

MONTGOMERY COUNTY'S GROWTH & INFRASTRUCTURE POLICY SCHOOLS



What is the Growth and Infrastructure Policy?

In order to balance the county's need to accommodate growth with its excellent quality of life, Montgomery Planning administers a policy to support the infrastructure demands appropriately. The intent of the Growth and Infrastructure Policy (GIP) is to ensure that public facilities, particularly schools and transportation infrastructure, but also water and sewer services, are adequate to accommodate new development.

How does it work?

The GIP lays out the criteria and guidance used for the administration of the Adequate Public Facility Ordinance (APFO). It outlines requirements for mitigating private development's impact on public infrastructure. Every four years, Montgomery Planning staff initiate an effort to revisit the policy, which is then reviewed by the Planning Board and the County Council. The quadrennial update process ensures the best available tools are used to reflect the latest growth trends when evaluating infrastructure like schools and transportation.



Only 18% of the county is available for development on undeveloped land now. In the 1960s, only 15% of the county's total land area had been developed, and by the 1990s, that had increased to nearly half of the county.

"Most development in the county today is infill, which has very different demands on infrastructure than the greenfield development we were experiencing when our growth policies were initially created," said Gwen Wright, Planning Director. "This forward-thinking update to the growth policy provides us with context-sensitive tools and solutions for the county's current growth paradigm."

HOW WILL THE COUNTY HAVE ADEQUATE SCHOOL CAPACITY IN THE FUTURE?

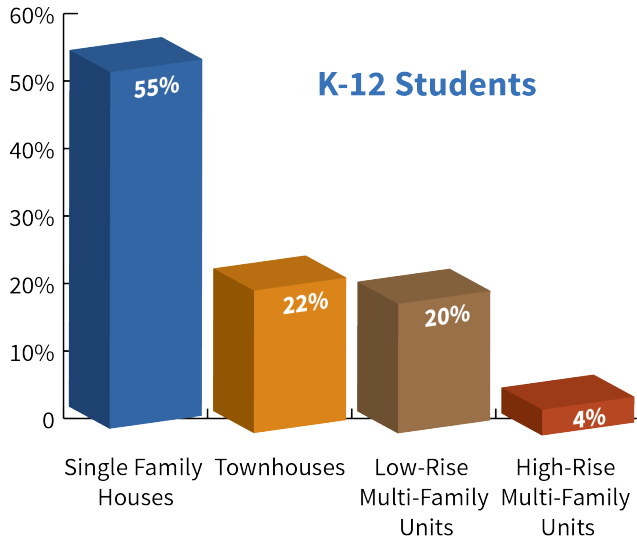
In the past, when greenfield development was still prevalent in the county, residential development moratoriums were enacted to halt development's impact on overcrowded school facilities. Nowadays, with the majority of enrollment growth coming from resident turnover in existing single-family neighborhoods, the moratorium was ineffective in ensuring adequate school capacity. In lieu of the outdated moratorium tool, the new policy requires that development applications in overutilized school service areas be charged a Utilization Premium Payment (UPP) in addition to development impact taxes to supplement funding for school capacity projects.

WHAT'S NEW WITH THE 2020-2024 UPDATE?

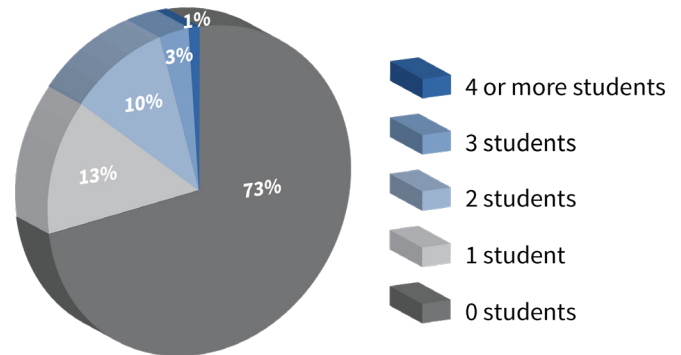
- **Utilization Premium Payments:** The county-wide housing moratorium is replaced with a variable surcharge (based on location, housing type and projected school utilization levels) for developers when building in areas with overutilized schools.
- **School Impact Area:** For a more context-sensitive approach, county neighborhoods are classified based on the amount and type of recent and anticipated development and its impact on school enrollment. The School Impact Areas are used to right-size impact tax and UPP rates.
- **Growth and Policy Infrastructure (GIP):** The policy is now called the Growth and Infrastructure Policy (formerly the Subdivision Staging Policy).
- **Student Generation Rates (SGRs):** These rates, which represent the average number of students residing in a particular housing type for a given geographic area, are used to estimate the enrollment impacts of new development and to set impact tax and UPP rates. Now, SGRs for multifamily units are calculated based only on units built since 1990.
- **Annual School Test and Utilization Report:** The new policy required the Planning Board to adopt Annual School Test Guidelines detailing how the test is conducted and applied to development applications. It also required the preparation of an annual report highlighting countywide and individual school utilization trends.
- **School Impact Taxes:** Development impact taxes were previously calculated at 120% of the countywide cost of a housing unit on school capacity. The new rates are calculated at 100% of the cost based on School Impact Area. Additional modifications were made to the applicability and extent of impact tax exemptions.



SHARE OF STUDENTS BY DWELLING TYPE, 2018



SINGLE FAMILY DETACHED HOMES BY NUMBER OF STUDENTS, 2018



Homes with students on average have **1.7 students** each

SCHOOL IMPACT AREA FACTS

- Nearly 75% of our single-family detached homes have no public school students.
- Only 13% of our housing stock (single-family detached homes with at least one student) is producing 55% of our students.
- Multi-family structures with lower average rents per square foot, higher shares of three-bedroom units and larger average unit size generate more students, on average.

NEW DEVELOPMENT VS. TURNOVER

A review of new dwelling units built (excluding replacement homes) between 2011 and 2015 revealed:

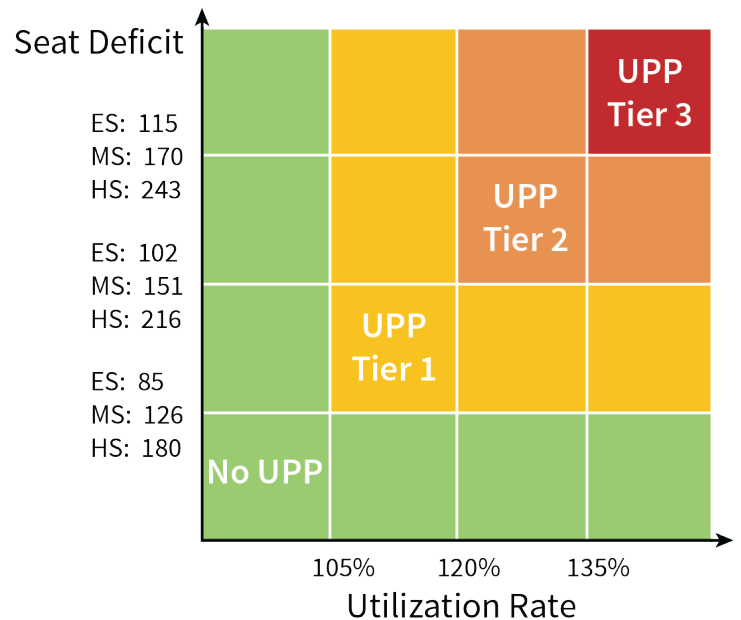
Unit Type	Units Built	Share of 2010-15 Enrollment Growth	
Single Family Detached	2,606 (16.1%)	10.9%	19.1%
Single Family Attached	3,403 (21.0%)	8.2%	
Multi-family Low-rise	3,498 (21.6%)	2.6%	4.3%
Multi-family High-rise	6,660 (41.2%)	1.7%	
TOTAL NEW DEVELOPMENT	16,167	23.3%	
EXISTING UNITS		76.7%	



Utilization Rate Standard		Seat Deficit Standard	School Adequacy Status
<105%	or	<85 for ES <126 for MS <180 for HS	No UPP Required
≥ 105%	and	≥ 85 for ES ≥ 126 for MS ≥ 180 for HS	Tier 1 UPP Required
≥ 120%	and	≥ 102 for ES ≥ 151 for MS ≥ 216 for HS	Tier 2 UPP Required
≥ 135%	and	≥ 115 for ES ≥ 170 for MS ≥ 243 for HS	Tier 3 UPP Required

SCHOOL ADEQUACY STANDARD

School adequacy is assessed based on the school's projected capacity utilization four fiscal years in the future (e.g., the FY2022 Annual School Test will evaluate projected utilization in the 2025-26 school year). If a school's projected utilization rate (enrollment divided by capacity) is below 105% or if the school's projected seat deficit (the number of students over capacity) is below the applicable adequacy standard, the school facility is considered adequate. If a school's projected utilization is found to exceed the standards indicated below, the facility is considered inadequate and new residential development will be required to make mitigation payments in the form of Utilization Premium Payments.



UTILIZATION PREMIUM PAYMENT - FACTOR BY SCHOOL LEVEL AND TIER

School Level	Payment Factor			
	No UPP	Tier 1	Tier 2	Tier 3
Elementary School	—	16⅔%	33⅓%	50%
Middle School	—	10%	20%	30%
High School	—	13⅓%	26⅔%	40%
Total	—	40%	80%	120%

These percentages indicate the payment amount as a percentage of the applicable (non-exempt and non-discounted) school impact tax.

Learn more:

[MontgomeryPlanning.org/GIP](https://montgomeryplanning.org/GIP)

Review the:

Annual School Test and Utilization Report

Annual School Test Guidelines