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 5th, 2025
SUBJECT	City Council Bill 25-0066, Zoning – Housing Options and Opportunity

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

Position: Favorable

The Department of Finance is herein reporting on City Council Bill 25-0066, Zoning – Housing Options and Opportunity, the purpose of amending certain provisions of the Baltimore City Zoning Code to promote increased development of low-density multi-family dwellings in certain residential districts; striking residential conversion standards for single-family dwellings into multi-family dwellings; amending certain permitted and conditional uses; amending certain bulk and yard standards; and defining certain terms

Background
Council Bill 25-0066 seeks to address Baltimore's housing affordability and availability challenges by amending the city's zoning code. The bill proposes to allow the development of low-density multi-family housing—structures with 2 to 4 units—in a broader range of residential neighborhoods than previously permitted.

Council Bill 25-0066 creates a new housing category in the zoning code, expands permitted uses, repeals conversion rules, and establishes development standards for this new category. Specifically, it introduces a new residential use: "Dwelling: Multi-Family (Low Density)," defined as a building containing 2 to 4 units. This new housing type would be permitted by right in nearly all residential zoning districts (R-1 through R-10), as well as in office-residential zones.

The legislation sets development standards for the new housing category, including requirements for bulk, yard size, floor area, height, setbacks, lot coverage, and impervious surfaces. It also eliminates prior restrictions and prohibitions on converting single-family homes into multi-family units and removes certain design review requirements.

Residential unit production trends
The intent of Council Bill 25-0066 is to increase the production of low density multifamily residential buildings, specifically duplexes, triplexes and quadplexes. This is commonly referred to as the "missing middle," in housing policy. Over the last 10 years, Baltimore has not produced units of the missing middle

in comparison to single family homes and 5+ unit apartment buildings. The table below is drawn from data from the Census Bureau, via the Department of Housing and Urban Development, State of the Cities Data Systems – Building Permits, a database that contains data on permits for residential construction issued by nearly 20,000 jurisdictions collected in the Census Bureau's Building Permits Survey. This table presents this HUD data on residential building permits issued in Baltimore from 2013 to 2024. It breaks down the number of permitted single-family and multi-family housing units by year, providing insight into the city's construction trends over the past decade.

Annual Residential Building Permits in Baltimore by Number of Units, SOCDS[1]												
Unit Types	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Single Family	220	241	219	267	169	99	130	101	191	118	92	165
2-Unit multifamily	8	4	10	4	0	0	2	0	0	2	2	4
3 & 4-Unit Multifamily	48	4	0	0	0	0	18	0	0	0	0	0
5+ Unit Multifamily	981	572	1,064	672	269	1,448	360	1,520	1,366	1,537	1,749	1,104
All multifamily	1,037	580	1,074	676	269	1,448	380	1,520	1,366	1,539	1,751	1,108
Total Buildings	**1,257**	**821**	**1,293**	**943**	**438**	**1,547**	**510**	**1,621**	**1,557**	**1,657**	**1,843**	**1,273**

Since 2018, most of Baltimore's new housing production has come from large multi-family buildings, while single-family home construction has declined. Meanwhile, 2–4-unit buildings—the "missing middle" housing—have been absent, despite their potential to offer more affordable, moderate-density options.

Council Bill 25-0066 seeks to address this gap by reducing barriers to construct units that fall into the missing middle housing types. While the data shows a trend toward higher-density construction, this legislation ensures that smaller-scale multi-family housing can also contribute to meeting the city's housing needs.

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 were 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

[1] State of the Cities Data Systems (SOCDS) - Building Permits | HUD USER

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".

Maryland Housing Needs Assessment

The State of Maryland commissioned the "2020 Maryland Housing Needs Assessment & 10-Year Strategic Plan", via Maryland Department of Housing and Community Development (MD DHCD). The MD DHCD issued a follow up report in 2025 with updated numbers and revised policy recommendations. The report's intent is to assess Maryland's current and future housing needs and outline strategies to address them over the next decade. 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.

By integrating low-density multifamily housing into the base zoning code, Council Bill 25-0066, directly addresses a core barrier to housing choice: the fact that much of Baltimore's residential land only allows one housing unit per lot. This change means that modestly scaled apartment buildings, duplexes, triplexes, and fourplexes could be built without special approvals—reducing development costs, shortening timelines, and making more efficient use of the city's existing infrastructure.

In the broader context of Maryland's housing pressures—where many communities face rising demand but maintain low-intensity zoning—the multifamily zoning reform aligns with other efforts like upzoning, small-lot development, and bulk-and-yard requirement reductions. Together, these changes expand the range of housing types available, increase by-right development opportunities, and help diversify neighborhoods while still ensuring appropriate building scale and design standards. This reform would bring Baltimore closer to a zoning framework that supports growth, affordability, and a mix of housing options in every part of the city.

Fiscal Impacts

Currently, converting a single-family home into a multi-family dwelling is only permitted in the R-7, R-8, R-9, and R-10 zoning districts. In the R-7 and R-8 districts, such conversions require conditional-use approval by ordinance, creating a barrier to small-scale housing diversification.

To estimate the fiscal impact of Council Bill 25-0066, the Department of Finance analyzed a limited sample of 63 properties that received variances from the City Council for residential conversions from single unit to multi-unit dwellings within residential zoning districts.

If Council Bill 25-0066 were enacted, property owners in these cases would most likely no longer need a variance to make similar changes. It is assumed that a portion of these and other property owners would take advantage of the new by-right process.

The primary fiscal impact is expected to be on property taxes, as the assessed value of a property increases with physical improvements. To assess this, the Department of Finance compared the FY2019 and FY2025 assessed values of the 63 properties. A present value adjustment was applied to the FY2025 assessments to account for inflation and assessment increases.

FY 2019 Assessment	FY 2025 Assessment	Present Value calculation
$5,708,199	$6,840,734	$5,542,187

During this same period the average annual assessment grew at a rate of 4.3% (not the triannual assessment which combines three years of assessments) annually. For the control value, the Department calculated a present value (utilizing the average annual assessment rate increase) of $5,542,187 for FY2025 assessments, representing a real decrease of approximately $166,012 (or –2.9%) compared to the FY2019 assessments. The reason for this is mainly due to geographic clustering of the properties in the limited sample. The 63 properties analyzed are primarily clustered on the city's west side, with 46 located in historically disinvested neighborhoods that have a low score in Baltimore's Housing Market Typology.

Due to the by right nature of parts of the law, there will be a reduction in the number of property owners that seek variances. This will have the operational effective of a decreased volume of work. There are other operational efficiencies within the BMZA and Planning that will occur due to the passage of 250064, however it is unlikely that these will result in savings.

The 'Missing Middle' Elsewhere

The University of California, Berkeley's Othering and Belonging Institute maintains a database of American cities that have considered zoning reform over the past 17 years. During this time, 108 cities have reviewed 162 zoning initiatives. The database identifies four broad reform categories:

- **ADU Reform**: Accessory Dwelling Units, Granny Flats, Secondary Units
- **Plex Reform**: Duplexes, Triplexes, Fourplexes, 2–4 unit multi-family housing
- **TOD Reform**: Transit-Oriented Development, Transit-Specific Density Bonuses
- **Other Reform**: Form-Based Codes, Parking Reform, Non-Transit-Based Inclusionary Zoning

Council Bill 25-0066 most closely aligns with Plex Reform, which includes small-scale multi-family housing types. Seventeen cities have introduced plex reform independently, with 15 successfully passing it. An additional 51 cities introduced plex reform alongside other zoning reforms, with 42 of those efforts also being approved.

Conclusion

Council Bill 25-0066 presents a targeted and timely approach to address Baltimore's ongoing housing affordability and availability challenges. By legalizing small-scale multi-family housing in more residential neighborhoods, the legislation fills a critical gap in the city's housing stock—what is often referred to as the "missing middle." Historical permit data shows that 2–4 unit housing has been virtually absent from new residential construction in recent years, even as demand for moderate-density, more affordable housing options continues to grow.

The bill aligns with national trends in zoning reform, as seen in dozens of peer cities that have adopted similar plex reforms. It also streamlines the development process by reducing unnecessary regulatory barriers and expanding by-right development options, which could lead to more equitable and geographically diverse housing production across Baltimore. While the fiscal analysis indicates that shortterm revenue gains may be limited, the long-term benefits of housing diversification, neighborhood reinvestment, and broader housing access are substantial.

For the reasons stated above, the Department of Finance supports City Council Bill 25-0066.

cc: Michael Mocksten
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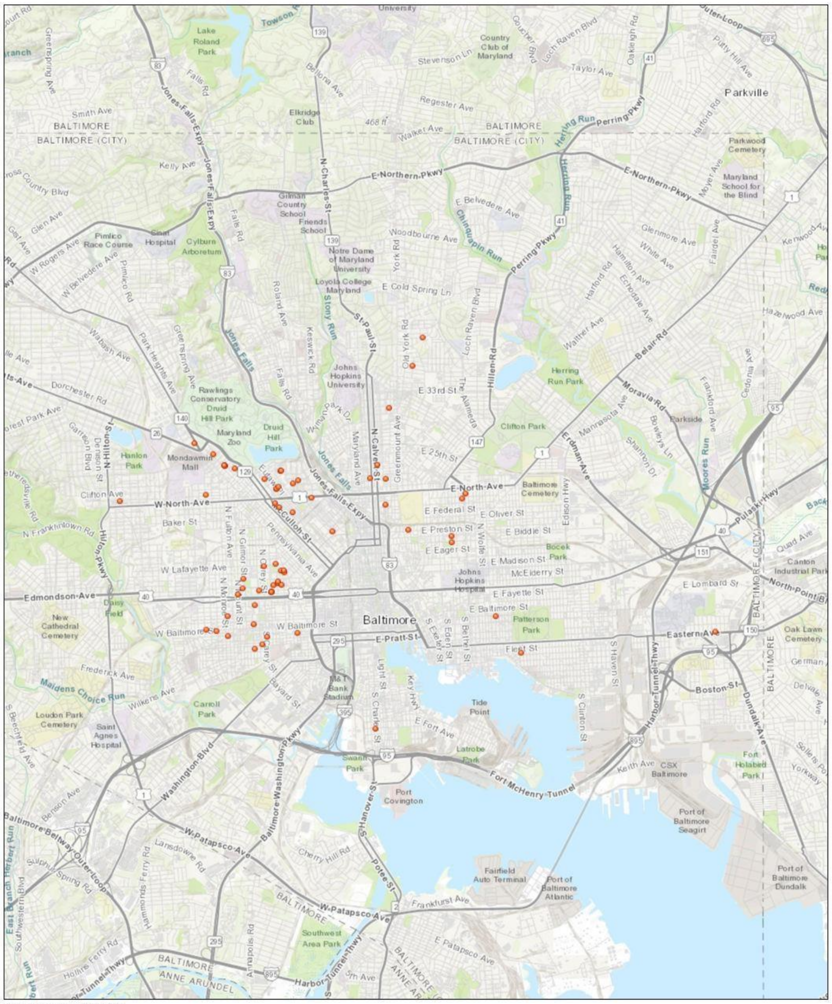
Baltimore City CoDeMap



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Residential Conversions geocode

1:72,224

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