SUBJECT: Silver Spring Downtown and Adjacent Communities Plan

PURPOSE: Worksession to review PHED Committee recommendations for Council consideration

This is the Council's second worksession on the Silver Spring Downtown and Adjacent Communities Plan. It will cover the Planning, Housing, and Economic Development (PHED) Committee's plan-wide recommendations on land use and zoning, economic growth, housing, urban design, and park, trails, and open space.

Councilmembers may wish to bring their copy of the Plan to the meeting.

A link to the Planning Board Draft for those wishing to access the Plan online can be found at the following link: <https://montgomeryplanning.org/wp-content/uploads/2022/01/SSDAC-Planning-Board-Draft-FINAL-FOR-WEB-reduced2.pdf>

As noted in the first staff report, Silver Spring is renowned for its uniqueness and diversity, as well as for its abundance of locally owned and ethnically diverse small businesses. The revitalization of Silver Spring was spurred by the 2000 Silver Spring Central Business District Sector Plan and related initiatives by the public and private sector. The resulting development of the downtown area, including the Civic Building, Veteran's Plaza, and Ellsworth Place, has been tremendously successful and has brought people from all over the region to work, live, play, and enjoy Silver Spring.

The Plan envisions a Silver Spring of the future as a great place to work, do business, and enjoy the arts. Home to small independent businesses, cutting-edge science, research and tech companies, educational institutions, and arts organizations. A place that remains unique, affordable, and attractive to people of all ages and backgrounds with new open spaces that are better connected and characterized by green, climate-resilient, and safe walkable streets. The following plan-wide recommendations are designed to achieve this vision.

PLAN-WIDE RECOMMENDATIONS

1. Land Use and Zoning

In the next 20-plus years, the Plan estimates 11,000 new multifamily residential units could be built, approximately 44,000 new jobs created (50 percent increase from today), and up to 46,300 more people living in Downtown Silver Spring and the Adjacent Communities.

Plan-wide goals for land use and zoning include encouraging redevelopment and opportunities for properties to obtain additional height and density, increasing flexibility in CR zoning, striving for no net loss of affordable housing throughout the Plan area, maintaining existing light industrial zoning to support community-serving businesses, encouraging growth of existing retail nodes and corridors, promoting the development of diverse housing types, preserving identified historical and cultural resources, and supporting upgrades to the current utilities and infrastructure that support the Plan, including water and sewer.

Recommendations

- Connectivity and Infrastructure Fund
 - Any CR property in the Plan Area may obtain additional density necessary to reach the mapped maximum building height, or additional height approved for a property in the Building Height Incentive Zone (BHIZ), by making a contribution to the Connectivity and Infrastructure Fund (CIF). CIF contributions will be made only for density above the total mapped maximum density for the site¹, up to the approved maximum height. Refer to Section 4.1 Implementation.

The Plan states that the CIF will be implemented under the direction of the Planning Board with contributions used to implement capital projects within the downtown, such as:

- a Transit Center arrival experience;
- the bridge connection over Metrorail/CSX tracks;
- public bicycle parking facilities;
- Green Loop improvements beyond the frontage of a redeveloped site;
- select utility improvements; and,
- other projects identified by the Planning Board.

In the Public Hearing Draft, the CIF was proposed as a mechanism to allow for additional height to implement the BHIZ. The Planning Board Draft modified this approach – creating a separate mechanism to implement the BHIZ and establishing the CIF as a way for property owners to obtain additional density inside or outside of the BHIZ.

The analysis provided by Partners for Economic Solutions (PES), attached on ©1-6, and an analysis of Plan-proposed density and height combinations suggests that most properties seeking to maximize their development potential will need to obtain or “purchase” density through the CIF. It tests a hypothetical development scenario for a property with a total mapped density of 5.0 FAR² and a height of 175 feet, the shortest height mapped for properties with a 5.0 FAR in the Plan area³. In their test scenario, the

¹ This does not include additional density achieved through density averaging or for the provision of additional MPDUs above the minimum required.

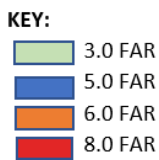
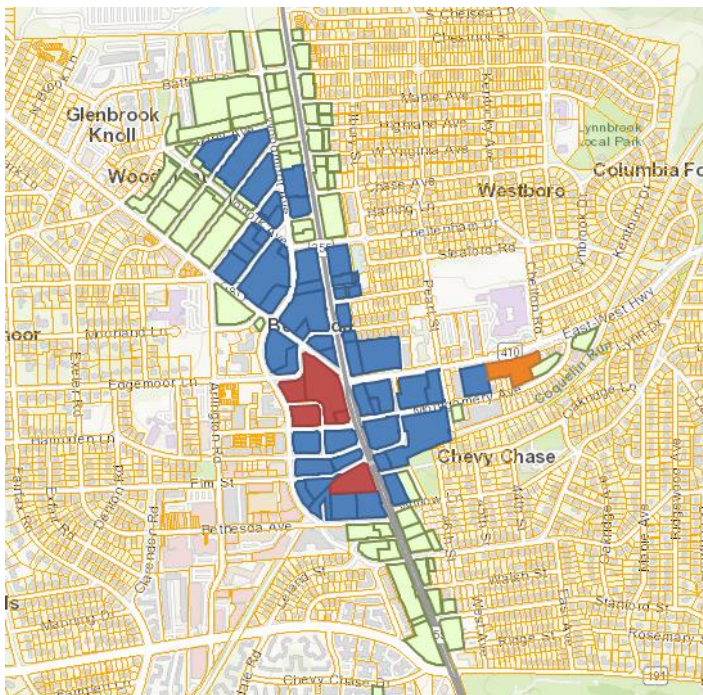
² FAR- Floor Area Ratio. The ratio of the sum of all gross horizontal areas of all floors for all buildings on a tract to the area of the tract. If a 5.0 FAR building covered 100% of the tract, it would be 5 floors tall.

³ For zoning “blocks” with a total density of 5.0 FAR, there are 22 with a mapped height of 175 feet. One with a mapped height of 200 feet, 14 are mapped at 240 feet, and one is mapped at 270 feet.

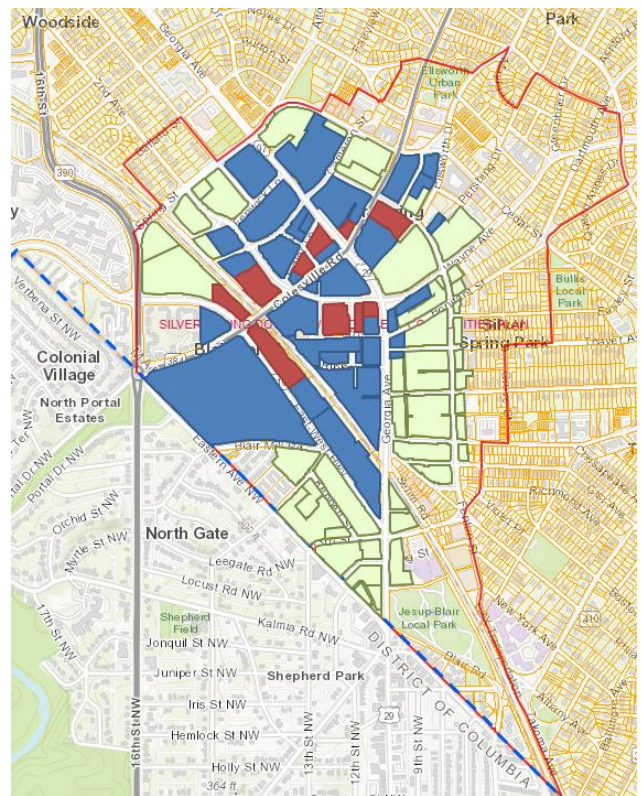
property cannot achieve the mapped height without “purchasing” additional density through a contribution to the CIF. The example assumes a 26,000 square foot (sqft) building footprint on a 50,000 sqft property, resulting in 52% lot coverage. This seems a fairly conservative assumption for properties in a downtown parking lot district under CR zoning that requires a minimum 10% public use space and where all development standards (setbacks, etc..) are negotiable through the Optional Method of Development. That said, seems reasonable to consider this coverage, on average, the minimum preferred for this type of plan area. Which means that projects covering 52% or more of their lot, under a 5.0 FAR cannot reach a height of 175 feet. This means every property with a 5.0 FAR in the Plan area is mapped to a height that can only be achieved through additional density.

For context, below is a map of the Bethesda Downtown Plan area showing mapped densities ranging from 3.0 FAR to 8.0 FAR. And zoning for the Silver Spring and Adjacent Communities Plan area.

Downtown Bethesda Plan Area



Silver Spring Downtown Plan Area



The maps look fairly similar. Recall that the Downtown Bethesda Plan established a vision and need for urban parks and open space within the plan area. It provided additional height to properties but not additional density. The Plan created a pool of density that could be “purchased” via a Park Impact Payment (PIP) at \$10 per sqft.

Below are projects that have taken advantage of the PIP to increase density (sometimes more than *double* their mapped FAR).

Project Name	Site Plan	PB Site Plan Appr	Development Type	BOZ Density	Park Impact Payment	PIP Paid	Mapped Density	Mapped + BOZ density	Mapped Height
7359 Wisconsin	820180040	3/22/2018	Commercial	191,795	1,917,950	Paid	5.0	8.0	250
8015 Old Georgetown	82020013A	7/22/2021	Mixed-Use	42,266	422,660	Pending	2.5	3.0	120
Edgemont at Bethesda II	820180170	11/6/2018	Residential	138,083	1,215,490	Paid	2.5	4.0	150
Marriott International	82018003A	1/3/2019	Commercial	506,107	5,061,070	Paid	5.0	10.0	300
St. Elmo Apartments	82017003A	5/31/2017	Mixed-Use	162,012	1,334,885	Pending	5.0	10.75	225
ZOM Bethesda	820180120	9/25/2018	Residential	168,233	1,439,870	Paid	2.25	3.25	60
8000 Wisconsin	820190040	11/20/2018	Residential	301,048	0 ⁴	Pending	3.0	10.5	175
4915 Auburn	820190100	11/19/2019	Residential	95,008	0	Pending	3.0	6.0	110
7607 Old Georgetown	82019003A	11/15/2019	Residential	129,500	1,077,600	Pending	5.0	11.5	225
8280 Wisconsin	820180230	11/20/2018	Commercial	81,633	816,330	Pending	3.0	5.25	145
The Claiborne	82017008A	3/19/2019	Residential	36,273	224,730	Pending	3.0	5.5	110
4702 West Virginia	820200100	5/14/2020	Residential	16,250	180,050	Pending	0.5	2.0	70
7000 Wisconsin	820200090	4/30/2020	Mixed-Use	117,069	970,043	Pending	3.0	6.75	120
Metro Tower	820190110	10/1/2019	Mixed-Use	188,506	1,301,560	Pending	5.0	8.5	250
4824 Edgemoor	820210040	3/30/2021	Residential	67,355	753,735	Pending	2.5	10.25	120
The Avondale	820210140	11/15/2021	Residential	33,121	322,053	Pending	1.5	4.75	70
Hampden East	820210070	7/29/2021	Mixed-Use	129,995	1,175,173	Pending	5.0	11.0	250

While the Silver Spring Downtown Plan tends to downplay the need to change zoning, providing equalized commercial and residential densities for flexibility and increasing heights by 20%⁵, the result appears to be properties without sufficient density to achieve mapped heights, let alone additional height allowed under the BHIZ.

Recognizing that many properties will need to use the CIF to develop/redevelop to their maximum potential, and recognizing the flexibility provided by a mechanism that allows each property to determine the density it needs/can afford, the Committee unanimously supports retaining the CIF. As such, the Committee focused its discussion on the per square foot contribution required and the elements the CIF should fund.

⁴ \$0 Park Impact Payment for projects providing a minimum of 25% MPDUs

⁵ For removal of the T attached to current CR zoned properties in the CBD. The T was added during the zone translation from CBD to CR to provide a modest amount of flexibility regarding maximum and average height that existed under the CBD zone.

The analysis of the BHIZ and CIF by PES suggests development can “afford” a \$5-\$10 per sqft CIF contribution. Under its test scenario, non-residential development is shown to support both a \$5 and \$10 per sqft CIF contribution, whereas a residential project is shown only able to support the \$5 fee. However, other correspondence⁶ received suggests costs, which continue to rise with inflation, are missing from this type of evaluation but play a significant role in development decisions, as do rents and lease rates which the test scenario holds constant.

Rather than debate the merits of one approach over another, the Committee discussed compromise rates. Councilmember Friedson advocated for a \$3 per sqft fee noting the less-than-ideal health of the Silver Spring office market, particularly since the departure of Discovery Communications but even before.⁷ Councilmember Jawando initially advocated for a \$10 per sqft fee for non-residential development but acknowledged concern with growing commercial space vacancies and the need to support job growth. The Councilmember suggested a compromise fee of \$3 per sqft for non-residential development and \$5 per sqft for residential. Councilmember Riemer agreed with Councilmember Jawando’s proposed fees of \$3 and \$5. Noting the need to support future job growth within the downtown that could be incentivized by levying different rates based on use, Councilmember Friedson modified his initial suggestion to a \$1 per sqft fee for non-residential development and a \$4 per sqft for residential.

The Committee recommends (2-1) a Connectivity Infrastructure Fund fee/contribution of \$3 per sqft for non-residential development and \$5 per sqft for residential. Councilmember Friedson, dissenting, proposed a fee for non-residential of \$1 per sqft and a fee for residential development of \$4 per sqft.

The Committee also discussed what the Connectivity Infrastructure Fund would be used for. The Plan suggests the CIF be used to help implement the following:

- a Transit Center arrival experience;
- the bridge connection over Metrorail/CSX tracks;
- public bicycle parking facilities;
- Green Loop improvements beyond the frontage of a redeveloped site;
- select utility improvements;
- or other projects identified by the Planning Board.”

Half the items listed above involve transportation infrastructure, as the fund name suggests. In a letter transmitted to the Council (attached on © 12-16) the Office of Management and Budget (OMB) and the Montgomery County Department of Transportation (MCDOT) raise the issue of the appropriateness and legality of such a fund. It is expected that a Unified Mobility Program for transportation infrastructure will follow adoption of the Plan. This is the appropriate mechanism to collect and fund local area transportation improvements in the Plan area, such as bike/ped improvements and internal street reconfigurations. The CIF cannot collect funds for the same needs. As for the other proposed items, it is

⁶ A pro forma analysis provided by Folger-Pratt (© 9-11)

⁷ A 2021 Planning Department staff report, based on a study by PES, summarized the current office market in Silver Spring as follows:

“Currently, 18 percent of office space in downtown Silver Spring is vacant, sharply up from the 8.1 percent level in 2018 prior to Discovery Communication’s decision to relocate. Even at the high levels of absorption experienced in 2018, it would take 5 years of steady growth before vacancies would reach a level that makes the area attractive for new development, roughly estimated to be equal to or less than 9 percent vacancy. At the much lower average pace of absorption between 2010 and 2020 it would take 53 years for office vacancy to decline to 9%.”

In addition, testimony from the Silver Spring Chamber of Commerce and United Therapeutics also cites concern with the vibrancy of downtown Silver Spring and questions whether the market can support additional development costs.

unclear what a Transit Center arrival experience is. If it involves a non-transportation related capital project, it could be appropriate. Utility improvements would not appear to provide a benefit to the entire Plan area (a requirement for a fee collected across the Plan area), and “other projects as identified by the Planning Board” is too vague to be considered.

Noting that most of the listed items in the Planning Board Draft would not be appropriate to fund via CIF contributions, Councilmember Friedson suggested the contributions obtained through the CIF go to the Housing Initiative Fund, a key rationale in the Plan for creating the height incentive zone. However, Planning clarified that the goal for the CIF is to fund capital improvement amenities in the Plan area, amenities that contribute to placemaking and encourage future development.

Councilmembers Jawando and Riemer, in support of this notion, suggested the Plan more clearly indicate that the CIF fund capital infrastructure that provides community amenities such as non-transportation related Green Loop features, public art and/or architectural enhancements at the transit center, and other capital projects approved by the Council. Councilmember Friedson did not oppose this clarification. In addition, the Committee recommended revising the name⁸ so as not to confuse this fund with the upcoming Unified Mobility Program for Silver Spring.

The Committee recommends (3-0) the creation of a capital project fund for contributions collected in exchange for additional density. The fund would support non-transportation related infrastructure that provides a community benefit to the Silver Spring Downtown and Adjacent Communities Plan area. The Committee does not support (2-1) the use of the fund for select utility improvement. Councilmember Jawando, dissenting, supports use of the fund for this purpose.

In addition to the CIF, the Plan also recommends the Building Height Incentive Zone as described below.

- Building Height Incentive Zone
 - Establish a Silver Spring Downtown Building Height Incentive Zone (BHIZ), as shown in Map 32, to allow CR-zoned properties pursuing Optional Method Development to increase building heights by up to 150 percent of the mapped height to a maximum of 300 feet. Approved height will be subject to the Design Review process through the Design Advisory Panel. Refer to Section 4.1 Implementation for further detail.
 - The Planning Board may approve certain properties identified in the Metro Center District and the Ripley District to realize an increased building height up to 360 feet, consistent with the recommendations of the Sector Plan and Design Guidelines, subject to the Design Review process through the Design Advisory Panel.

Under the Implementation section, properties in the BHIZ would be allowed to exceed their mapped height (by 1.5 times their mapped height) if the project provides more than 15% MPDUs, a contribution to the Housing Initiative Fund (HIF), and/or includes an activating ground-floor Neighborhood Service.

Following a lengthy discussion of the economic health of Silver Spring and recognizing the pervasive need for properties to obtain additional density, rather than adding additional requirements to development⁹, the Committee unanimously recommends mapping the heights in the Building Height Incentive Zone area.

⁸ Such as the “Community Infrastructure Fund”, or “Amenity Infrastructure Fund” for Silver Spring.

⁹ Even more than in Bethesda where only additional density required a contribution and greater heights were mapped.

Other Plan-wide Land Use and Zoning Recommendations:

- Update the Fenton Village Overlay Zone by adjusting the eastern boundary and revising its text to better meet the goals of the Overlay Zone and to provide clarity. Refer to Section 4.1. Implementation for further detail.
- Remove the Ripley/South Silver Spring Overlay Zone. The Design Guidelines for this Sector Plan will address compatibility with buildings that are along Eastern Avenue confronting single-family homes in the District of Columbia.
- For Optional Method development projects required to provide public open space on a site not recommended for a new public open space in the Sector Plan, the Plan requires contribution to a recommended park preferably in the same district, unless the Planning Board determines the public open space will significantly contribute to the public open space network proposed in this Sector Plan. Refer to Section 4.1 Implementation.
- Rezone all parcels in the Plan area as shown in the zoning maps and tables included in this document.
- Confirm the existing zoning for all parcels within the Plan boundary except those where zoning changes are proposed as shown on Map 16 Proposed Zoning and in the maps and tables in the District sections.

During the review of Plan-wide land use and zoning recommendations, the Committee ran out of time and did not discuss the five bulleted recommendations listed above; however, these recommendations, covered under the review of individual districts and the section on implementation, were supported by the Committee.

2. Economic Growth

Over the last 10 years, downtown Silver Spring has seen significant growth in residential development, as well as a new regional recreation and aquatic center, and the expansion of the United Therapeutics biotechnology campus. However, the area has not attracted as many new office users despite “access to transit, high quality urban form and numerous civic amenities.” While downtown Silver Spring has a vibrant retail market, retailers in downtown Silver Spring depend on the office market for daytime sales. As noted in the Plan,

A parallel study by Montgomery Planning, *Retail in Diverse Communities*, documented these retailers and proposed several interventions and policies to strengthen and support the cluster.¹⁰ Key findings include that most small retail businesses in Silver Spring rent their space and are vulnerable to increases of already high rents, and that many retailers reported property owners and absentee landlords who make little to no investment in their properties.

¹⁰ The “Retail in Diverse Communities Study” final report can be found here: https://montgomeryplanning.org/wp-content/uploads/2021/05/Diverse-Community-Study_Final-Report_210412.pdf

The vision for the plan is a premier office market, continuing to grow as a unique retail destination, and having a diverse base of high-quality jobs in numerous industries, making the area resilient to evolving economic conditions.

Recommendations:

According to the Plan, “In addition to the zoning recommendations to encourage the development of underutilized property, and the recommendations to improve the public realm, the Plan recommends”:

- Encourage the conversion of obsolete office space to other uses (short-term or long-term), including residential (condominiums or rentals), hotels/hospitality centers, healthcare facilities, laboratory/research facilities, education facilities, and non-profit service centers.
- Promote new ground-floor retail to established retail nodes or corridors where there is already existing retail and significant pedestrian activity. For those locations that are not adjacent to or on a block with existing retail consider alternative strategies for activating the ground floor, such as an art gallery/venue, community meeting space, educational or medical use.
- Consider an incentive for property owners with underutilized street-level retail spaces to build and fit out the space for a retail incubator managed by a mission-oriented non-profit organization in which entrepreneurs can try new retail concepts.
- Create an incentive that provides a subsidy for new retail businesses to complete the fit-out of 2,000 square foot or smaller retail spaces.
- Explore creating a Minority Business Designation Program in coordination with the Legacy Business Program recommended in Section 3.9.6.
- The Plan recommends developing a wayfinding and branding plan that highlights the unique multicultural destinations in the downtown. Coordinate an engagement effort with the international business community to explore the designation of Fenton Village as an international or multicultural business district.

The Committee recommends (3-0) replacing “obsolete office space” with “vacant space” and adding language that supports the vision of Silver Spring as a “premier office market”.

Testimony: The Coalition for Smarter Growth submitted a letter requesting that the Plan “include more incentives and programs that would help to develop businesses for and from within the existing community.” The Coalition for Smarter Growth also suggests that “The recommendation from Fenton Village to ensure buildings are divided into smaller components, instead of one large, monolithic structure, should be true of the whole plan area to allow for small businesses to thrive.”

The Committee recommends (3-0) adding the following bullet point to the Plan-wide recommendation for *Economic Growth* based on the submitted testimony:

- “Where feasible and consistent with other recommendations in the Plan, new development should be composed ground-floor space that is divided into smaller components instead of large monolithic structures, to allow for small businesses to thrive”.

Testimony: The Greater Silver Spring Chamber of Commerce (GSSCC) submitted testimony questioning the Plan. First, GSSCC asks whether there are case studies demonstrating “how a community with a dwindling commercial market was reinvigorated (and brought in actual employers and jobs) because it built a green “realm” that replaced streets and parking with bike lanes.” The letter asks whether there was input from current property owners losing tenants, and corporations and commercial site selection experts, regarding how to attract employers and whether taking additional property for bike lanes and green space attracts businesses. The letter also questions how

the incentives cited in the Economic Growth recommendations would be funded—whether by the County or by private owners.

During the Committee worksession, Planning Staff explained that sessions were held with groups of business owners, and that Planning Staff walked around the neighborhood asking individuals for their input. Respondents stated that nicer sidewalks and more green spaces would encourage people to walk from store to store. Planning Staff also stressed the need for a multi-prong approach, stating that improvements to the public realm helped in other jurisdictions, such as Prince George’s County, 14th Street, and Columbia Pike.

3. Housing

In 2019, the Metropolitan Washington Council of Governments (COG) established regional housing targets to address a growing supply gap and affordability issues in the region.¹¹ That same year, the County Council approved a Resolution to Support Metropolitan Washington Council of Governments’ (MWCOC) Regional Housing Targets for Montgomery County, that committed to adding an additional 10,000 housing units by 2030 to meet the County’s housing goals and obligations, including meeting future housing demand from population and job growth.¹²

The Plan recommendations include a wide range of policies to help make housing more attainable, including increasing housing production and preserving existing affordable and attainable housing. The Plan also notes that:

“In implementing the recommendations of *Thrive Montgomery 2050* in the *Silver Spring and Adjacent Communities Plan*, this Plan becomes the first Sector Plan to acknowledge and begins to address the deep disparities in wealth and homeownership that were shaped by a legacy of discriminatory lending practices, restrictive covenants, and single-family zoning and its secondary impacts on neighborhoods that is still being felt today. This Plan supports strategic alignment with the recommendations in the Attainable Housing Strategies Initiative to begin to address decades of inequities to create more equitable, mixed-income neighborhoods and ensure that exclusively single-family zoning is not a barrier to development in an area like Silver Spring, with its many amenities and transit and employment accessibility. This alignment with Attainable Housing Strategies also helps to provide a transition from the downtown commercial uses to the surrounding residential neighborhoods and introduces the potential for new housing typologies in the adjacent communities in the plan area. These parcels would be appropriate for housing types like duplexes and triplexes.”

This Plan aims to balance the preservation of existing market-rate affordable housing with the production of new housing, which will result in the production of MPDUs. According to the Plan, this preservation and production strategy seeks to retain the existing zoning on many existing market-rate properties, and to rezone select properties to maximize density near transit.

¹¹ The 2019 COG report, “Future of Housing in Greater Washington”, can be found here: <https://www.mwcog.org/documents/2019/09/10/the-future-of-housing-in-greater-washington/>

¹² Resolution to Support Metropolitan Washington Council of Governments’ Regional Housing Targets for Montgomery County, November 2019, https://www.montgomerycountymd.gov/council/Resources/Files/agenda/col/2019/20191105/20191105_2B.pdf

The Committee recommends (3-0) removing all references to Thrive Montgomery 2050 and the Attainable Housing Strategies Initiative in the introduction and Goals section. Thrive Montgomery 2050 has not yet been passed by this Council, and the AHSI study and related recommendations have not been delivered to Council and are not scheduled to be reviewed prior to approval of this Plan.

Recommendations

- Require all Optional Method of Development projects to provide a minimum of 15 percent moderately priced dwelling units (MPDUs) or other DHCA-equivalent affordable housing.
- Preserve existing, market-rate affordable housing where possible, striving for no net loss of affordable housing.
- Publicly owned properties should be encouraged to provide up to 30 percent MPDUs, with 15 percent affordable to households earning at the standard MPDU level of 65-70 percent or less of Area Median Income (AMI) and 15 percent affordable to households earning less than 50 percent of AMI.
- Provide a range of unit types for a diversity of households, including families, seniors, and persons with disabilities.
- Support partnerships among public, private, and philanthropic institutions, when possible, to assist in the development of affordable housing.
- The Plan also recognizes the need and supports development of permanent supportive housing for the homeless in the Plan area.
- Increase infill housing opportunities in office buildings with high vacancy rates and other underused properties by setting Commercial and Residential densities the same in CR zones

The Committee supports (3-0) the above Plan-wide Housing recommendations.

- The Council should take action on Attainable Housing Strategies and adopt a countywide Zoning Text Amendment to allow duplexes, triplexes, and quadplexes by-right with conformance with a pattern book in the Adjacent Communities.
- If there is no action on Attainable Housing Strategies, the relevant recommendations to allow duplexes, triplexes, and quadplexes by-right with conformance with a pattern book in the R-60 zone should be adopted in the Adjacent Communities through a Zoning Text Amendment.

The Committee recommends (3-0) removing all references to the AHSI, as well as references to the pattern book and a future ZTA. The revision would read:

- [The Council should take action on Attainable Housing Strategies and adopt a countywide Zoning Text Amendment to allow duplexes, triplexes, and quadplexes by-right with conformance with a pattern book in the Adjacent Communities.]
- [If there is no action on Attainable Housing Strategies, the relevant recommendations to allow] Allow duplexes, triplexes, and quadplexes [by-right with conformance] that conform with certain design guidelines [a pattern book in the R-60 zone should be adopted in] developed for the Adjacent Communities [through a Zoning Text Amendment].

Testimony: As was noted in the preceding section, the Council received numerous letters and testimony from residents concerned with the recommendations for Adjacent Communities. It should be noted that much of that correspondence and testimony applies to these Housing recommendations as well. That said, the Council also received testimony in support of the Plan-wide recommendations on housing.

Council Staff also received comments from the Department of Housing and Community Affairs (DHCA) expressing the following concerns:

1. Increasing density through increased height incentivizes developers to delay development until rents or sales prices will support the costs of building at the maximum heights or densities, as was seen in Bethesda. It also creates housing above current market prices.
2. Strengthen the goals of no net loss of market-rate affordable housing by requiring no net loss as a condition for redeveloping properties that have market-rate affordable housing.
3. The goal for Adjacent Communities is to encourage a diversity of housing types and preserve existing multi-family housing that is currently affordable, but the limited rezoning of R-60 zones will not provide MPDU affordable housing because MPDU laws only apply to projects with 20 or more units. And, according to the Missing Middle study of Silver Spring, the proposed rezoning would result in units priced above market rates due to construction costs and higher land values.

The Committee made several recommendations regarding the Building Height Incentive Zone, as discussed earlier.

As for the issue of “no net loss”, the Plan includes a recommendation to “Preserve existing, market-rate affordable housing where possible, striving for no net loss of affordable housing.” During the Committee’s discussion of this recommendation, the Committee asked how the Plan supports the notion of “no net loss” and what “no net loss” means in the context of this Plan. To get at this, the Committee asked Planning to provide an evaluation of garden apartments in the Plan area currently providing market rate affordable units. That analysis is attached on (©17-28).

According to analysis, the Plan’s approach to the preservation of existing market-rate affordable housing is to retain current zoning. In recent master plans, the Council has adopted different approaches to the preservation of existing affordable housing. In cases where the current owner is already providing regulated affordable units, the plan included a recommendation for a future rezoning (so as not to impact the status of the current program underway). In other cases, primarily in Veirs Mill, 2-3 times the current density was provided to properties with existing market rate affordable units (but no regulated affordable units). Along with this significant increase in density was language in the master plan requiring 15 percent Moderately Priced Dwelling Units (MPDUs), and an additional 5-10 percent (depending on the site) market rate affordable units (provided under agreement with DHCA).

The question often posed in discussing market rate affordable housing is whether non-regulated affordable units will remain affordable over the life of the Plan. When buildings age past their useful life they require significant renovation.¹³ Without density to increase the number of units, property owners are likely to redevelop the existing number of units (due to necessity) and charge higher rents to recoup the cost. Without an increase in the number of units, there is no requirement to provide 15 percent MPDUs, therefore any non-regulated units can become 100 percent unaffordable.

Planning’s analysis shows that under the Plan-proposed zoning, were the properties to redevelop, three could yield more units and two less. One of the three complexes that could yield more units is recommended for a change to its current zoning. Montgomery Housing Partnership (MHP), the property owner, requested this change. Below is a table showing existing units, possible unit yields under

¹³ The apartments in question were built between 1937-1943.

redevelopment using Plan proposed zoning, and zoning density similar to what was approved in the Veirs Mill Plan.

Complex Name	Current Zoning	Existing Units	Plan Proposed Zoning	Yield under Plan Proposed Zoning	Plan Proposed Zoning in equivalent FAR	Alternative Zoning ¹⁴ in FAR	Yield under Alternative Zoning ¹⁵	Regulated Affordable (15% MPDU + 20% Rent Regulated)
Blair Park Apartments	R-10	53	CR-3.0 C-0.0 R-3.0 H-75	94	3.0	5.0	157	55
Blair Park Gardens	R-10	74	R-10	56	1.0	3.0	168	59
Eastern Ave Apts	R-10	35	R-10	59	1.0	3.0	178	63
Rock Creek Springs	R-10	129	R-10	161	1.0	3.0	484	170
Spring Garden Apts	R-10	169	R-10	123	1.0	3.0	368	129
Total		460		493			1,355	474

From the table, there are 460 market rate affordable units currently. The total units possible under Plan-proposed zoning should be viewed with caution. In addition, the number of regulated units resulting from redevelopment under Plan-proposed zoning is hard to determine. What is clear is the total number of units possible from increases in density similar to that allowed in prior master plans, and the potential to achieve no net loss in affordable units where this increase in density includes a requirement for 15% MPDUs and 20% rent regulated units.

According to the attached analysis, Planning recommends achieving increases in density through the Local Map Amendment process by adding a Floating Zone recommendation for these properties to the Plan.

The Committee recommends (2-1) adding language to the plan allowing these properties to achieve the above noted increase in density through the Local Map Amendment (LMA) process via a Floating Zone. Councilmember Friedson, dissenting, did not vote for this recommendation, noting that the LMA process comes with an increase in time, cost, and process, which can hit particularly hard for redevelopment aimed at producing significantly more regulated affordable housing.

4. *Urban Design*

Building Form

The building form goals are to encourage future growth in downtown Silver Spring, with new development compatible with the form and scale of immediately surrounding neighborhoods; designing

¹⁴ Similar to the Veirs Mill Plan at 3 times current density.

¹⁵ Alternative zoning set at 3 times the current FAR equivalent. This doesn't equal 3 times the current number of units which would result in a different FAR estimate by complex but the overall result is same.

tall buildings with bases appropriate for active ground floor uses; creating a walkable environment where buildings frame the public realm.

Recommendations:

- Prepare Design Guidelines to define Design Excellence for new development throughout the Plan area.
- Create a Design Advisory Panel (DAP). Design Review will be required for all Optional Method Development Projects in the Plan area. Additional height obtained through the Building Height Incentive Zone will be subject to the Design Review process through the Design Advisory Panel.
- Encourage innovative building form and allow flexibility in design. Vary tower heights, setbacks, and building materials.
- Limit bulky towers and consider architectural features, building articulation, solar building orientation, and access to light and air.
- In the Adjacent Communities, new development should be compatible in massing and form to the surrounding context.

Council also received the following testimony regarding this section:

Testimony: The Coalition for Smarter Growth submitted a letter requesting that a Design Review Panel not be used. As noted in their letter, “These types of panels too often end up prioritizing subjective design opinions of a small set of residents and can lead to slower progress on redevelopment projects that are beneficial for the community at-large. We recommend creating urban design guidelines to ensure that new construction in Silver Spring achieves high-quality design standards.”

The Committee supports (3-0) the Plan’s recommendations but emphasized the need to ensure community participation. As noted by Council Staff, the Bethesda Overlay Zone provides some criteria for who should be on the Panel, stating: “The Planning Board must appoint a Design Advisory Panel composed of relevant independent professionals, including at least one resident of Bethesda...”. Council Staff recommends more specific criteria in order to ensure not just expertise but that the Panel is made up of diverse individuals who are representative of the interests of the entire community.

Public Realm

The public realm is all outdoor space that is publicly accessible, including streets, parks, open space, sidewalks, alleys, and plazas. The Plan goals are to introduce new public spaces strengthening each district and improving existing public spaces.

The Committee supports (3-0) the Plan-wide Urban Design: Public Realm goals.

Recommendations:

- Implement the Green Loop concept on the streets indicated in Section 2.2.
- Encourage public and private property owners to consider tactical urbanism as a form of placemaking, including, but not limited to, the following activation strategies:
 - Temporary Plazas are public open spaces that are created out of underutilized space on or adjacent to existing streets or open spaces. They can transform empty pavement into lively gathering spaces. These plazas can host events, pop-up retail kiosks, or local food trucks.

- Temporary Parks use a part of the street, usually one or two parallel parking spaces, as public space in which people can gather and socialize. They are composed of seating, planters, tables, and at times, platforms that separate the people from the surrounding pavement. They can be temporary and experimental or seasonal.
- Outdoor Eateries typically take place in front of storefronts either directly adjacent to the building wall, or along the curb. This intervention is feasible where the sidewalk is wide enough to accommodate both the eating area and adequate pedestrian access. Outdoor eating areas can also occupy a closed parking or travel lane; this was successfully implemented throughout Montgomery County, including along the east side of Georgia Avenue, in 2020 during the Covid-19 pandemic.
- Activate spaces with placemaking efforts, including public art and programming, that celebrate and highlight the diverse cultures of downtown Silver Spring.

The Committee supports (3-0) the Plan-wide Urban Design: Public Realm recommendations.

4. Parks, Trails, and Public Spaces

The plan continues to support many of the goals found in the 2000 Silver Spring Central Business District Sector Plan, while also emphasizing the County’s commitment to mitigating climate change, creating complete communities, and advancing racial equity and social justice. The recommendations included in the parks, trails, and open spaces section, as well as the resilient downtown section strive to address many of the issues highlighted by the community including improving pedestrian and bike infrastructure, improving, and creating more parks and playgrounds, and adding more trees within the commercial core.

The Plan goals include encouraging physical activity by providing safe and convenient access to an interconnected, multi-functional, and comfortable network of parks, public spaces, and trails, facilitating social interaction by developing parks that offer easy opportunities for daily interactions, promoting stewardship of the environment by integrating sustainable strategies to adapt to and mitigate climate change, and promoting economic prosperity by creating fun and appealing park facilities and programming that energizes Silver Spring, while celebrating its rich history and vibrant culture.

Recommendations:

The following recommendations strive to promote a fair distribution of parks and public spaces that contribute to improving community health and are accessible to all. To increase equity in the plan area the Plan recommends:

- Add additional park facilities and programs that promote physical activity, including in small spaces.
- Ensure a fair distribution of the park experiences across the various districts. Parks should be located near transit, accessible by walking and biking, and surrounded by active building frontages.
- Facilitate the creation of new and the renovation of existing parks and public spaces that accommodate multiple needs, including recreation, education, community-building, and environment stewardship within the urban context.
- Promote facilities that celebrate cultural and historic aspects of the community, serve the distinct social connection needs of seniors, teenagers, young adults, and people with disabilities, and contribute to the sense of pride and ownership of parks.

- Expand the urban tree canopy coverage and pervious surfaces in parks and public spaces, both publicly and privately owned. Promote watershed connectivity through education and best stormwater management practices.
- Engage stakeholders such as property owners, developers, non-profit groups, community members, artists, and public agencies to collaborate in delivering creative solutions and development strategies. Work with the community and schools to develop early advocacy programs and activities to encourage nature appreciation, education, and stewardship.

The Committee unanimously supports the recommendations to further equity in Parks and Public Spaces throughout the Plan.

To ensure Green Loop connectivity the Plan recommends:

- Implement the proposed Green Loop to connect existing and proposed parks and public spaces with other land uses inside the Plan and the surrounding region promoting walking and biking to these places with comfortable, sustainable, safe, and shaded roads, sidewalks and trails.
- Ensure access to all parks and public spaces – including POPS – that are designed to support casual, impromptu use, and connection with nature and other land uses.
- Improve signage and wayfinding of parks, public spaces, and trails; consider partnering with future commercial/businesses organizations to create a public space map and signage for the Green Loop and the open space network in Silver Spring.
- Promote physical activity, people watching, social connections and integration of amenities and parks and public spaces with internal walking loops inside public spaces and through connections to the Green Loop, respectively.

The Committee supports the recommendations related to the Green Loop; however, details regarding the creation of the Green Loop will be reviewed with the broader transportation recommendations as several elements of the Green Loop depend on transportation infrastructure.

To promote creative implementation of parks and open spaces the Plan recommends:

- Consider short-term/temporary solutions and “pop-up” programming that reflect community identity within temporary/interim parks. Consider empty lots, surface parking areas or other opportunity sites adjacent to the Green Loop as potential pilot sites.

The Committee supports the recommendation to create temporary parks and “pop-ups”.

To implement equity in parks and public spaces the Plan recommends:

- Promote a fair distribution of attractive, safe and fun parks and public spaces as common civic spaces with facilities and programming open to all ages, race, culture, income, and abilities.
- Prioritize and identify opportunity sites and test scenarios to measure the impact of additional development on park facilities to better address distribution of parks resources.
- Utilize EFAs and EIAs as tools to prioritize funding and implementation for parks and public spaces projects.

The Committee supports the recommendations for equitable implementation of parks and public spaces.

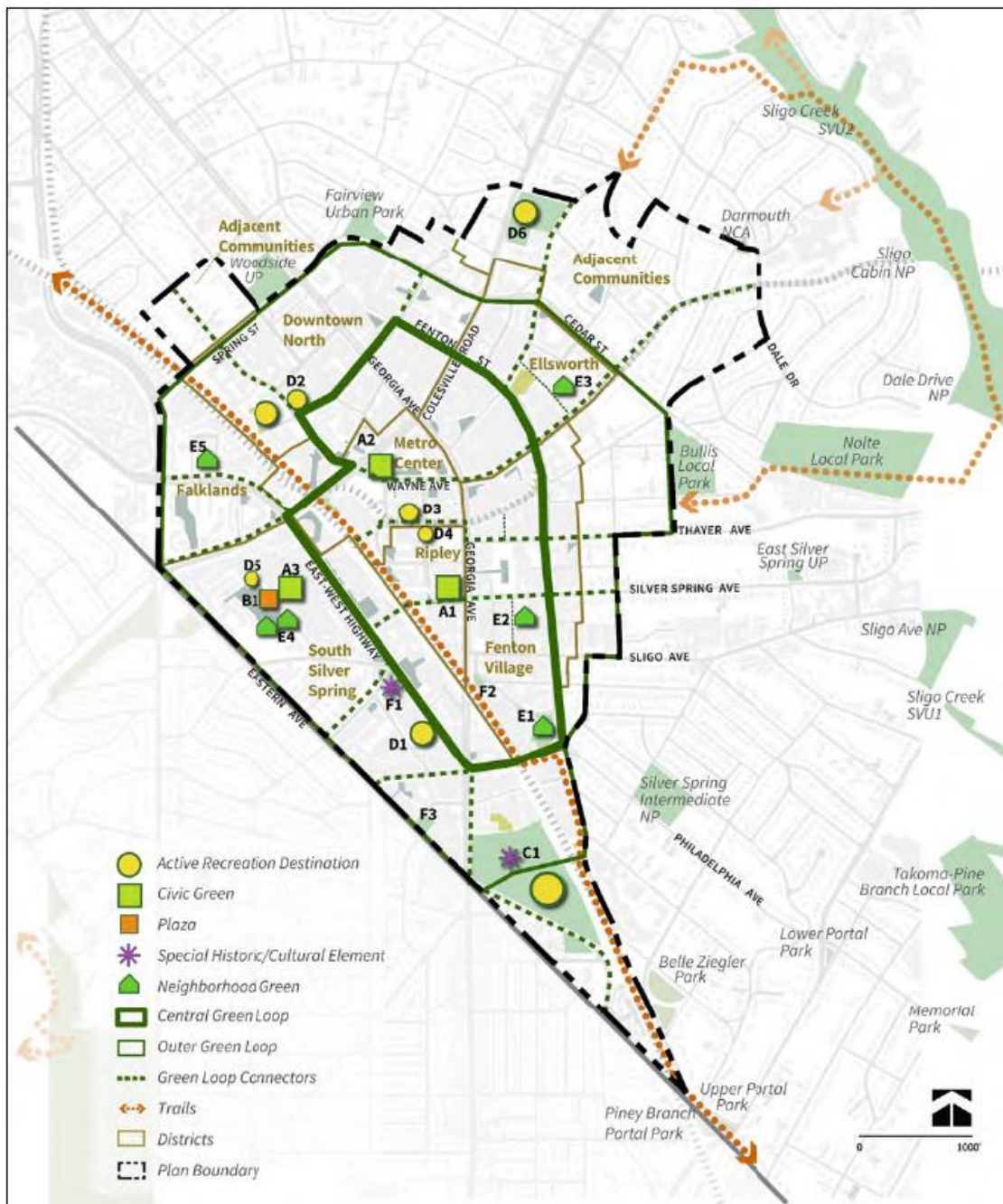
Proposed Park Locations and Recommendations

The 2017 and 2022 PROS Plans and the 2018 EPS Plan state that each area master plan should recommend an interconnected system of parks that achieve multiple objectives. The size and functions of the park and its facilities should be directly proportional to the projected density and land use patterns of the community.

Map 21 (below) illustrates the proposed location of parks and public spaces creating an interconnected network through the Green Loop system. The designation of Civic Green, Plaza, Neighborhood Green, etc., is done to highlight the major function emphasis of a park or public space, not to limit other experiences. All parks should provide social, active, and nature-based experiences to the extent possible across the various districts of this Plan.

Recommendations:

- For the Plan area, park locations should seek opportunities to provide active, contemplative, and social gathering experiences, in central civic spaces interconnected to the proposed Green Loop.
- For each District, parks and public spaces should seek to provide recreational amenities that can be accessed by walking or biking (also supported by the Green Loop connections).



Map 21. Proposed Park Locations Approach Diagram

Proposed Parks¹⁶:

Civic Green - Parks and Public spaces that emphasize social gathering.

- Create: Ripley District Civic Green
- Create: Gene Lynch Civic Green (currently under construction)
- Create: Blair Park/The Terrace (currently approved under the Blairs Master Plan)

¹⁶ The current naming of proposed parks and public spaces is subject to change and will be defined during the implementation phase of each project.

Plaza - These spaces align with and complement the Civic Green urban parks subcategory. These spaces also emphasize social gathering.

- Create: Sonny’s Park (currently approved under the Blairs Master Plan)

Countywide Urban Recreational Park - Oriented to the recreational needs of surrounding neighborhoods and districts, this type of park provides space for many activities.

- Renovate: Jesup Blair Park

At 14.2 acres, Jesup Blair Local Park is the largest park within the Plan area and is designated in the Master Plan for Historic Preservation. Community members have stated that this park is underutilized and that it needs facilities, landscape improvements and additional recreational experiences. Access to the park presents additional challenges, as it is located away from downtown Silver Spring and is separated by physical barriers, including railroad tracks, fences, and both Georgia Avenue and Blair Road.

The Parks Department is currently developing a concept plan for Jesup Blair Park. The vision for the park is to improve physical and visual access to the park and to strengthen social connection, diversity, community health, identity, and sense of ownership for the park.

Testimony: The Council received testimony primarily focused on renovation of the Jesup Blair House and its potential future uses; however, where this testimony commented on the broader Jesup Park it recommended retaining much of the park as it currently is, concerned with over activation and development of the park.

The Committee supports adding text to the Plan indicating the importance of renovating the Jesup Blair House for future community use.

Community Use Urban Recreational Park - These parks serve the immediate neighborhood. Physical activity is the main emphasis of this park, but social and contemplative opportunities should also be considered.

- Create: South Silver Spring Park
- Create: Downtown North Park
- Create: Metro Center Park
- Create: Bonifant Park
- Create: Fitness Park (currently approved in the Blairs Master Plan)
- Renovate/Repurpose: Ellsworth Park

Neighborhood Green - This park is very flexible and supports social connections, physical activities, and access to nature.

- Renovate/Expand: Fenton Street Park
- Create: Fenton Village Park
- Create: Ellsworth District Park
- Create: Rachel Carson, Blair Stomping, The Mews, and Lucy’s Landing
- Create: Falkland Park (and Connect: Falkland Stream Restoration to north parcel)

Pocket Green - This smaller park will allow for “pauses” with a landscaped setting along the streets between larger parks within the parks and public spaces network.

- Renovate: Acorn Park

- Develop: Philadelphia Park
- Retain: King Street Park

Temporary/Interim Parks - A temporary park is a type of park created for a certain period of time in a location that is not currently planned as future public space. An interim park is a type of park created to bridge the time gap between design, funding, and construction of a permanent public space and can accommodate temporary uses until resources for permanent uses become available.

The Committee supports (3-0) the park facilities as recommended in the Plan with two exceptions. One, the Plan should note the continued current use of Acorn Park/Newell St until South Silver Spring Park is fully up and running, after which Newell St should continue as a facility for community use that emphasizes pedestrian use and community gatherings. An illustration depicting what this could look like should be added to the Plan. Two, as the King Street Park is privately owned and any public open space provided under redevelopment of the larger property may change the location of this facility, the recommendation to “retain” it should be removed, and language added to the Opportunity Site section stating support for the current community garden use or use as an open space until the property redevelops.

In addition to these proposed facilities, the Plan includes a recommendation for on-site public open spaces. This recommendation states that applicants for Optional Method development projects required to provide public open space on a site not recommended for a new public space in the Plan area be encouraged to contribute to the creation of new and/or improvement of existing public parks recommended by this Plan, preferably within the same district. This recommendation is intended to channel resources to create new and improve existing public parks instead of creating on-site public open spaces that are too small, fail to enhance the public realm and prevent buildings from activating the street.

The Committee supports (3-0) this recommendation.



Memorandum

To: SSDAC Team

From: Anita Morrison
Abigail Ferretti
Partners for Economic Solutions

Subject: Development Scenario Testing

Date: March 23, 2022

PES has examined the impacts of the newly proposed Building Height Incentive Zone (BHIZ) and Connectivity and Infrastructure Fund (CIF) zoning mechanisms for Downtown Silver Spring. The BHIZ allows a property owner/developer to qualify for an increase of up to 50 percent of their mapped density to a maximum of 300 feet (except in selected cases at the Transit Center). To qualify, the developer must provide two of the three following benefits:

- greater than the minimum 15 percent Moderately Priced Dwelling Units (MPDUs) on-site;
- a contribution to the Montgomery County Housing Initiative Fund (HIF); and/or
- include an activating Neighborhood Service including, but not limited to, small business, art gallery/venue, community meeting space, educational or medical use, historic preservation, or non-ground-floor area dedicated to Design for Life residences.

The CIF provision allows a developer to obtain additional density necessary to reach the mapped maximum building height (and additional height in the BHIZ) by making a contribution to the CIF. The amount of the contribution has not been specified yet. This analysis tests fees of \$5 and \$10 per gross square foot of incremental density.

The basic scenarios involve a 50,000 square-foot tract developed as 1) a residential building with 13,000 square feet of ground-floor commercial space or 2) a single-tenant institutional office building. Each building would have a footprint of 26,000 square feet, a maximum height of 175 feet and a mapped FAR of 5.0. Residential developments are assumed to include a 15-foot ground floor with 11-foot residential floors above, while commercial office buildings are assumed to have a 20-foot ground floor with 13-foot floors above.



The financial model solves for Residual Land Value, which is defined as the price a developer could pay for the land and still achieve the required return on investment. It is a mathematical variation on financial analyses that determine feasibility based on the developer's return on investment given the market land value. A residual land value higher than the base case indicates that the developer's return on investment would exceed the targeted return. This analysis targets a cash-on-cash return of 5.5 percent for residential development and 6.5 percent for commercial development (calculated as net operating income in the stabilized year divided by total development costs).

Residential Development Within the BHIZ

The base case scenario has an FAR limit of 5.0, which does not allow the developer to take full advantage of the 175-foot height. That base case has an estimated land value of \$10.5 million or \$209 per land square foot, as shown in Table 1.

With a CIF contribution, the developer could take full advantage of the existing maximum building height, expanding the gross square footage from 250,000 to 390,000 square feet (an FAR of 7.8) and adding 152 new units. With a CIF fee of \$5 per incremental density square foot (\$700,000), the residual land value would increase to \$11.8 million or \$237 per land square foot. If the CIF fee were \$10 per square foot (\$1,400,000), the residual land value would be \$11.1 million or \$222 per land square foot. Thus, the developer would achieve a higher return paying a CIF fee of \$5 or \$10 per square foot of additional density.

With BHIZ, the developer could increase the building height to 263 feet and the building square footage to 598,000 gross square feet, adding 293 new units over the base case (including 44 additional MPDUs). For modeling purposes, we have assumed that the developer in the BHIZ would provide a ground-floor space of 3,250 square feet (one-quarter of the anticipated retail space) at a discounted rent (\$35 per square foot versus the \$50 rent anticipated for retail use) for one of the desired uses. We have also assumed that the developer would provide more than the required 15 percent MPDUs, testing three options:

- one additional MPDU;
- an additional 0.5 percent of MPDUs; and
- an additional 1.0 percent of MPDUs.

Shown in Table 1, the BHIZ residential building at a 263-foot height would support a land value of \$11.0 million or \$220 per land square foot with the provision of one additional MPDU and a CIF contribution of \$5 per additional square foot (\$1,740,000). The analysis increases estimated costs to account for the longer lease-up time required for a larger building. With a CIF fee of \$10 per square foot (\$3,480,000) and one additional MPDU, the land value would decline to \$9.1 million or \$183 per land square foot – 12.6 percent



below the base case value. Increasing the MPDU requirement to 15.5 percent of all units would yield a land value of \$10.4 million or \$209 per land square foot with a CIF fee of \$5 per square foot, which would be 0.3 percent less than the base-case land value. A CIF fee of \$10 per square foot would reduce land value by 17.8 percent below the base value to \$8.6 million or \$172 per land square foot. With an MPDU requirement of 16.0 percent and a CIF fee of \$5 per square foot, the land value would be \$10.0 million or \$200 per land square foot. With a CIF fee of \$10 per square foot, the land value would decline to \$8.2 million or \$164 per land square foot – a decline of 21.7 percent. The developer’s ability to provide more than 15 percent MPDUs depends in part on the scale of the CIF fee.

Three factors limit the additional return generated by increasing residential density:

- the cost of providing 15 percent MPDUs;
- the greater risks and carrying costs associated with developing a building larger than the market can fill within 12 to 18 months; and
- the size of the CIF contribution.

Table 1. Residential Development Scenarios

Alternative	Height (Feet)	Achieved FAR	Percent MPDUs	Residential Units			Residual Land Value					
							No CIF		CIF at \$5 per Sq. Ft. ²		CIF at \$10 per Sq. Ft. ³	
				Total	Market	MPDU	Total	Per Land Sq. Ft.	Total	Per Land Sq. Ft.	Total	Per Land Sq. Ft.
In the BHIZ												
1. Base Case	175	5.00	15.0%	253	215	38	\$10,463,000	\$209	NA	NA	NA	NA
2. Additional Density	175	7.80	15.0%	405	344	61	NA	NA	\$11,849,000	\$237	\$11,109,000	\$222
3. Additional Density and Height ¹												
+ 0 MPDU	263	11.96	15.0%	546	464	82	NA	NA	\$11,039,000	\$221	\$9,209,000	\$184
+ 1 MPDU	263	11.96	15.2%	546	463	83	NA	NA	\$10,979,000	\$220	\$9,149,000	\$183
+ 0.5% MPDU	263	11.96	15.5%	546	461	85	NA	NA	\$10,429,000	\$209	\$8,599,000	\$172
+ 1% MPDU	263	11.96	16.0%	546	458	88	NA	NA	\$10,019,000	\$200	\$8,189,000	\$164

Note: Assumes a parking ratio of 0.5 space per unit.

¹ Assumes provision of 3,250 square feet of first-floor space at \$35 per square foot for a preferred use.

² CIF Contribution ranges from \$700,000 for Alternative 2 with additional density to \$1,740,000 with additional height and density.

³ CIF Contribution ranges from \$1,400,000 for Alternative 2 with additional density to \$3,480,000 with additional height and density.

Source: Partners for Economic Solutions, 2022.

Commercial Development in the BHIZ

Given the current state of the office market, speculative office space development is unlikely. More likely would be development of a single-tenant office building. We have assumed the single tenant would pay a rent of \$33.50 per square foot net of all expenses. In the base case with the current maximum FAR of 5.0, the site could support a building of 250,000 gross square feet with an estimated residual land value of \$10.9 million or \$219 per land square foot. (See Table 2.)

With a contribution to the CIF, the building could expand to 313,000 square feet with an FAR of 6.25. With a CIF payment of \$5 per incremental square foot (\$315,000), the residual land value would increase to \$14.2 million or \$283 per land square foot. Increasing the CIF to \$10 per square foot (\$630,000) would reduce the land value to \$13.9 million or \$277 per land square foot – 26.6 percent above the base case value.

With a BHIZ increase to 263 feet, the building could grow to 495,000 square feet with an FAR of 9.88. The developer is assumed to provide 3,250 square feet of ground-floor space at \$35 per square foot for one of the preferred uses and to make a contribution to the County's Housing Initiative Fund (HIF). The preceding residential analysis indicated that land value decreased by roughly \$205,000 for every incremental MPDU provided. We have assumed that level of HIF contribution for testing purposes. For ease of comparison, the scenarios assume the equivalent impact of the different MPDU requirements of the residential development option with contributions ranging from \$205,000 (the equivalent of one MPDU) to \$1,230,000 for six MPDU equivalents. Under those assumptions, the BHIZ incentive increases the land value by \$11.4 to \$12.5 million with one additional MPDU and a CIF fee of \$5 to \$10 per square foot, and \$10.1 to \$11.2 million with six additional MPDUs and a CIF fee of \$5 to \$10 per square foot.

Without a corresponding responsibility that the residential developer bears to provide 15 percent MPDUs, the commercial developer receives a much greater increase in property value and development profits with greater density. This analysis assumes that the office building's single tenant could make use of the additional space without the developer incurring costs to maintain vacant space for some period of time or leasing a portion of the space at the lower rents now prevailing in the market. In so doing, it may overestimate somewhat the impacts on residual land value and developer profits.

Table 2. Single-Tenant Office Development

Alternative	Height (Feet)	Achieved FAR	Gross Square Feet	Housing Initiative Fund Contribution		Residual Land Value					
				Amount	Equivalent Units	No CIF		CIF at \$5 per Sq. Ft.		CIF at \$10 per Sq. Ft.	
						Total	Per Land Sq. Ft.	Total	Per Land Sq. Ft.	Total	Per Land Sq. Ft.
In the BHIZ											
1. Base Case	175	5.00	250,000	\$0	-	\$10,948,000	\$219	NA	NA	NA	NA
2. Additional Density	175	6.25	313,000	\$0	-	NA	NA	\$14,198,000	\$283	\$13,862,000	\$277
3. Additional Density and Height ¹											
+ 0 MPDU Equivalent	263	9.88	495,000	\$0	-	NA	NA	\$23,700,000	\$473	\$22,396,000	\$447
+ 1 MPDU Equivalent	263	9.88	495,000	\$205,000	1	NA	NA	\$23,482,000	\$469	\$22,177,000	\$443
+ 3 MPDU Equivalents	263	9.88	495,000	\$615,000	3	NA	NA	\$23,045,000	\$460	\$21,741,000	\$434
+ 6 MPDU Equivalents	263	9.88	495,000	\$1,230,000	6	NA	NA	\$22,390,000	\$447	\$21,086,000	\$421

Note: Assumes a parking ratio of 0.5 space per 1,000 gross square foot.

¹Assumes provision of 3,250 square feet of first-floor space at \$35 per square foot for a preferred use and a Housing Initiative Fund contribution equivalent to the MPDU requirements tested for residential scenarios.

Source: Partners for Economic Solutions, 2022.

1.

SSDAC PRO FORMA SUMMARY

Consider the following simple analysis using the assumptions provided by PES. The density allowed in the base case is 5.0 FAR, and any additional density must be paid for by a CIF Contribution and/or satisfy the requirements set forth by the BHIZ for additional height.

SSDACP Pro-Forma Summary

	Base Case (Max FAR 5.0)	CIF Contribution (Up to 175')	CIF Contribution & BHIZ Add'l Height
Tract	50,000	50,000	50,000
Typical Floorplate	26,000	26,000	26,000
Additional Floors % of Typical Floorplate			72%
Max FAR	5.00	N/A	N/A
FAR Achieved	5.00	7.80	11.92
Height of Level 1	15'	15'	15'
Height of Additional Floors	11'	11'	11'

Space Planning for Different Scenarios

Floor	Base Case (Max FAR 5.0)			CIF Contribution (Up to 175')			CIF Contribution & BHIZ Add'l Height		
	Height (Ft)	Cumulative Height	Floorplate	Height (Ft)	Cumulative Height	Floorplate	Height (Ft)	Cumulative Height	Floorplate
26							11	290	18,720
25							11	279	18,720
24							11	268	18,720
23							11	257	18,720
22							11	246	18,720
21							11	235	18,720
20							11	224	18,720
19							11	213	18,720
18							11	202	18,720
17							11	191	18,720
16							11	180	18,720
15				11	169	26,000	11	169	26,000
14				11	158	26,000	11	158	26,000
13				11	147	26,000	11	147	26,000
12				11	136	26,000	11	136	26,000
11				11	125	26,000	11	125	26,000
10	11	114	16,000	11	114	26,000	11	114	26,000
9	11	103	26,000	11	103	26,000	11	103	26,000
8	11	92	26,000	11	92	26,000	11	92	26,000
7	11	81	26,000	11	81	26,000	11	81	26,000
6	11	70	26,000	11	70	26,000	11	70	26,000
5	11	59	26,000	11	59	26,000	11	59	26,000
4	11	48	26,000	11	48	26,000	11	48	26,000
3	11	37	26,000	11	37	26,000	11	37	26,000
2	11	26	26,000	11	26	26,000	11	26	26,000
1	15	15	26,000	15	15	26,000	15	15	26,000
Total	114		250,000	169		390,000	290		595,920

Assuming an 82% efficiency, the largest high-rise building can yield roughly 647 units. Considering the current construction costs, Silver Spring's market rents, and market purchase price per FAR SF, a developer requiring a 5.50% current return on cost (NOI / Total Development Costs) would need a \$17.2 million NOI to justify building a new project (note that this simple analysis does not consider the current financing environment of rising interest rates and lender requirements for a construction loan).

A brand-new Class A building would achieve premium rents to other product currently on the market, so the below analysis has market rents of \$3.15 per RSF. At 100% market rate, this hypothetical building would produce \$18.3 million in residential income. Assuming an aggressive Operating Expense ratio of 30% (this ratio is low and likely unachievable), a 100% market rate building would generate an NOI of

\$13.9 million, which is **\$3.3 million short** of the necessary required NOI for a developer to move forward with this hypothetical project.

SSDAC Development - Pro-Forma Summary	
Total Units	647
Total Construction Costs per Unit (Excl. Land)	\$473,000
Total Construction Costs (Excl. Land)	\$306,031,000
Current Density Allowed	250,000
Market Purchase Price per FAR SF (Based on Comps)	\$20.00
Market Purchase Price	\$5,000,000
Additional Density	345,920
CIF Payment (\$ per Additional Density SF)	\$5.00
CIF Payment	\$1,729,600
Total Purchase Price	\$6,729,600
Total Project Costs	\$312,760,600
Required Return on Cost	5.50%
NOI Needed	\$17,201,833
Multifamily Market Rent per RSF	\$3.15
Total Multifamily RSF	485,989
Total Rent at 100% Market Rate Units	\$18,370,399
OpEx Ratio	30%
NOI	\$12,859,280

Unfortunately, the analysis suggests that a project of this scale will not be feasible with the inclusion of any MDPU, let alone paying for additional density.

EXHIBIT 1

Comparable Land Sales

Property Name	8250 Georgia Ave	Solaire 8200 Dixon	Thayer and Spring
Transaction Date	May-13	Oct-19	Feb-19
Construction Status	Delivered	Under Constr	Delivered
Total Purchase Price	\$10,200,000	\$7,700,000	\$6,800,000
Property GSF	470,000	400,000	400,000
Price per FAR SF	\$21.70	\$19.25	\$17.00
Units	338	403	399

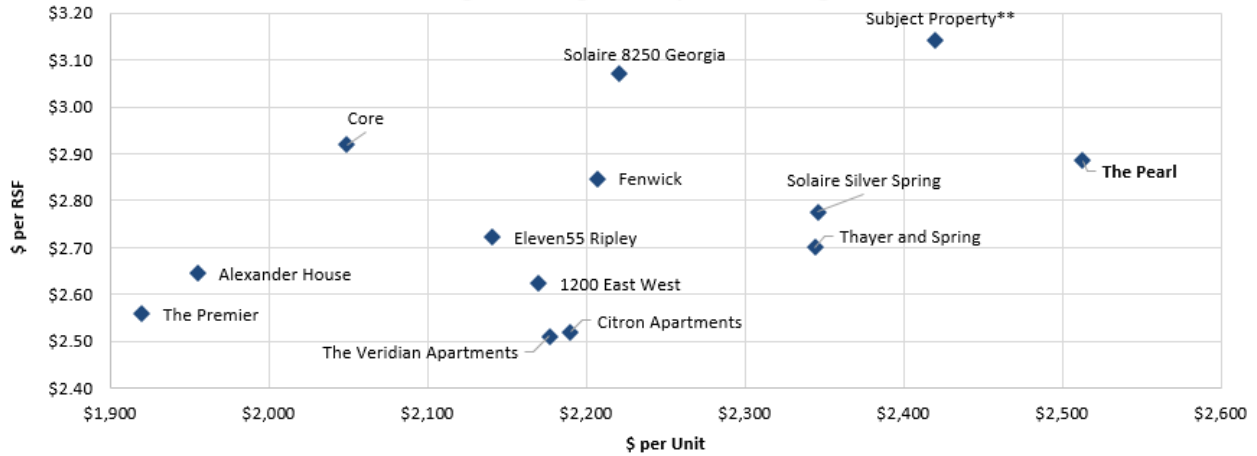
EXHIBIT 2

Downtown Silver Spring Rent Comps - Submarket Breakdown

Property Name	Submarket Name	Year Built	Number Of Stories	Number Of Units	Avg Unit SF	Avg Asking/Unit	Avg Asking/SF
Downtown Silver Spring							
Solaire 8250 Georgia	Downtown Silver Spring	2019	20	338	723	\$2,221	\$3.07
Core	Downtown Silver Spring	2017	16	292	702	\$2,049	\$2.92
The Pearl	Downtown Silver Spring	2017	14	284	871	\$2,513	\$2.88
Fenwick	Downtown Silver Spring	2014	6	311	775	\$2,207	\$2.84
Solaire Silver Spring	Downtown Silver Spring	2012	16	295	845	\$2,346	\$2.77
Eleven55 Ripley	Downtown Silver Spring	2014	21	379	786	\$2,141	\$2.72
Thayer and Spring	Downtown Silver Spring	2019	10	399	868	\$2,344	\$2.70
Alexander House	Downtown Silver Spring	1992	16	305	739	\$1,955	\$2.64
1200 East West	Downtown Silver Spring	2010	15	247	827	\$2,170	\$2.62
The Premier	Downtown Silver Spring	2014	14	160	750	\$1,920	\$2.56
Citron Apartments	Downtown Silver Spring	2013	4	222	869	\$2,190	\$2.52
The Veridian Apartments	Downtown Silver Spring	2009	15	457	867	\$2,177	\$2.51
The Bennington	Downtown Silver Spring	2004	15	223	863	\$2,026	\$2.35
The Galaxy	Downtown Silver Spring	2012	5	195	785	\$1,768	\$2.25
Affinity on Georgia	Downtown Silver Spring	2013	9	210	872	\$1,961	\$2.25
The Cameron	Downtown Silver Spring	2009	15	325	890	\$1,993	\$2.24
The Blairs	Downtown Silver Spring	1968	16	1,397	1,016	\$2,102	\$2.07
Kanso Silver Spring	Downtown Silver Spring	2008	12	151	890	\$1,829	\$2.05
Lenox Park	Downtown Silver Spring	1992	16	407	1,136	\$2,160	\$1.90
Comp Set Average		2008	13	347	846	\$2,109	\$2.52

EXHIBIT 3

Weighted Average Monthly Market Asking Rent





OFFICE OF THE COUNTY EXECUTIVE


Marc Elrich
County Executive

M E M O R A N D U M

March 25, 2022

TO: Gabe Albornoz, President
Montgomery County Council

Hans Riemer, Chair
PHED Committee, Montgomery County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Silver Spring Downtown and Adjacent Communities Plan

I am attaching the comments of Department of Environmental Protection (DEP), Department of General Services (DGS), Department of Transportation (DOT), Department of Housing and Community Affairs (DHCA), Montgomery County Fire and Rescue (MCFR), Montgomery County Police Department (MCPD), and the Fiscal Impact Statement (FIS) from the Office of Management and Budget (OMB) on the Winter 2022 Silver Spring Downtown and Adjacent Communities Plan (Silver Spring Plan). These comments were previously shared with Council Staff and I think they will be helpful to Councilmembers as they make decisions on the Silver Spring Plan.

I want to express my disappointment that, so far, the PHED Committee's work sessions on the Silver Spring Plan have been rushed, allowing the Planning Department and Planning Board Chair to dominate the work sessions without sufficient time to provide clarity on the Committee's recommendations. The result has been confusion and controversy, a sector plan that lacks context and narrative, and a fixation on rezoning the Adjacent Communities while ignoring the needs of Silver Spring Downtown.

In addition to my February 17 testimony, I offer the following observations and recommendations to further improve the Silver Spring Plan.

1. The Silver Spring Plan as written fails to address Economic Development with substantive recommendations to create jobs. Here are some recommendations for the Plan to lay the groundwork for economic development in Silver Spring.

Text must be added that explains the Economic needs of Silver Spring and goals for Silver Spring, and how the Plan’s recommendations forward the goals. The Plan must discuss the commercial areas in Silver Spring in economic terms with recommendations for Commercial Development.

Without goals for Commercial Development, the County will de facto get mostly housing. This is supposed to be a plan for the Silver Spring Downtown/Central Business district, yet it does nothing to further the development of that district. As others, including the Silver Spring Chamber of Commerce, have pointed out, this continues the trend of making Silver Spring a bedroom community. The priority in the business district should be opportunities for commercial development and job growth. The CR zone is antithetical to that. Rather than guiding development to the best and most appropriate growth, it basically says “whatever a developer wants to build is fine with us regardless of what the vision for the community is.” The quarter mile ring around a Metro should prioritize commercial over residential, while the ring of a quarter mile to half-mile should prioritize residential. This corresponds to the walk sheds that are different for both building types/uses.

The CR zone doesn’t recognize the relationship between the building types and distances from transit and, lacking any guidance to promote economic development goals, simply takes a “first come, first serve” approach to the allocation of our most important asset, the land, without regard to the uses that we are trying to foster.

The Plan must explain how many square feet of Commercial and Residential Silver Spring has now, and how much more that the Plan proposes. The Plan should also state the cap on development, so that the Council has a sense of what build-out would be. Unfortunately, the Plan, written under the CR zone, can’t project how much of future development will be commercial or residential.

The Council should either consider the creation of a new commercial zone for Silver Spring to encourage commercial development or modify the CR zone so that recommended densities reflect whether the zoning is for commercial or for residential. For example, the full value of the density in the CR zone might be given to C within a quarter mile of Metro, whereas it may be given to R in the second ring beyond Metro.

2. I support the PHED Committee’s decision to remove the overt references to Thrive and the Attainable Housing Initiative. The Committee should tailor the Plan’s recommendations to Silver Spring’s needs, rather than to Thrive’s philosophy.

Silver Spring deserves a Plan that will provide a foundation for the Silver Spring Downtown to address its challenges and to grow equitably over the next 20 years. In addition to Economic Development, the Plan needs thorough, systematic discussions of Equity; Housing—how the

Plan's recommendations will facilitate income-restricted Affordable Housing, the actual housing needed in Silver Spring; and Environmental Resilience. It also needs to explain the timeline for park creation, how many parks are dependent on private property owners' decision to redevelop, and how public park amenities on private land will work. I am concerned that many of the proposed parks may be unattainable over the lifetime of the plan, yet they are integral to achieving two of the Plan's four overriding goals, Connectivity and Community Health. (The other two goals are Diversity and Resiliency.)

3. Adjacent Communities--The Council should remove Adjacent Communities from the boundary of the Downtown Plan; and delete any recommendation that would authorize rezoning the Adjacent Communities in a subsequent Council action.

The PHED Committee voted to remove all references to Thrive Montgomery 2050 and the Attainable Housing Initiative from the Plan, while, at the same time keeping the Adjacent Communities in the Plan boundary, and, as Chair Riemer acknowledged, approving a recommendation that would authorize the rezoning of the Adjacent Communities in a subsequent Council action.

It is hard to understand the Committee's fixation with rezoning the Adjacent Communities through an unorthodox process. Including one small section of a neighborhood in this master plan breaks precedent with previous Downtown/CBD master plans and may well lead to the balkanization of cohesive neighborhoods in future master plans.

I support finding ways to increase diversity of housing types near transit, but, as I have said, it needs to be done through a cohesive housing policy as part of an established master plan process, which allows a real assessment of the needs and opportunities. Rezoning for market rate housing by itself is not enough. Locations for income-restricted Affordable housing should be added to the master plan along with identifying Naturally Occurring Affordable Housing (NOAH) for preservation. Any rezoning of Adjacent Communities would best be accomplished after the adoption of Thrive and should be done through the East Silver Spring and the North and West Silver Spring master plans.

The increased height limits for residential buildings are completely antithetical to producing affordable housing. You need look no further than Bethesda to see what the obsession with height has wrought. Of the residential buildings that have been built, only the MPDUs that we require are affordable, but there is an enormous gap in the price between the MPDUs and the market-rate housing that has been created. The rental housing has no place for people with incomes below 50% of AMI or between 75% and 100% of AMI. No wonder young professionals/millennials can't find housing; no housing in this price range is required, and none is being built.

4. Other Issues Raised (See Enclosures).

OMB and MCDOT

- Appropriateness and legality of the Connectivity and Infrastructure Fund (CIF). The CIF would collect funds to be used by the Planning Board for infrastructure, with unlimited

discretion given to the Planning Board to fund “Other projects identified by the Planning Board.” It is inappropriate to create a body with power to collect taxes and fund infrastructure that it defines as needed. We have elected bodies to make and implement those decisions. The County should collect the CIF funds, and appropriate them.

MCDOT and DGS

- The Plan should acknowledge that we are pursuing an Affordable Housing project in Public Parking Garage No. 4, and that the Executive is assured the necessary flexibility on that site. This request is under discussion at the PHED worksession. The Executive is responding with appropriate language that is attached to this document.

DHCA

- The Plan needs to address the issue of the “impact of increased density on the ability to retain and expand affordability...”, and the impact of recommending increased height that has the effect of incentivizing developers to delay development until the rents or sales prices will support the costs of building at the maximum heights and density.
- The Plan needs to strengthen its recommendations for no net loss. No net loss should be a condition for redevelopment of properties with market-rate affordable housing.
- The limited rezoning of R-60 zones in the Adjacent Communities would add density without providing MPDUs, and according to the Missing Middle Study of Silver Spring, the proposed rezoning would generally result in units priced above current market rates for comparably sized properties, driven not only by the costs of construction but also by higher land values resulting from the rezoning.

MCPD

- “If the population in the Silver Spring area was to double, MCPD would need a much larger facility or the opportunity to obtain other land or building space to build multiple satellite facilities. The plan does not appear to consider the need for available space to accommodate police and other emergency services.”

Fire and Rescue

- “Based on EMS unit availability and reliability, minimally, we should plan for a fulltime BLS transport and a peak-time BLS transport to be added to the plan area.”

OMB—Financial Impact Statement

- “Total County capital costs are estimated at more than \$707 million with operating and maintenance costs of \$17.1 million and one-time operating costs of \$300,000.”

DEP

- It is good that stormwater Management (SWM) is mentioned for the Green Loop, but “it is unclear how the competing ROW elements for the Green Loop will be prioritized. SWM often ends up being included more as an afterthought rather than integral to a streetscape design.”
- The bike lane element for the Green Loop is not included on the Existing and Planned Bikeway Infrastructure Map for portions of Grove St, Sligo Ave, and for Woodbury Dr.

- Rezoning R-60 to CRN in the Adjacent Communities without appropriate mitigation strategies could result in an increase in impervious surfaces and potential increased impacts on receiving streams.

DEP and DOT

- Both departments highlight numerous omissions and organizational issues that are confusing and diminish the impact, and even understanding, of the Plan's recommendations. These errors do not reflect on Planning Staff; they reflect on the Planning Board's rush to send the Draft to the Council—even cancelling the final Planning Board work session.

This Plan needs to shift its focus to Downtown Silver Spring, and make clear, realizable recommendations for a revitalized Silver Spring.

Thank you for your consideration.

Enclosures (9)



Montgomery Planning



Silver Spring Downtown & Adjacent Communities Plan

Garden Apartments Analysis



Preservation of Affordable Housing Approach in SSDAC

- Preservation of existing market-rate affordable housing through retention of existing zones.
- Plan wide Housing recommendation to “Preserve existing, market-rate affordable housing where possible, striving for no net loss of affordable housing.”

(16)

Precedents

- **Forest Glen/Montgomery Hills Sector Plan**

- **Fields of Silver Spring**

- Existing LIHTC property with subsidies expiring in about 20 years
 - Reconfirmed the existing R-10 zone with a recommendation to support a future application for a CRT floating zone, roughly equivalent to CRT-2.0, C-0.25, R-2.0, H-75
 - 15% MPDUs, 5% market-rate affordable units through DHCA Rental Agreements
 - 221 existing units, recommended floating zone allows for around 586

- **Belvedere Apartments**

- Rezoned from R-10 to CRT-2.0, C-0.25, R-2.0, H-75 given the lack of regulated affordable units today and the high probability of redevelopment in the next 20-30 years
 - 15% MPDUs
 - A minimum of 25% of the units should be 2-bedroom units
 - 93 existing units, new zoning allows for around 233

(17)

Precedents

- **Veirs Mill Corridor Master Plan**
 - **Rock Creek Woods**, aging multifamily facility with infrastructure/utilities issues that make redevelopment highly likely
 - Rezoned from R-20 to CRT-1.25, C-0.25, R-1.25, H-85
 - 269 existing units, new zoning allows for around 525
 - 15% MPDUs, 5% market-rate affordable units for 30 years
 - With redevelopment, a minimum of 20% of the units should be 2-bedroom units and 5% of the units should be 3-bedroom units
 - Priority should be given to existing residents for the 2- and 3-bedroom units and the market-rate affordable units

(18)

Precedents

- **Veirs Mill Corridor Master Plan**

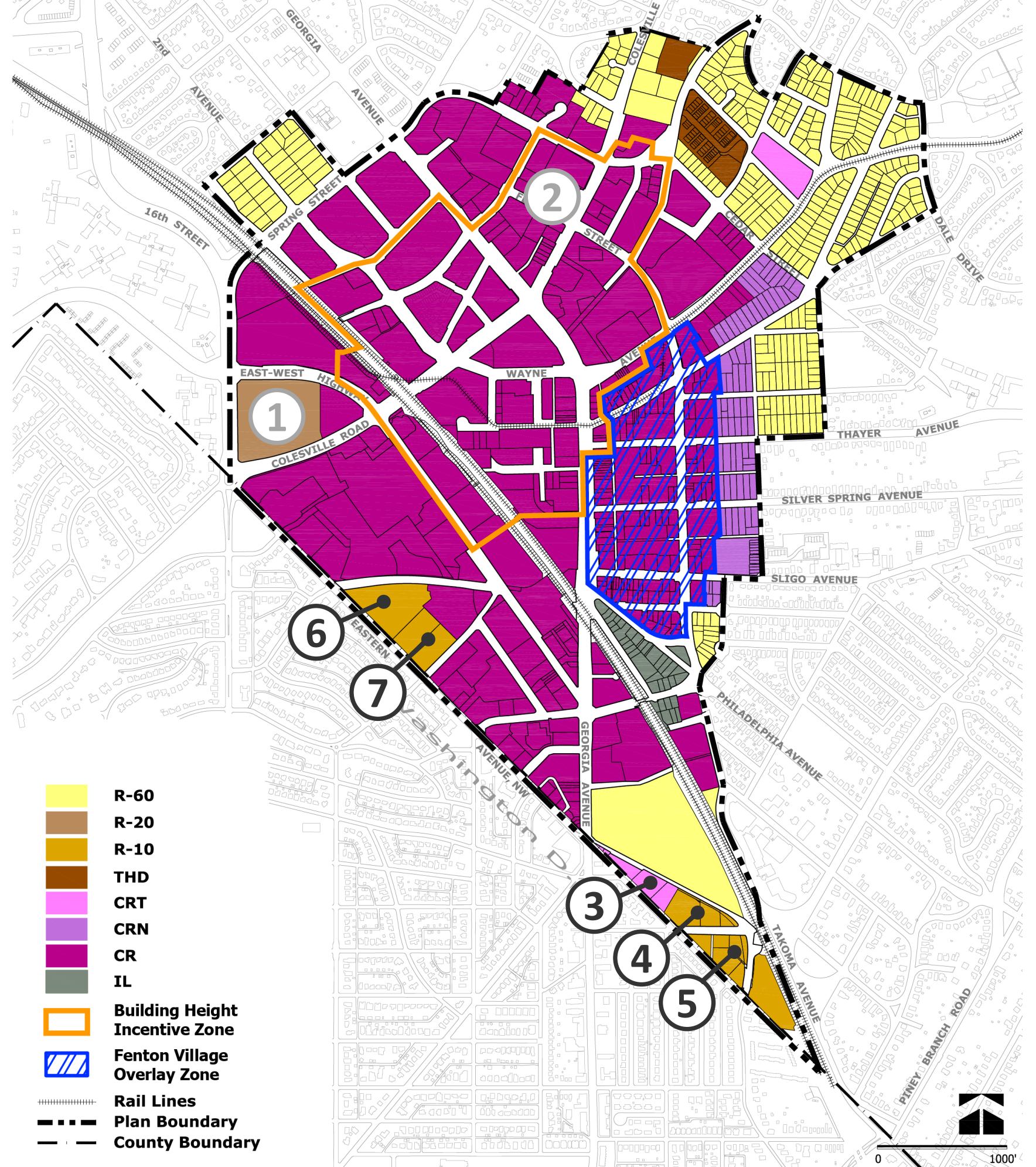
- **Halpine View**

- Rezoned from R-30 to CRT 1.25, C-0.25, R-1.25, H-85
 - 564 existing units, yield of around 1,880 under new zoning
 - 15% MPDUs, 10% market-rate affordable/DHCA Rental Agreement
 - Each phase of development should provide a number of affordable units (MPDUs plus market-rate affordable units under rental agreement) equal to the number of units being removed
 - With redevelopment, a minimum of 20% of all units must be 2-bedroom units and 5% of all units must be provided as three-bedroom units
 - Priority should be given to existing residents for the 2- and 3- bedroom units and the units under market-affordable rental agreements
 - Master Plan supports the return of the Aspen Hill Road extension to the Halpine View property through Montgomery County's disposition process in exchange for the requirement to provide a minimum of 30% of the dwelling units attributable to the density of the 1.9-acre parcel in the form of MPDUs

(19)

SSDAC Gardens Zoning Map

- 1 – Falklands
- 2 – Montgomery Arms
- 3 – Blair Park Apartments
- 4 – Blair Park Gardens
- 5 – Eastern Avenue Apartments
- 6 – Rock Creek Springs
- 7 – Spring Garden Apartments



(20)

Blair Park

Number of Existing Dwelling Units	# of Family Sized Units (2 & 3 bedrooms)	# of Affordable Housing Units	Current Zoning	Yield Under Current Zoning	Proposed Zoning	Yield Under Proposed Zoning	2-Bedroom Effective Rent	2-Bedroom Effective Rent AMI
53	9 (17.3%)	27	R-10	31	CRT-3 C-0 R-3 H-75	94	\$1,312	49%

- 7719-7725 Eastern Avenue
- Built 1937
- South Silver Spring District
- Owned by MHP
- **Recommended to be rezoned through the SSDAC plan to allow flexibility to support future affordable housing redevelopment**

(21)



Blair Park Gardens

Number of Existing Dwelling Units	# of Family Sized Units (2 & 3 bedrooms)	# of Affordable Housing Units	Current Zoning	Yield Under Current Zoning	2-Bedroom Effective Rent	2-Bedroom Effective Rent AMI
74	36 (48.7%)	0	R-10	56	\$1,425	53%

- 7701-7705 Eastern Avenue; 805-809 Juniper Street; 7700-7705 Blair Road
- Built 1938
- South Silver Spring District



(22)

Eastern Avenue Apartments

Number of Existing Dwelling Units	# of Family Sized Units (2 & 3 bedrooms)	# of Affordable Housing Units	Current Zoning	Yield Under Current Zoning	2-Bedroom Effective Rent	2-Bedroom Effective Rent AMI
35	12 (34.9%)	0	R-10	59	\$1,211	45%

- 7603-7615 Eastern Avenue
- Built 1937
- South Silver Spring District



(23)

Rock Creek Springs

Number of Existing Dwelling Units	# of Family Sized Units (2 & 3 bedrooms)	# of Affordable Housing Units	Current Zoning	Yield Under Current Zoning	2-Bedroom Effective Rent	2-Bedroom Effective Rent AMI
216	59 (27.3%)	0	R-10	155	\$1,975	74%

- 8000-8012 Eastern Drive; 8001-8009 Eastern Drive; 8033- 8039 Eastern Avenue; 8000-8004 Blair Mill Road; 1300-1302 Blair Mill Road
- Built 1943
- South Silver Spring District
- Has a condo parcel cut out from entirety of parcel



(24)

Spring Garden Apartments

Number of Existing Dwelling Units	# of Family Sized Units (2 & 3 bedrooms)	# of Affordable Housing Units	Current Zoning	Yield Under Current Zoning	2-Bedroom Effective Rent	2-Bedroom Effective Rent AMI
169	41 (24.4%)	57	R-10	123	\$1,550	58%

- 8001-8031 Eastern Avenue
- Built 1941
- South Silver Spring District
- Two parcels – HOC owns one parcel
- Listed in the *Locational Atlas and Index of Historic Sites*



(25)

Options

Option 1	Option 2	Option 3
Retain existing R-10 zoning, as proposed currently in SSDAC	Add language to support a future Local Map Amendment application for a CRT Floating Zone as long as affordability or no net loss conditions are met At time of application, historic value can be evaluated.	Rezone specific garden apartments with additional density and increased unit yields (roughly 3x what exists today) and add language to strive for no net loss or high affordability targets (20%?)

- Option 2 allows for site flexibility and the ability to maximize the affordable housing yield, but also allows a more detailed analysis of site's constraints and development context at time of application

(26)