Item 12 - Correspondence

From: Dan Wilhelm
To: Patterson, Tina; Fani-Gonzalez, Natali; Verma, Partap; MCP-Chair; Cichy, Gerald
Subject: SSP Item tomorrow
Date: Wednesday, July 8, 2020 3:44:22 PM

All

I understand the staff will bring up tomorrow the idea of adding BRT stations to the red policy areas, just like the Purple Line stations. I want to urge you to support this and if staff doesn't bring it up that you bring it up. There are two reasons for this

1. The WOSG MP specifically designates the Master Plan area as "Economic Opportunity Center" like the Metro station Policy areas. This covers some of the BRT stations along US29
2. The LATR Guidelines indicates the premium transit stations are to be classified as Orange while they are planned and Red once they become operational, or nearing operational status. Premium transit is defined as Metrorail, MARC, CCT, Purple Line, and BRT.

Dan Wilhelm

From:	Melissa McKenna
To:	MCP-Chair; Anderson, Casey; Fani-Gonzalez, Natali; Cichy, Gerald; Verma, Partap; Patterson, Tina; Sartori, Jason; Wright, Gwen; Govoni, Lisa
Subject:	Rebutting comments regarding Development Moratorium Exception
Date:	Thursday, July 9, 2020 12:45:31 PM
Attachments:	Gburg cluster map.pdf

Dear Planning Board and staff,

Having been a local PTA and County leader in MCCPTA for more than 6 years and having seen in person the remarkable, and remarkably sad, ways in which schools made classrooms out of closets and janitor's offices, an overcrowded school CAN work when absolutely necessary but that in no way means it's GOOD or it SHOULD work that way.

To Chairman Anderson's comments that it is MCPS processes and BOE policies that are barriers to his "simple" solution of students being moved to another school. I offer the following:

1. Placing blame entirely on MCPS/BOE is misdirected. If he thinks the BOE will be very unlikely to put more students in an overcrowded school, he hasn't heard from the **PARENTS**!! Without exaggeration, **parents will go ballistic** if you try to add any more students to a school at 110% of capacity.

   A. As to scheduling accommodations, elementary students are eating lunch at 10:30 am up to 1:30 pm in six or seven lunch periods due to space constraints.

   B. Reassigning smaller groups of students is even <u>more</u> disruptive and families already don't like major boundary changes. Doing so will further destabilize school assignments over time.

   C. <u>Would you want to be moved to a hospital at 110% of capacity?</u>

2. Severe overcrowding at 110%-120%+ is **HUNDREDS** of students overcapacity and not easily moved. There will be no ONE place to move to unless you make space for it.

   A. Rachel Carson ES will be relieved (~200) by an addition as part of Dufief ES's rev/ex now major capital project. Rachel Carson parents refused to move into portables at Dufief, as well they should because the core space (cafe, gym, media center) could not accommodate them.

   B. Barnsley ES before their addition was at least 280 students over capacity. Boundary changes would have been irrelevant because the specific placement of the Gifted and Talented magnet program at the school accounted for 350 students. Wholesale removal of the program would have been necessary.

   C. MCPS moved the PEP program (preschool program) out of Ashburton ES (and their highly specialized classrooms and support rooms) to other schools. Why? So that those three rooms ordinarily for 18 special education students could become general ed classrooms to hold 75 students. **Net gain 57 seats.** <u>AND they still needed a modular unit</u> to replace their portables. Highly disruptive, **not** the best service provided to the PEP students and families AND still not enough room.

3. Students don't arrive in neat amounts or bundles by grade. Just because, on paper, **54 seats are available does not = 2 classrooms.**

   A. Those seats are across all grades preK-5 in elementary schools. Believe it or not you can have "overcrowded" classes of 29/30 students in an under enrolled school. All depends on what grades those students are in.

   B. Think of that space like a house, while you may have an empty corner here and there and that 10'x3' space of a front bay window that doesn't mean you have enough room for another bedroom.

4. The bussing you are suggesting is EXACTLY what many parents and students feared when MCPS began its countywide boundary analysis. Too crowded here, we'll ship yo out to the far edges of the county where there is room.

5. Regarding the statistic of 66% of students not attending the nearest school grade level school, this is one of the many reasons I am skeptical about the WXY results. While that may be true, **are students attending their ASSIGNED school?** They are not necessarily the same. Just one reason why I support a countywide boundary analysis to correct decisions made over time.

A. Gaithersburg cluster: students in the immediate neighborhood of Forest Oak MS do not attend that school. They could walk but don't instead are bussed to Gaithersburg MS. Please see the attached map of the cluster. This was created at a different time (1999) and under different circumstances probably deemed least disruptive at the time. I live around the red star on that map, I would drive my daughter past that school, literally stopping at the stop sign to the property to turn left to continue to Gaithersburg MS.

B. Sherwood Cluster: many students attend Belmont ES that live across rt.108. That is their home school despite three other elementary schools being geographically closer. Those decisions had to do with development in the 1970s!

6. Stability of assignment over time: Clarksburg cluster. Because Wilson Wims and Snowden Farms ESs are so new (2014 and 2019, respectively) **any elementary boundary reassignment in the Clarksburg cluster WOULD NOT include** them because they have recently undergone a boundary change.

A.This is noted in the October 2019 MCPS CIP, by indicating that Clarksburg, Daly, Fox Chapel, and Gibbs ESs starred to be included in a future boundary recommendation for the new CES#9. Cedar Grove Es in Damascus cluster also indicates a boundary change. However, this is counter to the latest Annual Schools Test note 1b on individual elementary school test that includes Wims. Without the Current FY21-26 MCPS CIP Master Plan, I am unable to determine MCPS's final intention but the Annual school test should accurately reflect that.

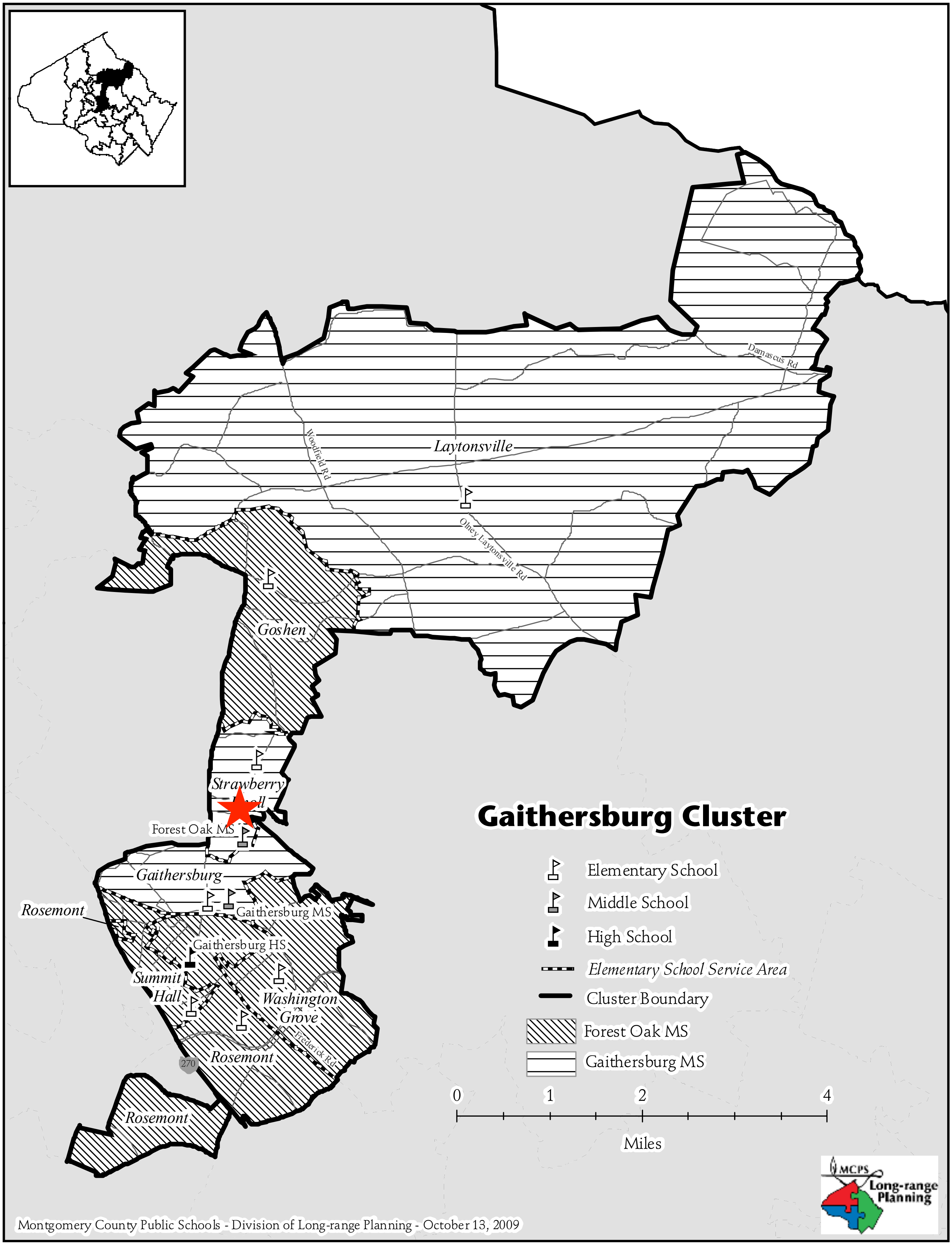
I propose the following solutions:

1. **Institute phased development requirements** in an attempt for school capacity to keep up with enrollment growth rather than overwhelming schools. That goes for **infill and turnover policy areas as well <u>to replace moratorium countywide</u>.**

2. **"Capping" schools** with MCPS. Schools would be <u>“closed” to new development</u> sending those students to an alternate, less crowded school, while still allowing neighborhood students and turnover. We heard from Ms. Essie McGuire on July 2, 2020, that this has been done in the past, while still going through MCPS and BOE processes and policies. I strongly suggest working with MCPS to develop such plans for the future.

Thank you again for listening and considering the reality of current school situations. I look forward to working with you and MCPS to find a way to ensure our students have the facilities they require at levels adequate to meet the APFO.

Respectfully submitted,
Melissa McKenna


Gaithersburg Cluster
Laytonsville
Damascus Rd
Woodfield Rd
Olney Laytonsville Rd
Goshen
Strawberry Knoll
Forest Oak MS
Gaithersburg
Rosemont
Gaithersburg MS
Gaithersburg HS
Summit Hall
Washington Grove
Frederick Rd
270
Rosemont
Rosemont
Elementary School
Middle School
High School
Elementary School Service Area
Cluster Boundary
Forest Oak MS
Gaithersburg MS
0
1
2
4
Miles
MCPS
Long-range Planning
Montgomery County Public Schools - Division of Long-range Planning - October 13, 2009

From:	Jonathan Genn
To:	MCP-Chair
Cc:	Anderson, Casey; Fani-Gonzalez, Natali; Cichy, Gerald; Patterson, Tina; Verma, Partap; Wright, Gwen; Stern, Tanya; Sartori, Jason; Graye, Eric; Govoni, Lisa; Kronenberg, Robert; Sanders, Carrie; Butler, Patrick; Baek, Hye-Soo
Subject:	Distilling It All Down to One Short, Simple, Sentence Solution --- Planning Board's SSP Work Session #5 (Item ~12 on Agenda for July 16, 2020)
Date:	Monday, July 13, 2020 7:24:18 AM

Good Morning, Chair Anderson, Vice Chair Fani-Gonzalez, and Distinguished Commissioners of the Planning Board:

All of the very complex data analytics, voluminous testimony, and extensive policy debates relating to the recommendation for the 2020-2024 SSP can be distilled down to this a one very short, simple, and strategic solution, which GLDC respectfully requests of the Planning Board:

Please explicitly exempt *both*: (1) past and present State designated Enterprise Zones, *and* (2) U.S. Treasury certified "Qualified Opportunity Zones" from all School and Transportation Impact Tax obligations.

For the very same reasons the Planning Board appears inclined to exempt past and present Enterprise Zones from all school and transportation impact taxes --- including reasons relating to Racial Equity and Social Justice, as well as catalyzing economic and job opportunities in areas of the County that have been economically disadvantaged historically --- those exact same reasons apply (with at least equal force) to the few federally certified "Qualified Opportunity Zones" located in Montgomery County.

Thank you very much for your time and consideration of this one sentence solution.

Respectfully Submitted.

Jonathan

Jonathan M. Genn, Esquire
Executive Vice President and General Counsel

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Mobile: +1-410-935-2599; Email: jonathan@percontee.com

From: Paul Goldman
To: MCP-Chair
Subject: Subdivision Staging Policy
Date: Tuesday, July 14, 2020 7:44:33 AM

Dear Chairman Anderson:

The Action Committee for Transit urges the Planning Board to end the use of Highway Capacity Manual analysis in the Subdivision Staging Policy.

This analysis is based on the outdated and dangerous concept that the purpose of a street is moving motor vehicles rather than moving people. It causes roadway modifications that make our streets less useful and more dangerous for transit riders, pedestrians, and bicyclists. And it doesn't fix traffic congestion. After half a century of growth policy, we know that wider intersections quickly fill up with new traffic.

This is a matter of equity. The current SSP exempts Metro station areas, most of them relatively affluent, from the use of HCM, precisely because we understand that it makes streets hostile and dangerous to pedestrians. Yet the lower-income areas where the most pedestrian deaths occur are still subject to it.

Continued use of HCM would be contrary to important county policy decisions, such as Vision Zero and the reduction of single occupancy vehicle mode share. Please act to make our streets safer and more inviting.

Sincerely,

Paul Goldman

Action Committee for Transit

From:	lovemydogalot
To:	MCP-Chair
Subject:	SSP
Date:	Tuesday, July 14, 2020 4:07:15 PM

Re: Subdivision Staging Policy

Dear Montgomery County Planning Board,

I live in Clarksburg and oppose increasing the moratorium threshold to 125%. I support the 3 year school test.

Elizabeth Kessler
23032 Sweetspire Dr
Clarksburg, MD 20871

From: Sears, Barbara A.
To: MCP-Chair
Cc: Wright, Gwen; Sartori, Jason; Sears, Barbara A.
Subject: July 16 SSP Discussion on Changes to the 25% MPDU Impact Tax Exemption- Recommendation 6.6 of Draft 2020-2024 County Growth Policy
Date: Tuesday, July 14, 2020 6:02:23 PM
Attachments: image001.png
image002.png
image005.png
image006.png
Email to MCPB on Impct Taxes - Bethesda Land.pdf
Email to MCPB on MPDU Impct Tax - Natelli.pdf

Dear Chairman Anderson and Members of the Planning Board:

I have attached emails written on behalf of clients involved in two separate pending developments. Both involve the recommended changes to the law currently allowing an exemption from impact taxes when 25% MPDUs are provided. Both clients have proceeded in good faith reliance on the exemption, expending very substantial funds and working cooperatively for several years with staff to achieve initiatives they understood were fully endorsed by the public sector. These clients would be very negatively impacted by the changes being discussed. Given their particular circumstances (as explained in detail in the attached emails), neither plan can realistically rely on the recommended transition date (grandfathering provision) that would require them to obtain site plan approval by the effective date of the legislative change (likely March 1, 2021).

We believe it is of utmost importance for reasons of stability and fundamental fairness to protect these limited number of plans and allow them to proceed under the existing law. Therefore, we request that the following be endorsed by the Board in a clear manner in any recommendation for change:

- ***The amendments to the impact tax exemption for projects providing 25% MPDUs would not apply to any property for which an initial or final sketch plan, preliminary plan or site plan has been filed.***

Thank you for your consideration.

Barbara Sears

Barbara A. Sears
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vCard | bsears@milesstockbridge.com

Mounts, Kerry D.

From: Sears, Barbara A.
Sent: Monday, June 29, 2020 11:08 AM
To: 'mcp-chair@mncppc-mc.org'
Cc: 'gwen.wright@montgomeryplanning.org'; 'robert.kronenberg@montgomeryplanning.org'; 'jason.sartori@montgomeryplanning.org'; 'arismardirossian@comcast.net'; 'hutchandyou@gmail.com'; 'Herb Patterson'; Sears, Barbara A.

Subject: Comments on 2020-2024 County Growth Policy, pp. 84-85 - Impact Taxes - Staff Recommendation on 25% Affordable Housing Exemptions

Dear Chairman Anderson and members of Members of the Planning Board-

We represent Bethmont LLC and Bethesda Land LLC ("Owners"), who own 7815 and 7820 Wisconsin Avenue (the "Property"), respectively, in Downtown Bethesda. Since the start of the Downtown Bethesda Sector Plan in 2016, the Owners have worked together on a project that would incorporate 25% MPDUs in new high-rise construction to be built by private developers ("Project"). The Project confronts Veterans Park and is proximate to the new Marriott Headquarters. It is well connected to the Bethesda Metro, Purple Line Station and a planned BRT station. The land and construction costs of the Project are very high and the project is possible because of the provisions in the impact tax law that would not impose impact taxes on projects providing 25% MPDUs. As noted by staff, this provision was adopted in 2015 and considered with reference to the Project when the Downtown Bethesda Sector Plan was debated as was the fact that 15% MPDUs would be required as part of the Overlay Zone. Indeed, it was acknowledged that several incentives, including the impact tax exemption and additional height, were necessary for the Project to produce 25% MPDUs and also meet the necessary public benefit points and High Performance Area standards. All of these factors were fully discussed and understood when the Plan and Zone were adopted. These anticipated costs have only increased since 2017.

Following adoption of the Downtown Plan and Overlay Zone, the Owners designed the Project and in December of 2017 made an initial filing of a sketch plan containing 25% MPDUs (estimated to produce approximately 80 MPDUs). Since that time the acceptance and processing of the sketch plan has been delayed due to the uncertainty of the location and acquisition of land for the expansion of Veterans Park. The Owners have worked cooperatively and patiently with staff during its deliberations on the location of the Park, negotiations with others to acquire land for the expansion and very recent approval by the Planning Board of an agreement to purchase land from an abutting land owner for Veterans Park. The staff and Owners are now engaged in further discussions and negotiations relating to implementing the Park in a cost-effective manner in accordance with the Board's direction. With the major decisions regarding location and the securing of a contract to purchase the Park complete, it is the Owners' understanding that, after approximately two and one-half years since the initial filing of the sketch plan, the Project may proceed. However, the Project will not secure necessary approvals before the FY 2000-2024 SSP is effective and a change to the impact tax law made if the draft recommendation to raise the 25% MPDU threshold to 30% in areas required to provide 15% MPDUs is approved. Such a decision would render the ability of the Owners to provide 25% MPDUs infeasible, negating the recommendations of the Downtown Plan for the Property, rendering the costs and expenses of the Owners on the Project (approximately $1 million) of little or no value and limiting the abilities of the Owners to work with staff regarding possible reduction of costs of Veterans Park.

The Owners request that the Planning Board not recommend the changes to the impact tax law which would require areas of the County requiring 15% MPDUs to have 30% MPDUs to be entitled to the affordable housing impact tax exemption as contained in the Draft Growth Policy and instead maintain the provisions of the law as they currently exist. As the Planning Board strongly emphasized in the Downtown Bethesda Plan and every sector and master plan it compiles, the production of MPDUs throughout the County needs to be of high priority. Not only does this priority provide much needed housing in new developments, but promotes diversity in all areas of the County. To accomplish this goal though private sector construction, especially in high cost areas of the County such as Downtown Bethesda and other areas where the 15% requirement applies and for other areas where new construction is proposed, the current exemption is of critical importance. If, however, the Planning Board decides to recommend this change in the law, we would request that, because of the resulting inequities that would result to the Owners as outlined above, the changes not apply to any property such as the Owners' Property for which an initial submission of a sketch plan or preliminary plan has been filed prior to the effective date of the change.

Thank you for your consideration of our comments. Please let us know if we can answer any questions you may have.

Barbara Sears

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MILES & STOCKBRIDGE

vCard | bsears@milesstockbridge.com

Mounts, Kerry D.

From:	Sears, Barbara A.
Sent:	Tuesday, July 7, 2020 5:49 PM
To:	'mcp-chair@mncppc-mc.org'
Cc:	'jason.sartori@montgomeryplanning.org'; 'hye-soo.baek@montgomeryplanning.org'; 'eric.graye@montgomeryplanning.org'; 'gwen.wright@montgomeryplanning.org'; 'Tom Natelli'; Michael Natelli; 'kdavisson@natelli.com'; Sears, Barbara A.
Subject:	County Growth Policy Recommendation to Eliminate MPDU Impact Tax Exemption in the Greenfield Impact Area

We appreciate the efforts of staff and the Planning Board last Thursday in recommending a solution for the high school moratorium issue in the Greenfield Impact Area for consideration by the County Council. Unfortunately, there is another recommendation in the Draft County Growth Policies ("Draft CGP") that threatens the long pending Ashford Woods project in Clarksburg.

This one concerns the affordable housing exemption from impact taxes when 25% MPDUs are provided. The Draft CGP at page 85 recommends that the exemption not apply in Greenfield Impact Area. As this Area encompasses Clarksburg where Ashford Woods in located, this change in the law if enacted in its proposed form would not permit the exemption to be used for Ashford Woods. Ashford Woods proposes 25% MPDUs.

As discussed last week, the property as a housing resource fully complies with the many constraints of the 2014 Clarksburg Master Plan Amendment and Environmental Overlay Zones and fulfills the adopted policies of Montgomery County as intended. The fact that the community provides 25% MPDUs offering a housing choice to people at price points not available in other parts of the County and encourages diversity is a very good thing that we believe staff has promoted throughout our review process and the Planning Board endorses as an important planning goal in the County. The economic feasibility and community design of the project have relied throughout the purchase and review process on Natelli Communities including the 25% MPDUs and the resulting ability to use this exemption. A doubling of the MPDUs not only yields an important public benefit (producing 91 MPDUs) but assists in offsetting a number of costly infrastructure improvements and other public benefits that are being required of or proposed by the project. These include such elements as a pump station, access improvements, contributions toward a master planned bike path and bikeable shoulders along Md. 355, substantial park and roadway dedications, amenity features and several other unique development elements pertaining to the Environmental Overlay Zones and Special Protection Area.

The current recommended transition period for this proposed impact tax law amendment provides that the changes must apply to projects that receive site plan approval after the effective date of the change to the impact tax law (see Appendix at p. 121). Staff points out that the last amendment was not made effective until March 1 (here 2021). However, this project is dealing with a moratorium for which relief is potentially to be provided in the 2020 County Growth Policy. This relief will likely not be effective until January 1, 2021, and hence the Ashford Woods preliminary plan not acted on until after that date. Therefore, it is not feasible that a site plan for the project will be approved by February 1, 2021. It is also noted that the effective dates are uncertain and will not be known until November.

Therefore, for the above reasons, we would ask that the Board not eliminate the use of the exemption in the Greenfield Impact Area and continue its use in this area as currently allowed. However, if the

Planning Board decides to include the elimination of the exemption in the Greenfield Impact Area in its recommended 2020 CGP, we request that the Planning Board recommend that the change in the impact tax law provide that any project for which a concept plan, initial sketch plan or preliminary plan has been submitted or filed may proceed under the law as it existed prior to the effective date of the change. We have exchanged emails with staff on these issues in hopes that a solution can be found when the Board discusses the exemption on Thursday.

Thank you very much for your consideration. We would be happy to answer any questions you may have.

Barbara Sears

Barbara A. Sears

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MILES & STOCKBRIDGE

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From: Max Well
To: MCP-Chair
Subject: RE SSP
Date: Wednesday, July 15, 2020 9:50:14 AM

Dear Mr Anderson

The proposal to include high school capacity up to 10 network miles away , in considering building moratoria, will do nothing to reduce overcapacity and satisfy the requirements of the adequate public facilities ordinance, 50-35 (k). So it is of questionable legal validity

Thank you

Barry Lebowitz

From:	David Murray
To:	MCP-Chair
Subject:	Comments for the Record
Date:	Tuesday, July 14, 2020 8:16:46 PM
Attachments:	2020.07.14 - PlanningBoardSupplementalComments2.pdf

Dear Chairman Anderson,

I have attached written comments on the proposed County Growth Policy and request that the attachment be included in the record and provided to Board Members.

If you have any questions or need additional information, please feel free to contact me.

Regards,
David Murray

To: Montgomery County Planning Board Chair Casey Anderson
From: David Murray, Montgomery County resident
Subject: 2020-2024 Subdivision Staging Policy (SSP)

Thank you for the opportunity to comment again on the proposed County Growth Policy (the "Proposal"). Ahead of the final work session on the Proposal, I write to address three topics:

1. The Chair's proposal to impose thousands of dollars in new impact fees on affordable housing units in some neighborhoods;
2. Drivers of the housing shortage; and
3. The staff compilation of comments.

1. Chair's Proposal to Impose New Impact Fees on Affordable Housing

On 9 July, the Chair proposed imposing thousands of dollars worth of new school impact fees on affordable housing in some neighborhoods. The Chair's proposal seems incongruous with the stated goals of the Proposal, particularly in light of the Chair's staunch defense of impact fee reductions — or subsidies for developers, as the Chair called them during the 9 July meeting — for market rate housing in Bethesda. The Planing Board should reject the Chair's proposal to create new impact fees for affordable housing because Montgomery County should continue to subsidize affordable housing by covering the full costs of affordable housing's school impact from the general fund, regardless of neighborhood, so that all neighborhoods are accessible to people from all socioeconomic backgrounds.

Furthermore, on 9 July, the Chair stated that he believes higher impact fees reduce development, and that lower impact fees result in more development. If, for the sake of discussion, the Board were to accept the Chair's proposal and the Chair's economic theory, then the only reasonable outcome is that the Chair's recommendation would have the effect of concentrating affordable housing units in some neighborhoods, while other neighborhoods would be made up more of market rate housing. This outcome could perpetuate the harmful effects of Montgomery County's ugly history of abusing land use laws to reinforce and maintain segregation. The Planning Board should be unequivocal in conveying that *all* of Montgomery County's neighborhoods *must* accommodate people from *all* socioeconomic backgrounds instead of choosing to impose impact fees in some neighborhoods but not in others.

2. Drivers of the Housing Shortage

In listening to the discussion of the Proposal during the past few weeks and in tracking development proposals that have come before the Board, I have been struck by how much discussion has fixated on impact fees as the primary — if not the only — barrier to housing development and a leading cause of high housing costs. The empirical basis for this conclusion is thin, and in Montgomery County, development continues to lag in areas that are exempt from impact fees, while areas where impact fees are imposed have experienced much welcome growth. Historically, tax cuts and subsidies of the nature that the Proposal recommends have exacerbated income gaps and inequity rather than ameliorating them. Moreover, county officials found no persistent relationship between residential deliveries and Montgomery County's impact fee schedule. The county officials noted that development surged shortly before the last large impact fee increase, but developers had nearly a year of warning — more if the months that the proposal was under consideration are included — so the surge was most likely nothing more than a handful of projects being accelerated to beat the higher fee schedule. The surge probably is not reproducible unless Montgomery County raises fees again and provides a long lead time for developers to take advantage of lower fees.

The consequences of being wrong about what is driving the housing shortage are severe, both for the Montgomery County's housing goals and for its budget. First, if the policy intervention that the Council ultimately selects is the wrong one, Montgomery County will fail to meet its housing and growth goals. Second, the Proposal's impact fee recommendations could weaken the County's fiscal position by reducing overall revenue if the impact fee and recordation tax changes affect the housing market in ways that the Proposal does not anticipate. If the Proposal's projections are incorrect — because of shifts in prevailing economic conditions, because impact fee decreases spur new development while recordation tax increases slow residential real estate sales, or because of other reasons — then Montgomery County would have hundreds of new students with no dedicated funding to build more schools. In sum, the Proposal introduces fiscal risk that Montgomery County does not currently face because it divorces specific impacts from the specific fees that the Montgomery County has created to address those specific impacts.

As Planning Staff and the Planning Board conclude work on the Proposal, it is vital that they closely examine the extent to which impact fees are inhibiting development or driving up housing prices for consumers, or whether other factors — such as increasingly sophisticated pipeline staging, unduly restrictive zoning, labor constraints, or broader market conditions — are leading to the housing shortage and higher prices. Last month, the Planning Board approved an application to convert part of a residential project atop the intersection of two rail lines into a hotel temporarily because the developer was concerned that it lacked a market for all of the units as regular rentals. In the coming weeks, the Planning Board will consider an application that will allow a developer to deliver rental units over a longer timeframe (Application 82009003A) than originally proposed. That developer said in its Statement of Justification that is concerned about whether the market can absorb all of the already approved units. Developers, alluding to concerns about demand, also have sought to downsize other projects or to convert projects from all-age housing to age-restricted housing.

Why are developers so concerned about absorption of residential units when there is a housing shortage? This is a central question that the Proposal must address. The most plausible explanation is that developers are not concerned at all about absorption as an absolute matter but are instead concerned only about absorption of units that lease or sell for very high prices per square foot. Developers and investors have clearly become accustomed to charging very high prices in Montgomery County and are understandably working hard to protect their revenue and returns. By taking this approach, not only are they able to promise investors high returns at new properties but they are also able to protect high returns across their portfolios, especially at existing rental properties. This is good for developers and investors, but for everyone else, housing remains scarce and housing costs stay high.

Addressing the housing shortage will require Montgomery County to change developers' behavior. Accordingly, the Planning Board should generate ideas that deter land underutilization and excessively long delivery timelines — especially in Activity Centers — because both underutilization and long delivery timelines have a direct and substantial impact on housing supply and costs. Proposals designed to deter underutilization and excessive staging would better position Montgomery County to grow, so that it can meet housing needs with diverse neighborhoods accessible to people from all socioeconomic backgrounds. Modifying the approach to impact fees may be part of a package to promote more near-term housing development, but in light of the disappointing pace of development in Wheaton and Silver Spring, it is clear that even full exceptions from impact fees are not sufficient to spur development and put Montgomery County on track to meet its housing goals.

3. Staff Compilation of Comments

I would like to thank Mr. Sartori for highlighting during the 9 July meeting that lowering school impact taxes could make the production of affordable housing less likely by reducing the value of the tax exemption. This topic deserves more attention than the Planning Board gave it during that meeting. However, I believe that the staff compilation of comments misrepresents my view on the impact tax exemptions for affordable housing (Page 15) by labeling my comments on the new affordable housing program as a "con." I request that you amend the staff compilation of comments to reflect my views accurately. I unequivocally stated support for these impact fee exceptions in my comment letter dated 9 June: "The Proposal includes maintaining existing impact fee exceptions for projects that are focused on delivering affordable housing. *We should continue to support these exceptions — and seek ways to generate even more affordable housing — so that the County can better support diverse neighborhoods.*" (Page 5, emphasis added)