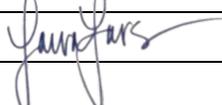




CITY OF BALTIMORE
MAYOR BRANDON M. SCOTT

TO	The Honorable President and Members of the Baltimore City Council
FROM	Laura Larsen, Budget Director 
DATE	November 3 rd , 2025
SUBJECT	25-0093 Zoning – Harford Road Overlay District

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

Position: Supports

The Department of Finance is herein reporting on City Council Bill 25-0093 Zoning – Harford Road Overlay District, for the purpose of establishing the Harford Road Overlay District; delineating the boundaries of the district; creating applicable use regulations within the district; establishing bulk and yard regulations within the district; detailing other applicable standards within the district; amending certain off-street parking requirements; and generally relating to the establishment of the Harford Road Overlay District.

Background

City Council Bill 25-0093 Zoning – Harford Road Overlay District is substantially similar to 24-0544 Zoning - Harford Road Overlay District which was passed and signed by the Mayor. Due to issues related to posting of notice, the bill is being reintroduced to ensure that the standard of notice is properly met.

The Harford Road Overlay District establishes both restrictions and additional permissions beyond what underlying zoning allows. The ultimate goal of the legislation is to move the area covered by the Harford Road Overlay District from an automobile centered commercial corridor to a pedestrian centered commercial corridor. The permissions provide greater flexibility for developing multi-family housing, while the restrictions primarily limit certain types of businesses (based on use) and regulate vehicular curb cuts, which permit vehicles to cross sidewalks from the public right-of-way. Ultimately, Bill 25-0093 creates the Harford Road Overlay District and, within it, loosens zoning along Harford Road to encourage denser, mixed-use, transit-oriented development, eliminates mandatory parking minimums, allows multi-family housing throughout the district, and adds design standards to protect the pedestrian environment.

Council Bill 25-0093 would re-establish and update the Harford Road Overlay District. 25-0093:

- Creates a new Overlay District along Harford Road (from Argonne Drive to Hillcrest Avenue at the city line).
- Purpose: Encourage walkability, transit use, mixed-use development, public space investment, and more housing variety while reducing reliance on cars.
- Use Regulations:
 - Non-residential zones – only uses listed in the new Table 12-1403 are allowed.
 - Residential zones – existing rules apply, but multi-family housing is permitted everywhere

within the district.

- Bulk & Yard Rules: Normally follow underlying zoning, but multi-family housing can use R-10 standards, which allow denser development.
- Parking: The district is exempt from off-street parking requirements (both residential and commercial).
- Design Standards:
 - New curb cuts on Harford Road prohibited if side/rear access exists.
 - City may remove or deny existing or abandoned curb cuts.
 - Must follow the City Design Manual and Landscape Manual.
- Permitted Uses: A broad mix including multi-family housing, live-work units, restaurants, retail, arts uses, cultural facilities, and light industrial/production uses.

In their 2024 analysis of the prior bill, 24-0544 Zoning - Harford Road Overlay District, the Baltimore Development Corporation (BDC) analyzed the population as well as the current uses of properties in the district. The analysis found that the Harford Road Overlay District covers 1,795 properties, mainly a mix of residential and commercial uses. Key zoning breakdowns include:

- R-3 Residential: 793 properties (45%)
 - R-4 Residential: 216 (12%)
 - OR-1 Office-Residential: 189 (11%)
 - C-2 Commercial: 179 (10%)
 - C-1 Commercial: 176 (10%)
- Other zones make up the remaining 12%.

The same analysis found that despite being the primary commercial corridor in Northeast Baltimore, the district has the lowest population and daytime density among 15 commercial districts studied by BDC:

- Population density: 6,788/mi² (City avg: 7,088; Waverly: 13,296)
- Daytime density: 4,960/mi² (City avg: 8,434; Waverly: 13,463)

However, it has high household income (\$77,276, 4th highest among districts, above city avg of \$55,224) and supports two small but successful commercial areas. A unique feature is its owner-occupancy ratio—nearly 4:1 owner-occupied vs rental properties, compared to the City's 50/50 split and far higher than any other studied corridor (none exceed 2:1).

25-0093 Zoning – Harford Road Overlay District generally keeps existing permissible uses consistent with current zoning and relevant Urban Renewal Plans, but prohibits new auto-oriented businesses (e.g., gas stations, drive-throughs, car dealerships, and repair shops). These restrictions do not impact existing businesses, which can remain, but aims to gradually shift the corridor from a car-oriented corridor toward a neighborhood-oriented commercial district with diverse small businesses. Importantly, the Overlay retains underlying zoning, limiting commercial uses to Harford Road properties and preventing spillover into adjacent residential areas.

Fiscal Impact

The Department of Finance expects the primary fiscal impacts of 25-0093 to be on revenues generally and property taxes specifically. Taken together the changes to the bulk and yard regulations and the ease of creating multifamily buildings will encourage density in the Overlay District, which along with new residents may also increase property assessments and bring in new income tax revenue. The densification along the corridor should also support existing and attract new businesses to the overlay district. These new business, employees and residents will all pay taxes. The degree to which property owners take advantage of the new zoning rules is uncertain and difficult to predict as it is based on a number of factors including the national economic situation.

Bulk and Yard Impacts

To estimate the fiscal impact of Council Bill 25-0093, the Department of Finance analyzed 33 properties that received variances from the BMZA for bulk and yard requirements in residential zoning districts during calendar year 2021. If 25-0093 were enacted, property owners would likely not need a variance for most of these projects. It is assumed that some property owners would take advantage of the new bulk and yard provisions, as well as the reduced 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 and additions to existing structures, covering a variety of variance types—including front, side, and rear yard setbacks. For single-unit buildings, variances were commonly granted for decks and for single- and multi-level additions (see Map 1 for geographic distribution).

The Department of Finance expects the main fiscal impact of 25-0093 to be on property taxes, since the assessed value of a property reflects any physical changes made to it. To assess this impact, the Department compared assessed values of the 33 properties in 2019 and 2025. A present value calculation was applied to the FY2025 assessments to account for inflation and typical annual increases.

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

Collectively, the 33 properties were assessed at \$6,014,336 in FY2019. By FY2025, they were assessed at \$7,829,170. After adjusting FY2025 values using the average annual assessment increase between 2019 and 2025 (4.3% per year over five years), the present value was calculated at \$6,342,992. This represents a real increase of approximately \$328,656 (5.5%) over the 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 25-0093, 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 25-0093 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 how extensively property owners take advantage of the new entitlements under the amended zoning code.

Multifamily

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 25-0093, the Department of Finance analyzed a sample of 63 properties that received approvals from the City Council for residential conversions from single-unit to multi-unit dwellings.

The primary fiscal impact is again expected on property taxes, as the assessed value of a property increases with physical improvements. To assess this, the Department compared FY2019 and FY2025 assessed values of the 63 properties, applying a present value adjustment 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 increased by 4.3% (not the triannual assessment,

which combines three years). For control purposes, the Department calculated a present value of \$5,542,187 for FY2025, representing a real decrease of approximately \$166,012 (-2.9%) compared to FY2019 assessments. This decrease is primarily due to the geographic clustering of the sample: 46 of the 63 properties are on the city's west side, in historically disinvested neighborhoods that rank low in Baltimore's Housing Market Typology.

Other revenue gains

The Department of Finance notes that the legislation encourages the development of multi-family mixed-use buildings. Even if only a small number of property owners in the Overlay District take advantage of the new provisions in 25-0093, the result would likely be more residential units and additional commercial space. New housing units could generate new property and income tax revenues, while added residents would create additional foot traffic that supports the existing and future businesses in the Overlay District and create opportunities for redevelopment of properties along Harford Road. The actual fiscal impact will depend on how broadly property owners utilize the new entitlements provided under the Zoning Overlay District.

Conclusion

Council Bill 25-0093 re-establishes the Harford Road Overlay District with updates designed to promote denser, mixed-use, multi-modal-oriented development while protecting the pedestrian environment. By permitting multi-family housing in all residential zones, eliminating parking minimums, and easing bulk and yard restrictions, the legislation reduces barriers to reinvestment and creates new opportunities for small-scale housing diversification. At the same time, by prohibiting new auto-oriented uses and limiting curb cuts, it shifts the corridor toward a more neighborhood-serving character.

The Department of Finance's analysis suggests that while the fiscal impacts may be modest at first, the Overlay District will likely lead to incremental growth in the property tax base as more property owners pursue improvements and redevelopment. Over time, the combination of expanded housing options, increased commercial activity, and stronger pedestrian-oriented design standards is expected to strengthen Harford Road as a mixed-use corridor, improving both economic vitality and quality of life for surrounding neighborhoods.

For the reasons stated above, the Department of Finance supports City Council Bill 25-0093.

cc: Michael Mocksten
Nina Themelis