



Montgomery Planning | Countywide Planning and Policy Division

05/30/2024

Agenda item 5

# 2024 Growth and Infrastructure Policy

## Work Session #1 - Schools



# Schools Element

## Public Hearing Draft Recommendations

# Index of Recommendations

## Schools Element

<a href="#">2.1</a>	Modify the School Impact Area boundaries so that they align with the proposed Transportation Policy Area boundaries, and classify each area into Infill, Turnover, or Greenfield based on an updated analysis of their latest growth context and potential.
<a href="#">2.2</a>	Adjust the seat deficit thresholds of each UPP tier to align with MCPS's CIP guidelines for classroom additions and maintain the existing utilization rate thresholds.
<a href="#">2.3</a>	Allow funds collected as UPPs to be used for capital projects adding capacity at schools adjacent to the school for which they were collected, as outlined in the School Utilization Report.
<a href="#">2.4</a>	Reclassify stacked flats and similar housing unit types that deviate from the traditional single-family or multi-family classifications from the current multi-family low-rise category to the single-family attached category.
<a href="#">2.5</a>	Monitor the countywide early childhood program projections through the School Utilization Report. When the enrollment is projected to be more universal, include them in the elementary school student generation rate calculations.

# 1. School Impact Area Boundaries

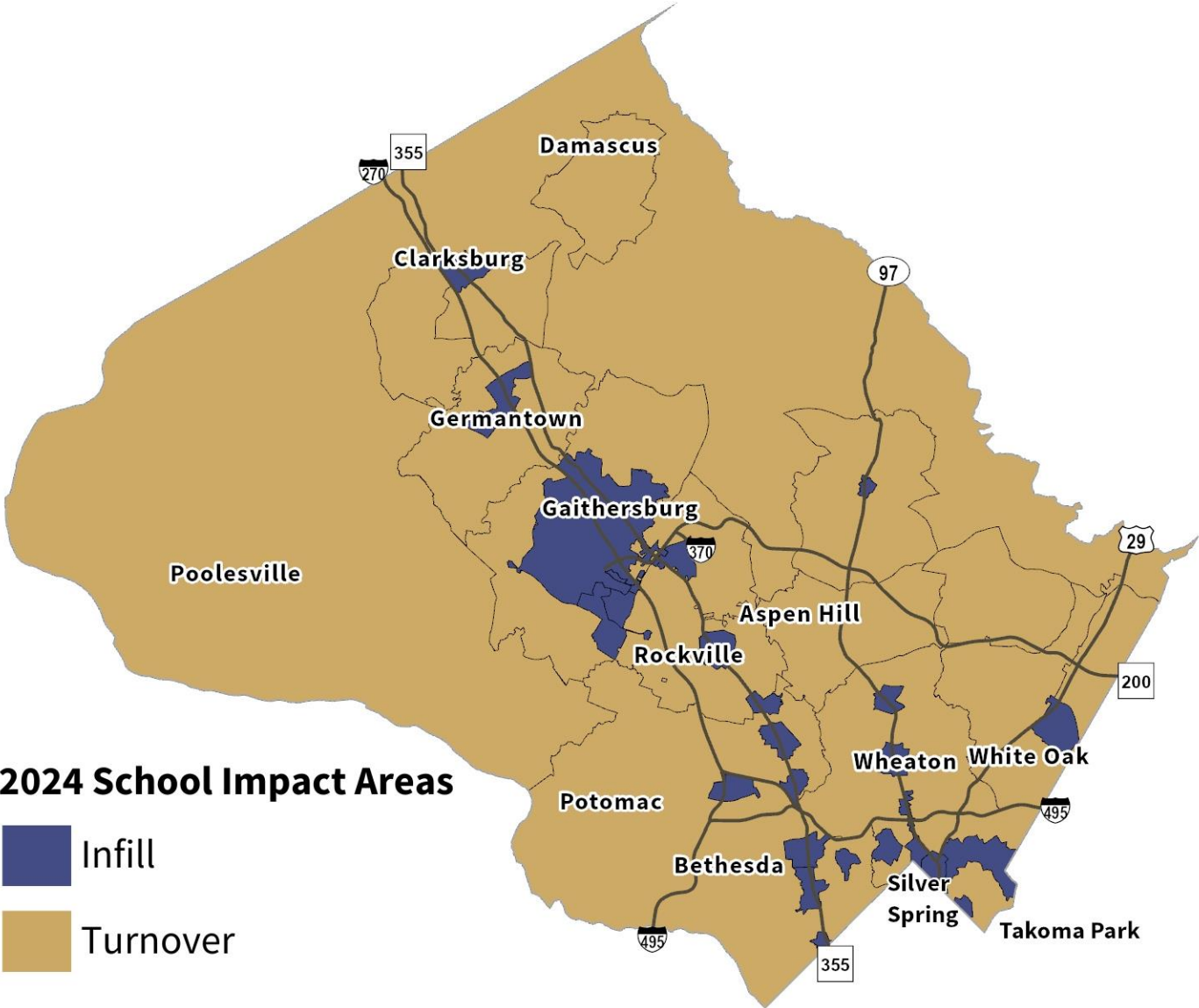
- **Recommendation 2.1:**

Modify the School Impact Area boundaries so that they align with the proposed Transportation Policy Area boundaries, and classify each area into Infill, Turnover, or Greenfield based on an updated analysis of their latest growth context and potential.

- **Infill Impact Area:** High housing growth predominantly in the form of multi-family units that generate relatively few students on a per-unit basis.
- **Turnover Impact Area:** Low housing growth where enrollment trends are largely dependent on the turnover of existing single-family units.
- **Greenfield Impact Area:** High housing growth predominantly in the form of single-family units, consequently experiencing high enrollment growth.

# 1. School Impact Area Boundaries

Infill Impact Area	Turnover Impact Area
Bethesda CBD	Aspen Hill
Chevy Chase Lake	Bethesda/Chevy Chase
Clarksburg Town Center	Burtonsville Town Center
<b>Forest Glen (overwrite)</b>	<b>Clarksburg East (overwrite)</b>
<b>Friendship Heights (overwrite)</b>	<b>Clarksburg West (overwrite)</b>
<b>Gaithersburg (overwrite)</b>	Cloverly
Germantown Town Center	Damascus
Glenmont	Derwood
Great Seneca Life Center	Fairland/Briggs Chaney
Grosvenor	Colesville
<b>Lyttonsville (overwrite)</b>	Germantown East
<b>Medical Center (overwrite)</b>	Germantown West
Olney Town Center	Kensington/Wheaton
<b>Purple Line East (overwrite)</b>	Montgomery Village/Airpark
Rock Spring	North Bethesda
Rockville Town Center	North Potomac
Shady Grove Metro Station	Olney
Silver Spring CBD	Potomac
<b>Takoma (overwrite)</b>	R&D Village
Twinbrook	Rockville City
<b>Wheaton CBD (overwrite)</b>	Rural East
White Flint	Rural West
<b>White Oak Village &amp; Center (overwrite)</b>	Silver Spring/Takoma Park
<b>Woodside (overwrite)</b>	White Oak



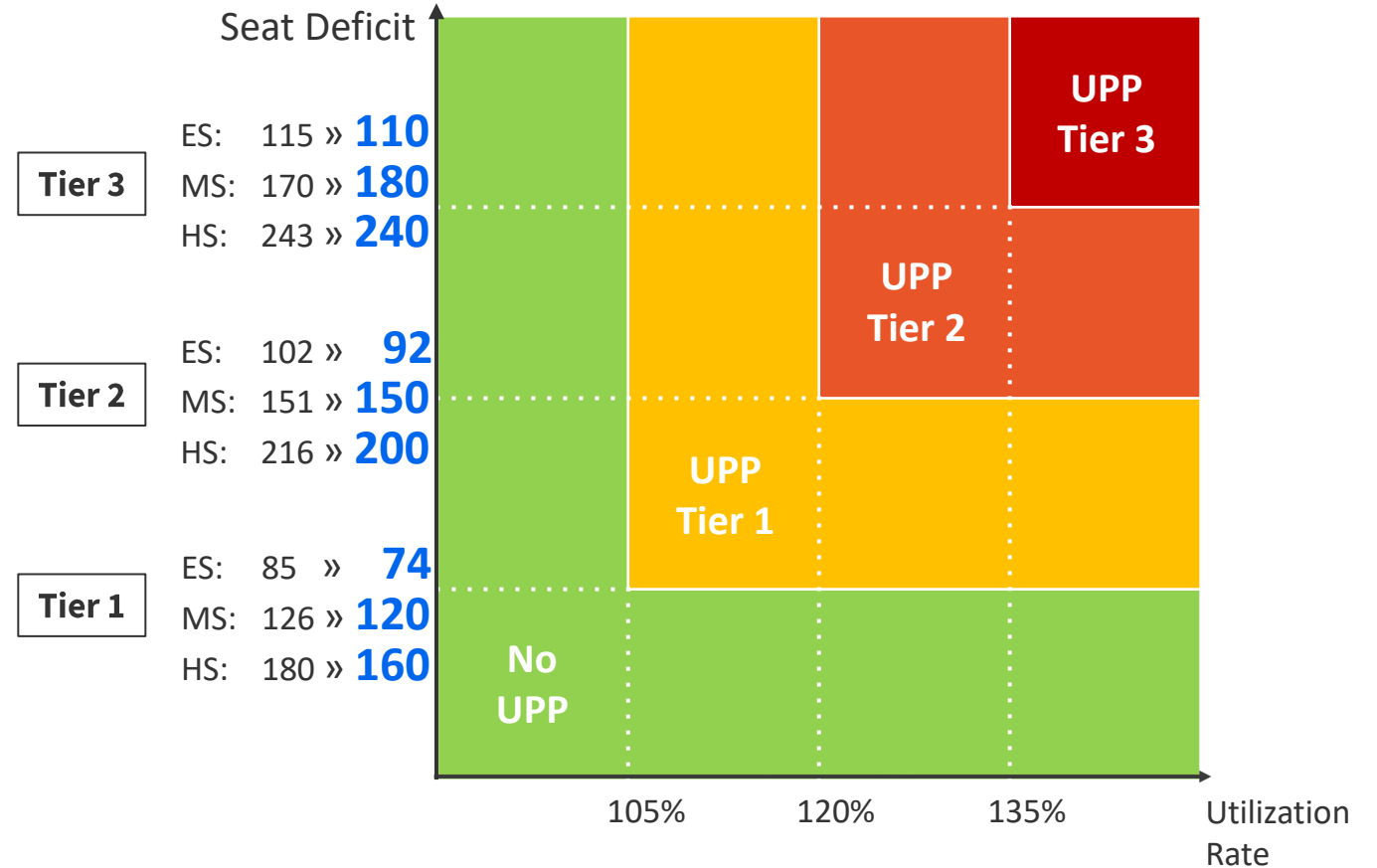
# Change to Student Generation Rates (SGR)

	Single Family Detached (SFD)		Single Family Attached (SFA)		Multi-Family Low Rise (MFL)		Multi-Family High Rise (MFH)	
	Current	Change	Current	Change	Current	Change	Current	Change
Infill Impact Area	0.439	<b>0.489</b> (+11%)	0.374	<b>0.428</b> (+14%)	0.135	<b>0.162</b> (20%)	0.073	<b>0.079</b> (8%)
Turnover Impact Area	0.440	<b>0.437</b> (-1%)	0.504	<b>0.498</b> (-1%)	0.258	<b>0.261</b> (1%)	0.168 →	<b>0.092</b> (-45%)

# 2. Annual School Test Adequacy Threshold

- Recommendation 2.2:**

Adjust the seat deficit thresholds of each UPP tier to align with MCPS’s CIP guidelines for classroom additions and maintain the existing utilization rate thresholds.



# Comments

- *Highly supportive because **it achieves critical data metric consistency** across MCPS and County Planning and will improve accuracy as trends in enrollments fluctuate. (MCCPTA)*



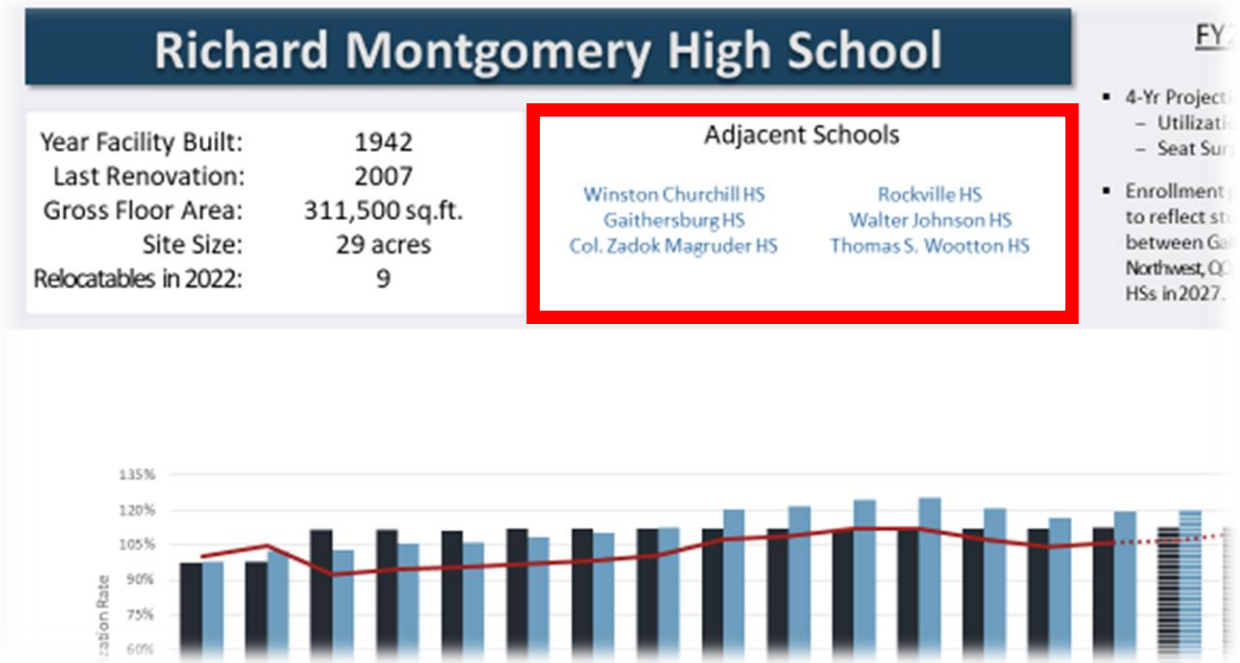
# Comments

- *Changes to the schools test ... (is) shifting the funding burden from private developers to the County. (County Executive)*
  - [Staff response]: The 2020 GIP replaced the moratorium, which would cut off the opportunity to collect any private funding, with **UPPs, a surcharge assessed to developers in addition to their due school impact tax.**
- *With diminution of the schools test, the county is left without resources to adequately fund infrastructure ... (County Executive)*
  - [Staff Response]: **Recommendation 2.2 tightens the school test** by lowering the seat deficit thresholds of most UPP tiers, not diminish it.

# 3. Utilization Premium Payment - Use of Funds

- Recommendation 2.3:**

Allow funds collected as UPPs to be used for capital projects adding capacity at schools adjacent to the school for which the funds were collected, as outlined in the School Utilization Report.



# Comments

- *Highly supportive of the recommendation to allow UPP funds to be used in adjacent schools because **it provides direct flexibility for MCPS to build out their CIP.** (MCCPTA)*

# Comments

- *The current surcharge ... (UPPs)... does not generate enough funding for additional seats in schools. It is further limited by restricting use of the funds to the area in which the funds are generated. **Changes that allow more flexibility would address some of these concerns.** (County Executive)*
  - This comment is expressing support of the recommendation.
  - [Staff Response]: The premise however is based on misinformation. School impact tax rates are calculated based on 100% of the cost of a seat. UPPs are assessed in addition to the impact tax as a percentage of the due rate. UPP funds alone are not meant to generate enough funding for additional seats.

# Comments

- *If funds are used on an adjacent school, credit should be given to the deficient school to avoid double-dipping. (Planning Board)*
  - [Staff Response]: The Annual School Test does not ‘queue’ the cumulative impact of prior development applications - each project is evaluated for their own estimated impact on a school and **one project’s impact does not get passed down to another regardless of where the funds are used.**

## 4. Student Generation Rate (SGR) - Housing Types

- **Recommendation 2.4:**

Reclassify stacked flats and similar housing unit types that deviate from the traditional single-family or multi-family classifications from the current multi-family low-rise category to the single-family attached category.



# Errata

## Page 20, Public Hearing Draft :

*“In the proposed Turnover Impact Areas, where more than 2,200 of the units are found from ~~over 200~~ 88 property records, the SGR of stacked flats is 0.411, close to the single-family attached rate of 0.498. In the proposed Infill Impact Areas, ~~however, there were only 36 property records found, so the SGR is less reliable~~ more than 1,800 units were found from 150 property records, with a SGR of 0.239.”*

# Comments

- *Highly supportive ... because it implements another important delineation among housing classifications, which in turn will refine student generation rates. (MCCPTA)*
- *Supportive of changing the classification but would like to see this be closer to multifamily to further incentivize their creation. (NAIOP & MBIA)*
- *Keep stacked flats as MFL to avoid increased impact taxes. There is also uncertainty about whether these types of buildings will generate a similar number of students as single-family attached units, especially in infill areas where they are likely to be constructed. (Miles & Stockbridge)*
- *Tax effects are highly significant – increase is 300% in school impact taxes. Either wait until there's real data then create a separate category, or grandfather current affected projects so they can be treated as MFL. (Lerch Early & Brewer)*



# SGR by Housing Type

	SFD	SFA	Stacked Flats	MFL	MFH
Infill Impact Area	0.489	0.428	0.239	0.146	0.079
Turnover Impact Area	0.437	0.498	0.411	0.232	0.092

- The student generation rate of stacked flats is considerably higher than typical multi-family structures.
- The Zoning Code and SDAT (State Department of Assessments and Taxation - the original dataset that Planning’s SGR housing data is derived from) property records classify stacked flats as multi-family low-rise structures. They qualify as multi-family low-rises for development review as well.
- Department of Permitting Services (DPS) has stated that their current practice is to recognize stacked flats as single family attached structures and charge rates accordingly.
- Impact taxes for single-family attached are significantly higher than multi-family low rise. Rates will have to be recalculated following adoption of the 2024 GIP, but current rates are:
  - Single-family attached: \$21,664 (infill) or \$29,456 (turnover)
  - Multi-family low rise: \$6,854 (infill) or \$13,625 (turnover)

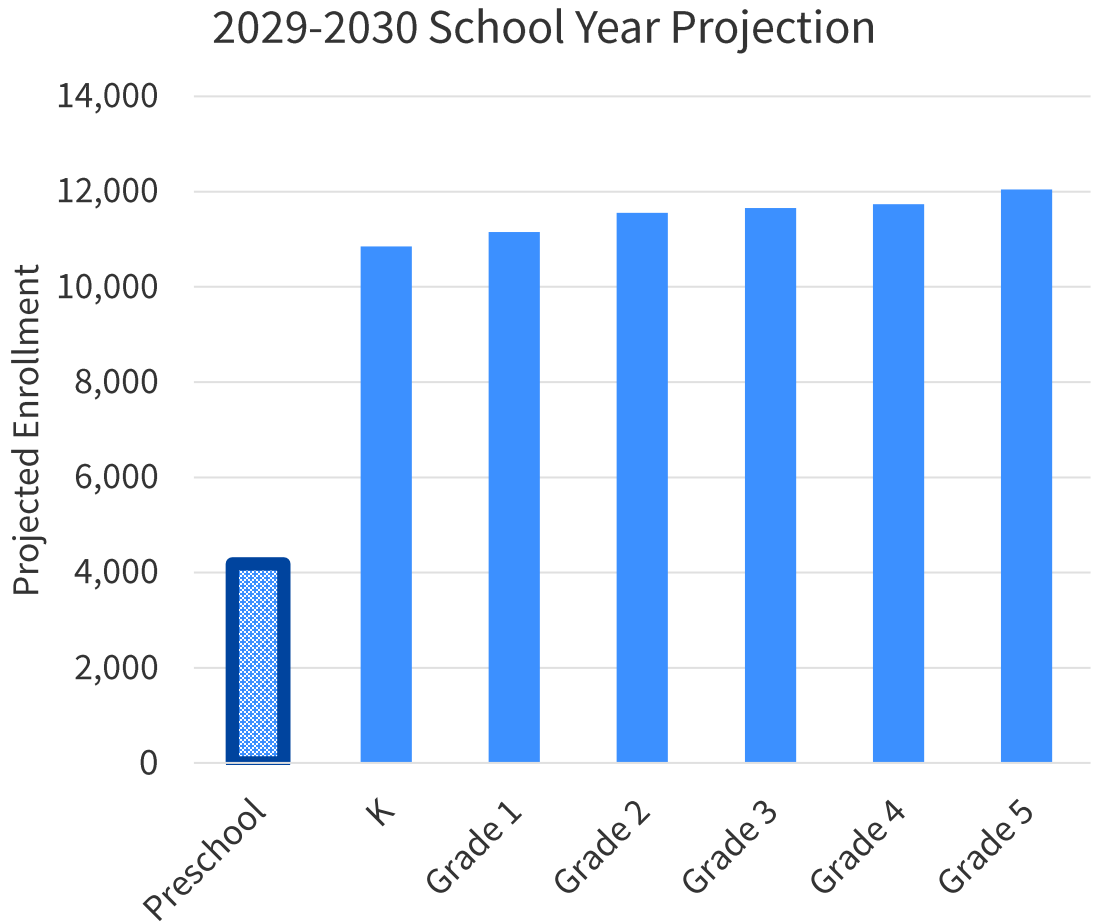
# Classification Options

- **Option A:** reclassify stacked flats as single family attached units (Public Hearing Draft recommendation)
  - SGR and impact tax of stacked flats will increase, multi-family low-rise will decrease.
- **Option B:** maintain current classification of stacked flats as multi-family low-rise units
  - Multi-family low-rise SGR and impact tax are inflated.
  - Would have to work with DPS staff and potentially codify classification to ensure projects are charged the multi-family low-rise impact tax rates.
- **Option C:** Create an additional housing type category for stacked flats and similar units that deviate from the typical single-family or multi-family classifications.
  - Due to low record count in each impact area, SGR and impact tax may fluctuate considerably between each biennial recalculation.

# 5. Early Childhood Program Expansion

- **Recommendation 2.5:**

Monitor the countywide early childhood program projections through the School Utilization Report. When the enrollment is projected to be more universal, include them in the elementary school student generation rate calculations.



# Comments

- *Highly supportive as it enables County Planning staff to adequately monitor and assess the rollout of statewide Blueprint requirement of compulsory Pre-K education. (MCCPTA)*

# Additional Comments

- *A development application that proposes new development of only a de minimis quantity should also be exempt from adequate public facilities review and from providing any improvements ... For example, up to a total of [a number to be decided] school students of all levels. (Lerch, Early & Brewer)*
  - [Staff Response]: Transportation has a de minimis exemption in part due to the cost of conducting a LATR study. For schools, the adequacy analysis is conducted by Planning staff as part of the development review process at no additional cost to the applicant. Also, a school adequacy analysis will have to be done to determine whether a project qualifies for a de minimis exemption or not anyway.

# County Executive's Memo

- *Since 2020, the surcharge has generated slightly more than \$6,000, an amount that may rise as additional developments move forward, but with no clear indication that future payments will generate the funding needed for additional seats in schools.*
  - [Staff Response]: Not only are UPP funds calculated at a fraction of the cost of a seat, the need for additional capacity in most schools are due to turnover enrollment. Therefore, it is impractical to expect UPPs to be able to generate the funding needed for classroom addition projects.

# County Executive Memo

- *Since 2020, the surcharge has generated slightly more than \$6,000, an amount that may rise as additional developments move forward, but with no clear indication that future payments will generate the funding needed for additional seats in schools.*

School Service Area	Impact Area Type	UPP Level	Unit Type (# of units)	Estimate*
Blake HS	Turnover	Tier 1	SFD (1)	\$3,478
Clarksburg HS	Turnover	Tier 2	SFD (58), SFA (237), MFL (476), MFH (89)	\$4,138,651
Gaithersburg HS	Infill	Tier 1	SFA (5)	\$14,443
Richard Montgomery HS	Infill	Tier 2	MFH (49)	\$546,033
	Turnover	Tier 2	MFH (307)	
Northwest HS	Turnover	Tier 1	SFD (4)	\$13,911
Quince Orchard HS	Turnover	Tier 2	SFD (1)	\$6,956
Ashburton ES	Turnover	Tier 2	SFD (1)	\$8,695
Bannockburn ES	Turnover	Tier 1	SFD (2)	\$8,695
<b>Total</b>				<b>\$4,740,861</b>

\* Estimates are based on a hypothetical assumption that building permits are pulled during FY 2024-2025, using current impact tax rates.

# Upcoming Planning Board Work Sessions

- **Planning Board Work Sessions:**

- **May 30** – Work Session #1 (Schools)
- **June 6** – Work Session #2 (Transportation)
- **June 13** – Work Session #3 (Transportation, Impact Taxes)
- **June 20** – Work Session #4 (Impact Taxes)
- **June 27** Work Session #5 (If necessary)
- **July 18 – Work Session #6** (Track Changes/ Final Edits)
- **July 24** – Planning Board approval of Planning Board Draft and Resolution

- **Transmittal of the Planning Board Draft to the County Council:**

- **August 1**