



## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

**APPROVED**

Friday, October 30, 2020

The County Council for Montgomery County, Maryland convened via video conference at 1:04 P.M. on Friday, October 30, 2020.

### PRESENT

Councilmember Sidney Katz, President  
Councilmember Gabe Alborno  
Councilmember Evan Glass  
Councilmember Nancy Navarro

Councilmember Tom Hucker, Vice President  
Councilmember Andrew Friedson  
Councilmember Will Jawando  
Councilmember Craig Rice

Councilmember Hans Riemer

The President in the Chair.

**PRESENTATION** - Proclamation was presented by Mr. Katz and Mr. Elrich recognizing Emancipation Day.

(1) **WORKSESSIONS:**

- A. [2020-2024 Subdivision Staging Policy](#)
- B. [Bill 37-20, Subdivision - Preliminary Plan - Adequate Public Facilities - Amendments](#)
- C. [Bill 38-20, Taxation - Development Impact Taxes for Transportation and Public School Improvements - Amendments](#)
- D. [Expedited Bill 39-20, Taxation - Recordation Tax - Amendments](#)

Mr. Katz said straw votes would be taken today unless Councilmembers request more time for consideration of a specific item.

Participating in the discussion were Dr. Orlin, Senior Analyst; Ms. Dunn, Senior Legislative Analyst; Ms. Beck, Office of Management and Budget (OMB);

Mr. Anderson, Chair, Montgomery County Planning Board; Ms. Wright, Director, Mr. Sartori, and Ms. Govoni, Montgomery County Planning Department.

Ms. Dunn began the review on page 26 of the staff report to continue discussion on Utilization Premium Payments (UPP).

Supported without objection the Planning, Housing, and Economic Development (PHED) Committee's recommendation that revenue from the UPPs can be spent on any school facility capital project at the same school level that adds capacity designed to alleviate overutilization in the school service area from which the funds are collected; and that any UPP required as a condition of approval must be paid at the time of building permit according to the conditions of approval. The amount of the payment should be based on the rates in effect at the time the payment is made.

Agreed to return to the issue of exemptions from UPPs when exemptions from impact taxes are discussed.

Mr. Katz stated he would recuse himself from votes concerning Opportunity or Enterprise zones.

Ms. Navarro, Chair of the Government Operations and Fiscal Policy (GO) Committee, reviewed the Committee's recommendations concerning impact taxes, as contained in the staff packet. She stated that residents of District 4, the East County, want more job centers, amenities, and activity zones, not more moderately priced dwelling units (MDPUs), and that the Council must determine how to incentivize construction of needed amenities in these communities.

Supported without objection the PHED Committee's recommendation to calculate school impact taxes based on 100 percent of the per student seat cost.

Considered the PHED Committee's recommendation that a discount to "Desired Growth and Investment Areas" is unwarranted. Mr. Friedson discussed his proposal, contained in his memorandum dated October 26, 2020, expressing support for the Planning Board's proposal to create "Desired Growth and Investment Areas." He suggested they be included as part of the transportation policy areas and that the locational adjustment factor be set at 0.6, to be more consistent with smart growth policy. Noted that the GO Committee has not discussed Mr. Friedson's proposal to apply a discount. OMB estimated the County would forgo an estimated \$60 million in revenue over ten years with Mr. Friedson's proposal. The proposal did not come to a vote. Supported the Committee recommendation to not discount "desired growth and investment areas," without objection.

Supported the PHED Committee recommendation to use the 100 percent student seat cost calculation for residential development in the AR zone, just as it is recommended for the rest of the County.

Supported by a vote of 8 to 1 the Committee recommendation to eliminate the impact tax surcharge on dwelling units larger than 3,500 square feet. Mr. Glass was opposed, expressing the view that it is an issue of equity and noting that the financial impact of eradicating the tax for larger homes would be approximately \$1.1 million.

Supported without objection the Committee recommendation to continue application of impact taxes on a net new basis, Mr. Riemer's suggestion to extend the deadline to start construction from one to four years, and Mr. Friedson's suggestion to add a waiver provision for the Director of the Department of Permitting Services (DPS), or the Director's designee, if the Director finds that the applicant was unable to apply for a building permit due to actions or circumstances beyond the applicant's control.

Supported without objection the Committee recommendation that non-capacity-adding improvements should not be creditable against the school impact tax.

Considered impact tax credits for projects providing two- and three-bedroom units. Mr. Jawando made a motion, seconded by Mr. Glass, to adopt incentives of 40 percent for two-bedroom multi-family units and 60 percent for three-bedroom multi-family units built in Infill School Impact Areas, to incentivize construction of multi-family housing for families. Ms. Wright stated there is a dearth of three-bedroom MPDUs, but two-bedroom units are being constructed. Mr. Rice suggested the incentive be limited to construction of three-bedroom units. Mr. Jawando and Mr. Glass accepted the suggestion as an amendment to the motion.

Ms. Navarro noted that the GO Committee did not make a recommendation on this issue and expressed the hope that additional options would be developed to incentivize development of three-bedroom units, noting that the school impact tax is only one tool.

Supported Mr. Jawando's motion, as amended, to adopt an incentive of 60 percent for three-bedroom multi-family units built in Infill School Impact Areas, by a vote of 7 to 2. Mr. Friedson and Mr. Katz were opposed, preferring to wait for more information.

Mr. Rice, noting that this is a straw vote, requested staff provide additional options for consideration at the November 5, 2020, Council session.

Considered impact tax exemptions for Enterprise Zones and Opportunity Zones. Ms. Navarro commented that the Wheaton, Glenmont, White Oak areas need

amenities and jobs, and suggested the Council consider moving them forward within the Opportunity Zone.

Mr. Jawando expressed the view that Opportunity Zones should be targeted to certain areas and should focus on commercial development and where the County is not already seeing development. Agreed that Wheaton, Glenmont and White Oak should be included in the Opportunity Zones.

Supported the GO Committee recommendation by a vote of 7-1-1 to end the exemption for former enterprise zones and to initiate an exemption for development in qualified opportunity zones. Mr. Jawando voted in the negative and Mr. Katz abstained.

Supported Mr. Jawando's motion without objection, to exempt the City of Rockville from the above decision, noting that the Opportunity Zone is within Rockville City limits. Mr. Katz abstained.

Supported the GO Committee recommendation to require that all affordable units be placed in the MPDU program, without objection.

Supported the GO Committee recommendation to replace the current exemption with one that limits the amount of the exemption for projects providing a minimum of 25 percent MPDUs, without objection; and agreed to give the discount equal to the rate in infill areas, without objection.

Dr. Orlin began his review of transportation issues with Policy Areas around Metrorail Stations, beginning on page 174 of the staff report.

Forest Glen Metro Station area - Supported the recommendation of the joint PHED/GO Committee to create a new Forest Glen Policy Area and that it be classified as a Red Policy Area, without objection. Supported the Committees' and Planning Board's recommended boundary for the Forest Glen Metro Station area, as shown on page ©2 of the staff report, by a vote of 8 to 1. Mr. Jawando voted in the negative.

Grosvenor/Strathmore Metro Station area - Supported the recommendation of the joint PHED/GO Committee to expand this Red policy area to include the Academy of the Holy Cross and Saint Angela Hall properties along the south side of Strathmore Avenue, without objection.

Medical Center and Takoma Metro Station areas - Supported the recommendation of the joint PHED/GO Committee to create a new Red policy area for the area roughly a half-mile walkshed around the Medical Center Metro Station, without objection.

Supported the recommendation of the joint PHED/GO Committee to create a new Red policy area for the area roughly a half-mile walkshed around the Takoma Metro Station that is within Montgomery County, without objection.

Policy Areas around Purple Line stations - Supported without objection the recommendation of the joint PHED/GO Committee to include every half-mile walkshed from a Purple Line station in distinct policy areas, except for those portions of these walksheds that are already in the Bethesda Central Business District (CBD) or Silver Spring CBD Red policy areas; and to categorize the Purple Line policy areas as Red policy areas.

The Council is scheduled to continue its discussion of the SSP and related bills on November 5, 2020.

The meeting adjourned at 5:03 P.M.

This is a correct copy of Council action.

***Approved/Signed by Clerk of the Council***

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Selena Mendy Singleton, Esq.  
Clerk of the Council