

THE 2020 UPDATE TO THE SUBDIVISION STAGING POLICY

BALANCING GROWTH WITH SCHOOL CAPACITY



As we update the county's growth policy, the Subdivision Staging Policy (SSP), 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

The Montgomery Planning Board 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.

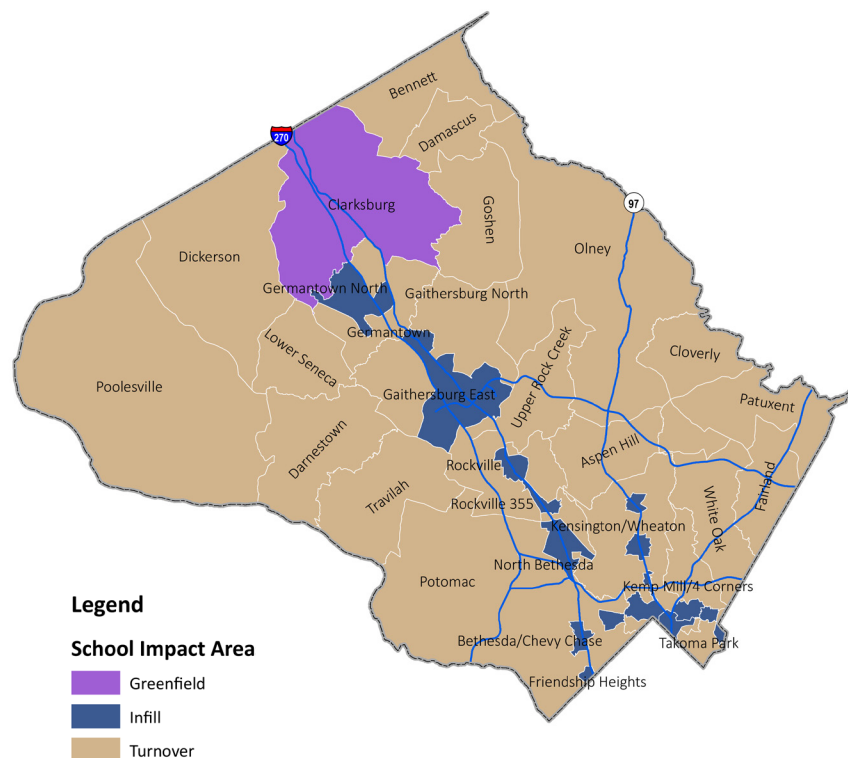
Greenfield Impact Areas

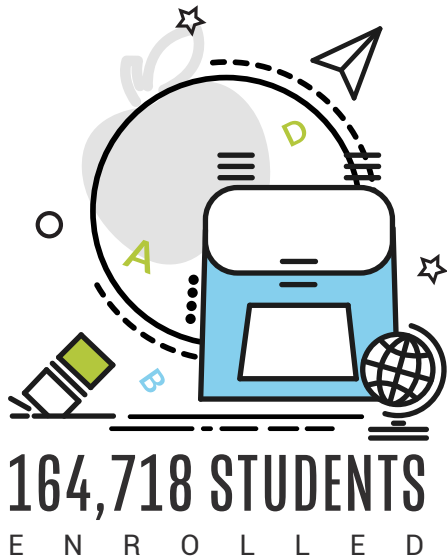
- Areas with high enrollment growth due largely to high housing growth that is predominantly single-family.

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, the Planning Board is 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





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

The Planning Board is recommending 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.

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 residential development moratoria will include projects estimated to net fewer than one full student at any school in moratorium and projects where the residential component consists entirely of senior living units. The Planning Board will also be allowed to approve residential development if a school at the same level as the one that triggered the moratorium is located within 3, 5, or 10 network miles (for ES, MS, or HS, respectively) of the proposed subdivision and has a projected utilization rate less than or equal to 105.

Student Generation Rates – Understanding the Full Impact.

Montgomery Planning 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 desired growth and investment areas.
- Maintain the current 120 percent factor within the Agricultural Reserve Zone.

Utilization Premium Payments – Solving Overcapacity Issues.

If a school serving a residential development project is projected to exceed a utilization rate of 120% three years in the future, the developer will be required to pay the Utilization Premium Payment indicated in the Annual School Test in effect at the time as a condition of preliminary plan approval. If multiple schools serving a project are found to exceed the threshold, then payments are required for each.

Other Indicators of Adequacy – Adequacy Beyond Capacity.

Impact tax credits would not only be available for the value of dedicated land and improvements that add classroom capacity, but also for other school facility condition improvements (roof replacements, HVAC system upgrades, etc.) made or paid for by the developer.

Recordation Tax Changes – The Role of Turnover.

The Planning Board proposes progressive modifications to the 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 adequate public facilities ordinance (APFO) and SSP 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?

Contact Project Manager and Chief of Countywide Planning & Policy
Jason Sartori: Jason.Sartori@montgomeryplanning.org