

THE 2020 UPDATE TO THE SUBDIVISION STAGING POLICY (SSP) BALANCING GROWTH WITH SCHOOL CAPACITY



As we update the county's growth policy, the Subdivision Staging Policy, we are taking a closer look at the schools element to make sure the county is positioned to adequately balance housing growth with school capacity.

The county, once dominated by greenfield development that created single-family housing for nuclear families, is now shifting to infill development where multifamily housing and households made up of non-related persons, have become the defining features. The Subdivision Staging Policy is the tool that we currently use to measure the impact of development within the context of the changes we see in our communities.

THE BOTTOM LINE

Montgomery Planning is responsible for managing our county's land. This includes balancing growth with adequate school capacity. The 2020 update to the SSP is recommending a paradigm shift in how we plan and grow:

- There is now a major emphasis on developing recommendations that are: data-driven and stakeholder-informed.
- Overarching themes include:
 - Recognition that a one-size-fits-all policy doesn't work in a county with such diverse growth contexts.
 - Moving away from stopping growth when infrastructure is inadequate.
 - Moving toward ensuring adequate infrastructure to allow the county to grow in our desired amounts, forms and locations.
- Creating a policy that strikes a balance between multiple county priorities.

WHAT'S ON THE TABLE WITH THIS UPDATE?

Moving toward a "context-sensitive" approach when considering school capacity.

- This update strives to create a growth policy that reflects different development patterns (contexts) in the county and their impacts on the county's infrastructure.

Mapping it out.

Housing growth, type of housing being built, and enrollment growth inform three School Impact Areas. These School Impact Areas have implications on how various aspects of the policy (including the Annual School Test) and related funding mechanisms are applied. The School Impact Areas are:

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.

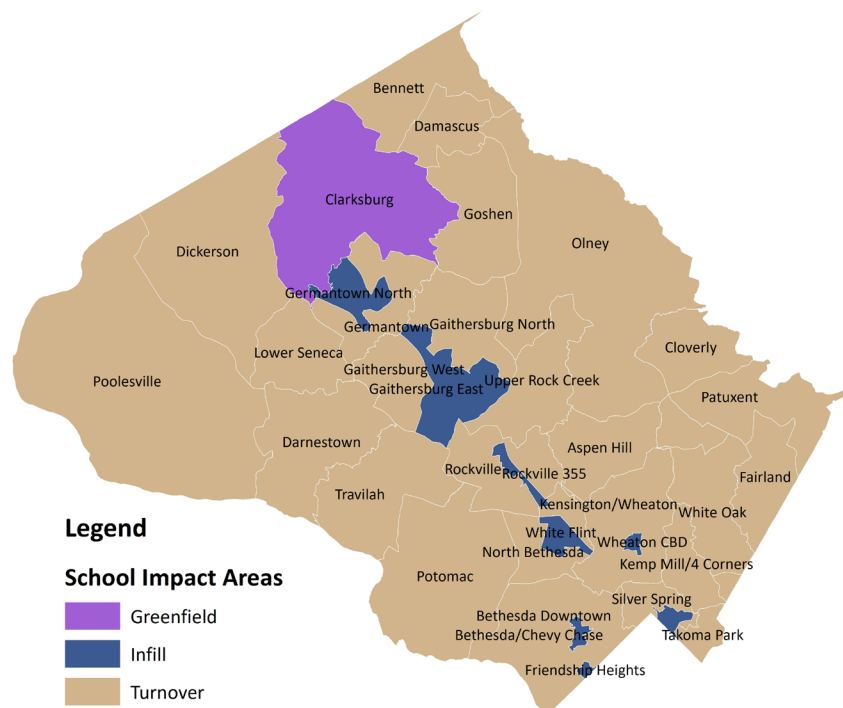
Greenfield Impact Areas

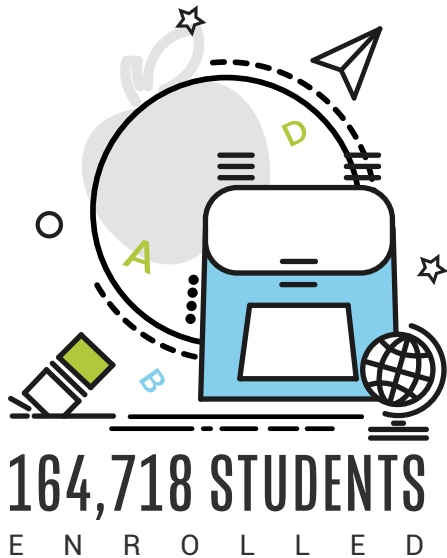
- Areas with high enrollment growth due largely to high housing growth that is predominantly single-family.

Development moratoria doesn't work for all of Montgomery County.

Based on current policy, once we have inadequate capacity at a school or school cluster, all development applications must stop. But the impact taxes paid through new development help fund new school construction. In the 2020 update to the SSP, we are recommending elimination of moratoria in 93 percent of the county and instead pursue a new approach using impact taxes and utilizing premium payments in a way that aligns infrastructure and growth.

- The current moratorium policy:
 - Hinders economic development
 - Prevents sustainable growth patterns
 - Impacts housing affordability
 - Inhibits ability to reach the county's housing goals
- Does not solve overcrowding





Name Change - What's in a Name - Everything.

We are renaming the Subdivision Staging Policy to The County Growth Policy. The county is shifting from greenfield development of new subdivisions to infill and redevelopment of existing sites. With increased recognition of growth's role in achieving other policy priorities related to the environmental resiliency, community equity, and economic health of the county and region, the policy must be about more than staging the development of new subdivisions.

Moratoria – Reactive to Proactive.

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

Exceptions to moratoria will include commercial development projects, residential projects estimated to generate less than one full student at a school in moratorium and projects where the residential component consists entirely of age-restricted units for seniors 55 and older.

Student Generation Rates – Understanding the Full Impact.

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

Impact Taxes – Growth Where We Want It.

- Calculate standard school impact taxes at 100 percent 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 percent factor within the Agricultural Reserve Zone, except for projects with a net increase of only one housing unit and in that case apply a 60 percent factor.

Utilization Premium Payments – Solving Overcapacity Issues.

Establish Tiered Utilization Premium Payments based on the collective utilization of elementary, middle and high school feeder combinations and set the payment amounts for each tier as a percentage of the standard impact taxes applicable to each School Impact Area.

Other Indicators of Adequacy – Adequacy Beyond Capacity.

Impact tax credits are available for the value of dedicated land and any improvements that add classroom capacity. For example, developers who pay for other school facility improvements (roof replacements, HVAC system upgrades, etc.) would receive a credit.

Recordation Tax Changes – The Role of Turnover.

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



What is the Subdivision Staging Policy?

The Subdivision Staging Policy -- one of the many ways that Montgomery Planning helps to preserve the excellent quality of life in Montgomery County -- is based on having sufficient infrastructure to support growth.

It includes criteria and guidance for the administration of Montgomery County's Adequate Public Facility Ordinance, which matches the timing of private development with the availability of public infrastructure.

Every four years, Montgomery Planning initiates the Subdivision Staging Policy update and then sends recommendations to the Planning Board and the County Council. We update the policy using the best available tools to test whether infrastructure like schools, transportation, water and sewer services can support future growth. Planners use those tools to project capacity, growth and future development, which in turn guides the timing and location of needed infrastructure improvements or capacity increases.

Updates for 2020

Previous County leaders designed the APFO to ensure that road and school capacity – as well as water and sewer and other infrastructure – kept pace with new development. Today, housing growth is occurring primarily through infill development and redevelopment, however school enrollment growth is driven largely by the resale of homes in many established neighborhoods. In the 2020 SSP update, planners have examined the evaluation tools currently used to measure the impact of development within the context of these changing growth factors.

Questions, Comments?

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