TITLE: Smart Growth Briefing

FILE NUMBER:

REQUEST: Maryland Department of Planning staff will provide an overview Maryland Smart Growth strategies and concepts

PROJECT INFORMATION:
LOCATION:
ZONE:
REGION:
WATER/SEWER:
COMP. PLAN/LAND USE:

APPLICANT/REPRESENTATIVES: (as applicable)
APPLICANT:
OWNER:
ENGINEER:
ARCHITECT:
ATTORNEY:

STAFF: Jim Gugel, Planning Director

RECOMMENDATION: For Information Only

Enclosures:
Priority Funding Area staff report
PlanMaryland Executive Summary
Maryland Growing Smarter
SUMMARY
With the recent adoption of the 2010 County Comprehensive Plan in April 2010 Staff is now able to prepare revisions to the Priority Funding Area (PFA) mapping to address changes in zoning, community growth area boundaries, and water/sewer classifications. The revisions will update the original PFA mapping that was certified by the County in 1998 and has remained unchanged ever since.

The draft PFA revisions have been prepared by Staff with consultation by the Maryland Department of Planning (MDP). The draft revisions will be presented to the County Planning Commission for their review and recommendation, which will be forwarded to the Board of County Commissioners (BOCC). The BOCC will take final action to certify the PFA map for submission to the MDP.

BACKGROUND
The Maryland General Assembly passed the Neighborhood Conservation and Smart Growth initiatives (Smart Growth Act) in 1997. This legislation enhanced the Growth Act passed in 1992 that established the seven visions to guide growth and development throughout the State. The Smart Growth initiatives go much further by establishing a variety of State programs and fiscal tools in an effort to protect sensitive areas, plan for better growth, and direct resources. The State’s Smart Growth toolbox includes a wide range of policies and programs that address land preservation, economic development, neighborhood revitalization, transportation, environmental protection, and other initiatives.

One of the elements of the Smart Growth Act of 1997 is the designation of Priority Funding Areas (PFA’s) throughout Maryland. This Act:

"... Requires the State to target funding for ‘growth related’ projects to Priority Funding Areas (PFA’s) beginning October 1, 1998. Growth related projects are defined in the legislation and include most State Programs which encourage or support growth and development such as highway, sewer and water construction, economic development assistance, and State leases and construction of new office facilities."

Following enactment of the legislation the Maryland Department of Planning (MDP) released a models and guidelines booklet for Smart Growth: Designating Priority Funding Areas, which is available through MDP’s web site at www.mdp.state.md.us.

What are PFA’s and how are they used
The Priority Funding Area concept is essentially a funding mechanism to guide where State funding should be targeted. PFA’s are not a planning tool used by the local jurisdictions to identify appropriate growth areas. In fact the designation of PFA’s by a local jurisdiction follows a designation or revision of growth areas and the subsequent application of zoning and water/sewer service classifications. A PFA designation is not used to justify a rezoning application or a request to amend a water/sewer classification.
Types of PFA’s
The Smart Growth Act identified several types of PFA categories with criteria to determine which properties would be eligible for designation as a PFA. The criteria do address existing conditions as well as how new development may be designated.

**Industrial and Employment Areas**
- Properties zoned principally for industrial use as of January 1, 1997 may be designated as a PFA.
- Properties zoned after January 1, 1997 must meet the following criteria:
  - Must be within a locally designated growth area
  - Must be served by an existing public sewer system
  - There is no density threshold

**Existing Communities**
- Communities developed as of January 1, 1997 may be designated if they meet the following:
  - Served by a public sewer system
  - Within a locally designated growth area
  - Must have a minimum average density of 2 dwellings/acre
  - Undeveloped portions of the community may be designated if the permitted density is at least 2 dwellings/acre
  - Existing communities with only public water service, but not sewer service may be designated if it within a locally designate growth area and has a minimum developed density of 2 dwellings/acre.

**Areas Other Than Existing Communities**
This category would include portions of our Community Growth Areas that may only have a land use plan designation and may either be zoned Agricultural or have some other residential, commercial, or industrial zoning but were not developed as of January 1997. The following criteria would apply to these areas:
- Within a locally designated growth area
- Within a planned 10-year water/sewer service area
- Proposed residential development must have a minimum permitted density of 3.5 du/acre
- Areas must reflect a long-term development policy for orderly growth

**Rural Villages**
This category recognizes existing, small communities that support the rural economy. There are no water/sewer or minimum density criteria. The only criterion is that they must have been identified on a county comprehensive plan as of July 1, 1998. This ‘State’ term (Rural Village) is generally consistent with our Rural Community and even village center designated areas of the County.

**Municipalities**
Municipalities that existed as of January 1, 1997 are designated as PFA’s regardless of whether they are served by a public water/sewer system and do not have a minimum density threshold. Annexations that occur after January 1997 must be certified by MDP and for residential developments must have a minimum permitted density of 3.5 dwellings/acre.

**Other Pre-defined Areas**
The PFA legislation also identified several pre-defined PFA areas that may overlap the county and municipal certified areas. These other areas include:
- Inner Beltway Area
- Heritage Area
- Designated Neighborhood
- Enterprise Zone

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For Frederick County the Heart of the Civil War Heritage Area (HCWHA), which was certified by the State in 2006, would allow for projects within the Heritage Area and within a locally designated growth area to be consistent with the PFA legislation.

1998 PFA Designation Process
In 1998 the County prepared its PFA map generally based on the criteria described above. The Board of County Commissioners certified the County’s PFA map on September 24, 1998, which was then forwarded to the MDP for review.

In general the County did not strictly adhere to the criteria with regards to the 3.5-dwellings/acre density minimum or the need to be within a 10-year water/sewer service area. Generally all of the lands within a designated community growth area were designated as PFA’s even though properties may have only been zoned Agricultural or R-1 at the time. The County’s “5” classification on its Sewer and Water Plan defined a service timeframe of 7–20 years, which in 1998 County Staff believed met the 10-year water/sewer service area PFA criterion.

In addition to the criteria for minimum density and water/sewer service the PFA legislation “requires that the designations be based on an analysis of the capacity of land areas available for development, including in-fill and redevelopment; and an analysis of the land area needed to satisfy demand for development at densities consistent with the Master (Comprehensive, General) Plan.” The State has applied a guideline that allows for the development capacity to be approximately 120% of the projected demand. The projected demand is based on population projections for the jurisdiction. The County did conduct such an analysis in 1998 and the State found the development capacity of the PFA’s to be within the 120% of demand guideline.

Who “Certifies” the PFA Map?
While each county’s elected officials approve and certify its PFA map, it does not necessarily mean that the State will concur with all of PFA designations. The MDP reviews each county’s PFA map and identifies whether a PFA designation is a Compliance Area/Eligible for Funding or is an Area Not Meeting Criteria. It did not appear that the State was applying the criteria consistently in its review of the County’s 1998 PFA map since properties with similar zoning and water/sewer plan classifications were shown as Compliance Area in some cases and in others were in the Area Not Meeting Criteria category. There was never any final resolution between the County’s and the State’s PFA maps to address the many areas showing up as Area Not Meeting Criteria.

It is important to note that even though the counties are given the opportunity to designate and certify their own PFA map it is still the State’s PFA map that applies when a project using state funding is under consideration. If a project is located within a County certified PFA but is shown on the State’s map as an Area Not Meeting Criteria then the project would not be eligible for state funding unless the area is able to fully meet the PFA criterion or an exemption is requested from the State’s Board of Public Works.
Proposed 2010 PFA Revisions
With the adoption of the 2010 County Comprehensive Plan, staff has prepared revisions to the 1998 PFA map based on changes to community growth area boundaries, zoning, and water/sewer classifications. Staff is proposing a stricter adherence to the state’s PFA criteria to minimize if not eliminate Areas Not Meeting Criteria on the state PFA mapping. The following guidelines were used to identify PFA designations, which resulted in some areas with existing PFA status to be deleted, while other were added.

Unless a specific type of PFA status is designated (as described under the ‘Type of PFA’) all three of the following criteria generally need to be met in order for the state to recognize an area as meeting the requirements for a PFA status.

- **Community Growth Areas** – properties within a Community Growth Area (CGA) would meet the PFA criteria.
- **Zoning** – properties with a zoning designations other than Agricultural, R-1, or Resource Conservation would meet the PFA criteria.
- **Water/Sewer Classification** – properties classified other than either Planned Service (PS) or No Planned Service (NPS) would meet the PFA criteria. The “5” classification was revised in 2008 to reduce the expected service timeframe from 7 – 20 years to 7 – 10 years, which is now consistent with the 10-year service area PFA criteria.

Development Capacity Analysis
Although not completely clear from the State Finance and Procurement Article as to its applicability, one section refers to the analysis of the capacity of land areas available for development, including in-fill and redevelopment; and of the land area needed to satisfy demand for development at densities consistent with the master plan. To that end, staff has provided a summary of the 2010 County Comprehensive Plan the Residential Needs and Development Capacity Analysis in case this information is needed by State Planning as part of their review. Based on a projected 2030 household population of 323,700 the gross number of new dwellings needed to accommodate this population is approximately 36,100 dwellings. Subtracting what is already in the pipeline (17,550 dwellings) results in a net dwelling need of 18,550. The total residential build out of the 2010 Plan, including the municipalities, is approximately 18,100 dwellings, which is well below the state threshold of 120% of projected demand (22,260 dwellings).

The following highlight the 2010 revisions to the 1998 PFA’s:
- Overall the County PFA’s are reduced due to the contraction of many CGA’s and the removal of zoning.
- The Municipal PFA’s reflect all annexations that have taken place since 1998.
- The Braddock Heights Rural Community is proposed to change from a County PFA to the Rural Village PFA category.
- The Lewistown Rural Community is proposed as a new Rural Village PFA.
- The Heart of the Civil War Heritage Area (HCWHA) is added to reflect those portions of the Heritage Area that are within a locally designated growth area.