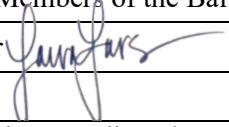




CITY OF BALTIMORE
MAYOR BRANDON M. SCOTT

TO	The Honorable President and Members of the Baltimore City Council
FROM	Laura Larsen, Budget Director 
DATE	September 5 th , 2025
SUBJECT	City Council Bill 25-0064 Zoning – Bulk and Yard Requirements - Amendments

The Honorable President and
Members of the City Council
City Hall, Room 400

Position: Support

The Department of Finance is herein reporting on City Council Bill 25-0064, Zoning – Bulk and Yard Requirements - Amendments, the purpose of amending certain bulk and yard requirements in residential zoning districts.

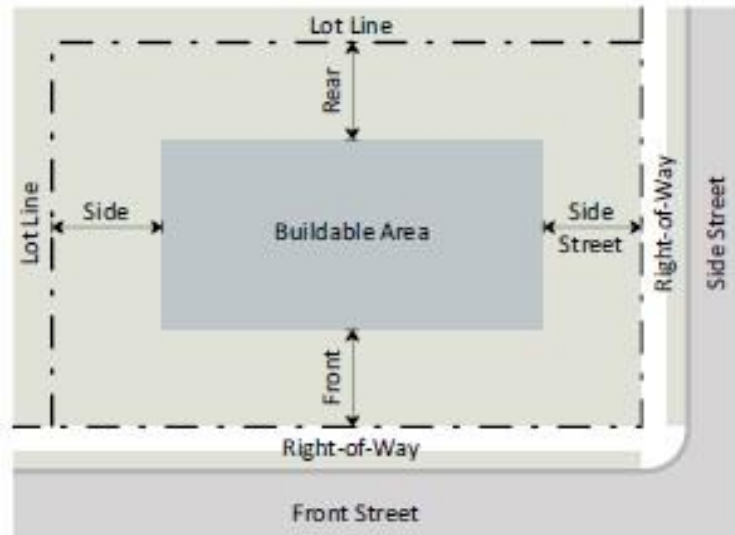
Background

Council Bill 25-0064 proposes amendments to the City’s Zoning Code, specifically to the bulk and yard requirements for all residential zoning districts. These changes would significantly alter the regulations that govern how buildings relate to the lots on which they are located. Bulk and yard requirements influence everything from the size of a house to how far it must be set back from the property line. To fully understand the impact of the proposed amendments, it is important to first define several key zoning terms—particularly the different types of required yards—that determine how space is used on residential properties:

Term	Definition	25-0064 Changes
Lot Area	The total area of the plot of land that the residential building is located on.	By decreasing the minimum lot area for certain residential uses, 25-0064 enables a broader range of building sizes and configurations
Lot Coverage	Lot coverage refers to the percentage of a lot's area that may be covered by buildings.	By increasing the allowable lot coverage, the buildable area is expanded
Interior-Side Yard	Setbacks are minimum distances that a building must be from a property line (side).	Decreases the required width of interior side yards, thereby increasing the buildable area.
Corner-Side Yard	Setbacks are minimum distances that a building must be from a property line (side).	Decreases the required width of corner side yards, thereby increasing the buildable area.
Rear Yard	Setbacks are minimum distances that a building must be from a property line (rear).	Decreases the required width of rear side yards, thereby increasing

		the buildable area.
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Below is a graphic from the Montgomery County, Maryland’s Zoning Code that visually demonstrates lot area, lot coverage (buildable area), as well as rear and side yards. The lot area is the area within the boundaries of the lot line, and the lot coverage equates to the “buildable area” referenced in the graphic. While the graphic does demonstrate what a front yard requirement looks like, City Council Bill 25-0064 does not make any changes to front yard (also known as a setback) requirements.



The proposed changes to lot area, lot coverage, and requirements for yards in Council Bill 25-0064 would modify how residential properties can be developed across residential zoning districts. These changes would allow for a broader range of building sizes and configurations, as well as made the ability to modify current buildings.

Currently, under certain circumstances, a property owner can receive permission to deviate from existing bulk and yard requirements through by being granted a variance. Variances are granted by the Zoning Administrator, the Board of Municipal and Zoning Appeals (BMZA), or the City Council, depending on the type of variance, as outlined in the Zoning Code. It is important to note that just because a variance was granted, does not mean that the project moved forward. If Council Bill 25-0064 is enacted, variances would continue to be granted under the new bulk and yard standards.

Fiscal Impact

To estimate the fiscal impact of Council Bill 25-0064, the Department of Finance analyzed 33 properties that received variances from the BMZA for bulk and yard requirements in residential zoning districts. These came from calendar year 2021. If 25-0064 were enacted, property owners would most likely not need to be granted a variance for most projects that are currently applied for. It is assumed that a portion of property owners with would take advantage of the new Bulk and Yard requirements, as well as the eased administrative burden, to make improvements to their properties.

The analyzed variances represent a range of building types, from single unit to multi-unit residential buildings. They include both new construction as well as additions to existing structures that cover a variety of variance types—including front, side, and rear yard setbacks. For the geographic distribution of the variances, see Map 1. For single-unit buildings, variances were commonly granted for decks and for single- and multi-level additions.

The Department of Finance expects the primary fiscal impact of 25-0064 to be on revenues specifically property taxes, as the assessed value of a property reflects any physical changes made to the property. To assess this impact, the Department compared the assessed values of the properties in 2019 with their values in 2025. In order to account for inflation and assessment increases, a present value calculation was applied to the FY2025 assessment.

FY 2019 Assessment	FY 2025 Assessment	Present Value calculation
\$6,014,336	\$7,829,170	\$6,342,992

Collectively the value of all 33 properties analyzed were assessed at \$6,014,336 in FY2019. In FY2025 the properties were collectively assessed at \$7,829,170. After applying a present value adjustment to the FY2025 assessments, using the average annual property assessment increase between 2019 and 2025, 4.3% rate over five years, the Department calculated a present value of \$6,342,992. This represents a real increase of approximately \$328,656 (or 5.5%) over the collective FY2019 assessments. This increase suggests that improvements enabled by bulk and yard variances—such as additions and other amenities—contribute to measurable growth in assessed property values over time.

Assuming similar patterns across other properties that would no longer require variances under Council Bill 25-0064, the City could reasonably expect growth in the property tax base. While not all eligible property owners would pursue improvements, even modest uptake could yield revenue gains. The Department's analysis indicates that 25-0064 may result in a modest but meaningful increase in property tax revenue over time by facilitating improvements that raise property values. The actual fiscal impact will depend on the extent to which property owners act on the new entitlements provided under the amended zoning code.

Additionally, the potential for the reduced reliance on the variance process may result in a reduced workload for the Board of Municipal and Zoning Appeals (BMZA). While the BMZA charges for appeals which are paid into the General Fund, 25-0064 might decrease the number of appeals, the overall income lost would be minor. In FY2024 the BMZA received \$52,795 in appeals fees.

Percent Reduction in Zoning Appeals filed	Reduction in fees paid
5%	\$2,640
15%	\$7,919
25%	\$13,199
35%	\$18,478
45%	\$23,758

The BMZA filing fees are a minor revenue source for Baltimore City, these fees are paid into the General Fund. Any reduction in fees paid to the BMZA will be offset by increases in property taxes. There are other operational efficiencies within the BMZA and Planning that will occur due to the passage of 25-0064, however it is unlikely that these will result in savings.

Anne Arundel County

The Anne Arundel County Council passed the Housing Attainability Act of 2024 (Bill 72-24), in September of 2024. The legislation contained a number of provisions including amendments to bulk and yard requirements. The councilmembers who introduced the Housing Attainability Act stated that the goals of this legislation are to allow for more efficient land use to increase attainable housing units across Anne Arundel County, creativity in site layout, and create better opportunities to achieve allowable density. The goal of these reforms is to allow for the construction of triplexes, fourplexes, multiplexes, and townhomes. By adding flexibility of dwelling types into the Code, the reforms allow for development

sites to be reimagined with a mix of house scale structures. These house scale buildings provide solutions along a spectrum of attainability, or the “missing middle”.

While Housing Attainability Act and Bill 25-0064 have differences, which is due to differences in land use between Baltimore City and Anne Arundel County, the goal of the legislation is similar, to promote more efficient land use, increase attainable housing, and encourage the production of “missing middle” housing units.

Maryland Housing Needs Assessment

Maryland Department of Housing and Community Development (MD DHCD) commissioned a study in 2020 called the “Maryland Housing Needs Assessment”. The report’s intent is to assess Maryland’s current and future housing needs and outline strategies to address them over the next decade in 2020 and through the remainder of the decade in 2025. Its goals include identifying housing challenges, projecting future demand, and recommending policies to ensure all Maryland residents have access to safe, affordable, and appropriate housing. It also aims to guide state and local decision-makers in prioritizing investments, aligning resources, and coordinating efforts to meet diverse housing needs. The report discussed 70 actions designed to address priority needs by region in the state. The actions could be acted upon by state and local governments and policy makers.

Council Bill 25-0064 aligns with four of the recommended actions in the report: remove barriers in the rezoning processes, amend zoning to allow by-right development of diverse housing types, and revise land use standards to encourage small lot development.

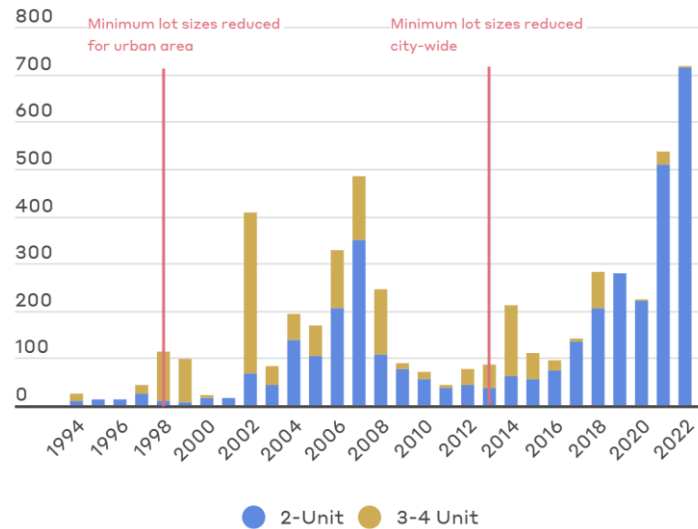
The legislation aims to reform zoning rules that dictate the physical dimensions of lots, building placement, and open space—factors that have a direct impact on housing density and affordability. Under current zoning, many residential districts have large minimum lot sizes, wide yard setbacks, and restrictive lot coverage limits. There is an administrative process to get permission to go beyond the current bulk and yard standards, however many of the variances require “uniqueness” in order to be granted. This prevents most properties from being granted a variance. By changing the bulk and yard standards, this removes barriers to the zoning process. The updated standards mean that a more diverse set of housing types are allowed to be built. The change in standards also open up lots to development that could previously not be able to because of a lot coverage or yard size issue.

Houston’s Bulk and Yard Reform

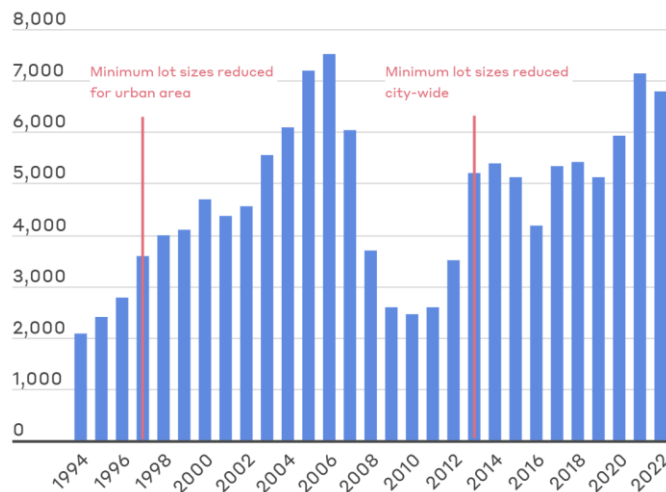
In 1998 Houston amended their equivalent of their Zoning and Building codes to reduce the minimum lot size needed for a single-family home, from 5,000 square feet to 3,500 square feet in most areas and 1,400 square feet close to the city center. The change from 5,000 square feet to 3,500 square feet is a *proportionally* similar proposal to changes that 25-0064 makes for minimum lot area for multifamily. In 2013, Houston extended the minimum lot size at 1,400 square feet to every part of the city. Houston between 1999 and 2016, had over 25,000 homes built on these lots smaller than 5,000 square feet¹, where they previously would not have been able to do so.

¹ <https://bipartisanpolicy.org/blog/reducing-minimum-lot-sizes-in-houston-texas/>

"Missing Middle" Housing Units Permitted in Houston



Single Housing Units Permitted in Houston



Source: Department of Housing and Urban Development.

While the changes in 25-0064 are proportionally similar to the changes made in Houston, it is unlikely to result in a similar housing boom due to the actual sizes of the lots in Houston being larger than in Baltimore.

Conclusion

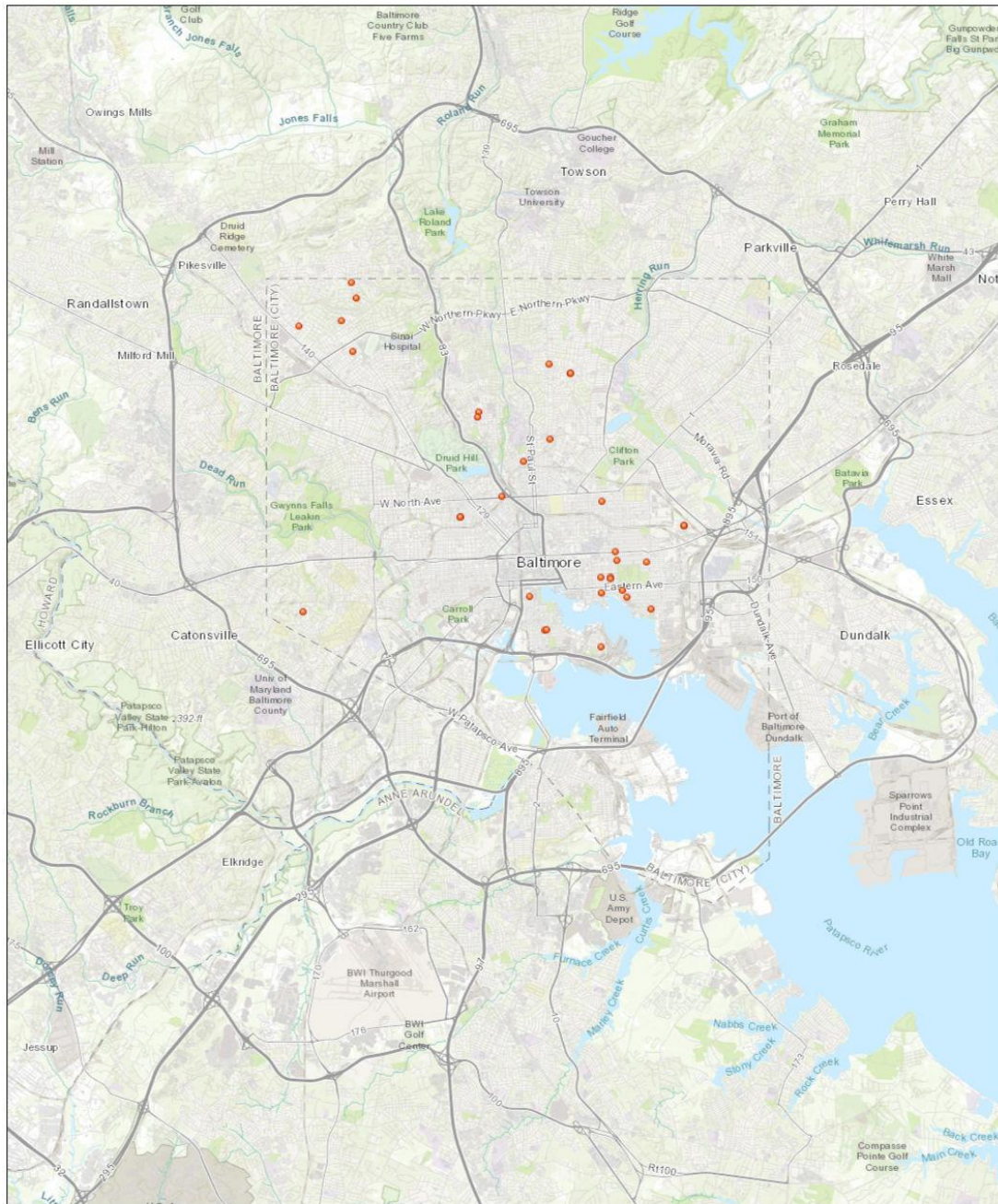
Council Bill 25-0064 proposes changes to the City's zoning code that would modify bulk and yard requirements. By reducing minimum lot areas and setback distances while increasing allowable lot coverage, the bill enables a broader range of building types and configurations without the need for variances. The analysis conducted by the Department of Finance suggests that these changes could lead to higher assessed property values and, consequently, increased property tax revenues. While the full impact will depend on how widely property owners take advantage of the new regulations, the bill is likely to support reinvestment in residential neighborhoods and contribute to the City's long-term fiscal health through growth in the assessable tax base.

For the reasons stated above, the Department of Finance supports City Council Bill 25-0064.

cc: Michael Mocksten
Nina Themelis

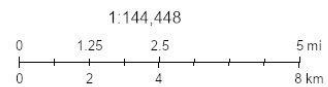
MAP 1

Baltimore City CoDeMap



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● Bulk and Yard Variances



City of Baltimore, Baltimore County Government, VITA, Esri, HERE, Garmin, USGS, NGA, EPA, USDA, NPS

DHCD
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City Hall – Room 250, 100 Holliday Street, Baltimore, MD 21202