



March 20, 2009

MEMORANDUM

TO: Montgomery County Planning Board

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SUBJECT: 2009 Growth Policy Preliminary Recommendations

Recommendation: Support Staff's Preliminary Growth Policy Recommendations and Work Scope for Spring 2009

This memorandum summarizes our preliminary recommendations for the 2009 Growth Policy studies and describes the technical analyses and outreach scope we propose to conduct during the next two months. Per Section 33A-15 of the County Code, the Staff Draft of the 2009 Growth Policy is due to you by June 15.

The preliminary recommendations include:

- Establishment of a comprehensive growth policy vision that looks beyond the Adequate Public Facilities tests and development impact taxes to direct sustainable planning initiatives in master plans, zoning, capital programming, and regulations.
- A bold change to the transportation Adequate Public Facilities tests to exempt those projects whose connectivity and design elements provide extraordinary efficiency in transportation demand.
- Revisions to the bases for assessing school and transportation impact taxes to better incentivize smaller housing sizes in well-connected developments, criteria that contribute to reducing our carbon footprint.
- Examination of alternative methods to guide smarter growth in the zoning and regulatory arenas, through both incentives and requirements.

This memorandum is organized as follows:

- Defining the Vision
- Balancing the Objectives

- Preliminary Staff Recommendations
- Process and Schedule

Additional information is included in the attachments:

- Attachment A: Growth Policy Resolution 16-376
- Attachment B: Detailed Study Work Scopes

DEFINING THE VISION

The 2009 Growth Policy, entitled “Montgomery County...growing smarter”, will move Montgomery County further toward our vision of sustainable development.

Sustainability has become a one-word shorthand for the idea that public policy should be designed to consider the interaction of the economy, the environment, and social equity in guiding growth and making decisions about public investment.

The Growth Policy consideration of sustainability will build upon the remarks made by Chairman Hanson on February 5:

“We’re in the midst of a major shift in the way in which development has to occur. And that is that it has to occur in ways that allow us to achieve overall major, major reductions in carbon emissions. This is going to be national policy, state policy, and it has ultimately to do with the quality of the environment of the planet and everybody’s got to work on it at every level in every practical way that we can.”

The Growth Policy will incorporate four elements that promote sustainability:

Connections are about linkages between people and how to connect people at the places they live, work, and play.

Diversity refers to variety in housing stock and affordability, a mix of land uses, and streetscapes that promote identity of place by reflecting history.

Environment refers to stewardship activities that reduce our use of, and adverse impact on, natural resources, including greenhouse gas emissions and carbon consumption.

Design is the means by which we ensure that the public and private spaces that are constructed result in increased connectivity, diversity, and environmental stewardship.

ESTABLISHING THE BALANCE

The Growth Policy document will strike a balance along several independent axes:

- **Process** – the Growth Policy document needs to be synchronized with, and speak to, our emerging recommendations in master plans and the comprehensive zoning rewrite project. Yet it must clearly identify and rationalize legislative

APFO changes that can stand on their own.

- **Geography** – the Growth Policy document will continue to pursue concepts that reward property owners in “smart growth” locations such as Metro Station Policy Areas. Yet it should also incentivize design elements that applicants can control regardless of their property location
- **Urbanity** – the Growth Policy document must promote the greatest changes in those smart growth locations, where change toward more urban character, density, and design is desired, and in those locations the challenge is to promote more efficient use of largely completed master plan infrastructure rather than the suburban model of greenfield development staging. Yet it must recognize that much of the County’s development is contained in established suburban neighborhoods whose character needs to be respected
- **Progressivity** – the Growth Policy document charts progress toward a future that is 20 to 40 years in the future, with a vision for the types of sustainability and carbon economy that will be valued by future generations occupying that place. Yet it must be grounded in APFO policy changes that will gain Council member acceptance this year. Achieving the vision includes taking incremental steps toward that future over the course of several biennial revisions to the Growth Policy.
- **Consensus** – the Growth Policy must reflect the concerns of our constituency; the residents, workers, and investors in Montgomery County; as well as the partner agencies that must work in concert to implement the vision. Yet it must also reflect the Planning Board’s responsibility as trustees of the County’s future to guide growth in ways, such as altering our expectations for adequate mobility in urban areas, that do not have universal appeal.

PRELIMINARY STAFF RECOMMENDATIONS

The Growth Policy document will expand upon the vision statement outlined in this memorandum. It will identify how we are implementing the County’s General Plan through all of our planning and zoning initiatives and how the Department is coordinating all of these efforts:

- The Comprehensive Zoning Rewrite project
- Community master plans in Germantown, White Flint, Gaithersburg West, Takoma/Langley Crossroads, Kensington, and Wheaton
- Functional master plans for Housing, Green Infrastructure, and Water Resources
- Regulatory changes to both pursue resource management objectives (such as the Forest Conservation Law) as well as to streamline the development review process
- Capital improvement programming processes
- The APF process (the primary outcome of this particular Work Program)

Element called Growth Policy)

We recommend several technical revisions to the Growth Policy document. These revisions will require both quantitative analysis and outreach efforts during April and May. The quantitative analysis will include several coordinated studies that will produce independent Technical Appendices to the Growth Policy document.

The analysis proposed to develop the Technical Appendices reflect both the staff discussions with the Board as well as the studies defined during the 2007 Growth Policy and itemized in Resolution 16-376, included as Attachment A.

The work scope summaries for each of the proposed Technical Appendices are included in Attachment B. In the list below, the proposed Growth Policy appendices numbers are included in italics to facilitate reference to the materials in Attachment B.

- Streamlining the smartest growth by establishing an LATR/PAMR exemption process (similar to our current “Alternative Review Procedure for Metro Station Policy Areas”). These processes will include pursuit of several options including:
 - An exemption process based on the California Senate Bill 375 precedent for projects that have the highest levels of transit service (connectivity), mixed-use (diversity), housing density (design) leading to reduced auto travel (*Appendix M*)
 - Examination of simpler methods to measure transportation adequacy in Metro Station Policy Areas (MSPAs) by person-movement and vehicle-movement across the MSPA boundary or by caps on the amount of long-term parking space availability. (*Appendix M*)
- Establishing expectations for auto and transit mobility that de-emphasize mobility by auto in the areas of the County best served by transit, including changes to Policy Area boundaries for White Flint, Germantown Town Center, and a new Life Sciences Policy Area in Gaithersburg (*Appendix H*)
- Revising the impact tax calculation process for transportation (using vehicle-miles of travel rather than trips) and schools (incorporating housing square footage) to more finely reflect carbon-based impacts and charge lower per-unit tax rates for development located in areas where vehicle trips are fewer and shorter and houses are smaller. (*Appendix M*)
- Evaluating other measures that could be used to prioritize growth, either in this growth policy or a subsequent biennial revision, including:
 - Jobs/housing balance (*Appendix L*)
 - LEED-type scoring systems (*Appendix M*)
 - Carbon equivalency (*Appendix M*)
- Establishing priorities for the next Capital Improvements Program, reflecting
 - The current status of master plan recommendations (*Appendix E*)
 - Project growth areas and other factors besides growth that create demand for public services (*Appendix C*)

STUDY PROCESS AND SCHEDULE

The recommendations in this memorandum are informed by the three in-depth discussions we have had with the Planning Board during the past two months. These discussions examined Board members interests in different approaches to growth policy strategy.

Initial Presentation – February 5

On February 5 we presented four alternatives for growth policy system changes:

- Minor tweaks to the current system of tests and taxes
- Targeted incentives for sustainable development (similar to California’s Senate Bill 375)
- Use of LEED-ND standards
- Shifting to a carbon-economy for offsets or trading incentives

The Planning Board discussion included a unanimous vote by all five Commissioners that they are dissatisfied with the current Growth Policy and that the Growth Policy should be re-oriented from a suburban model (grow fastest when road and school capacity exists) to our future focus on infill development (grow smartest by considering where growth is most efficient and how design can maximize the benefits, and minimize the costs, of growth).

Continuation – February 26

On February 26 we presented two ways to consider the term “growth policy”:

- The broad discussion of **growth policy**, which encompasses everything the County does to manage, guide, and direct growth
- The more narrow “Growth Policy” document that is basically a mechanism for staging growth based on APF considerations, and includes several studies that were an outcome of the 2007 Growth Policy as incorporated in Resolution 16-376, included as Attachment B.

We discussed several philosophical questions regarding how to balance the costs and benefits of growth, yielding the following conclusions:

- We will need to clearly link Growth Policy initiatives to other planning, zoning, and regulatory initiatives that, in concert, comprise the County’s **growth policy**.
- Blending the “silos” of transportation, environment, design, health, and so forth is desirable.
- This Growth Policy legislation is starting from an APF basis in which only transportation and schools are tested and taxed. A move to a carbon economy would imply first developing tests or taxes for other community needs and services. A broader set of sustainability taxes is not likely to be viewed

- favorably given current economic conditions.
- If the Growth Policy legislation (or any other regulatory mechanism) pursues a LEED-like system of scoring, the balance between geographic advantages and design considerations must be carefully calibrated to avoid being viewed as geographically discriminatory, even though there are areas of the County where the most valuable transportation investments promote smart growth and other areas where the most valuable natural and cultural resources limit growth.
 - Shifting to a pure carbon economy model (wherein exchanges between design elements such as vehicle trips and green roofs can be made on a carbon equivalency) would imply that transportation system adequacy is no longer an issue for the Planning Board and that perhaps the APF laws should be changed.

Conclusion – March 5

The March 5 discussion yielded the following conclusions:

- The Planning Board prefers to keep the APF concept intact in this Growth Policy and rather define more innovative ways to define and attain adequacy, while at the same time beginning to consider broader carbon footprint objectives.
- This Growth Policy should consider the costs of growth as a public investment. Our land resources and fiscal resources are finite so we need to think about both the future growth and the facilities it needs in terms of marginal utility or rate of return. The public, just like a corporation, expects a good return on their investments.
- While past editions of the biennial growth policy have not been perfect, much of the growth we have experienced has actually been quite good. The next generations of Growth Policy need to build on the successes of the past and anticipate the changing needs of the future.

Outreach

We have established a 2009-2011 Growth Policy website
http://www.montgomeryplanning.org/research/growth_policy/growth_policy09/agp_growing_smarter.shtm

This website includes links to resources discussed with the Planning Board including:

- California Senate Bill 375
- TCRP Report 128 on Transit-Oriented Development
- LEED-ND

We have developed an electronic mailing list of Growth Policy stakeholders during the community surveys conducted in November and December and encourage those interested in growth policy to subscribe to this list to receive bulletins regarding ongoing

staff outreach activities and future Planning Board hearings and worksessions.

We plan to continue to solicit public comment by continuing our meetings with interested parties before preparing a Staff Draft of the Growth Policy on June 6 for discussion with the Planning Board on June 12 and a Planning Board public hearing on June 26.