

PHED Committee #3
February 13, 2017

MEMORANDUM

February 9, 2017

TO: Planning, Housing, and Economic Development (PHED) Committee

FROM: Marlene Michaelson, Senior Legislative Analyst

SUBJECT: Bethesda Downtown Sector Plan

This is the Planning, Housing, and Economic Development (PHED) Committee's third worksession on the Bethesda Downtown Sector Plan. At this meeting, the Committee will focus on the Plan's recommendations for allocating density, particularly the sending and receiving site concept, affordable housing, and environmental recommendations.

Councilmembers should bring their copy of the Plan to the meeting.

METHODS TO ALLOCATE DENSITY

As summarized in the chart below, the Sector Plan recommendations would allow up to 4.6 million square feet of development beyond what is allowed by existing zoning. The Sector Plan assumes 1.3 million of this total will come from Priority Sending Sites (from both existing zoning and increases in density), but otherwise caps density at what existed in the 1994 Sector Plan.

BETHESDA DEVELOPMENT			
	Existing Development	Maximum Under Existing Zoning (including existing)	Maximum Allowed Under Proposed Development (including existing)
Commercial (sf)	14,019,451	13,789,135	16,485,550
Residential Total (DU)	9,603	14,028	17,957
Residential, Single-Family (DU)	707	606	606
Residential, Multi-Family (DU)	8,896	13,422	17,351
Total Square Footage (millions)	23.6	27.8	32.4

To obtain additional density, property owners would either need to arrange a transfer of density from a Priority Sending Site or must follow the requirements in the proposed Overlay zone, which includes a \$10 per square foot park impact payment (PIP). Several property owners expressed their desire to have their maximum density allocated at this time without a need for a transfer of density or payment of the PIP. Without yet making any decisions regarding the specific options for density allocation, Staff recommends that the Committee make a determination on whether it concurs with one of the Sector Plan’s most central strategies - to not increase the density of most properties at this time.

Staff supports the overall strategy to not allocate density at this time and require certain actions and extractions by and from property owners to obtain additional density.

Options to receive an allocation of additional density include one of three methods illustrated on © 3. In addition to the existing density transfer provision in the Zoning Ordinance, property owners can obtain additional density if they follow the provisions in the Bethesda Overlay zone and do the following:

- Pay a \$10 per square foot park impact payment (PIP).
- Provide 15% Moderately Priced Dwelling Units (MPDUs).
- Have designs reviewed by a Design Advisory Panel.

The Overlay zone allows up to 3.29 million square feet of “bonus density” to be allocated by this method. **At a future meeting, Staff will provide an analysis of the park impact payment** (as well as other options to generate funding for parks).

Another option allows them to transfer density from one of several designated “**priority sending**” sites at a price to be negotiated between the seller and buyer. The Zoning Ordinance allows density transfers for properties zoned Commercial/Residential (CR) or Commercial/

Residential Town (CRT) that are located within ¼ mile of each other. Pages 147-149 of the Sector Plan describe its recommendations for a new density transfer program that identifies specific Priority Sending Sites that fall into one of three categories: existing affordable housing, public open spaces, and historic/community resources. The Sector Plan recommends an increase in floor area ratio (FAR)¹ for some of the Sending Sites that can be transferred to other properties. The Sending Sites are identified on a map on © 8, and information about each site, the zoning, and the density that could be transferred appears on © 9-11. Property owners who purchase density from a Priority Sending Site are **not** required to purchase Building Lot Termination (BLT) rights, provide 15% affordable housing on the transferred density, or pay the park impact payment.

The Sector Plan appendix estimates a cost of \$35-\$41 per square foot to purchase density from a Sending Site, although the value will be linked to value of development in Bethesda, which several property owners have indicated to Staff is much higher. Since the Plan exempts properties that purchase density from the requirements to provide 15% MPDUs and the purchase of BLTs, they estimate that the cost of additional density will be discounted as compared to density transfers currently allowed under the Zoning Ordinance.

Staff has several concerns with this option that were identified in the Staff memorandum for the January 23 meeting and are explained in more detail below. **These concerns lead Staff to recommend removing this option from the Sector Plan and identifying other strategies to achieve the intended objectives. Staff further recommends placing any increase in density allocated to the Sending Sites into the density pool that can be allocated to properties seeking additional density and providing additional flexibility in the existing density transfer allowed by the Zoning Ordinance so that some of the sites designated as Sending Sites can still transfer density.**²

The need to find and negotiate with senders, the uncertainty regarding finding a willing seller and price, and the cost differential between this option and paying the park impact payment lead Staff to conclude that any property seeking additional density will opt to pay the \$10 park impact payment, rather than negotiate and purchase density from a Sending Site at a price very likely to exceed \$35 per square foot. Staff does not believe those wishing to acquire new density will turn to Sending Sites until all of their existing zoned capacity and the bonus density pool (3.3 million square feet) have been used up. It is unclear how long this will take, **but it is entirely possible that no purchase of Sending Site density would occur during the life of the Sector Plan unless a property owner is willing to sell in the near term for far less than he could obtain in the long term.** The owners of properties designated as Sending Sites have no certainty as to when or if they will ever receive compensation as a Sending Site. This is particularly problematic for the owners of the Montgomery Farm Women's Market, who are hoping to sell their property in the near future.

¹ The FAR expresses the relationship between the amount of useable floor area permitted in a building (or buildings) and the area of the lot on which the building stands.

² The Sending Sites have a total of 1.3 million square feet that can be transferred to receiving areas. Some portion is unused density from existing zoning and some portion come from increases in density recommended in this Sector Plan. Only the density added in this Sector Plan would be available to be shifted into the density pool.

Recommendations to make the Sending Sites more appealing include exempting them from enhanced affordable housing and BLT requirements. Staff does not believe this will make a significant enough difference in the price relative to the PIP. More importantly, Staff does not believe that any site in Bethesda should be exempt from providing 15% affordable housing and purchasing BLTs. In Staff's opinion, the importance of these County programs outweighs the benefits of providing a subsidy to organizations identified as receiving areas.

Another potential problem with this approach could occur if Priority Sending Sites choose not to send density and instead develop under the designated zone. While this may not be possible with sites that are historic, it could happen with other privately-owned sites, thwarting the underlying goal of the Sending Site designation.

Staff believes that the Committee should look at the specific sites designated as Priority Sending Sites. In many cases it does **not** appear that the Sending Site designation will change the likely development of the sender's property, particularly for the affordable housing and historic/community sites.

Affordable Housing Sending Sites

With the exception of two privately owned buildings that are designated on the part of Site 13 north of Bradley (see map on © 8), most of the sites designated as affordable housing are owned by the Housing Opportunities Commission (HOC). Since HOC would continue to operate affordable housing on its sites, the designation does not retain affordable housing that might otherwise be lost to redevelopment as market rate units. Instead, it provides a source of funding for HOC that can be used towards its programs. With the exception of the two buildings on Site 13 (which are private market-rate units affordable to those making between 80% to 100% of area median income), none of the affordable housing Priority Sending Sites are privately owned. (As discussed below in the section on affordable housing, Staff believes the preservation of market rate affordable housing units should be addressed in this Sector Plan.)

EXISTING AFFORDABLE HOUSING						
	Description	Property Owner	Current Zone	FAR of Existing Structure	Proposed FAR per Master Plan	Leftover FAR Available to Sell
Site 12	Waverly House	HOC	CR-3.0	3.91	5	1.09
Site 13	Barclay Multi-family 4733 Bradley (14 DU)	HOC	R-10	1.60	3	1.40
	Multi-family 4743 Bradley (28 DU)	Private	R-10	1.82	1.5	0.50
		Private	R-10	1.00	1.5	0.50
Site 14	Single-family	HOC	R-10	1.18	3	1.82
	Single-family	HOC	R-10	1.29	3	1.71
	Single-family	HOC	R-10	1.14	3	1.86
Site 15	Metropolitan (HOC)	HOC	CR-5.0 H-145 T	4.51	6	1.49
Site 16	Lasko Manor	HOC	CR-1.75	1.96	2.75	0.79

Historic/Community Resources

The Sector Plan identifies 5 Historic and Community Resources. Three properties are designated historic, one is a church, and the final group of properties are along Norfolk Avenue.

HISTORIC/COMMUNITY RESOURCES						
	Description	Property Owner	Current Zone	FAR of Existing Structure	Proposed FAR per Master Plan	Leftover FAR Available to Sell
Site 7	Farm Women's Market	Private	CR-3.0 H-35 T	0.13	6	5.00
Site 8	Post Office	Private	CR-8.0 H-145 T	0.74	8	7.00
Site 9	Brooks Photographer	Private	CR-5.0 H-145 T	0.91	5	4.00
Site 10	Church School, Basketball Court and Vestry	Private	R-60	0.00	2.25	1.25
	St. John's Episcopal Church	Private	CR-3.0 H-75 T	0.70	2.25	1.25
Site 11	Assorted Retail and Commercial Buildings	Private	CR-3.0 H-90 T	Ranging from 0 to 2.06	3	Ranging from 0 to 3.0

The historic properties are limited in what can be built on those sites, regardless of whether they sell density, and it is unlikely that the church would choose to redevelop. The effect of the Sending Site designation is to provide monetary compensation to these property owners (assuming they can sell the density), while not changing development on their sites. Staff does not believe this program should be used to provide operating subsidies to worthwhile organizations in Bethesda when the County does not have the ability to offer such operating subsidies to similarly well deserving organizations elsewhere in the County. **Since most of these properties' current zoning offers more density than they currently have, they still have the ability to transfer density under the existing density transfer program.** Staff recommends that the Planning Department be asked to consider whether the Overlay zone can be used to provide greater flexibility for properties that wish to take advantage of the existing density transfer provisions in the Zoning Ordinance (e.g., would it be advisable to eliminate the ¼ mile geographical limit in downtown Bethesda and/or the requirement for a common sketch or site plan?).

The Plan designates properties along Norfolk Road as Priority Sending Sites “in order to preserve the pedestrian-scale main street atmosphere” (site 11 on © 8); however, it does not indicate how the transfer of density would accomplish this or any specific requirements. Staff believes that land use and design recommendations could be included in the Sector Plan to more effectively achieve the same goals.

Recommended Public Open Space Sending Sites

Properties identified for open space are also designated as Sending Sites. Most of these sites are privately owned and one is a County-owned parking lot.³

RECOMMENDED PUBLIC OPEN SPACE PRIORITY SENDING SITES						
	Description	Property Owner	Current Zone	FAR of Existing Structure	Proposed FAR per Master Plan	Leftover FAR Available to Sell
Site 1	Office Building	Private	CR-3.0 H-120	1.62	3	1.38
	Retail/Office	Private	CR-3.0 H-120	1.78	8	6.22
	Retail	Private	CR-3.0 H-120	1.73	8	6.27
Site 2	Open Space at intersection of Bethesda and Woodmont	Private	CR-5.0 H-145	0.00	6	5.00
		Private	CR-5.0 H-145	0.00	6	5.00
Site 3	Dwellings converted to office	Private	CRN-0.5 H-35	Range from 0.12	0.5	0.50
Site 4	Parking Lot #10	Montgomery County	R-60	0.00	3.5	2.50
Site 5	Lot 633 on Rugby	Private	CRN 0.5 H-35	1.17	3.5	2.33
Site 6	Glen Lane	Private	R-10	0.00	1.5	0.50

Staff does not recommend any increase in density for sites recommended for public open space. As created in the Sector Plan, no property owner is required to send density, and the increases make it more attractive to hold onto the site for future development and simultaneously more difficult for the County to acquire it through traditional means. These sites should neither have their zoning increased above or decreased below what would be appropriate zoning for the property if it is not ultimately used for open space. The County should make every effort to obtain through dedication or acquire through purchase all properties identified for parkland. (At a future meeting, Staff will be presenting an analysis of options to fund these acquisitions.)

³ There are several County lots identified as potential sites for future parks and it is unclear to Staff why additional lots identified as potential future park sites are not also identified as Sending Sites.

Publicly owned parking lots that are the sites of potential parks should be rezoned to an appropriate zone corresponding to the buildings they serve (as the Council is doing for all parking lots formerly zoned R-60). If they are converted to parks, they could still transfer density under the existing density transfer provisions in the Zoning Ordinance, providing some compensation for the lost parking spaces.

AFFORDABLE HOUSING

The chart on © 4 and background on © 5-6 show the existing affordable housing units in Bethesda, including 826 income-restricted affordable housing units (MPDUs and Housing Opportunities Commission (HOC) income-restricted units). They also indicate that there are 3,263 market-rate units. However, under the new definition of “market-rate affordable” housing approved by the Council in the context of the Lyttonsville Sector Plan, market-rate affordable units would be those that are affordable to families making less than 80% of area median income, so many of these units would no longer fit that definition.

Income-Restricted Affordable Housing.

The Sector Plan recommends 15% MPDUs as a priority public benefit on optional method projects, requires 15% for all projects that acquired additional density via the bonus pool (although it is unclear whether the 15% would be on the entire development or just the bonus density), and exempts projects that purchase density from Priority Sending Sites from providing 15% MPDUs on bonus density. **Regardless of whether the Committee supports the Staff recommendation to eliminate the Priority Sending Sites, Staff recommends that all optional method projects in Bethesda (including ones with undeveloped zoning capacity that do not require bonus density) be required to provide 15% MPDUs any time they develop under the optional method of development.**

Market Rate Affordable Housing

The map attached on © 7 shows the location of rent-restricted and market-rate affordable housing units and the those that are designated as Priority Sending Sites. As the maps shows, most of the market rate affordable units are not Priority Sending Sites (only 2 buildings just north of Bradley are designated) and the affordable housing Priority Sending Sites are primarily HOC properties, which would be retained for affordable housing regardless of whether it is designated as a Sending Site. There are a significant number of other units that do not meet the new definition of market rate affordable units but are charging rents that are comparable to workforce housing. The Sector Plan does not provide any strategies for preserving market rate affordable or workforce housing comparable units.

Staff has asked Planning Department staff to reconsider what strategies could be used to preserve a portion of the market rate units, using strategies employed in the Greater Lyttonsville Sector

Plan or other ideas more appropriate for Bethesda. A memorandum from Planning Department staff on © 12-13 indicates that they are willing to explore options to address this concern. Staff recommends the Committee discuss this issue in depth when it returns to its land use discussion in March. In addition, the Committee will have the opportunity to consider how site-specific zoning recommendations impact affordable housing when it conducts its district-by-district review.

Environmental Recommendations/High Performance Area

Pages 60 to 65 of the Sector Plan present its recommendations for the “Urban Ecosystem”, focusing on green space, water quality, and energy. The section that focuses on “urban green” includes recommendations to increase tree canopy and street tree planting (with species diversity), install green roofs, and apply Sustainable Sites Initiative (SITES) on new construction. Redevelopment in Bethesda can result in improvements to water quality via new stormwater management measures not present in older construction, environmental site design, and reduced per capita water consumption via state-of-the-art new construction. The Bethesda Downtown Sector Plan is unique in its focus on reducing energy use, presented both on pages 64-65 and again in the discussion of the High Performance Area described on pages 66-69.

The High Performance Area is an area covering most of the core of the planning area (see map on page 67) that is intended to promote energy conservation. An optional method project in the High Performance Area “should be approved only if it achieves the maximum amount of public benefit points allowed for constructing buildings that exceed energy-efficiency standards for the building type”.⁴ The Plan’s recommendations not only ensure greater energy efficiency for Bethesda, but provide a unique branding that may attract future businesses and residents.

The Council has previously had concerns with specific energy requirements in master plans, but this is a unique approach that links energy consumption with public benefits required in the CR and CRT zones. Staff supports the goals of the Sector Plan, but believes the Plan should focus on goals, not the specific standards. The Sector Plan requirement is as follows:

“In order to qualify for the maximum available {public benefit} points, any building that is located in whole or in part within the boundary of the High Performance Area would be required to exceed the current ASHRAE 90.1 standard by 15 percent. If the County adopts a building code with a different efficiency standard, a building in the High Performance Area should similarly exceed the minimum standard. For example, if the County approves the International Green Construction Code (IgCC), building energy performance should rank two points lower (more efficient) than the Zero Energy Performance Index (zEPI) score listed in the most recent international Green Building Code as locally amended.”

⁴ Staff notes that the Sector Plan identifies 5 different top priority public benefits, including affordable housing; public open space; public benefits in the high performance area and enhanced vegetated roofs to increase green cover; exceptional design; and minimum parking. It may be a challenge to accomplish all and Staff recommends discussion of whether potential amenities required by the Overlay zone should also be listed as a priority public benefit.

Energy efficiency standards change rapidly and rather than site specific standards likely to be out-of-date shortly after the adoption of the Sector Plan, Staff recommends the Plan describe the goal and indicate that the Planning Department, in conjunction with the Department of Environmental Protection, should annually set the standard for the properties in the High Performance Area. This would also allow the Planning Board to use this standard in other master plans or regulatory reviews.

f:\michaelson\lplan\lmstrpln\bethesda downtown\packets\170213cp.doc

Plan Analysis

	Existing on the Ground	Available + Additional Density	Total Plan Land Use Vision	Realized Development
1976 Plan	9.2M SF	11.7M SF	20.9M SF	7.1M SF
1994 Plan	16.3M SF	11.5M SF	27.8M SF	7.3M SF
2016 Plan	23.6M SF	8.8M SF	32.4M SF	TBD

1994 Plan Vision left undeveloped: 4.2M SF

+

Additional Density Allocated through BOZ and PSS: 4.6M SF

=

2016 Plan Available and Additional Density: 8.8M SF

Bethesda Overlay Zone

Requirements:

- Park Impact Payment
- 15% MPDUs
- Design Review Advisory Panel

Affordable Housing:

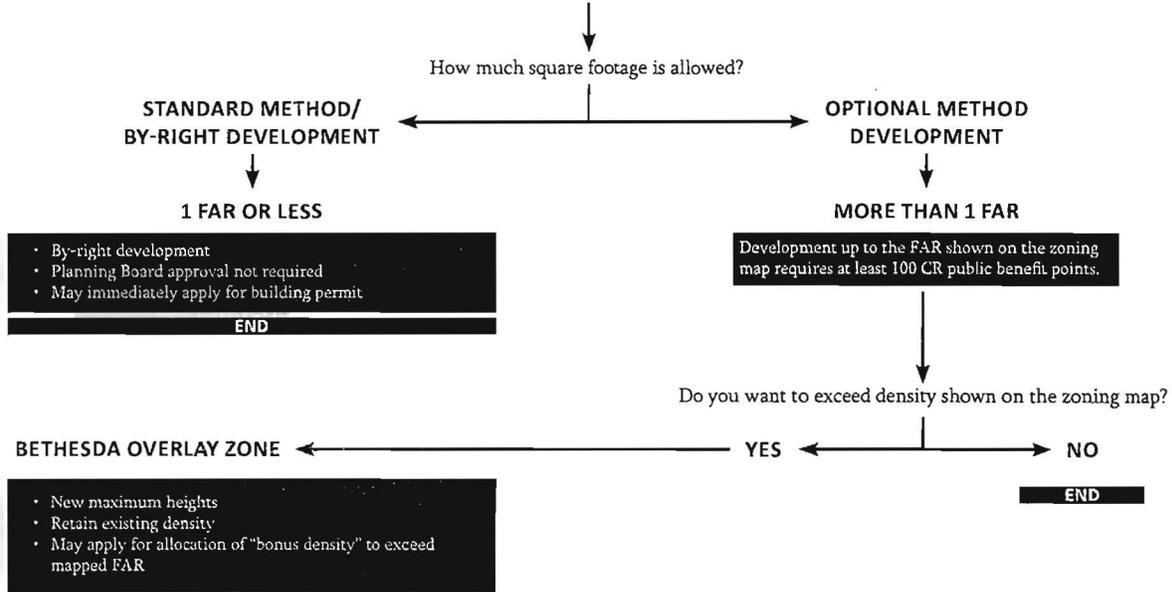
- MPDU SF does not count against FAR (same as today)
- No additional height given outside HPA boundary

Process:

- Board may approve project that exceeds mapped CR density
- For the Board to approve a project with add density it must find that no more than a total 32.4 million SF has been approved
- Project receiving add density must go to permit within 24 months of receiving site plan approval

Bethesda Overlay Zone

HOW ARE BUILDINGS APPROVED IN BETHESDA?



OPTIONS TO EXCEED MAPPED DENSITY

A DENSITY AVERAGING

Density may be averaged between properties within 1/4 mile of each other under the current zoning code. This may be done to acquire additional density to exceed the mapped FAR and reach mapped heights.

NEIGHBORING PROPERTY (WITHIN 1/4 MILE)

B BETHESDA OVERLAY ZONE

To acquire bonus density from this finite pool, developments must pay a Park Impact Payment, have 15% MPDUs, and are subject to a Design Review Panel.

BETHESDA OVERLAY ZONE

C PRIORITY SENDING SITES

The priority sending sites option is density averaging with some additional incentives. These include lifting the 1/4 mile restriction, eliminating the requirement for sketch plan or site plan, removing the BLT requirement, eliminating the 15% MPDU requirement, and waiving the park impact payment.

PRIORITY SENDING SITE

Bethesda Downtown Plan Area

Table – Summary of Affordable Rental Housing Analysis

Existing Multi-Family Rental Units	Rent-Restricted for Low-income Households	Market-Rate Rentals Affordable To:		
		Low Income Households (Income < 65% AMI)	Low-to-Moderate Income Households (65% AMI < Income < 100% AMI)	Moderate Income Households (100% AMI < Income < 120% AMI)
4,669	826 (17.69%)	780 (16.71%)	1,992 (42.66%)	491 (10.52%)

Source: DHCA Rental Facilities Survey (2012); CoStar Group (2015)

- The table includes rental housing units located in multi-family structures with at least 2 dwellings.
- The Bethesda Study Area includes thirty-eight large multi-family developments that contain twelve or more rental units. Sixteen of these developments have at least 100 units.
- 826 units are rent-restricted by MPDU requirements, Low-Income Housing Tax Credits, or public subsidies. These units are typically required to be affordable to households with income below 65% of AMI, and sometimes lower.
- Market-Rate rentals are defined as affordable if their rent price plus expected tenant-paid utility costs are no more than 30% of household income. Utility costs are estimated from HUD’s Allowances for Tenant-Furnished Utilities and Other Services.
- Households are free to reside in market-rate housing that is affordable to lower income households. Housing that is affordable and available to low-income households is also available to moderate income households. Therefore the actual supply of affordable housing for moderate income households consists of units that are affordable to their own income category, as well as those affordable to lower-income categories.

(H)

Affordable Housing Methodology Prepared by the Montgomery County Planning Department

In order to determine affordability, households are first categorized by their income relative to the area median income (AMI). AMI is adjusted for household size. Low-to-moderate income households are those earning up to 65 percent of AMI. The income limits in the table below are based on income requirements for Montgomery County’s moderately priced dwelling unit (MPDU) program and US Department of Housing and Urban Development (HUD) standards.

Table 1 - 2014 Income Limits

HOUSEHOLD SIZE	65% AMI	80% AMI (MARKET RATE AFFORDABLE)	100% AMI (MEDIAN)	120% AMI
1	48,685	59,920	74,900	89,880
2	55,640	68,480	85,600	102,720
3	62,595	77,040	96,300	115,560
4	69,550	85,600	107,000	128,400
5	75,140	92,480	115,600	138,720

Source: Montgomery County DHCA, HUD

Second, rather than just count the number of households, we need to count the number of rental units affordable to them to understand the inventory of low-cost housing. We, therefore, need to assume the number of bedrooms that a household of a particular size needs. Households of different sizes will have different needs with respect to bedrooms. And households of the same size will even have different bedroom needs. For example, two unrelated adults would typically need two bedrooms, while a married couple would need one.

The following table provides the Planning Department’s standard assumptions regarding the distribution of household sizes by number of bedrooms. (Note: We might want to reconsider this distribution. HUD typically accepts no more than 2 persons per bedroom for HUD-funded projects, while other programs use a standard of 1.5 persons per bedroom. HUD programs do not allow more bedrooms than persons.)

Table 2 – Household-Size Distribution by Number of Bedrooms

HOUSEHOLD SIZE	NUMBER OF BEDROOMS				
	Efficiency	1	2	3	4
1	100%	30%			
2		70%	10%		
3			60%	20%	
4			30%	50%	40%
5				30%	60%

Third, based on the previous two tables of household income limits and our assumptions about the distribution of household sizes by the number of bedrooms, we estimate income limits by number of bedroom rooms. This calculation is a weighted average of household-income limits for each bedroom size. For example, for one-bedrooms occupied by households up to 65 percent of AMI, the maximum weighted income is $.3 \times \$48,685 + .7 \times \$55,640 = \$53,554$



Table 3 – Income Limits by Number of Bedrooms

# OF BEDROOMS	65% AMI	80% AMI	100% AMI	120% AMI
0	\$48,685	\$59,920	\$74,900	\$89,880
1	\$53,554	\$65,912	\$82,390	\$98,868
2	\$57,727	\$74,472	\$88,810	\$106,572
3	\$69,836	\$83,032	\$107,440	\$128,928
4	\$72,904	\$90,416	\$112,160	\$134,592

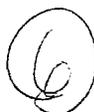
Fourth, affordable housing is defined as housing that costs no more than 25 percent of household income, if utilities are not included, or 30 percent of household income if utilities are included. This definition is similar to the rent requirement for MPDUs set by the County Department of Housing and Community Affairs (DHCA). The maximum affordable rent by number of bedrooms is listed below.

Table 4 – Affordable Limits at 30 Percent of Income

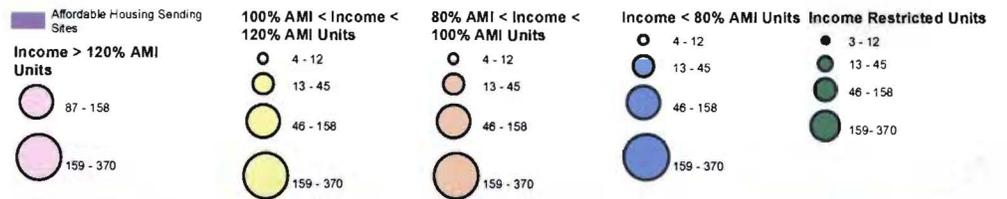
# OF BEDROOMS	65% AMI	80% AMI	100% AMI	120% AMI	FMR
0	\$1,217	\$1,498	\$1,873	\$2,247	\$1,176
1	\$1,339	\$1,648	\$2,060	\$2,472	\$1,239
2	\$1,443	\$1,862	\$2,220	\$2,664	\$1,469
3	\$1,746	\$2,076	\$2,686	\$3,223	\$1,966
4	\$1,823	\$2,260	\$2,804	\$3,365	\$2,470

Table 5 – Affordable Limits at 25 Percent of Income

# OF BEDROOMS	65% AMI	80% AMI	100% AMI	120% AMI
0	\$1,014	\$1,248	\$1,560	\$1,873
1	\$1,116	\$1,373	\$1,716	\$2,060
2	\$1,203	\$1,552	\$1,850	\$2,220
3	\$1,455	\$1,730	\$2,238	\$2,686
4	\$1,519	\$1,884	\$2,337	\$2,804



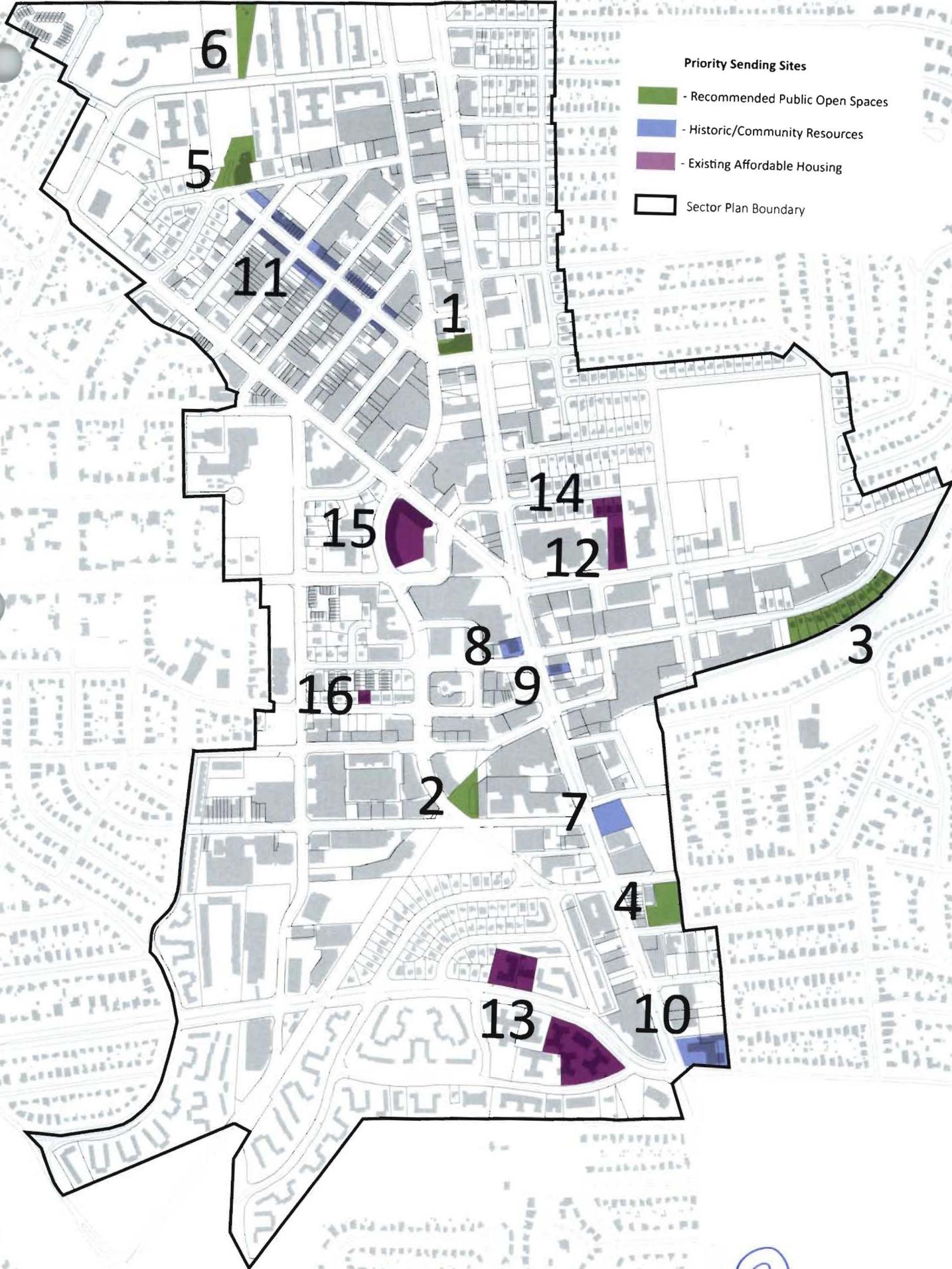
Bethesda Downtown Plan Area Rental Units



Affordability based on the Montgomery County Planning Department affordability assumptions for a 2-bedroom household for 2014.

Priority Sending Sites

-  - Recommended Public Open Spaces
-  - Historic/Community Resources
-  - Existing Affordable Housing
-  - Sector Plan Boundary





MONTGOMERY COUNTY PLANNING DEPARTMENT
THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

February 9, 2017

MEMORANDUM

TO: Marlene Michaelson
Montgomery County Council

VIA: Gwen Wright, Planning Director
Montgomery County Planning Department

Robert Kronenberg, RLA, Division Chief
Area 1 Planning Division

FROM: Leslye Howerton, Project Manager
Area 1 Planner Coordinator

SUBJECT: Planning Board Draft Bethesda Downtown Sector Plan
Priority Sending Sites and Affordable Housing

Dear Ms. Michaelson,

Per your request, we have been working diligently to see if there are opportunities in downtown Bethesda to apply the same density clustering tool that was used with the Rollingwood property in Lyttonsville, with the goal of preserving existing market rate affordable housing in Bethesda. A replication of this tool is much harder for the Bethesda Downtown Plan given the necessity of a large lot size for the clustering model (the Rollingwood site is 14 acres) versus the small lot sizes prevalent in the Bethesda Downtown Sector Plan (the largest multi-family site in Bethesda is 3.8 acres).

As you are aware, the Planning Board Draft transmitted to the County Council attempted to work to preserve market-rate affordable housing by creating Priority Sending Sites to incentivize density transfers away from certain multi-family housing properties so that they could be preserved. In essence, this recommendation was much like the density clustering tool used on Rollingwood, but involved multiple properties instead of clustering on just one property.

9

However, in light of recent discussions with you and others, we understand that there is discussion of removing the recommended Priority Sending Sites from the Bethesda Downtown Sector Plan in favor of more fully using the Bethesda Overlay Zone density pool allocation.

With this understanding, we are exploring alternative ideas for ways to preserve market-rate affordable housing in downtown Bethesda. This will take additional thought, but here are a few broad ideas:

- Use the Bethesda Overlay Zone (BOZ) density allocation system to require preservation of market-rate affordable units (i.e. for some specific group of projects to get a density allocation through the BOZ, require them to preserve other market-rate affordable units through a DHCA agreement)
- Work with HOC, which owns a large number of market-rate affordable units in Bethesda, to undertake a comprehensive plan for their properties that includes a specified amount of preservation
- Under the Rental Housing Study, we will be looking at revisions to the MPDU law that may allow development projects to meet their MPDU requirements in a variety of ways – one of which is to protect certain off-site housing resources.

This final idea is very new and has not been vetted with the Rental Housing Study Advisory Group (although we will be discussing it with them on Friday) or the Planning Board.

We look forward to continuing to discuss these matters with you.

Sincerely,

Leslye Howerton
Planner Coordinator

	ACCT#	Description	Property Owner	Lot Size (GIS)	SDAT GFA	Current Zone	FAR of Existing Structure	Proposed FAR per Master Plan	Leftover FAR Available to Sell	Leftover Square Footage Available to Sell
Site 1	00551007	OFFICE BUILDING	BREDICE LLC ET AL TR	5,275.00	8,530	CR-3.0 C-1.0 R-2.75 H-120 T	1.62	3	1.38	7,295.00
	00551018	RETAIL/OFFICE UP	GOLDBERG CHARLES H FAMILY TR	9,729.00	17,338	CR-3.0 C-1.0 R-2.75 H-120 T	1.78	8	6.22	60,494.00
	00551667	STORE-RETAIL	GOLDENHORN DONNA ET AL TR	2,328.70	4,018	CR-3.0 C-1.0 R-2.75 H-120 T	1.73	8	6.27	14,611.60
									Subtotal	82,400.60
Site 2	C000084	OPEN SPACE AT INTERSECTION OF BETHESDA AND WOODMONT	NOT LISTED	18,798.02	0 (temp. structures)	CR-5.0 C-5.0 R-5.0	0.00	6	5.00	93,990.10
	00429373	OPEN SPACE AT INTERSECTION OF BETHESDA AND WOODMONT	STREET RETAIL INC	4,901.58	0 (temp. structures)	CR-5.0 C-5.0 R-5.0	0.00	6	5.00	24,507.91
									Subtotal	118,498.00
Site 3	00426040	OFFICE - CONVERTED DWELLING	RADHAKRISHNAN BELUR K TR	8,250.05	1,533	CRN-0.5 C-0.5 R-0.25 H-35	0.19	0.5	0.50	4,125.03
	00433284	OFFICE - CONVERTED DWELLING	RADHAKRISHNAN BELUR K ET AL TR	8,405.12	1,452	CRN-0.5 C-0.5 R-0.25 H-35	0.17	0.5	0.50	4,202.56
	00437852	OFFICE - CONVERTED DWELLING	RADHAKRISHNAN BELUR K ET AL TR	7,652.60	1,476	CRN-0.5 C-0.5 R-0.25 H-35	0.19	0.5	0.50	3,826.30
	00435261	OFFICE - CONVERTED DWELLING	4330 MONTGOMERY AVENUE LLC	7,054.53	1,714	CRN-0.5 C-0.5 R-0.25 H-35	0.24	0.5	0.50	3,527.26
	00425876	OFFICE - CONVERTED DWELLING	4328 MONTGOMERY LIMITED	6,708.56	3,360	CRN-0.5 C-0.5 R-0.25 H-35	0.50	0.5	0.50	3,354.28
	00422576	OFFICE - CONVERTED DWELLING	CHAMPION REAL ESTATE VENTURES	6,854.17	1,896	CRN-0.5 C-0.5 R-0.25 H-35	0.28	0.5	0.50	3,427.09
	00416928	OFFICE BUILDING	F A SERVICES LLC	6,443.01	1,456	CRN-0.5 C-0.5 R-0.25 H-35	0.23	0.5	0.50	3,221.50
	00567457	OFFICE - CONVERTED DWELLING	4314 MONTGOMERY LLC	6,429.43	1,920	CRN-0.5 C-0.5 R-0.25 H-35	0.30	0.5	0.50	3,214.72
	00566794	OFFICE - CONVERTED DWELLING	SERRA JOSE M TRUST	6,906.61	2,022	CRN-0.5 C-0.5 R-0.25 H-35	0.29	0.5	0.50	3,453.30
	00566511	OFFICE - CONVERTED DWELLING	SERRA JOSE M TRUST	6,365.21	792	CRN-0.5 C-0.5 R-0.25 H-35	0.12	0.5	0.50	3,182.61
	00567366	OFFICE - CONVERTED DWELLING	4308 MONTGOMERY AVE LLC	6,036.79	1,483	CRN-0.5 C-0.5 R-0.25 H-35	0.25	0.5	0.50	3,018.40
00566932	OFFICE - CONVERTED DWELLING	KALDIS SPIROS N	5,736.14	1,526	CRN-0.5 C-0.5 R-0.25 H-35	0.27	0.5	0.50	2,868.07	
									Subtotal	41,421.11
Site 4	00471452	PARKING LOT #10	MONTGOMERY COUNTY	41,388.00	0	R-60	0.00	3.5	2.50	103,470.00
									Subtotal	103,470.00
Site 5	03255112	LOT 633 ON RUGBY	GNRW PROPERTIES LLC	25,733.00	30,204	CRN 0.5, C-0.5, R-0.25, H-35	1.17	3.5	2.33	59,861.50
									Subtotal	59,861.50
Site 6	00524301 (partial)	GLEN LANE	GLEN LANE LLC	39,246.00	0	R-10	0.00	1.5	0.50	19,623.00
									Subtotal	19,623.00
Total Proposed Public Open Space PSS Square Footage to Sell										425,274.21

11

	ACCT#	Description	Property Owner	Lot Size (GIS)	SDAT GFA	Current Zone	FAR of Existing Structure	Proposed FAR per Master Plan	Leftover FAR Available to Sell	Leftover Square Footage Available to Sell
Site 7	00430521	FARM WOMEN'S MARKET SITE	MONTGOMERY FARM WOMENS MARKET	30,002.66	4,050	CR-3.0 C-2.0 R-2.75 H-35 T	0.13	6	5.00	150,013.30
									Subtotal	150,013.30
Site 8	00490661	POST OFFICE	7400 WISCONSIN LLC	12,857.72	9,531	CR-8.0 C-6.0 R-7.5 H-145 T	0.74	8	7.00	90,004.07
									Subtotal	90,004.07
Site 9	00516334	BROOKS PHOTOGRAPHERS	PHEASANDON LLC	7,344.46	6,704	CR-5.0 C-4.0 R-4.75 H-145 T	0.91	5	4.00	29,377.84
									Subtotal	29,377.84
Site 10	00524094	CHURCH, SCHOOL, BASKETBALL COURT AND VESTRY	VESTRY NORWOOD PARISH	14,269.51	0	R-60	0.00	2.25	1.25	17,836.89
	00524083	ST. JOHN'S EPISCOPAL CHURCH	VESTRY NORWOOD PARISH	39,146.97	27,216	CR-3.0 C-2.0 R-2.75 H-75 T	0.70	2.25	1.25	48,933.71
									Subtotal	66,770.60
Site 11	02460200	VACANT	JAFFE MICHELE J ET AL TR	1,279.09	0	CR-3.0 C-1.0 R-2.75 H-90 T	0.00	3	2.00	2,558.17
	00551417	RESTAURANT	JAFFE MICHELE J ET AL TR	4,586.63	968	CR-3.0 C-1.0 R-2.75 H-90 T	0.21	3	2.00	9,173.25
	00552456	RESTAURANT	GNRW PROPERTIES LLC	6,368.66	2,520	CR-3.0 C-1.0 R-2.75 H-90 T	0.40	3	2.00	12,737.31
	00551020	RESTAURANT	BANDUNG TRADING COMPANY INC	2,309.83	995	CR-3.0 C-1.0 R-2.75 H-90 T	0.43	3	2.00	4,619.66
	00553507	STORE-RETAIL	CONLEY THOMAS W ET AL TR	1,471.42	1,000	CR-3.0 C-1.0 R-2.75 H-90 T	0.68	3	2.00	2,942.83
	00552970	STORE-RETAIL	SIACHOS C M & ANNA	1,407.85	1,000	CR-3.0 C-1.0 R-2.75 H-90 T	0.71	3	2.00	2,815.69
	00551645	STORE-RETAIL	GALVAGNA JAMES R TR	1,329.65	1,050	CR-3.0 C-1.0 R-2.75 H-90 T	0.79	3	2.00	2,659.29
	00551895	RESTAURANT	KADOW KEVIN A & MARY K B	1,251.59	1,000	CR-3.0 C-1.0 R-2.75 H-90 T	0.80	3	2.00	2,503.17
	00552786	RESTAURANT	CONLEY THOMAS W ET AL TR	1,243.88	1,000	CR-3.0 C-1.0 R-2.75 H-90 T	0.80	3	2.00	2,487.76
	00551428	STORE-RETAIL	WANSHI PROPERTIES LLC	1,240.46	1,000	CR-3.0 C-1.0 R-2.75 H-90 T	0.81	3	2.00	2,480.93
	00552194	STORE-RETAIL	SIACHOS CONSTANTINOS M & A C	1,232.89	1,000	CR-3.0 C-1.0 R-2.75 H-90 T	0.81	3	2.00	2,465.79
	00552981	STORE-RETAIL	SIACHOS CONSTANTINOS M & A C	1,215.76	1,000	CR-3.0 C-1.0 R-2.75 H-90 T	0.82	3	2.00	2,431.52
	00552057	RESTAURANT	QUANG NGUYEN H ET AL TR	1,239.23	1,050	CR-3.0 C-1.0 R-2.75 H-90 T	0.85	3	2.00	2,478.46
	00552640	RESTAURANT	JEMALS PHILLIPS LLC	8,348.21	7,427	CR-3.0 C-1.0 R-2.75 H-90 T	0.89	3	2.00	16,696.42
	00552070	RESTAURANT	GINEPRO ARCADE ET AL	1,138.82	1,025	CR-3.0 C-1.0 R-2.75 H-90 T	0.90	3	2.00	2,277.64
	00552068	RESTAURANT	GINEPRO ARCADE ET AL	1,082.11	1,000	CR-3.0 C-1.0 R-2.75 H-90 T	0.92	3	2.00	2,164.22
	00553655	STORE-RETAIL	FURR EDWARD B JR & K A	1,035.41	1,050	CR-3.0 C-1.0 R-2.75 H-90 T	1.01	3	1.99	2,056.23
	00552115	STORE-RETAIL	ROBERT LIMON INC	1,364.57	2,000	CR-3.0 C-1.0 R-2.75 H-90 T	1.47	3	1.53	2,093.72
	00553143	STORE-RETAIL	NOR-COR PROPERTIES LLC	4,676.17	7,132	CR-3.0 C-1.0 R-2.75 H-90 T	1.53	3	1.47	6,896.50
	00551838	RETAIL/OFFICE UP	BETHESDA ST ELMO L L C	3,746.57	6,000	CR-3.0 C-1.0 R-2.75 H-90 T	1.60	5	3.40	12,732.83
	00550708	RETAIL/OFFICE UP	NORFOLK LLC	3,762.62	6,300	CR-3.0 C-1.0 R-2.75 H-90 T	1.67	3	1.33	4,987.87
	03523108	RESTAURANT	NORFOLK-CORDELL II LLC	5,794.37	9,975	CR-3.0 C-1.0 R-2.75 H-90 T	1.72	3	1.28	7,408.12
	00553644	RETAIL/OFFICE UP	WYBLE JOHN T ET AL	3,325.72	6,300	CR-3.0 C-1.0 R-2.75 H-90 T	1.89	3	1.11	3,677.17
	00552547	RETAIL/OFFICE UP	8100 NORFOLK TRIANGLE LLC	3,144.34	6,148	CR-3.0 C-1.0 R-2.75 H-90 T	1.96	3	1.04	3,285.02
	00551337	RESTAURANT	CONROY ANAIS	485.87	1,000	CR-3.0 C-1.0 R-2.75 H-90 T	2.06	3	0.94	457.61
	00550798	OFFICE BUILDING	BETHESDA REAL ESTATE	3,160.98	6,510	CR-3.0 C-1.0 R-2.75 H-90 T	2.06	3	0.94	2,972.93
	00552651	OFFICE BUILDING	JEMAL'S PHILLIPS LLC	9,177.26	102,761	CR-3.0 C-1.0 R-2.75 H-90 T	11.20	3	0.00	0.00
	00551268	RETAIL/OFFICE UP	LIMBER XANTHIPPI ET AL TR	2,554.98	3,800	CR-3.0 C-1.0 R-2.75 H-90 T	1.49	5	3.51	8,974.88
	02756198	PARKING LOT	F & L ASSOCIATES LTD PTNSHP	6,115.04	0	CR-3.0 C-1.0 R-2.75 H-90 T	0.00	3	3.00	18,345.11
									Subtotal	147,380.12
Total Historic/Community Resources PSS Square Footage to Sell										483,545.92

12

	ACCT#	Description	Property Owner	Lot Size (GIS)	SDAT GFA	Current Zone	FAR of Existing Structure	Proposed FAR per Master Plan	Leftover FAR Available to Sell	Leftover Square Footage Available to Sell
Site 12	00431855	WAVERLY HOUSE	HOC	31,822.55	124,410	CR-3.0	3.91	5	1.09	34,702.75
									Subtotal	34,702.75
Site 13	C000255	BARCLAY	HOC	108,425.00	173,800	R-10	1.60	3	1.40	151,475.00
	00416633	MULTI-FAMILY 4733 BRADLEY (14 DU)	4733 BRADLEY BLVD LLC	18,711.66	15,400	R-10	0.82	1.5	0.50	9,355.83
	00418723	MULTI-FAMILY 4743 BRADLEY (28 DU)	INVESTORS BRADLEY BLVD, LLC	30,954.59	30,800	R-10	1.00	1.5	0.50	15,631.89
									Subtotal	176,462.71
Site 14	00433546	SINGLE-FAMILY	HOC	6,525.13	7,700	R-10	1.18	3	1.82	11,875.39
	00433557	SINGLE-FAMILY	HOC	5,987.31	7,700	R-10	1.29	3	1.71	10,261.93
	00433568	SINGLE-FAMILY	HOC	6,729.41	7,700	R-10	1.14	3	1.86	12,488.23
									Subtotal	34,625.55
Site 15	C000320	METROPOLITAN (HOC)	HOC	75,100.00	338,800	CR-5.0 C-1.0 R-5.0 H-145 T	4.51	6	1.49	111,800.00
									Subtotal	111,800.00
Site 16	03666628	LASKO MANOR	HOC	6,743.38	13,236	CR-1.75	1.96	2.75	0.79	5,308.30
									Subtotal	5,308.30
Total Existing Affordable Housing PSS Square Footage to Sell										362,899.30

Total Proposed Public Open Space PSS Square Footage	425,274.21
Total Historic/Community Resources PSS Square Footage	483,545.92
Total Existing Affordable Housing PSS Square Footage	362,899.30

GRAND TOTAL PSS SQUARE FOOTAGE 1,271,719.44

(B)