



SOS



Montgomery Planning | Functional Planning & Policy Division

County Growth Policy Working Draft

Briefing on Staff Recommendations

May 28, 2020

Today's Briefings

Purpose: Provide an overview of staff's recommendations contained within the Working Draft of the 2020 County Growth Policy (aka Subdivision Staging Policy).

Item #3

- Policy name recommendation
- Schools element recommendations
- Tax recommendations

Item #4

- Transportation element recommendations
- Motion to
 - Approve the Public Hearing Draft
 - Set the date of the public hearing
 - Transmit the "staff draft subdivision staging policy" to the County Council



Upcoming Planning Board Sessions

Public Hearing

- June 11

Planning Board Work Sessions

- June 18 – policy name and schools element
- June 25 – transportation element
- July 2 – schools element and funding mechanisms
- July 9 – transportation element and funding mechanisms
- July 16 – tie up loose ends

Transmittal of Planning Board Draft to the County Council

- July 30





Policy Development Effort

Major emphasis on developing recommendations that are **data-driven** and **stakeholder-informed**

Overarching themes:

- Recognition that a one-size-fits-all policy doesn't work in a county with such **diverse growth contexts**
- Generally move **away from limiting growth** when school infrastructure is inadequate and move **toward ensuring adequate infrastructure** to allow the county to grow in our desired amounts, forms and locations
- Create a policy that **supports the county's other policy priorities**

Summary of Major Recommendations

- 1 Renamed the “County Growth Policy.”
- 2 Major reductions in use of moratoria.
 - Elimination of automatic moratoria in 93% of the county.
- 3 Where no moratorium, standards established for:
 - Identifying areas subject to the Planning Board’s review of school infrastructure adequacy.
 - Requiring developers to pay Utilization Premium Payments.
- 4 Revamped impact tax structure that is context sensitive and helps promote other policy priorities.



Index of Recommendations

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County Growth Policy

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- 4.3 Annual School Test – individual school level
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- 4.5 Annual School Test – length of test results
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Chapter 3

Chapter 3. Policy Recommendation
County Growth Policy



Chapter 4

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Chapter 4. Schools Element Recommendations
Annual School Test and Utilization Report



Chapter 4. Schools Element Recommendations
Residential Development Moratorium



Chapter 4. Schools Element Recommendations
Student Generation Rate Calculation



Chapter 4. Schools Element Recommendations
Development Application Review



Chapter 4. Schools Element Recommendations
Utilization Premium Payments



Chapter 6

Chapter 6. Tax Recommendations
School Impact Taxes



Chapter 6. Tax Recommendations
Impact Tax Exemptions on Residential Uses



Chapter 6. Tax Recommendations
Recordation Tax



Chapter 3. Policy Recommendation

County Growth Policy



County Growth Policy

R3.1

Change the name of the Subdivision Staging Policy to the County Growth Policy.

- With a changing growth context more focused on infill and redevelopment, and a recognized need to grow the economy and provide more attainable housing, this policy must be more than a tool for ensuring infrastructure keeps pace with development.
- It must be a growth management tool that helps ensure growth comes in the form, amount and locations we need and desire.



Chapter 4. Schools Element Recommendations

School Impact Areas



School Impact Areas

R4.1

Classify county neighborhoods into School Impact Areas based on their recent and anticipated growth contexts. Update the classifications with each quadrennial update to the County Growth Policy.

Classifications are based on the:

- Amount of new housing
- Type of new housing (single-family vs. multifamily)
- Amount of enrollment growth

School Impact Areas

R4.1

Identified 35 planning areas corresponding to aggregations of *census tracts*

- Started with Planning Areas currently used for certain housing policies and the Housing Needs Assessment
- Modified the Planning Areas to pull out Downtown Bethesda, Downtown Silver Spring, Wheaton CBD, Friendship Heights and White Flint, and other census tracts exhibiting different growth contexts

The planning areas were grouped into three School Impact Areas, which have implications on how the schools element of the County Growth Policy and related funding mechanisms are applied.

School Impact Areas

Infill Impact Areas

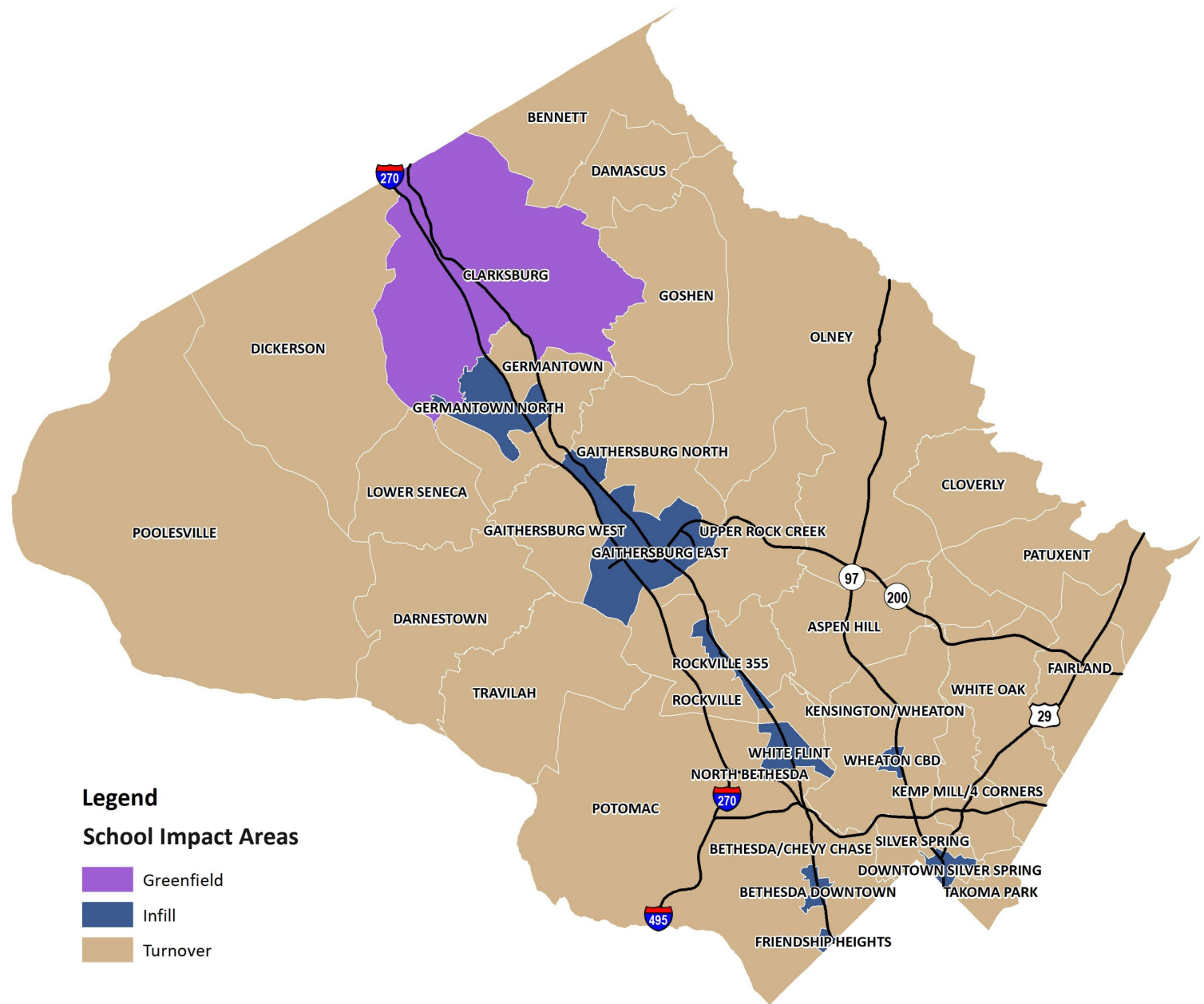
- Areas with high housing growth that is predominantly multifamily, which generates few students on a per unit basis

Turnover Impact Areas

- Areas with low housing growth where any enrollment growth is largely due to turnover of existing single-family units

Greenfield Impact Areas

- Areas with high enrollment growth due largely to high housing growth that is predominantly single-family

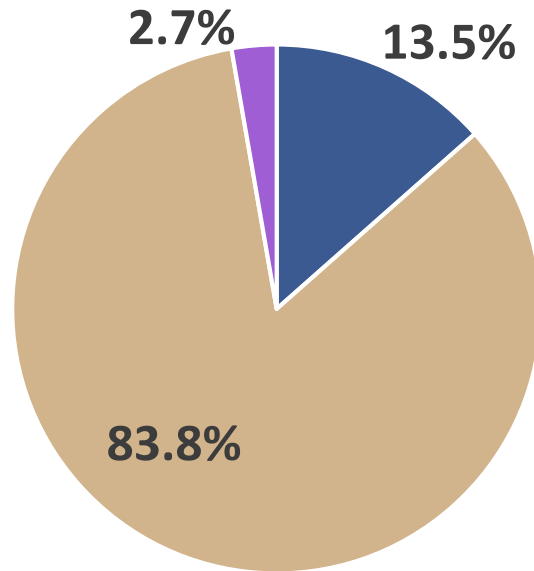




Greenfield	23,474 acres
Infill	12,420 acres
Turnover	288,504 acres

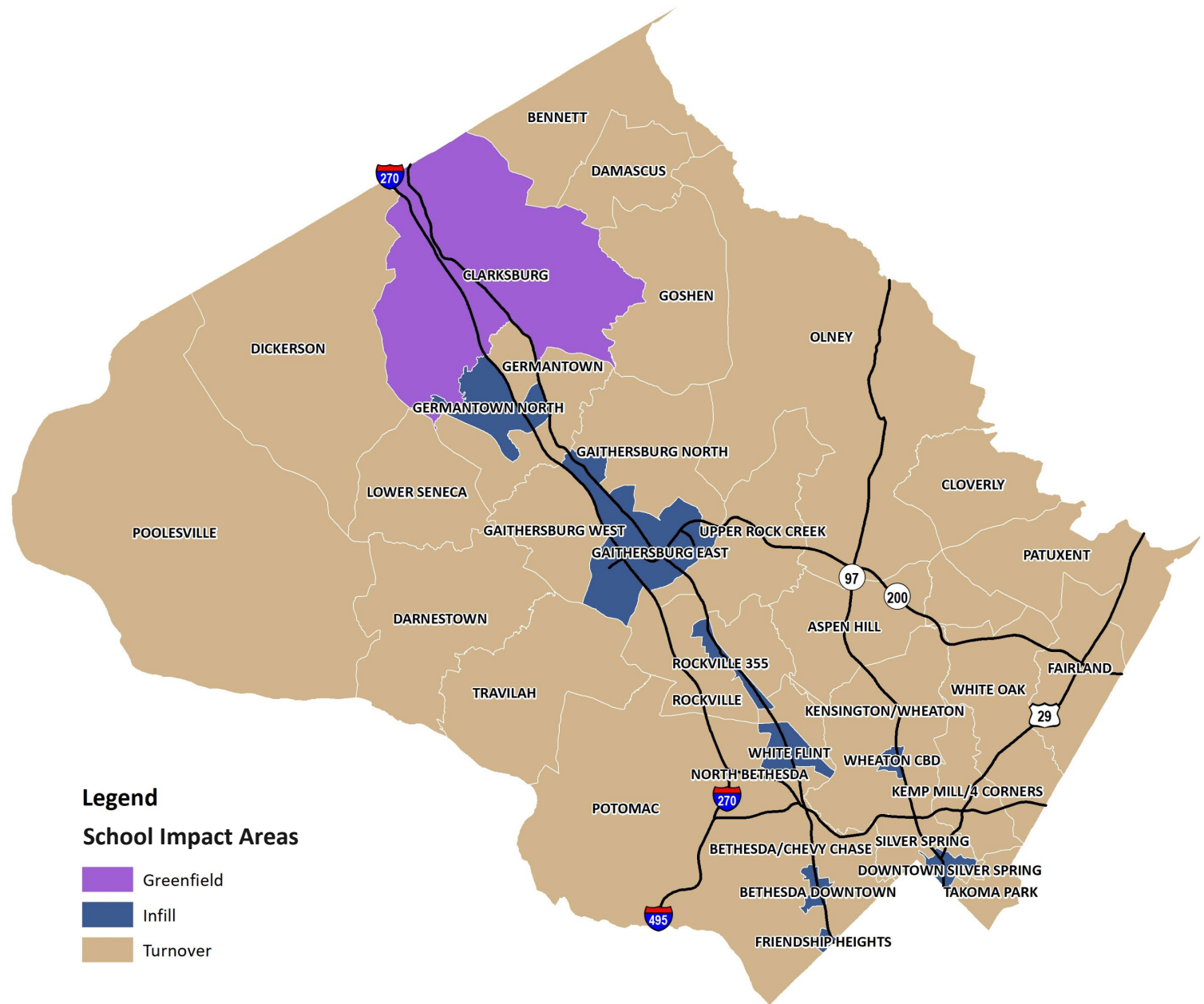


Population Shares 2018

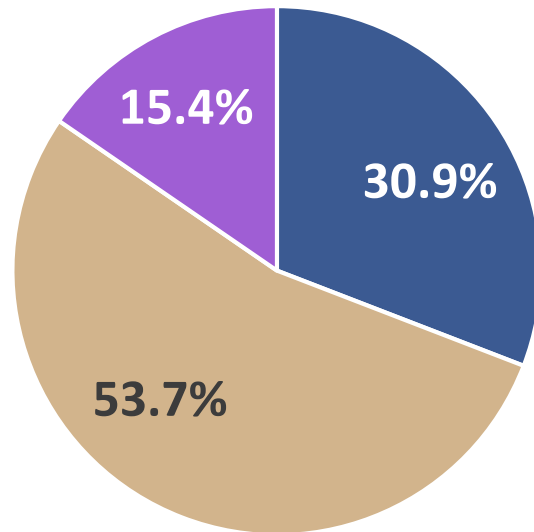


■ Infill ■ Turnover ■ Greenfield

Greenfield	28,488 people
Infill	140,268 people
Turnover	871,377 people

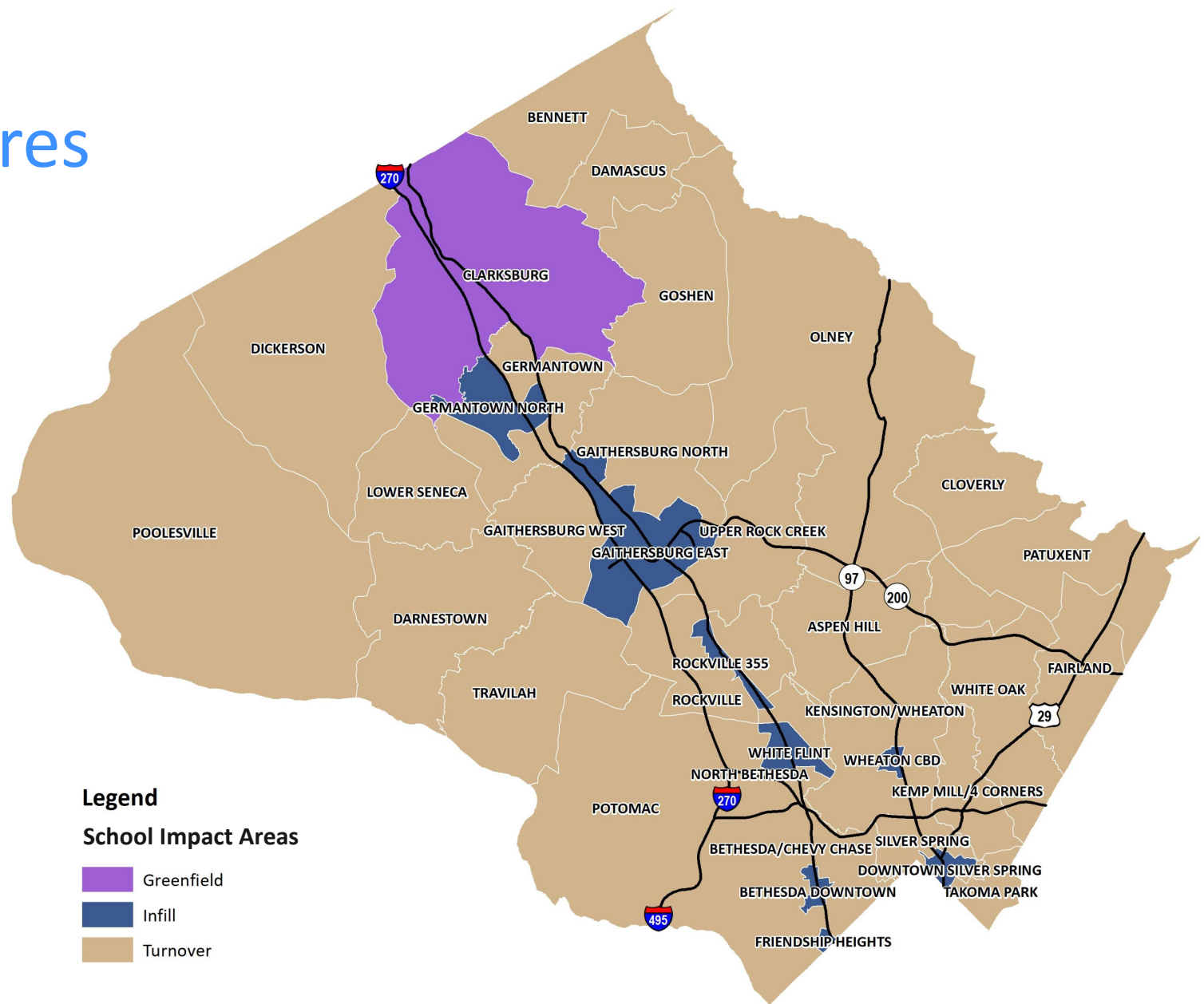


Population Growth Shares 2013-2018

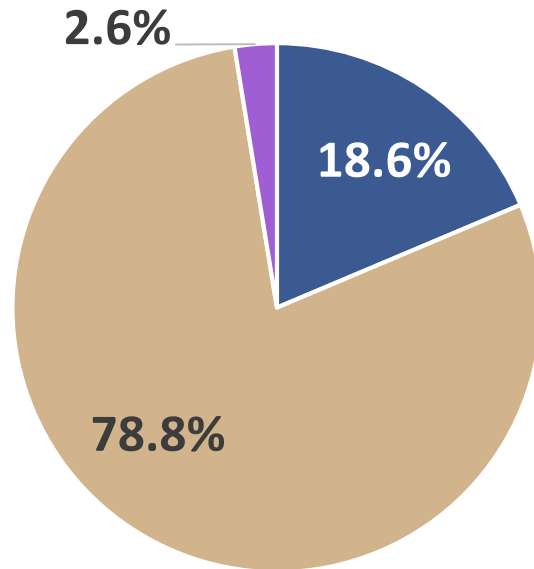


■ Infill ■ Turnover ■ Greenfield

Greenfield	+7,812 people
Infill	+15,634 people
Turnover	+27,213 people

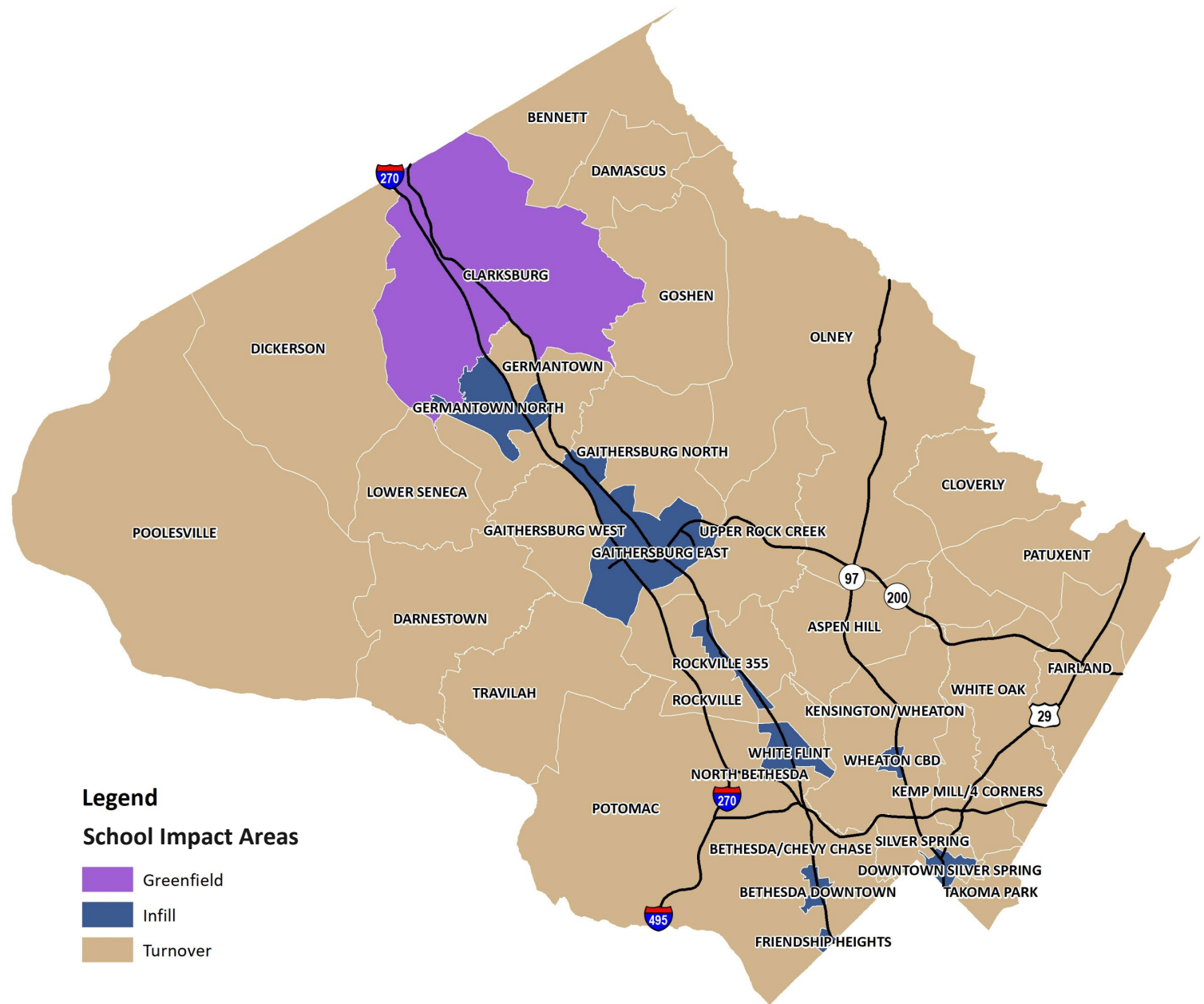


Housing Unit Shares 2018

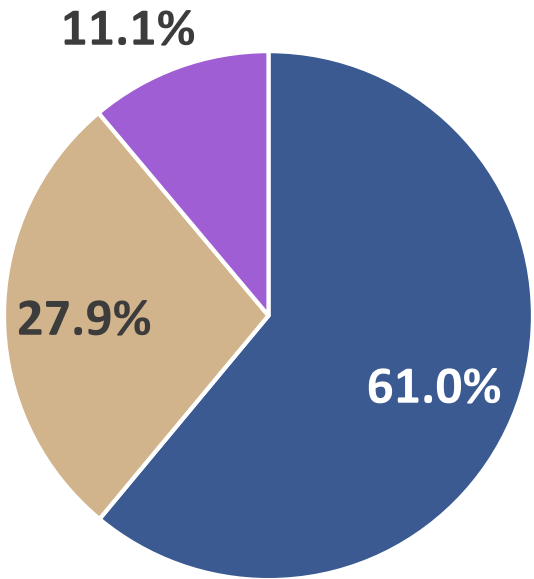


■ Infill ■ Turnover ■ Greenfield

Greenfield	10,054 units
Infill	72,931 units
Turnover	308,186 units

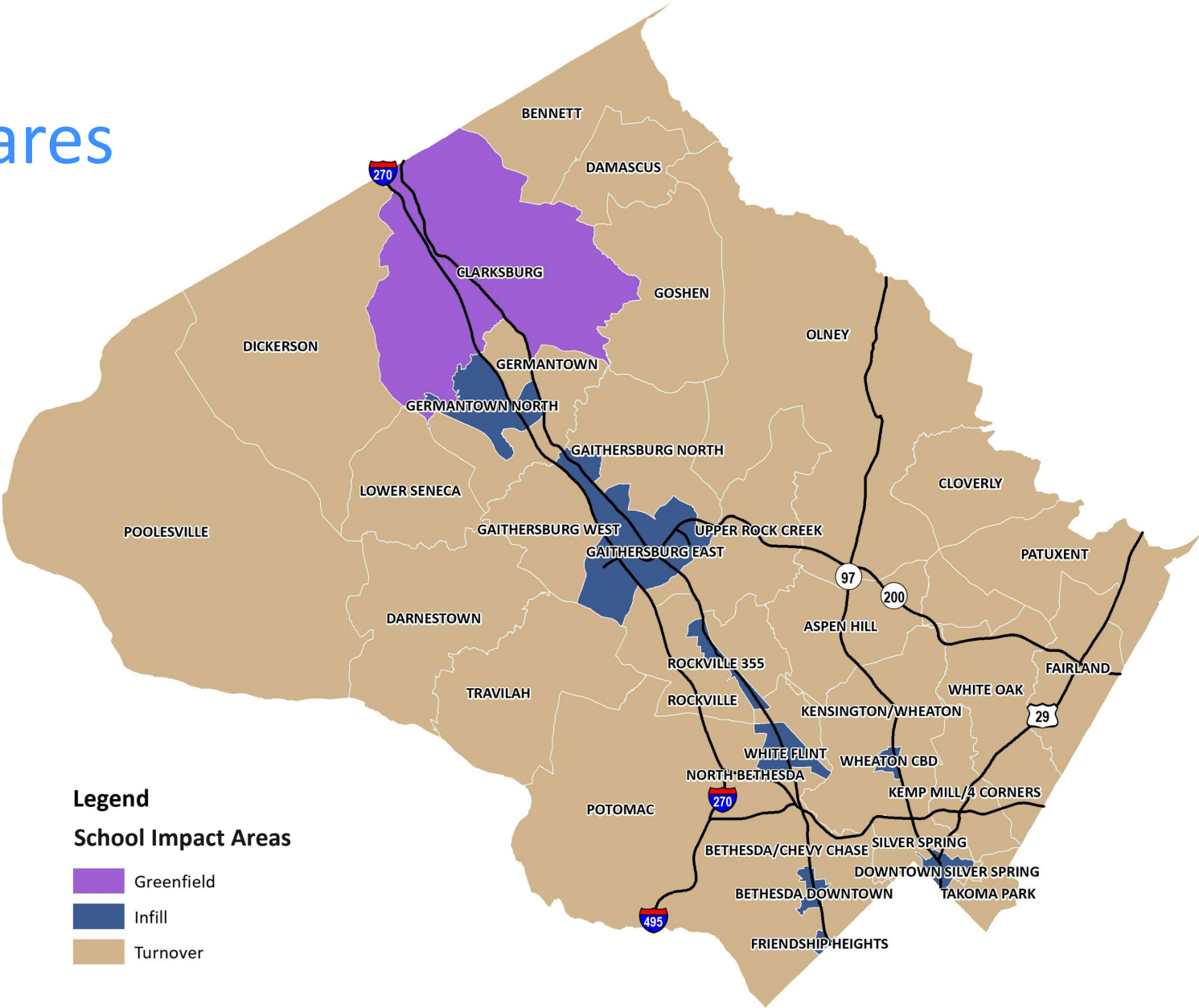


Housing Unit Growth Shares 2013-2018

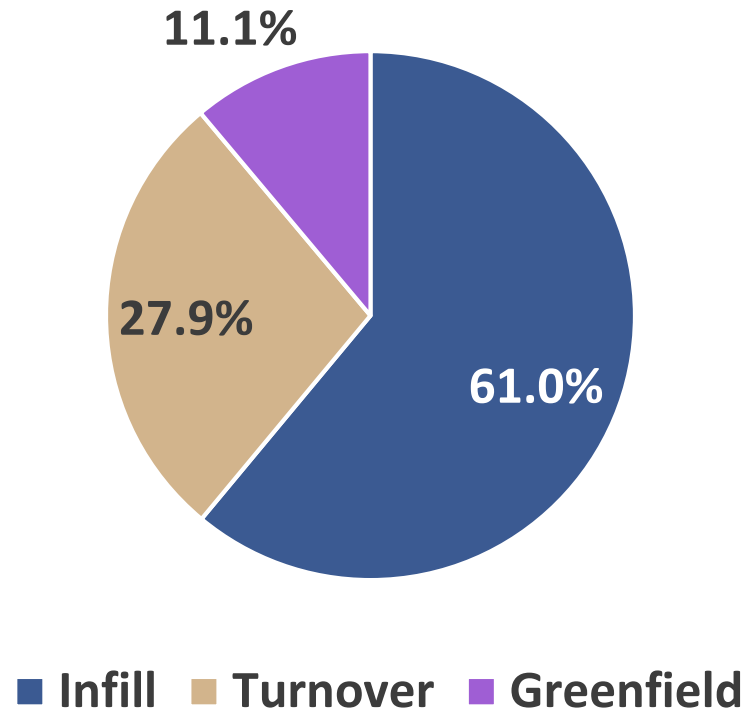


Infill Turnover Greenfield

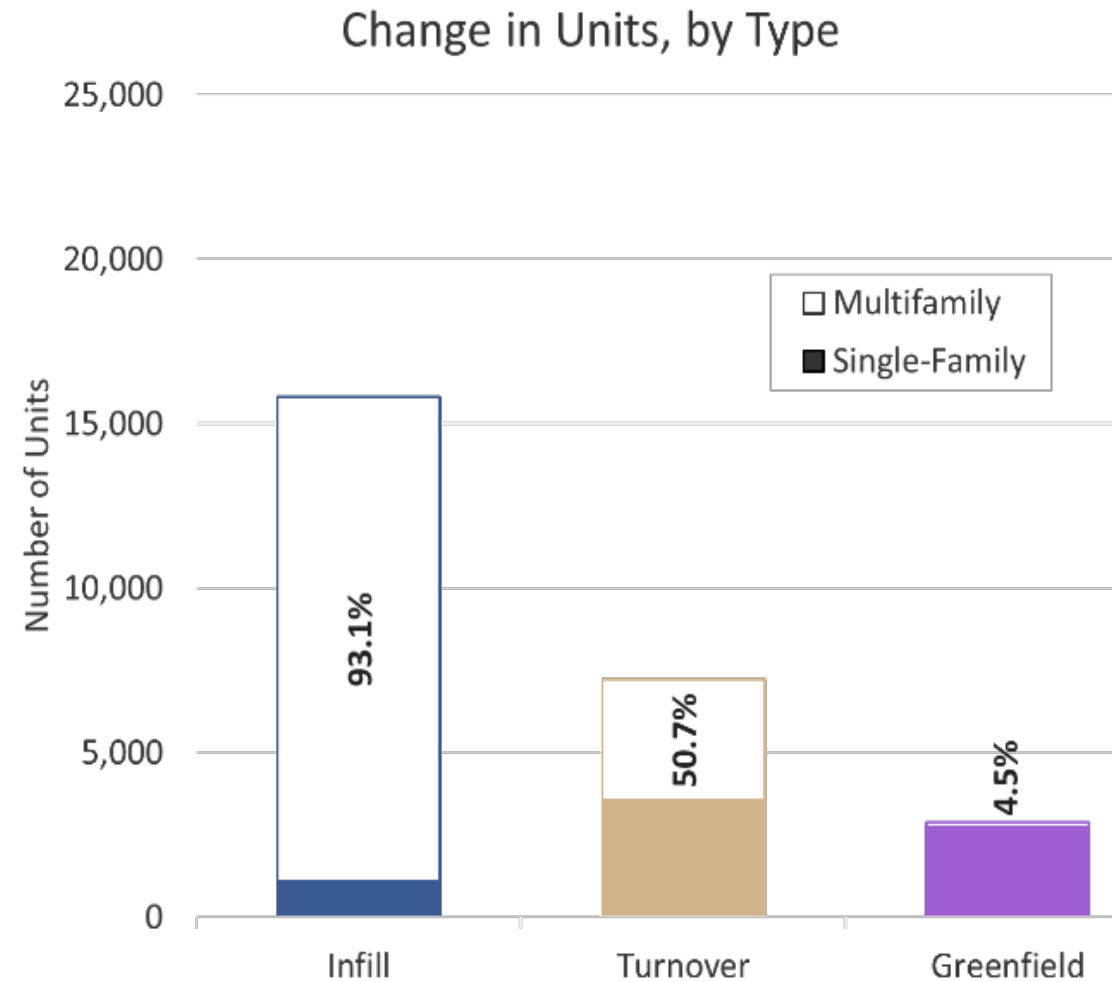
Greenfield	+2,880 units
Infill	+15,826 units
Turnover	+7,224 units



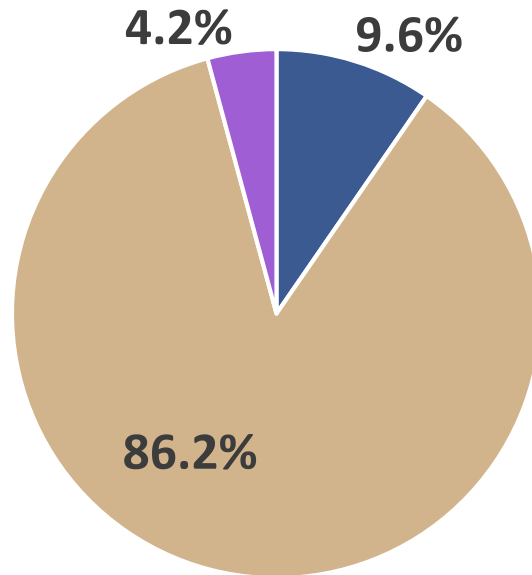
Housing Unit Growth Shares 2013-2018



Greenfield	+2,880 units
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Turnover	+7,224 units

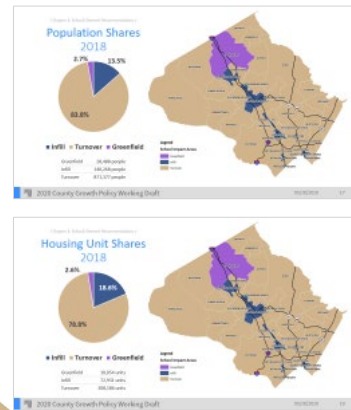
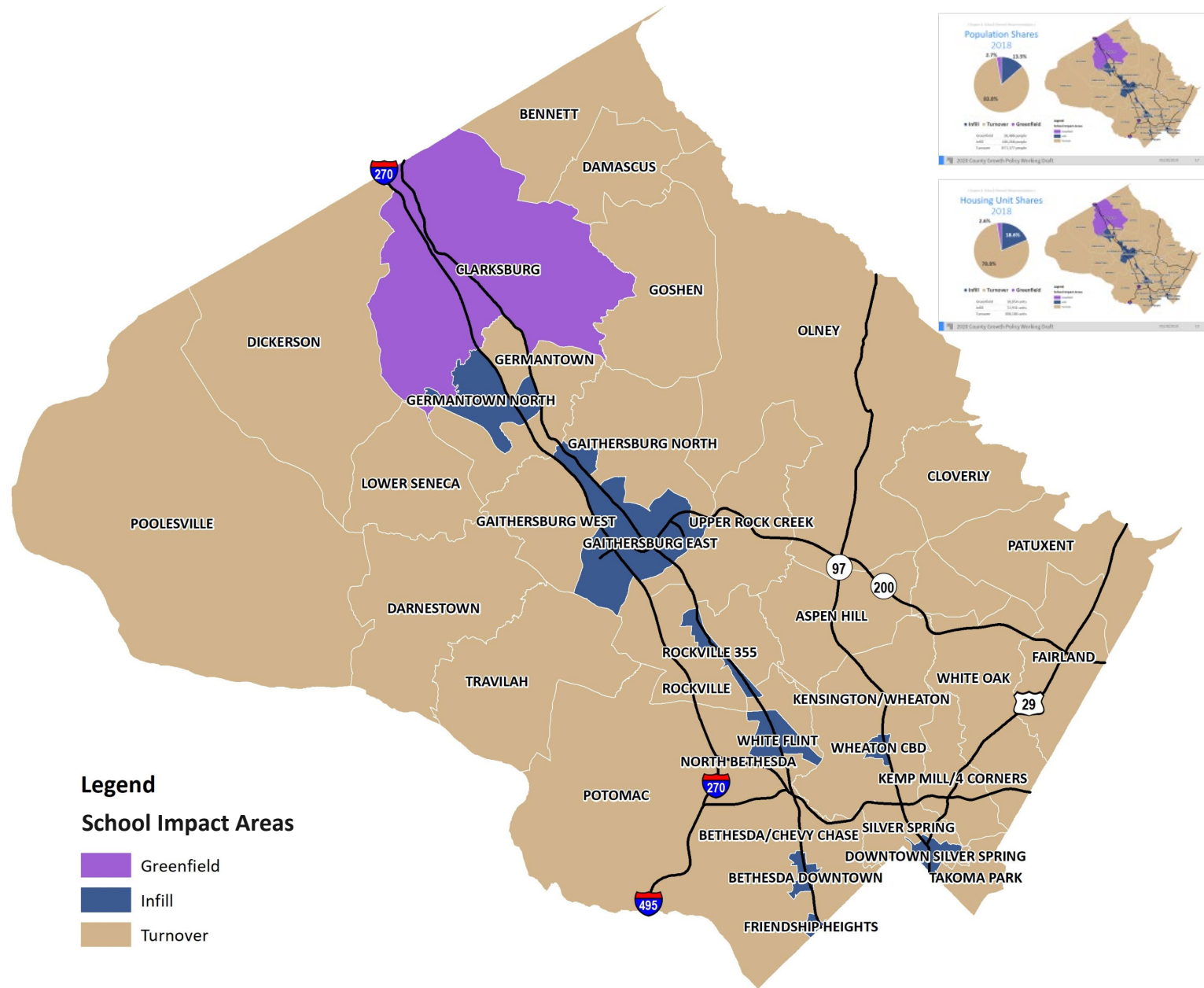


Enrollment Shares 2018

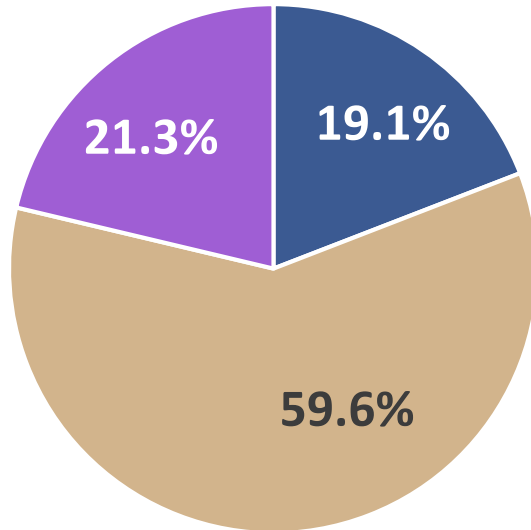


■ Infill ■ Turnover ■ Greenfield

Greenfield	6,645 students
Infill	15,188 students
Turnover	136,091 students



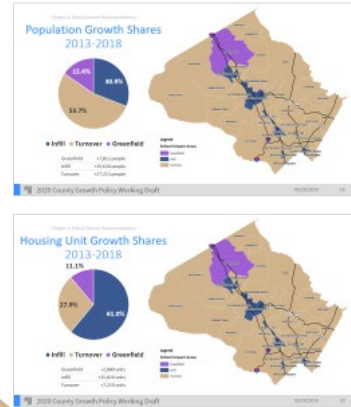
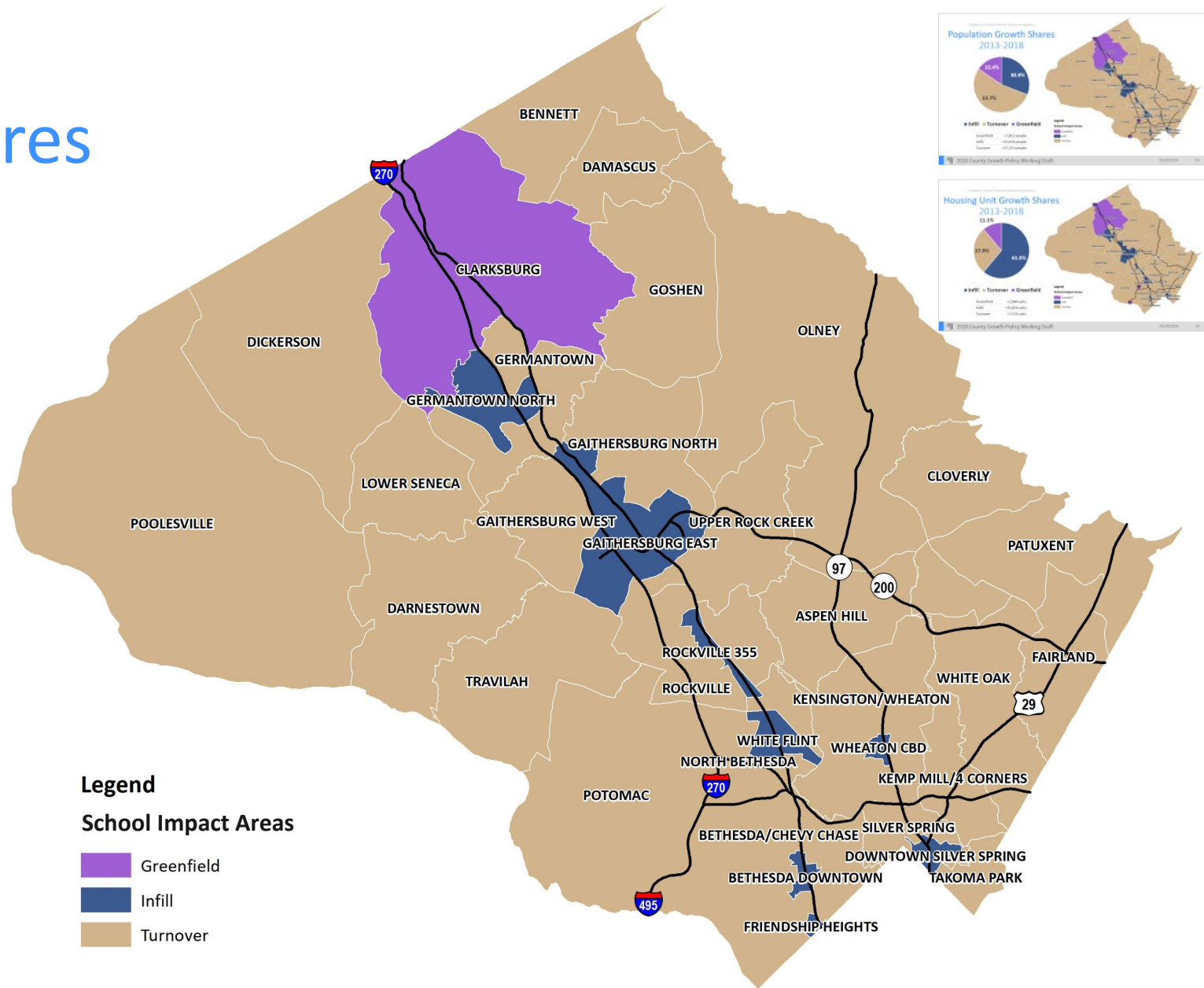
Enrollment Growth Shares 2013-2018



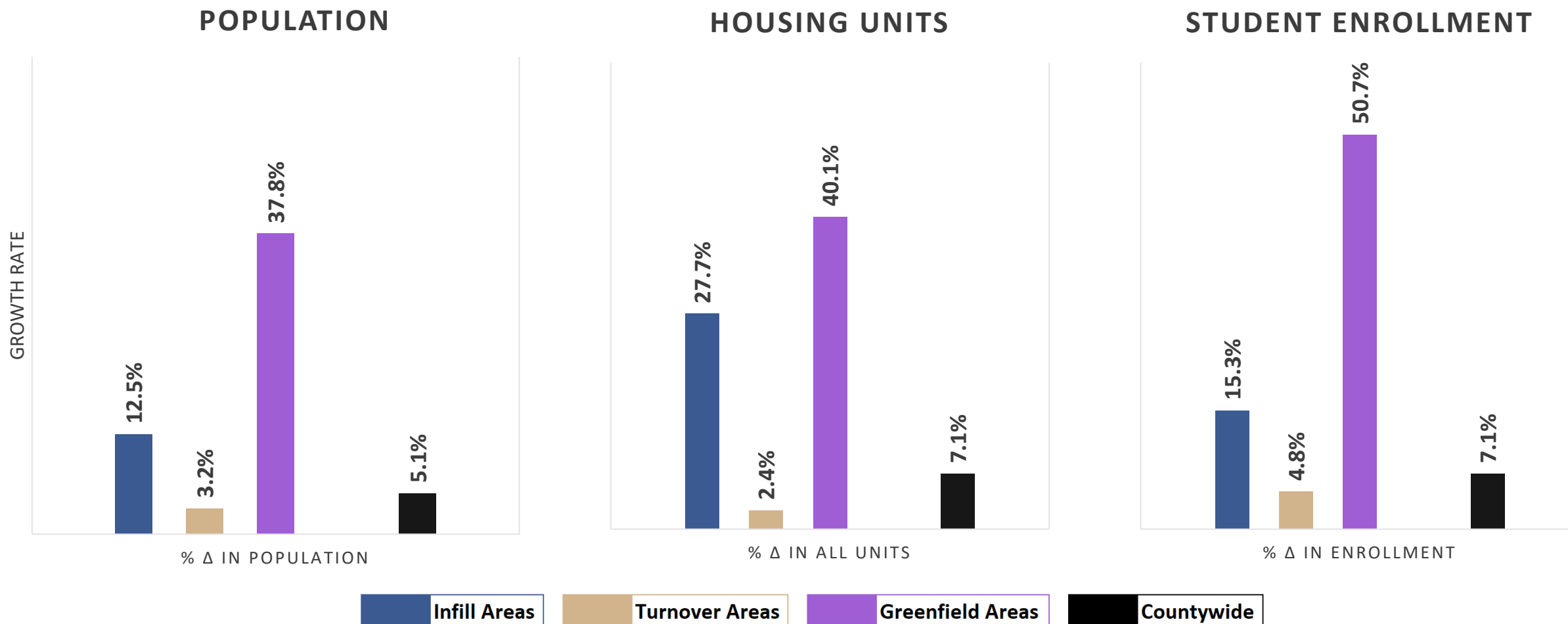
■ Infill ■ Turnover ■ Greenfield

Greenfield	+2,237 students
Infill	+2,010 students
Turnover	+6,263 students

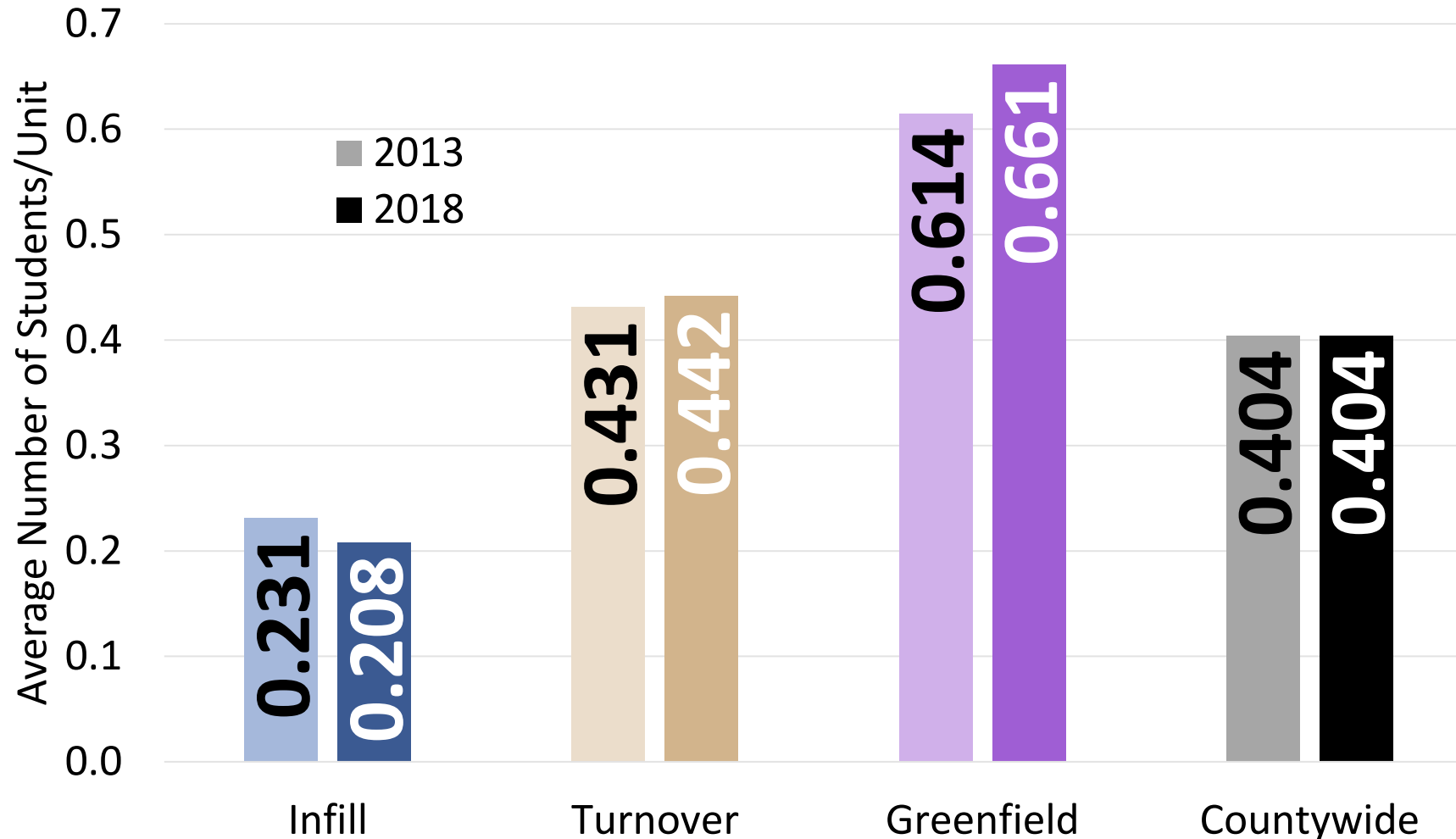
Legend
School Impact Areas



School Impact Area Growth Rates, 2013-2018



School Impact Area Student Generation Rates



Chapter 4. Schools Element Recommendations

Annual School Test and Utilization Report



Annual School Test and Utilization Report Recommendations

- 4.2 By January 1, 2021, the Planning Board must adopt a set of Annual School Test Guidelines, which outline the methodologies used to conduct the Annual School Test and to evaluate the enrollment impacts of development applications and master plans.
- 4.3 The Annual School Test will be conducted at the individual school level only, for each and every elementary, middle and high school, for the purposes of determining school utilization adequacy.
- 4.4 The Annual School Test will evaluate projected school utilization three years in the future using the following school utilization adequacy standards:
- ES: Seat Deficit < 100 seats or Percent Utilization \leq 120%
 - MS: Seat Deficit < 180 seats or Percent Utilization \leq 120%
 - HS: Percent Utilization \leq 120%





Annual School Test and Utilization Report Recommendations

- 4.5 The Annual School Test will establish each school service area's adequacy status for the entirety of the applicable fiscal year.
- 4.6 The Annual School Test will include a Utilization Report that will provide a countywide analysis of utilization at each school level.
- 4.7 The Utilization Report will also provide additional utilization and facility condition information for each school, as available.

Annual School Test and Utilization Report

R4.2

By January 1, 2021, the Planning Board must adopt a set of Annual School Test Guidelines, which outline the methodologies used to conduct the Annual School Test and to evaluate the enrollment impacts of development applications and master plans.

- This is all about transparency.
- The guidelines will explain how the test is conducted, including the calculation of any modifications to the planned capacities or projected enrollments published by MCPS resulting from placeholder projects or approved CIP projects at other schools.

Annual School Test and Utilization Report

R4.3

The Annual School Test will be conducted at the individual school level only, for each and every elementary, middle and high school, for the purposes of determining school utilization adequacy.

- There will no longer be a cluster-level test, which masks both overcrowded and adequate school facilities.
- Eliminates confusing and complicated cluster calculations.
- Eliminating automatic moratoria throughout most of the county requires the Board to review school adequacy. This simplifies the identification of areas requiring Board review.

Annual School Test and Utilization Report

R4.4

The Annual School Test will evaluate projected school utilization three years in the future using the following school utilization adequacy standards:

ES: Seat Deficit < 100 seats or Percent Utilization \leq 120%

MS: Seat Deficit < 180 seats or Percent Utilization \leq 120%

HS: Percent Utilization \leq 120%

- Changes the test time frame from 5 to 3 years.
- Many factors determine how long it will take an approved project to start adding students to the public schools.
- Concerns with the projections used for the current 5-year test:
 - Projects programmed in the out years of the budget are frequently delayed.
 - The 5-year projections are the least reliably accurate.

Annual School Test and Utilization Report

R4.4

- The adequacy standards are unchanged from the current SSP, to identify areas for residential development moratoria (in Greenfield Impact Areas) and areas requiring detail Planning Board review and Utilization Premium Payments (in Turnover and Infill Impact Areas).

School Level	Projected Utilization Adequacy Standards	Greenfield Impact Areas	Turnover and Infill Impact Areas
Elementary	Seat Deficit \geq 110 seats and Utilization $>$ 120%	Moratorium	Board Review and Utilization Premium Payments
Middle	Seat Deficit \geq 180 seats and Utilization $>$ 120%		
High	Utilization $>$ 120%		

PROPOSED County Growth Policy FY 2021 Annual School Test Summary
Reflects the Adopted FY 2021 Capital Budget and FY 2021-2026 Capital Improvements Program
 Conducted May 15, 2020

	Elementary School	Middle School	High School
Applicable Adequacy Standard	Seat Deficit < 110 seats or Percent Utilization ≤ 120% in 2023-2024	Seat Deficit < 180 seats or Percent Utilization ≤ 120% in 2023-24	Percent Utilization ≤ 120% in 2023-24
<u>AUTOMATIC MORATORIUM</u> Residential development moratorium required in inadequate school service areas within Greenfield Impact Areas.			Clarksburg HS
<u>PLANNING BOARD REVIEW and UTILIZATION PREMIUM PAYMENTS</u> Planning Board review required to evaluate school service area adequacy and Utilization Premium Payments required within Turnover and Infill Impact Areas.	Ashburton ES Bannockburn ES Bethesda ES Burning Tree ES Burtonsville ES Diamond ES Greencastle ES	Highland View ES Mill Creek Towne ES William T. Page ES Judith A. Resnik ES South Lake ES Watkins Mill ES	Argyle MS Montgomery Blair HS Winston Churchill HS Clarksburg HS Albert Einstein HS Walter Johnson HS Quince Orchard HS

FY2021 ANNUAL SCHOOL TEST NOTES

The test outcome for any school service area not identified on the results summary table is adequate.



PROPOSED County Growth Policy FY 2021 Annual School Test

Reflects the Adopted FY 2021 Capital Budget and FY 2021-2026 Capital Improvements Program

Elementary School Adequacy Standard: Seat Deficit < 110 seats or Percent Utilization ≤ 120%

Elementary School Area	School Test Projections for 2023-24				Status		
	Enrollment	Program Capacity	Seat Deficit/ Surplus	Utilization	Greenfield Impact Area	Turnover Impact Area	Infill Impact Area
Arcola	748	651	-97	114.9%	N/A	Adequate	Adequate
Ashburton	967	789	-178	122.6%	N/A	BR/UPP Req.	BR/UPP Req.
Bannockburn	500	364	-136	137.4%	N/A	BR/UPP Req.	N/A
Lucy V. Barnsley	749	652	-97	114.9%	N/A	Adequate	N/A
Beall	542	639	+97	84.8%	N/A	Adequate	Adequate
Bel Pre ⁱ	1,061	1,079	+18	98.3%	N/A	Adequate	N/A
Bells Mill	650	626	-24	103.8%	N/A	Adequate	N/A
Belmont	365	425	+60	85.9%	N/A	Adequate	N/A
Bethesda	735	560	-175	131.3%	N/A	BR/UPP Req.	BR/UPP Req.
Beverly Farms	602	689	+87	87.4%	N/A	Adequate	N/A
Bradley Hills	531	663	+132	80.1%	N/A	Adequate	N/A
Brooke Grove	481	518	+37	92.9%	N/A	Adequate	N/A
Brookhaven	466	470	+4	99.1%	N/A	Adequate	N/A
Brown Station	742	761	+19	97.5%	N/A	Adequate	N/A
Burning Tree	490	378	-112	129.6%	N/A	BR/UPP Req.	N/A
Burnt Mills	575	740	+165	77.7%	N/A	Adequate	N/A
Burtonsville	636	493	-143	129.0%	N/A	BR/UPP Req.	N/A
Candlewood	397	515	+118	77.1%	N/A	Adequate	Adequate
Cannon Road	420	518	+98	81.1%	N/A	Adequate	N/A
Carderock Springs	375	406	+31	92.4%	N/A	Adequate	N/A
Rachel Carson ¹	570	692	+122	82.4%	N/A	Adequate	Adequate
Cashell	335	339	+4	98.8%	N/A	Adequate	N/A
Cedar Grove ²	341	402	+61	84.8%	Adequate	Adequate	N/A
Chevy Chase ⁱⁱ	1,199	1,459	+260	82.2%	N/A	Adequate	Adequate
Clarksburg ²	264	311	+47	84.9%	Adequate	Adequate	Adequate
Clearspring	634	642	+8	98.8%	N/A	Adequate	N/A
Clopper Mill	572	496	-76	115.3%	N/A	Adequate	Adequate
Cloverly	517	461	-56	112.1%	N/A	Adequate	N/A

BR/UPP Req. = Board Review and Utilization Premium Payments required.



Annual School Test and Utilization Report

R4.5

The Annual School Test will establish each school service area's adequacy status for the entirety of the applicable fiscal year.

- There will be no staging ceiling or threshold against which a development application's enrollment impact is measured.
- The staging ceiling creates and places the fate of development applications on a false sense of precision.
- A school service area's status will not be changed during a fiscal year to reflect the impacts of prior approvals in the development pipeline.

Annual School Test and Utilization Report

School Status* Identified in the Annual School Test	Application Implication
Open	The school's capacity is deemed adequate for new residential development in that given School Impact Area, meaning that an application can be approved.
In Moratorium	The school's capacity is deemed inadequate for new development in Greenfield Impact Areas, meaning that an application <u>cannot</u> be approved unless it meets the requirements of a moratorium exception.
Planning Board Review and Utilization Premium Payments Required	The school's capacity adequacy requires detailed review by the Planning Board. Per Recommendation 4.12, the Planning Board will be provided with information pertaining to the subject school facility, nearby schools at the same school level (elementary, middle or high) and the estimated enrollment impacts of the proposed development. The Planning Board would then make the school facility adequacy determination. The development is also subject to a Utilization Premium Payment (discussed in Recommendation 4.16).

* Note that a school's status can vary by School Impact Area. In other words, a school service area that includes both Greenfield and Turnover Impact Areas can be in moratorium in the Greenfield Impact Area portion and require Planning Board review and Utilization Premium Payments in the Turnover Impact Area.

Annual School Test and Utilization Report

R4.6

The Annual School Test will include a Utilization Report that will provide a *countywide* analysis of utilization at each school level.

- This would provide a countywide context for an individual school's condition.
- The data reported should include historical and projected:
 - countywide utilization rates by level
 - share and number of schools at each level that fall into the following utilization categories: Up to 80%; 80-100%; 100-120%; Over 120%

Annual School Test and Utilization Report

Examples of Countywide Utilization Reporting

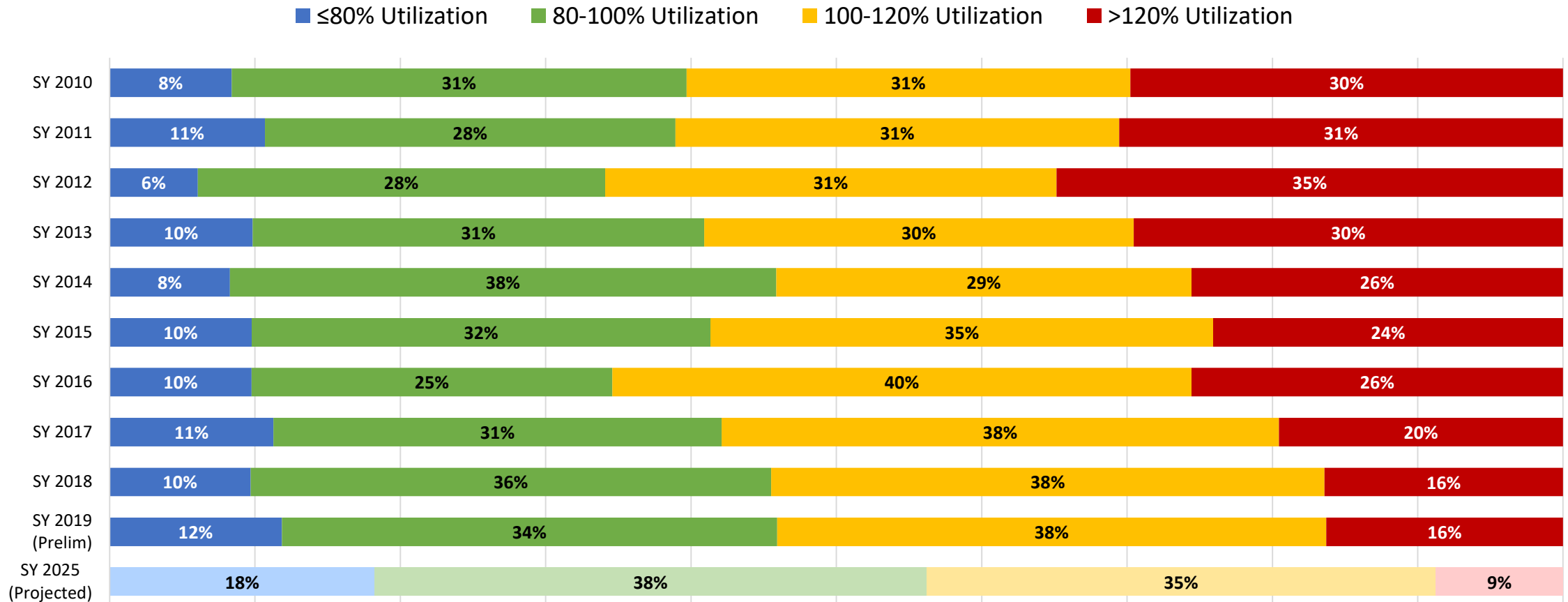
2019-20	Enrollment	Program Capacity	Seat Deficit/Surplus	Utilization
Elementary School	76,541	75,228	-1,313	101.7%
Middle Schools	37,649	38,840	+1,191	96.9%
High Schools	50,528	49,147	-1,381	102.8%
All Schools	164,718	163,215	-1,503	100.9%

2025-26	Enrollment	Program Capacity	Seat Deficit/Surplus	Utilization
Elementary School	77,511	80,146	+2,635	96.7%
Middle Schools	39,299	40,748	+1,449	96.4%
High Schools	55,725	52,127	-3,598	106.9%
All Schools	172,535	173,021	+486	99.7%

ELEMENTARY SCHOOLS	2019-20 Count	Percent of Schools	2025-26 Count	Percent of Schools
≤80% Utilization	16	12%	25	18%
80-100% Utilization	46	34%	52	38%
100-120% Utilization	51	38%	48	35%
>120% Utilization	22	16%	12	9%

Annual School Test and Utilization Report

Examples of Countywide Utilization Reporting



Annual School Test and Utilization Report

R4.7

The Utilization Report will also provide additional utilization and facility condition information for each school, as available.

- Will include data related to the facility conditions and infrastructure adequacy for each individual school:
 - historical and projected enrollment, program capacity, core capacity and utilization
 - the current number of relocatable (portable) classrooms at the school
 - the most current MCPS Key Facility Indicator data and
 - a list of the three nearest schools at the same school level along with the distance to the schools
- Could help facilitate discussions between developers and MCPS about potential ways the developers can make improvements to school facility conditions (roof replacements, HVAC system upgrades, etc.).

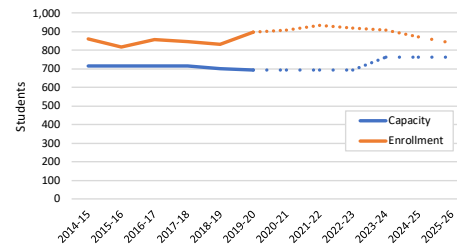
Annual School Test and Utilization Report

Example of Individual School Facility Reporting

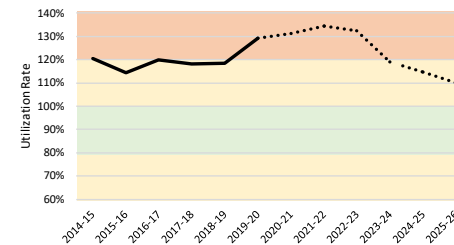
South Lake ES
(Watkins Mill Cluster)

	Historical Actuals					Current	Projected					
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Capacity	716	716	716	716	701	694	694	694	694	763	763	763
Enrollment	862	818	858	845	831	897	910	934	918	909	874	839
Space	-146	-102	-142	-129	-130	-203	-216	-240	-224	-146	-111	-76
Utilization	120.4%	114.2%	119.8%	118.0%	118.5%	129.3%	131.1%	134.6%	132.3%	119.1%	114.5%	110.0%

Historical and Projected Capacity and Enrollment



Historical and Projected Utilization Rate



2019-20 Facility Characteristics	
Year Facility Opened	197
Year Revitalized	N/
Total Square Footage	83,03
Site Size (acres)	10.
Adjacent Park	N
Relocatable Classrooms	1

Distance to Nearest Elementary Schools		
Gaithersburg ES	Gaithersburg Cluster	1.2 miles
Strawberry Knoll ES	Gaithersburg Cluster	1.7 miles
Watkins Mill ES	Watkins Mill Cluster	1.9 miles

2018 MCPS Key Facility Indicator Data	
Overall	
Foundations	
Basement	
Superstructure	
Exterior Enclosure	
Roofing	
Interior Construction	
Stairs	
Interior Finishes	
Conveying Systems	
Plumbing	
HVAC	
Fire Protection	
Electrical	
Equipment	
Furnishings	
Special Construction	
Classroom Shape	
IMC Size	
Cafeteria Size	
Corridor	
Temperature Control	
Humidity Control	
Natural Light	
Acoustic Features	

Data Source: Montgomery County Public Schools

Chapter 4. Schools Element Recommendations

Residential Development Moratorium





Residential Development Moratorium Recommendations

- 4.8 Automatic moratoria will only apply in Greenfield Impact Areas. The Planning Board cannot approve any preliminary plan of subdivision for residential uses in an area under a moratorium, unless it meets certain exceptions.
- 4.9 Exceptions to residential development moratoria will include projects estimated to generate fewer than one full student at a school in moratorium, and projects where the residential component consists entirely of senior living units.
- 4.10 Eliminate the moratorium exception adopted in 2019 pertaining to projects providing high quantities of deeply affordable housing or projects removing condemned buildings.

Residential Development Moratorium

R4.8

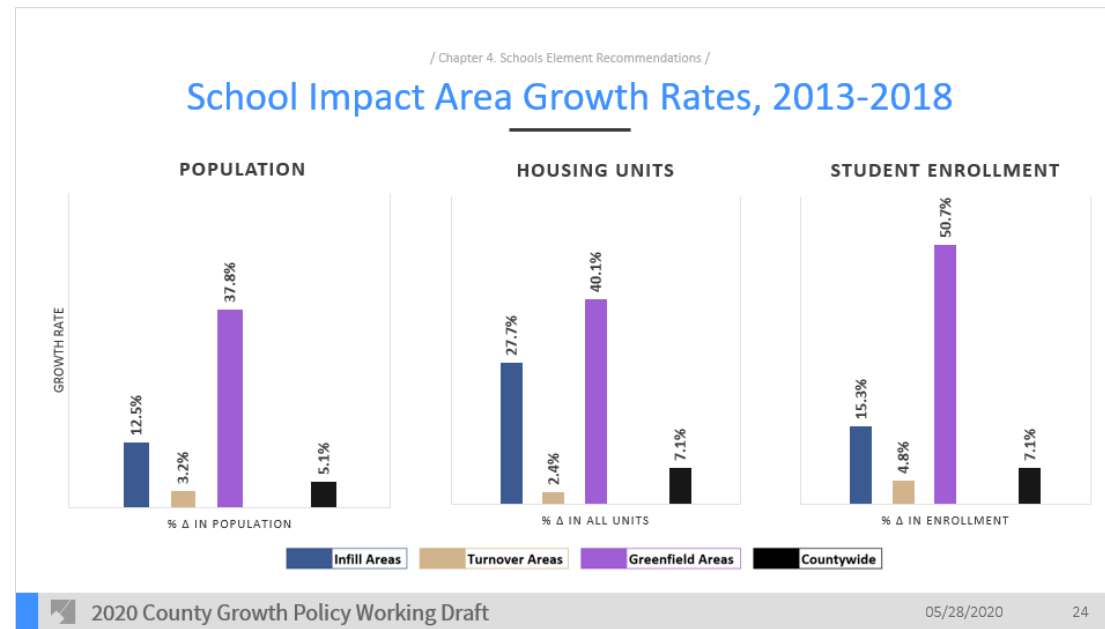
Automatic moratoria will only apply in Greenfield Impact Areas. The Planning Board cannot approve any preliminary plan of subdivision for residential uses in an area under a moratorium, unless it meets certain exceptions.

- The current moratorium policy:
 - Slows the county's ability to fill its housing supply gap
 - Impacts housing affordability
 - Hinders economic development
 - Prevents sustainable growth patterns
 - Raises equity concerns
 - Does not solve over-crowding

Residential Development Moratorium

R4.8

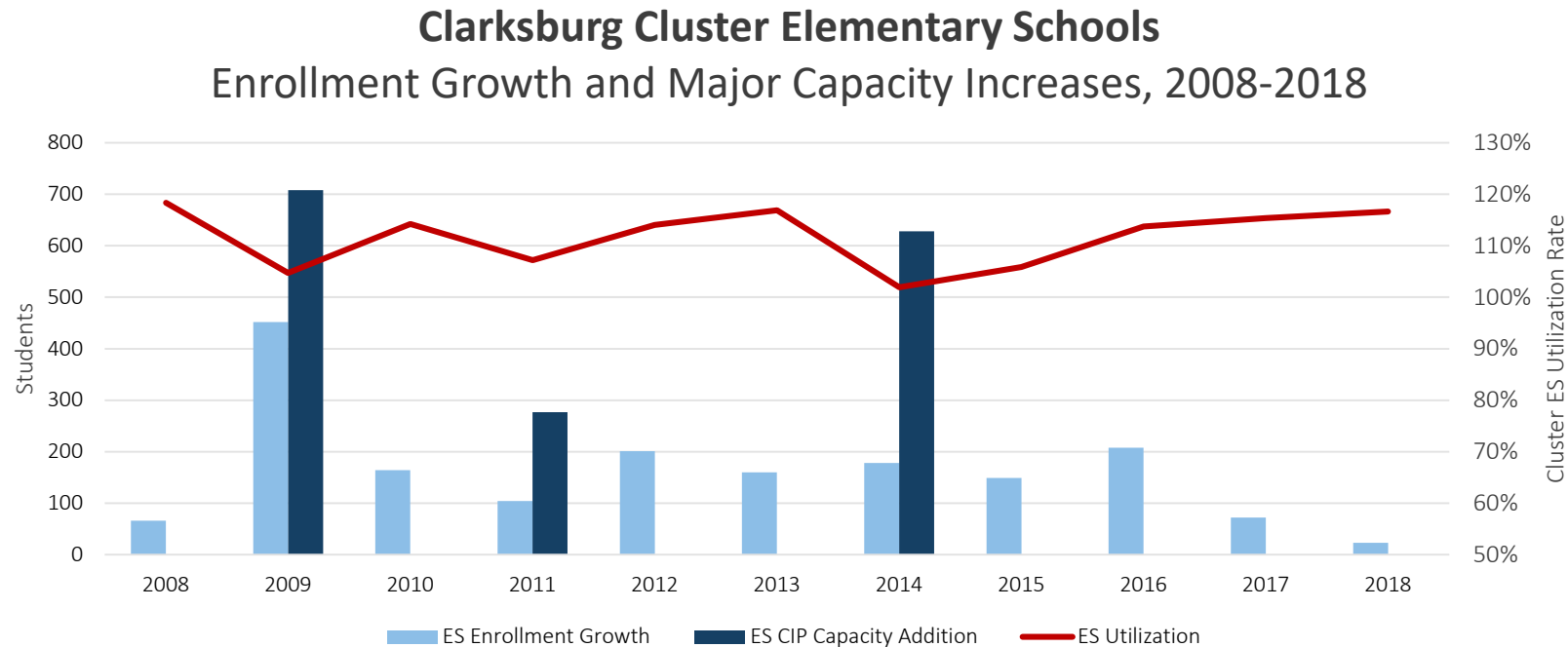
- Greenfield Impact Areas are still experiencing the type of development that originally led to the creation of the Adequate Public Facilities Ordinance, where the **construction of new schools cannot keep pace with rapidly increasing enrollment** caused by new development.



Residential Development Moratorium

R4.8

- Greenfield Impact Areas are still experiencing the type of development that originally led to the creation of the Adequate Public Facilities Ordinance, where the **construction of new schools cannot keep pace with rapidly increasing enrollment** caused by new development.



Residential Development Moratorium

R4.9

Exceptions to residential development moratoria will include projects estimated to generate fewer than one full student at a school in moratorium, and projects where the residential component consists entirely of senior living units.

- The de minimis exception marks a change from “3 units or less” under the current policy.
- Using number of students as the threshold ties it directly to the impact and adjusts for both the type and number of units built.

Residential Development Moratorium

	Maximum Number of Units Allowed Before Generating a Single:		
	ES Student	MS Student	HS Student
Single-Family Detached	2 units	5 units	4 units
Single-Family Attached	3 units	7 units	6 units
Multifamily	3 units	7 units	6 units

- Considered higher thresholds.
- Given that moratoria will only apply to Greenfield Impact Areas, where new development is the leading cause of school overcrowding and school construction cannot keep pace, it is acceptable to limit the moratorium exception to only those projects estimated to not generate students, on average.

Residential Development Moratorium

R4.10

Eliminate the moratorium exception adopted in 2019 pertaining to projects providing high quantities of deeply affordable housing or projects removing condemned buildings.

- Was understood that the 2019 amendment would likely be a temporary adjustment that would allow for the revitalization of urban infill areas and for the development of large quantities of deeply affordable multifamily housing.
- Expectation that the 2020 SSP update would find a more permanent solution.
- The areas of the county that benefit from the 2019 moratorium exception are those recommended to be completely relieved of automatic moratorium under Recommendation 4.8.
- Moratoria will only be applicable in Greenfield Impact Areas, where new development of single-family homes continues to generate large quantities of students.

Residential Development Moratorium

R4.10

- The moratorium remains a valuable tool to prevent the over-crowding of schools in the Greenfield Impact Areas.
- To ensure that the moratorium can be an effective tool it does not seem necessary or appropriate to maintain this exception.



Chapter 4. Schools Element Recommendations

Student Generation Rate Calculation



Student Generation Rate Calculation

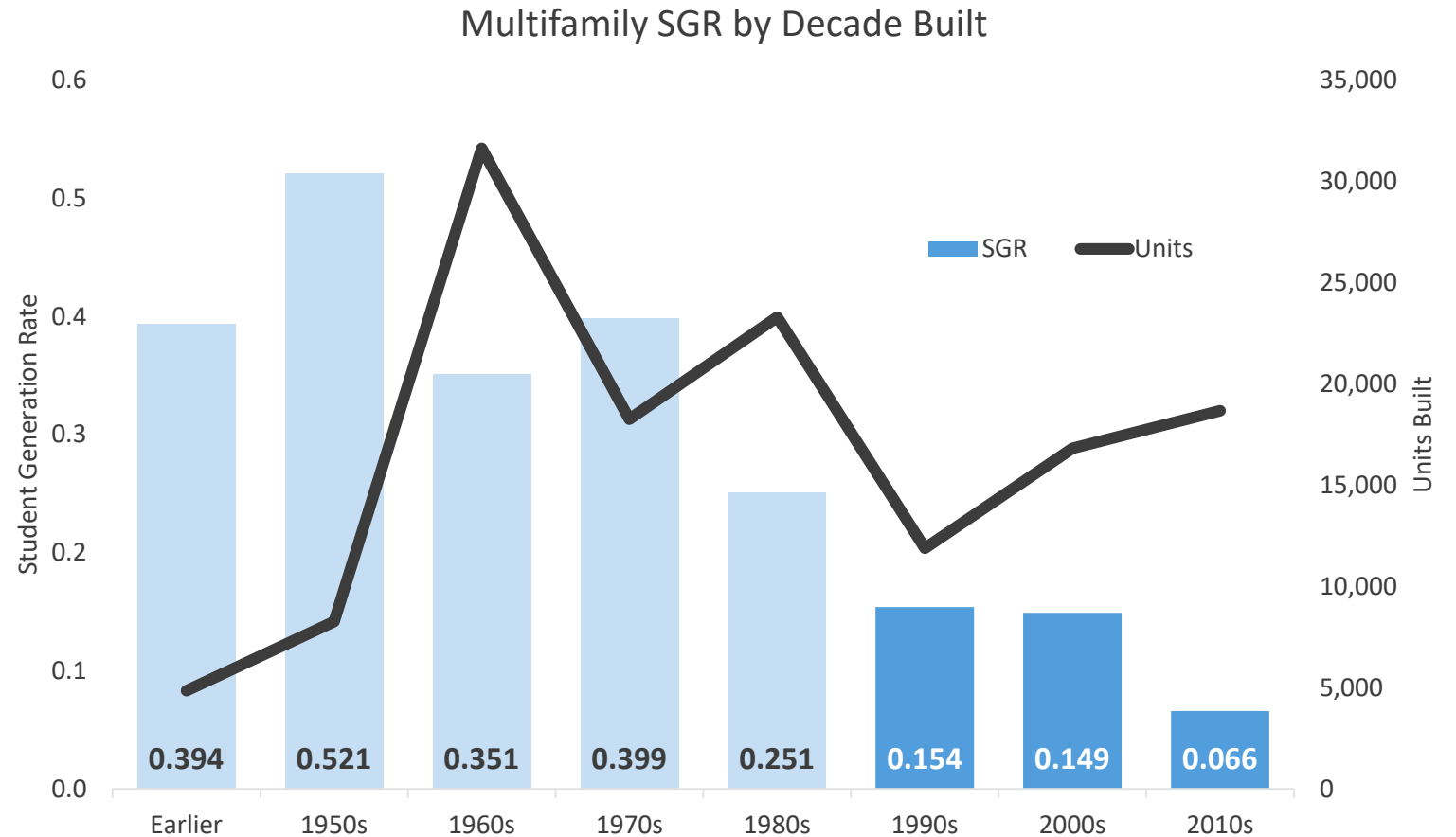
R4.11

Calculate countywide and School Impact Area student generation rates by analyzing all single-family units and multifamily units built since 1990, without distinguishing multifamily buildings by height.

- Multifamily units built in the last several decades generate students differently than older multifamily units.
 - fewer bedrooms
 - smaller
 - more expensive
 - less family-oriented

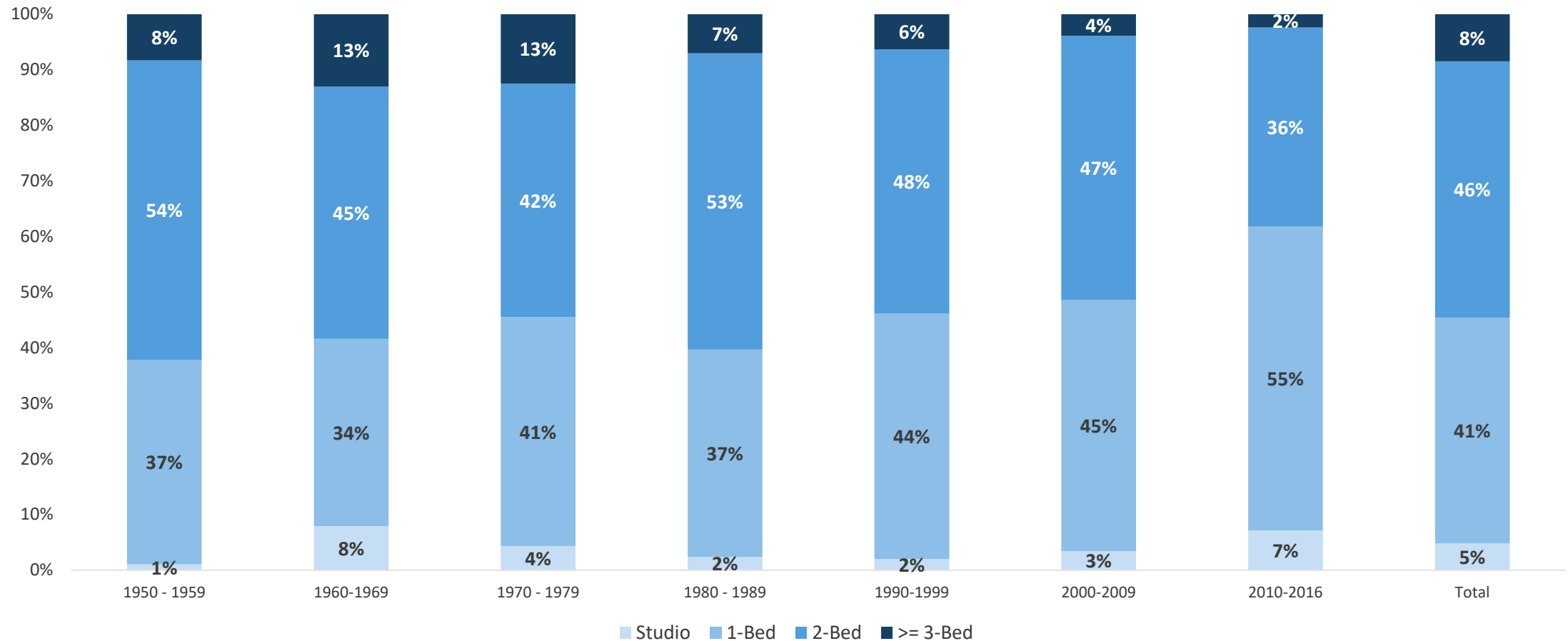
Student Generation Rate Calculation

- K-12 SGR for multifamily structures built prior to 1990 was statistically different from the average for structures built in 1990 and later.
- K-12 SGR for structures built in the 1980s were statistically significantly different from those built in the:
 - 1990s
 - 1990s, 2000s and 2010s combined



Student Generation Rate Calculation

Multifamily Rental Units by Unit Size and Decade Built, 1950-2016



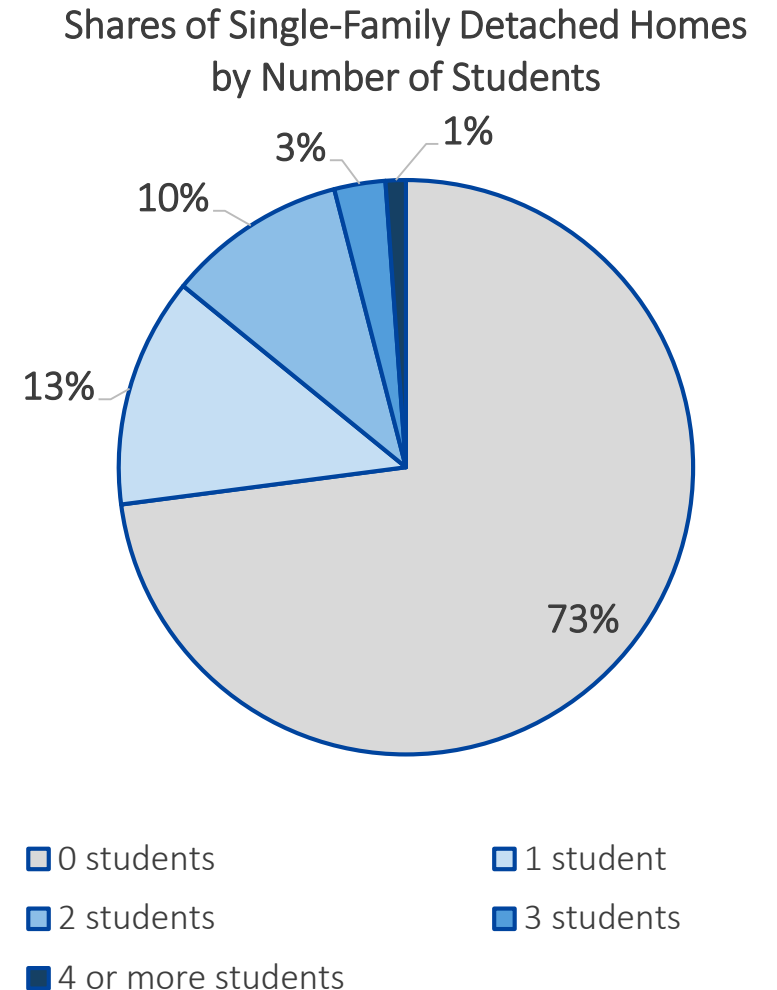
Student Generation Rate Calculation

R4.11

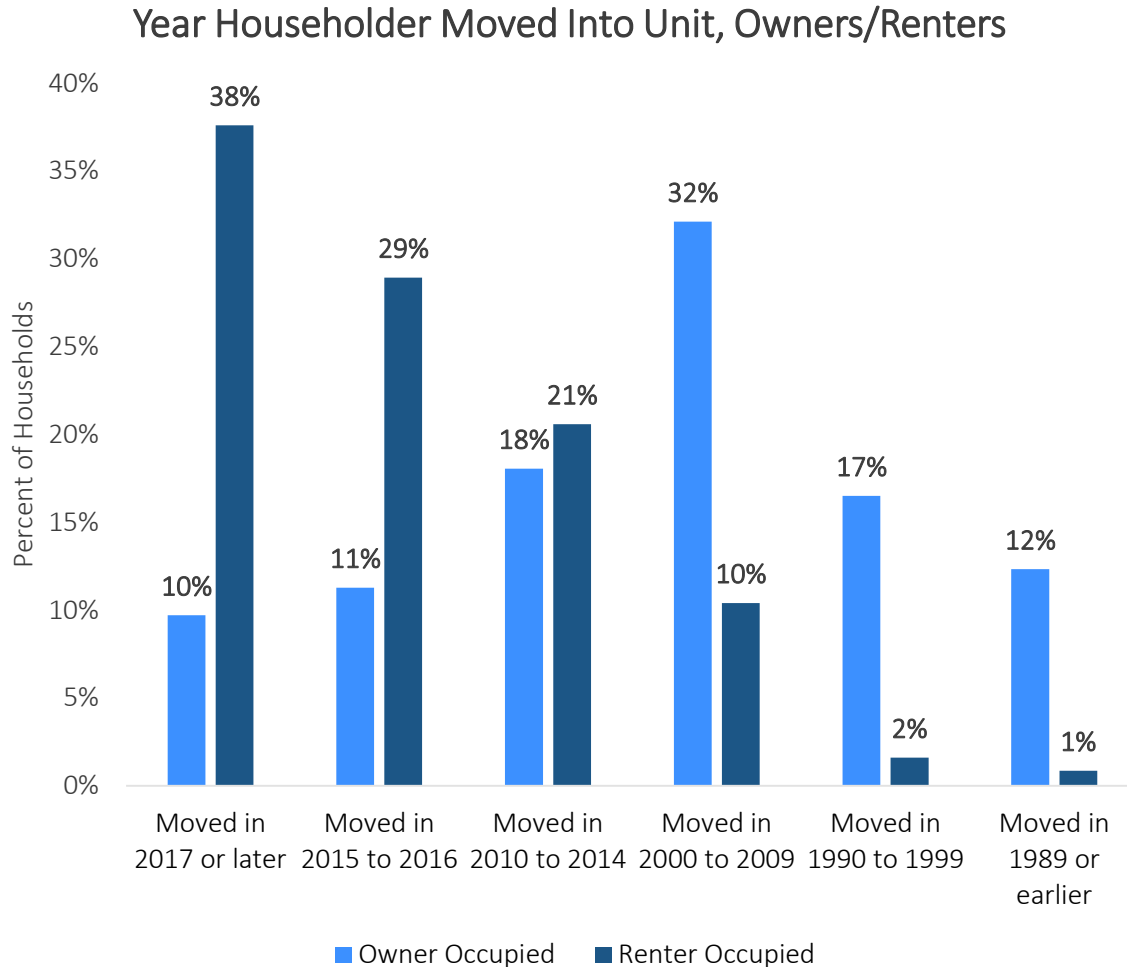
- Why eliminate the distinction between high-rise and low-rise?
 - Some recent analyses suggest that the distinction between low- and high-rise might be more of a distinction between old and new buildings.
 - Land use designations in SDAT parcel data are inconsistent and unreliable for multifamily uses and require an extensive amount of staff correction. (Also, SDAT is no longer maintaining the land use field.)
 - Low-rise/high-rise construction type distinctions have blurred as lumber is frequently used to build structures of six or more stories.
 - Unclear how to classify buildings with multiple heights.

Student Generation Rate Calculation

- Why use “all years built” for single-family units?
 - Relationship between year built and student generation is less clear, with no distinction based on decade built.
 - SGRs tend to be cyclical based on how recently the unit sold, regardless of age.
 - Very likely to generate students for the first 10 to 15 years after being sold.
 - After 15 years post-sale, on average, single-family homes generate no students for long periods of time (until sold again).
 - Using recently built single-family homes would bias the rates higher since that would disproportionately include homes recently sold.
- Therefore, in the case of single-family homes, we want to be sure to capture the average student generation over the entire life of the home.



Student Generation Rate Calculation



- 61% of owners have lived in their home more than 10 years, compared to only 13% of renters
- 38% of renters have lived in their home for two years or less, compared to 10% of owners
- In 2019, about 4% of our single-family detached homes were sold, whereas about 33% of rental units (mostly multifamily) changed hands.
- Student Generation Rates
 - The SGRs for a renter-occupied unit are steadier because they turnover more frequently
 - The SGRs for a owner-occupied unit are more cyclical because people stay in them longer and experience different life stages in the homes

Student Generation Rate Calculation

2018 Student Generation Rates by Geographic Region

- Include regional rates arbitrarily based on school cluster boundaries.
- Based on September 2018 enrollment and housing data.

COUNTYWIDE STUDENT GENERATION RATES		Student Generation Rates			
		ES	MS	HS	K-12
Countywide	Single-Family Detached	0.199	0.110	0.154	0.462
	Single-Family Attached	0.227	0.113	0.150	0.490
	Multifamily Low- to Mid-Rise	0.197	0.086	0.109	0.393
	Multifamily High-Rise	0.055	0.023	0.031	0.110
	All Dwelling Units	0.185	0.095	0.128	0.408

REGIONAL STUDENT GENERATION RATES		Student Generation Rates			
		ES	MS	HS	K-12
East (Downcounty Consortium, Northeast Consortium)	Single-Family Detached	0.203	0.103	0.144	0.450
	Single-Family Attached	0.219	0.115	0.160	0.494
	Multifamily Low- to Mid-Rise	0.253	0.112	0.148	0.512
	Multifamily High-Rise	0.088	0.036	0.047	0.171
	All Dwelling Units	0.200	0.097	0.133	0.430
Southwest (BCC, Churchill, WJ, RM, Rockville, Whitman, Wootton)	Single-Family Detached	0.186	0.109	0.151	0.446
	Single-Family Attached	0.167	0.085	0.111	0.363
	Multifamily Low- to Mid-Rise	0.150	0.068	0.085	0.303
	Multifamily High-Rise	0.041	0.018	0.025	0.084
	All Dwelling Units	0.149	0.082	0.111	0.341
Upcounty (Clarksburg, Damascus, Gaithersburg, Magruder, Northwest, Poolesville, QO, Seneca Valley, Sherwood, Watkins Mill)	Single-Family Detached	0.210	0.120	0.169	0.499
	Single-Family Attached	0.248	0.121	0.157	0.526
	Multifamily Low- to Mid-Rise	0.183	0.077	0.093	0.352
	Multifamily High-Rise	0.020	0.008	0.010	0.038
	All Dwelling Units	0.209	0.106	0.142	0.457

Student Generation Rate Calculation

2019 Student Generation Rates by School Impact Area

- Include rates by School Impact Area, which are based on the actual growth context
- Based on September 2019 enrollment and housing data.

		Student Generation Rates			
		ES	MS	HS	K-12
Countywide	Single-Family Detached	0.198	0.111	0.155	0.464
	Single-Family Attached	0.222	0.115	0.151	0.487
	Multifamily (Since 1990)	0.066	0.030	0.036	0.133
Greenfield Impact Areas	Single-Family Detached	0.336	0.181	0.206	0.723
	Single-Family Attached	0.318	0.141	0.158	0.618
	Multifamily (Since 1990)	0.253	0.131	0.149	0.532
Turnover Impact Areas	Single-Family Detached	0.194	0.109	0.155	0.458
	Single-Family Attached	0.225	0.118	0.157	0.499
	Multifamily (Since 1990)	0.090	0.046	0.055	0.192
Infill Impact Areas	Single-Family Detached	0.171	0.082	0.113	0.366
	Single-Family Attached	0.179	0.092	0.119	0.391
	Multifamily (Since 1990)	0.049	0.020	0.024	0.093

Chapter 4. Schools Element Recommendations

Development Application Review





Development Application Review Recommendations

- 4.12 The County Growth Policy should explicitly allow the Planning Board to deny a residential development project in Turnover Impact Areas and Infill Impact Areas if it deems there is inadequate public school infrastructure, after consideration of the applicable data and circumstances.
- 4.13 Amend Chapter 50, Article II, Section 4.3.J.7. of the County Code to require a development application to be retested for school infrastructure adequacy when an applicant requests an extension of their Adequate Public Facilities validity period.

Development Application Review Recommendations

- 4.14 Amend Chapter 50, Article II, Section 4.3.J.7. of the County Code to cap the Adequate Public Facilities validity period for development to no more than 22 years, at which point the applicant can no longer request an extension of the approval and must restart the plan application process.
- 4.15 Require MCPS to designate a representative to the Development Review Committee to better tie the development review process with school facility planning. Ensure this representative has appropriate authority to represent MCPS' official positions.



Development Application Review

R4.12

The County Growth Policy should explicitly allow the Planning Board to deny a residential development project in Turnover Impact Areas and Infill Impact Areas if it deems there is inadequate public school infrastructure, after consideration of the applicable data and circumstances.

To aid the Board in making this decision, Planning staff will provide the following:

- school facility status information, including number of relocatable classrooms and Key Facility Indicator information
- the development application's estimated enrollment impacts
- historical, current and projected school utilization data for the schools serving the subject property
- the current and projected utilization of the three other nearest schools at each level (elementary, middle, and high)
- updated development pipeline status for approved development applications served by the same schools as the subject property

Development Application Review

R4.13

Amend Chapter 50, Article II, Section 4.3.J.7. of the County Code to require a development application to be retested for school infrastructure adequacy when an applicant requests an extension of their Adequate Public Facilities validity period.

- Currently allowed to require an updated traffic impact study.
- Recognizes that school conditions and school tests also change over time.
- The application would be reviewed for school infrastructure adequacy under the test that applies at the time of the extension request.

Development Application Review

R4.14

Amend Chapter 50, Article II, Section 4.3.J.7. of the County Code to cap the Adequate Public Facilities validity period for development to no more than 22 years, at which point the applicant can no longer request an extension of the approval and must restart the plan application process.

- Lengthy extensions can complicate long-term planning and enrollment projection efforts.
- The 22 years is inclusive of the original validity period and any combination of extensions under Section 4.3.J.7.

Development Application Review

R4.15

Require MCPS to designate a representative to the Development Review Committee to better tie the development review process with school facility planning. Ensure this representative has appropriate authority to represent MCPS' official positions.

- Beneficial to both agencies in terms of better understanding applicable school conditions, a development's potential impact on schools and any potential solutions.
- Opportunity for discussion about potential land dedications, school construction or facility improvements to be performed or paid by the applicant.

Chapter 4. Schools Element Recommendations

Utilization Premium Payments



Utilization Premium Payments

R4.16

Require applicants to pay Utilization Premium Payments in Turnover and Infill Impact Areas when a school's projected utilization three years in the future exceeds established adequacy standards.

- With less of an emphasis on moratorium, more emphasis on getting the needed infrastructure.
- In the Turnover and Infill Impact Areas, this shifts the developer payment burden to those developing in areas with the greatest need.
- Utilization Premium Payment exemptions include legacy approvals and MPDUs (and other affordable units).

Utilization Premium Payments

- The adequacy standards are the same that apply for moratoria in the Greenfield Impact Areas.

School Level	Utilization Premium Payment Thresholds
Elementary School	Projected three years in the future: <ul style="list-style-type: none"> seat deficit \geq 110 seats and utilization $>$ 120%
Middle School	Projected three years in the future: <ul style="list-style-type: none"> seat deficit \geq 180 seats and utilization $>$ 120%
High School	Projected three years in the future: <ul style="list-style-type: none"> utilization $>$ 120%

PROPOSED County Growth Policy FY 2021 Annual School Test
 Reflects the Adopted FY 2021 Capital Budget and FY 2021-2026 Capital Improvements Program
 Elementary School Adequacy Standard: Seat Deficit \leq 110 seats or Percent Utilization \leq 120%

Elementary School Area	School Test Projections for 2023-24					Status		
	Enrollment	Program Capacity	Seat Deficit/ Surplus	Utilization	Greenfield Impact Area	Non-Target Impact Area	Full Impact Area	
Alcova	748	601	-97	114.9%	N/A	Adequate	Adequate	
Ashburnton	967	789	-178	122.6%	N/A	BR/UPP Req.	BR/UPP Req.	
Barnesboro	500	364	-136	137.4%	N/A	BR/UPP Req.	N/A	
Lucy V. Barnsley	749	652	-97	114.9%	N/A	Adequate	N/A	
Beal	542	689	+97	84.6%	N/A	Adequate	Adequate	
Bel Pre	1,062	1,079	+18	98.3%	N/A	Adequate	N/A	
Belts Mill	650	616	-34	105.8%	N/A	Adequate	N/A	
Belmont	965	415	+550	85.9%	N/A	Adequate	N/A	
Bethesda	735	560	-175	131.3%	N/A	BR/UPP Req.	BR/UPP Req.	
Beverly Farms	602	689	+87	87.4%	N/A	Adequate	N/A	
Bradley Hills	531	663	+132	80.1%	N/A	Adequate	N/A	
Brooks Grove	481	515	+37	92.8%	N/A	Adequate	N/A	
Brookhaven	466	470	+4	99.1%	N/A	Adequate	N/A	
Brown Station	742	761	+19	97.5%	N/A	Adequate	N/A	
Burning Tree	490	378	-112	129.6%	N/A	BR/UPP Req.	N/A	
Burnt Mills	575	740	+165	77.7%	N/A	Adequate	N/A	
Burtonsville	636	489	-143	129.0%	N/A	BR/UPP Req.	N/A	
Candlewood	397	515	+118	77.1%	N/A	Adequate	Adequate	
Cannon Road	420	518	+98	81.1%	N/A	Adequate	N/A	
Carversville	575	404	-171	92.4%	N/A	Adequate	N/A	
Rachel Carson	570	692	+122	82.4%	N/A	Adequate	Adequate	
Cashell	535	539	+4	98.8%	N/A	Adequate	N/A	
Cedar Grove	341	402	+61	84.8%	Adequate	Adequate	N/A	
Clatsop	1,199	1,458	+259	82.2%	N/A	Adequate	N/A	
Clarksburg	294	311	+17	94.5%	Adequate	Adequate	Adequate	
Clearspring	634	642	+8	98.8%	N/A	Adequate	N/A	
Clopper Mill	572	486	-86	117.3%	N/A	Adequate	Adequate	
Cowich	517	461	-56	112.1%	N/A	Adequate	N/A	

BR/UPP Req. = Board Review and Utilization Premium Payments required.

Utilization Premium Payments

- Per unit payment amount is calculated as a percentage of the standard impact tax rate, based on unit type and School Impact Area.

Schools Exceeding Payment Thresholds	Premium Payment Factor	Turnover Impact Areas			Infill Impact Areas		
		Single-Family Detached	Single-Family Attached	Multifamily	Single-Family Detached	Single-Family Attached	Multifamily
Elementary School	25%	\$5,407	\$5,876	\$2,234	\$4,297	\$4,576	\$1,081
Middle School	15%	\$3,244	\$3,525	\$1,340	\$2,578	\$2,745	\$649
High School	20%	\$4,325	\$4,701	\$1,787	\$3,437	\$3,661	\$865
Total <i>if all three levels exceed the thresholds</i>	60%	\$12,976	\$14,102	\$5,362	\$10,312	\$10,982	\$2,595

Chapter 6. Tax Recommendations

School Impact Taxes



School Impact Taxes Recommendations

- 6.1 Change the calculation of school impact taxes to include one tax rate for all multifamily units, in both low-rise and high-rise buildings, based on the student generation rate for multifamily units built since 1990.
- 6.2 Calculate standard school impact taxes at 100% of the cost of a student seat using School Impact Area student generation rates. Apply discount factors to incentivize growth in certain activity centers. Maintain the current 120% factor within the Agricultural Reserve Zone, except for projects with a net increase of only one housing unit, in which case a 60% factor would be applied.
- 6.3 Allow a school impact tax credit for any school facility improvement constructed or funded by a property owner with MCPS' agreement.
- 6.4 Eliminate the current impact tax surcharge on units larger than 3,500 square feet.



School Impact Taxes

R6.1

Change the calculation of school impact taxes to include one tax rate for all multifamily units, in both low-rise and high-rise buildings, based on the student generation rate for multifamily units built since 1990.

- The impact taxes currently distinguish multifamily as either high-rise (5 stories or more) or low-rise (4 stories or less).
- This recommendation is consistent with the Recommendation 4.11 pertaining to updated student generation rates.

/ Chapter 4. Schools Element Recommendations /

Student Generation Rate Calculation

R4.11 Calculate countywide and School Impact Area student generation rates by analyzing all single-family units and multifamily units built since 1990, without distinguishing multifamily buildings by height.

- Multifamily units built in the last several decades generate students differently than older multifamily units.
 - fewer bedrooms
 - smaller
 - more expensive
 - less family-oriented

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School Impact Taxes

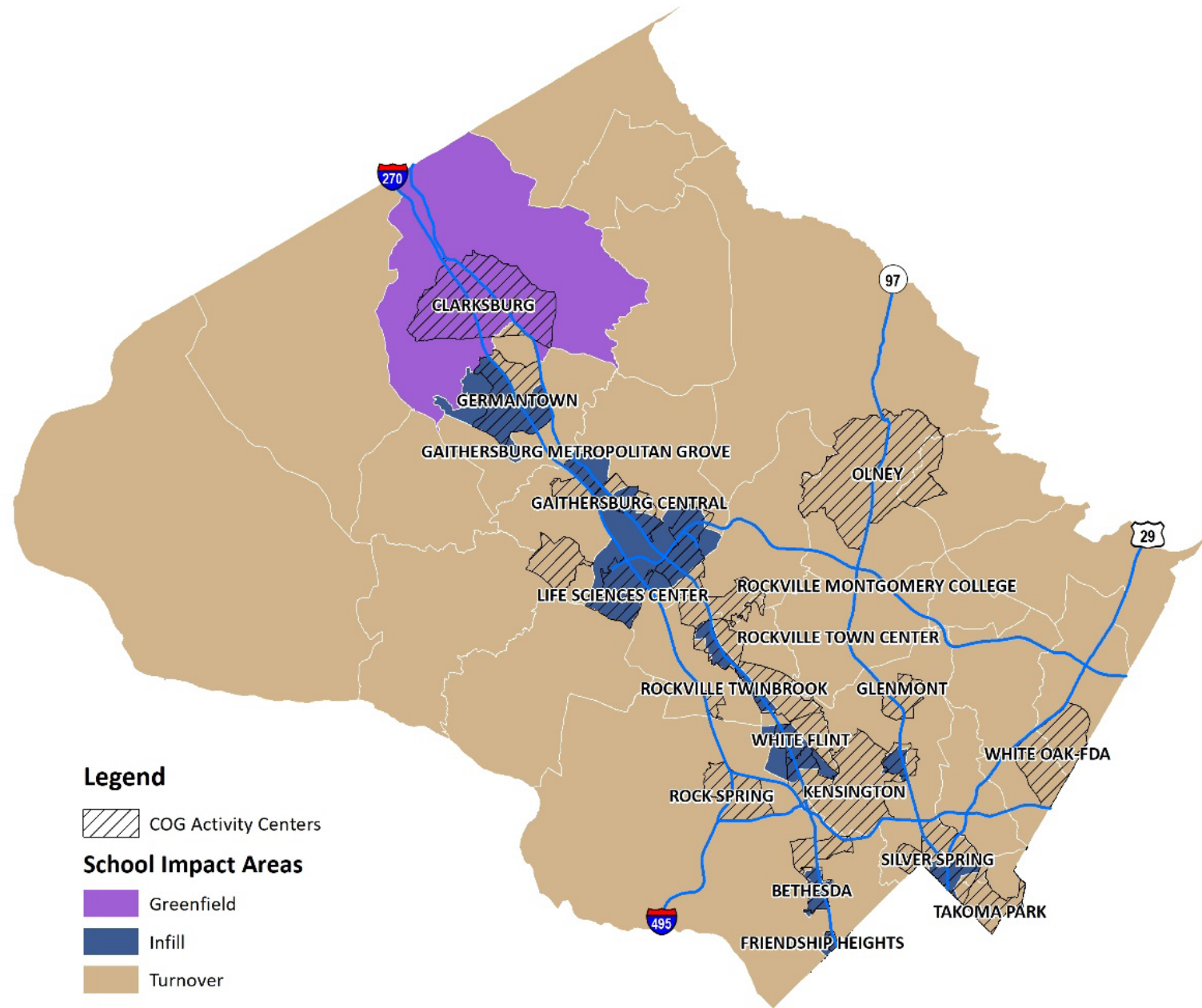
R6.2

Calculate standard school impact taxes at 100% of the cost of a student seat using School Impact Area student generation rates. Apply discount factors to incentivize growth in certain activity centers. Maintain the current 120% factor within the Agricultural Reserve Zone, except for projects with a net increase of only one housing unit, in which case a 60% factor would be applied.

	Current Factors	Proposed School Impact Tax Factors			
		Standard	Activity Center	AR Zone	AR Zone (one unit)
Greenfield Impact Areas	120%	100%	100%	120%	60%
Turnover Impact Areas	120%	100%	60%	120%	60%
Infill Impact Areas	120%	100%	60%	120%	60%

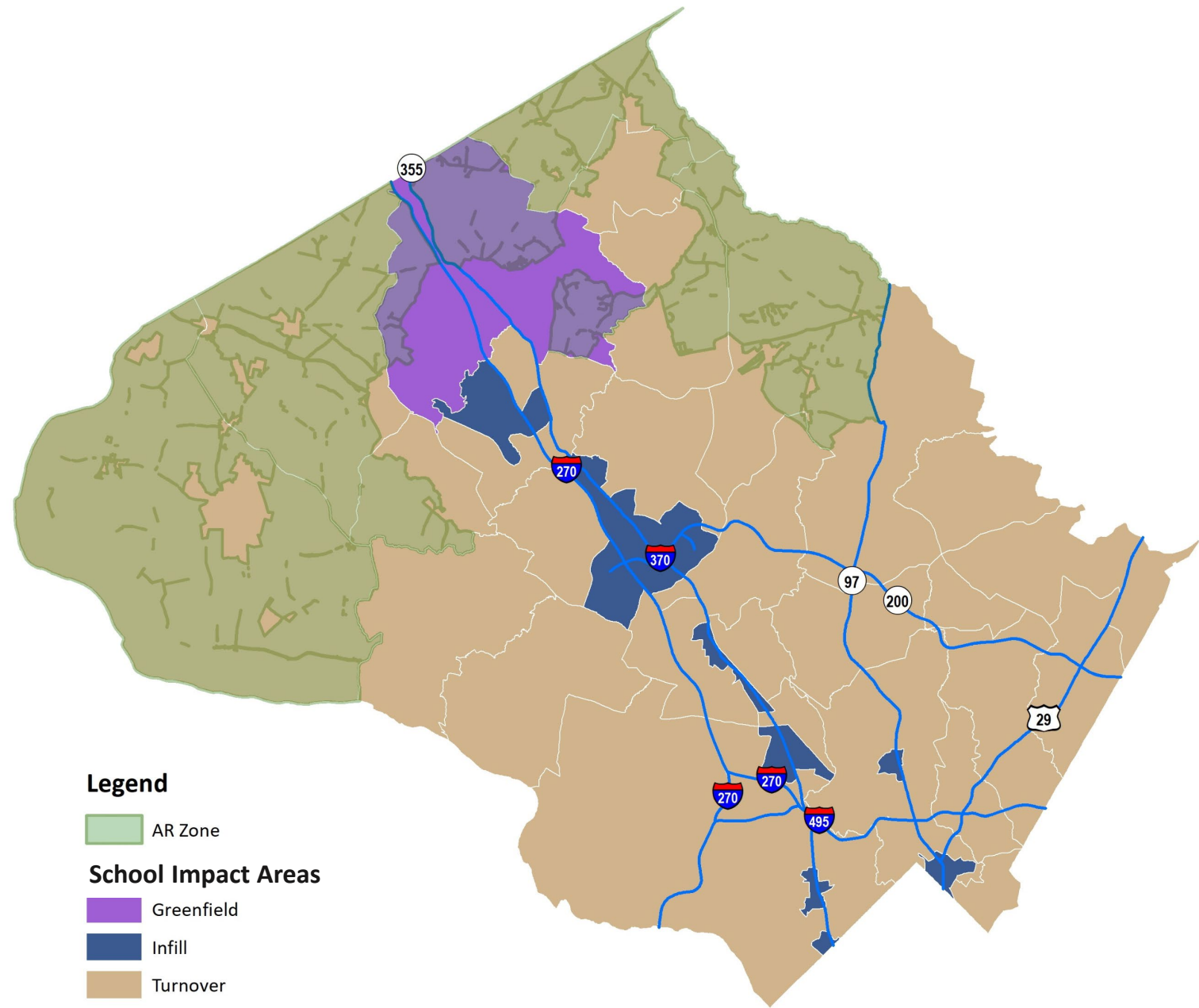
School Impact Areas and COG Activity Centers

- Applying impact tax discounts in Activity Centers will help encourage growth in those areas.
- Consistent with smart and sustainable growth principles.
- Can help reduce the cost burden in these areas by
 - increasing the housing supply generally, and
 - increasing the amount of affordable housing built
 - counter the rising housing cost burden in the county



School Impact Areas and the AR Zone

- Do not want to encourage growth in these areas.
 - Development limited to one unit per 25 acres, so this zone does not see large scale development anyway.
- Apply a 60% discount factor for single unit projects to not burden the occasional property owner looking to build a single home (for farm workers or a family member).



School Impact Taxes

Proposed New School Impact Tax Rates

			Calculation Factor	Single-family Detached	Single-family Attached	Multifamily	
Current Rates			120%	\$26,207	\$27,598	\$21,961	\$6,113
Proposed Rates	Infill Impact Areas	Standard	100%	\$17,186	\$18,303	\$4,325	
		Activity Center	60%	\$10,312	\$10,982	\$2,595	
	Turnover Impact Areas	Standard	100%	\$21,627	\$23,503	\$8,936	
		Activity Center	60%	\$12,976	\$14,102	\$5,362	
		AR Zone	120%	\$25,952	\$28,204	\$10,723	
		AR Zone (single unit)	60%	\$12,976	\$14,102	N/A	
	Greenfield Impact Areas	Standard	100%	\$33,809	\$28,691	\$24,898	
		Activity Center	100%	\$33,809	\$28,691	\$24,898	
		AR Zone	120%	\$40,571	\$34,429	\$29,878	
		AR Zone (single unit)	60%	\$20,285	\$17,215	N/A	

School Impact Taxes

R6.3

Allow a school impact tax credit for any school facility improvement constructed or funded by a property owner with MCPS' agreement.

- Credits are currently available for the value of dedicated land and improvements that add classroom capacity.
- This would allow a credit for improvements to facility conditions (roof replacements, HVAC system upgrades, etc.).

School Impact Taxes

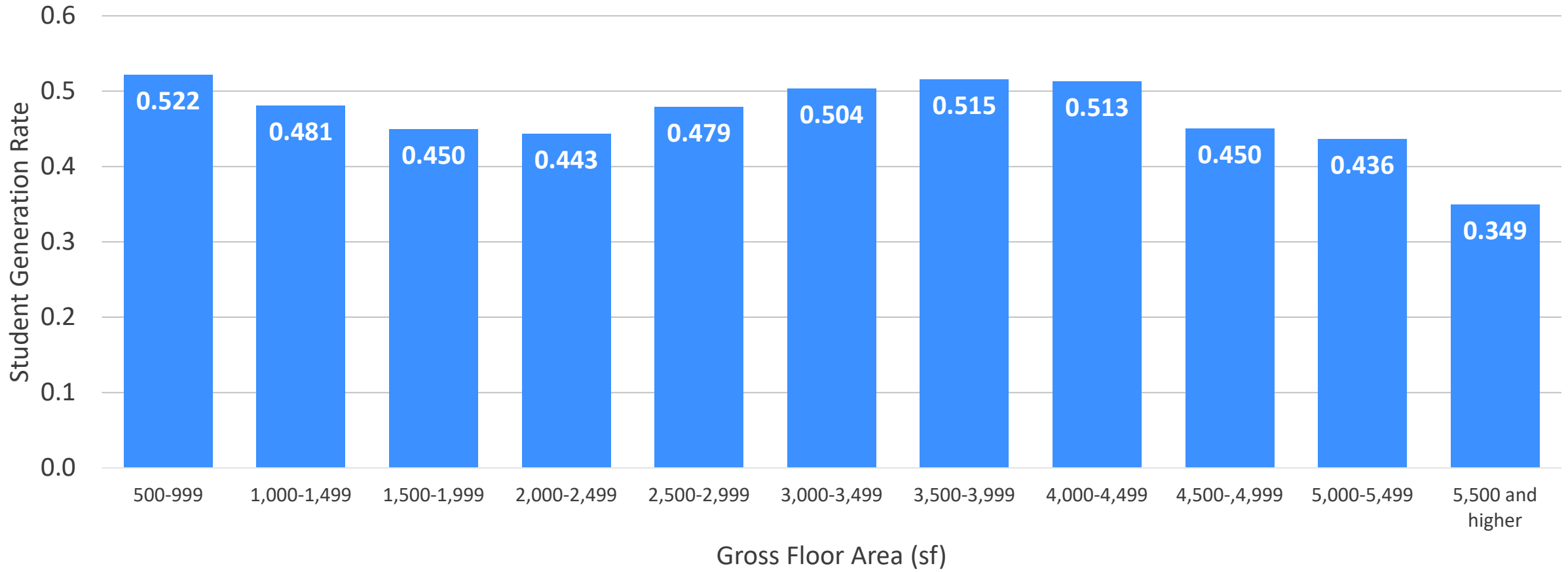
R6.4

Eliminate the current impact tax surcharge on units larger than 3,500 square feet.

- Developers currently charged a premium surcharge of \$2.00 for each square foot exceeding 3,500 square feet, to a maximum of 8,500 square feet.
- No relationship between the size of a single-family unit and the number of public school students generated.
- Preference to charge a premium based on school over-crowding.

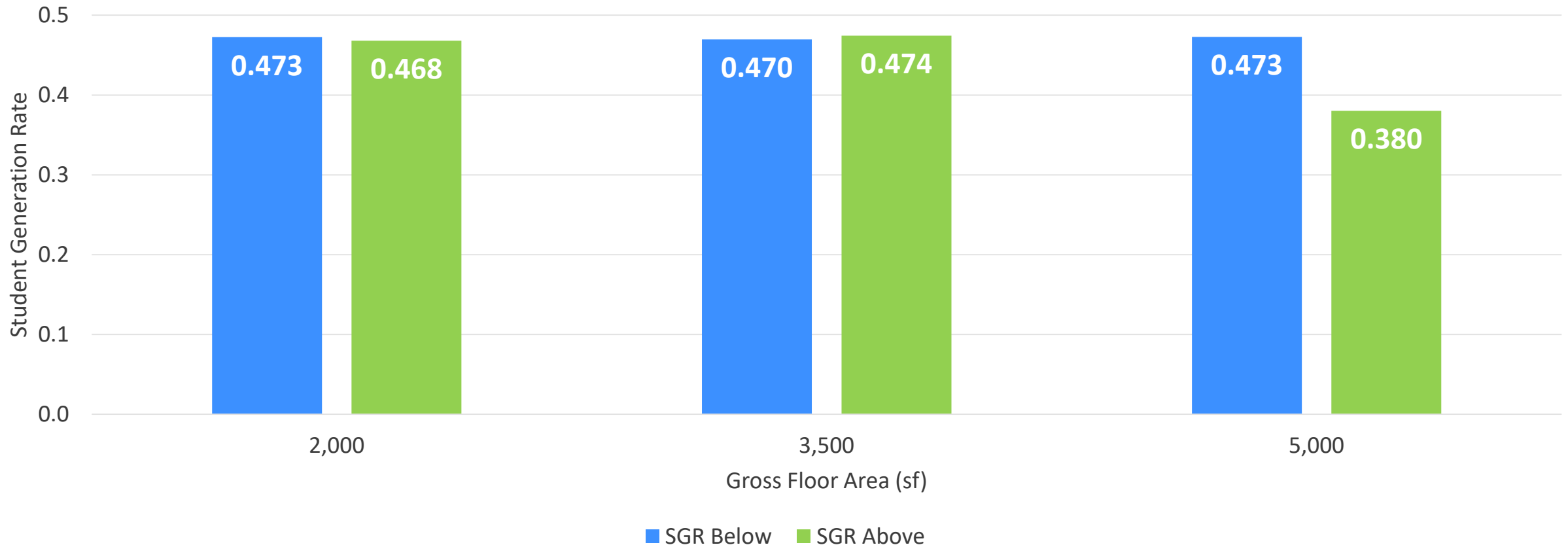
School Impact Taxes

SGR by Gross Floor Area for Single-Family Detached Units



School Impact Taxes

SGR by Gross Floor Area for Single-Family Detached Units



Chapter 6. Tax Recommendations

Impact Tax Exemptions on Residential Uses





Impact Tax Exemptions on Residential Uses Recommendations

- 6.5 Eliminate the current impact tax exemptions for development in former Enterprise Zones.
- 6.6 Modify the current impact tax exemptions applied to all housing units when a project includes 25% affordable units to:
 - 1. not apply the exemption to school impact taxes in the Greenfield Impact Areas,
 - 2. require the affordable units be placed in the county's MPDU program, and
 - 3. require the project to include two times the standard share of MPDUs applicable to the project location.
- 6.7 Continue to apply impact taxes on a net impact basis, providing a credit for any residential units demolished.

Impact Tax Exemptions on Residential Uses

R6.5

Eliminate the current impact tax exemptions for development in former Enterprise Zones.

- Currently, all units built in Enterprise Zones or former Enterprise Zones are exempt from all impact taxes.
- Enterprise Zones are identified by the state and provide tax incentives for employers to create jobs.
- Former Enterprise Zones: Silver Spring CBD and Wheaton
- Alternatively, we recommend applying an impact tax discount to development within identified Activity Centers, as discussed in Recommendation 6.2.

/ Chapter 6. Tax Recommendations /

School Impact Taxes

R6.2 Calculate standard school impact taxes at 100% of the cost of a student seat using School Impact Area student generation rates. Apply discount factors to incentivize growth in certain activity centers. Maintain the current 120% factor within the Agricultural Reserve Zone, except for projects with a net increase of only one housing unit, in which case a 60% factor would be applied.

	Current Factors	Proposed School Impact Tax Factors			
		Standard	Activity Center	AR Zone	AR Zone (one unit)
Greenfield Impact Areas	120%	100%	100%	120%	60%
Turnover Impact Areas	120%	100%	60%	120%	60%
Infill Impact Areas	120%	100%	60%	120%	60%

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Impact Tax Exemptions on Residential Uses

R6.6

Modify the current impact tax exemptions applied to all housing units when a project includes 25% affordable units to:

1. not apply the exemption to school impact taxes in the Greenfield Impact Areas,
 2. require the affordable units be placed in the county's MPDU program, and
 3. require the project to include two times the standard share of MPDUs applicable to the project location.
- **Greenfield Impact Areas.** These areas are experiencing high amounts of residential development generating large numbers of students.
 - Do not want to incentivize growth through impact tax policy in these areas.
 - Schools struggling to keep pace, should be a priority to ensure impact taxes are paid when residential development occurs.

Impact Tax Exemptions on Residential Uses

R6.6

- **MPDU Program.** Require MPDUs not just “affordable units.”
 - Ensures the control period on the units is maximized – 99 years.
 - Other affordable housing programs have much shorter control periods.
- **Share of MPDUs.** requirement used to be 12.5%, now 15% in some areas.
 - Lost impact tax revenue per each additional MPDU, can be quite hefty.
 - Recommend doubling the MPDU share required to receive this exemption.

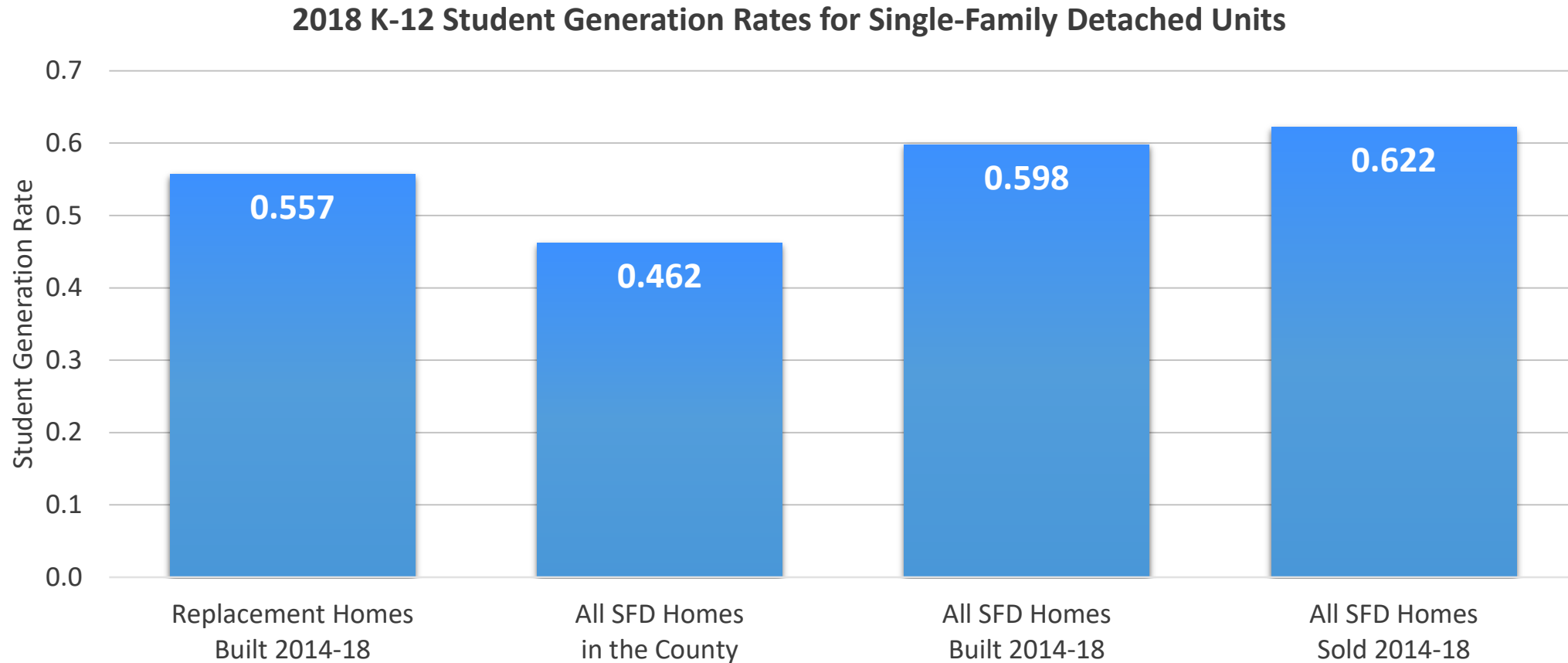
Impact Tax Exemptions on Residential Uses

R6.7

Continue to apply impact taxes on a net impact basis, providing a credit for any residential units demolished.

- Maintains current policy.
- Continue to not require Impact Taxes be paid on replacement single-family homes, as long as the construction on the new home begins within a year of the demolition of the original home.

Impact Tax Exemptions on Residential Uses



The background of the slide is a photograph of a classroom. It features several rows of blue plastic chairs with attached wooden desks. The chairs are arranged in a way that they are slightly offset from each other, creating a sense of depth. The lighting is bright, and the colors are vibrant. A large, semi-transparent blue shape is overlaid on the left side of the image, containing the text.

Chapter 6. Tax Recommendations

Recordation Tax

Recordation Tax

R6.8

Incorporate progressive modifications into calculation of the Recordation Tax to provide additional funding for school construction and the county's Housing Initiative Fund.

- All of the funding options considered thus far are developer paid.
- The recordation tax is paid on the sale of a property by the purchaser.
- The tax is progressive – the amount paid is based on the sales price and the rate paid increases at higher prices.
- Given the increasing role that single-family turnover plays in enrollment growth, staff recommends a modification to the calculation of the recordation tax to contribute more funding to the MCPS capital budget.

Recordation Tax

Current Recordation Tax

- Exemption
 - First \$100,000 if principal residence
- For each \$500 that the price exceeds \$100,000:
 - \$2.08 to the county's general fund
 - \$2.37 to the MCPS CIP
- For each \$500 that the price exceeds \$500,000:
 - \$1.15 to the CIP in general
 - \$1.15 to rental assistance



Recordation Tax

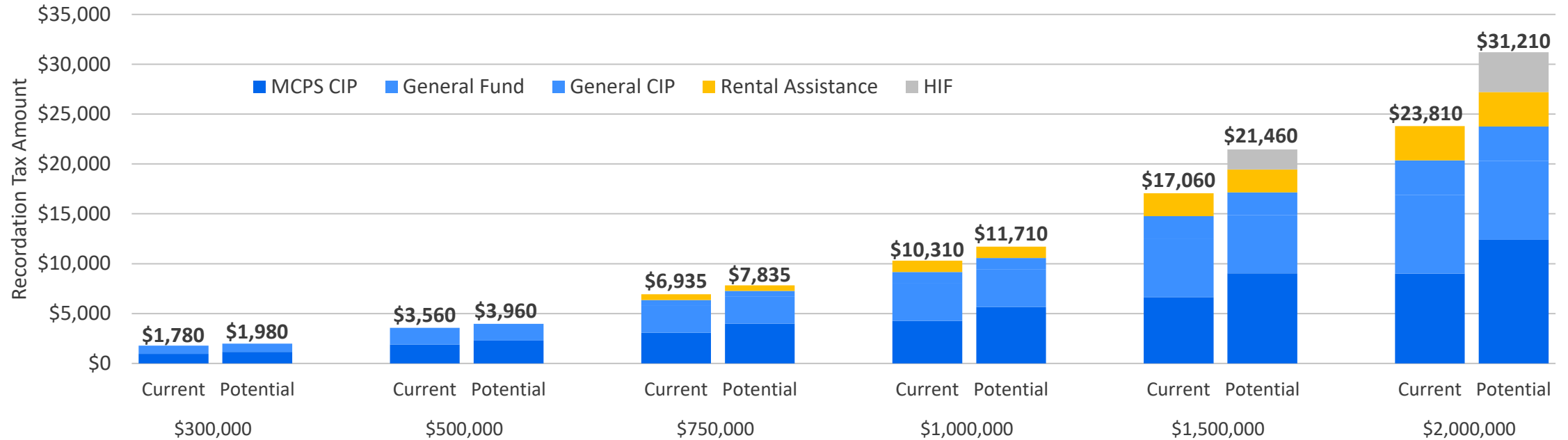
Proposed Recordation Tax

- Exemptions
 - First \$100,000 if principal residence
 - First \$500,000 if first-time homebuyer
- For each \$500 that the price exceeds \$100,000:
 - \$2.08 to the county's general fund
 - \$2.87 ~~\$2.37~~ to the MCPS CIP
- For each \$500 that the price exceeds \$500,000:
 - \$1.15 to the CIP in general
 - \$0.50 to the MCPS CIP
 - \$1.15 to rental assistance
- For each \$500 that the price exceeds \$1,000,000:
 - \$1.00 to the Housing Initiative Fund



Recordation Tax

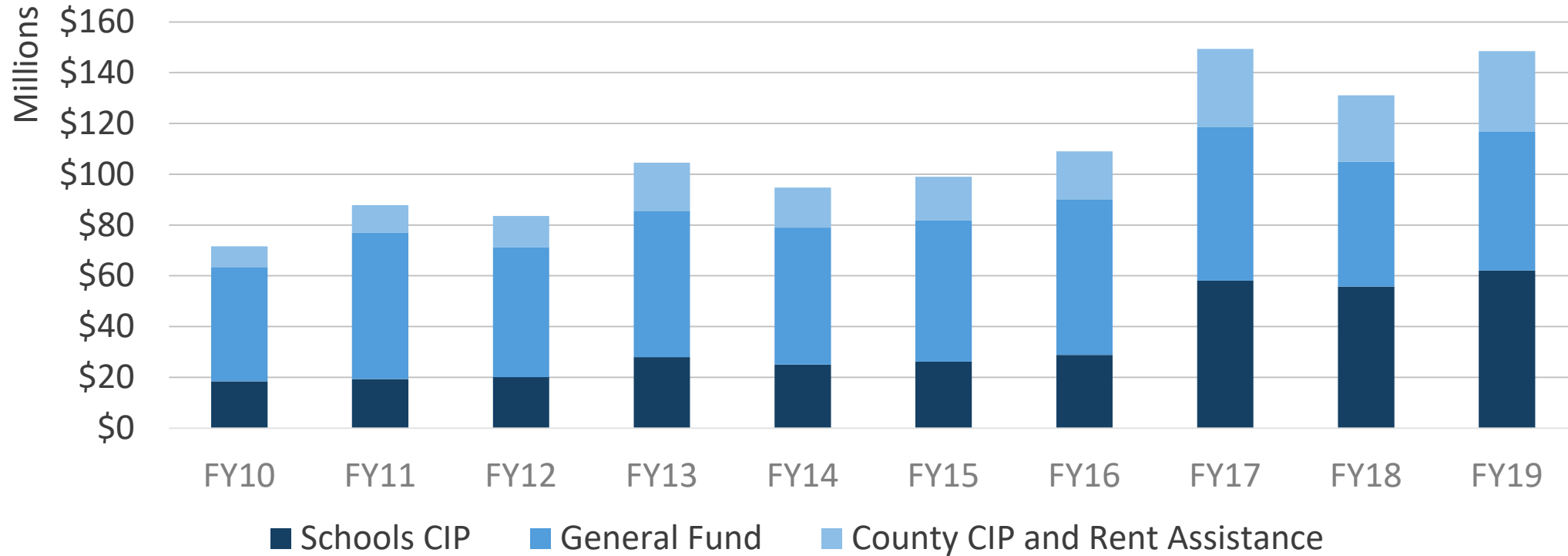
Potential Change to Recordation Tax and Components by Home Sales Price



	\$300,000	\$500,000	\$750,000	\$1,000,000	\$1,500,000	\$2,000,000
Tax Increase	11%	11%	13%	14%	26%	31%
Tax Increase Amount	\$200	\$400	\$900	\$1,400	\$4,400	\$7,400
Increase as Share of Price	0.07%	0.13%	0.12%	0.14%	0.29%	0.37%
MCPS Funding Increase	21%	21%	29%	33%	36%	38%

Recordation Tax

Historical Recordation Tax Revenue



- Estimated that the proposed change would have generated approximately \$20 million more in revenue for school construction in FY19 (this does not account for the proposed first-time homebuyer exemption).