



Montgomery Planning | Countywide Planning and Policy Division

07/18/2024
Agenda Item 11

2024 Growth and Infrastructure Policy

Track Changes/Planning Board Approval

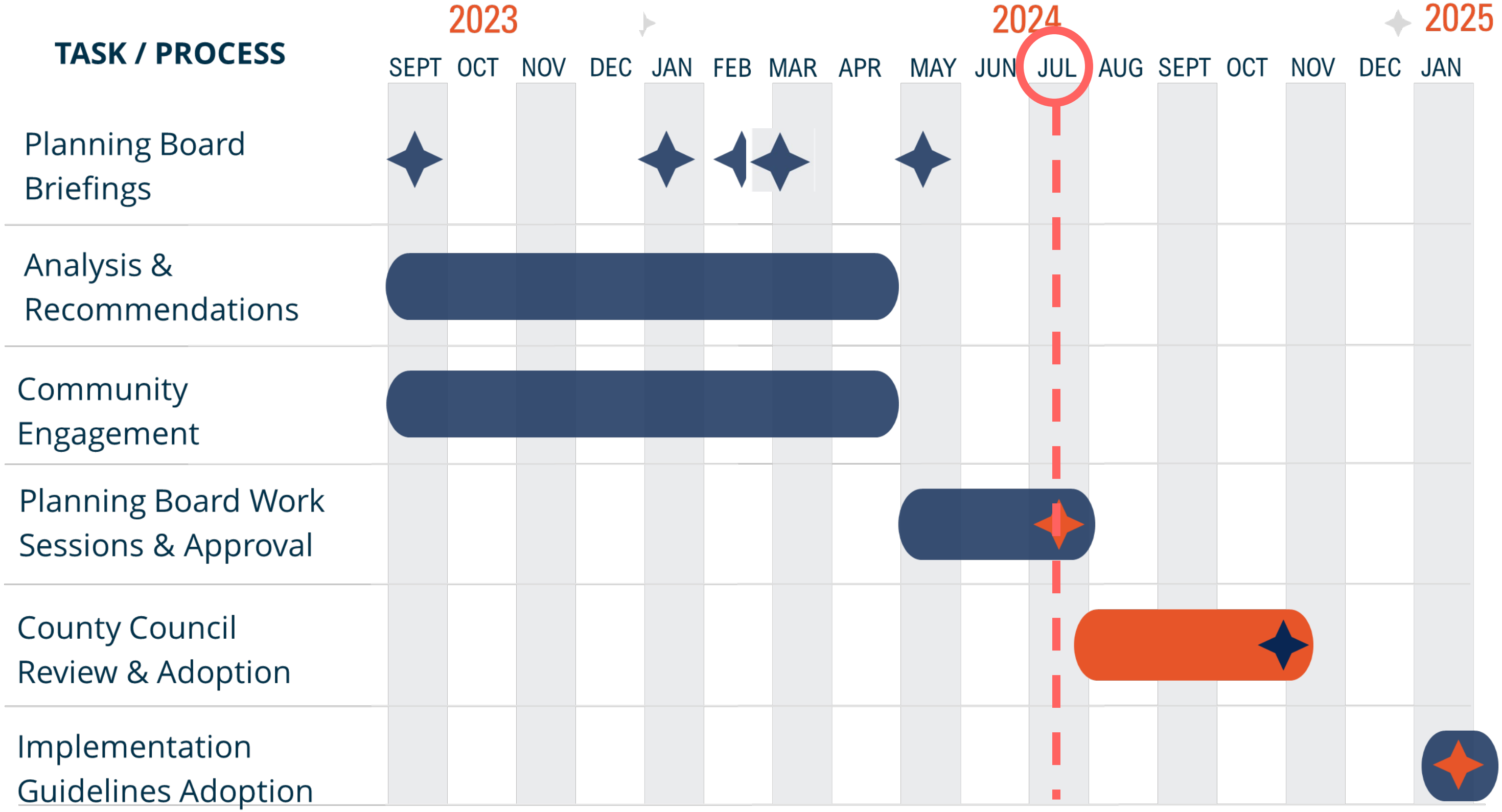


Today's Plan

- Upcoming Schedule
- Recommendation Highlights
- Additional testimony and proposed revisions
- Review Tracked Changes
 - Draft Growth and Infrastructure Report
 - Draft 2024-2028 Growth and Infrastructure Policy
 - Draft Revisions to the County Code
- Team Acknowledgements
- Board Vote



Project Schedule



Highlights

Growth and Infrastructure Policy Recommendations

- Modifying the policy area classifications to better align with corridor focused growth areas, creating three new Red Policy Areas, seven new Orange policy areas, and one new Yellow Policy Area.
- Simplifying and streamlining the Local Area Transportation Review (LATR) process and requirements.
- Introducing new LATR exemptions Mixed Income Housing Communities and other affordable housing, 3+ bedroom units, and daycares. Extending the Bioscience exemption and removing the three-year time limit to acquire a building permit.
- Revising the policy to reflect updated county plans, policies, laws, regulations, and guidance.

Highlights

Impact Tax Recommendations

- Introducing exemptions for small homes, 3+ bedroom units, and office-to-residential conversions.
- Adjusting the calculation of school impact tax rates to reflect the use of state aid.
- Codifying the bioscience exemption.
- Expanding credits for transportation improvements.

Impact Tax Recommendations

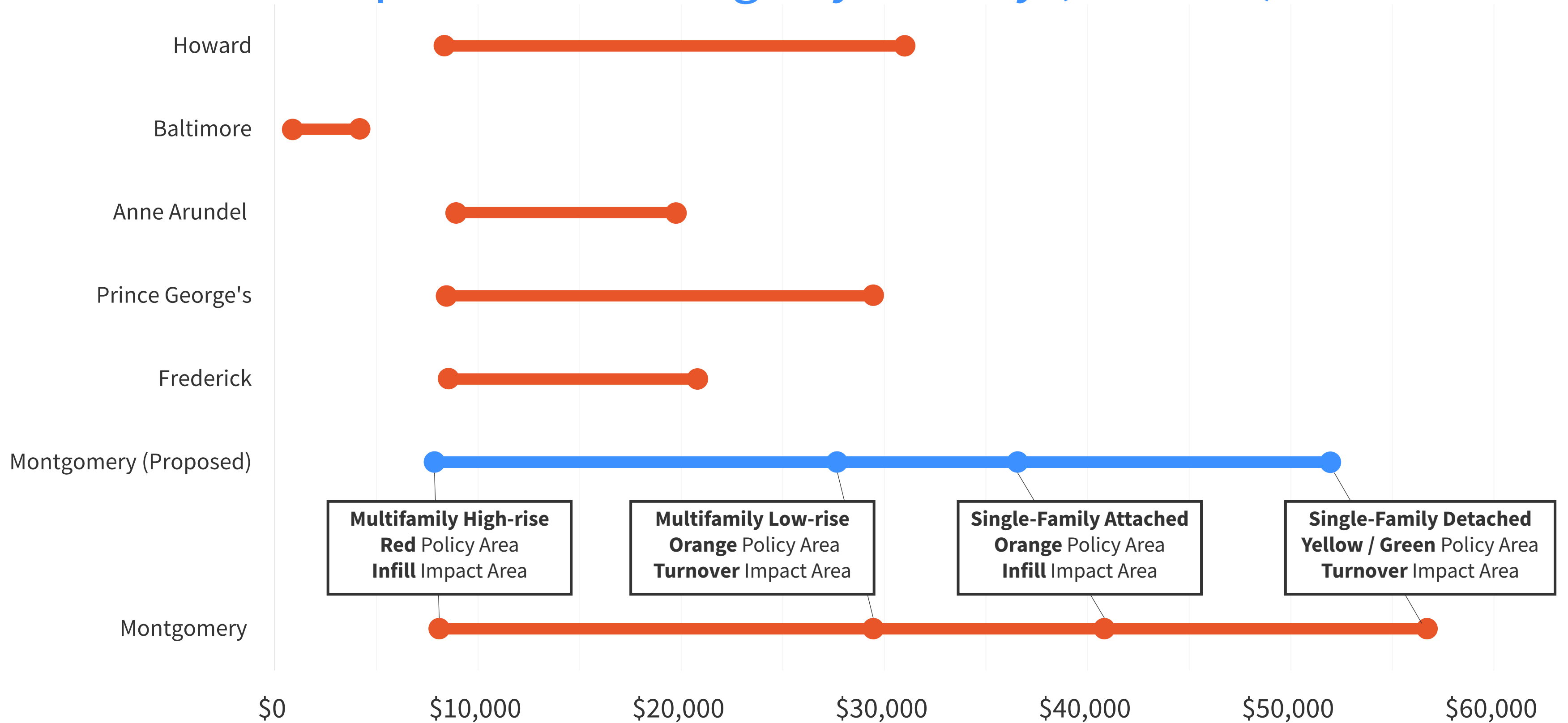
Exempt

- Affordable housing/MPDUs
- Non MPDUs in a development with at least 25% MPDUs (infill impact areas/red policy areas)
- Senior housing (schools)
- Farm tenant housing
- Student housing
- Opportunity Zones
- Enterprise Zones
- Office-to-residential conversions with adaptive reuse
- Bioscience
- Multifamily units with 3+ bedrooms

Discounted

- Single-family detached or attached units smaller than 1,800 sq ft
- Non MPDUs in a development with at least 25% MPDUs (turnover impact areas, orange/yellow/green policy areas)
- 1/2 mile from certain MARC stations (transportation)
- Office-to-residential conversions with demolition

Total Development Fee Range by County (Per Unit)



Additional Testimony and Proposed Revisions

School Impact Tax: State Aid Language

Attachment 2, Appx. B (Code Revisions), Page 82

Section 52-55. Tax rates.

Staff Draft

- (3) Calculation of impact tax. The tax rate must reflect the county's cost to construct a student seat, by subtracting the average current share of State Aid from the average Montgomery County Public School construction costs.

Proposed Revision

- (3) Calculation of impact tax rates. The tax rates must reflect the county's cost to construct a student seat, reducing the rates by a factor equivalent to the portion of funding for capacity-adding projects in the adopted school CIP attributed to State Aid.

Testimony: DGIA Legacy Language

- *Watkins Mill (via Scott Wallace of Miles Stockbridge) requests “legacy language” for projects in Desired Growth and Investment Areas (DGIA) that have approvals but haven’t started construction.*
- **Staff Response:** Planning Staff supports this and recommends that any preliminary plan application that has been accepted by 1/1/2025 will continue be eligible for the DGIA.
- Planning Staff will add the relevant language to the Planning Board Draft.

Revisions: DGIA Legacy Language

- **Attachment 1 (GIP Report), Page 36 and 38**
- **Recommendation 4.4:** Remove the Desired Growth and Investment Areas exemption and rely on other policies to advance corridor-focused compact growth and housing. This will simplify the number of boundaries used in conjunction with the policy. Include legacy language for projects with an accepted preliminary plan application, or equivalent plan acceptance in the City of Gaithersburg, before January 1, 2025.

	Current Exemption or Discount	Schools	Code Section	Transportation	Code Section	Recommendation
11	Any development located in a Desired Growth and Investment Area (except the city of Rockville)	Not Exempt		60% of applicable rate if in Orange Policy Area; or 68% of applicable rate if located in a Yellow Policy Area	§52-49	Remove; <u>Add legacy language for projects with an accepted preliminary plan application, or equivalent plan acceptance in the City of Gaithersburg, before January 1, 2025.</u>

Revisions: DGIA Legacy Language

Attachment 2, Appx. B (Code Revisions), Page 79

Section 52-49. Tax rates.

Staff Draft

- [Except for a development located in the City of Rockville, any development located in a Desired Growth and Investment Area, as defined in the 2020-2024 Growth and Infrastructure Policy (Subdivision Staging Policy), must pay the tax at: ...]

Proposed Revision

- Except for a development located in the City of Rockville, any development located in a Desired Growth and Investment Area, as defined in the 2020-2024 Growth and Infrastructure Policy (Subdivision Staging Policy), that has an accepted preliminary plan application, or equivalent plan acceptance in the City of Gaithersburg, before January 1, 2025, must pay the tax at: ...

Revisions: Effective Dates

Attachment 2, Appx. A (Draft GIP), Page 2

Effective Dates

This resolution takes effect on January 1, 2025, and applies to any application for a preliminary plan, site plan, building permit, or other application that requires a finding of Adequate Public Facilities ~~filed~~ accepted on or after that date. An Applicant can elect to use the new approved GIP if they have a preliminary plan or site plan application pending as of January 1, 2025, but not yet approved, as long as required analysis is completed before approval.

Testimony: Mixed Income Housing Community Projects

- *Matthew Gordon from Selzer Gurvich requested a LATR exemption for projects that meet the requirements for Mixed Income Housing Communities but use a different plan type (e.g. Site Plan).*
- **Staff Response:** Planning Staff supports revising the exemption to include projects that meet the Mixed Income Housing Community criteria and recommends modifying the report and policy.

Revisions: Mixed Income Housing Community Projects

Attachment 1 (GIP Report), Pages 29 and 45

- Recommendation 3.11b: Exempt development projects that meet the definition of a Mixed Income Housing Community in Section 3.3.4a of the zoning code projects (both affordable and market rate units) from the requirement to complete an LATR study.

Attachment 2, Appx. A (Draft GIP), Page 16

- Development applications where the proposed development meets the definition of a Mixed Income Housing Community projects, as set forth ~~defined~~ by Section 3.3.4a of the Montgomery County Zoning Ordinance, are exempt from Local Area Transportation Review.

Testimony: Great Seneca Life Sciences Policy Area

- *JHU (via Phillip Hummel of Miles Stockbridge) requested the expansion of the Great Seneca Life Science Red Policy Area to include the Belward Farm property.*
- **Staff Response:** JHU also requested this during the Great Seneca Plan development and the Planning Board declined to expand the boundaries. The current boundaries should continue to align with the boundaries of the Great Seneca Life Sciences Center Downtown.

New Recommendation

Attachment 1 (GIP Report), Pages 41 and 47

NEW Recommendation 4.8b: *Convene a working group across county government to explore additional financing and funding mechanisms to better meet infrastructure needs.*

While impact taxes help the county finance new infrastructure to support growth, they also add to the cost of new development and are ultimately passed on in the form of a higher purchase price or rental rate, making housing less attainable. Addressing the county's complex infrastructure needs requires a comprehensive approach to infrastructure funding. This will strengthen Montgomery County's competitive position within the region, bolster the potential for economic growth, and advance equity and climate objectives.

Review Tracked Changes

2024 GIP Update Team

- Darcy Buckley
- Lisa Govoni
- Hye-Soo Baek
- Caila Prendergast
- Dave Anspacher
- Eli Glazier
- Robert Kronenberg
- Jason K. Sartori
- Lily Murnen
- Mark Symborski
- Cristina Sasaki
- Henry Coppola
- Nathan Koiffman
- James Lee
- Luke Savonis
- Chris Peifer
- George Lettis
- Bridget Broullire
- Christine Ruffo
- Richard Brockmyer
- Katie Mencarini
- Arnita Jackson



Suggested Motion for the Board's Consideration

- Move to approve and transmit to the County Council the Planning Board's recommended 2024 update to the Growth and Infrastructure Policy and the corresponding development impact tax bill, as presented by staff.





Thank you!

Montgomery County Planning Department

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Growth and Infrastructure Policy:

<https://montgomeryplanning.org/gip/>

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