Maryland Sustainable Growth Commission
Infill, Redevelopment, and Revitalization Initiative

Agenda for June 25, 2014 Public Meeting

and

Working Draft of Potential Recommendations

Agenda

The purpose of this June 25th meeting is to explore six core factors that influence the pace and quality of infill, redevelopment, and revitalization and to stimulate additional discussion and recommendations. Each of three panels will discuss two of the core factors. Within each panel, each panelist will have five minutes to discuss his or her experience with the issue, and then there will be fifteen minutes of facilitated discussion among the panelists followed by ten minutes of questions and comments from the audience.

The six core factors are described in more detail in the Recommendations section of this document.

I. **Introduction:**
   Jon Laria, Chairman, Maryland Sustainable Growth Commission
   Rich Hall, Secretary, Maryland Department of Planning

II. **Panel Discussion I:** This panel will discuss the core issue of Economics and the core issue of Community Design
   1. Arsh Mirmiran, Partner, Caves Valley Partners
   2. Gary Hodge, President, Regional Policy Advisors
   3. Marsha McLaughlin, Director, Howard County Department of Planning and Zoning
   4. Additional panelist subject to confirmation

III. **Panel Discussion II:** This panel will discuss the core issue of Market Dynamics and the core issue of Equitable Development
   1. Dave Ryan, Director, Salisbury-Wicomico Economic Development, Inc.
   2. Ernst Valery, President, Ernst Valery Investments Corp.

3. Don Mulrine, Town Administrator, Town of Denton
4. Dave Umling, City Planner, City of Cumberland

IV. **Panel Discussion III:** This panel will discuss the core issue of Programs and Policies and the core issue of Education
    1. Rosanna LaPlante, Section Chief, Department of Public Works, City of Baltimore
    2. Gwen Wright, Planning Director, Montgomery County Planning Department
    3. Elizabeth Glenn, Deputy Director, Neighborhood Improvement, Baltimore County Department of Planning
    4. Jim Chandler, Director, Community and Economic Development, City of Hyattsville

Background

In response to a request from the Governor and Lt. Governor to recommend ways to accelerate quality infill, redevelopment, and revitalization, the Maryland Sustainable Growth Commission has developed a workplan which includes review of recommendations from prior reports and best practices, as well as solicitation of input from a wide variety of stakeholders.

The following compilation of potential recommendations reflects input from many sources, including case study community interviews, a roundtable discussion with transit-oriented development practitioners, the Planning Directors' Roundtable, a meeting with national experts on infill and redevelopment, meetings with additional transit, housing, community, small business, environmental, and historic preservation stakeholders, and preliminary recommendations from the Partnership for Building Reuse, led by the Urban Land Institute-Baltimore District Council and the National Trust for Historic Preservation. It also reflects Growth Commission reactions to recommendations from prior reports.

The potential recommendations are organized according to six core factors that influence the pace and quality of infill, redevelopment, and revitalization. At the end of the document, there is a seventh set of recommendations specific to transit-oriented development (TOD), which refers to a type of development rather than a core factor that influences the pace or quality of infill, redevelopment, and revitalization. TOD faces most of the same challenges of other infill, redevelopment and revitalization projects, but usually with added challenges of financing supportive infrastructure and contending interests seeking to leverage transit assets.

Additional input is forthcoming from a roundtable for environmental, housing, transit, community, small business, and historic preservation advocates, several additional case study interviews, two Urban Land Institute forums, and an online survey, which will remain live through June 30. In addition, meetings will continue with MACo and MML to incorporate the critical local government perspective.

With even more outreach scheduled, as described above and in the attached IRR Workplan, these potential recommendations will continue to evolve. Many are unvetted and rough, some may ultimately change, and still others may prove untenable. At a minimum, they will require triage and prioritization, and many need further detail. For now, they serve simply as a status report that creates a foundation for continued work. They also give a promising sense of how fertile this IRR ground is and how recommendations to the Governor and Lt. Governor can help Maryland grow smarter and more sustainably by accelerating Infill, Redevelopment, and Revitalization.

The Growth Commission is still accepting new input and ideas, as well as comments on the ideas set forth here. For more information on the initiative and to access the survey, visit the Commission's IRR portal at planning.maryland.gov/IRR.

Interim/Working Draft of Potential Recommendations

General Recommendations
The following recommendations do not fall readily into the core factors noted above, but were identified as key issues through the input process.

1. The Smart Growth Subcabinet agencies should work with local governments and other key stakeholders to formulate coordinated economic development and community revitalization strategies that facilitate infill, redevelopment, and revitalization.

2. The Smart Growth Subcabinet agencies should align investments with the strategies identified above with an emphasis on targeting and tracking revitalization investment in designated Sustainable Communities.

3. Emphasize the state's focus on infill, redevelopment, and revitalization with a brand and dedicated staff that can serve as an ombudsman for infill and redevelopment projects, revitalization policies, funding, and dissemination of information about best practices, and as a cheerleader for catalytic projects. The Smart Growth Subcabinet should develop a strategy for implementing this within the administration.

4. The Smart Growth Subcabinet agencies should identify ways to use state land, financial resources, and regulatory authority to incentivize changes to local land use regulations (zoning, subdivision, etc.) to support local priorities for infill, redevelopment, and revitalization.

5. Institute a process for ongoing review and measurement of progress of successful infill, redevelopment, and revitalization, such as increased density of economic activity, improved environmental quality, increase in resources to targeted areas, and increased vibrancy of communities. This effort should be part of the next generation of StateStat.

I. Economic Issues

- Infrastructure Finance
- Project Finance
- Tax Structure

Note: State financial programs are addressed in Section V.

<u>Issues:</u>

Jurisdictions must have necessary infrastructure in place to attract infill, redevelopment, and revitalization, and most jurisdictions need to upgrade the capacity or quality of the infrastructure to do so. Though all jurisdictions struggle to varying degrees with paying for infrastructure, some very fiscally constrained jurisdictions have trouble financing the bare minimum of services, let alone repairing or upgrading infrastructure. Moreover, their tax base is fully utilized.

The choices that the public sector makes regarding where to spend scarce resources can facilitate or derail efforts to attract infill, redevelopment, and revitalization. In some jurisdictions, public sector actions continue to subsidize greenfields development at the expense of infill, redevelopment, and revitalization.

In addition to the expense of upgrading the capacity or quality of infrastructure, the level of investment necessary to rehabilitate existing buildings or redevelop an existing site is usually more expensive than development on greenfields and can make infill and redevelopment cost prohibitive. Some of the added or increased costs may include: demolition, structured parking, environmental remediation, stormwater management, utilities, vertical construction, traffic mitigation, community amenities, pre-construction costs and delays, and uncertainties for lenders. While developers more readily overcome this barrier in stronger markets, the cost premium still factors into developers' decision-making process, regardless of the strength of the market.

In some cases, long-time property owners have no incentive to redevelop because their buildings are generating sufficient revenue without improvements.

For smaller projects, it is also difficult to achieve economies of scale.

In many cases, the regulatory requirements attached to tax credits or other forms of public assistance further increase the cost and the uncertainty of approvals.

Tax structure is a related issue, as it factors into location decisions for residents and business owners, and it is directly tied to a jurisdiction's ability to pay for public improvements. Municipalities often have higher taxes than counties, a factor which can deter investment. In some cases, the higher tax rate is a function of providing services to county residents and not receiving a commensurate tax differential payment from the county.

Assessments that are incongruous with market values can also disadvantage lenders and/or buyers.

Interim/Draft Recommendations Regarding Infrastructure Finance

1. Identify opportunities to reduce the scope of state transportation projects that do not support smart growth goals and award cost savings to local jurisdictions or other necessary infrastructure projects. Proceeds could be awarded based on a competitive process that rewards jurisdictions for creating an environment that fosters infill, redevelopment, and revitalization.

2. Establish tax increment financing districts for state revenues, and use future tax revenues to facilitate infill, redevelopment, and revitalization.

3. Examine ways to make tax increment financing more affordable for smaller jurisdictions.

4. Expand support for low-cost financing for local infrastructure such as through the enhanced Local Government Infrastructure Finance program or models such as Chicago's Infrastructure Trust.

5. Develop strategies for helping municipalities deal with the cost of maintenance and upgrades to infrastructure.

6. Develop new financing mechanisms for new or expanded regional transportation systems, such as a regional sales tax.

7. Create a mechanism and/or process to evaluate the use of state programs and resources for non-state structure and infrastructure projects located within areas vulnerable to future sea level rise and coastal flooding to ensure the most appropriate state action and investment of resources.

Interim/Draft Recommendations Regarding Project Finance

1. Continue to pursue the creation of a Smart Growth Investment Fund.

2. Explore creation of a State Community Development Financial Institution (CDFI) Fund that can provide both capital and operating assistance.

3. Work with the finance industry to increase interest in financing infill, redevelopment, and revitalization, in part by educating the finance industry on the higher rate of return on investment for compact, mixed-use development compared to single-use, low-density development.

4. Strengthen partnerships between holders of New Markets Tax Credits and State agencies in order to focus tax credit benefits on strong infill or redevelopment projects.

5. Maximize the potential for public property to facilitate infill, redevelopment, and revitalization, whether by selling at a discount, using as leverage to attract or improve private development, directly improving the environment, or other approaches.

Interim/Draft Recommendations Regarding Tax Structure

1. Determine the land use implications of county and municipal tax structures and related policies and work as necessary to align these structures and policies with goals for infill, redevelopment, and revitalization. Determine how Maryland's tax structure, and the state's reliance on income and real property taxes, influences land use decisions.

2. Examine adoption of split rate taxes, in which land is assessed a higher property tax rate than buildings, where it may benefit infill, redevelopment, and revitalization.

3. Encourage adoption of a defined methodology for the assessment process and increased SDAT transparency. (Note: SB 172, Section 14, passed in 2014, established a workgroup to address issues related to the property tax assessment process.)

II. Community Design

- Physical Barriers
- Context
- Density
- Walkability and Access

Issue:
Many places face physical barriers to infill, redevelopment and revitalization that require creative solutions. For example:

- The area targeted for revitalization is physically disconnected from other parts of downtown and key anchors.
- There is a highway in the middle of the area targeted for revitalization and it is a detriment to pedestrian orientation.
- The existing physical environment is very difficult to retrofit.

Infill, redevelopment, and revitalization projects also frequently face community opposition, particularly when they increase density, change traffic patterns, establish new bicycle, pedestrian or vehicular connections, or introduce new housing types or uses – often the very things that make these projects well-loved and ultimately financially successful. Design quality can help gain public support for infill and redevelopment projects.

While there is increasing recognition of the positive impacts density can have on community vitality and the synergy between residential and commercial uses, people often oppose development that introduces greater density into their community. This issue seems to occur most frequently when redeveloping near established residential neighborhoods.

Interim/Draft Recommendations

1. Establish a design and development center available at no or low cost to individuals and communities seeking assistance with projects in targeted areas, or sponsor annual competitions as a way to facilitate provision of design support to communities. (This recommendation is repeated in the Education section.)

2. Provide public education and technical assistance to local governments on the use of community design techniques to mitigate impacts of increased densities. (This recommendation is repeated in the Education section.)

3. Prioritize state investments that remove or minimize physical impediments in targeted infill and redevelopment areas, with particular priority given to designated Sustainable Community areas.

4. Establish state agency assistance and funding eligibility requirements for jurisdictions to adopt/implement community design best practices, programs, and regulations.

5. Create a mechanism to address short gaps in existing sidewalk and trail systems through improved local and state partnerships.

6. Preserve authentic sense of place and historic character, and support economic development and sustainable design with private and public sector financing and programmatic support for rehabilitation, retrofit, and renovation of buildings.

7. Acknowledge that vertical mixed-use projects are even harder to achieve than horizontally mixed use projects and promote horizontal mixed use in order to respect financial realities. Strive to minimize institutional resistance to mixed use and make vertical mixed-use easier.

8. Plan for greenways, corridors and trails that connect schools, residential areas and public buildings to green space, provide alternative transportation routes and support a healthy, active lifestyle through thoughtful community design.

9. Develop a dedicated funding source to increase green space and tree canopy in Sustainable Community areas.

III. Market Dynamics

- Lack of Demand
- Competition
- Perception

Issue:

In soft markets, future revenue streams are so low that projects simply are not financially viable. A project must have the ability to attract end-users that generate sufficient revenue to allow for a acceptable level of return on investment; if not, the project is not feasible and will not (and arguably should not) get built. The level of investment necessary to rehabilitate existing buildings or redevelop an existing site exacerbates this issue. In soft markets, there are very few private sources of funding, and the public sector is typically limited to gap financing, so state financial support may be insufficient to overcome market weaknesses.

Even in healthier markets, a jurisdiction may be unable to compete with a neighbor with an even stronger market, because the private sector invests where the return on investment is greatest and most secure. A jurisdiction's ability to attract development is also inextricably intertwined with the strength of neighboring jurisdictions' ability to do so, and the relationship is complicated. Research shows that economic health is a regional issue and counties and municipalities benefit from the strength of the region as a whole.

Generally speaking, people have trouble seeing potential in places that are not currently experiencing growth, but they need to embrace a vision of what might be.

Geography plays a role in the market as well. One case study community cited its remoteness, and the fact there is no significant population in the vicinity to draw from for special events or as a customer base, as a barrier.

More specifically, as a result of the recent downturn in the market, many investors lost property to lenders or had to sell at a loss. In at least one high-profile case, several banks ended up owning a significant amount of land but did not share the same values and vision as the original owner. Many property owners are still underwater and cannot sell their property for a price high enough to pay off the lender.

Interim/Draft Recommendations

1. Align state growth-related resources (i.e., roads, sidewalks, bike routes, transit, water and sewer facilities, schools, other public facilities, community revitalization, and business and economic development) to help foster a favorable market for infill, redevelopment and revitalization, with a particular priority of targeting resources to designated Sustainable Community areas.

2. Increase the number of designated Main Streets, as this program has a track record of helping jurisdictions build their market; add funding to support the operation or specific programs of Main Streets, establishing specific measures of success such as business and job creation, capital investment and volunteer engagement. Similarly, expand the number of designated Maple Streets.

3. Reduce the threshold for approval for creation of business improvement districts, which is currently 80% of the owners of the total number of parcels of nonexempt property in the geographic areas of the proposed district.

4. Court creative use of space and foster entrepreneurship by making things like pop-up stores, shared business space, urban farming, pocket parks, farmers markets, stages, traffic calming, street art and special events -- anything that helps in a positive way to activate underused spaces and buildings -- easy to accomplish.

5. Assist with or subsidize market studies, provide access to demographic and consumer data (ie., Claritas), or collect and share information to help local jurisdictions market their Targeted Growth & Revitalization Areas to appropriate developers, business tenants, and potential residents. Offer high quality, pragmatic assistance to local jurisdictions to help them understand and grow their particular market potential. Assist local jurisdictions with marketing campaigns to promote their targeted infill and redevelopment areas, as well as specific sites.

6. Include "economically depressed municipalities" in the state property tax waiver.

IV. Equitable Development

- Mixed-Income Communities
- Quality of Life
- Access to Jobs
- School Quality

Issue:

Some communities need to improve schools, address the perception or reality of crime, enhance quality of life, or increase access to jobs (or all of the above) in order to attract infill, redevelopment, and revitalization, while others have a good quality of life but struggle to maintain economic diversity.

In communities with high vacancy and substantial existing affordable housing, the concerns about displacement and racial and socioeconomic diversity may not be in the forefront of the minds of people working in these areas. They are much more likely to be concerned with public safety, jobs, education, access to good parks, shopping, and services, and the quality of housing and the neighborhood generally. Some jurisdictions have plenty of affordable housing, but it is in bad condition in tough neighborhoods. It is also important to note that affordability is relative to what people earn, and in some jurisdictions, poverty is so persistent that inexpensive homes still are not affordable. Property maintenance and vacant buildings are also a big problem in these communities. A number of jurisdictions feel that the courts are too lenient on bad property owners and disruptive tenants. They would like the state to step in on behalf of equitable distribution of affordable housing, communicate with local governments when making decisions about any state facilities, and minimize the concentration of social services. Some of these jurisdictions noted an insufficient supply of housing to attract middle-income residents, one of their main priorities.

While maintaining and improving quality of life is a concern in every community, this issue is different in strong markets, where the lack of affordable housing and school overcrowding are felt more acutely.

Interim/Draft Recommendations

1. Identify infill/redevelopment/revitalization areas throughout the state that are prime targets for job growth.

2. Incorporate agencies such as the State Police and Department of Education into the Smart Growth Subcabinet to make explicit the connection between issues like the quality of public education, safety, and infill, redevelopment, and revitalization within existing communities.

3. Reach out to underserved communities that have the least access to nature. Develop and implement a comprehensive program to increase access and utilization of public lands and waterways for underserved communities.

4. Develop criteria for state funding whereby communities that have inclusionary zoning and other equitable practices receive priority. Assist communities in developing equitable affordable housing plans, including inclusionary policies and practices, particularly at sites with access to transit such as TODs.

5. Establish state and local tax policies and/or programs that allow low income homeowners and renters to remain in their communities as property values increase.

6. Develop tools to distribute some of the increase in value that results from public investments to a local Community Development Corporation or similar community-based organization, which can then use the funds for community priorities.

7. Allow a jurisdiction to foreclose on properties that have excessive liens.

8. Think creatively about ways to help local jurisdictions turn public necessities into potential economic opportunities for residents. For example, in some places people are converting

impervious to pervious land on their properties and selling it to developers who use it to meet SWM requirements.

9. Encourage local jurisdictions and main street organizations to share their approaches to dealing with absentee landlords and other shared issues. For example, Hagerstown recently passed an ordinance requiring a clause in every lease that holds both landlords and tenants accountable for crime. Facilitate greater use of receivership laws.

10. Investigate the establishment of programs that guarantee that a certain amount of a child's higher education will be paid for if the child lives in the jurisdiction for a certain period of time. The guarantee of higher education changes culture, because if students believe that college is a real possibility, they focus more on their education.

11. Always consult with local government when locating state facilities to maximize beneficial impacts.

12. Identify additional incentives to support access to healthy foods, particularly in Sustainable Communities.

13. Develop targeted geographic property tax credit legislation to create a financial incentive for property owners to invest in external and system improvements to homes in designated neighborhoods including (roof, siding, windows, porches, HVAC, Electrical, Water, Plumbing), focused on neighborhoods with high rates of foreclosure, blight, and vacancy.

V. Programs and Policies

- State Programs and Policy
- Local Programs and Policy
- Regulations and Coordination

Issues:

The state has good programs to support infill, redevelopment, and revitalization, but there is room for improvement.

Local jurisdictions and developers often find it difficult to combine multiple sources of funding for a project or to use state funding for a phased project, due to varied grant deadlines, unknown dates for award announcements and receipt of award, requirements to spend the money within a certain timeframe, matching requirements, and other program-specific restrictions and rules. Even communities that successfully access state funds cannot always plan around them, because future funding levels are known only on a year-to-year basis.

Public funds could do a better job of supporting mid-market products. People who do not qualify for income-restricted funds but are also unable to access adequate private equity and debt are in limbo. Though the state does have some programs applicable to market rate projects, such as Community Legacy, Neighborhood BusinessWorks and Sustainable Communities Tax Credits, there is a need for more such resources for both commercial and residential projects.

In addition, the lack of funds for predevelopment work, such as planning, architecture, and engineering, can make it difficult to get a project to the point where it is eligible for state funding. The new Strategic Demolition and Smart Growth Impact Fund (SD-SGIF) is an important step in the right direction, with $17.5 million allocated to predevelopment activities over the last two fiscal years.

The incentives are not always marketed effectively. For example, one of the more well-known programs, the Sustainable Communities Tax Credit, is not well used in certain areas; there is a need for more marketing of the program and education about how to use the program.

The success of any program also depends on the efficiency and clarity of the post-award process. Uncertainty and delays surrounding grant agreements and release of funds can jeopardize projects.

Particularly when combined with local programs, the number and complexity of incentives can be overwhelming.

With respect to a particular category of programs, tax incentives have some drawbacks. Tax deferrals can be counter-productive because jurisdictions need the tax revenues and rarely fully realize the anticipated future tax benefit. Some say that tax deferrals do not grow the tax base if the project that received the deferral does not perform as anticipated. Tax credit programs do not offer necessary up-front money, and they only work for entities that can actually benefit from the credit. In some cases, the complexity of the credit program outweighs the monetary value of the tax credits.

The implementation of state programs (or state allocation of funds from federal programs) does not always help to facilitate the creation of economically diverse, mixed-use, accessible communities. When the state invests funds, the state should be cognizant of how the funds may influence community diversity.

Regulations can increase costs, delay construction, reduce future revenue, and make it more difficult to accommodate a project on a particular site.

Some of the most frequently cited issues with respect to regulations include:

- Lack of coordination among and even within agencies
- Duration of and uncertainty related to agency reviews
- Lack of communication with the applicant
- Inflexibility on the part of permit review staff

- Inconsistency in the application and interpretation of regulations over the life of a project

Regulations can also have unintended consequences and do not necessarily result in the best development. Some jurisdictions noted concerns that environmental regulations may make it difficult to design a development with a good street grid.

Specific regulations identified as challenges to achieving the state's goal of increasing quality infill and redevelopment include stormwater management, forest conservation, TMDLs, the energy code, and some State and Federal Highway Administration standards regulations. Though the stormwater management regulations have some built-in flexibility, the frequency with which this was identified as a challenge means that there is still opportunity for improvement. With respect to the energy code, the 2015 IECC Code removes the exception for designated buildings and instead includes an appeals process that is unpredictable and adds time and cost.

Regulations that permit fee-in-lieu (eg., Critical Areas) payments should calibrate the payment to the market to ensure consistent impacts among soft, moderate, and strong markets. Payments that may not present too much of a burden in strong markets may be insurmountable in soft markets.

In many cases, the regulatory requirements attached to tax credits (such as the Sustainable Communities Tax Credit) or other forms of public assistance further increase the cost of the project.

Projects are reviewed on a case-by-case basis, which is appropriate, but the lack of documentation of and transfer of knowledge about accepted solutions is a missed opportunity to make the process easier for future projects. Moreover, inspectors do not always accept the solutions developed in plan reviews.

State law requires municipalities to zone annexed properties in a way that is consistent with prior county zoning for five years after annexation or to seek approval for any different zoning from the county at the time of annexation. This seems counter to state goals for infill and redevelopment.

State law requires municipalities to allow counties to review and concur with municipal growth elements, which some believe favors counties over municipalities.

<u>Interim/Draft Recommendations Regarding Programs</u>

1. Establish a consistent renewable funding mechanism for specified Smart Growth programs, with the aim of providing at least $50 million annually.

2. Align application processes and timelines of community revitalization programs across State agencies, and adhere to defined timelines. Make the answers to as many of the questions as possible transferable from one application to another, to avoid duplication. Streamline

the application processes and make the applications shorter and less repetitive in their questions.

3. Develop more financial products for mid-market projects, including acquisition and rehabilitation tools for homeownership akin to that of the Baltimore City Healthy Neighborhoods Initiative.

4. Reinstate operating funds for financing for pre-development soft costs into the Community Legacy program, and/or add it to the Strategic Demolition and Smart Growth Infrastructure fund.

5. Work with federal liaisons to ensure that Congress sustains the Federal Rehabilitation Tax Credit program.

6. Provide free technical assistance to small developers and local jurisdictions to help them understand how to use and layer state programs. For local jurisdictions, provide technical assistance with the application. (This recommendation is repeated in the Education section.)

7. Develop stronger marketing programs for incentives. (This recommendation is repeated in the Education section.)

8. Increase the number of areas eligible for the Sustainable Communities Tax Credit by increasing the number of National Register Historic Districts which do not trigger additional regulations.

9. Explore creation of a new type of incentive limited to exterior rehabilitation that avoids the current conflict with the Secretary of the Interior standards but supports adaptive reuse.

10. Allow properties that are eligible for listing (but not listed) on the National Register to qualify for the Sustainable Communities Tax Credit.

11. Remove the jurisdictional cap on Sustainable Communities Tax Credit, increase total appropriation, and return to a true credit.

12. Establish a tax credit for making existing buildings ADA accessible.

<u>Interim/Draft Recommendations Regarding Regulations</u>

1. Institute a tiered approach to state fees such that projects inside Growth & Revitalization areas (or Sustainable Community areas) are charged substantially less. Encourage local governments to do the same.

2. Evaluate concerns that stormwater management regulations discourage infill and redevelopment.

3. Improve state agency processes to achieve faster and better response times, more certainty and transparency, and then integrate across agencies. Coordinate closely with local processes. Consider this for all projects in Targeted Growth and Revitalization Areas, or focus on projects that meet or exceed infill, redevelopment, and revitalization goals.

4. Hold pre-authorization meetings with all state agencies to provide regulatory certainty upfront. Encourage local governments to do the same.

5. Explicitly limit state agency reviews of subsequent submittals to those issues identified by prior submittals. Require all rules to be available in writing and readily accessible to the public. Encourage local governments to do the same.

6. Within PFAs, encourage local governments to reduce adequate public facilities standards, cap impact fees, or disallow application of both. Extend the time allowed to address adequate public facility issues, as projects are not always built all at once. When adequate public facilities do not exist, find solutions other than moratoriums, or at least limit duration of development moratoria.

7. Make the state and local public input processes more meaningful and consistent. Adopt clear rules regarding who can testify in a public forum and require factual basis for testimony. Create a mechanism to mediate disputes and evaluate the "greater good" from the PlanMaryland perspective. Reform the process for public input in PFAs so that by-right projects require very little public input, administrative waivers, variances and special exceptions somewhat more, and rezoning requests the highest level of public input. Limit discretion in review process, and make process more ministerial.

8. Establish minimum zoned density requirements that vary for urban, suburban, and rural PFA communities, or make it easier to increase densities, such as zoning to allow "mother-in-law" units on lots.

9. Build more flexibility into state and local regulations, making the intent clear but allowing for phased implementation based on marketing conditions. For example, design a building to accommodate ground floor retail if that is the desire, but do not immediately require ground floor retail.

10. Establish a longer duration for validity of state and local approvals for larger, more complex projects.

11. When an infill or redevelopment project requires coordination among state agencies, allow the developer or local jurisdiction to submit a formal request to the Smart Growth Subcabinet to facilitate this coordination; track progress of these requests via State Stat. This will make the request for coordination more public and hold state agencies accountable.

12. Investigate the feasibility and desirability of allowing third party review of state and local permits.

13. Identify and resolve incompatibilities between historic preservation and other codes, such as green building, ADA, and fire, both at the state and local levels.

14. Promote use of the Maryland Building Rehabilitation Code by local governments.

15. Hire a consultant to address some of the most problematic processes, both in state and local government. Try on pilot basis with a particular jurisdiction that is open to the idea, and use those results as the sales tool for others.

16. Ensure clear and regular communication between permit review staff and applicant and that permit review staff knows about the latest technology/best practices, understands state and local goals for revitalization, and recognizes their role in furthering these goals. Require permit review staff to communicate with the policy and scientific arms of the agency when faced with a new approach to meeting a state regulation before ruling on such proposals.

17. Allow approved but unbuilt developments to accommodate market fluctuation and allow for some changes in uses over time without having to go through a new entitlement process.

18. Ensure that the state and local business permitting processes are clear and predictable.

19. Provide oversight to state agencies as they undertake the process to institutionalize the Coast Smart Siting and Design Guidelines into appropriate architecture engineering, construction and design manuals; regulatory programs; state planning, permitting and review processes; disaster planning and response programs; and capital budgeting programs.

20. Educate state agency staff (particularly permit reviewers) and local elected officials about how their role fits into the broader context of smart growth and revitalization. (This recommendation is repeated in the Education section.)

21. Expand training and technical assistance for local planning and building code staff, builders, and other stakeholders on a variety of subjects, including but not limited to “Smart Codes,”

energy codes, green codes, coast smart and climate resilient practices, and other safe building codes. (This recommendation is repeated in the Education section.)

22. Investigate instituting a tiered approach to preservation guidelines and historic tax credits, with less stringent regulations applying to buildings in a historic district but for which no tax credits are being applied.

23. Allow encapsulation as a suitable treatment of certain hazardous substances such as lead paint.

24. Allow covering a historic interior finish with new insulation as long as the historic material is preserved for possible future restoration.

25. Develop a tiered approach to window preservation on buildings subject to historic regulations.

26. Maintain public records of state and local variances that have been granted for specific code issues, so that anyone involved in rehabilitation or reuse of an existing building can access the information.

VI. Education

- Access to Information
- Capacity
- Education of Decision-Makers
- Marketing

Issue:

Practitioners need access to good information about funding opportunities, and in many cases, they would also appreciate understanding how to combine different sources of funding to make a project work.

Many jurisdictions do not have the capacity to manage complex and expensive projects, whether publicly-led projects or private projects in need of public support.

Other jurisdictions identified the need for additional staff with specific expertise, such as design and deal negotiation, or training for staff on specific subjects, such as financing, affordable housing, and sustainability. The circuit riders, who provide technical assistance to small municipalities on planning and zoning initiatives, financial administration, and grant preparation and administration, “keep things moving” but need more planning skills and capacity.

In some communities, the private sector has trouble finding people who can design and implement designs appropriate for historic buildings, especially when applying for historic tax credits.

Elected officials are often very hands-on and do not necessarily always understand market dynamics. They and state agency staff often do not understand how their actions influence infill, redevelopment, and revitalization – they are often focused on the immediate issue at hand.

Local jurisdictions need to establish a vision, market the vision, and commit to it so that people know they can depend on its implementation.

Interim/Draft Recommendations

1. Maintain a "one stop" infill, redevelopment, and revitalization resource on-line, with access to current information about funding opportunities, best practices, and other pertinent items. The Smart Green and Growing website could be adapted for this purpose.

2. Host convenient classes and/or work sessions on the latest planning issues for elected officials, and planning and historic district commission members.

3. Educate state agency staff (particularly permit reviewers) and local elected officials about how their role fits into the broader context of smart growth and revitalization.

4. Establish a design and development center available at no or low cost to individuals and communities seeking assistance with projects in targeted growth and redevelopment areas, or sponsor annual competitions as a way to facilitate provision of design support to communities. (This recommendation is repeated in the Community Design section.)

5. Provide public education and technical assistance to local governments on the use of community design techniques to mitigate impacts of increased densities. Help sell the concept of density with targeted marketing and outreach. (This recommendation is repeated in the Community Design Section.)

6. Develop stronger marketing programs for incentives. (This recommendation is repeated in the Programs and Policies section.)

7. Provide free technical assistance to small developers and local jurisdictions to help them understand how to use and layer state programs. For local jurisdictions, provide technical assistance with the application. (This recommendation is repeated in the Programs and Policies section.)

8. Expand training and technical assistance for local planning and building code staff, builders, and other stakeholders on a variety of subjects, including but not limited to "Smart Codes,"

energy codes, green codes, coast smart and climate resilient practices, and other safe building codes. (This recommendation is repeated in the Programs and Policies section.)

9. Help local jurisdictions evaluate the benefits of infill, redevelopment, and revitalization.

VII. Transit-Oriented Development

- Policy
- Funding
- Design

Issue

Transit-oriented development (TOD) refers to a type of development, rather than a core factor that influences the pace or quality of infill, redevelopment, and revitalization. TODs face most of the same challenges of other infill, redevelopment and revitalization projects, but usually with added challenges of financing supportive infrastructure and contending interests seeking to leverage transit assets.

<u>Interim/Draft Recommendations</u>

1. See recommendations from previous sections on market dynamics, community dynamics, economic issues, design, programmatic and policy issues, and education.

2. Consider a dedicated source of funding for TOD, such as a TOD revolving loan fund to provide gap financing for TODs.

3. Consider implementation of a regional sales tax to fund transit projects.

4. Alter MDOT's policy of free parking for commuters at TOD locations (not necessarily all at once, but as market conditions change), but subsidize parking for low-income people.

5. Adopt and use urban road standards for local and state roadways in TOD areas.

6. Translate philosophy into an operating manual (different for different jurisdictions) that all parties must follow. Make TOD standards the rule (where appropriate) not the exception.

7. Consider enhanced incentives for TOD projects that incorporate housing that is affordable to the workforce at a range of income levels.

8. Provide technical assistance and analysis to establish the benefit of TOD to address misperceptions.

9. Help developers make the case for the need for more people to be able to take transit (as

WMATA did in Takoma Park)

10. Research actual parking demands and school impacts at TOD locations, and publicize the results.

11. Encourage adoption of transit-supportive policy, programmatic, and regulatory frameworks by targeting state TOD resources to the most transit-supportive jurisdictions and only making state-owned land adjacent to transit stations available for development after supportive policies are in place.

12. Give local governments more flexible authority to use local revenue sources to support TIFs or bonds connected with the creation of TOD infrastructure. (Affordable housing and office/retail)

13. Provide the state's full faith and credit to TOD-zone TIF districts as a means of sharing costs associated with TOD. Engaging the state's credit on behalf of some or all investor return will reduce the risk and therefore the cost of TOD development. The state could also provide a tax credit by exempting interest payments on such bond financing from state income tax. (allow state review as part of TIF)

14. Help local governments build capacity to better plan for and implement transit-oriented development by sharing best practices, particularly related to design, financing, regulatory issues, and addressing community concerns.

15. Define and implement a program for financing bicycle and pedestrian facilities in all TODs, and for financing structured parking for TODs where necessary to encourage redevelopment of surface lots.

16. Allow bikes on all trains.

17. Enhance MARC schedule so that trains run more frequently, particularly outside of the Baltimore/Washington core.

18. Look at TOD differently in more rural areas, recognizing the different type of transit that serves rural communities.

19. Include the objective of fostering transit-oriented development and creating long-term value into criteria for requests for proposals for transit construction projects; develop appropriate parking standards and pricing structures for transit-oriented development.