

I-R-R Potential “Headline” Recommendations

July 28, 2014

- E1** *All Smart Growth Subcabinet agencies must make infill, redevelopment and revitalization a clear priority by strategically aligning state investments, budgets, regulatory authority, actions, and resources, including surplus real property, to support the strategies identified in local plans for IRR, and to further incentivize local decision-making that supports targeted IRR priorities. Growth-related resources (e.g., roads, sidewalks, bike routes, transit, water and sewer facilities, schools, libraries, community revitalization funds, business and economic development funds and programs, etc.) should help foster a favorable market for infill, redevelopment and revitalization in Targeted Growth and Revitalization Areas, especially designated Sustainable Communities.*
- A1** *Each local government and its stakeholders should develop and adopt coordinated economic development and community revitalization strategies that focus on infill, redevelopment, and revitalization, if they have not already done so, and then integrate the strategies into the comprehensive plan and all aspects of planning, zoning, budget, and management.*
- A2, C6** *The Smart Growth Subcabinet (Subcabinet), working with the Governor’s office, should emphasize the state’s focus on infill, redevelopment, and revitalization. The administration should consider methods to implement this recommendation, such as creating a brand and communications strategy for IRR; establishing a liaison for infill and redevelopment projects, revitalization policies, and funding; disseminating information about best practices; and helping local jurisdictions target, plan, advocate for, and track catalytic infill, redevelopment, and revitalization projects. The Subcabinet agencies, led by DBED and DHCD, should develop a comprehensive marketing program for all of the state’s incentives targeted to IRR.*
- A3, A4, F1** MDP should coordinate with Subcabinet agencies to maintain a comprehensive “one-stop” on-line resource dedicated to infill, redevelopment, and revitalization, with access to information about funding opportunities, best practices, and other relevant items. State agencies, working with third party experts as appropriate, should develop educational modules on topics that will help local governments undertake IRR, including design.
- A5, D12, E11** State agencies should work with interested local jurisdictions and other stakeholders, including the National Center for Smart Growth (NCSG), to identify the economic benefits of infill, redevelopment, and revitalization, including the financial return on compact, mixed-use development and the benefits of other IRR-oriented codes, policies, and programs. Private-sector finance partners should be included.
- B1** DBED and local governments should work together to identify, in all regions of the state, Targeted Growth and Revitalization Areas, especially Sustainable Communities that are prime targets for job growth, and direct state infrastructure and economic development funds accordingly.

- E12, E13,
E14, E15 The state and local governments should develop initiatives to foster small business development within targeted revitalization areas. Initiatives could include: increasing the number of designated Main Streets; direct grants and loans to businesses willing to occupy vacant and underutilized buildings; financial and design assistance; community outreach to encourage and solicit potential new business owners; financial guarantees for landlords who lease to small business owners; reduced permit fees for IRR projects; expanded technical assistance; incentives for and reduced regulatory barriers to creative uses of space that foster entrepreneurship, such as pop-up stores, shared business space, urban farming, farmers markets, and special events; and enabling legislation to allow provision of periodic tax relief within Sustainable Communities.
- B2, A6, H12 DHCD, local governments, and interested stakeholders should work together to ensure that communities share the responsibility and opportunity for integrating affordable housing into IRR activities. DHCD should provide financing expertise and technical assistance to local governments and developers to increase the supply of affordable housing for low-income and workforce populations, especially in Sustainable Communities and areas with opportunities for TOD.
- C1 & C3 ***The administration should establish a sustainable funding source for its core IRR programs with the aim of providing at least \$100 million annually.*** The administration should expand operating funds for pre-development soft costs such as architecture and engineering and other needs such as planning, grant administration, relocations, and targeted code enforcement.
- C4 MDP and the Maryland Historical Trust (MHT) should work to strengthen the Sustainable Communities Tax Credit, not only by increasing funding but by returning the commercial credit to a traditional credit instead of an annually appropriated grant/tax credit hybrid.
- E3 The Commission should continue to explore opportunities to increase the use of Tax Increment Financing (TIF) at different scales to facilitate infill, redevelopment, and revitalization by using state revenues to support TIF districts, providing more flexible authority to use local revenue sources to support TIF districts, and structuring small-scale TIFs that are more affordable for smaller jurisdictions.
- D2, D4, D1,
D5, D6, D8 ***The Subcabinet should coordinate Subcabinet agencies' assessment and improvement of state regulatory review processes to achieve faster and better response times, more certainty and greater transparency, and then integrate improvements among all agencies.*** This includes a review of the FastTrack process, allowing for third party review of permits, and the potential for a tiered approach to state and local fees for IRR activities, as well as extension and flexibility in permitting to avoid permits lapsing or the need to re-apply for new entitlements for use changes over time. The Subcabinet should bring relevant local and state agencies together to discuss and resolve issues related to IRR projects requiring approvals from multiple state agencies.
- D10 The Subcabinet should coordinate an effort by state agencies to address concerns that stormwater management and forest conservation act requirements discourage infill and redevelopment; agencies should communicate existing flexibility and alternative compliance

options to the development community and local agency staff to ensure their use in infill and redevelopment.

- D13, H9 Establish a rapid response team within the State Highway Administration to focus on smaller projects, such as sidewalks, crosswalks, and striping for bike lanes, in Targeted Growth and Revitalization Areas, especially Sustainable Communities, while also having SHA adopt urban (or even TOD-specific) road standards for TOD projects, rather than suburban or highway-oriented standards.
- D11, E10 State agencies should identify areas of conflict among historic preservation, green building, ADA, fire, and related codes, and opportunities for resolution of conflicts, including incentivizing community preservation in historic areas that does not necessarily adhere to strict historic tax credit or Secretary of the Interior standards.
- E2 ***State and local agencies should identify opportunities to reduce the scope of projects that do not support smart growth goals. For example, MDOT should identify opportunities to reduce the scope of state transportation projects that do not support smart growth goals, or otherwise amend their design.***
- E4 & H7 ***Maryland should create a dedicated Smart Growth Infrastructure Fund or bank that can, among other things: offer grants and low-cost financing for local infrastructure needs; leverage private infrastructure investments for infill and redevelopment projects; fund enhancements such as pedestrian and bicycle infrastructure, increased tree canopy and green space in Targeted Growth and Revitalization Areas, especially Sustainable Communities; support transit-oriented development; or subsidize mixed-income housing.*** Consider a dedicated source of funding for TOD, such as a TOD revolving loan fund to provide gap financing for TODs.
- E9 Maryland should create and deploy a Smart Growth Investment Fund, work on which has already begun following legislation passed in 2013.
- E19, E11 DHCD should develop a comprehensive strategy to maximize use of federal New Markets Tax Credits in IRR projects, including by creating a State Community Development Financial Institution (CDFI) Fund for this and other purposes.
- E10 DHCD should develop a product for mid-market projects, including acquisition/rehabilitation tools for homeownership.
- E6 ***The Commission should build upon the work of the 2013 Local & Regional Transportation Funding Task Force and further explore long-term financing mechanisms for new or expanded regional transportation systems.***
- E7 The General Assembly should consider increasing local jurisdictions' share of Highway User Revenues for use on projects that support infill, redevelopment, and revitalization.
- G1 The Subcabinet should institute a process within the StateStat structure for ongoing review and evaluation of progress on successful infill, redevelopment, and revitalization, measuring

increased targeting of state resources, growth in economic activity, jobs, Main Street business development, tax revenue, population, capital investment, and volunteer engagement, and improved environmental quality within targeted communities.

- C2 The Subcabinet should align and streamline state application processes and timelines for core programs focused on infill, redevelopment, and revitalization, by making the answers transferable from one application to another and making the applications shorter and less repetitive, and accepting them on a rolling basis. State agencies also should establish, make public, and adhere to timeframes for review, award, and other milestones important to applicants.
- H2 Encourage local governments to promote TOD through adoption of plans, policies and programs that:
- Clearly support and prioritize TOD
 - Are supported by local zoning and development ordinances, including favorable parking standards
 - Are supported by complementary facility development plans for schools, libraries, affordable housing, stormwater management, etc.
 - Involve the public in adoption of plans and acceptance/encouragement of TOD
 - Quantify the costs and benefits of TOD
 - Provide favorable markets for development around transit stations, including public sector leasing of space
- H6, H16 Explore mechanisms to promote land assembly for TOD using approaches that avoid eminent domain and limit economic strains on development partners. Surplus state and local government-owned land should be made available for development once a supportive framework is in place.
- H8 Alter MDOT's policy of free parking for commuters at TOD locations as soon as practical to do so.