

ATTACHMENT # 3

Work Program Review

**Master Planning, Regulatory Planning,
and Rewriting the Zoning Ordinance**

WORK PROGRAM REVIEW

MASTER PLANNING, REGULATORY PLANNING, AND REWRITING THE ZONING ORDINANCE

The following paragraphs summarize several ongoing efforts in the work program as a preview of our potential recommendations.

Master Planning

- **Master Plan Recommendations for Affordable Housing, Type and Density** - The recent master plans for Upper Rock Creek, Olney and Damascus address affordable housing in rural areas, cluster development and town centers. The sector plans for Shady Grove and Twinbrook will also address the need for housing at Metro station areas including the appropriate density and mix of unit types.
- **Master Plan Housing Chapter** - All new master plans include a chapter on housing including affordable housing and housing for the elderly. This chapter will also describe opportunities for joint development, public owned sites, and creative land use and zoning incentives for residential development.
- **Explore Changes to the Limited Master Plan Amendment Process** - In response to the directive from the Planning Board and County Council, the staff is preparing a review of the Woodmont Triangle within the Bethesda CBD that will address the need for a limited master plan amendment. The master plan vision for this area is to create opportunities for additional housing and to continue to support this area as a vital retail district. The review of the accomplishments in this area is intended to address several concerns about the type of uses including affordable housing, the need for additional density, the concerns for building height restrictions, and the need to address pedestrian safety. This effort may result in a limited amendment to the Bethesda Sector Plan.
- **Encourage Greater Variety of Residential Development as Part of Commercial, Industrial, and Mixed-Use Projects** – The ongoing master plans will address the need to provide for housing in proximity to employment as a central theme of the planning program. The planning program will also address the need to encourage a greater variety of residential development as part of commercial, industrial, and mixed use projects several master plans. The master plans in the I-270 Corridor provide a significant opportunity to address this need.
- **Promote Joint Development Opportunities Particularly Near Metro** – The ongoing sector plans for the Shady Grove and Twinbrook areas will

include opportunities for joint development with WMATA and with sites owned by Montgomery County and the M-NCPPC.

Regulatory Planning

- **New Mixed Use Zone or Amendment to the TS-R and TS-M Zones** – As part of the efforts on the sector plans for the Twinbrook and Shady Grove Sector areas modifications to the TS-R and TS-M Zones or the creation of a new zone are being considered to improve the review process and provide incentives for housing.
- **Mixed-Use Center and Mixed Use Village Zones** – The master plans for the Olney and Damascus areas are presently considering opportunities for providing housing in commercial areas that presently are not permitted. This includes providing opportunities in the C-2 Zone and other commercial zones.
- **Provide Incentives for Provision of “Family Units” in Higher Density Zones** – Creating incentives for providing dwelling units for families that choose to live in high-density areas is a challenge. This issue was addressed in the recent Friendship Heights Sector Plan, and it continues to be an important planning goal in other planning areas.

Zoning Ordinance Rewrite Phase 2

A report was recently presented to the Planning Board by the staff and a consultant that described the need for significant changes to the Zoning Ordinance. These changes would address several modifications including providing incentives for housing and mixed-use development. Some the initial changes needed to address affordable housing include the following:

- **Bonus Density for Affordable Housing in CBDs** – This would include additional provisions in the CBD zones that include project plan incentives.
- **Adaptive Reuse of Existing Non-residential Buildings** – This would include provisions in several zones similar to the existing provisions in the CBD Zones that allow conversion of existing commercial buildings to residential use.
- **Development Standards for Urban Areas** – If the densities increase in urban areas, staff recognizes the need to address the issues of compatibility with existing neighborhoods. Provisions are necessary in the rewrite of the Zoning Ordinance to ensure that compatibility will be adequately addressed through the review process.

ATTACHMENT # 4

County Owned Surplus Sites Study
Master Plan and Zoning Information

**HOUSING INITIATIVE
PUBLIC SITES**

Owner, Intersection and Account Number	Master Plan	Zone	Lot Area	Notes
MCPS Old Georgetown/ Edson Lane AC 01975842	North Bethesda Master Plan	PD 9	1.75 Acres	Located next to Tilden Middle School, and adjacent to existing townhouse developments.
MCPS Kendale Road/Crider Brook Way AC 00848550	Potomac Master Plan	RE-2	10.54 Acres	Located adjacent to the German School, and adjacent to existing single- family detached homes. Needs an extension of an existing sewer line of approximately 150 feet.
MCPS Brickyard Road/Horseshoe Lane AC 01614590	Potomac Master Plan	RE-2	20 Acres	Located adjacent to existing single-family detached homes (RE-2 and R-200). Recently approved master plan recommends recreation or affordable housing uses.
Montgomery Co. Washington Grove Lane/Mid-County Highway AC 02551340	Gaithersburg Vicinity Master Plan (Laytonsville)	R-90	1.25 Acres	Located adjacent to the existing Mid-County Highway, and existing single-family detached homes. Small size with significant access limitations.
Montgomery Co. Along Bowie Mill Road Near Cashell Road AC 00702264	Olney Master Plan	R-200	32.61 Acres	Located adjacent to existing single-family detached homes (R-200), and PEPCO right-of-way.

Montgomery Co. Along Bowie Mill Road Near Cashell Road AC 00702264	Olney Master Plan	R-200	32.61 Acres	Located adjacent to existing single-family detached homes (R-200), and PEPCO right-of-way.
Montgomery Co. Briggs Road/Jingle Lane AC 00954593	Glenmont Sector Plan (Layhill)	R-90	8.2 Acres	Forest conservation will be necessary. Access limited and may require significant road construction for Jingle Lane.
HOC Along Washington Grove Lane Near Emory Grove Lane AC 00767943	Gaithersburg Vicinity Master Plan (Washington Grove)	C-1	2.70 Acres	Located adjacent to existing townhouses. Site not presently zoned for housing.

ATTACHMENT #5

**Publicly Owned Land Disposition
Process and Next Steps**

**Memo from Lisa Rother, Planning Manager
Planning Implementation Section
Montgomery County Executive Staff**



OFFICES OF THE COUNTY EXECUTIVE

Douglas M. Duncan
County Executive

Bruce Romer
Chief Administrative Officer

MEMORANDUM

July 17, 2003

TO: Melissa Banach, Chief, Strategic Planning Division
Montgomery County Planning Board

FROM: Lisa Rother, Planning Manager *LR*
Planning Implementation Section

Christy Huddle, Senior Planner *CH*
Planning Implementation Section

SUBJECT: Publicly owned sites – disposition and future analysis

In a previous memorandum, seven publicly owned properties were identified that have potential for development with affordable and special needs housing. Ownership of the properties is mixed, with three owned by the County government, three by the school system, and one by the Housing Opportunities Commission. Since the properties were identified, staff from the Executive Branch has been working on developing mechanisms to make these properties available for development. To that end, staff from the Executive Branch and M-NCPPC have worked together to accomplish the following:

1. Prepare detailed fact sheets on each of the properties to help determine the most appropriate type of development for each site;
2. Identify current needs for specific types of housing;
3. Explore the existing disposition process to determine how best to allocate the properties, and what steps must be taken to begin the process; and
4. Generate ideas about how to identify additional sites.

Each of these items is discussed in more detail below.

1. PROPERTY FACT SHEETS

For each of the properties, a fact sheet (see attached) was developed by Community Based Planning staff that provides information on location, size, zoning, master plan recommendations, transportation facilities, topography, and utilities for each site. In addition,



Planning Implementation Section

the fact sheets state how the site was acquired and whether any appraisals have been done on the site. Identification of these items is the first step in the disposition process so that the site can best be matched to the needs that exist for affordable and special needs housing in the County.

2. SPECIAL NEEDS IDENTIFICATION

Staff from the Department of Housing and Community Affairs (DHCA) has been working with staff from M-NCPPC and the Department of Health and Human Services (HHS) to identify specific needs for housing for which these parcels can be used. DHCA and HHS, along with M-NCPPC, are developing more program needs for the two uses listed below. Once the program needs are finalized, staff will determine which of the eight sites would be suitable for these needs.

- Housing for low income, single workers – One form of this type of housing was added to the Zoning Ordinance as a separate use (PLQ for personal living quarters) several years ago. The intent is to provide small living units for people making the transition from homelessness to permanent housing, with staffing to assist the residents.
- Transition housing for the chronically mentally ill – This type of special needs housing provides a transition from institutionalization to community living. Generally, the housing would be in the form of a group home for up to eight individuals in a residential neighborhood that can provide stability and community for the residents.

3. DISPOSITION PROCESS

Board of Education property. For property owned by the Board of Education, the County Executive requests the transfer of the land to the Montgomery County government. After the Board of Education approves the transfer, it must then be approved by the Maryland Interagency Committee on School Construction. The estimated minimum time for completion of this process is eight months, after which the general County disposition process for real property can proceed.

County property. There are two steps in Montgomery County's formal disposition process for real property. First, the Department of Public Works (DPWT) offers the property to government agencies that may have needs for the property. In the case of the properties recently identified through the vacant lands study, it is assumed that the properties will be transferred to the DHCA for disposition for housing purposes. This process takes a minimum of 9 months.

Transfer to a designated third party. Once DHCA has control of the property, there are two possible methods for transferring the properties to a private developer. In the case of the sites identified for specific needs, DHCA may transfer the sites to a third party with no public offering. This third party can be a private or non-profit developer. The conditions of the sale are negotiated with a provider who can meet the identified needs, and the provider works with the community to obtain its support for the project so that any planning approvals that may be required later are more likely to be well received. The time frame for this disposition process is approximately nine months. If other approvals are required, such as a special exception, preliminary plan or site plan, the provider must obtain these approvals and the additional time needed is at least seven months.

Transfer to a third party through a public offering. For sites that do not have specific proposals associated with them, a public offering to provide affordable housing can be made. This mechanism is used when competitive bids for the sites will likely result in the most cost-effective provision of the affordable housing to meet the general needs identified in the County's housing policy. In this case, DHCA prepares a Request for Proposals (RFP) which includes the terms and conditions of the offering, and the selection criteria. These criteria might include specific product types, neighborhood compatibility, financial feasibility, and developer experience in providing affordable housing.. It is anticipated that each individual site will have its own RFP, but that RFPs for several sites will be issued at the same time. In this way, the disposition process for the different sites can be combined where appropriate (e.g., public hearings), and developers can respond to more than one RFP at a time. The minimum time for this process is 17 months - eight for the RFP process and nine for the disposition process once an end user is identified.

Work in progress. The Executive branch staff is beginning work on all three elements of this process, including requesting transfer of the Board of Education properties to Montgomery County, identification of sites for the two special needs housing types, and preparing a template RFP that can be used for marketing other sites.

4. FUTURE PROCESS

Identification of additional sites. Staff continues to review publicly owned parcels, using the County's Geographic Information System, to search for other prospective sites to fulfill the Housing Policy annual production goals. In addition, staff remains alert to other potential sites that, for one reason or another, are likely to be available in the future. An example is the Fleet Street property across from the Council Office Building parking garage, which is no longer suitable for the County facilities now located there.

Improving the process. The M-NCPPC Strategic Planning Division researched how other jurisdictions identify publicly owned lands suitable for affordable housing. Of

Melissa Banach, Chief, Strategic Planning Division
July 17, 2003
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particular interest is the centralized method used by San Francisco to find sites for affordable housing. Annually, each department must identify any property under its control that is vacant or has vacant buildings. Agencies responsible for providing housing then determine if these properties have potential for affordable housing. The annual check does not include land and buildings reserved for parks or open space purposes, roads, transit lines, public utility rights-of-way and publicly dedicated streets or rights-of-way. At this time, the staff recommends that we study this concept, and others, to determine if it will help us meet our affordable housing needs.

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ATTACHMENT # 6

**Nationwide Survey of
Policies and Procedures for Disposition of
Publicly Owned Surplus Land**



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

June 26, 2003

MEMORANDUM

TO: Melissa Cuñha Banach, Chief,
Strategic Planning Division

FROM: Michael Asante, Senior Planner, *MA*
Strategic Planning Division

SUBJECT: Nationwide Survey of Policies and Procedures for Disposition of
Publicly Owned Surplus Land

The survey was intended to identify jurisdictions that have separate or streamlined processes for disposing surplus land exclusively for affordable housing, and to obtain the details of ordinances or resolutions backing those processes for the purpose of facilitating the formulation of policy in Montgomery County concerning disposition of County owned surplus lands for affordable housing.

The survey was conducted through Internet research and personal telephone interviews with relevant staff from the targeted jurisdictions. Three key questions were tabled:

- 1) Does the city/county/state surplus publicly owned land for the explicit use of affordable housing by private developers?
- 2) Does the city/county/state have a separate or streamlined process for disposing surplus land exclusively for affordable housing?
- 3) Are you aware of other jurisdictions in your region with procedures for disposing of surplus land for affordable housing?

Of the 15 jurisdictions covered in the survey, 5 had separate streamlined procedures for disposing public owned surplus land for affordable housing. Brief descriptions of the 5 procedures have been attached. In 4 cases the relevant act, ordinance or policy was obtained and has been attached.

DISPOSITION OF PUBLICLY OWNED SURPLUS LAND

NATIONWIDE SURVEY OF POLICIES AND PROCEDURES

Questions:

- 1) Does the city/county/state surplus publicly owned land for the explicit use of affordable housing by private developers?
- 2) Does the city/county/state have a separate or streamlined process for disposing surplus land exclusively for affordable housing?
- 3) Are you aware of other jurisdictions in your region with procedures for disposing of surplus land for affordable housing?

State of California

- Pursuant to Government Code Section 11011, the disposal of surplus proprietary lands begins with offerings to “Housing Sponsors” (including state agencies, local agencies, corporations, cooperatives, etc.). Priority is given to development of low and moderate-income affordable housing. A County may sell, lease, exchange, quitclaim, convey, or otherwise dispose of property at less than market value if it is intended for affordable housing. Surplus lands that are not acquired by government agencies are typically marketed by the Department of General Services under open, competitive bidding conditions. (See Attachment # 1) Attachment # 2 contains definitions of “Housing Sponsors”.

City and County of San Francisco, California

- The City/County requires quarterly reporting of all publicly owned land to the Assessor’s Office.
- Surplus City Property Ordinance No 227-02, passed in November 2002, (Attachment # 3) established the Board of Supervisors’ policy regarding the disposition of surplus city property to non-profit developers for affordable housing and housing for the homeless.
- The Department of Real Estate occasionally transfers surplus property for development of permanent affordable housing. There is no official streamlined procedure for such transfers. In each case an enabling legislation is passed to spell out the conditions and process for disposition. Consequently, decisions are made on case-by-case basis: sale by auction, lease, trade, or transfer to the Redevelopment Agency which may sell or lease to developers of low and medium income housing. The Agency, on occasion, issues requests for proposals to initiate disposition of land.
- The City promotes joint development projects on surplus lands with non-profit and for-profit developers.

Attachments are available from the Strategic Planning Division.

The Commonwealth of Massachusetts

In June 2000, an Act was passed "Facilitating the Development of Underutilized Facilities and Properties for Housing in the Commonwealth." (See Attachment # 4) The Act created a new program that makes unused state property available for housing development. It authorizes the Division of Capital Asset Management and Maintenance to sell land directly to private developers or transfer unused property to the State Development Finance Agency, which will in turn market the property for housing development, or transfer the property directly to housing developers. The bill stipulates that the price paid for any sale, lease, conveyance, or disposition of such potential housing property must be the full and fair appraised market value.

Hennepin County, Minnesota

The 2000-01 Homeless Task Force Recommended that municipalities should give local authorities an option to buy surplus land at appraised value on condition that it is used for the development of affordable housing. When a municipality has land to sell, Council is required to pass a resolution to this effect and then set up a system to notify the developers when purchase options arose. Such sales are to be done by means of competitive bidding.

City of Minneapolis, Minnesota

Minneapolis' Real Property Disposition Policy (Attachment # 5) clearly sets forth the requirements and procedures the Minneapolis Community Development Agency will follow in the sale, conveyance, lease or grant of easement for surplus land for affordable housing as well as other uses.

The policy is intended to provide an efficient, streamlined, fair and open process for disposition of surplus land. It includes some special rules for residential sales that create incentives for purchasers who intend to develop housing for sale to owner-occupier buyers:

- 1) *Deferred Purchase Price Payment Option*: A purchaser who intends to construct or rehabilitate a 1-10 unit housing project for sale to owner-buyers may request that the payment of the purchase price is deferred until the units are sold.
- 2) *5% Good Faith Deposit*: For housing development projects, a good faith deposit of 5% of the purchase price, or 1% of the construction cost of the proposed housing project is required.
- 3) *Transfer of Properties for Low and/or Moderate Income Housing Development*: The Development Authority is authorized to make any of its vacant lands available for sale for low or moderate-income housing, provided there is compliance with all provisions of the disposition policy. Lots are advertised publicly, multiple bids are accepted, then they are sold to highest bidders on condition that they are developed for affordable housing. The City Planning Department establishes design guidelines for the houses.

ATTACHMENT #7

Proposed Park House Policy Revision
Work Program

PROPOSED PARK HOUSE POLICY

WORK PROGRAM OUTLINE

The **work program** envisioned by staff to accomplish the above recommendations and associated time frames for completing the work are as **follows**.

1. Draft a policy statement for Board review and approval, which supplements Commission Practice 6-50 and incorporates the goals of the affordable housing initiative as they relate to park housing. Estimated Timeframe: Initial draft within six months.
2. Expand awareness of the park house program, within the Commission and throughout the County, and emphasize the relative affordability of park housing. Estimated Timeframe: Begin implementation within one month with full implementation by the end of year one.
3. Inventory the existing park rental units as to their suitability for special needs tenants or as group housing. Estimated Timeframe: Six months to one year.
4. Define and standardize the decision making process regarding the demolition of park houses and other park structures. Estimated Timeframe: Initial draft within six months.
5. Include park houses in the assessments of Montgomery County's supply of affordable housing. Estimated Timeframe: Immediate and ongoing.

Timeframes for each of these tasks have been established based on our current staff shortages and a large backlog of routine work program tasks that need to be addressed. However, we realize the importance of this initiative and will move forward immediately to begin addressing these issues of importance to the Planning Board and the County Council.

Staff will return in September with a better estimate of the time necessary to complete the above work and any special resources that maybe required to address this expansion to our work program.