

Committee: PHED

Committee Review: At a future date **Staff:** Livhu Ndou, Legislative Attorney

Purpose: To receive testimony – no vote expected

Keywords: #CRN #MPDU

AGENDA ITEM #8 September 13, 2022 Public Hearing

SUBJECT

Zoning Text Amendment (ZTA) 22-08, Commercial/Residential Zones – MPDU

Lead Sponsor: Councilmember Friedson

EXPECTED ATTENDEES

Members of the public

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

To receive testimony

DESCRIPTION/ISSUE

ZTA 22-08 will apply Section 4.5.2.C., Development with Moderately Priced Dwelling Units and Other Income-Restricted Housing, to the CRN zone.

SUMMARY OF KEY DISCUSSION POINTS

- ZTA 22-08 will clarify the Council's intent that the MPDU provisions apply in the CRN zone.
- ZTA 22-08 will require site plan approval for projects that develop under Section 4.5.2.C. in the CRN zone.
- A Planning, Housing, and Economic Development Committee worksession is tentatively scheduled for September 19, 2022.

This report contains:

ZTA 22-08 © 1
Racial Equity and Social Justice Impact Statement © 4

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Zoning Text Amendment No.: 22-08 Concerning: Commercial/Residential

Zones - MPDU

Draft No. & Date: $1 - \frac{5}{31}/2022$

Introduced: July 26, 2022

Public Hearing:

Adopted: Effective: Ordinance No.:

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND SITTING AS THE DISTRICT COUNCIL FOR THAT PORTION OF THE MARYLAND-WASHINGTON REGIONAL DISTRICT WITHIN MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Councilmember Friedson

AN AMENDMENT to the Montgomery County Zoning Ordinance to:

- clarify the applicability of the moderately-priced dwelling unit provisions to the CRN zone; and
- generally amend the provisions for Commercial/Residential development.

By amending the following sections of the Montgomery County Zoning Ordinance, Chapter 59 of the Montgomery County Code:

Division 4.5. "Commercial/Residential Zones" Section 4.5.3. "Standard Method Development"

EXPLANATION: Boldface indicates a Heading or a defined term.

<u>Underlining</u> indicates text that is added to existing law by the original text amendment.

[Single boldface brackets] indicate text that is deleted from existing law by original text amendment.

<u>Double underlining</u> indicates text that is added to the text amendment by amendment.

[[Double boldface brackets]] indicate text that is deleted from the text amendment by amendment.

* * * indicates existing law unaffected by the text amendment.

ORDINANCE

The County Council for Montgomery County, Maryland, sitting as the District Council for that portion of the Maryland-Washington Regional District in Montgomery County, Maryland, approves the following ordinance:

Sec. 1. DIVISION 59-4.5 is amended as follows: 1

2 **Division 4.5. Commercial/Residential Zones**

3

Section 4.5.3. Standard Method Development 4

- The CRN, CRT, and CR [zone]zones allow standard method development under 5
- the following limitations and requirements. 6

In General 7 A.

1. In the CRN zone, the maximum total, nonresidential, and residential 8

[FARs]FAR and maximum height for any property [is]are set by the

zone shown on the zoning map, unless additional height and density is

permitted under Section 4.5.2.C.

* * 12

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Procedure for Approval 13 В.

- Site plan approval may be required under Section 7.3.4.A.8. 14 1.
- 2. An applicant may file a site plan application to modify the Build-to 15

Area, Building Orientation, and Transparency requirements under 16

Section 4.5.3.C.3. 17

In the CRN zone, site plan approval is required for applications that 3. 18 19

develop under Section 4.5.2.C.

* * 20

Sec. 2. Effective date. This ordinance becomes effective 20 days after the 21

date of Council adoption. 22

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Racial Equity and Social Justice (RESJ) Zoning Text Amendment Statement

Office of Legislative Oversight

ZTA 22-08: COMMERCIAL/RESIDENTIAL ZONES - MPDU

SUMMARY

The Office of Legislative Oversight anticipates that Zoning Text Amendment 22-08 would have little or no impact on racial equity and social justice (RESJ) in the County as it clarifies provisions implicitly included in the Zoning Ordinance rather than changes land use policies or practices that could impact RESJ.

PURPOSE OF RESJ IMPACT STATEMENTS

The purpose of RESJ impact statements for zoning text amendments (ZTAs) is to evaluate the anticipated impact of ZTAs on racial equity and social justice in the County. Racial equity and social justice refer to a process that focuses on centering the needs, leadership, and power of communities of color and low-income communities with a goal of eliminating racial and social inequities. Achieving racial equity and social justice usually requires seeing, thinking, and working differently to address the racial and social harms that have caused racial and social inequities.

PURPOSE OF ZTA 22-08

Zoning Text Amendments typically modify the Zoning Ordinance to change definitions of terms, modify development standards, create new zones, or to adjust allowable uses among other uses. Such changes in the Zoning Ordinance can impact current racial and social inequities in land use. Some ZTAs, however, do not change, modify, or create new standards or adjustable land uses, but instead clarify existing land uses. ZTA 22-08, Commercial/Residential Zones – MPDU, exemplifies this later approach of a ZTA clarifying existing land use policy and practice rather than changing it.

The purpose of ZTA 22-08 is to explicitly allow Moderately Priced Dwelling Units (MPDUs) in Commercial Residential Neighborhood (CRN) zones.³ MPDUs are dwelling units offered for sale or rent to eligible low or moderate-income households earning up to 65 or 70 percent of the area median income through the Department of Housing and Community Affairs.⁴ The MPDU Program requires that 12.5 to 15.0 percent of new housing units in projects with 20 or more units to be affordable to such households.⁵

Of note, Division 59.4.5 of the Zoning Ordinance explicitly describes the applicability of MPDUs for Commercial Residential Town (CRT) and Commercial Residential (CR) zones. This section of the Zoning Ordinance, however, does not describe the applicability of MPDUs in CRN zones. Yet, because the Zoning Ordinance does not explicitly prohibit MPDUs in the CRN zone, they are implicitly allowed in such zones. To make the allowance of MPDUs in CRN zones as explicit as their allowance in CRT and CR zones, ZTA 22-08 modifies applicable sections and subsections of the Zoning Ordinance toward this end. ZTA 22-08 also articulates a regulatory review process with the Planning Board for MPDUs in the CRN zone, under the Standard Method Development.

ZTA 22-08 was introduced on July 26, 2022.

RESJ Impact Statement

Zoning Text Amendment 22-08

ANTICIPATED RESJ IMPACTS

OLO finds that ZTA 22-08 does not establish new policies or land use practices. Instead, ZTA 22-08 clarifies that MPDUs are allowed in Commercial Residential Neighborhoods by inserting language in the Zoning Ordinance that is analogous to the allowance for MPDUs in Commercial Residential and Commercial Residential Town zones. Since ZTA 22-08 does not change the County's land use policies or practices, but instead makes explicit an implicit allowance for MPDUs in CRN zones, OLO anticipates that ZTA 22-08 will have little to no impact on RESJ in the County.

CAVEATS

Two caveats to this racial equity and social justice impact statement should be noted. First, predicting the impact of legislation on racial equity and social justice is a challenging, analytical endeavor due to data limitations, uncertainty, and other factors. Second, this RESJ impact statement is intended to inform the legislative process rather than determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

CONTRIBUTIONS

OLO staffers Elsabett Tesfaye, Performance Management and Data Analyst drafted this RESJ impact statement.

¹ Definition of racial equity and social justice adopted from "Applying a Racial Equity Lens into Federal Nutrition Programs" by Marlysa Gamblin, et.al. Bread for the World, and from Racial Equity Tools. https://www.racialequitytools.org/glossary

² Ibid.

³ The Commercial Residential Neighborhood zone (CRN) is one of the three family of zones under Division 59.4.5: Commercial/Residential Zones that also include Commercial Residential Town (CRT) and Commercial Residential (CR).

⁴ COMCORE Chapter 25A-Housing: Moderately Priced-Regulations.

 $[\]underline{https://codelibrary.amlegal.com/codes/montgomerycounty/latest/montgomeryco_md_comcor/0-0-0-13342}$

⁵ Aseem Nigam, Annual Report on MPDU's Covering Calendar Year 2020, Department of Housing and Community Affairs https://www.montgomerycountymd.gov/DHCA/Resources/Files/housing/affordable/publications/mpdu/annual_report_mpdu-2020.pdf